2023 SENATE APPROPRIATIONS

SB 2020

Department 770 - Department of Water Resources Senate Bill No. 2020

Executive Budget Comparison to Base Level					
General Fund Other Funds Total					
2023-25 Executive Budget	\$0	\$694,918,565	\$694,918,565		
2023-25 Base Level	0	409,199,129	409,199,129		
Increase (Decrease)	\$0	\$285,719,436	\$285,719,436		

Selected Budget Changes Recommended in the Executive Budget				
	General Fund	Other Funds	Total	
1. Adds funding for pushing remote sensors (PRESENS) installations	\$0	\$1,572,800	\$1,572,800	
2. Adds funding for IT unification, including \$1,532,980 of one-time funding	\$0	\$5,615,764	\$5,615,764	
3. Adds one-time funding for flood control projects to provide a total of \$115 million	\$0	\$67,000,000	\$67,000,000	
4. Adds one-time funding for water supply grants to provide a total of \$270 million	\$0	\$120,400,000	\$120,400,000	
5. Adds one-time funding for capital improvements to provide a total of \$172.4 million	\$0	\$77,869,696	\$77,869,696	
6. Adds one-time funding for discretionary water projects	\$0	\$5,000,000	\$5,000,000	

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Additional income - Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.

Exemption - Water-related projects - Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.

Loan repayment - Appropriation - Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority. This amount is not included in the executive budget appropriation.

Discretionary funding - Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.

Line item transfers - Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor reported the Department of Water Resources did not properly account for the sale of land, making their expenditures and other financing sources understated by \$461,500.

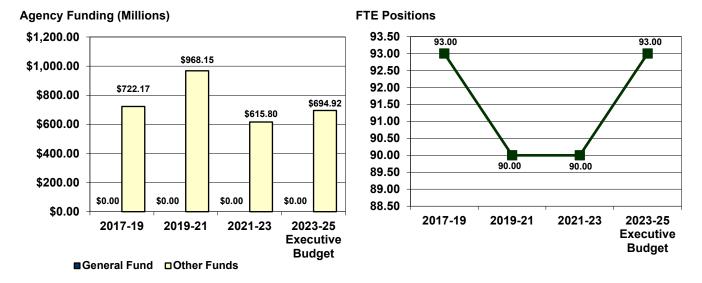
Major Related Legislation

Senate Bill No. 2036 - Provides for a uniform assessment procedure for all water projects by addressing conflicts and redundancies throughout Title 61.

Senate Bill No. 2037 - Provides for a cost-benefit analysis for assessment projects costing \$1 million or more.

Historical Appropriations Information

Agency Appropriations and FTE Positions



Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing other funds appropriations	\$868,935,836	\$647,173,475	\$867,254,091	\$409,199,129	\$417,995,724
Increase (decrease) from previous biennium	N/A	(\$221,762,361)	\$220,080,616	(\$458,054,962)	\$8,796,595
Percentage increase (decrease) from previous biennium	N/A	(25.5%)	34.0%	(52.8%)	2.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(25.5%)	(0.2%)	(52.9%)	(51.9%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

1. Removed 4 FTE positions and related funding	(\$753,720)
 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
 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

 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 (Executive Budget Recommendation)	
 Adds 3 FTE positions, including 2 FTE natural resources services II positions and 1 FTE engineering and planning services IV position 	\$703,398
2. Adds funding for IT unification	\$4,082,784
3. Adds funding for PRESENS installations	\$1,572,800

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time other funds appropriations	\$290,000,000	\$75,000,000	\$100,900,000	\$206,600,000	\$276,922,841

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	
 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 (Executive Budget Recommendation)	
1. Adds funding for IT unification	\$1,532,980
2. Increases funding for flood control projects to provide a total of \$115 million	\$67,000,000
3. Increases funding for water supply grants to provide a total of \$270 million	\$120,400,000
4. Increases funding for capital improvements to provide a total of \$172.4 million	\$77,869,696
5. Adds funding for discretionary water projects	\$5,000,000

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

Base Level Funding Changes	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129
2023-25 Ongoing Funding Changes				
Base payroll changes			\$148,098	\$148,098
Salary increase			1,404,288	1,404,288
Health insurance increase			449,618	449,618
Adds FTE positions	3.00		703,398	703,398
Adds funding for travel costs for new FTE positions			2,000	2,000
Adds a temporary employee for the Northwest Area Water Supply Project			170,000	170,000
Adds funding to fund a temporary employee at the same level as an FTE position			61,609	61,609
Adds funding for staff training and professional development			80,000	80,000
Adds funding for IT unification			4,082,784	4,082,784
Adds funding for PRESENS installations			1,572,800	1,572,800
Adds funding for maintenance of ground water modeling and related hydrologic analysis software			22,000	22,000
Adds funding from federal funds for RiskMAP			100,000	100,000
Adjusts funding among line items, including an increase of \$5.9 million in professional fees and services, a \$1.8 million increase in other operating expenses, and a \$7.7 million decrease in capital assets				0
Adjusts funding for the Northwest Area Water Supply (NAWS), including a \$5.16 million reduction in federal funds and a corresponding increase in other funds				0
Transfers \$24.6 million from the rural water supply grants line item to the water supply grants line item				0
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595
One-time funding items				
Adds one-time funding for new FTE positions equipment			\$19,320	\$19,320
Adds one-time funding for IT unification			1,532,980	1,532,980
Adds one-time funding for increased motor pool rates			118,180	118,180
Adds one-time funding for drilling supplies inflation			180,000	180,000
Adds one-time funding for a navigability study			180,000	180,000
Adds one-time funding for airborne			750,000	750,000
electromagnetic survey (AEM) data collection Adds one-time funding for ground water modeling and related hydrologic analysis software			72,665	72,665
Adds one-time funding for the potential relocation of the agency			200,000	200,000
Adds one-time funding for the Bowman radar system			1,800,000	1,800,000

Adds one-time funding to replace the drilling rig Adds one-time funding for flood control projects Adds one-time funding for water supply grants Adds one-time funding for capital improvements Adds one-time funding for discretionary water project grants			1,800,000 67,000,000 120,400,000 77,869,696 5,000,000	1,800,000 67,000,000 120,400,000 77,869,696 5,000,000
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436
2023-25 Total Funding Federal funds included in other funds	93.00	\$0	\$694,918,565 \$36,053,261	\$694,918,565
Total ongoing changes as a percentage of base level Total changes as a percentage of base level	3.3% 3.3%		2.1% 69.8%	2.1% 69.8%

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

Other Dections in Department of Water Resources - Dudget No. 770				
	Executive Budget Recommendation			
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.			
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.			
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority. This amount is not included in the executive budget appropriation.			
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.			
Line item transfers	Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.			

SENATE BILL NO. 2020 (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; and to provide an exemption.

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, 2023, and ending June 30, 2025, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries And Wages	\$ 20,537,867	\$ 3,272,011	\$ 23,809,878
Operating Expenses	43,366,550	16,112,518	59,479,068
Capital Assets	98,467,437	73,928,907	172,396,344
Project Carryover	0	0	0
Water Supply - Grants	125,000,000	145,000,000	270,000,000
Rural Water Supply - Grants	59,600,000	(24,600,000)	35,000,000
Fargo Area Flood Control (Including the			
Fargo Moorhead Diversion)	0	0	0
Mouse River Flood Control	0	0	0
Flood Control Projects (Other Than Fargo			
Area Flood Control Including the Fargo			
Moorhead Diversion)	48,000,000	67,000,000	115,000,000
General Water - Grants	14,227,275	6,000	14,233,275
Discretionary Fund for Water Projects	0	5,000,000	5,000,000
Total Special Funds	\$409,199,129	\$285,719,436	\$694,918,565
Full-Time Equivalent Positions	90.00	3.00	93.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the grand total appropriation in section 1 of this Act:

One-Time Funding Description	<u>2021-23</u>	2023-25
Line Of Credit – Bank of North Dakota	\$ 50,000,000	\$0
Basinwide Plan Implementation	1,100,000	0
Discretionary Fund	6,000,000	5,000,000
Mouse River Flood Control	74,500,000	0
Water Infrastructure Projects	75,000,000	265,269,696
Information Technology Costs	0	1,605,645
Equipment	0	3,600,000
Airborne Electromagnetic Survey	0	750,000
Navigability Study	0	180,000
Inflationary Increases	0	<u> </u>
Total Special Funds	\$206,600,000	\$276,703,521

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the resources trust fund that become available are appropriated to the department of water resources for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2023, and ending June 30, 2025.

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, and general water – grants line items in section 1 of chapter 20 of the 2021 Session Laws and section 9 of Chapter 80 of the 2021 Session Laws. Any unspent funds from these appropriations may be continued into the 2023-25 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 2021-23 biennium into the 2023-25 biennium.

SECTION 5. APPRORPIATION - RESOURCES TRUST FUND - LOAN REPAYMENT. There is appropriated out of any moneys in the water project stabilization fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repayment of loans issued by the Bank of North Dakota to the western area water supply authority.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary fund appropriated to the department of water resources in section 1 of this Act may be used for the purpose of providing discretionary funds for water project grants and capital assets, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 7. LINE ITEM TRANSFERS. The director of the department of water resources may transfer between the salaries and wages, operating, capital assets, water supply – grants, rural water supply – grants, flood control projects and general water – grants line items in Section 1 of this Act when it is cost-effective for construction of water projects. The director of the department of water resources shall notify the office of management and budget of any transfers made pursuant to this section.

Appropriations - Government Operations Division

Red River Room, State Capitol

SB 2020 1/11/2023

To provide an appropriation for defraying the expenses of the Department of Water Resources

2:34 PM Chairman Bekkedahl called the meeting to order.

Senators Bekkedahl, Burckhard, Davison, Dever, Dwyer, Erbele, Krebsbach, Kreun, Mathern, Meyer, Roers, Schaible, Sorvaag, Vedaa, and Wanzek are present.

Discussion Topics:

- Department of Water Resources statutory authorities
- Mission, vision, and values
- Scope of managed resources
- DWR organizational structure
- Workforce
- DWR divisional functions and responsibilities
- NAWS water treatment
- NAWS project areas
- Southwest Pipeline Project update
- SWPP project areas
- Devils Lake outlets update
- Pushing Remote Sensors (PRESENS)
- Airborne Electromagnetic Surveys
- Cost share policy
- Resource trust fund
- Water projects stabilization fund
- Water development plan inventory
- 2023-2025 project and purpose financial needs summary
- Water development plan and dashboard
- 2023-2025 Executive budget purpose recommendations/summary
- DWR optional budget requests
- AT standardization, applications, and security
- Employee market equity
- Aquifers' remaining capacity
- 5-year strategic plan objectives
- Effects of siltation

2:34 PM Andrea Travnicek, Department of Water Resources Director, presented SB 2020 and testified. Testimony #12956, #12931, #12872 Senate Appropriations SB 2020 01/11/23 Page 2

3:37 PM Chairman Bekkedahl closed the meeting.

Carol Thompson, Committee Clerk

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 1/19/2023

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

8:30 AM Chairman Sorvaag opened the hearing on SB 2020.

Members present : Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- Overview of Agency
- Budget request summary
- Operating expenses
- Capital assets
- Optional requests
- Purpose funding recommendations
- Critical water needs
- Rural water background
- Water service data
- Needs for rural water funding
- Funding sources/funds
- League of Cities Board of Directors
- Municipal water
- Aging water supply infrastructure
- Irrigation water availability
- McClusky Canal
- Watershed planning
- Significant Interests of the Missouri River
- Federal regulatory burdens
- Flood protection and mitigation

8:33 AM Andrea Travnicek, Department of Water Resources, overview of budget request, testimony #25726

8:55 AM Ken Royse, North Dakota Water Coalition, overview of the water coalition, testified in favor of, testimony #13959

8:57 AM Eric Volk, Executive Director ND Rural Water Systems Association, testified in favor, testimony # 14417 and #14521

9:21 AM Matt Gardner, Executive Director North Dakota League of Cities, testified in favor, verbally only, power point testimony not submitted

Senate Appropriations Education and Environment Division SB 2020 January 19, 2023 Page 2

9:36 AM Dani Quissel, Executive Director, North Dakota Irrigation Association, testified in favor, verbally only, irrigation power point testimony not submitted

9:44 AM Kip Kovar, District Engineer, Garrison Diversion Conservancy District, testified in favor, testimony # 14308

9:48 AM recess

10:08 AM Dennis Reep, Board of Director for the ND Water Resource Districts Association, testified in favor, testimony # 14259

10:12 AM Kurt Lindsey read testimony for Keith Weston, Executive Director for Red River Retention Authority, testimony #14300 and #14301

10:21 AM Ken Royse, Missouri River Joint Water Board, testified in favor, testimony #14536

10:42 AM Jim Neubauer, Mandan City Administrator, testified in favor, testimony # 14258

10:44 AM Bill Robinson, Chairman Lower Heart Water Resources District, testified in favor, testimony #14255

10:50 AM Keith Hunke, City of Bismarck City Administrator, testified in favor, testimony #14401

Additional written testimony:

• Steven Hansen, North Dakota Irrigation Association, testimony # 14212

10:55 am Chairman Sorvaag closed the hearing.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 1/19/2023

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

2:21 PM Chairman Sorvaag opened the hearing on SB 2020.

Members present: Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- Overview of Agency
- Cheyenne River flooding
- Mouse River flooding
- Souris River Basin
- Rural water work plans
- Savings for North Dakota
- Funding requests
- Southwest Water Authority
- History, collaboration, operations
- Expansions requested
- Strategic improvements
- Waiting list
- Appropriations
- Current budgetary requests
- Western Area Water Supply Project
- Garrison Diversion Conservancy projects
- Lake Agassiz Water Authority
- Red River Valley Water Supply Project
- Economic Development
- Lost opportunities
- Northwest Area Water Supply
- Projects and/or pipelines
- Construction timelines
- Expansions necessary
- Ownership of pipeline
- Compensation of land owners

2:22 PM Dave Carlsrud, Mayor of Valley City, testified in favor, verbal only, no written testimony

2:22 PM Gwen Crawford, Valley City Administrator, testified in favor, testimony #14511

2:30 PM Tom Ross, Mayor of City of Minot, testified in favor, testimony # 14422, #14421, and #14420

2:33 PM David Ashley, Chairman Souris River Joint Board, testified in favor, testimony # 14422, #14421, and #14420

2:45 PM Tom Ross, Mayor of City of Minot, follow up comments

2:53 PM Jen Murray, Manager/CEO for Southwest Water Authority, testified in favor, testimony # 14419

3:10 PM Tami Madsen, Executive Director of the Western Area Water Supply Authority, testimony in favor, testimony # 14580

3:17 PM Alan Walter, Board Chairman Garrison Diversion Conservancy District, testified in favor, testimony # 14538 and #14539

3:20 PM Dr Tim Mahoney, Fargo Mayor & Chairman Lake Agassiz Water Authority, testified in favor, testimony # 14562 and # 14539

3:24 PM Brandon Bochenski, Grand Forks Mayor, testified in favor, testimony # 14391 and # 14539

3:27 PM Bernie Dardis, West Fargo Mayor, testified in favor, testimony # 14518 and # 14539

3:32 PM Merri Meridian, Administrative Officer Garrison Diversion, testified in favor, testimony # 14539

3:50 PM Sindhuja S Pillai--Grinolds, Division Director Water Development Division, testified in favor, testimony # 14358

4:09 PM Fred Richter, Sykeston ND, testified in opposition, testimony #14537

4:19 PM David Richter, Sykeston ND, testified in opposition, verbal only, no written testimony

Additional written testimony:

- Terri Thiel, Executive Director Dickinson Convention & Visitors Bureau, testimony #13805 and #13807
- Dave Lang, North Dakota Water Users Association, testimony # 14302
- Harold Gaugler, Southwest Water Authority Board of Directors, testimony # 14312
- Valley Prosperity Partnership Steering Committee, testimony #14396

Senate Appropriations Education and Environment Division SB 2020 January 19, 2023 Page 3

- Shannon Full, President/CEO of the Fargo Moorhead West Fargo Chamber of Commerce, testimony # 14471
- Medora Area Planning Leadership Group, testimony #14482
- Keith Lund, President & CEO of the Grand Forks Region Economic Development Corporation, testimony #14499
- Derrick Braaten, Red River Valley Water Supply Project Landowners, testimony #14565 and #14566
- Derrick Bratten, Braaten Law Firm, testimony # 14567
- Red River Valley Water Supply Project, testimony # 14633
- Brandon Bochanski, testimony # 14622

4:25 PM Chairman Sorvaag closed the hearing.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 1/23/2023

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

2:30 PM Chairman Sorvaag opened the committee work on SB 2020.

Members present : Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- Water resources budgets
- Resource Trust Fund
- Buckets/ funding/ intent
- Funds allocated and expended

2:30 PM Alex Cronquist, Legislative Council, explained the "green sheets", testimony # 21205

2:42 PM Committee discussion as to how the Division is going to proceed, decisions that will have to be made next week

2:50 PM Committee discussion

2:56 PM Chris Kadrmas, Department of Water Resources, answered questions from the committee, no written testimony

2:58 PM Alex Cronquist, Legislative Council, provided a listing of the requested projects and listing of proposed changes to bill, testimony # 24934

3:05 PM Chairman Sorvaag closed the hearing.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 2/1/2023

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

2:01 PM Chairman Sorvaag opened the hearing on SB 2020.

Members present: Senators Sorvaag, Krebsbach, Rust, and Meyer

Members absent: Senator Schaible

Discussion Topics:

- Water resources
- Bucket funding

2:03 PM Alex Cronquist, Legislative Council, explained the budget "long sheets", testimony # 25727, #23795

2:11 PM Chris Kadrrmas, Department of Water Resources, answered questions from the Committee, presented testimony # 18603 and # 18604

2:27 PM Chairman Sorvaag closed the hearing.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 2/3/2023

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

8:30 AM Chairman Sorvaag opened the hearing on SB 2020.

Members present: Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- Water divisions
- Municipal water projects
- Rural water buckets
- Put-to-use water rights

8:30 AM Committee discussion

8:32 AM Matt Gardner, Executive Director League of Cities, municipal water, provided a brief review of prior testimony, answered committee questions, no written testimony

8:37 AM Eric Volk, Executive Director Rural Water, provided new data for committee questions, written testimony # 19030

8:46 AM Mary Meridian, Administrative Officer for Garrison Diversion Project, provided a brief review of prior testimony, answered questions from committee, testimony # 19034, #21162 and #21163.

Additional Testimony: #23793

9:00 AM Chairman Sorvaag closed the hearing.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 2/7/2023

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

2:38 PM Chairman Sorvaag opened the meeting on SB 2020.

Members present: Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- North Dakota water resources
- State owned water projects
- Capital assets
- Northwest area water aupply
- Southwest pipeline
- Municipal request
- Line of credit

2:39 PM Andrea Travnicek, Director Department of Water Resources, testified in favor, testimony # 19622

2:44 PM Sindhuja S Pillai-Grinolds, Division Director Water Development Division, answered questions from committee, no written testimony

2:48 PM Jen Murray, Manager/CEO Southwest Water Authority, testified in favor, answered questions from the committee, no written testimony

2:50 PM Chris Kadrmas, Director of Administration Department Water Resources, answered questions from the committee, no written testimony

2:55 PM Tami Madsen, Executive Director Western Area Water Supply Authority, testimony # 19632

3:00 PM Keith Hokey, City of Bismarck City Administrator, testimony # 19633

3:07 PM Chairman Sorvaag closed the meeting.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 2/14/2023

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

4:13 PM Chairman Sorvaag opened the meeting on SB 2020.

Members present: Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- Water resources
- Water buckets
- IT unification

4:13 PM Committee review of the long sheet, testimony # 21264

4:43 PM Andrea Travnicek, Director Water Resources, answered questions from the committee, no written testimony

4:48 PM Chris Bader, Water Resources Department, explained the history and needs of the department as to IT, no written testimony

Additional Testimony: #21039

5:04 PM Chairman Sorvaag closed the meeting.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 2/16/2023

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

4:58 PM Chairman Sorvaag opened the meeting on SB 2020.

Members present: Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- Water Resources
- Committee discussion

4:49 PM Alex Cronquist, Legislative Council, explained updated long sheet # 21265

5:01 PM Andrea Travnicek, Director Water Resources, answered questions from the committee, no written testimony

5:21 PM Chris Kadrmas, Water Resources, answered questions from the committee, no written testimony

Additional Testimony: #21038, #23794, #23796

5:28 PM Chairman Sorvaag closed the meeting.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 2/20/2023

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

7:39 AM Chairman Sorvaag opened the meeting on SB 2020.

Members present: Senators Sorvaag, Krebsbach, Schaible, and Meyer Members absent: Senator Rust

Discussion Topics:

- Water resources
- Water buckets
- Committee Work

7:40 AM Committee review of amendment LC 23.0274.01002 (#21121, #21150)

7:41 AM Chris Kadrmas, Director Water Resources, answered questions from the committee

7:44 AM Senator Schaible moved to adopt amendment 23.0274.01002. Senator Meyer seconded the motion. (Vote held open for absent member)

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Karen K. Krebsbach	Y
Senator Scott Meyer	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y

Motion passed.

7:44 AM Senator Schaible moved DO PASS AS AMENDED. Senator Meyer seconded the motion. (Vote held open for absent member)

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Karen K. Krebsbach	Y
Senator Scott Meyer	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y

Motion passed 5-0-0.

Senate Appropriations Education and Environment Division SB 2020 February 20, 2023 Page 2

Senator Sorvaag will carry this bill to the full committee.

7:46 AM Chairman Sorvaag closed the meeting.

Appropriations Committee

Roughrider Room, State Capitol

SB 2020 2/20/2023

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

10:13 AM Chairman Bekkedahl opened the meeting on SB 2020.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

Discussion Topics:

- State water resources
- Trigger tax bill
- Committee work

10:14 AM Senator Sorvaag explained the proposed amendment LC 23.0274.01002

10:51 AM Senator Sorvaag moved to adopt amendment 23.0274.01002. Senator Burckhard seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 16-0-0.

10:52 AM Senator Sorvaag moved DO PASS AS AMENDED. Senator Schaible seconded the motion.

Senate Appropriations Committee SB 2020 February 20, 2023 Page 2

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator David S. Rust	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y

Motion passed 16-0-0.

Senator Sorvaag will carry the bill.

10:54 AM Chairman Bekkedahl closed the meeting.

23.0274.01002 Title.02000

Fiscal No. 2

Prepared by the Legislative Council staff for the Senate Appropriations - Education and Environment Division Committee February 17, 2023



PROPOSED AMENDMENTS TO SENATE BILL NO. 2020

- Page 1, line 2, after "resources" insert "; to amend and reenact section 61-02-79 of the North Dakota Century Code and section 4 of chapter 20 of the 2021 Session Laws, relating to a Bank of North Dakota line of credit and state water commission discretionary funding; to provide legislative intent; to provide an exemption; and to declare an emergency"
- Page 1, line 7, remove "for the biennium beginning July 1, 2023, and ending June 30,"
- Page 1, line 8, replace "2025" with "for the period beginning with the effective date of this Act, and ending June 30, 2025"

Page 1, replace lines 9 through 20 with:

н		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - grants	125,000,000	158,000,000	283,000,000
Rural water supply - grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
Discretionary funding	0	1,000,000	1,000,000
General water - grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation	<u>0</u>	1,000,000	1,000,000
Total special funds	\$409,199,129	\$425,729,215	\$834,928,344
Full-time equivalent positions	90.00	3.00	93.00"

Page 1, line 21, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

- Page 1, line 22, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"
- Page 1, remove line 24

Page 2, replace lines 1 through 5 with:

"Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
Basinwide plan implementation	1,100,000	1,000,000
Discretionary funding	0	1,000,000
Equipment for new employees	0	19,320
Information technology unification	0	1,532,980
Increased motor pool rates	0	118,180
Drilling supplies inflation	0	180,000
Navigability study	0	180,000
Airborne electromagnetic survey data collection	0	750,000
Ground water modeling and hydrologic analysis software	0	72,665
Potential agency relocation	0	200,000
Radar system	0	1,800,000

23.0274.01002

Drilling rig replacement	0	1,800,000
Northwest area water supply	0	47,847,238
Discretionary water project funding	6,000,000	
Mouse River flood control project	74,500,000	0 2-20-06
Water infrastructure projects	<u>75,000,000</u>	<u>0</u>
Total special funds	\$206,600,000	\$156,500,383

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

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

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

SECTION 5. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 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, 2025.

SECTION 6. PILOT PROJECT - BASINWIDE WATER PLAN **IMPLEMENTATION - REPORT TO LEGISLATIVE MANAGEMENT.** Of the \$1,000,000 in the basinwide plan implementation line item in section 1 of this Act, up to \$1,000,000 may be used to provide grants for the pilot project authorized in this section for the period beginning with the effective date of this Act, and ending June 30, 2025. These funds are not subject to state water commission cost-share policies. Water resource districts and joint water resource districts in a basin may develop a basinwide water plan identifying water conveyance, flood control, and other water projects to be undertaken in the basin, and may jointly apply to the state water commission for a grant of up to \$1,000,000 for implementation of the plan. The state water commission may select a basinwide plan submitted under this section for funding and enter into one cooperative agreement with the water resource districts and joint water resource districts that submitted the plan. The cooperative agreement must include the amount of funding the state water commission will provide, a prohibition on using funds granted for implementation of the plan for planning or any purpose other than implementation of the basinwide plan, and the obligations of the state water commission and each water resource district and joint water resource district in implementing the basinwide plan. The agreement also must provide for monitoring and oversight of the basinwide plan's

implementation. The department of water resources shall report to the legislative management on the results of this pilot project no later than August 1, 2024.

AG 2-20-22

SECTION 7. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND. The total special funds line item in section 1 of this Act includes \$120,000,000 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, 2025.

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.

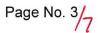
The Bank of North Dakota shall extend a line of credit not to exceed fiftyone <u>hundred</u> million dollars at a rate of one and one-half percent over the three month <u>London interbank offered rate</u>, but may not exceed three percent to the state water commissionthe prevailing interest rate charged to North Dakota government entities. The state water commissiondepartment of water resources shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commissiondepartment of water resources may access the line of credit, as necessary, to provide funding as authorized by the legislative assemblyup to fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project during the biennium beginning July 1, 20212023, and ending June 30, 20232025.

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

SECTION 4. APPROPRIATION - RESOURCES TRUST FUND -STATE WATER COMMISSION DISCRETIONARY FUNDING. There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the state water commission for the purpose of providing discretionary funds for water project grantsdepartment of water resources to be used as necessary except for salaries and wages, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered to be a one-time funding item.

SECTION 10. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River water supply project in excess of a total of \$953,000,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly that of the \$953,000,000, \$175,000,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 11. 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-eighth legislative assembly that of the \$380,500,000, \$76,100,000 is



23.0274.01002

provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

Alt 2-20-22,

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

SECTION 13. EXEMPTION - LINE ITEM TRANSFERS. The office of management and budget shall transfer up to \$13,292,362 between the operating 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, 2025, 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 14. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to \$405,000,000 for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, and general water grants line items in section 1 of chapter 20 of the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021 Special Session Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2023-25 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 2021-23 biennium into the 2023-25 biennium.

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - State Water Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants Basinwide plan implementation Discretionary funding	\$20,537,867 43,366,550 98,467,437 125,000,000 59,600,000 48,000,000 14,227,275	\$2,927,459 16,112,518 201,916,513 158,000,000 (19,600,000) 66,600,000 (2,227,275) 1,000,000 1,000,000	\$23,465,326 59,479,068 300,383,950 283,000,000 40,000,000 114,600,000 12,000,000 1,000,000 1,000,000
Loan repayment		30,000,000	30,000,000
Total all funds Less estimated income General fund	\$409,199,129 	\$455,729,215 455,729,215 \$0	\$864,928,344
FTE	90.00	3.00	. 93.00

Department 770 - State Water Commission - Detail of Senate Changes



	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds FTE Positions ³	Adds Funding for Other Operations and Compensation	Makes Other Base Budget Adjustments⁵	Adds One- Time Funding ⁶
Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants	\$148,098	\$1,509,354	\$703,398 2,000	\$576,609 5,512,584	(\$10,000) 7,744,789 (7,740,789)	\$2,853,145 3,800,000
Flood control projects General water - Grants Basinwide plan implementation Discretionary funding Loan repayment					6,000	30,000,000_
Total all funds	\$148,098	\$1,509,354	\$705,398	\$6,089,193	\$0	\$36,653,145
Less estimated income General fund	<u>148,098</u> \$0	<u>1,509,354</u> \$0	<u>705,398</u> \$0	<u>6,089,193</u> \$0	<u>0</u> \$0	<u>36,653,145</u> \$0
FTE	0.00	0.00	3.00	0.00	0.00	0.00
	Adjusts Funding for Water Projects ^z	Total Senate Changes				
Salaries and wages Operating expenses Capital assets Water supply - Grants	\$205,857,302 158,000,000	\$2,927,459 16,112,518 201,916,513 158,000,000				
Rural water supply - Grants Flood control projects	(19,600,000) 66,600,000	(19,600,000) 66,600,000				
General water - Grants Basinwide plan implementation	(2,233,275) 1,000,000	(2,227,275)				
Discretionary funding Loan repayment	1,000,000	1,000,000 30,000,000				
Total all funds Less estimated income General fund	\$410,624,027 410,624,027 \$0	\$455,729,215 455,729,215 \$0				
FTE	0.00	3.00				

¹ Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	Federal Funds	Other Funds	Total
Salary increase	\$23,689	\$1,025,704	\$1,049,393
Health insurance increase	12,102	447,859	459,961
Total	\$35,791	\$1,473,563	\$1,509,354

³ The following FTE positions and funding of \$2,000 for related travel expenses are added:

	FTE	Other
	Positions	Funds
Natural resources services	2.00	\$505,772
Engineering and planning services	<u>1.00</u>	<u>197,626</u>
Total	3.00	\$703,398

⁴ Funding for operations and salaries and wages is adjusted as follows:

Northwest area water supply temporary salaries Temporary employee benefits Staff training and development Information technology unification Pushing remote sensors (PRESENS) installations Groundwater modeling and hydrologic analysis softw RiskMAP (federal funds) Total	vare maintenance	Salaries and <u>Wages</u> \$170,000 61,609 345,000 \$576,609	Operating Expenses \$80,000 4,082,784 1,227,800 22,000 <u>100,000</u> \$5,512,584	Total Atr \$170,000 0 \$1,609 0 \$0,000 4,082,784 1,572,800 22,000 100,000 \$6,089,193
Reduces funding for salaries and wages Increases funding for operating expenses, including \$5.9 million for professional fees and services	<u>Other Funds</u> (\$10,000) 7,744,789			
Reduces funding for capital assets Increases funding for general water grants Total	(7,740,789) <u>6,000</u> \$0			
⁶ One-time funding is added as follows:				
New FTE equipment Information technology unification Increased motor pool rates Drilling supplies inflation Navigability study Airborne electromagnetic survey data collection Ground water modeling and hyrdological analysis software Agency relocation Drilling rig replacement Bowman radar system Total	Other Funds \$19,320 1,532,980 118.180 180,000 750,000 72,665 200,000 1,800,000 <u>1,800,000</u> \$6,653,145			

A section is also added to appropriate \$30 million from the water projects stabilization fund to repay loans issued by the Bank of North Dakota for the Western Area Water Supply Authority.

⁷ Funding for water projects is adjusted as follows:

Increase funding for capital assets, including \$47.8 million from federal funds for the Northwest Area Water Supply Project and \$100 million from a line of credit	<u>Total Funds</u> \$205,857,302
Increase funding for water supply grants Decrease funding for rural water supply grants Increase funding for flood control projects Decrease funding for general water grants Add one-time funding for basinwide plan implementation	158,000,000 (19,600,000) 66,600,000 (2,233,275) 1,000,000
Add one-time funding for discretionary water projects Total	<u>1,000,000</u> \$410,624,027

This amendment also adds sections to:

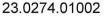
÷

• Appropriate any additional funds in the resources trust fund to the Department of Water Resources for expenses of the department, excluding operating expenses and salaries and wages.

 Appropriate \$30 million from the water projects stabilization fund to repay Bank of North Dakota loans for the Western Area Water Supply Authority.

[·] Provide that the discretionary funds line item may be used as necessary, except for salaries and wages.

- Provide that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.
- Alt -20-23
- Identify \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
- Provide for the Bank to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for the Northwest Area Water Supply Project and \$50 million may be used for the Southwest Pipeline Project.
- Amend 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.
- Provide legislative intent for a total of \$953 million for the Red River Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.
- Provide legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.
- Provide legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.
- Provide authority for the Department of Water Resources to transfer up to \$13.3 million between the operating expenses and capital assets line items.
- Provide that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.
- Declare the bill to be an emergency measure.



REPORT OF STANDING COMMITTEE

- SB 2020: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2020 was placed on the Sixth order on the calendar. This bill does not affect workforce development.
- Page 1, line 2, after "resources" insert "; to amend and reenact section 61-02-79 of the North Dakota Century Code and section 4 of chapter 20 of the 2021 Session Laws, relating to a Bank of North Dakota line of credit and state water commission discretionary funding; to provide legislative intent; to provide an exemption; and to declare an emergency"
- Page 1, line 7, remove "for the biennium beginning July 1, 2023, and ending June 30,"
- Page 1, line 8, replace "2025" with "for the period beginning with the effective date of this Act, and ending June 30, 2025"

Page 1, replace lines 9 through 20 with:

"	Adjustments or		
	<u>Base Level</u>	Enhancements	Appropriation
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - grants	125,000,000	158,000,000	283,000,000
Rural water supply - grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
Discretionary funding	0	1,000,000	1,000,000
General water - grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total special funds	\$409,199,129	\$425,729,215	\$834,928,344
Full-time equivalent positions	90.00	3.00	93.00"

Page 1, line 21, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 1, line 22, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 1, remove line 24

Page 2, replace lines 1 through 5 with:

"Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
Basinwide plan implementation	1,100,000	1,000,000
Discretionary funding	0	1,000,000
Equipment for new employees	0	19,320
Information technology unification	0	1,532,980
Increased motor pool rates	0	118,180
Drilling supplies inflation	0	180,000
Navigability study	0	180,000
Airborne electromagnetic survey data collection	0	750,000
Ground water modeling and hydrologic analysis	s software 0	72,665
Potential agency relocation	0	200,000
Radar system	0	1,800,000
Drilling rig replacement	0	1,800,000
Northwest area water supply	0	47,847,238
Discretionary water project funding	6,000,000	0
Mouse River flood control project	74,500,000	0
Water infrastructure projects	<u>75,000,000</u>	<u>0</u>
Total special funds	\$206,600,000	\$156,500,383

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

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

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

SECTION 5. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 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, 2025.

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

SECTION 7. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND. The total special funds line item in section 1 of this Act includes \$120,000,000 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, 2025.

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 fiftyone <u>hundred</u> million dollars at a rate of one and one-half percent over the three month-London interbank offered rate, but may not exceed three percent to the state watercommission the prevailing interest rate charged to North Dakota government entities. The state water commission department of water resources shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state watercommission department of water resources the line of credit, as necessary, to provide funding as authorized by the legislative assemblyup to fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project during the biennium beginning July 1, 20212023, and ending June 30, 20232025.

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

SECTION 4. APPROPRIATION - RESOURCES TRUST FUND -STATE WATER COMMISSION DISCRETIONARY FUNDING. There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the state water commission for thepurpose of providing discretionary funds for water project grantsdepartment of water resources to be used as necessary except for salaries and wages, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered to be a one-time funding item.

SECTION 10. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River water supply project in excess of a total of \$953,000,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly that of the \$953,000,000, \$175,000,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 11. 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-eighth legislative assembly that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 12. SOUTHWEST PIPELINE PROJECT FUNDING -

LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly appropriate \$40,000,000 from the resources trust fund for the southwest pipeline project for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 13. EXEMPTION - LINE ITEM TRANSFERS. The office of management and budget shall transfer up to \$13,292,362 between the operating 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, 2025, 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 14. EXEMPTION - GRANTS - APPLICATION -WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to \$405,000,000 for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, and general water - grants line items in section 1 of chapter 20 of the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021 Special Session Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2023-25 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 2021-23 biennium into the 2023-25 biennium.

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - State Water Commission - Senate Action

	Base Budget	Senate Changes	Senate Version	
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326	
Operating expenses	43,366,550	16,112,518	59,479,068	
Capital assets	98,467,437	201,916,513	300,383,950	
Water supply - Grants	125,000,000	158,000,000	283,000,000	
Rural water supply - Grants	59,600,000	(19,600,000)	40.000,000	
Flood control projects	48,000,000	66,600,000	114,600,000	
General water - Grants	14,227,275	(2,227,275)	12,000,000	
Basinwide plan implementation	, , ,	1,000,000	1,000,000	
Discretionary funding		1,000,000	1,000,000	
Loan repayment		30,000,000	30,000,000	
Total all funds	\$409,199,129	\$455,729,215	\$864,928,344	
Less estimated income	409,199,129	455,729,215	864,928,344	
General fund	\$0	\$0	\$0	
FTE	90.00	3.00	93.00	

Department 770 - State Water Commission - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds FTE Positions ³	Adds Funding for Other Operations and Compensation 4	Makes Other Base Budget Adjustments⁵	Adds One- Time Funding [®]
Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects	\$148,098	\$1,509,354	\$703,398 2,000	\$576,609 5,512,584	(\$10,000) 7,744,789 (7,740,789)	\$2,853,145 3,800,000
General water - Grants Basinwide plan implementation Discretionary funding Loan repayment					6,000	30,000,000
Total all funds Less estimated income General fund	\$148,098 148,098 \$0	\$1,509,354 <u>1,509,354</u> \$0	\$705,398 705,398 \$0	\$6,089,193 6,089,193 \$0	\$0 0 \$0	\$36,653,145 36,653,145 \$0
FTE	0.00	0.00	3.00	0.00	0.00	0.00

Com Standing Committee Report February 20, 2023 3:03PM

Module ID: s_stcomrep_33_006 Carrier: Sorvaag Insert LC: 23.0274.01002 Title: 02000

	Adjusts Funding for Water Projects ⁷	Total Senate Changes
Salaries and wages		\$2,927,459
Operating expenses		16,112,518
Capital assets	\$205,857,302	201,916,513
Water supply - Grants	158,000,000	158,000,000
Rural water supply - Grants	(19,600,000)	(19,600,000)
Flood control projects	66,600,000	66,600,000
General water - Grants	(2.233.275)	(2,227,275)
Basinwide plan implementation	1,000,000	1,000,000
Discretionary funding	1,000,000	1,000,000
Loan repayment		30,000,000
Total all funds	\$410.624.027	\$455,729,215
Less estimated income	410,624,027	455,729,215
General fund	\$0	\$0
FTE	0.00	3.00

¹ Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	Federal Funds	Other Funds	Total
Salary increase	\$23,689	\$1,025,704	\$1,049,393
Health insurance increase	<u>12,102</u>	<u>447,859</u>	<u>459,961</u>
Total	\$35,791	\$1,473,563	\$1,509,354

³ The following FTE positions and funding of \$2,000 for related travel expenses are added:

		Other
	FTE Positions	Funds
Natural resources services	2.00	\$505,772
Engineering and planning services	<u>1.00</u>	<u>197,626</u>
Total	3.00	\$703,398

⁴ Funding for operations and salaries and wages is adjusted as follows:

	Salaries and Wages	Operating Expenses	Total
Northwest area water supply temporary salaries	\$170,000		\$170,000
Temporary employee benefits	61,609		61,609
Staff training and development		\$80,000	80,000
Information technology unification		4,082,784	4,082,784
Pushing remote sensors (PRESENS) installations	345,000	1,227,800	1,572,800
Groundwater modeling and hydrologic analysis software maintenance		22,000	22,000
RiskMAP (federal funds)		<u>100,000</u>	<u>100,000</u>
Total	\$576,609	\$5,512,584	\$6,089,193

⁵ Funding is adjusted for other changes as follows:

	Other Funds
Reduces funding for salaries and wages	(\$10,000)
Increases funding for operating expenses, including \$5.9	7,744,789
million for professional fees and services	
Reduces funding for capital assets	(7,740,789)
Increases funding for general water grants	<u>6,000</u>
Total	\$0

⁶ One-time funding is added as follows:

	Other Funds
New FTE equipment	\$19,320
Information technology unification	1,532,980
Increased motor pool rates	118,180
Drilling supplies inflation	180,000
Navigability study	180,000
Airborne electromagnetic survey data collection	750,000
Ground water modeling and hyrdological analysis software	72,665
Agency relocation	200,000
Drilling rig replacement	1,800,000
Bowman radar system	<u>1,800,000</u>
Total	\$6,653,145

A section is also added to appropriate \$30 million from the water projects stabilization fund to repay loans issued by the Bank of North Dakota for the Western Area Water Supply Authority.

⁷ Funding for water projects is adjusted as follows:

Increase funding for capital assets, including \$47.8 million from federal funds for the Northwest Area Water Supply Project and \$100 million from a line of credit	Total Funds \$205,857,302
Increase funding for water supply grants	158,000,000
Decrease funding for rural water supply grants	(19,600,000)
Increase funding for flood control projects	66,600,000
Decrease funding for general water grants	(2,233,275)
Add one-time funding for basinwide plan implementation	1,000,000
Add one-time funding for discretionary water projects	<u>1,000,000</u>
Total	\$410,624,027

This amendment also adds sections to:

- Appropriate any additional funds in the resources trust fund to the Department of Water Resources for expenses of the department, excluding operating expenses and salaries and wages.
- Appropriate \$30 million from the water projects stabilization fund to repay Bank of North Dakota loans for the Western Area Water Supply Authority.
- Provide that the discretionary funds line item may be used as necessary, except for salaries and wages.
- Provide that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.
- Identify \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
- Provide for the Bank to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for the Northwest Area Water Supply Project and \$50 million may be used for the Southwest Pipeline Project.
- Amend 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.
- Provide legislative intent for a total of \$953 million for the Red River Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.
- Provide legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.
- Provide legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.
- Provide authority for the Department of Water Resources to transfer up to \$13.3 million between the operating expenses and capital assets line items.
- Provide that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.
- Declare the bill to be an emergency measure.

2023 HOUSE APPROPRIATIONS

SB 2020

Department 770 - Department of Water Resources Senate Bill No. 2020

	General Fund	Other Funds	Total		
2023-25 First Chamber Version	\$0	\$864,928,344	\$864,928,344		
2023-25 Base Level	0	409,199,129	409,199,129		
Increase (Decrease)	\$0	\$455,729,215	\$455,729,215		

First Chamber Comparison to Base Level

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Additional income - Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.

Loan repayment - Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply (WAWS) Authority.

Discretionary funding - Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.

Basinwide water plan implementation - Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.

Water projects stabilization fund - Section 7 identifies \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.

Line of credit - Section 8 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for the Northwest Area Water Supply (NAWS) Project and \$50 million may be used for the Southwest Pipeline Project.

Prior biennium discretionary funding - Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.

Red River Valley Water Supply Project - Section 10 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.

Mouse River flood control project - Section 11 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.

Southwest Pipeline Project - Section 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.

Line item transfers - Section 13 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.

Water-related projects carryover - Section 14 provides that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.

Emergency - Section 15 declares the bill to be an emergency measure.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

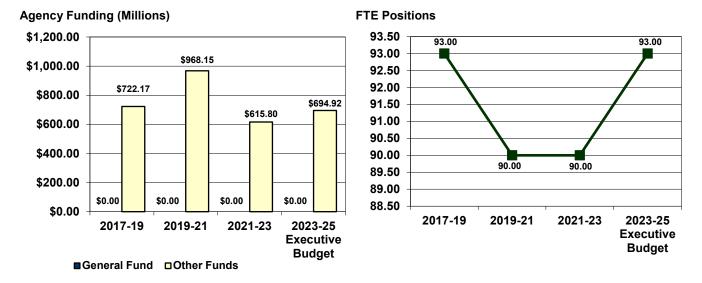
The State Auditor reported the Department of Water Resources did not properly account for the sale of land, making their expenditures and other financing sources understated by \$461,500.

Major Related Legislation

Senate Bill No. 2196 - Provides for a line of credit for the WAWS Project at the prevailing interest rate charged to North Dakota governmental entities.

Historical Appropriations Information

Agency Appropriations and FTE Positions



Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing other funds appropriations	\$868,935,836	\$647,173,475	\$867,254,091	\$409,199,129	\$417,995,724
Increase (decrease) from previous biennium	N/A	(\$221,762,361)	\$220,080,616	(\$458,054,962)	\$8,796,595
Percentage increase (decrease) from previous biennium	N/A	(25.5%)	34.0%	(52.8%)	2.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(25.5%)	(0.2%)	(52.9%)	(51.9%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

1. Removed 4 FTE positions and related funding	(\$753,720)
 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
 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

 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 (Executive Budget Recommendation)	
 Adds 3 FTE positions, including 2 FTE natural resources services II positions and 1 FTE engineering and planning services IV position 	\$703,398
2. Adds funding for IT unification	\$4,082,784
3. Adds funding for PRESENS installations	\$1,572,800

One-Time Other Funds Appropriations

					2023-25 Executive
	2015-17	2017-19	2019-21	2021-23	Budget
One-time other funds appropriations	\$290,000,000	\$75,000,000	\$100,900,000	\$206,600,000	\$276,922,841

Major One-Time Other Funds Appropriations

2017-19 Biennium	
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 NAWS 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 (Executive Budget Recommendation)	
1. Adds funding for IT unification	\$1,532,980
2. Increases funding for flood control projects to provide a total of \$115 million	\$67,000,000
3. Increases funding for water supply grants to provide a total of \$270 million	\$120,400,000
4. Increases funding for capital improvements to provide a total of \$172.4 million	\$77,869,696
5. Adds funding for discretionary water projects	\$5,000,000

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

Base Level Funding Changes	_				1	•		
	Executive Budget Recommendation				Senate	e Version		
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129
2023-25 Ongoing Funding Changes								
Base payroll changes			\$148.098	\$148.098			\$148.098	\$148,098
Salary increase			1,404,288	1,404,288			1,049,393	1,049,393
Health insurance increase			449,618	449,618			459,961	459,961
Adds FTE positions	3.00		703,398	703,398	3.00		703,398	703,398
Adds funding for travel costs for new FTE	0.00		2,000	2,000	0.00		2,000	2,000
positions								
Adds a temporary employee for the NAWS Project			170,000	170,000			170,000	170,000
Adds funding to fund a temporary employee at the same level as an FTE position			61,609	61,609			61,609	61,609
Adds funding for staff training and professional development			80,000	80,000			80,000	80,000
Adds funding for IT unification			4,082,784	4,082,784			4,082,784	4,082,784
Adds funding for PRESENS installations			1,572,800	1,572,800			1,572,800	1,572,800
Adds funding for maintenance of ground water modeling and related hydrologic analysis software			22,000	22,000			22,000	22,000
Adds funding from federal funds for RiskMAP			100,000	100,000			100,000	100,000
Adjusts funding among line items, including an increase of \$5.9 million in professional fees and services, a \$1.8 million increase in other operating expenses, and a \$7.7 million decrease in capital assets			,	0			,	0
Adjusts funding for NAWS, including a \$5.16 million reduction in federal funds and a corresponding increase in other funds				0				0
Transfers \$24.6 million from the rural water supply grants line item to the water supply grants line item				0				0
Reduces funding for rural water supply grants				0			(19,600,000)	(19,600,000)
Reduces funding for general water grants				0			(2,233,275)	(2,233,275)
Adds funding for water supply grants				0			158,000,000	158,000,000
Adds funding for flood control projects				0			66,600,000	66,600,000
Adds funding for capital assets				0			58,010,064	58,010,064
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	3.00	\$0	\$269,228,832	\$269,228,832
One-Time Funding Items								
Adds funding for new FTE positions equipment			\$19,320	\$19,320			\$19,320	\$19,320
Adds funding for IT unification			1,532,980	1,532,980			1,532,980	1,532,980

Adds funding for increased motor pool rates			118,180	118,180			118,180	118,180	
			180.000	180,000			180,000	180,000	
Adds funding for drilling supplies inflation Adds funding for a navigability study			180,000	180,000			180,000	180,000	
a b j j			-						
Adds funding for airborne electromagnetic survey data collection			750,000	750,000			750,000	750,000	
Adds funding for ground water modeling and			72,665	72,665			72,665	72,665	
related hydrologic analysis software			72,005	72,005			72,005	72,005	
Adds funding for the potential relocation of			200,000	200,000			200,000	200,000	
the agency									
Adds funding for the Bowman radar system			1,800,000	1,800,000			1,800,000	1,800,000	
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000			1,800,000	1,800,000	
Adds one-time funding for flood control projects			67,000,000	67,000,000				0	
Adds one-time funding for water supply grants			120,400,000	120,400,000				0	
Adds one-time funding for capital improvements			77,869,696	77,869,696				0	
Adds one-time funding for discretionary funds			5,000,000	5,000,000			1,000,000	1,000,000	
Adds funding for basinwide plan implementation			- , ,	0			1,000,000	1,000,000	
Adds funding from a line of credit				0			100,000,000	100,000,000	
Adds federal funds for NAWS				0			47,847,238	47,847,238	
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841	0.00	\$0	\$156,500,383	\$156,500,383	
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436	3.00	\$0	\$425,729,215	\$425,729,215	
2023-25 Total Funding	93.00	\$0	\$694,918,565	\$694,918,565	93.00	\$0	\$834,928,344	\$834,928,344	
Federal funds included in other funds			\$36,053,261				\$89,053,261		
- · · · · · · · · · · · · · · · · · · ·	• • • • (- <i>(</i> -(a a a a			a= aa/	
Total ongoing changes as a percentage of base level	3.3%		2.1%	2.1%	3.3%		65.8%	65.8%	
Total changes as a percentage of base level	3.3%		69.8%	69.8%	3.3%		104.0%	104.0%	
Other Sections in Department of Water Resource	s - Budget No. 770								

Executive Budget Recommendation

	Executive Budget Recommendation	Senate Version
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.	Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.	Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.	Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.
Basinwide water plan implementation		Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.
Water projects stabilization fund		Section 7 identifies \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
Line of credit		Section 8 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for NAWS and \$50 million may be used for the Southwest Pipeline Project.

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

	Executive Budget Recommendation	Senate Version
2021-23 biennium discretionary funding		Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.
Red River Valley Water Supply Project		Section 10 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.
Mouse River flood control		Section 11 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.
Southwest Pipeline Project		Section 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.
Line item transfers	Section 7 would provide authority for the Director of the Department of Water Resources to transfer funding between line items.	Section 13 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 14 provides that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.
Emergency		Section 15 declares the bill to be an emergency measure.

Appropriations Committee

Brynhild Haugland Room, State Capitol

SB 2020 3/2/2023

Department of Water Resources

1:11 PM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present- Representative Mitskog

Discussion Topics:

- 5 Year Strategic Plan
- Devils Lake Outlets Update
- Water Remote Sensors (Presens)
- Airborne Electromagnetic Surveys (AEM)
- Water Projects Stabilization Fund
- Water development Plan Inventory
- Project & Purpose Financial Needs Summary
- Budget Summary
- IT Standardization

Andrea Travnicek- Director of the ND Department of Water Resources- Gives department overview (Testimony #21781, #21782 and #21783)

Sindhuja S.Pillai-Grinolds, Director Water Development - Answers committee questions

Chris Kadrmas, Director, Administrative Services- Answers questions for committee.

John Paczkowski, P.E. State Engineer- Answers questions for committee

2:22 PM Chairman Vigesaa Closed the overview meeting for SB 2020

Risa Berube, Committee Clerk

Appropriations - Education and Environment Division Prairie Room, State Capitol

SB 2020 3/9/2023

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

8:00 AM Chairman Nathe started the meeting.

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

Discussion Topics:

- EAE Program
- Missouri River Stakeholders
- Bismarck Water Plant Expansion
- Department of Water Resources
- Department of Water Quality
- Municipal Water Supply Needs
- 23-25 Water Funding Request
- Southwest Pipeline Project
- Transmission Facility Improvements (SWA)
- Strategic Hydraulic Improvements (SWA)
- Rural Service Area Expansion (SWA)
- Southwest Water Treatment Plant (SWA)
- Western Area Supply Project (WAWS)
- McKenzie County Water Resource District Growth (WAWS)
- Biennium Funding Request (WAWS)
- Rural Water Supply Update
- Rural/Regional Water on a Statewide Basis
- Rural Water System Rates
- Rural Water required for Agriculture, Farmers and Ranchers
- Lower Heart Water Resource District
- Flood Protection from Heart River, Dike Request
- Flood Insurance & Levee System
- Souris River Joint Board (SRJB) Request for Flood Control
- SRJB Minot Work Plan
- SRJB Rural Work Plan
- Funding Scenarios to Finish Mouse River Plan
- Eastern North Dakota Alternate Water Supply (ENDAWS)
- Pipeline from McClusky Canal to Sheyenne River
- Missouri River Intake and Pumping Station
- RRVWSP Drought Resiliency Project
- RRVWSP Economical Impact Across ND

House Appropriations - Education and Environment Division SB 2020 3-9-2023 Page 2

- Garrison Diversion District Work Plan Supporting RRVWSP
- Forecasted Spend Schedules RRVWSP

Ken Royse, Program Manager Missouri River Water Joint Board, testified in favor of SB 2020, #22927, #22929, #23483.

Keith Hunke, City Administrator for the City of Bismarck, testified in favor of SB 2020, #23173.

Matt Gardner, Executive Director League of Cities, testified in favor of SB 2020 #23209, #23210.

Jennifer Murray, Manager/CEO Southwest Water Authority, testified in favor of SB 2020, #23204.

Tami Madsen, Executive Director of the Western Area Water Supply, spoke in favor of SB 2020. #24344

Kelvin Hullet, Chief Business Officer, Bank of ND, answered questions on the WAWS debt.

Eric Volk, Executive Director, Rural Water Association, testified in favor #24352, #23253.

Jim Neubauer, Mandan City Administrator, testified in favor of SB 2020, #22778.

Ryan Jockers, Vice Chairman, Lower Heart WRD, testified in favor of SB 2020, #22778.

Mayor Tom Ross, City of Minot, testified in favor of SB 2020, #23200, # 23201, #23199.

Ryan Ackerman, Administrator Souris River Joint Project, spoke in favor of SB 2020.

Duane Dekrey General manager Red River Valley Water Supply Project (RRVWS), testified in favor of SB 2020, #23236, #23235, #23234.

Bernie Dardis, Mayor of West Fargo, testified in favor of SB 2020, #23132.

Allan Walter, Chairman Garrison Diversion District, spoke in favor of SB 2020.

Merri Mooridian Administrative Officer at Garrison, Garrison Diversion District, spoke in favor of SB 2020.

Larry Thomas, City of Washburn, spoke in opposition to SB 2020.

Additional Written Testimony:

Randall Binegar, ND citizen, #22207

Gary Zuroff, Public Works Director, Dickinson, ND, #22693.

House Appropriations - Education and Environment Division SB 2020 3-9-2023 Page 3

Brandon Bochenski, Mayor of Grand Forks, #23128.

Timothy Mahoney, Chair of the Lake Agassiz Water Authority, #23129.

Shannon Full, President/CEO of the Fargo Moorhead West Fargo Chamber of Commerce, #23252.

Gwen Crawford, Valley City, City Administrator #23279

11:21 AM Chairman Nathe adjourned the meeting.

Appropriations - Education and Environment Division Prairie Room, State Capitol

SB 2020 3/9/2023

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

2:18 PM Chairman Nathe started the meeting.

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

Discussion Topics:

- Water Projects through Water Resource Districts
- (NAWS) Northwest Area Water Supply Project Update
- Snake Creek Pumping Plant Intake Modifications
- Biota Water Treatment Plant
- Bottineau/ASWUD Pipeline
- Water Conveyance Pilot Project Proposal
- Watershed Funding Program/Plans
- Red River Retention Authority under NRCS
- Park River Joint Water Resource District
- Cass County Joint Water Resource District
- MHA Irrigation
- Water Development Corporation (MHA)
- Infrastructure for Indoor Agriculture (MHA)

Dennis Reep, Water Resource Districts, Water Conveyance, testified in favor of SB 2020, #22751.

Sindhuja Grinolds Director Water Development Division - ND Department of Water, NAWS, testified in favor of SB 2020, #23353.

Dani Quissell, Red River Retention Association, testified in favor of SB 2020, #22684, #22685.

Keith Weston- Executive Director Red River Retention Association – testified in favor of SB 2020, #23058.

Chris Kadrmas, Director of Administration – Department of Water Resources gave neutral testimony. #23480

Mark Fox, National Tribal Chairman (Mandan, Hidatsa, Arikara) Nation, MHA Future Irrigation Association, spoke in favor SB 2020.

House Appropriations - Education and Environment Division SB 2020 3/9/2023 Page 2

Alex Cronquist, Legislative Council, gave an analysis of Resources Trust Fund.

Additional written testimony:

Terri Thiel, Executive Director for the Dickinson Convention and Visitors Bureau, #22360, #22364.

Delore Zimmerman, Executive Director Valley Prosperity Partnership, #23221.

Keith Lund, President & CEO, Grand Forks Region Economic Development Corporation, #23008.

3:37 PM Chairman Nathe closed the meeting.

Appropriations - Education and Environment Division Prairie Room, State Capitol

SB 2020 3/14/2023

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

3:14 PM Chairman Nathe started the meeting.

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

Discussion Topics:

- DWR Budget Summary
- DWR Operating Expenses
- DWR Capital Assets
- DWR IT Standardization
- Purpose Funding
- Valley City Sheyenne River Flood Protection
- Irrigation Funding
- Irrigation in ND
- Water Availability in ND
- Infrastructure Programs Administered by BND
- Infrastructure Revolving Loan Fund Legacy Fund
- Drinking Water State Revolving Fund (DWSRF)
- Clean Water State Revolving Fund
- State Drinking Water Act
- DWSRF Priority Ranking System
- Emergent Water Contaminants

Andrea Travnicek, North Dakota Water Resources, DWR, testified in favor of SB 2020, #24506, #24505, #24509.

Chris Kadrmas, Director of Administrative Services Division, answered questions regarding SB 2020.

Pat Fridgen, Director of Planning, Department of Water Resources, answered questions regarding SB 2020.

Dave Carlsrud Mayor Valley City, spoke in favor of SB 2020.

Gwen Crawford, Valley City Administrator, testified in favor of SB 2020, #23279.

Dani Quissell, Executive Director, North Dakota Irrigation Association, #22684.

House Appropriations - Education and Environment Division SB 2020 3/14/2023 Page 2

Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota, testified in favor of SB 2020, #25254.

Tami Madsen, Executive Director, WAWS, answered questions regarding SB 2020.

Sharron Fisher, Program Manager of the Drinking Water State Revolving Fund within the Department of Environmental Quality, #24741.

Additional written testimony:

Duane DeKrey, General Manager for the Garrison Diversion Conservancy District, #24872.

4:56 PM Chairman Nathe closed the meeting.

Appropriations - Education and Environment Division Prairie Room, State Capitol

SB 2020 3/15/2023

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

2:50 PM Chairman Nathe- Opened the meeting and roll call was taken-

Members Present: Chairman Nathe, Vice Chairman Swiontek, Representatives: Martinson, Richter, Schatz, Hanson.

Members not Present- Representative Sanford

Discussion Topics:

- Fargo Moorhead Diversion Update
- I 29 Grade Raise
- Oxbow Wetland Mitigation
- Drain 27 Mitigation
- Drayton Dam Mitigation
- Financial Overview
- Awards received in 2022

Joe Paulsen, Executive Director – Fargo Moorhead Metro Area Flood Diversion **Project**- Gives committee update on project, #26502.

Committee discussion

3:18 PM Chairman Nathe- Closed the meeting for SB 2020.

Donna Lynn Knutson, Committee Clerk by Risa Berube

Appropriations - Education and Environment Division

Prairie Room, State Capitol

SB 2020 3/29/2023

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

9:00 AM Chairman Nathe started the meeting.

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

Discussion Topics:

- Resources Trust Fund
- Oil and Gas Tax Revenue
- Renewable Energy Development Fund
- Water Commission Fund
- Water Projects Stabilization Fund
- Salaries and Wages
- Operating Expenses
- Capital Assets
- Water Supply Grants
- 2023 2025 Purpose Funding
- Water Supply Across Regions
- Flood Control Projects
- Pipeline Project
- Silver Jackets Program
- Northwestern Water Supply Project
- Bureau of Reclamation
- NAWS
- Cyber Security
- Maximum Appropriations of Water
- Protecting Water Resources

Vice Chairman Swiontek, reopened the discussion on SB 2020, budget No. 770 #, #26987, #26986.

Chris Kadrmas, Director of Administration of Water Resources, answered questions regarding SB 2020.

Andrea Travnicek, North Dakota Water Resources, DWR answered questions regarding SB 2020.

House Appropriations - Education and Environment Division SB 2020 3/29/2023 Page 2

Pat Fridgen Director of Planning Division, Department of Water Resources, answered questions regarding SB 2020.

Chris Bader, Water Appropriation Division Director, answered questions regarding SB 2020.

9:48 AM Chairman Nathe closed the meeting.

Appropriations - Education and Environment Division

Prairie Room, State Capitol

SB 2020 4/6/2023

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

3:12 PM Chairman Nathe started the meeting.

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

Discussion Topics:

- FTE's
- Refinancing Bank of ND Loan
- Discretionary Funds
- Project Stabilization Fund
- Red River Water Supply
- Southwest Pipeline
- Unexpended or Unobligated Funds
- Water Buckets
- WAWS Water Bucket
- Bismarck Bucket
- Medora Bucket
- Sovereign Lands
- Mouse River Flood Control
- Valley City Flood Control
- Mandan Flood Control
- Basinwide Plan

Vice Chairman Swiontek, reopened the discussion on SB 2020, budget No. 770, #26987, previously sited on 3/29/2023.

Vice Chairman Swiontek presented five amendments: (1) Section X. Transfer – Water Project Stabilization Fund, (2) Section X. Legislative Intent – State Water Commission – City of Bismarck Water Utility Projects, (3) Section X. Sovereign Lands Recreation Use Grant, (4) Section X. Appropriation – Resources Trust Fund – Parks and Recreation Department – Sovereign Lands Recreation Use Grant, and (5) amendment 23.0274.02004, #27360.

Chairman Nathe presented Section 3. Amendment, Section 61-03-21.4 of the North Dakota Century Code amended Economic analysis process required for certain projects, #27361.

Vice Chairman Swiontek moved amendments previously listed above.

Representative Martinson seconded.

House Appropriations - Education and Environment Division SB 2020 4/6/2023 Page 2

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek moved a do pass as amended.

Representative Martinson seconded.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek will carry SB 2020.

3:40 PM Chairman Nathe closed the meeting.

Appropriations - Education and Environment Division Prairie Room, State Capitol

SB 2020 4/13/2023

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

11:06 AM Chairman Nathe started the meeting.

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

Discussion Topics:

- Bismarck Water Treatment Plant
- Medora Water Supply
- Water Infrastructure Revolving Loan Fund
- Missouri River Educate, Advocate, and Engage Program
- Intake of Water Alternate Uses
- Oil Monies to Fund Water
- Rural Water
- Water Supply Bucket

Vice Chairman Swiontek, reopened the discussion SB 2020.

Vice Chairman Swiontek presented amendment 23.0274.02014, #27533.

Representative Martinson moved 23.0274.02014.

Representative Sanford seconded.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek presented amendment 23.0274.02015, #27534.

House Appropriations - Education and Environment Division SB 2020 4/13/2023 Page 2

Vice Chairman Swiontek moved 23.0274.02015.

Representative Martinson seconded.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek presented and moved amendment 23.0274.02016, #27535.

Representative Schatz seconded the motion.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Ν
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 6-1-0.

Vice Chairman Swiontek presented and moved amendment 23.0274.02018, #27537.

Representative Martinson seconded.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

House Appropriations - Education and Environment Division SB 2020 4/13/2023 Page 3

Representative Mike Schatz Y

Motion carried 7-0-0.

Vice Chairman Swiontek presented and moved amendment 23.0274.02017, #27536.

Representative Martinson seconded.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek presented and moved amendment 23.0274.02023, #27538.

Representative Martinson seconded.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek presented and moved 23.0274.02022, #27539.

Representative Sanford seconded.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek will carry SB 2020.

Vice Chairman Swiontek passed out a sheet on the revisions to SB 2020, #27540.

11:29 AM Chairman Nathe closed the meeting.

Appropriations - Education and Environment Division Prairie Room, State Capitol

SB 2020 4/17/2023

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

11:04 AM Chairman Nathe started the meeting.

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

Discussion Topics:

Committee Action

Vice Chairman Swiontek reopened the discussion on SB 2020.

Vice Chairman Swiontek moved to reconsider amendment 23.0274.02022, #27539, previously sited on 4/13/2023.

Representative Martinson seconded.

Voice Vote.

Motion carried.

Vice Chairman Swiontek moved to remove 23.0274.02022 from SB 2020, #27539, previously sited on 4/13/2023.

Representative Martinson seconded the motion.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek moved amendment 23.0274.02025, #27618.

House Appropriations - Education and Environment Division SB 2020 4/17/2023 Page 2

Representative Martinson seconded.

Roll Call Vote:

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Chris Kadrmas, Director of Administration – Department of Water Resources answered questions regarding SB 2020.

Vice Chairman Swiontek moved the amendment 23.0274.02024, #27616.

Representative Martinson seconded the motion.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

Motion carried 7-0-0.

Vice Chairman Swiontek moved a do pass as amended on SB 2020.

Representative Martinson seconded the motion.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y

House Appropriations - Education and Environment Division SB 2020 4/17/2023 Page 3

Motion Carried 7-0-0.

Vice Chairman Swiontek will carry SB 2020.

11:15 AM Chairman Nathe closed the meeting.

Appropriations Committee

Brynhild Haugland Room, State Capitol

SB 2020 4/18/2023

Department of Water Resources

10:48 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members Present; Chairman Vigesaa, B. Anderson, Brandenburg, Hanson, Kreidt, Martinson, Mitskog, Meier, Mock, Monson, Nathe, J. Nelson, O'Brien, Pyle, Richter, Sanford, Schobinger, Strinden, G. Stemen and Swiontek.

Members not Present- Representatives Bellew, Kempenich, and Schatz

Discussion Topics:

- Amendment
- Committee Action

Representative Swiontek- Gives the statement of purpose and explains amendment 23.0274.02026 (Testimony #27665) and explains his handout (Testimony #27664)

Representative Swiontek- Move to adopt amendment 23.0274.02026

Representative Nathe Seconds the motion.

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y

House Appropriations Committee SB 2020 April 18, 2023 Page 2

Representative Mark Sanford	Y
Representative Mike Schatz	A
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 20-0-3

Representative Swiontek- Move for a Do Pass as Amended

Representative Nathe Seconds the Motion

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	A
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	А
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 20-0-3 Representative Swiontek will carry the bill.

11:22 AM Chairman Vigesaa Closed the meeting for SB 2020

Risa Berube, Committee Clerk

23.0274.02026 Title.03000

Fiscal No. 2

Prepared by the Legislative Council staff for the House Appropriations - Education and Environment Division Committee April 17, 2023 1/20

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

In lieu of the amendments adopted as printed on pages 2080-2085 of the House Journal, Engrossed Senate Bill No. 2020 is amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"

Page 1, line 2, replace "section" with "sections 61-02-01.3,"

Page 1, line 2, after "61-02-79" insert ", and 61-03-21.4"

Page 1, line 4, after "credit" insert ", water project economic analyses requirements,"

Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages Operating expenses Capital assets Water supply - grants Rural water supply - grants Flood control projects Discretionary funding General water - grants Total special funds Full-time equivalent positions	\$20,537,867 43,366,550 98,467,437 125,000,000 59,600,000 48,000,000 0 <u>14,227,275</u> \$409,199,129 90.00	\$1,656,382 16,112,518 177,316,513 191,200,000 (7,600,000) 67,700,000 9,000,000 <u>(2,227,275)</u> \$453,158,138 3.00	\$22,194,249 59,479,068 275,783,950 316,200,000 52,000,000 115,700,000 9,000,000 <u>12,000,000</u> \$862,357,267 93.00"
Page 2, replace lines 7 and 8 with:			
"Basinwide plan implementation Discretionary funding		1,100,000 0	0 9,000,000''
Page 2, replace line 23 with:			
"Total special funds		\$206,600,000	\$163,500,383"

Page 2, line 31, remove "defraying the expenses of that agency, excluding operating"

Page 3, line 1, replace "expenses and salaries and wages" with "providing water supply grants and rural water supply grants"

Page 3, line 2 after the period insert: "<u>Any additional amounts must be allocated equally</u> between water supply grants and rural water supply grants."

Page 3, replace lines 3 through 9 with:

"SECTION 4. TRANSFER - WATER PROJECT STABILIZATION FUND TO WATER INFRASTRUCTURE REVOLVING LOAN FUND. The office of management and budget shall transfer \$30,000,000 from the water project stabilization fund to the



water infrastructure revolving loan fund established under section 6-09-49.2, during the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

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 \$3,000,000, 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, 2025. 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 water supply - grants line item in section 1 of this Act includes \$3,000,000 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, 2025."

- Page 3, remove lines 14 through 30
- Page 4, remove lines 1 and 2
- Page 4, line 4, replace "\$120,000,000" with "\$123,380,315"

Page 4, after line 6, insert:

"SECTION 10. AMENDMENT. Section 61-02-01.3 of the North Dakota Century Code is amended and reenacted as follows:

61-02-01.3. Comprehensive water development plan.

- 1. Biennially, the commission shall develop and maintain a comprehensive water development plan organized on a river basin perspective, including an inventory of future water projects for budgeting and planning purposes.
- 2. As part of the commission's planning process, to facilitate local project sponsor participation and project prioritization and to assist in education regarding life cycle analyses for municipal water supply projects, and economic analyses for flood control and water conveyance projects <u>only for those</u> expected to cost more than one millionfive hundred thousand dollars, the commission shall develop a policy that outlinespolicies and procedures for commissioner-hosted meetings within the upper Missouri River, lower Missouri River, James River, upper Red River, lower Red River, Devils Lake, Little Missouri River, upper Heart River, and upper Cannonball River drainage basins."



"SECTION 12. AMENDMENT. Section 61-03-21.4 of the North Dakota Century Code is amended and reenacted as follows:

61-03-21.4. Economic analysis process required for certain projects.

The department of water resources shall develop an economic analysis process for water conveyance projects and flood-related projects expected to cost more than one millionfive hundred thousand dollars, and a life cycle analysis process for municipal water supply projects. When the state water commission is considering whether to fund a water conveyance project, flood-related project, or water supply project, the department of water resources shall review the economic analysis or life cycle analysis, and inform the state water commission of the findings from the analysis and review."

Page 5, line 4, replace "\$175,000,000" with "\$180,000,000"

Page 5, line 15, after "project" insert "water treatment plant"

Page 5, after line 16, insert:

"SECTION 17. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 18. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, the city of Medora, and Billings County.

SECTION 19. MISSOURI RIVER EDUCATE, ADVOCATE, AND ENGAGE PROGRAM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that:

- 1. Support be provided for the Missouri River educate, advocate, and engage effort conducted by the Missouri River joint water resource board;
- The effort is needed to secure the state's rights to Missouri River water; and
- 3. The state water commission and the department of water resources work in cooperation with the Missouri River joint water resource board to provide financial and technical assistance as the commission deems appropriate.

SECTION 20. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The



department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Page 5, line 18, after "operating" insert "expenses"

Page 5, line 24, replace "\$405,000,000" with "\$367,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Parks and Recreation Department				
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
State Water Commission				
Total all funds	\$409,199,129	\$864,928,344	(\$2,571,077)	\$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00
Bill total				
Total all funds	\$409,199,129	\$864,928,344	\$428,923	\$865,357,267
Less estimated income	409,199,129	864,928,344	428,923	865,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00

Senate Bill No. 2020 - Parks and Recreation Department - House Action

Sovereign lands recreation use grants	Base Budget	Senate Version	House Changes \$3,000,000	House Version \$3,000,000
Total all funds Less estimated income	\$0	\$0	\$3,000,000	\$3,000,000
General fund	\$0	\$0	3,000,000 \$0	<u>3,000,000</u> \$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

Sovereign lands recreation use grants	Adds Funding for Recreation Use Grants ¹ \$3,000,000	Total House Changes \$3,000,000
Total all funds	\$3,000,000	\$3,000,000
Less estimated income	3,000,000	3,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ One-time funding of \$3 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The appropriated amount includes \$800,000 for the Mandan parks and recreation department and \$750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. Grant recipients must provide \$1 of matching funds for



each \$1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$20,537,867	\$23,465,326	(\$1,271,077)	\$22,194,249
Operating expenses	43,366,550	59,479,068	CAR STAT DECOMMEN	59,479,068
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000
General water - Grants	14,227,275	12,000,000	disclosed and a	12,000,000
Basinwide plan implementation	to - Mantak officialized	1,000,000	(1,000,000)	1973A-7 (1983A-1997A-19
Discretionary funding		1,000,000	8,000,000	9,000,000
Loan repayment	3	30,000,000	(30,000,000)	
Total all funds	\$409,199,129	\$864,928,344	(\$2,571,077)	\$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00

Department 770 - State Water Commission - Detail of House Changes

Salaries and wages Operating expenses	Adjusts Funding for Salary and Benefit Increases ¹ \$344,552	Removes Salary Funding for Funding Pool ² (\$1,615,629)	Adjusts Funding for Water Projects ^a	Total House Changes (\$1,271,077)
Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants			(\$24,600,000) 33,200,000 12,000,000 1,100,000	(24,600,000) 33,200,000 12,000,000 1,100,000
Basinwide plan implementation Discretionary funding Loan repayment			(1,000,000) 8,000,000 (30,000,000)	(1,000,000) 8,000,000 (30,000,000)
Total all funds Less estimated income General fund	\$344,552 	(\$1,615,629) (1,615,629) \$0	(\$1,300,000) (1,300,000) \$0	(\$2,571,077) (2,571,077) \$0
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Other
	Funds
Salary increase	\$354,895
Health insurance adjustment	<u>(10,343)</u>
Total	\$344,552

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other
	Funds
New FTE positions	(\$703,398)
Vacant FTE positions	(912,231)
Total	(\$1,615,629)

³ Funding for water projects is adjusted as follows:



	Funds
Reduce funding for capital assets	(\$24,600,000)
Increase funding for water supply grants	33,200,000
Increase funding for rural water supply grants	12,000,000
Increase funding for flood control projects	1,100,000
Remove one-time funding for basinwide plan implementation	(1,000,000)
Remove one-time funding for Western Area Water Supply Authority loan repayment	(30,000,000)
Increase one-time funding for discretionary water projects	<u>8,000,000</u>
Total	(\$1,300,000)

This amendment also:

 Removes a section added by the Senate identifying \$30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.

Total

- Transfers \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund.
- Designates \$3 million for a grant to the Parks and Recreation Department for developing recreation
 opportunities on sovereign lands in the state.
- · Removes a section providing for a basinwide plan implementation pilot project.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from \$120 million to \$123.4 million.
- Amends North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of \$500,000.
- Provides legislative intent for \$50 million to be granted for a City of Bismarck water treatment plant project.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all
 agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between
 the library, library foundation, City of Medora, and Billings County.
- · Provides legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use
 of the Missouri River intake constructed near Washburn.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by \$38 million, to provide total carryover authority of \$367 million.
- Designates the use of excess revenue in the resources trust fund.

REPORT OF STANDING COMMITTEE

SB 2020, as engrossed: Appropriations Committee (Rep. Vigesaa, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (20 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2020 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted as printed on pages 2080-2085 of the House Journal, Engrossed Senate Bill No. 2020 is amended as follows:

- Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"
- Page 1, line 2, replace "section" with "sections 61-02-01.3,"
- Page 1, line 2, after "61-02-79" insert ", and 61-03-21.4"
- Page 1, line 4, after "credit" insert ", water project economic analyses requirements,"
- Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages Operating expenses Capital assets Water supply - grants Rural water supply - grants Flood control projects Discretionary funding General water - grants Total special funds Full-time equivalent positions	\$20,537,867 43,366,550 98,467,437 125,000,000 59,600,000 48,000,000 0 <u>14,227,275</u> \$409,199,129 90.00	\$1,656,382 16,112,518 177,316,513 191,200,000 (7,600,000) 67,700,000 <u>(2,227,275)</u> \$453,158,138 3.00	\$22,194,249 59,479,068 275,783,950 316,200,000 52,000,000 115,700,000 9,000,000 <u>12,000,000</u> \$862,357,267 93.00"
Page 2, replace lines 7 and 8 with:			
"Basinwide plan implementation Discretionary funding		1,100,000 0	0 9,000,000"
Page 2, replace line 23 with:			
"Total special funds		\$206,600,000	\$163,500,383"

Page 2, line 31, remove "defraying the expenses of that agency, excluding operating"

Page 3, line 1, replace "expenses and salaries and wages" with "providing water supply grants and rural water supply grants"

Page 3, line 2 after the period insert: "<u>Any additional amounts must be allocated equally</u> between water supply grants and rural water supply grants."

Page 3, replace lines 3 through 9 with:

"SECTION 4. TRANSFER - WATER PROJECT STABILIZATION FUND TO WATER INFRASTRUCTURE REVOLVING LOAN FUND. The office of management and budget shall transfer \$30,000,000 from the water project stabilization fund to the water infrastructure revolving loan fund established under section 6-09-49.2, during the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall

transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

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 \$3,000,000, 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, 2025. 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 onetime funding item.

SECTION 7. SOVEREIGN LANDS RECREATION USE GRANT. The water supply - grants line item in section 1 of this Act includes \$3,000,000 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, 2025."

Page 3, remove lines 14 through 30

Page 4, remove lines 1 and 2

Page 4, line 4, replace "\$120,000,000" with "\$123,380,315"

Page 4, after line 6, insert:

"SECTION 10. AMENDMENT. Section 61-02-01.3 of the North Dakota Century Code is amended and reenacted as follows:

61-02-01.3. Comprehensive water development plan.

- Biennially, the commission shall develop and maintain a comprehensive water development plan organized on a river basin perspective, including an inventory of future water projects for budgeting and planning purposes.
- 2. As part of the commission's planning process, to facilitate local project sponsor participation and project prioritization and to assist in education regarding life cycle analyses for municipal water supply projects, and economic analyses for flood control and water conveyance projects <u>only</u> for those expected to cost more than one millionfive hundred thousand dollars, the commission shall develop a policy that outlinespolicies and procedures for commissioner-hosted meetings within the upper Missouri River, lower Missouri River, James River, upper Red River, lower Red River, Mouse River, Devils Lake, Little Missouri River, upper Heart River, and upper Cannonball River drainage basins."

Page 4, after line 19, insert:

"SECTION 12. AMENDMENT. Section 61-03-21.4 of the North Dakota Century Code is amended and reenacted as follows:

61-03-21.4. Economic analysis process required for certain projects.

The department of water resources shall develop an economic analysis process for water conveyance projects and flood-related projects expected to cost more than one millionfive hundred thousand dollars, and a life cycle analysis process for municipal water supply projects. When the state water commission is considering whether to fund a water conveyance project, flood-related project, or water supply project, the department of water resources shall review the economic analysis or life cycle analysis, and inform the state water commission of the findings from the analysis and review."

Page 5, line 4, replace "\$175,000,000" with "\$180,000,000"

Page 5, line 15, after "project" insert "water treatment plant"

Page 5, after line 16, insert:

"SECTION 17. LEGISLATIVE INTENT - STATE WATER COMMISSION -

CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 18. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, the city of Medora, and Billings County.

SECTION 19. MISSOURI RIVER EDUCATE, ADVOCATE, AND ENGAGE PROGRAM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that:

- 1. Support be provided for the Missouri River educate, advocate, and engage effort conducted by the Missouri River joint water resource board;
- 2. The effort is needed to secure the state's rights to Missouri River water; and
- 3. The state water commission and the department of water resources work in cooperation with the Missouri River joint water resource board to provide financial and technical assistance as the commission deems appropriate.

SECTION 20. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Page 5, line 18, after "operating" insert "expenses"

Page 5, line 24, replace "\$405,000,000" with "\$367,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Parks and Recreation Department Total all funds Less estimated income General fund	\$0 	\$0 0 \$0	\$3,000,000 3,000,000 \$0	\$3,000,000 <u>3,000,000</u> \$0
FTE	0.00	0.00	0.00	0.00
State Water Commission Total all funds Less estimated income General fund	\$409,199,129 409,199,129 \$0	\$864,928,344 864,928,344 \$0	(\$2,571,077) (2,571,077) \$0	\$862,357,267 862,357,267 \$0
FTE	90.00	93.00	0.00	93.00
Bill total Total all funds Less estimated income General fund	\$409,199,129 <u>409,199,129</u> \$0	\$864,928,344 864,928,344 \$0	\$428,923 428,923 \$0	\$865,357,267 <u>865,357,267</u> \$0
FTE	90.00	93.00	0.00	93.00

Senate Bill No. 2020 - Parks and Recreation Department - House Action

Sovereign lands recreation use grants	Base Budget	Senate Version	House Changes \$3,000,000	House Version \$3,000,000
Total all funds Less estimated income General fund	\$0 0 \$0	\$0 0 \$0	\$3,000,000 3,000,000 \$0	
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

	Adds Funding for Recreation Use Grants ¹	Total House Changes
Sovereign lands recreation use grants	\$3,000,000	\$3,000,000
Total all funds Less estimated income General fund	\$3,000,000 3,000,000 \$0	\$3,000,000 3,000,000 \$0
FTE	0.00	0.00

¹ One-time funding of \$3 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The appropriated amount includes \$800,000 for the Mandan parks and recreation department and \$750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. Grant recipients must provide \$1 of matching funds for each \$1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$20,537,867	\$23,465,326	(\$1,271,077)	\$22,194,249
Operating expenses	43,366,550	59,479,068		59,479,068
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000
General water - Grants	14,227,275	12,000,000		12,000,000
Basinwide plan implementation		1,000,000	(1,000,000)	
Discretionary funding		1,000,000	8,000,000	9,000,000
Loan repayment		30,000,000	(30,000,000)	
Total all funds	\$409,199,129	\$864,928,344	(\$2,571,077)	\$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00

Department 770 - State Water Commission - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Adjusts Funding for Water Projects ³	Total House Changes
Salaries and wages	\$344,552	(\$1,615,629)		(\$1,271,077)
Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects			(\$24,600,000) 33,200,000 12,000,000 1,100,000	(24,600,000) 33,200,000 12,000,000 1,100,000
General water - Grants Basinwide plan implementation Discretionary funding Loan repayment			(1,000,000) 8,000,000 (30,000,000)	(1,000,000) 8,000,000 (30,000,000)
Total all funds Less estimated income General fund	\$344,552 	(\$1,615,629) (1,615,629) \$0	(\$1,300,000) (1,300,000) \$0	(\$2,571,077) (2,571,077) \$0
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Other <u>Funds</u>
Salary increase	\$354,895
Health insurance adjustment	<u>(10,343)</u>
Total	\$344,552

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other
	<u>Funds</u>
New FTE positions	(\$703,398)
Vacant FTE positions	<u>(912,231)</u>
Total	(\$1,615,629)

³ Funding for water projects is adjusted as follows:

	Total Funds
Reduce funding for capital assets	(\$24,600,000)
Increase funding for water supply grants	33,200,000
Increase funding for rural water supply grants	12,000,000
Increase funding for flood control projects	1,100,000
Remove one-time funding for basinwide plan implementation	(1,000,000)
Remove one-time funding for Western Area Water Supply Authority loan repayment	(30,000,000)
Increase one-time funding for discretionary water projects	8,000,000
Total	(\$1,300,000)

This amendment also:

- Removes a section added by the Senate identifying \$30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Transfers \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund.
- Designates \$3 million for a grant to the Parks and Recreation Department for developing recreation opportunities on sovereign lands in the state.
- Removes a section providing for a basinwide plan implementation pilot project.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from \$120 million to \$123.4 million.
- Amends North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of \$500,000.
- Provides legislative intent for \$50 million to be granted for a City of Bismarck water treatment plant project.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between the library, library foundation, City of Medora, and Billings County.
- Provides legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use of the Missouri River intake constructed near Washburn.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by \$38 million, to provide total carryover authority of \$367 million.
- Designates the use of excess revenue in the resources trust fund.

2023 CONFERENCE COMMITTEE

SB 2020

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 4/25/2023

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

10:30 AM Chairman Senator Sorvaag opened the conference committee meeting on SB1020.

Members present: Senators Sorvaag, Schaible, and Bekkedahl; Representatives Swiontek, Martinson, and Richter.

Discussion Topics:

- Water resources
- Budget changes
- Long sheet review
- Funds transfers
- Oil prices
- Conference committee Work

10:31 AM Representative Swiontek reviewed the House changes to the bill, long sheet testimony # 27873, and # 27874.

10:36 AM Chris Kadrmas, Division Director Department of Water Resources, answered questions from the committee, no written testimony.

10:54 AM Chairman Sorvaag closed the meeting.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 4/25/2023

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

4:03 PM Chairman Senator Sorvaag opened the conference committee meeting on SB1020.

Members present: Senators Sorvaag, Schaible, and Bekkedahl; Representatives Swiontek, Martinson, and Richter.

Discussion Topics:

- Water resources
- Budget changes
- Revolving loan fund
- City of Medora water needs
- Missouri River educate program
- Washburn intake report language
- Oil price fluxuation
- Conference committee Work

4:03 PM Senator Sorvaag addressed the issues still in disagreement, long sheet testimony # 27873.

4:19 PM Chris Kadrmas, Division Director Department of Water Resources, answered questions from the committee, no written testimony.

4:23 PM Patrick Fridgen, Director Planning and Education Water Resource Division, answered questions from the committee, no written testimony.

4:30 PM Chairman Sorvaag closed the meeting.

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 4/26/2023

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

11:02 AM Chairman Senator Sorvaag opened the conference committee meeting on SB1020.

Members present: Senators Sorvaag, Schaible, and Bekkedahl; Representatives Swiontek, Martinson, and Richter.

Discussion Topics:

- Water resources
- Budget changes
- Long sheet review
- Western Area Water System (WAWS)
- Bismarck treatment project
- Biennium income proposed amendment
- Medora water needs
- Replace intent language
- Conference committee Work

11:02 AM Senator Sorvaag discussed the status of the committee, long sheet # 27873.

11:13 AM Representative Swiontek moved to adopt an amendment LC 23.0274.02027, testimony # 27918.

Representative Martinson seconded the motion.

Motion passed 6-0-0.

11:14 AM Recess

11:19 AM Representative Swiontek provided House reply to the Senate proposal, no written testimony.

11:27 AM Chairman Sorvaag closed the meeting.

2023 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2020

Senate Appropriations Committee – Education and Environment Division

- □ SENATE accede to House Amendments and further amend
- □ HOUSE recede from House amendments
- $\hfill\square$ HOUSE recede from House amendments and amend as follows
- □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

LC 23.0274.02027

Motion Made by: <u>Representative Swiontek</u> Seconded by: <u>Representative Martinson</u>

	Yes	No	Representatives			Yes	No
	Y	1	Representative Swiontek			Y	
	Y		Representative Martinson			Y	
	Y		Representative Richter			Y	
	3	0	Total Rep. Vote			3	0
Voc: 6		·		bcont:	0		
	Yes: 6	Y Y Y Y	Y Y <t< td=""><td>Y Representative Swiontek Y Representative Martinson Y Representative Richter Y Representative Richter 3 0</td><td>Y Representative Swiontek Y Representative Martinson Y Representative Richter Y Representative Richter 3 0</td><td>Y Representative Swiontek Y Representative Martinson Y Representative Richter Y Representative Richter Y Total Rep. Vote</td><td>Y Representative Swiontek Y Y Representative Martinson Y Y Representative Richter Y Y Representative Richter Y Y Representative Richter Y Y Total Rep. Vote 3</td></t<>	Y Representative Swiontek Y Representative Martinson Y Representative Richter Y Representative Richter 3 0	Y Representative Swiontek Y Representative Martinson Y Representative Richter Y Representative Richter 3 0	Y Representative Swiontek Y Representative Martinson Y Representative Richter Y Representative Richter Y Total Rep. Vote	Y Representative Swiontek Y Y Representative Martinson Y Y Representative Richter Y Y Representative Richter Y Y Representative Richter Y Y Total Rep. Vote 3

Senate Carrier	 House Carrier	
LC Number		of amendment

LC Number	 	of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Appropriations - Education and Environment Division

Sakakawea Room, State Capitol

SB 2020 4/27/2023

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

9:13 AM Chairman Senator Sorvaag opened the conference committee meeting on SB1020.

Members present: Senators Sorvaag, Schaible, and Bekkedahl; Representatives Swiontek, Martinson, and Richter.

Discussion Topics:

- Water resources
- Budget changes
- Long sheet review
- Emergency language
- Western Area Water System (WAWS)
- Discretionary funds
- Medora water needs
- Transfer of profits
- Transfer authority
- Conference committee Work

9:13 AM Senator Sorvaag began discussion on the status of the committee, long sheet testimony # 27873.

9:22 AM Representative Swiontek moved to recede from House amendments and adopt an amendment as discussed, it will be LC 23.0274.02028, testimony # 27941. Senator Schaible seconded the motion.

Motion passed 6-0-0.

9:23 AM Chairman Sorvaag closed the meeting.

23.0274.02028 Title.04000 Fiscal No. 1 Prepared by the Legislative Council staff for Conference Committee April 27, 2023



PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

That the House recede from its amendments as printed on pages 1843-1848 of the Senate Journal and pages 2173-2178 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"

Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages	\$20,537,867	\$1,656,382	\$22,194,249
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	177,316,513	275,783,950
Water supply - grants	125,000,000	191,200,000	316,200,000
Rural water supply - grants	59,600,000	(7,600,000)	52,000,000
Flood control projects	48,000,000	67,700,000	115,700,000
Discretionary funding	0	9,000,000	9,000,000
General water - grants	14,227,275	<u>(2,227,275)</u>	12,000,000
Total special funds	\$409,199,129	\$453,158,138	\$862,357,267
Full-time equivalent positions	90.00	3.00	93.00"
Page 2, replace lines 7 and 8 with:			

"Basinwide plan implementation	1,100,000	0
Discretionary funding	0	9,000,000"

Page 2, replace line 23 with:

"Total special funds

\$206,600,000 \$2

\$163,500,383"

Page 2, line 28, after "ADDITIONAL" insert "2021-23 BIENNIUM"

Page 2, line 28, remove "In addition to the amounts"

Page 2, remove lines 29 through 31

Page 3, replace lines 1 and 2 with "Any revenue deposited in the resources trust fund during the period beginning with the effective date of this Act, and ending June 30, 2023, in excess of the March 2023 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing water supply grants and rural water supply grants, for the period beginning with the effective date of this Act, and ending June 30, 2025. Any additional amounts must be allocated equally between water supply grants and rural water supply grants."

Page 3, after line 9, insert:

"SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during

23.0274.02028



the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

SECTION 6. WATER PROJECTS STABILIZATION FUND - TRANSFERS. 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 2023 legislative revenue forecast during the period beginning July 1, 2023, and ending June 30, 2025, 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, 2025.

SECTION 7. 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 \$2,000,000, 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, 2025. 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 8. SOVEREIGN LANDS RECREATION USE GRANT. The water supply - grants line item in section 1 of this Act includes \$2,000,000 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, 2025."

- Page 3, remove lines 14 through 30
- Page 4, remove lines 1 and 2
- Page 4, line 4, replace "\$120,000,000" with "\$123,380,315"
- Page 5, line 4, replace "\$175,000,000" with "\$180,000,000"
- Page 5, line 15, after "project" insert "water treatment plant"
- Page 5, after line 16, insert:

"SECTION 16. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 17. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, and the city of Medora.

Page No. 2

23.0274.02028

SECTION 18. MISSOURI RIVER SYSTEM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that the department of water resources support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.



SECTION 19. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

- Page 5, line 17, replace "The" with "Notwithstanding section 54-16-04, the"
- Page 5, line 18, replace "\$13,292,362" with "\$9,900,000"

Page 5, line 18, after "operating" insert "expenses"

- Page 5, line 24, replace "\$405,000,000" with "\$367,000,000"
- Page 6, line 4, replace "is" with "and Senate Bill No. 2196, as approved by the sixty-eighth legislative assembly, are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Parks and Recreation Department Total all funds Less estimated income General fund	\$0 \$0 \$0	\$0 \$0	\$2,000,000 2,000,000 \$0	\$2,000,000 2,000,000 \$0	\$3,000,000 3,000,000 \$0	(\$1,000,000) (1,000,000) \$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
State Water Commission Total all funds Less estimated income General fund	\$409,199,129 409,199,129 \$0	\$864,928,344 864,928,344 \$0	\$27,428,923 27,428,923 \$0	\$892,357,267 <u>892,357,267</u> \$0	\$862,357,267 862,357,267 \$0	\$30,000,000 <u>30,000,000</u> \$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00
Bill total Total all funds Less estimated income General fund	\$409,199,129 409,199,129 \$0	\$864,928,344 	\$29,428,923 29,428,923 \$0	\$894,357,267 894,357,267 \$0	\$865,357,267 865,357,267 \$0	\$29,000,000
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Senate Bill No. 2020 - Parks and Recreation Department - Conference Committee Action



Sovereign lands recreation use grants	Base Budget	Senate Version	Conference Committee Changes \$2,000,000	Conference Committee Version \$2,000,000	House Version \$3,000,000	Comparison to House (\$1,000,000)
Total all funds Less estimated income General fund	\$0 \$0	\$0 0 \$0	\$2,000,000 2,000,000 \$0	\$2,000,000 2,000,000 \$0	\$3,000,000 <u>3,000,000</u> \$0	(\$1,000,000) (1,000,000) \$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

Sovereign lands recreation use grants	Adds Funding for Recreation Use Grants ¹ \$2,000,000	Total Conference Committee Changes \$2,000,000
Total all funds Less estimated income General fund	\$2,000,000 2,000,000 \$0	\$2,000,000 2,000,000 \$0
FTE	0.00	0.00

¹ One-time funding of \$2 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The House appropriated \$3 million for grants for developing recreation opportunities on sovereign lands, including \$800,000 for the Mandan parks and recreation department and \$750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. The Senate did not include funding for sovereign lands recreation use grants. Grant recipients must provide \$1 of matching funds for each \$1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$20,537,867	\$23,465,326	(\$1,271,077)	\$22,194,249	\$22,194,249	
Operating expenses	43,366,550	59,479,068		59,479,068	59,479,068	
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950	275,783,950	
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000	316,200,000	
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000	52,000,000	
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000	115,700,000	
General water - Grants	14,227,275	12,000,000		12,000,000	12,000,000	
Basinwide plan implementation		1,000,000	(1,000,000)		ing descents of which is	
Discretionary funding		1,000,000	8,000,000	9,000,000	9,000,000	
Loan repayment		30,000,000		30,000,000		\$30,000,000
Total all funda	¢400 400 400	¢004 000 044	¢07 400 000	¢000 257 007	60C0 0E7 0C7	¢20,000,000
Total all funds	\$409,199,129	\$864,928,344	\$27,428,923	\$892,357,267	\$862,357,267	\$30,000,000
Less estimated income	409,199,129	864,928,344	27,428,923	892,357,267	862,357,267	30,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Department 770 - State Water Commission - Detail of Conference Committee Changes



Salaries and wages Operating expenses	Adjusts Funding for Salary and Benefit Increases ¹ \$344,552	Removes Salary Funding for Funding Pool ² (\$1,615,629)	Adjusts Funding for Water Projects ³	Total Conference Committee Changes (\$1,271,077)
Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants			(\$24,600,000) 33,200,000 12,000,000 1,100,000	(24,600,000) 33,200,000 12,000,000 1,100,000
Basinwide plan implementation Discretionary funding Loan repayment			(1,000,000) 8,000,000	(1,000,000) 8,000,000
Total all funds Less estimated income General fund	\$344,552 344,552 \$0	(\$1,615,629) (1,615,629) \$0	\$28,700,000 	\$27,428,923 27,428,923 \$0
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates, the same as the House, as follows:

	Other
	Funds
Salary increase	\$354,895
Health insurance adjustment	<u>(10,343)</u>
Total	\$344,552

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below, the same as the House. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other
	Funds
New FTE positions	(\$703,398)
Vacant FTE positions	(912,231)
Total	(\$1,615,629)

³ Funding for water projects is adjusted as follows:

	Total Funds
Reduce funding for capital assets Increase funding for water supply grants Increase funding for rural water supply grants	(\$24,600,000) 33,200,000 12,000,000
Increase funding for flood control projects Remove one-time funding for basinwide plan implementation	1,100,000 (1,000,000)
Increase one-time funding for discretionary water projects Total	<u>8,000,000</u> \$28,700,000

The Conference Committee made the changes approved by the House except the Conference Committee did not remove \$30 million for the Western Area Water Supply Authority loan repayment and provide for a transfer of \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund, which the House had done.



This amendment also:

- Designates the use of excess 2021-23 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The House designated the use of excess 2021-23 biennium and 2023-25 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The Senate restricted excess funds from being used for salaries and wages and operating expenses.
- Provides for the transfer of excess 2023-25 biennium revenue in the resources trust fund to the water projects stabilization fund. Neither the House nor the Senate included this section.
- Retains a section added by the Senate and removed by the House appropriating \$30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Does not include a section added by the House to transfer \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund, the same as the House.
- Designates \$2 million for a grant to the Parks and Recreation Department for developing recreation opportunities on sovereign lands in the state. The House designated \$3 million for this purpose.
- · Removes a section providing for a basinwide plan implementation pilot project, the same as the House.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from \$120 million to \$123.4 million, the same as the House.
- Does not include sections added by the House to amend North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of \$500,000.
- Provides legislative intent for \$50 million to be granted for a City of Bismarck water treatment plant project, the same as the House.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all
 agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between
 the library, library foundation, and City of Medora. The House version also required agreements with Billings
 County to be finalized.
- Provides legislative intent that the Department of Water Resources support efforts that protect and develop beneficial use of Missouri River system water. The House provided legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use of the Missouri River intake constructed near Washburn, the same as the House.
- Reduces the department's line item transfer authority from \$13.3 million to \$9.9 million. The House and Senate allowed for \$13.3 million of line item transfer authority.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by \$38 million, to provide total carryover authority of \$367 million, the same as the House.
- Declares Senate Bill No. 2196 to be an emergency measure.

2023 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2020

Senate Appropriations Committee – Education and Environment Division

- □ SENATE accede to House Amendments and further amend
- □ HOUSE recede from House amendments

☑ HOUSE recede from House amendments and amend as follows LC 23.0274.02028

□ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: <u>Representative Swiontek</u> Seconded by: <u>Senator Schaible</u>

Senators		Yes	No	Representatives Ye	s No
Senator Sorvaag		Y		Representative Swiontek Y	
Senator Schaible		Y		Representative Martinson Y	
Senator Bekkedahl		Y		Representative Richter Y	
Total Senate Vote		3	0	Total Rep. Vote 3	0

Vote Count	Yes: <u>6</u>	No: 0	Absent: 0
Senate Carrie	er <u>Sorvaag</u>	House Carrier	Swiontek
LC Number	23.0274	. 02028	of amendment
LC Number	23.0274	- 04000	of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2020, as engrossed: Your conference committee (Sens. Sorvaag, Schaible, Bekkedahl and Reps. Swiontek, Martinson, Richter) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1843-1848, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 1843-1848 of the Senate Journal and pages 2173-2178 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

- Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"
- Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages	\$20,537,867	\$1,656,382	\$22,194,249
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	177,316,513	275,783,950
Water supply - grants	125,000,000	191,200,000	316,200,000
Rural water supply - grants	59,600,000	(7,600,000)	52,000,000
Flood control projects	48,000,000	67,700,000	115,700,000
Discretionary funding	0	9,000,000	9,000,000
General water - grants	14,227,275	(2,227,275)	12,000,000
Total special funds	\$409,199,129	\$453,158,138	\$862,357,267
Full-time equivalent positions	90.00	3.00	93.00"
	00.00	0.00	00.00
Page 2, replace lines 7 and 8 with:			
"Basinwide plan implementation		1,100,000	0
Discretionary funding		0	9,000,000"
, 5			-,
Page 2, replace line 23 with:			
"Total special funds		\$206,600,000	\$163,500,383"

Page 2, line 28, after "ADDITIONAL" insert "2021-23 BIENNIUM"

Page 2, line 28, remove "In addition to the amounts"

Page 2, remove lines 29 through 31

Page 3, replace lines 1 and 2 with "Any revenue deposited in the resources trust fund during the period beginning with the effective date of this Act, and ending June 30, 2023, in excess of the March 2023 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing water supply grants and rural water supply grants, for the period beginning with the effective date of this Act, and ending June 30, 2025. Any additional amounts must be allocated equally between water supply grants and rural water supply grants."

Page 3, after line 9, insert:

"SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS -WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The

moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

SECTION 6. WATER PROJECTS STABILIZATION FUND - TRANSFERS.

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 2023 legislative revenue forecast during the period beginning July 1, 2023, and ending June 30, 2025, 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, 2025.

SECTION 7. 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 \$2,000,000, 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, 2025. 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 onetime funding item.

SECTION 8. SOVEREIGN LANDS RECREATION USE GRANT. The water supply - grants line item in section 1 of this Act includes \$2,000,000 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, 2025."

Page 3, remove lines 14 through 30

Page 4, remove lines 1 and 2

Page 4, line 4, replace "\$120,000,000" with "\$123,380,315"

Page 5, line 4, replace "\$175,000,000" with "\$180,000,000"

Page 5, line 15, after "project" insert "water treatment plant"

Page 5, after line 16, insert:

"SECTION 16. LEGISLATIVE INTENT - STATE WATER COMMISSION -

CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 17. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements

for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, and the city of Medora.

SECTION 18. MISSOURI RIVER SYSTEM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that the department of water resources support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 19. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Page 5, line 17, replace "The" with "Notwithstanding section 54-16-04, the"

Page 5, line 18, replace "\$13,292,362" with "\$9,900,000"

Page 5, line 18, after "operating" insert "expenses"

Page 5, line 24, replace "\$405,000,000" with "\$367,000,000"

Page 6, line 4, replace "is" with "and Senate Bill No. 2196, as approved by the sixty-eighth legislative assembly, are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Parks and Recreation Department						
Total all funds Less estimated income	\$0 0	\$0 0	\$2,000,000 2,000,000	\$2,000,000 2,000,000	\$3,000,000 3,000,000	(\$1,000,000) (1,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
State Water Commission						
Total all funds Less estimated income	\$409,199,129 409,199,129	\$864,928,344 864,928,344	\$27,428,923 27,428,923	\$892,357,267 892,357,267	\$862,357,267 862,357,267	\$30,000,000 30,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00
Bill total						
Total all funds Less estimated income	\$409,199,129 409,199,129	\$864,928,344 864,928,344	\$29,428,923 29,428,923	\$894,357,267 894,357,267	\$865,357,267 865,357,267	\$29,000,000 29,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Senate Bill No. 2020 - Parks and Recreation Department - Conference Committee Action

Sovereign lands recreation use grants	Base Budget	Senate Version	Conference Committee Changes \$2,000,000	Conference Committee Version \$2,000,000	House Version \$3,000,000	Comparison to House (\$1,000,000)
Total all funds Less estimated income General fund	\$0 0 \$0	\$0 0 \$0	\$2,000,000 2,000,000 \$0	\$2,000,000 2,000,000 \$0	\$3,000,000 <u>3,000,000</u> \$0	(\$1,000,000) (1,000,000) \$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

	Adds Funding for Recreation Use Grants ¹	Total Conference Committee Changes
Sovereign lands recreation use grants	\$2,000,000	\$2,000,000
Total all funds Less estimated income	\$2,000,000 2,000,000	\$2,000,000 2,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ One-time funding of \$2 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The House appropriated \$3 million for grants for developing recreation opportunities on sovereign lands, including \$800,000 for the Mandan parks and recreation department and \$750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. The Senate did not include funding for sovereign lands recreation use grants. Grant recipients must provide \$1 of matching funds for each \$1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$20,537,867	\$23,465,326	(\$1,271,077)	\$22,194,249	\$22,194,249	
Operating expenses	43,366,550	59,479,068		59,479,068	59,479,068	
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950	275,783,950	
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000	316,200,000	
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000	52,000,000	
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000	115,700,000	
General water - Grants	14,227,275	12,000,000		12,000,000	12,000,000	
Basinwide plan implementation		1,000,000	(1,000,000)			
Discretionary funding		1,000,000	8,000,000	9,000,000	9,000,000	
Loan repayment		30,000,000		30,000,000		\$30,000,000
Total all funds	\$409,199,129	\$864,928,344	\$27,428,923	\$892,357,267	\$862,357,267	\$30,000,000
Less estimated income	409,199,129	864,928,344	27,428,923	892,357,267	862,357,267	30,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Department 770 - State Water Commission - Detail of Conference Committee Changes

Salaries and wages	Adjusts Funding for Salary and Benefit Increases ¹ \$344.552	Removes Salary Funding for Funding Pool ² (\$1.615.629)	Adjusts Funding for Water Projects ³	Total Conference Committee Changes (\$1,271,077)
Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants			(\$24,600,000) 33,200,000 12,000,000 1,100,000	(24,600,000) 33,200,000 12,000,000 1,100,000
Basinwide plan implementation Discretionary funding Loan repayment			(1,000,000) 8,000,000	(1,000,000) 8,000,000
Total all funds Less estimated income General fund	\$344,552 	(\$1,615,629) (1,615,629) \$0	\$28,700,000 28,700,000 \$0	\$27,428,923 27,428,923 \$0
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates, the same as the House, as follows:

	Other <u>Funds</u>
Salary increase	\$354,895
Health insurance adjustment	<u>(10,343)</u>
Total	\$344,552

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below, the same as the House. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other
	Funds
New FTE positions	(\$703,398)
Vacant FTE positions	<u>(912,231)</u>
Total	(\$1,615,629)

³ Funding for water projects is adjusted as follows:

	Total <u>Funds</u>	
Reduce funding for capital assets	(\$24,600,000)	
Increase funding for water supply grants	33,200,000	
Increase funding for rural water supply grants	12,000,000	
Increase funding for flood control projects	1,100,000	
Remove one-time funding for basinwide plan implementation	(1,000,000)	
Increase one-time funding for discretionary water projects	<u>8,000,000</u>	
Total	\$28,700,000	

The Conference Committee made the changes approved by the House except the Conference Committee did not remove \$30 million for the Western Area Water Supply Authority loan repayment and provide for a transfer of \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund, which the House had done.

This amendment also:

• Designates the use of excess 2021-23 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The House designated the

use of excess 2021-23 biennium and 2023-25 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The Senate restricted excess funds from being used for salaries and wages and operating expenses.

- Provides for the transfer of excess 2023-25 biennium revenue in the resources trust fund to the water projects stabilization fund. Neither the House nor the Senate included this section.
- Retains a section added by the Senate and removed by the House appropriating \$30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Does not include a section added by the House to transfer \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund, the same as the House.
- Designates \$2 million for a grant to the Parks and Recreation Department for developing recreation opportunities on sovereign lands in the state. The House designated \$3 million for this purpose.
- Removes a section providing for a basinwide plan implementation pilot project, the same as the House.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from \$120 million to \$123.4 million, the same as the House.
- Does not include sections added by the House to amend North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of \$500,000.
- Provides legislative intent for \$50 million to be granted for a City of Bismarck water treatment plant project, the same as the House.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between the library, library foundation, and City of Medora. The House version also required agreements with Billings County to be finalized.
- Provides legislative intent that the Department of Water Resources support efforts that protect and develop beneficial use of Missouri River system water. The House provided legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use of the Missouri River intake constructed near Washburn, the same as the House.
- Reduces the department's line item transfer authority from \$13.3 million to \$9.9 million. The House and Senate allowed for \$13.3 million of line item transfer authority.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by \$38 million, to provide total carryover authority of \$367 million, the same as the House.
- Declares Senate Bill No. 2196 to be an emergency measure.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

TESTIMONY

SB 2020

Testimony Senate Bill 2020—Department of Water Resources Senate Appropriations Committee Senator Brad Bekkedahl, Chairman January 11, 2023

Good afternoon, Chairman Bekkedahl, and members of the Senate Appropriations Committee, I am Andrea Travnicek, Director of the North Dakota Department of Water Resources. As the director, I serve as head of the Department of Water Resources and Secretary to the State Water Commission.

In response to the specific requests included in your letter dated December 19, 2022, I offer the following testimony:

1. Cite the North Dakota Century Code chapter(s) associated with the agency and list its major statutory responsibilities.

The statutory authorities of the Department of Water Resources (DWR), and State Water Commission (SWC) 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 (or Department). 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 still exists and 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.

1

Water development and associated project funding are a function of the State Water Commission and include state projects such as the Southwest Pipeline Project, the Northwest Area Water Supply, and Devils Lake outlets and Tolna Coulee control structure used for flood control purposes. The State Water 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. The DWR has a project management role for the state projects and reviews and recommends projects for funding approval by the Commission.

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 nature and occurrence of the state's water resources. This includes public outreach and education related to Department functions.

Explain the purpose of the agency's various divisions/programs – attach organizational chart.

As illustrated by our organizational chart (see attached), DWR is comprised of 92 Full Time Equivalent employees (FTE), including 2 FTE approved by the Emergency Commission and Legislative Management's Budget Section in March 2022. One temporary employee was also approved at that time through the Budget Section. This is a temporary increase of 2 FTE from the previous biennium. The Department is requesting to permanently retain the 2 FTE approved through Budget Section as well as convert the temporary employee approved through the March 2022 Budget Section as an FTE for a total request of 3 FTE or 93 FTE overall.

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 Water Commission meeting administrative support.

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

The Planning and Education Division, directed by Patrick Fridgen, maintains and updates a Water Development Plan for the State of North Dakota, and administers a cost-share program in support of that plan. Division staff also 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 ensures implementation of the 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

3

mark delineations; general water resource district support; and the Silver Jackets Program that is in partnership with the U.S. Army Corps of Engineers.

The Water Appropriation Division, directed by Chris Bader, is responsible for the processing of water permit applications, water rights evaluations, hydrologic data collection, water supply investigations, and economic development support activities. 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 used to support agency water resource management initiatives such as PRESENS.

Finally, the Water Development Division, directed by Sindhuja S.Pillai-Grinolds, is responsible for preliminary engineering, construction, and maintenance of water resource projects; flood response and recovery; construction of Southwest Pipeline Project (SWPP); construction, operation, and maintenance of Northwest Area Water Supply project; 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 State Water Commission is made up of eight Governorappointed members representing the state's major river basins. North Dakota's current Water Commission members who represent the eight basins are Michael Anderson (Lower Red River), Connie Ova (James River), Richard Johnson (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 Water Commission include Governor Doug Burgum as Chairman, and Agriculture Commissioner, Doug Goehring.

4

3. 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 one finding in the most recent operational audit dated May 19, 2022, regarding improper credits to appropriation. The dollar amount was \$461,500. The sale of land was recorded as a reduction to expenditures when it should have been recorded as revenue. The department has implemented an additional review process to assist in identifying such errors.

4. 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 Northwest Area Water Supply (NAWS) project that is planned to one-day serve up to 81,000 water users in North Dakota. Progress included completion of the Lansford Reservoir and Pump Station; service to the City of Bottineau; and continued advancements at the Biota Water Treatment Plant, Minot Water Treatment Plant, and other project elements.
- Completed a year-long effort to update the State Water Commission's Cost-Share Policy, Procedure, and General Requirements; as well as the Project Prioritization Guidance. The modification process included extensive public outreach and input from the water community and general public and was meant to modernize the Cost-Share Program in response to more contemporary project development needs.
- Continued to greatly improve North Dakota's ability to manage our state's water resources through innovation, including the monitoring of 368 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. Paul Moen, DWR Director of Information Systems, won the 2022

Pioneer Award, (Governor's Awards for Excellence in Public Service) for his work on developing the PRESENS system.

- Construction on SWPP included treated water main transmission line upgrades, and strategic hydraulic improvements to provide citizens access to quality water.
- Operated the Devils Lake outlets to provide ongoing flood relief for areas surrounding the greater Devils Lake system. The outlets removed over 83,000 acre-feet of floodwater during the 2021 and 2022 operating seasons. Since outlet operations began 15 years ago in 2007, almost 1.4 million acre-feet of floodwater has been removed from the big lake.
- Over the course of the biennium so far, provided state funding support of approximately \$282 million in Water Commission project approvals through the Cost-Share Program, including \$181 million to support water supply efforts in 27 cities and 19 rural/regional systems, and \$101 million for 98 different flood protection, water conveyance, and general water projects benefitting citizens across the state.
- Provided \$4 million in reimbursements for 1,050 drought resiliency projects for our agriculture producers through the Drought Disaster Livestock Water Supply Assistance Program.
- Secured almost \$5 million in FEMA grant funding for LiDAR data to complete a statewide map of high quality digital topography information to improve and modernize modeling and engineering design data inputs.
- Completed a water development planning process through extensive public outreach, cooperation, and coordination efforts involving water project sponsors and managers. The 2023 Water Development Plan (WDP) is being presented for the first time through an almost entirely electronic platform and new Dashboard. The new 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.
- Launched and operated a one-stop-shop online portal through WebGrants for water project sponsors seeking grant funding or loans through the state. This

new portal, known as Funding for Infrastructure in ND (FIND) within WebGrants was developed through a cooperative effort involving the Bank of North Dakota, Department of Environmental Quality, Public Finance Authority, and DWR. FIND has greatly improved and streamlined the application process for project sponsors.

With regard to next biennium goals and plans, DWR completed a Five-Year Strategic Plan last summer to guide the deployment of resources toward key objectives, goals, and tactics through June 2027. An Executive Summary of our new Five-Year Strategic Plan has been provided for your reference. In terms of specific areas of focus for the 2023-2025 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, aquifer recharge, and water reuse opportunities;
- Work toward Tribal Nation engagement, including memorandum of understanding development;
- Strive for Workforce enhancements, retention of talent, recruiting, and mentoring;
- Continue advancements on the Northwest Area Water Supply, including progress on Intake Contract II, Souris Reservoir and Pump Station, in-line booster pump stations, Minot Water Treatment Plant (WTP) Phase III, raw water line initialization, and Biota WTP Phase II.

- Make progress on Southwest Pipeline Project strategic hydraulic improvements, WTP expansion, and rural service additions; and
- Implement results of a capital improvement planning effort related to the West End Devils Lake Outlet.
- 5. Compare the agency's request/recommendation totals, including full-time equivalent (FTE) positions, for the next biennium compared to the current biennium.

	2021-23 Biennium	2023-25 Biennium Governor's		
Description	Appropriation	Recommendation	Variance	
Salaries and wages	\$20,537,867	\$23,809,878	\$3,272,011	
Operating expenses	43,366,550	59,479,068	16,112,518	
Capital assets	148,467,437	172,396,344	23,928,907	
Water supply – grants	125,000,000	270,000,000	145,000,000	
Rural water supply – grants	59,600,000	35,000,000	(24,600,000)	
Flood control projects	48,000,000	115,000,000	67,000,000	
General water -grants	14,227,275	14,233,275	6,000	
Basinwide plan implementation	1,100,000	0	(1,100,000)	
Discretionary funding	6,000,000	5,000,000	(1,000,000)	
Mouse River flood control	74,500,000	0*	(74,500,000)	
State Fiscal Recovery Funds	75,000,000	0	(75,000,000)	
Total	\$615,799,129	\$694,918,565	\$79,119,436	
*Funding for Mouse River flood control is included in funding for flood control projects.				

The department had 90 FTE in the 2021-2023 biennium, and a request of 93 FTE is included in the Governor's recommendation for the 2023-2025 biennium. The three FTE are requested to assist with significantly reducing delays so constituents receive agency-issued permits in a timelier manner. These positions would include one for the Regulatory Division to assist with permitting and two for the Water Appropriation Division that would work on water appropriation and on PRESENS system support. We have included one-page summaries related to the three FTE we are requesting with metrics related to why each are necessary.

6. 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	2021-23 Biennium Base	Base Adjustment Request	2023-25 Biennium Base Request	One-time Adjustment Request	2023-25 Biennium Governor's Recommendation
				Nequesi	
Salaries and wages	\$20,537,867	\$3,272,011	\$23,809,878	© 050 445	\$23,809,878
Operating expenses	43,366,550	13,259,373	56,625,923	\$2,853,145	59,479,068
Capital assets	98,467,437	(7,740,789)	90,726,648	81,669,696	172,396,344
Water supply –	125,000,000		125,000,000	145,000,000	270,000,000
grants					
Rural water supply -	59,600,000	(24,600,000)	35,000,000		35,000,000
grants					
Flood control projects	48,000,000		48,000,000	67,000,000	115,000,000
General water -grants	14,227,275	6,000	14,233,275		14,233,275
Basinwide plan	0			0	0
implementation	Ũ			C C	Ŭ
Discretionary funding	0			5,000,000	5,000,000
Mouse River flood	0			-,,	0*
control	0				Ũ
State Fiscal	0				0
Recovery Funds					
Total	\$409,199,129	(\$15,803,405)	\$393,513,904	\$301,522,841	\$694,918,565
FTE	90.00	3.00	93.00	. , ,-	93.00
*Funding for Mouse River flood control is included in funding for flood control projects see detail below.					

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

Salaries and Wages - The 2021-23 biennium totaled \$20,537,867 and included salaries and fringe benefits for all employees, including employees that provide service for NAWS, SWPP, and the Devils Lake outlets.

Operating Expenses - The 2021-23 biennium totaled \$43,366,550 and included operations for NAWS, SWPP and the Devils Lake pumps. This included funding of \$19 million for professional services, which are primarily consultant engineering dollars, and \$8.7 million for utility costs, primarily to operate the Devils Lake outlets and NAWS.

Capital Assets - The 2021-23 biennium totaled \$98,467,437 and consisted mostly of projects for NAWS and SWPP, which are both state owned. Specifically, \$38.2 million is for SWPP, and \$59.8 million is for NAWS.

For the 2021-23 biennium, the remaining dollars were in the five purpose funding buckets. They included \$125 million for Water Supply; \$59.6 million for Rural Water Supply; \$48 million for flood Control; and \$14.2 million for General Water projects.

General Water included funding for dam repairs and rehabilitations, feasibility studies, irrigation projects, as well as other general water management efforts.

b. Amounts included in the request/recommendation and justification for the change from the base budget. Discuss changes relating to:

(1) Salaries and Wages - increase from the base budget of \$3,272,011 as follows:

- Cost to continue adjustment of \$138,098.
- Performance-based raises of 6% for the first fiscal year and 4% for the second fiscal year of the biennium as recommended in the Executive budget of \$1,805,562.
- Increase of 3 FTE of \$751,742 to significantly reduce delays so constituents receive agency-issued permits in a more timely manner. The FTE are for the Regulatory Division, Water Appropriation, and PRESENS system support.
- Increased funding for temporary salaries of \$576,609, of which \$170,000 is to provide one full time temporary position to support NAWS, \$345,000 is to provide funding for temporary positions for installation and support of the PRESENS system, and \$61,609 is to provide a full benefits package to DWR's Silver Jackets Program Coordinator - who for years has been a long-term temporary employee.

The DWR is in support of the Governor's recommendation included in SB 2015 regarding market equity funding for agencies, which included \$645,000 for the DWR.

- (2) Operating Expenses Includes a \$16,112,518 increase, of which
 \$13,259,373 is ongoing and \$2,853,145 is one-time, major changes are as follows:
 - Shifted base level funding from capital assets and salaries and wages to operating expenses in the amount of \$7,744,789 to account for consultant engineering expenses related to state owned

projects and utility costs primarily to operate the Devils Lake and NAWS projects. These changes were made based on anticipated needs for planning of projects and operating costs.

- \$5,615,764, of which \$1,532,980 is one-time funding for IT standardization, applications, and security. The funding is 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 for over 2,000 terabytes of data, which places the Department as one of the largest users of data storage with NDIT at 2,000 terabytes, and the Department of Health and Human Services at 1,650 terabytes; costs associated with additional FTE for NDITD; business analysis; project management; and project oversight.
- \$1,227,800 to expand the PRESENS footprint and data collection types/sensors to improve forecasting, modeling, and overall water management – at a fraction of the cost of traditional data collection methods.
- \$100,000 in additional federal funds spending authority for the Regulatory Division.
- \$80,000 for professional development.
- \$94,665 for scientific software which includes one-time funding of \$72,665.
- \$21,320 in operating expenses related to the 3 FTE positions which include one-time funding of \$19,320 for IT equipment and \$2,000 in ongoing funding for travel.
- One-time funding of \$750,000 for Airborne Electromagnetic Surveying (AEM) 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.

- One-time funding of \$298,180 for inflationary increases related to motor pool rates of \$118,180 and drilling supplies of \$180,000.
- One-time funding of \$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 has been achieved on this effort since 2019.
- (3) Capital Assets changes to provide a total of \$172,396,344 as follows:
 - Base decrease of (\$7,740,789) 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 \$77,869,696 for state owned water projects, to provide a total of \$167.6 million, of which \$117.9 million is for SWPP and \$49.7 million is for NAWS.
 - i. 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 \$192.6 million includes \$131.6 million for SWPP from the resources trust fund and \$61 million for NAWS, of which \$25 million is from the resources trust fund, \$11 million is from reimbursements from Minot, and \$25 million in federal funds.
 - One-time increase of \$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.
 - One-time increase of \$1,800,000 to replace DWR's 15-year-old drill rig with a top-head drive drilling rig that provides finer control over

the drilling operation and safety features that are superior to the current drill rig.

- One-time increase of \$200,000 for office modifications due to the DWR being required to evacuate the State Office Building due to environmental hazards. Funding is requested to address office modifications that may be necessary at the agency's current longterm, yet temporary location.
- (4) Grants for water projects changes are as follows:
 - Water supply increase of \$145,000,000 to provide \$270,000,000.
 - Rural water supply decrease of (\$24,600,000) to provide \$35,000,000.
 - Flood control increase of \$67,000,000 to provide \$115,000,000.
 - General water increase of \$6,000 to provide \$14,233,275.
 - 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 unknown costs associated with the Department's move from the State Office Building to the Bank of North Dakota.
- (5) We did have special line items in the 2021-2023 biennium, where\$1,100,000 was appropriated for basinwide plan implementation, but no funding for this item is being included in the 2023-25 biennium budget.
- (6) Our estimated income for special funds is \$684 million, which included Resource Trust Fund oil extraction tax deposits of \$605.8 million, of which \$120 million is from the Water Project Stabilization Fund for Red River Valley Water Supply from the water supply bucket and \$30 million was included from the Water Project Stabilization Fund for the repayment of a WAWS loan. The balance is made up of capital repayments from SWPP, NAWS payments from the City of Minot, payments from counties for cloud seeding, CD interest, and available balance of the Water Commission fund.

- (7) Our estimated income for Federal funds is \$35 million of which \$25 million is for NAWS and the balance is for operations of our Regulatory Division, and other grants related to the Atmospheric Resources Division and Water Appropriation Division.
- (8) We have no general fund dollars in our budget. The last time the department received a general fund appropriation was during the 2011-13 biennium for some operations of the Department.
- (9) Our legislatively authorized base FTE is 90, and we were authorized 2 additional FTE positions in March 2022 from the Emergency Commission and Budget Section to support the administration and management of the state's water resources. Our request is for an increase of 3 FTE to retain the 2 approved by Budget Section and for 1 additional FTE authorization that was presented to Budget Section in March, but they had only approved funding for a temporary employee who we would like to retain.

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

We had two one-time funding items in our 2021-2023 appropriation bill.

- The \$50 million line of credit has not been utilized to date. The intent was for this to be used if needed for NAWS. After the end of the 2021 session the DWR received an additional \$30 million in federal funding for NAWS that was not anticipated further reducing the need for the \$50 million line of credit at this time. The DWR is not seeking the authority for a line of credit for the 2023-25 biennium at this time.
- Funding of \$1.1 million was provided for the pilot project for basinwide plan implementation, with \$246,075 expended to date.
- Funding of \$4 million for discretionary water projects was approved by the SWC to be used as follows:
 - \$2 million for the Agriculture Department's Emergency Livestock Water Supply Program of which \$110,559 has been expended to date.

- \$2 million for DWR's Drought Disaster Livestock Water Supply Assistance Program. This funding is in addition to funding approved from the general water bucket, which together provided over \$6.1 million for the program. Over \$4 million has been expended to date.
- 8. Identify and justify the need for any one-time funding being requested/recommended.
 - One-time funding of \$77,869,696 for state owned water projects.
 - One-time funding of \$212 million for water project grants for the buckets.
 - One-time funding of \$5 million for discretionary funding for flexibility to provide additional funding either in the buckets, unaccounted for events such as flooding, and to address unknown costs associated with the Department's move from the State Office Building to the Bank of North Dakota.
 - One-time funding of \$1,532,980 for IT standardization, applications, and security.
 - One-time funding of \$1.8 million 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 first being deployed in 1997, using 1970s equipment.
 - One-time funding of \$1.8 million to replace DWR's 15-year-old drill rig with a top-head drive drilling rig that provides finer control over the drilling operation and safety features that are superior to the current drill rig.
 - One-time funding of \$200,000 for office modifications due to the DWR being required to evacuate the State Office Building due to environmental hazards.
 - One-time funding of \$750,000 for Airborne Electromagnetic Surveying (AEM) 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.
 - One-time funding of \$298,180 for inflationary increases related to motor pool rates of \$118,180 and drilling supplies of \$180,000.

- One-time funding of \$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 has been achieved on this effort since 2019.
- One-time funding of \$72,665 for scientific software.
- One-time funding of \$19,320 to provide computers and other necessary equipment for 3 new FTE positions.
- 9. Discuss agency collections that are deposited in the general fund or special fund, and any anticipated changes from 2021 legislative session estimates during the 2021-2023 biennium and estimated changes for the 2023-2025 biennium.

We have very 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 93% of our revenue. Other Special Fund deposits include SWPP capital repayments, NAWS payments from the City of Minot, payments from counties for cloud seeding, and CD interest.

10. Discuss the need for any other sections that are included or are requested/recommended to be included in the agency appropriation bill.

- Additional income appropriation section for additional amounts in the resources trust fund for defraying the expenses of the Department.
- Exemption section providing authority to carryover funding related to water projects. As of when the budget was developed and submitted to the OMB, carryover was estimated to be roughly \$237 million but we anticipate the range could be between \$240 million and \$320 million. Carryover will need to be adjusted as we get closer to the end of session as approvals during session impact the estimate.

- A section appropriating \$30 million from the Water Project Stabilization Fund to the DWR for the purpose of repayment of loans issued by the Bank of North Dakota to the Western Area Water Supply Authority.
- A section identifying the purpose of the discretionary funds to be used for water project grants and capital assets.
- A section providing authority for line item transfers. Due to the fact the DWR
 has state owned projects which require expenditures from both capital assets
 and operating expenses, line item transfer authority between those two line
 items would ensure we can shift funding when needed for payments to
 engineers and other consultants for those projects. This would be similar to
 the transfers between line items the Department of Transportation makes for
 road projects.

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

<u>SB 2015:</u> Relating to the Office of Management and Budget regarding internal equity and external market factor funding for agencies, of which the DWR would receive \$645,000 along with funding of \$451,000 to demolish the Office Building.

<u>SB 2097:</u> Relating to wild and scenic river designations.

<u>HB 1070:</u> Relating to the establishment and administration of a hazard mitigation revolving loan fund.

<u>HB 1072:</u> Relating to the powers and duties of the department of water resources; and to repeal section 61-04.1-35 of the North Dakota Century Code, relating to the required bond, cash, or negotiable securities required when bids are submitted to the atmospheric resources board.

<u>HB 1073:</u> Relating to the department of water resources authority to require operating plans for dams.

HB 1074: Relating to informational hearings for water permit applications.

<u>HB 1075</u>: Relating to comments on the cancellation of water rights; and to amend and reenact sections 61-04-24 and 61-04-25 of the North Dakota Century Code, relating to the notice and hearing process for the cancellation of water rights.

<u>HB 1076:</u> Relating to the department of water resources authority regarding water permit thresholds for dikes, dams, and other devices; and to provide a penalty.

HB 1077: Relating to water storage contracts.

- 12. 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.
- 13. Provide a comparison of your agency's optional adjustment requests to those recommended in the executive budget.
- We support the Executive budget recommendation.
- 14. Identify the purpose and amount of federal state fiscal recovery funding appropriated to your agency during the November 2021 special legislative session, the amount of funds spent to date, the timeline for obligating and spending the remaining funds, and any amounts that will not be obligated by December 2024.

The DWR was appropriated \$75 million from the State Fiscal Recovery Fund as authorized by SB 2345 during the 2021 special session for water infrastructure projects. This funding was to be expended before funds from the resources trust fund when possible. The DWR anticipates carryover of roughly \$13 million.

15. Identify the amount of federal funding available to your agency for the 2023-25 biennium, the purpose of the funding, federal deadlines for spending the funds, and your agency's plan for spending the funds.

The department's budget includes federal funding of \$36,053,261 as follows:

- MR&I funding of \$25,008,161 for construction of NAWS. There is no deadline for spending.
- Dam safety funding of \$295,267
- Water Education Today (WET) non-point source program \$340,324
- FEMA Cooperating Technical Partners funding of \$438,252

- FEMA Risk Mapping, Assessment, and Planning funding of \$7,946,168
- FEMA Community Assistance Program State Support Services Element funding of \$275,089
- Weather modification research and development federal authority of \$1,500,000 for research grants that may become available.
- USGS national grants of \$250,000, which is a pass-through grant.

16. 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. In the past, DWR has produced and printed that information in a detailed Water Development Plan. For the 2023-2025 biennium, DWR and the State Water Commission are providing that same information electronically through a Water Development Plan Dashboard (Dashboard) - along with highlights in a printed Executive Summary that has been provided for your reference.

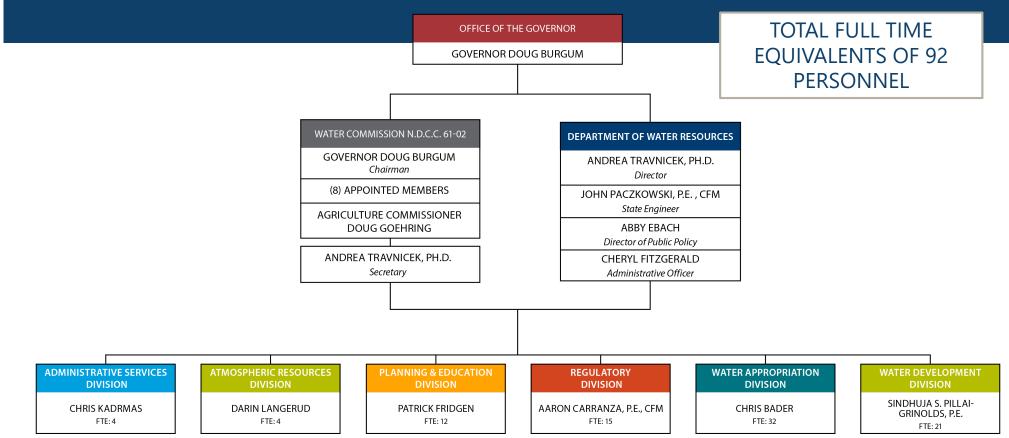
The Water Development Plan Executive Summary outlines funding recommendations for critical water supply, flood protection, and other general water management projects; a prioritized summary of water development financial needs that were collected directly from project sponsors; and summaries of revenue 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 of the information that's available on the Dashboard, go to our homepage at <u>www.dwr.nd.gov</u> 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 Senate Bill 2020. 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. 2023-2025 State Water Commission and Department of Water Resources Five Year Strategic Plan Executive Summary
- 3. One-page overviews of requested FTE
- 4. 2023 Water Development Plan Executive Summary

DWR ORGANIZATIONAL CHART



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

16 Surveys Completed





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.



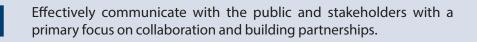
STRATEGIC INITIATIVES

The DWR Strategic Plan furthers the implementation of Governor Doug Burgum's strategic initiatives: Main Street Initiative; Tribal Engagement; Reinventing Government; Behavioral Health and Addiction; and Transforming Education.

OBJECTIVES

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





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.



Water Resources





WATER APPROPRIATION DIVISION

(1 FTE)

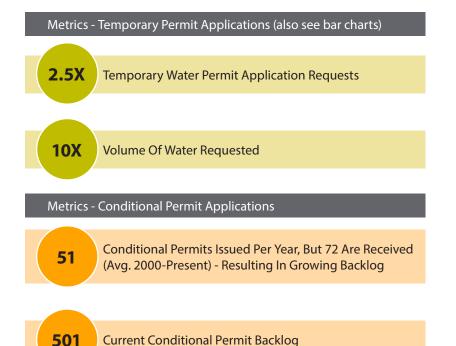
The Water Appropriation Division (WAD) is experiencing an unprecedented backlog of work that is adversely impacting the ability of the division to respond to permit application requests and other permitting processes tied to the management of North Dakota's water resources. Historically, there has always been some variation in workload within the division, but over the past 10 years, there have been significant increases in the tasks that are clearly not cyclical and there are no indications that this will be mitigated moving forward without more staff resources to address increased workload.

Why An FTE Is Necessary

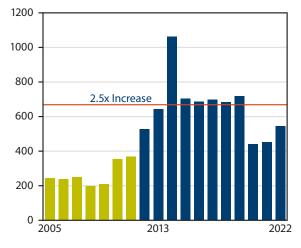
The increased workload can be tied to three independent drivers that have resulted in notable changes to division work processes, workflow, and workload. These include the following:

- Industrial Oil Field Production (Hydraulic Fracturing)
- **Performance Audit**
- Maturity of North Dakota Ground and Surface Water Systems

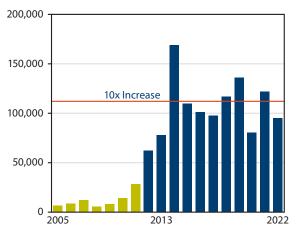
Hydraulic fracturing has profoundly changed the landscape, economics, and water demands in western North Dakota. Hydraulic fracturing requires substantial volumes of fresh water, and the associated demand for water in western North Dakota to facilitate the growth and expansion of the Bakken has placed overwhelming demands on WAD staff. The nature and the type of use related to delivering water for the development of the Bakken play has led to considerable increases in the number of Conditional and Temporary Permit applications as well as exceptional increases in the quantity of water that is requested.



Temporary Permit Applications (Annual)



Approved Acre-Feet Temp. Permits (Annual)



NORTH

Be Legendary.

Water Resources



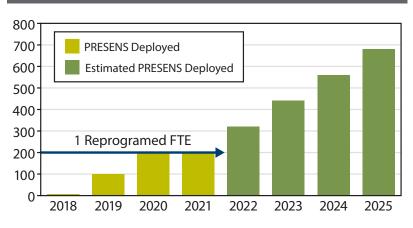
DATA & TECHNICAL SERVICES DIVISION

DWR has always been a leader in data collection related to water resources, but has not had near real-time access to its data sources. The PRESENS (Pushing REmote SENSors) datalogger was designed in-house to fill that gap and provides near real time data so decisions and actions can be made based on current data. The PRESENS program was created by leveraging the talent of internal staff with the scientific background and knowledge of data needs of the DWR. The PRESENS program so far has been a resounding success. It has proven to be more valuable than originally hoped as staff have continued to adapt PRESENS to record new data, such as precipitation, soil temperature, and soil moisture. The program currently is in its infancy and is now ready to move into production.

Why An FTE Is Necessary

Reprogrammed staff have been responsible for picking up the extra work associated with developing and managing the PRESENS program. To add more devices and to move the PRESENS program into a production system, an additional FTE devoted to PRESENS is required.

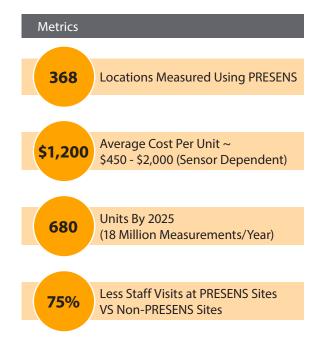
Goal Is 2,000 PRESENS Units



Other Considerations



PRESENS is a game-changing technology in environmental data collection that is the envy of other states and provinces. Natural Resources Services (PRESENS) 1 FTE



PRESENS can perform real-time measurements beyond what any number of personnel could accomplish, including data not previously collected such as temperature and barometric pressure.



 NORTH

 Ockota

 Be Legendary.

REGULATORY DIVISION

In recent years, North Dakota's water projects have increased in project complexity and project volume, which in part is correlated closely to the increased funding for flood control and surface water projects. Additionally, the litigious nature of water-related issues such as drainage and water resource board decisions has also increased, thereby increasing the complexity of reviews and lengthening review timelines. The DWR Engineering & Permitting Section (E&P) staff have been at the forefront of these increases, attempting to keep pace with incoming permit applications while still prioritizing permit reviews for construction season dependent projects.

Why An FTE Is Necessary

- The E&P staff are unable to keep pace with the current trend in the complexity and volume of flood control and drainage project permit applications and complaint appeals.
- Major flood control projects, such as the Fargo-Moorhead Diversion Project and Mouse River Enhanced Flood Protection Project as well as other flood control projects for Grafton, Valley City, and Lisbon entailed more complex reviews requiring more staff time, thereby shifting workload priorities away from a growing backlog.
- The functions of E&P are core agency functions that are required to be completed by Century Code and Administrative Code, requiring adequate resources to fulfill.
- Other priorities, such as project or site inspections, field visits, database improvement, and education and outreach, are not currently occurring due to limited staff availability.

Other Considerations

Several attempts have been already made to harvest efficiencies with an existing E&P staff of 5 FTEs to process all applications, determinations, and appeals. These efforts already completed include leveraging of technology for electronic project management routing, reorganization of dam construction permits to the Dam Safety Section, and the publishing of 3 new agency policies that address common litigious issues with drainage and construction permitting, thereby streamlining aspects of the drain permitting and construction permitting processes. While these attempts were successful to some degree, incoming, time-sensitive applications take priority at the expense of a growing review backlog and other priorities.

Trends In Applications And Reviews

Permitting Engineer (1 FTE)

Metrics Major flood control project reviews 5+ since 2015, three of which are ongoing ex. FM Diversion Unprecedented emergency drain permit applications in 2019 and 2020 flood 28 fighting season, diverting other review priorities Only known project-related inspection or field visit completed since 2019 due to prioritization of review backlog Complaint appeals pending review (the most complicated and time 13

intensive reviews averaging only 1.5 per year completed)

Goals For Reviews Continue To Fall Short

Work Load Analysis (Days)	Review Type	Goals For Average Processing Time
811	Construction Permits	3 - 4 months
790	Statewide Significance Drain Permits	3 - 4 months
670	Complaint Appeals	4 - 6 months
605	Stream Crossing Determinations	1 - 2 months
437	Watercourse Determinations	1 - 2 months
344	Assessment Appeals	1 - 2 months
102	Non-Statewide Surface Drain Permits	< month
40	Emergency Permits	< 2 weeks



Be Legendary.

NORTH

EXECUTIVE SUMMARY WATER DEVELOPMENT PLAN



www.dwr.nd.gov



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 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, long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more!

WATER DEVELOPMENT GOALS & PRIORITIES

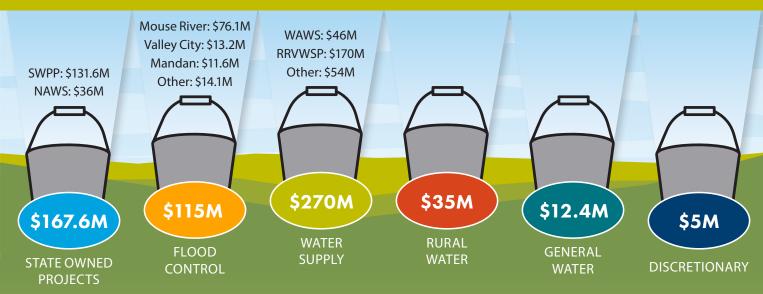
GOAL 1

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.



2023-2025 DWR PROJECT & PURPOSE FUNDING RECOMMENDATIONS

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

2023-2025 PROJECT FINANCIAL NEEDS SUMMARY (ESTIMATED DWR SHARE)



	WATER DEVELOPMENT PLAN INVENTORY PROJECT NEEDS				
PROJECT PURPOSES	High Priority	Moderate Priority	Low Priority	DESCRIPTION OF FINANCIAL NEED: 2023-2025	
Flood Control (Total = \$210M)	\$120.4	\$47.2	\$42.4	Heart River Flood Control (Mandan), Mouse River Enhanced Flo Protection, and Water Conveyance.	
F-M Area Diversion	-	-	-	Total state commitment of \$850M addressed during 2021 Legis	
Mandan Flood Risk Reduction	\$11.6	-	-	Floodwall replacement, levee raises, and interior drainage impr	
Mouse River Enhanced Flood Protection	\$76.1	-	-	Funding scenario based on \$76.1M over 5 biennia. Includes pro and construction on the Maple Diversion and in-town levees.	
Other Flood Control	\$19.5	\$0.7	\$0.2	Community flood protection projects, levee certifications, floo	
Valley City Permanent Flood Protection	\$13.2	-	-	Phase 6 - Permanent concrete flood walls, removable flood wa stream bank restorations.	
Water Conveyance	\$0.0	\$46.5	\$42.2	New drainage, drainage improvements, bank stabilizations, and	
General Water Management (Total = \$48.1M)	\$2.5	\$42.4	\$3.2	Dam remediations, repurposing, rehabilitations, and repairs; irri	
Rural Water Supply (Total = \$109.7M)	\$13.7	\$18.8	\$77.2	Community regionalizations, system expansions, storage impro (WTP) improvements.	
Water Supply (Total = \$679.9M)	\$467.9	\$1.6	\$210.4	Municipal water supply projects, Northwest Area Water Supply Western Area Water Supply.	
Municipal Water Supply	\$0.0	\$1.6	\$210.4	Water distribution, storage, and treatment expansions; improve	
Northwest Area Water Supply	\$36.0	-	-	Intake Contract II, Bottineau and Souris Reservoirs and Pump St Water Line Initialization, and Biota WTP Phase II.	
Red River Valley Water Supply	\$254.3	-	-	Pipeline construction, Eastern North Dakota Alternative Water S WTP and Main Pump Station design.	
Southwest Pipeline Project	\$131.6	-	-	Strategic hydraulic improvements, WTP expansion, rural service	
Western Area Water Supply	\$46.0	-	-	Rural water service area expansions to new users and Williston	
TOTAL (\$1.05B)	\$605	\$110	\$333		

Flood Protection, Other Flood Control, Valley City Permanent Flood

gislative session with \$435.5M provided through HB 1431.

provements.

property acquisitions in Minot and rural areas, additional levee design, s.

ood reduction studies, and rural ring dikes.

walls, clay levees, storm water pump stations, and bioengineered

and snagging and clearing.

irrigation; watershed plans; and water retention and detention.

provements, transmission line installations, and water treatment plant

oly, Red River Valley Water Supply, Southwest Pipeline Project, and

ovements; and replacements.

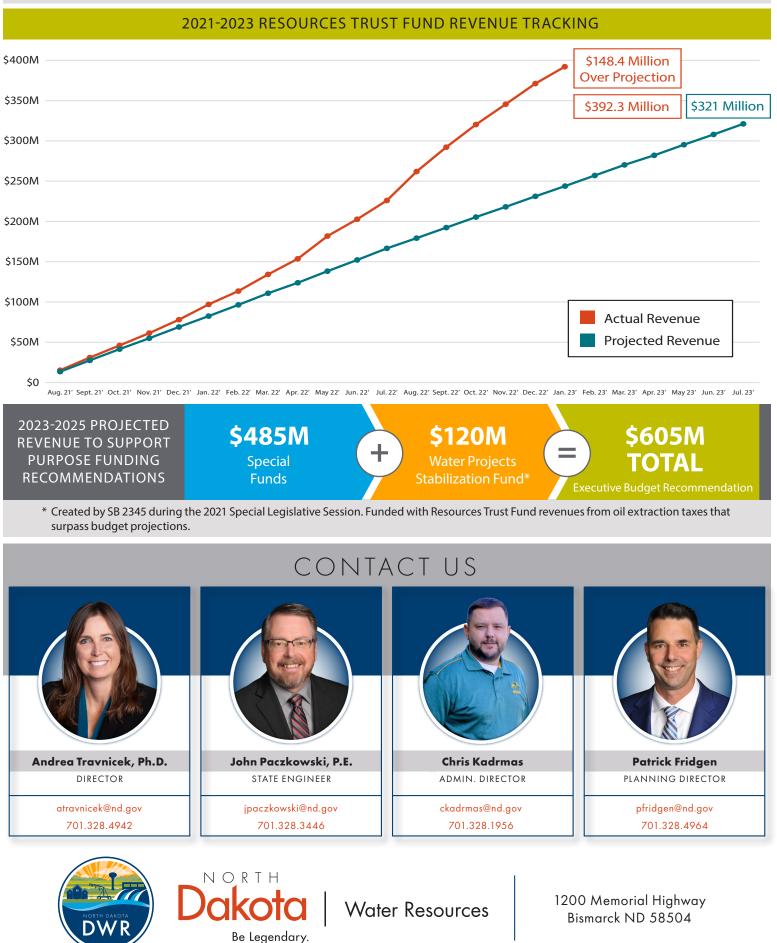
Stations, In-line Booster Pump Stations, Minot WTP Phase III, Raw

er Supply design, McClusky Canal Intake preliminary design, and Biota

vice additions, and DWR operations.

on WTP 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 funded with 20.5 percent of revenues from the oil extraction tax.







Department of Water

Groundwater Monitoring

Resources Full Time

Equivalents (FTE)

Wells

MISSION

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

500+

360-

Ş

\$549M

\$605M

250%

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.

WHO WE SERVE

DWR FACTS



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.



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

PRESENS (Pushing REmote SENSors) Real-Time Environmental Data Loggers Have Collected Measurements For Water Supply, Flood Protection & Other Water Projects (21-23 Biennium) Proposed For Water Supply, Flood Protection & Other Water Projects (23-25 Biennium)

> Average Increase In Temporary Water Permit Applications Annually -Last 10 Years

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

Andrea Travnicek, Ph.D., Director atravnicek@nd.gov 701-328-4942

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

General support, records management, human resources, and accounting, including financial reporting, audits, and processing payments.



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

Chris Bader, Director cbader@nd.gov 701-328-4771

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

DEPARTMENT OF WATER RESOURCES WORKFORCE

WHAT WE'RE ABOUT

The Department of Water Resources (DWR) has several responsibilities on behalf of the people of North Dakota that make the agency and its workforce unique. 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.

WHAT HAPPENS IF WE CAN'T EFFECTIVELY DO OUR JOB...

Result

Cost-share support for flood protection, water supplies, and other water development projects would be stalled.



Result

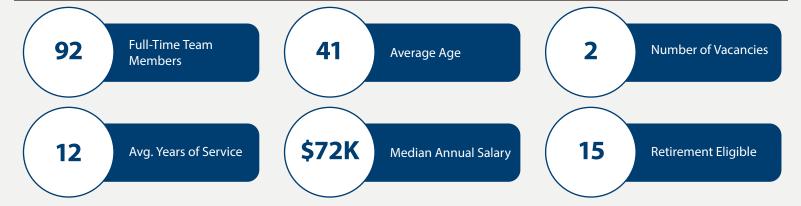
Water permit requests for drinking water, agriculture, and industrial development will be delayed.



Result

Regulatory functions designed to protect citizens and infrastructure from negative water-related events (i.e. flooding and dam failures) could be impacted.

CURRENT AGENCY TEAM MEMBER STATS



ADDRESSING SALARY CHALLENGES FOR OUR TEAM MEMBERS

\$645K

Recommended to address internal equity and external market factors that affect existing team members. This would assist with reducing turn-over and would support competitive pay and compression adjustments.

DWR SUPPORTS SENATE BILL 2015

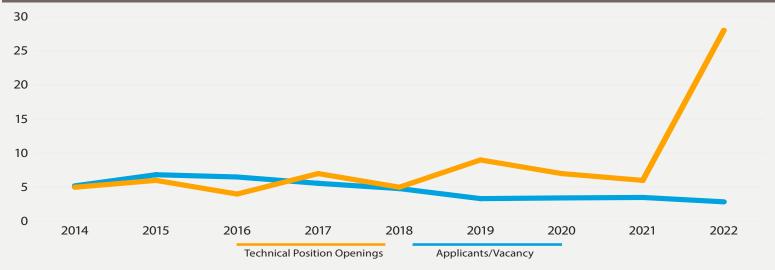
HYDROLOGIST POSITIONS

22%

EXAMPLE Hydrologist Positions Are **22%** Below Private Sector.

DEPARTMENT OF WATER RESOURCES

TECHNICAL POSITION APPLICANTS PER POSITION - LAST 10 YEARS



COST OF TURNOVER



To properly function, DWR requires highly specialized and technical skillsets related to engineering, hydrology, planning, and finance, as examples. Productive team members must then apply all of these principles, and others, to water resource management. When hiring there is a loss of productivity across the team. Besides hiring and on-boarding costs, each new hire has a 6 to 24 month learning curve before less supervision is necessary. During this time, the development of each employee impacts other productive team members, and increases time demands by managers and other coworkers - thus reducing team production. Further exacerbating the cost of turnover is the loss of recently trained employees who leverage the state's investment in their professional development and pursue similar yet higher paying employment with the private sector or other government agencies with their newly-attained knowledge, skills, and professional licenses.

WORKFORCE COMPETITION



Engineering & Environmental Services Firms



Federal Government



Other States (Similar Agencies)



Fossil Fuel Industries

22.6% TURNOVER IN 2022



Water Resources



DEPARTMENT OF WATER RESOURCES 2023-2025 OPTIONAL REOUESTS

The following is a summary of optional requests included in the 2023-2025 Executive Budget recommendation. More detailed descriptions are available through the Budget Development Tracking System or by contacting DWR staff (see below).

DEPARTMENT OF WATER RESOURCES STAFF



3 FULL TIME EQUIVALENTS (FTE)

To significantly reduce delays so constituents receive permits and water appropriations in a timelier manner.

- » Regulatory Division
- » Water Appropriation
- » PRESENS System Support

\$170,000

1 FULL TIME TEMP Northwest Area Water Supply (NAWS) - To ensure streamlined operation of the NAWS system as DWR works to partner with Minot in operating the biota water treatment plant and completing projects necessary to receive and distribute water from Lake Sakakawea.

\$80,000

PROFESSIONAL DEVELOPMENT

To support mentoring and training of water appropriation staff in positions that require high levels of technical expertise, and that in recent years have experienced high turnover rates.

\$61,609

FULL TIME TEMP BENEFITS

To provide a full benefits package to DWR's Silver Jackets Program Coordinator - who for years has been a long-term temporary employee.

TECHNOLOGY & INNOVATION

IT STANDARDIZATION, APPLICATIONS & SECURITY

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.

PRESENS (PUSHING REMOTE SENSORS) INSTALLATIONS & TEMP SALARIES

To expand the PRESENS footprint and data collection types/sensors to improve forecasting, modeling, and overall water management - at a fraction of the cost of traditional data collection methods. \$750,000

AEM (AIRBORNE ELECTROMAGNETIC SURVEYS)

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.

GROUNDWATER MODELING & HYDROLOGIC ANALYSIS SOFTWARE

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.

\$5,615,764

\$1,572,800



INFLATIONARY COST INCREASES

MOTOR POOL RATE INCREASES

To address inflation impacting current travel expenses. Motor Pool announced increased rates moving forward that represent an average increase across the vehicle fleet of 10% and 15%.

\$118,180

DRILLING SUPPLY COST INCREASES

To maintain ongoing drilling operations and to account for increasing costs related to drilling mud, cement, and PVC pipe.

\$180,00

EQUIPMENT & OFFICE

BOWMAN RADAR

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.

\$1,800,000

\$200,000

\$1,800,000

DRILLING RIG

To replace DWR's 15-year old drill rig with a top-head drive drilling rig that provides finer control over the drilling operation and safety features that are superior to the current drill rig.

OFFICE MODIFICATIONS

DWR was required to evacuate the State Office Building due to environmental hazards. Funding is requested to address office modifications that may be necessary at the agency's current long-term, yet potentially temporary location.

FEDERAL FUNDING AUTHORITY

\$100,000

ND RISKMAP (RISK ASSESSMENT MAPSERVICE)

To address federal spending authority increase projections related to RiskMAP. RiskMAP was developed in-house and allows users to zoom in and visually display current flood risks.

STUDY/ANALYSIS

\$180,000

NAVIGABILITY STUDY

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 has been achieved on this effort since 2019.



contact us

Andrea Travnicek, Ph.D. | Director atravnicek@nd.gov | 701.328.4942

Chris Kadrmas | Director of Admin. ckadrmas@nd.gov | 701.328.1956





Water Resources



FARGO-MOORHEAD AREA DIVERSION PROJECT



LOOKING AHEAD 2023-2025



FULLY FUNDED

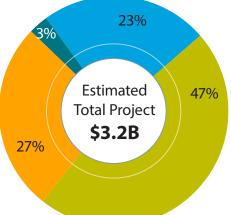
State funding of \$414.5M was provided through the 2019-2021 biennium. During the 2021 Legislative Session HB 1431 provided an additional \$435.5M for a total state commitment of \$850M.

BACKGROUND AND PURPOSE

Developed as a response to the 1997 flood, the Fargo-Moorhead Area Diversion Project (FMADP) aims to reduce flood risk to the cities and townships that make up the metropolitan area of Fargo-Moorhead. The FMADP provides flood risk reduction from the Red River and its North Dakota tributaries, including the Wild Rice, Sheyenne, Maple, Rush, and Lower Rush Rivers. The project has four major elements, which include (i) the in-town levee system, (ii) the diversion channel, (iii) the southern embankment, and (iv) mitigation projects. When complete, the FMADP will provide flood protection for approximately 235,000 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 and Moorhead, along with Cass County, Clay County, and the Cass County Joint Water Resource District, have signed a joint powers agreement, which created the Metro Flood Diversion Authority (MFDA). Its purpose has been to work with the US Army Corps of Engineers to build, finance, operate, and maintain a comprehensive project to provide the Fargo-Moorhead metro area with permanent flood protection from the Red River and its tributaries. The MFDA has developed a comprehensive and prudent financial model in which local dollars are contributed via local and city sales taxes. Voters approved three half-cent sales taxes to be extended through 2084 to cover the local share.



NORTH Be Legendary.



OUICK FACTS





IN-TOWN PROTECTION



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



ESTIMATED OPERATIONAL







MOUSE RIVER ENHANCED FLOOD PROTECTION PROJECT



QUICK FACTS



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



ESTIMATED OPERATIONAL



COUNTIES (Renville, Ward, McHenry, & Bottineau)



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

CURRENT DWR COST-SHARE **65%** Engineering & Construction **75%** 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.

LOOKING AHEAD

2023-2025

⁵76.1

MILLION

EXECUTIVE BUDGET REQUEST

PROJECTED COST SCHEDULES HISTORIC FUNDING

K 0 0 1 0 1 1 0 0 1 1 0			_			
TOTAL COST - 16 Year		\$1.28B		Local		\$137M
TOTAL COST - 10 Year		\$1.22B - 1.23B		State		\$313M
Biennial State Funding	Decreas	sing Consistent		Federal		\$141M
2023-2025	\$100N	и \$76.1M				
2025-2027	\$76.1N	1M \$76.1M		FUTURE FUI	ווטא	NG
2027-2029	\$70N	1 \$76.1M		Local	\$185	5M - \$203M
2029-2031	\$66N	1 \$76.1M		C 1 1		
2031-2033	\$63.61	V \$76.1M		State	\$376	5M - \$413M
TOTAL	\$375.7	M \$380.5M		Federal		\$71M

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.







DECEMBER 2022



NORTHWEST AREA WATER SUPPLY PROJECT

LOOKING AHEAD 2023-2025



QUICK FACTS



FUTURE WATER USERS (10% OF ND POPULATION)



SYSTEMS SERVED







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

CURRENT DWR COST-SHARE **65%*** *Biota Water Treatment Plant -100% Federal Funds



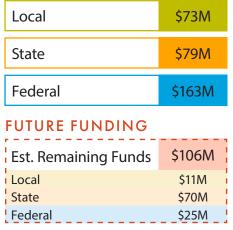
\$36 MILLION

EXECUTIVE BUDGET REQUEST

Funding for Intake Contract 2, Bottineau and Souris reservoirs and pump stations, booster pump stations, Minot Water Treatment Plant (WTP) Phase III, raw water line, and Biota WTP Phase II design.

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 years. The District Court ruled in favor of the project in 2017, and that decision was upheld by the Appellate Court in 2019 - ending 17 years of litigation. Today, construction on the NAWS project is back underway, with interim water supplies provided by the City of Minot. Phase I of the Biota Water Treatment Plant is scheduled for completion in 2024, with overall project completion in 2029.

HISTORIC FUNDING





LOCAL SPONSOR

In 1991, the state passed into law a bill creating the NAWS Advisory Committee (including one person representing Minot, water resource districts, State Water Commission (SWC), Turtle Mountain, rural water, other municipal, Garrison Diversion, and at-large), while giving the SWC the authority to construct, operate, and manage the project. The City of Minot has been funding the entire local share of the project to date through a 1 percent city sales tax.



N O R T H Dakota Be Legendary.



JANUARY 2023



RED RIVER VALLEY WATER SUPPLY PROJECT



QUICK FACTS



TRANSMISSION PIPELINE



MAX FLOW



CITIES/RURAL SYSTEMS (50% Of ND Population)



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



BACKGROUND AND PURPOSE

The Red River Valley Water Supply Project (RRVWSP) began as a joint federal, state, and local effort to deliver high quality Missouri River water to the region. The Dakota Water Resources Act of 2000 authorized the project to provide a supplemental water source for improved drought resiliency for the Red River Valley. In 2013, it was clear the project would not receive federal approval. Today, the project continues with state and local sponsorship. RRVWSP will deliver Missouri River water to central and eastern North Dakota from south of Washburn to a discharge in the Sheyenne River. In conjunction, Garrison Diversion Conservancy District and the Lake Agassiz Water Authority (LAWA) are also pursuing the Eastern North Dakota Alternate Water Supply (ENDAWS), which would utilize the McClusky Canal as a water source.

HISTORIC FUNDING

Local	\$26M			
State		\$117M		
FUTURE FUNDING				
Est. Remaining Funds		\$1.18B-1.59B		
Local	\$302M-\$407M			
State	\$877M-\$1.19B			

PROJECTED COST SCHEDULES

RRVWSP - 10 Year	\$1.79B
RRVWSP - 8 Year	\$1.74B
RRVWSP - 6 Year	\$1.7B
ENDAWS - 10 Year	\$1.41B
ENDAWS - 8 Year	\$1.4B
ENDAWS - 6 Year	\$1.3B

LOCAL SPONSORS

The Garrison Diversion Conservancy District is made up of 28 member counties who each elect a citizen to serve on the board of directors. The principal mission of the organization 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 LAWA to address future water needs in the Red River Valley. LAWA was further directed to develop a reliable supply of drinking water to central and eastern North Dakota. LAWA serves as the representative for RRVWSP water users, and is a cooperating entity with the Garrison Diversion Conservancy District.



N O R T H Dakota Be Legendary.

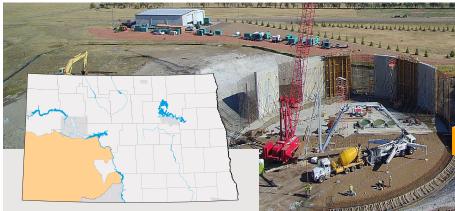


DECEMBER 2022





SOUTHWEST PIPELINE PROJECT



QUICK FACTS



WATER USERS (7.4% OF ND POPULATION)



COMMUNITIES SERVED



RURAL CUSTOMERS



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 (\$89.9M), and replacement and extraordinary maintenance funds (\$1.5M).

BACKGROUND AND PURPOSE

LOOKING AHEAD 2023-2025

\$131.6 MILLION

EXECUTIVE BUDGET REQUEST

Funding for strategic hydraulic improvements, West Zone main transmission line improvements, an intake pump station, Burt Hebron Service Area expansion, Southwest Water Treatment Plant expansion, and agency operational costs.

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 Dick-inson 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, 31 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	\$1.5M			
State*	\$307M			
Federal**	\$122M			
*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	\$261M
State	\$261M

71% 100% Estimated Total Project \$691.5M

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.



N O R T H Dakota Be Legendary.





VALLEY CITY PERMANENT FLOOD PROTECTION



QUICK FACTS



PROJECT PHASES



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



CLOMR COMPLETION (Conditional Letter Of Map Revision)



LEGISLATIVE DISTRICT (24)

CURRENT DWR COST-SHARE

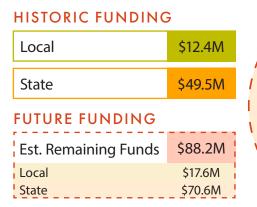
80% Construction **85%** Engineering

LOOKING AHEAD 2023-2025 \$13,2 MILLION

EXECUTIVE BUDGET REQUEST

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 2024 and phase V anticipated for 2025.





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.



N O R T H Dakota Be Legendary.



DECEMBER 2022



WESTERN AREA WATER SUPPLY



QUICK FACTS



WATER USERS (9% OF ND POPULATION)



COMMUNITIES SERVED



RURAL CONNECTIONS



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

CURRENT DWR COST-SHARE

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 2040.

HISTORIC FUNDING





LOOKING AHEAD

2023-2025

MILLION

EXECUTIVE BUDGET REQUEST

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. As originally planned after 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 fund the majority of the project by selling excess water to the energy industry. However, fluctuation in oil activity has caused WAWSA to revisit that funding model. The Legislature has responded with legislation that has allowed for the refinancing or restructuring of WAWSA debt. The Executive budget recommendation for the 2023-2025 biennium includes the addition of a section to **SB 2020** that would appropriate **\$30 million** from the Water Project Stabilization Fund for the purpose of repayment of loans issued by the Bank of North Dakota to WAWSA.



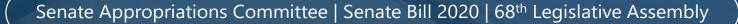
N O R T H Dakota Be Legendary.



DECEMBER 2022



DWR OVERVIEW AGENCY 82 BUDGET NORTH DAKOTA





Water Resources

Be Legendary.



Divisions Within DWR Remain The Same Including:

- Administration
- 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

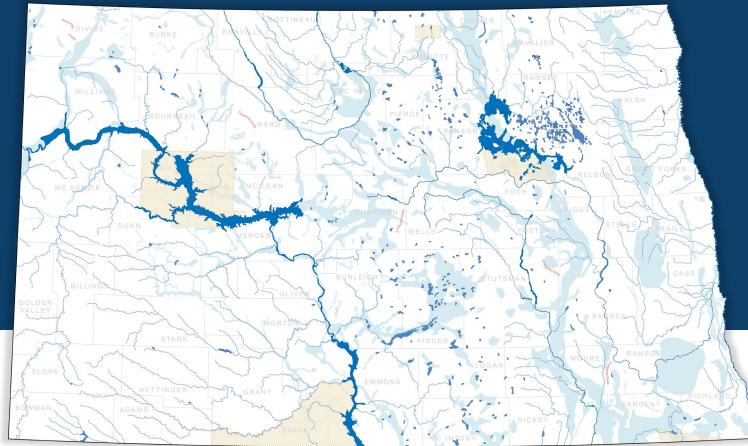
To responsibly manage North Dakota's water needs and risks for the people's benefit.

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.



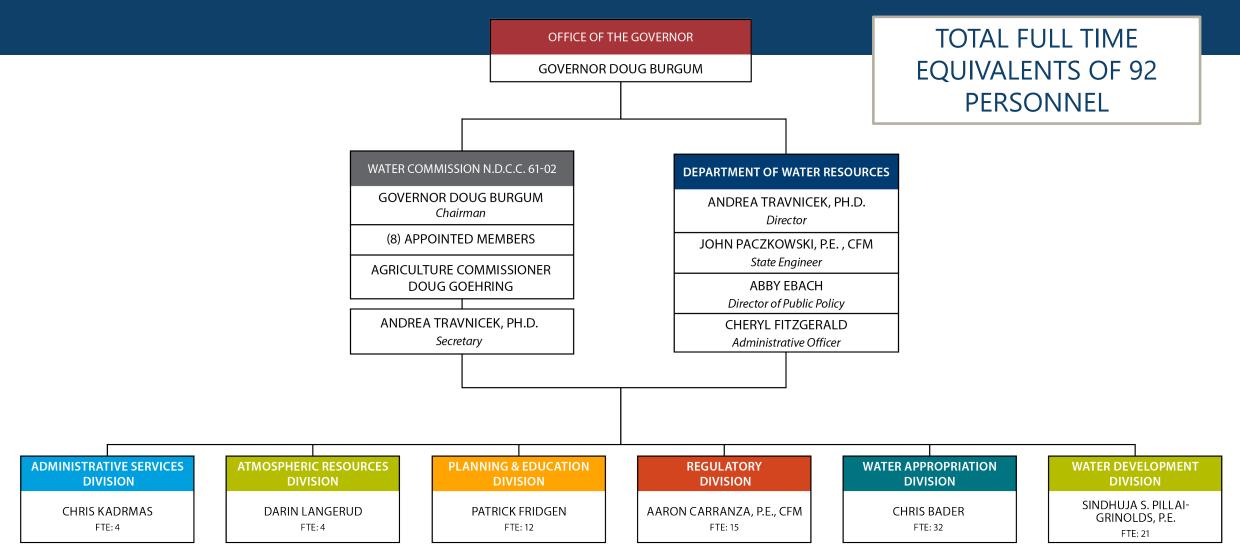
The Department of Water Resources values fairness, objectivity, accountability, responsiveness, engagement, and credibility. We pledge to use professional and scientific methods to maintain the highest of standards in our delivery of services.

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 NDs Largest Lakes & Reservoirs Cover 863,000 Acres

DWR ORGANIZATIONAL CHART



WORKFORCE

TEAM DWR Asked For 3 FTE Approved By Emergency Commission 2 FTE + 1 Temp Approved By Budget Section (March 2022)

Water Appropriation | Regulatory | PRESENS

- Continued Challenges With Salary Equity
- **22.6% Turnover** In 2022
- 20 New Team Members Hired In 2022
- Cooperating With NDSU & Others To Guide Course & Curriculum Focus To Better Prepare Students

WATER COMMISSION



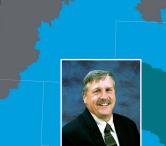
SWC Chair Governor Burgum



Ag. Comm. Goehring



Gene Veeder Upper Missouri River Basin



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



Jay Volk Lower Missouri River Basin



Jason Zimmerman Mouse River Basin Richard Johnson Devils Lake Basin



Michael Anderson Lower Red River Basin





April Walker Upper Red River Basin

DWR DIRECTOR & STATE ENGINEER



DWR DIRECTOR

Andrea Travnicek, Ph.D., Director atravnicek@nd.gov | 701-328-4942

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

General support, budget development, records management, human resources, State Water Commission meeting preparation, and accounting.



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, 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

Chris Bader, Director cbader@nd.gov | 701-328-4771

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



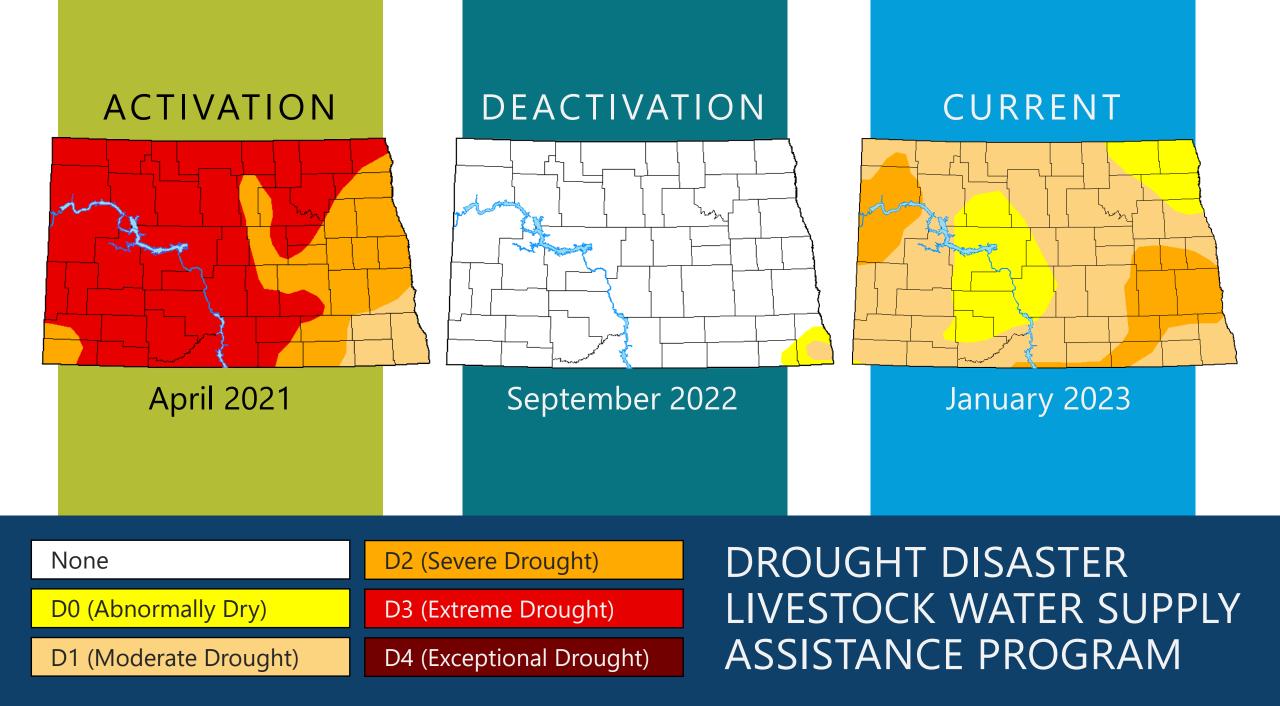
WATER DEVELOPMENT

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



NAWS UPDATE

UNDER CONTRACT

- Minot WTP Phase II
- Biota WTP Phase I
- South Prairie
 Reservoir & Hydraulic
 Control Structure

2023-2025 REQUEST: \$36M

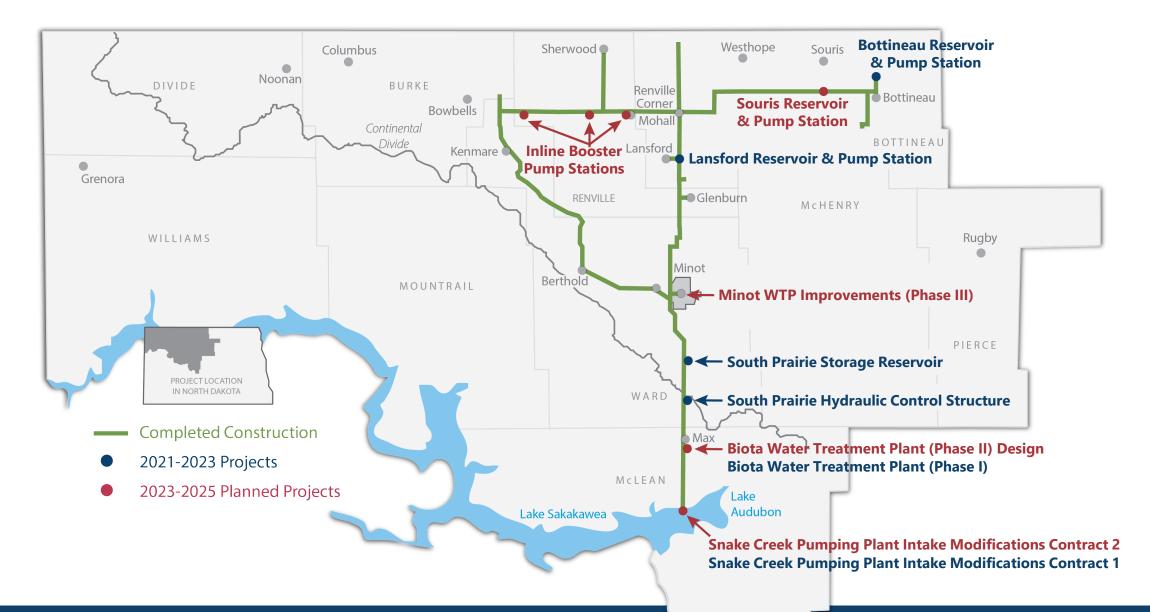
Recently Completed

Service To Bottineau Lansford Reservoir & Pump Station

Snake Creek Intake Modifications Permitting & Awarded Contracts

Goal

Deliver Missouri Water - End Of 2024



NAWS PROJECT AREAS

SOUTHWEST PIPELINE PROJECT UPDATE

UNDER CONTRACT

- Elevated Tank In City Of Taylor (Substantially Complete)
- Main Transmission Line Parallel Piping (Substantially Complete)
- Supplementary Intake
- Strategic Hydraulic Improvements

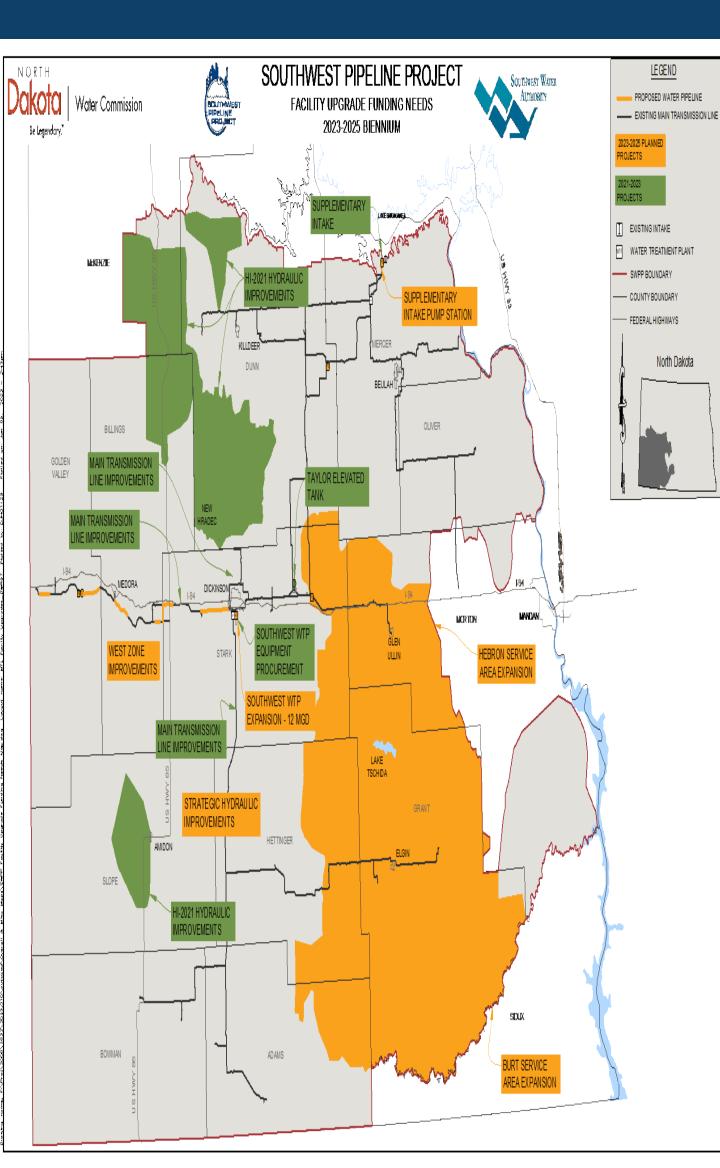
2023-2025 REQUEST: \$131.6M



Future Projects

- Strategic Hydraulic Improvements
- Water Treatment Plant Expansion
- Burt & Hebron Service Area Expansion
- West Zone Transmission Upgrades

SWPP PROJECT AREAS



DEVILS LAKE OUTLETS UPDATE



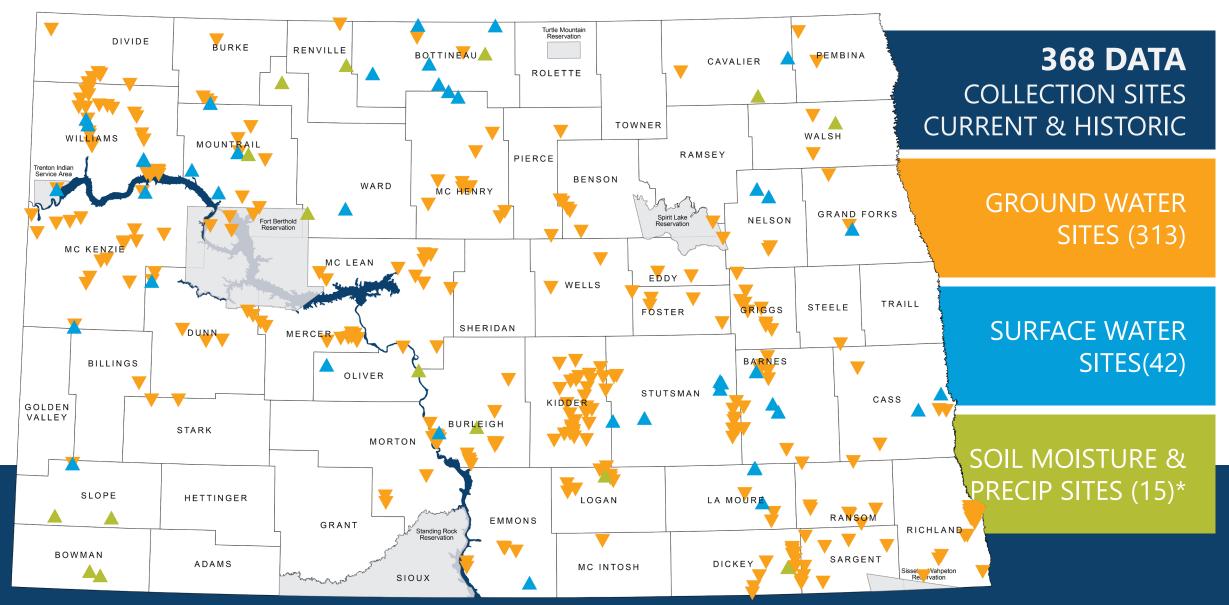
OUTLETS | PUMPS | STRUCTURE

- 60,197 Acre-Feet Pumped In 2022
- Repairs Made To The West End Outlet
 - Terminal Structure
 - Drainpipe (Round Lake Pump #3)
 - Electrical Outage (Round Lake Pump #4)
- Outlet Capital Improvement Plan



- Constantly Collecting Valuable Water Resource Data -Publicly Accessible On Agency's Map Services
- Collect Water Levels, Precipitation, Soil Moisture, Soil Temperature, Barometric Pressure, Air Temperature
- 368 Locations Measured Using PRESENS
- 287 Units Currently Operating
 - Surface Units Are Removed In Winter To Prevent Damage
- **15 Units** Currently Have Rain Gauge & Soil Moisture Sensors
- Goal Is 680 Units By 2025
- 2023-2025 REQUEST: \$1,572,800 (ONGOING)

PUSHING REMOTE SENSORS (PRESENS)



PRESENS LOCATIONS

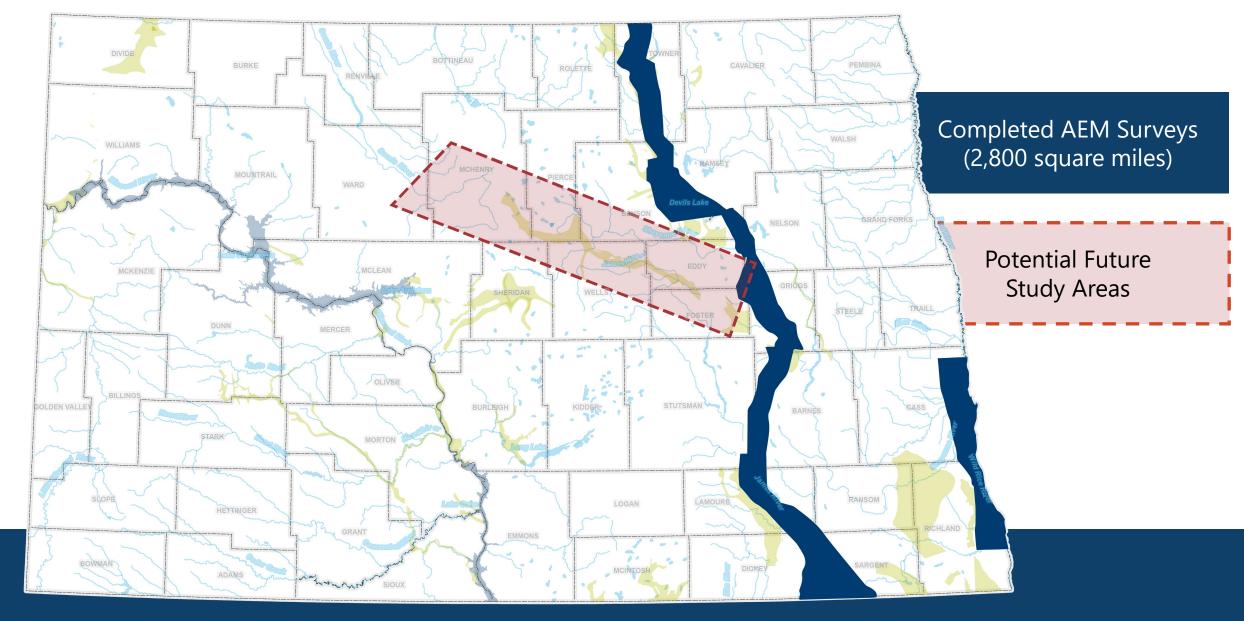
*Two soil moisture & precip sites are co-located with ground water sites.



AIRBORNE ELECTROMAGNETIC SURVEYS (AEM)

- Provide High-Resolution Maps
 Of Aquifers That Help Water Managers
 Identify & Optimize Local Sources Of Available Groundwater
- 2,800 Sq. Miles Completed With Plans To Expand Data Collection
- 2023-2025 REQUEST: \$750,000 (ONE-TIME)

AIRBORNE ELECTROMAGNETIC (AEM) SURVEYS

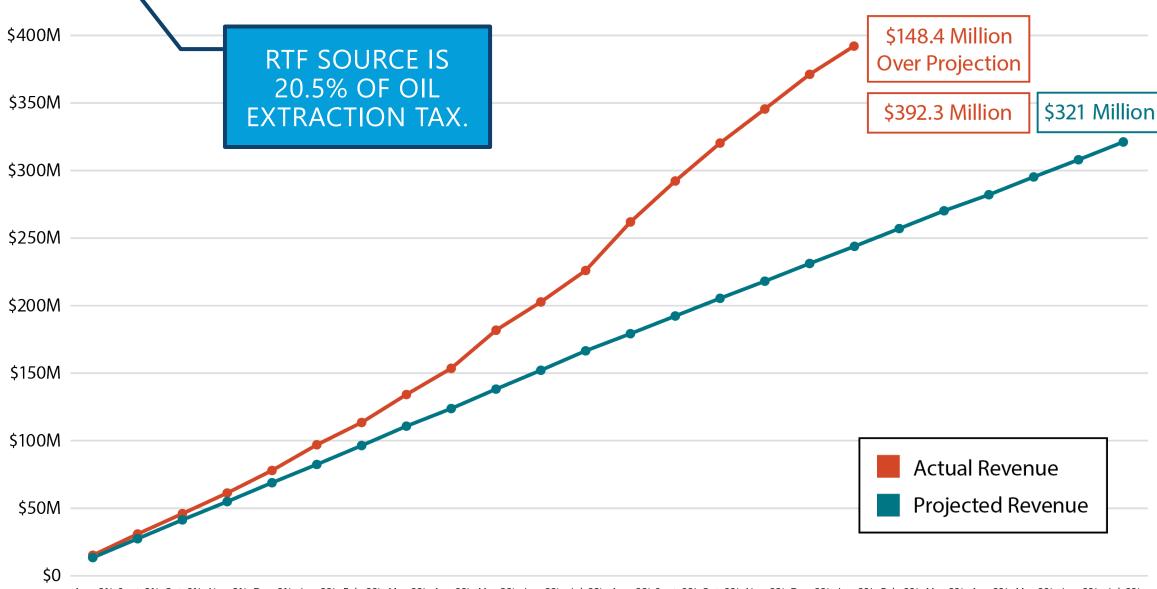


OTHER DWR HIGHLIGHTS

- Cost-Share Program Policy Update Completed 2023-2025 Implementation
- 2021-2023 Cost-Share Program
 - \$282M Total Approvals To Date
 - \$181M For Water Supply Projects In 27 Cities & 19 Rural/Regional Systems
 - \$101M For 98 Different Flood Protection, Water Conveyance, & General Water Projects
- Secured Almost \$5M In FEMA Grant Funding For LiDAR Data To Improve & Modernize Modeling & Engineering Design Data Inputs
- Launched A One-Stop-Shop Online Portal Through WebGrants
 For Water Project Sponsors Seeking Grant Funding Or Loans



RESOURCES TRUST FUND REVENUE

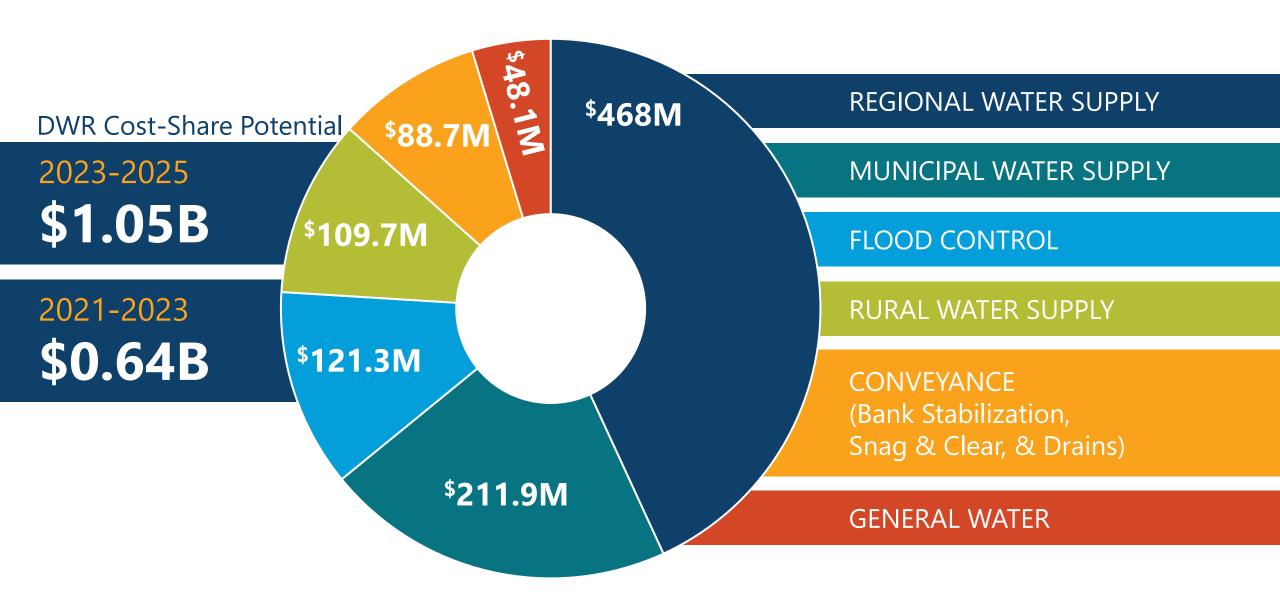


Aug. 21' Sept. 21' Oct. 21' Nov. 21' Dec. 21' Jan. 22' Feb. 22' Mar. 22' Apr. 22' May 22' Jun. 22' Jul. 22' Aug. 22' Sept. 22' Oct. 22' Nov. 22' Dec. 22' Jan. 23' Feb. 23' Mar. 23' Apr. 23' May 23' Jun. 23' Jul. 23' Jul. 23' Apr. 23' May 23' Jun. 23' Jul. 23' Jul. 23' Jul. 23' Sept. 21' Dec. 21' Jul. 23' May 23' Jul. 23' Jul.

WATER PROJECTS STABILIZATION FUND



- Created By SB 2345 During 2021 Special Session
- Funded With Resources Trust Fund Revenues That Surpass Budget Projections
- Transfers To WPSF Stop In February 2023
- Executive Recommendation Includes **\$150M**
 - \$120M Red River Valley Water Supply Project
 - \$30M Western Area Water Supply Project (Loan Payoff)



WATER DEVELOPMENT PLAN INVENTORY

2023-2025 PROJECT & PURPOSE FINANCIAL NEEDS SUMMARY

ESTIMATED DWR SHARE BY PRIORITY

	WDP INVENTORY PROJECT NEEDS		
Project Purposes	High Priority	Moderate Priority	Low Priority
Flood Control (Total = \$210M)	\$120.4	\$47.2	\$42.4
F-M Area Diversion	-	-	-
Mandan Flood Risk Reduction	\$11.6	-	-
Mouse River Enhanced Flood Protection	\$76.1	-	-
Other Flood Control	\$19.5	\$0.7	\$0.2
Valley City Permanent Flood Protection	\$13.2	-	-
Water Conveyance	\$0.0	\$46.5	\$42.2
General Water Management (Total = \$48.1M)	\$2.5	\$42.4	\$3.2
Rural Water Supply (Total = \$109.7M)	\$13.7	\$18.8	\$77.2
Water Supply (Total = \$679.9M)	\$467.9	\$1.6	\$210.4
Municipal Water Supply	\$0.0	\$1.6	\$210.4
Northwest Area Water Supply	\$36.0	-	-
Red River Valley Water Supply	\$254.3	-	-
Southwest Pipeline Project	\$131.6	-	-
Western Area Water Supply	\$46.0	-	-
TOTAL (\$1.05B)	\$605	\$110	\$333

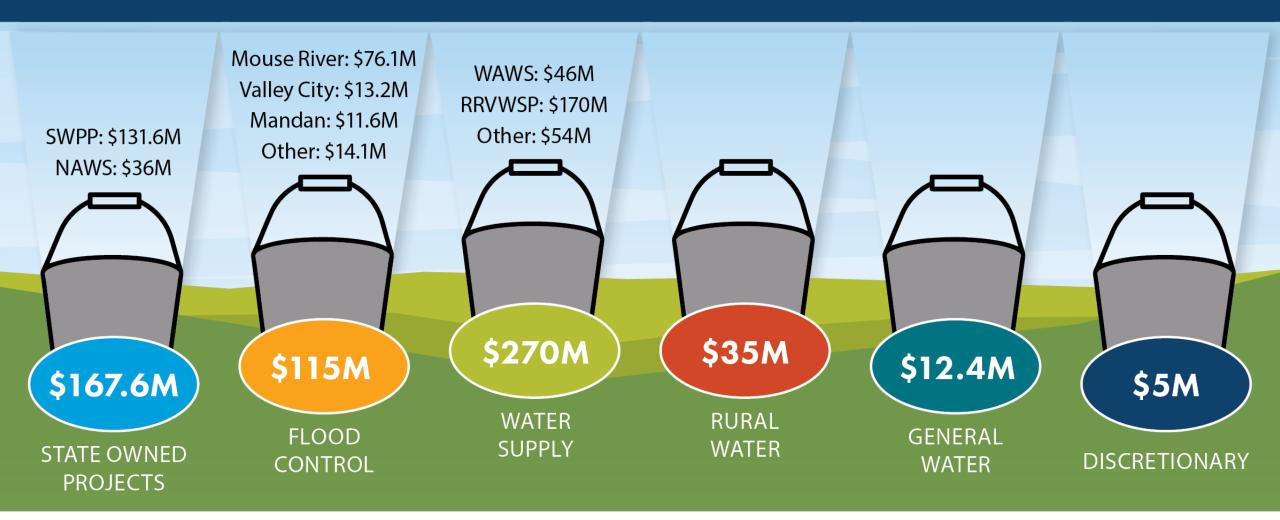


WWW.DWR.ND.GOV



2023-2025 EXECUTIVE BUDGET RECOMMENDATION

2023-2025 PURPOSE FUNDING RECOMMENDATIONS



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

SB 2020: DWR BUDGET SUMMARY

	2021-2023 Base Level	Increase/ (Decrease)	2023-2025 Executive Rec.
Salaries & Wages	\$20,537,867	\$3,272,011	\$23,809,878
Operating Expenses	\$43,366,550	\$16,112,518	\$59,479,068
Capital Assets	\$98,467,437	\$73,928,907	\$172,396,344
Water Supply Projects	\$125,000,000	\$145,000,000	\$270,000,000
Rural Water Supply	\$59,600,000	(\$24,600,000)	\$35,000,000
Flood Control Projects	\$48,000,000	\$67,000,000	\$115,000,000
General Water Projects	\$14,227,275	\$6,000	\$14,233,275
Discretionary Projects	-	\$5,000,000	\$5,000,000
TOTAL	\$409,199,129	\$285,719,436	\$694,918,565
Full Time Equivalents (FTE)	90	3	93

DWR BUDGET: **OPTIONAL** REQUESTS

	TOTAL OPTIONAL REQUESTS
OPTIONAL RE	RiskMAP - *Federal Funding Spending Authority
	Office Modifications
	New Drilling Rig
	Bowman Radar Replacement
	Full Time Temp - FTE Conversion
	Professional Development
	Groundwater Modeling/Analysis Software
	AEM Survey Technology
Ö	Navigability Study
REQUESTS	Drilling Supply Cost Increases
	PRESENS Installations & Temp Salaries
	IT Standardization, Applications, & Security
	Motor Pool Rate Increase
	1 Full Time Temp - NAWS
	3 FTE

\$773,062 \$170,000 \$118,180 \$5,615,764 \$1,572,800 \$180,000 \$180,000 \$750,000 \$94,665 \$80,000 \$61,609 \$1,800,000 \$1,800,000 \$200,000 \$100,000* \$13,496,080

Ζ

0

DATI

Z

ш

ECOMM

R

I<E

CUT

ш \times

ш

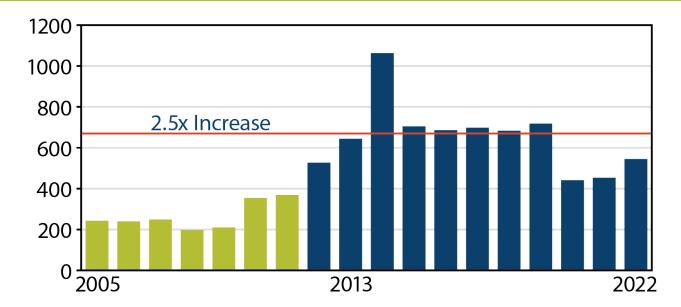
REQUEST FOR 3 FTE

2023-2025 REQUEST: \$773,062

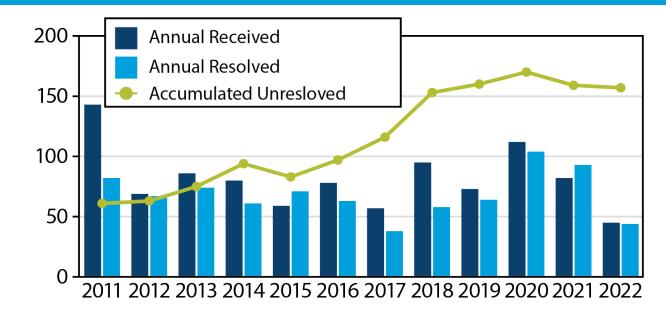
Includes One For The Regulatory Division To Assist With Permitting & Two For The Water Appropriation Division That Would Work On Water Appropriation & PRESENS System Support

Assist With Significantly Reducing Delays So Constituents Receive Permits In A Timelier Manner

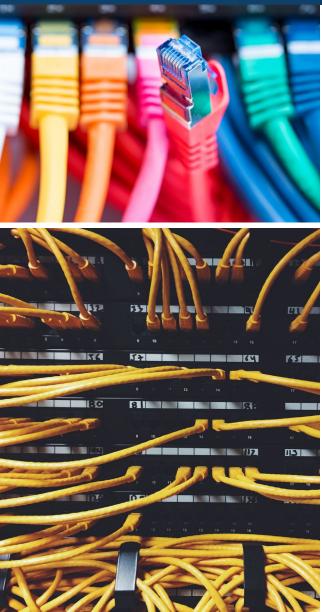
TEMPORARY WATER PERMIT APPLICATIONS (ANNUAL)



TRENDS IN REGULATORY APPLICATIONS & REVIEWS



IT STANDARDIZATION, APPLICATIONS & SECURITY



To Consolidate & Standardize IT Services Under One Umbrella Through NDIT:

- 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 NDIT
- Business Analysis
- Project Management
- Project Oversight

2023-2025 Request: \$5,615,764

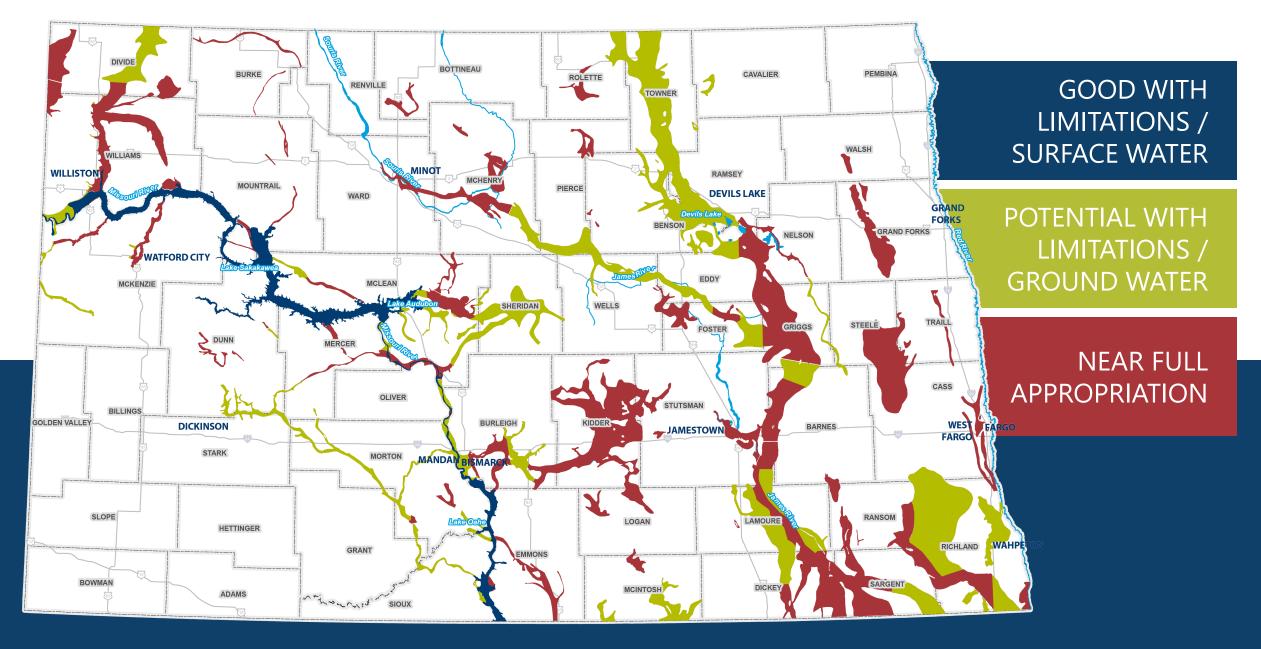
ADDRESSING SALARY CHALLENGES FOR OUR TEAM MEMBERS

\$645K

Recommended To Address Internal Equity & External Market Factors That Affect Existing Team Members. This Would Assist With Reducing Turn-over & Would Support Competitive Pay & Compression Adjustments.

DWR SUPPORTS SENATE BILL 2015

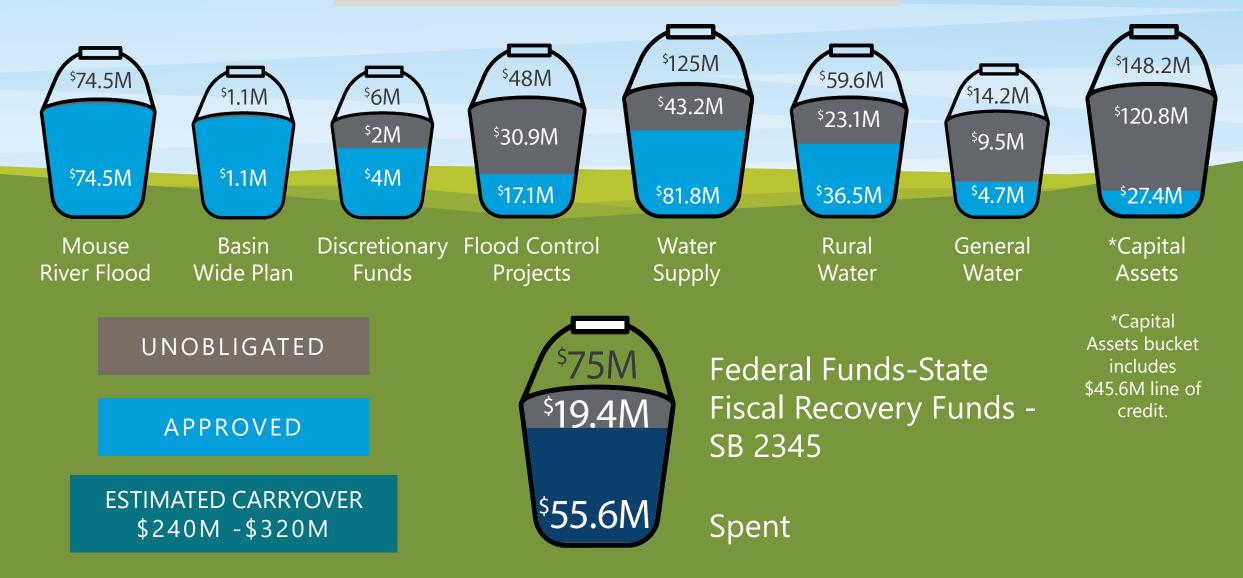
Example: Hydrologist Positions Are **Well** Below Private Sector. HYDROLOGIST POSITIONS 22%



WATER AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT

2021-2023 PURPOSE FUNDING

UPDATED THROUGH NOVEMBER 2022





OBJECTIVE 1

Effectively communicate with the public and stakeholders with a primary focus on collaboration and building partnerships.

OBJECTIVE 2

Develop world-class, sustainable, and resilient water development and management practices.

OBJECTIVE 3

Support beneficial use of Missouri River system water and other available water supply sources.

OBJECTIVE 4

Implement innovative ideas, technology, and grow analytic capabilities to improve efficiencies in water management and development.

OBJECTIVE 5

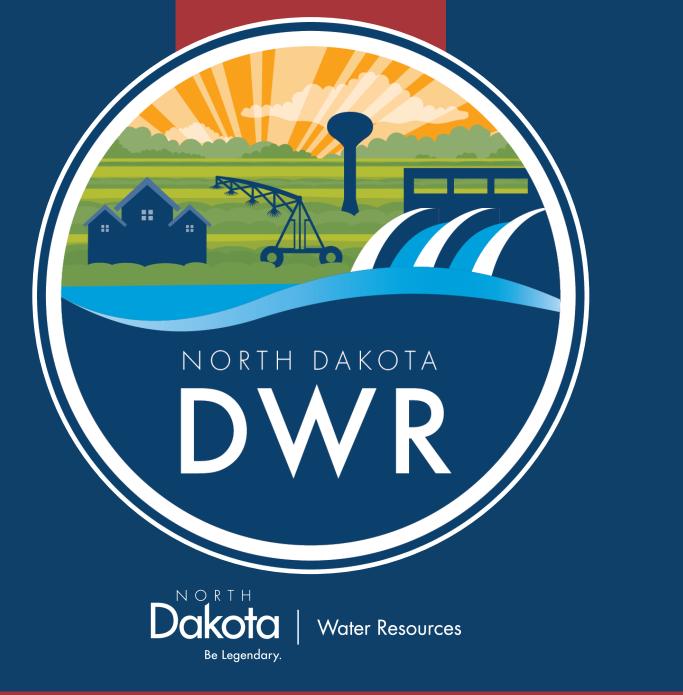
Improve the department's internal resilience and promote a positive culture.

Multiple Goals & Tactics Associated With Each Objective.

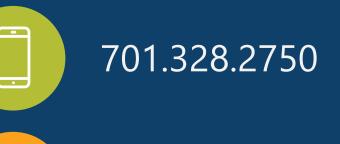
THIS BUDGET SUPPORTS...



- Agency Responsiveness & Efficiencies
- Advancement Of Innovative Ideas & Technology
- Critical Water Infrastructure
- Workforce Enhancement, Retention
 Of Talent, Recruiting & Mentoring



THANK YOU



dwr@nd.gov



<u>dwr.nd.gov</u>

/NDWaterResources



January 2023

To: Senate Energy & Natural Resources Committee

Re: State Water Commission Budget - Senate Bill 2020

Dear Senator Patten and Committee Members,

I am Terri Thiel, the Executive Director for the Dickinson Convention & Visitors Bureau. I am writing in support of the budget for the ND State Water Commission that is being presented to your committee. My representation for support for the bill includes the importance of the visitor experience in western North Dakota. Travelers are fully expecting quality drinking water when they are on their vacation along with other toiletry functions in a lodging property. The visitor experiences encompass not only larger communities, but also the smaller, rural towns, and agritourism businesses, making the support of SW Water Pipeline Projects vital for all southwest North Dakota.

The future Theodore Roosevelt Presidential Library will be constructed soon in Medora. This legacy project will be bringing visitors from all over the across the country to experience his time in the badlands and the shaping of his political future. The infrastructure that will be needed to be put into place to service the visitors is important. The visitor experience also spreads over to Dickinson and the surrounding areas with the overflow of travelers.

The Dickinson Convention & Visitors Bureau asks for your support of Senate Bill 2020 to improve the quality of the visitor experience, and to support future entrepreneurship tourism businesses that wish to also provide a good quality water experience.

VISITDICKINSON.COM

8

G

Sincerely,

Terri Thiel

Dickinson Convention & Visitors Bureau Executive Director 01-483-4988 | 800.279.7391 | 72 E. Museum Dr. | Dickinson, ND 58601 #13805

January 2023

To: Senate Energy & Natural Resources Committee

Re: State Water Commission Budget - Senate Bill 2020

Dear Senator Patten and Committee Members,

My name is Terri Thiel, a rural Stark County resident. I wish to give my personal support for Senate Bill 2020. Our ranch is currently hooked up to SW Water, furnishing water for our cattle, horses, and personal home use. The quality of the water is not only vital for the health and income product of the sale of the livestock, but also an asset for our homelife.

My personal background with water use began in rural Minnesota in my youth with a cistern that had to be filled with a 1950's water tank truck, and later a commercial water truck service. Each time our use of water was limited and recycled to many extremes. Later I moved to Hettinger, ND, 1981, and the water at that time was so filled with fluoride that people's teeth were brown with white lines. The water also fizzed so much that it was as though an Alka-Seltzer was dropped into the glass. I then moved to south of Gascoyne, ND. The water was from a well that contained high levels of coal, everything was dark brown or black when it came out of the spouts. Later with a new well, we had water with Manganese that covered everything in bright orange scum. The water was manually distilled at one gallon per two hours (1980's), white clothes had to be brought to Bowman for washing at the laundry mat. Moving again, up to rural Dickinson, another well was the water source, and we were not able to drink the water, but instead hauled many plastic gallon jugs that were refilled weekly from the store. At the time of buying a larger acreage in 2007, east of Dickinson, there was no SW Water line accessing the new property area north of the water hookup. We decided the value of the SW Water line was definitely worth the large investment and had a line dug just short of a mile north of Highway 10 east of Dickinson. For the first time in my life, I have been able to turn on water, good water, and not have to worry about minerals, or filling a water tank for a cistern, or have to haul water jugs or clothing miles away to a laundry mat.

Please support SB 2020 for those other residents who need the good water that SW Water provides. The good water that is provided is worth so much to residents and livestock.

Sincerely,

Terri Thiel 10388 35th St. SW Dickinson, ND 58601



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 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 Central Regional Water 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 Environmental Division

Senate Bill 2020

Committee Hearing Jan 19, 2023

Testimony Provided by: Ken Royse, Chairman, ND Water Coalition

Chairman Sorvaag and Members of the Committee,

My name is Ken Royse and I serve as Chairman of the North Dakota Water Coalition. Thank you for the opportunity to offer testimony in support of Senate Bill 2020 and state funding for water projects.

The Water Coalition is an organization of organizations---- that is, we do not have individual members but rather we are 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.

Our membership all have a common interest and a common goal; and that is to work in a collaborative manner toward identification and construction of water development projects and to send a collective and unified position on the need for water funding for all of our very critical projects to both the State Water Commission and to the Legislature.

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. They have in common that they all, individually and collectively, provide health, safety, economic, or 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 XIII

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

Today, 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



2023-25 Critical Water Needs Summary

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, along with other financing packages like the historic bonding bill passed in 2021, provide 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 over 75% of North Dakota and has helped strengthen economic development. Using regional water systems, which distribute 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). Along with the state's robust rural water systems, these regional systems serve all of North Dakota's 53 counties, providing water to approximately 300,000 residents. Funding is also provided for municipal water systems, both those tied in with rural or regional systems and those that maintain systems on 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 with which North Dakota is all too familiar.

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 Lower Heart-City of Mandan Flood Risk Reduction Project still lack the funds to be completed. Additionally, there are many projects to provide drainage and rural flood protection brought forward by farmers, ranchers, and rural residents 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.

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 North Dakotas other top industries and every North Dakota citizen. Sufficient funding for water infrastructure allows that 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

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

2023 and Beyond

Water needs are clearly greater than our resources. We must work hard to "Meet the Challenge" and *"to meet the challenge of completing vital water infrastructure projects for the benefit of every North Dakotan."*

(701) 223-4615 • staff@ndwater.net





Testimony on SB 2020 Senate Appropriations Education and Environment Division Steven Hansen, Chairman, North Dakota Irrigation Association January 19, 2023

Mr. Chairman and members of the Senate Appropriations Education and Environment Division, thank you for the opportunity to submit testimony on SB 2020 on behalf of the North Dakota Irrigation Association. The Association is made up of irrigators, irrigation equipment dealers, businesses and others interested in supporting irrigation and irrigation development.

North Dakota irrigates about 300,000 acres to produce a variety of crops including corn and cereal grain crops, livestock forage, and high value crops such as potatoes, sugar beets, and onions. Irrigation provides strong economic return, with an acre of irrigated land producing four times that of dryland in regular conditions and as much as six times during drought.

Irrigation provides the opportunity to grow higher value crops where top yields and exceptional quality are necessary. High quality coupled with substantial yielding potatoes have made the French fry industry, located in Grand Forks and Jamestown, successful in the state. The acreage of onions in the state is smaller than the other crops, but this crop may have an important role in the future as markets are developed. Irrigation does and can diversify and strengthen the agricultural economy of the state.

Irrigation also provides producers and agricultural processors dependability despite weather conditions. The drought in 2021 heightened awareness of the need for additional irrigation to support the growing value-added agriculture processing in the state. The Association is proud to partner with other commodity organizations and processors in the state to expand awareness of the benefits of irrigation and brainstorm ways to reduce barriers to irrigation development.

These barriers include water availability in some areas of the state and funding for irrigation development. Many of the aquifers that supply water for irrigation are near full appropriation, meaning that there is limited opportunity for further development. The Missouri River remains an ideal place for future development, however. Approximately 300,000 acres in the Missouri River corridor have the water and soils suitable for irrigation. Additionally, the area surrounding the McClusky Canal has much potential for future development that could be jumpstarted with some policy changes from the federal government.

On the funding side, the North Dakota State Water Commission (SWC) was created in 1937 to help develop irrigation. Today, the SWC provides financial assistance to irrigation districts for constructing infrastructure to convey the water to the land. The state cost share assistance for irrigation is limited to irrigation districts or the Garrison Diversion Conservancy District, and can

be used for 'shared works'. Shared works are the parts of irrigation development that occur off a private irrigators' land, such as an intake out of a body of water and water pipe to private land. Irrigation districts can receive 50% of the cost of such works from the SWC. The funding for this cost share comes out of the General Water bucket.

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 that 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 Association supports the DWR's request for an additional FTE for the appropriations division. Additionally, the Association supports the DWR's requests for:

- \$80,000 for professional development for appropriations staff in positions that require high levels of technical expertise, and that in recent years have experienced high turnover rates.
- \$1.6 million to expand the pushing remote sensors (PRESENS) footprint to improve forecasting, modeling, and overall water management. PRESENS is key to developing good data on aquifer levels so it is known exactly what water may be available for irrigation.
- \$750,000 to expand use of airborne electromagnetic surveys (AEM) technology to better understand the extent and availability of ground water, particularly in glaciated regions.
- \$94,665 to acquire groundwater modeling and hydrologic analysis software to perform many of the scientific analytical functions and related modeling activities in support of DWR's water appropriation responsibilities.

Thank you for the opportunity to provide this testimony.

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

Testimony, SB 2020 11:25 AM, January 19, 2023 Sakakawea Room, State Capitol, Bismarck, ND

Testimony From:

Jim Neubauer, City Administrator, Mandan, ND and Bill Robinson, Chairman, Lower Heart WRD

Chairman Sorvaag and Members of the Senate Appropriations Committee:

We are here to present testimony in support of Senate Bill 2020 and represent the City of Mandan and the Lower Heart Water Resource District.

The Lower Heart Water Resource District's primary responsibility is assuring the Lower Heart River Levee System operates to successfully provide real and recognized flood protection to the City of Mandan and surrounding areas. The Hurricane Katrina event in 2005 resulted in the United States Government through the Federal Emergency Management Agency (FEMA) updating requirements for meeting federal levee safety standards. Due to these updated requirements and a subsequent FEMA hydrologic and hydraulic analysis, the Lower Heart River Levee System was determined to be out of compliance of these new standards. Meeting these standards is imperative for the economic well-being of our community as being out of compliance will invoke flood insurance requirements on over 2,600 residential, commercial, and industrial properties. These requirements result in an estimated **\$10 million direct economic burden annually** on our citizens, not to mention the additional secondary economic and social impacts.

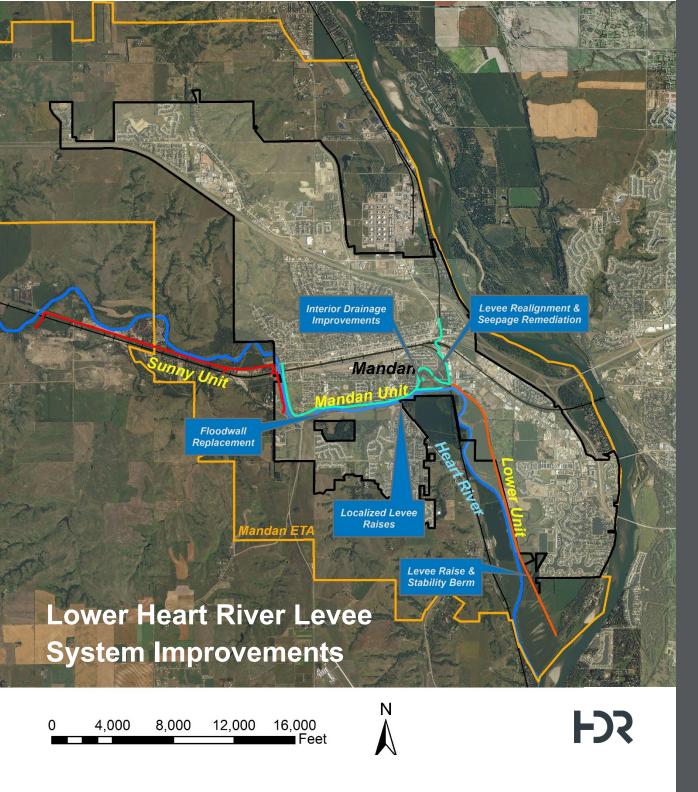
We are currently designing remediation work on the levee system and applying for state and federal permits to bring it up to current federal standards and maintain FEMA accreditation. The State of North Dakota through the North Dakota State Water Commission has been a valuable, and absolutely necessary, partner to complete the work required to maintain FEMA accreditation and avoid the economic and social impacts of de-accreditation. Below are some pertinent information bullets on the project and its status:

• 2,600 commercial, industrial, and residential properties directly impacted.

- Includes critical infrastructure such as fire stations, electrical substations, wastewater treatment plant, city and county office buildings, transportation routes, etc.
- Entire community of Mandan and surrounding areas indirectly impacted.
- \$10 million in estimated annual flood insurance requirements if de-accredited.
- \$23.3 million estimated project cost.
- Federal benefit cost ratio is 5.7:1
- \$1.4 million already received through North Dakota State Water Commission in grants for design and planning studies.
- \$12.3 million estimated need from the North Dakota State Water Commission in 2023-25 biennium if additional federal funding is not secured.
- Have established city-wide assessment district to cover local cost share.
- Major project features:
 - Localized levee raises and raise of Lower Unit levee segment protecting the Lakewood residential area
 - o Geotechnical work including stability berm installation and seepage berm
 - Interior drainage improvements and replacements (pump station)
 - Floodwall replacement
- Project schedule"
 - February 2023 Conditional Letter of Map Revision (CLOMR) Submittal
 - February 2023– Section 408 and 404 Permit Submittals
 - o Fall, 2023 Spring 2024 Construction Bidding
 - Spring, 2024 Construction Commencement
 - Fall, 2025 Construction Complete

Thank for your consideration of our testimony in support of SB 2020. We would be happy to answer any questions the committee may have regarding this testimony.

Thank you.



Major Project Features:

- Localized levee raises and raise of Lower Unit levee segment protecting the Lakewood residential area
- Geotechnical work including stability berm installation and seepage berm
- Interior drainage improvements and replacements (pump station)
- Floodwall replacement

Project By The Numbers:

- 2,600 commercial, industrial, and residential properties directly impacted.
 - Includes critical infrastructure such as fire stations, electrical substations, wastewater treatment plant, city and county office buildings, transportation routes, etc.
- Entire community of Mandan and surrounding areas are indirectly impacted.
- \$10 million in estimated annual flood insurance requirements if de-accredited.
- \$23.3 million estimated project cost.
- Federal benefit cost ratio is 5.7:1
- \$1.4 million already received through North Dakota State Water Commission in grants for design and planning studies.
- \$12.3 million estimated need from the North Dakota State Water Commission in 2023-25 biennium if additional federal funding is not secured.

Upcoming Project Schedule:

- February 2023 Conditional Letter of Map Revision (CLOMR) Submittal
- February 2023– Section 408 and 404 Permit Submittals
- Fall, 2023 Spring 2024 Construction Bidding
- Spring, 2024 Construction Commencement
- Fall, 2025 Construction Complete



Senate Appropriations Committee SB 2020 Senator, Ronald Sorvaag, Chair January 19, 2023

Testimony from: Bill Robinson, Chairman, Lower Heart Water Resources District Jim Neubauer, City Administrator, Mandan, ND

Chairman Sorvaag and Members of the Senate Appropriations Committee:

We are here to present testimony in support of Senate Bill 2020 and represent the City of Mandan and the Lower Heart Water Resource District.

The Lower Heart Water Resource District's primary responsibility is assuring the Lower Heart River Levee System operates to successfully provide real and recognized flood protection to the City of Mandan and surrounding areas. The Hurricane Katrina event in 2005 resulted in the United States Government through the Federal Emergency Management Agency (FEMA) updating requirements for meeting federal levee safety standards. Due to these updated requirements and a subsequent FEMA hydrologic and hydraulic analysis, the Lower Heart River Levee System was determined to be out of compliance of these new standards. Meeting these standards is imperative for the economic well-being of our community as being out of compliance will invoke flood insurance requirements on over 2,600 residential, commercial, and industrial properties. These requirements result in an estimated *\$10 million direct economic burden annually* on our citizens, not to mention the additional secondary economic and social impacts.

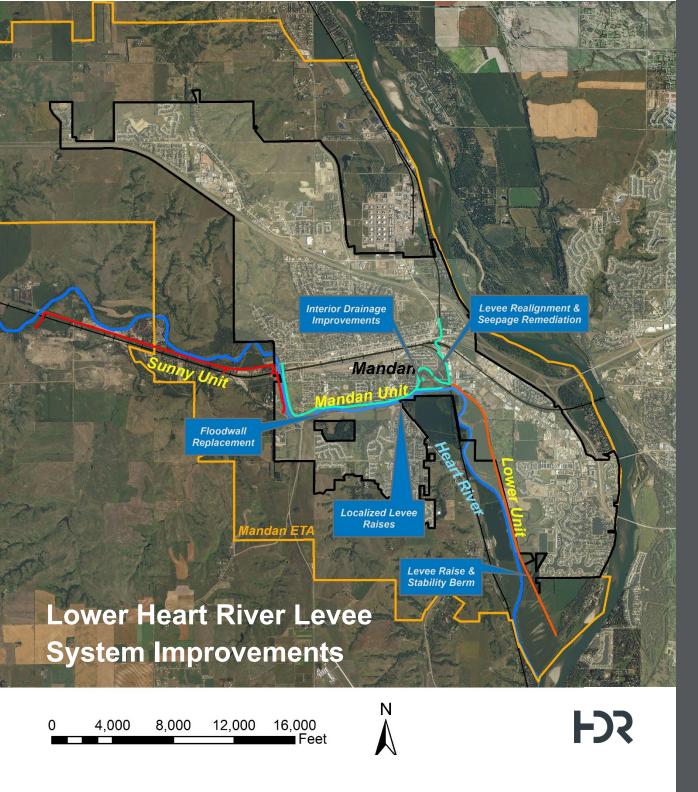
We are currently designing remediation work on the levee system and applying for state and federal permits to bring it up to current federal standards and maintain FEMA accreditation. The State of North Dakota through the North Dakota State Water Commission has been a valuable, and absolutely necessary, partner to complete the work required to maintain FEMA accreditation and avoid the economic and social impacts of de-accreditation. Below are some pertinent information bullets on the project and its status:

- 2,600 commercial, industrial, and residential properties directly impacted.
 - Includes critical infrastructure such as fire stations, electrical substations, wastewater treatment plant, city and county office buildings, transportation routes, etc.
- Entire community of Mandan and surrounding areas are indirectly impacted.

- \$10 million in estimated *annual* flood insurance requirements if de-accredited.
- \$23.3 million estimated project cost.
- Federal benefit cost ratio is 5.7:1
- \$1.4 million already received through North Dakota State Water Commission in grants for design and planning studies.
- \$12.3 million estimated need from the North Dakota State Water Commission in 2023-25 biennium if additional federal funding is not secured.
- Have established city-wide assessment district to cover local cost share.
- Major project features:
 - Localized levee raises and raise of Lower Unit levee segment protecting the Lakewood residential area
 - Geotechnical work including stability berm installation and seepage berm
 - Interior drainage improvements and replacements (pump station)
 - Floodwall replacement
- Upcoming Project Schedule:
 - February 2023 Conditional Letter of Map Revision (CLOMR) Submittal
 - February 2023– Section 408 and 404 Permit Submittals
 - Fall, 2023 Spring 2024 Construction Bidding
 - Spring, 2024 Construction Commencement
 - Fall, 2025 Construction Complete

Thank for your consideration of our testimony in support of SB 2020. We would be happy to answer any questions the committee may have regarding this testimony.

Thank you.



Major Project Features:

- Localized levee raises and raise of Lower Unit levee segment protecting the Lakewood residential area
- Geotechnical work including stability berm installation and seepage berm
- Interior drainage improvements and replacements (pump station)
- Floodwall replacement

Project By The Numbers:

- 2,600 commercial, industrial, and residential properties directly impacted.
 - Includes critical infrastructure such as fire stations, electrical substations, wastewater treatment plant, city and county office buildings, transportation routes, etc.
- Entire community of Mandan and surrounding areas are indirectly impacted.
- \$10 million in estimated annual flood insurance requirements if de-accredited.
- \$23.3 million estimated project cost.
- Federal benefit cost ratio is 5.7:1
- \$1.4 million already received through North Dakota State Water Commission in grants for design and planning studies.
- \$12.3 million estimated need from the North Dakota State Water Commission in 2023-25 biennium if additional federal funding is not secured.

Upcoming Project Schedule:

- February 2023 Conditional Letter of Map Revision (CLOMR) Submittal
- February 2023– Section 408 and 404 Permit Submittals
- Fall, 2023 Spring 2024 Construction Bidding
- Spring, 2024 Construction Commencement
- Fall, 2025 Construction Complete

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

Testimony, SB2020 10:40 AM, January 19, 2023 Sakakawea Room, State Capitol, Bismarck, ND Dennis Reep, Burleigh County WRD, ND Water Users Association, ND Water Resource Districts Association

Mr. Chairman and Members of the Appropriations Committee:

My name is Dennis Reep and I serve on the Board of Directors for the ND Water Resource Districts Association as President, the ND Water Users Association, and the Burleigh County Water Resource District.

North Dakota water interests are dependent on the state's healthy economy and revenue outlook and can only be supported by a strong budget for Department of Water Resources' operations and critical water project funding and grants. 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 NDDWR funding. Without this funding, many important flood control, water supply, erosion protection, water management, and beneficial use projects would not have been completed. According to the North Dakota Water Development Plan, there exists approximately \$1.05B in current needs for water projects, \$605M is classified as high priority. There exists approximately \$109M in current needs for general water management projects, and approximately \$109M in current needs for water conveyance and local flood control projects. Water resource districts request additional funding authorization for water resource districts' projects for this upcoming biennium.

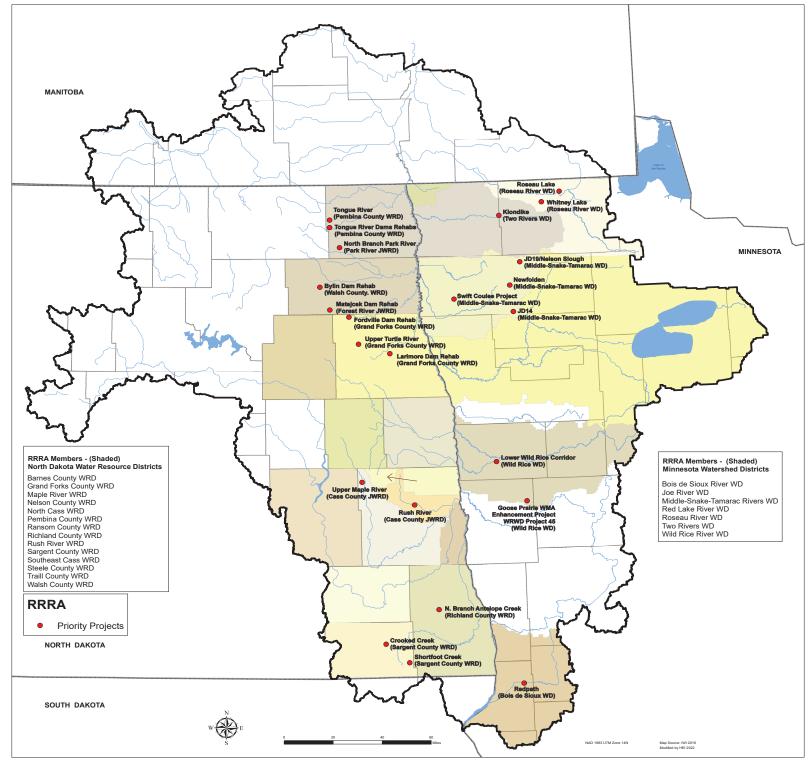
A critical part of any water project is applying for and securing appropriate federal, state, and local permits. Permit reviews and approvals are often the bottle neck or critical path to maintaining project schedules and correspondingly, efficient use of state and local tax dollars. As the need for projects and funding for projects has increased, the capacity to process and approve those permits at the state level has remained stagnant due a ceiling on the FTE number at the NDDWR. We support the funding of additional FTEs at the NDDWR to streamline the permit review and approval process, 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.

Thank you.



2023 RRRA PRIORITY PROJECTS



Pilot Basin Funding Program Testimony January 19, 2023

Flooding is a persistent problem for residents of the Red River Basin and has resulted in a basin wide need for solutions to alleviate damages. To assure projects are developed in a strategic effort across the Red River Basin, the Red River Retention Authority (RRRA) was formed. My name is Keith Weston, and I currently serve as the executive director for the RRRA. Prior to this role, I worked for the Natural Resources Conservation Service (NRCS) assisting in watershed planning and conservation implementation throughout the Red River Basin. The RRRA is comprised of members of the Red River Joint Water Resource District (RRJWRD), a North Dakota political subdivision, and the Red River Retention Authority is to ensure joint, comprehensive, and strategic coordination of retention projects in the Red River of the North watershed and facilitating implementation and construction of retention in the Red River Valley. The Authority and its members have been aggressively pursuing federal dollars to off-set local and state costs for retention projects and serves as an advocate for projects in the federal regulatory process. Our directors seek basin-wide solutions to realize effective flood protection and flood damage reduction, accomplished on a strategic project-by-project basis.

The RRRA has been successful at creating a venue for joint discussions between North Dakota and Minnesota in our multijurisdictional watershed to ensure a coordinated effort on a basin scale. This venue has been successful at increased dialog with local, state, and federal regulators and funding sources alike. One of our largest successes as an organization was to secure \$12 million in federal funding from the NRCS through their Regional Conservation Partnership Program (RCPP). The funding was awarded to the RRRA in May 2015. The RRRA facilitated individual County Water Resource Districts (WRD) to enter into a funding agreement with NRCS to use the RCPP funds for assistance in completing NRCS Watershed Plans, recognizing that completion of an NRCS Watershed Plan would be required to further capitalize on federal funding. In total, eight NRCS watershed planning efforts were started in North Dakota. Planning began in early 2016 for most efforts and has been ongoing since.

For County WRDs that complete an NRCS Watershed Plan, NRCS provides opportunity for federal technical and financial assistance for construction. This program is known as the NRCS Watershed Program and is administered by federal Public Law 83-566 (PL-566). The NRCS Watershed Program has a long history of success in North Dakota, including construction of many small watershed dams, flood control projects, and agricultural drainage projects throughout the state. The federal program was well funded in the 1950s, -60s, and -70s when many of these projects were built. After this time, federal funding was limited and project development through the program halted. The federal program has recently been funded again through the federal farm bill and discretionary federal appropriations. This has created an opportunity for North Dakota to bring significant federal funding into the state to address our water management issues.

Several of the NRCS Watershed Plans funded through RCPP are nearing completion. In addition, several County WRDs have started NRCS Watershed Planning to revisit several high hazard watershed dams previously constructed through the program to evaluate opportunities to rehabilitate each structure for current dam safety, environmental, and societal concerns. Completion of an NRCS Watershed Plan is a rigorous effort that engages all stakeholders, regulatory entities, and the general public. Problems are clearly defined within the specific watershed, alternatives are developed and vetted, and decisions on the

preferred alternative are arrived at. The planning process results in projects that are locally acceptable, permittable, and feasible. Both rehabilitation of deteriorating older watershed dams along with implementation of new projects is needed within the Red River Basin. If successful on all projects, the federal investment through the on-going watershed planning efforts would result in over 3-dollars of federal investment for every 1-dollar invested non-federally.

While the program presents a significant opportunity for North Dakota, it isn't without challenges. First is the strenuous planning completed by the sponsoring County WRD. The planning effort takes time and can lead to fatigue from all of those involved, including landowners and residents that may be called upon to assist in financing the non-federal portion of the project. In addition, while the program does provide an opportunity for a significant federal investment into North Dakota, often the non-federal share may still be cost prohibitive. Financing needs for County resources are high, and often WRD funding has to be weighed against other County needs. County WRDs have the power to assess costs to landowners, however local appetite for additional taxes with consideration to all County needs can be a challenge. Under current financing options, construction would likely be staggered based on annual cash-flow available to the County WRDs. This scenario would most certainly result in increased costs due to the staggering inflation that has hit the construction industry. Federal funding could also be jeopardized if program funding is again limited in future years. Ultimately, delaying these projects will lead to an increased cost to the state of North Dakota and its residents. And lastly, current eligibility requirements for North Dakota Department of Water Resources (DWR) cost share can create a challenge for many of these projects. In several instances the NRCS has decided to proceed with an alternative that provides additional ancillary benefits, primarily to natural resources and the environment. The additional benefits come at an increased cost that reduces cost effectiveness when considered strictly from a flood control perspective. The additional benefits created the opportunity for significant federal investment, however, it would also result in the projects being unfairly ranked on a benefit-to-cost basis because of the increased total costs. The current eligibility requirements do not fully consider the benefits of federal investments into North Dakota's water management projects with regard to reduced demand on state and local funding sources.

We propose a pilot watershed funding program to incentivize County WRDs to continue to pursue a federal investment through the NRCS Watershed Program into North Dakota's water management challenges. In total, we estimate construction costs of \$115 million within the next biennium if all NRCS Watershed Plans are completed on their current timeline. This would result in \$79 million in federal investment and require \$36 million in state/local funds. Under our proposal, the program would provide 75% cost share to eligible projects to incentivize continued federal investment. The maximum anticipated funding need is \$27 million through our pilot funding proposal. However, recognizing that this approach is a pilot approach and traditional DWR cost share will likely be available for several projects, **we request \$12 million to be funded in the pilot program for this biennium.** This would fund the projects with the greatest need for funding this biennium. The RRJWRD would secure the funding for the Red River Basin and administer funding to projects in North Dakota developed by their member districts.

In closing, ensuring the success of water management projects with federal funding is in the best interest of North Dakota. The 3.2:1 return on federal dollars for every non-federal dollar invested represents a significant savings to the state and its residents. Local residents and County WRDs should be incentivized to further pursue federal funding to lessen the future demands on state funds. Once completed, projects funded through this proposal will be an asset to the state of North Dakota long into the future.



DEDICATED TO PROTECTING, DEVELOPING, AND MANAGING NORTH DAKOTA'S WATER RESOURCES PO Box 2254, Bismarck, ND 58502-2254 701-223-4615 • 701-223-4645 (Fax)

Senate Appropriations Education and Environment Division Hearing for SB 2020 January 19, 2023 Testimony of Dave Lang, North Dakota Water Users Association

Chairman Sorvaag and members of the Senate Appropriations Education and Environment Division, thank you for the opportunity to provide testimony on SB 2020. The Water Users Association is the state-wide member organization dedicated to protecting, developing, and managing North Dakota's water resources. We have more than 150 members including local, statewide and regional organizations in North Dakota who have an active interest in water. The Water Users has as its members many of the project sponsors who receive their funding from SB 2020.

As the Division works on developing the plan for appropriating Resources Trust Fund dollars for water projects for the 2023-2025 biennium, the Water Users would ask the Division to consider using the funds available in the Water Stabilization Fund for projects this biennium and to include language in SB 2020 to repeal the fund. Inflation is driving up the costs to complete projects at an alarming rate. Unfortunately, we do not see that improving in the near future. We believe that the longer we wait to complete projects, the more expensive they will be. We have funds in the Water Stabilization Fund and sponsors have projects that are in need of funding. We should put those dollars to work now instead of waiting to fund projects over a longer period of time at a higher price.

Thank you for the opportunity to provide this testimony.

Testimony of Kip Kovar, District Engineer Garrison Diversion Conservancy District SB2020 DWR/SWC Funding Education & Environment Division of the Senate Appropriations Committee Bismarck, North Dakota – January 19, 2023

Senator Sorvaag and members of the Education and Environment Committee, thank you for the opportunity to testify in support of Senate Bill 2020, the ND Department of Water Resources budget. I am Kip Kovar, District Engineer 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 additional projects in the works.

Garrison Diversion provides upfront investment for projects which determines irrigable soils, facility design and the bidding process. These projects are eligible for the Department of Water Resources 50 percent cost share on the Central Supply Works, which includes the pump station, power and main transmission lines. The irrigator is then responsible for the other 50 percent of the Central Supply Works and 100 percent of the on-farm items such as pivots, power for pivots and distribution lines to pivots. In total, the cost share actually represents approximately 30 percent of total on- and offfarm project costs for the irrigator. The bottom line is, irrigation is expensive and Garrison Diversion supports increasing irrigation funding to support a true 50 percent cost share for the irrigator.

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 funding in the Department of Water Resources budget.

Thank you for allowing my testimony to be heard today.

Testimony by Harold Gaugler Southwest Water Authority Board Director, Grant County On behalf of the Southwest Pipeline Project to the Senate Environment and Education Committee Hearing on Senate Bill 2020 January 19, 2023

Committee Members:

Greetings from snowy Grant County. My name is Harold Gaugler, I was born and raised in southern Grant County and returned to the family farm to raise our family. Along with my wife we are ranching with a son and daughter. A graduate of NDSU and Oklahoma State University I understand the value of our rural heritage and life style. Much of what we now do is centered around water.

For the past almost 20 years our home has been served by the Southwest Water Pipeline Project and have since added a pasture tap for livestock. In that time SWPP has been incredibly reliable and affordable. A year ago, I was appointed to the SWA board of directors and have been busy learning the ins and outs of this project. SWPP is currently in the midst of an expansion project, called the Burt Hebron expansion project, to better serve our residents. Much of this project is centered in Grant Co. and as the representative from that area, I know many of those who could be served. The cost of this project will be high! But as we expand our services, we are reaching areas that could not be served in the past and these people should be offered the same service that others have gotten, they are important too.

As you all know construction costs have skyrocketed. But the need for quality dependable water is also rising. Agriculture is becoming more complex all the time and the need for clean consistent quality water is higher than ever before. In order to encourage the youth of today to pursue careers in agriculture or to return to our small towns to work and raise their families we must have some of these modern conveniences. Rural water, internet, distant learning is just a few of things that are needed. After 20 years on our local school board, the value of returning young families is very apparent and needed to keep schools and main street viable.

This time of year, and especially now, Jodie and I get ready to visit relatives in AZ. As we travel, a common sight is people hauling water, to their homes and livestock. We in ND are blessed to have an abundant water supply in the Missouri River system, we need to continue tapping that source to supply water for all North Dakotans and I hope you continue to support SW North Dakota and the SWPP project. It is an investment in all of our futures!

Thank you for your time. Respectfully, $\mathcal{W}_{rr} = \int_{\mathcal{L}_{rs}} \int_{\mathcal{$

Harold Gaugler SWA Board Director, Grant County





NAWS PROJECT UPDATE

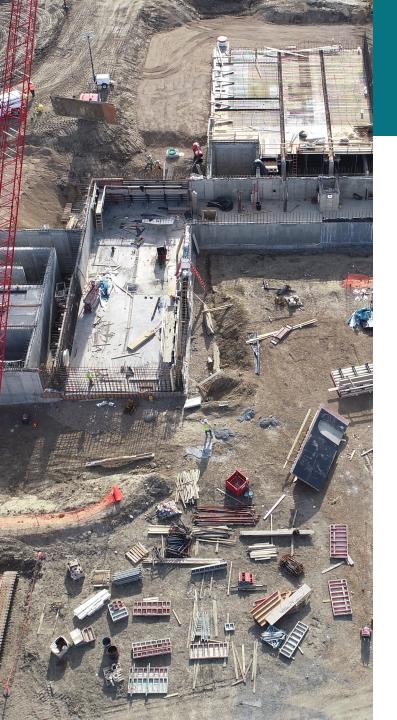
ND Department of Water Resources





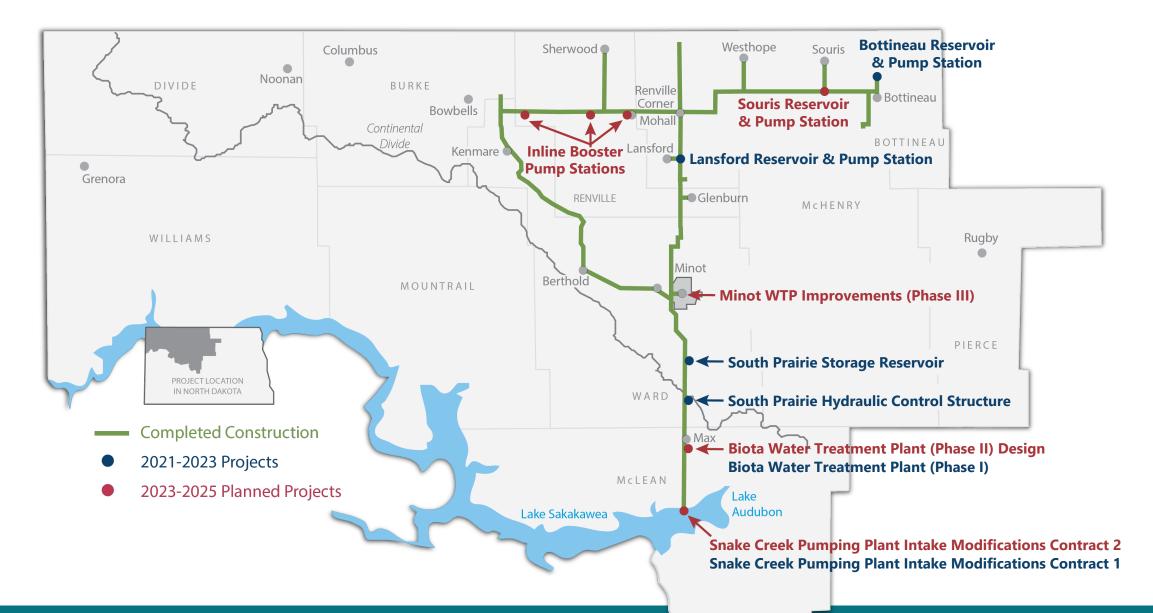
NORTHWEST AREA WATER SUPPLY

- **1 Of 2** Two State-Owned Regional Water Systems In ND
- Authorized By The Garrison Diversion Reformulation Act Of 1986 & The Dakota Water Resources Act Of 2000
- Construction Began In 2002
- Lawsuits Initiated Immediately
- Favorable Ruling By District Court In 2017
- Upheld By Appellate Court In 2019
- Construction Back Underway After 17 Years Of Litigation

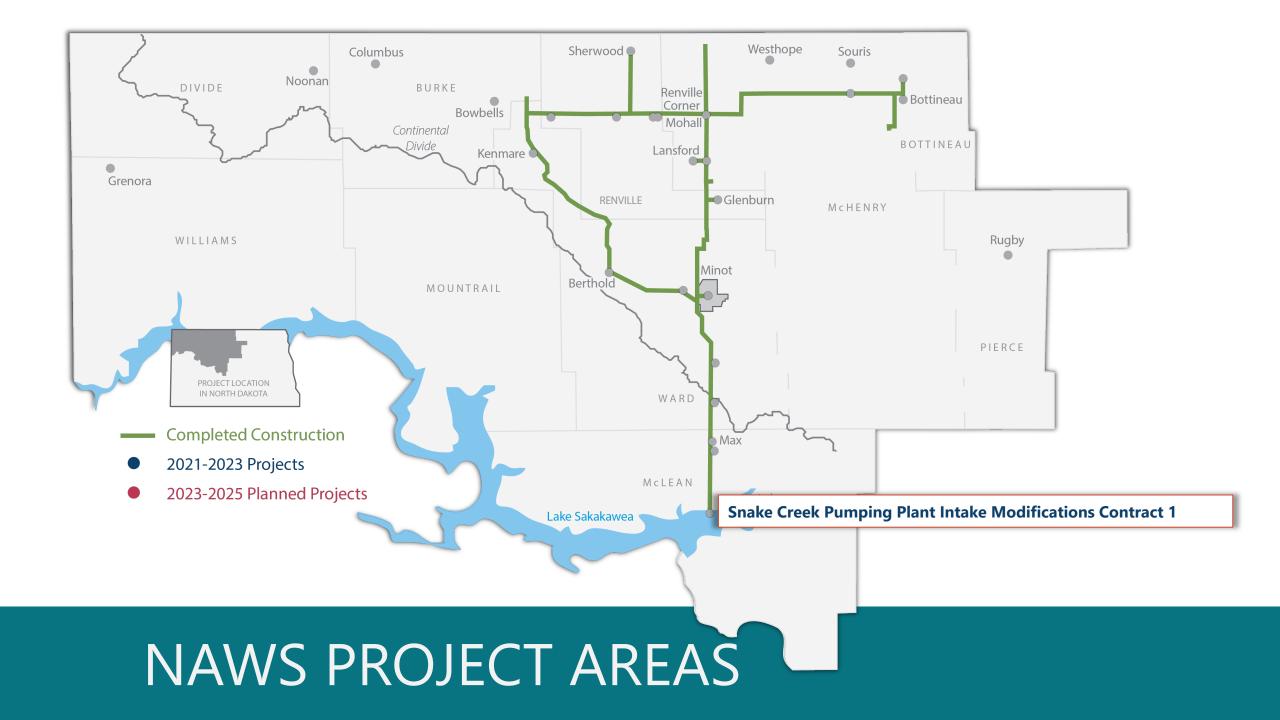


NORTHWEST AREA WATER SUPPLY

- Designed To Serve A Project Area Of 81,000 People
- NAWS Is Owned By The State Water Commission & Administered By The Department Of Water Resources (DWR)
- DWR Is Responsible For Construction & Operation Of NAWS
- 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 Provides 35% In Cost-Share For NAWS
- Bill To Change NAWS Advisory Committee To NAWS Authority (HB 1218) Is Introduced This Session



NAWS PROJECT AREAS

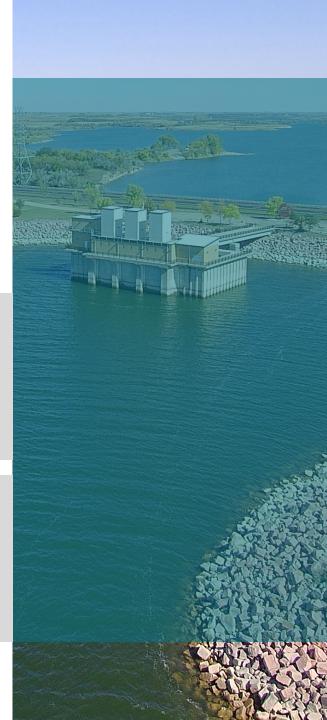


SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS

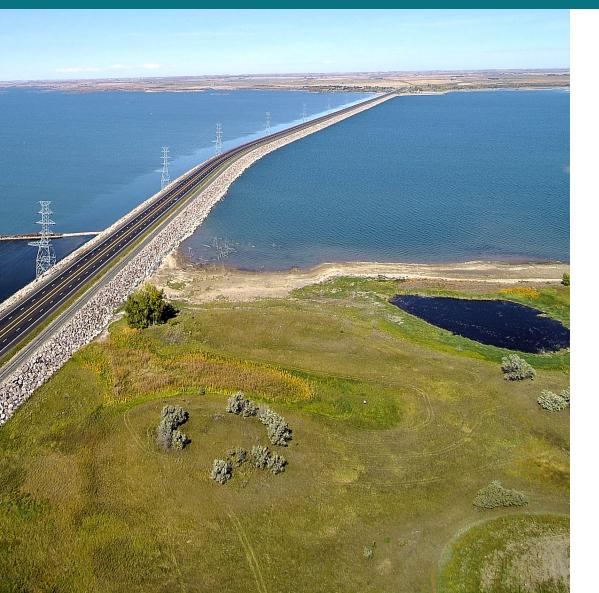
The Project Was Broken Up Into Two Contracts

CONTRACT 1 Is For Work Inside The Existing Facility (No Section 408 Permit Required)

CONTRACT 2 Is For External Work (Section 408 Permit Is Required)

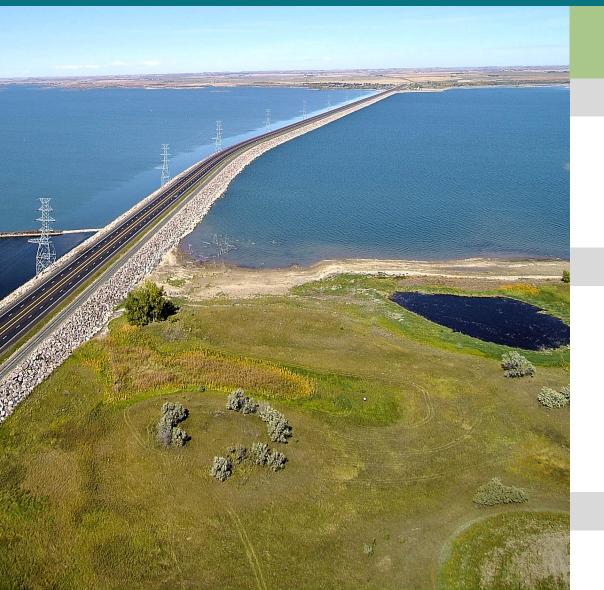


CONTRACT 1 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS



- Letter Of No Permission Required From USACE Received On AUGUST 19, 2022
- In September Bids Were Opened -Included Materials With Long Lead Times For Contract 2 (Pipeline, Permanent Intake Screen, Valves, Fittings, Etc)
- Included Cost Escalation Language In Contract To Secure Better Bids
- Bids Came In 250% Higher Than Estimate

CONTRACT 1 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS



Readvertised Contract 1 Split Into Three Contracts

Procurement Contracts

- Includes Equipment With Long Lead Times
- Contract Awarded At December 2022
 SWC Meeting

Demolition Contracts

- Removal Of Existing Pump Unit No. 1 & Construction Of Bulkhead In The Discharge Structure On Lake Audubon
- Contract Awarded At December 2022
 SWC Meeting

Construction Contract

Opened Bids January 18, 2023

CONTRACT 2 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS



- Completeness Review Completed By USACE
 July 2022
- USACE Has Indicated A Six-To-Twelve-Month Review Period
- SWC Executed **1156 Agreement** With The USACE To Fund The Section 408 Review
- Expected Bidding Timeframe For Contract 2 -February - August 2023 - Based On Corps Review Timeline

CONTRACT 2 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS

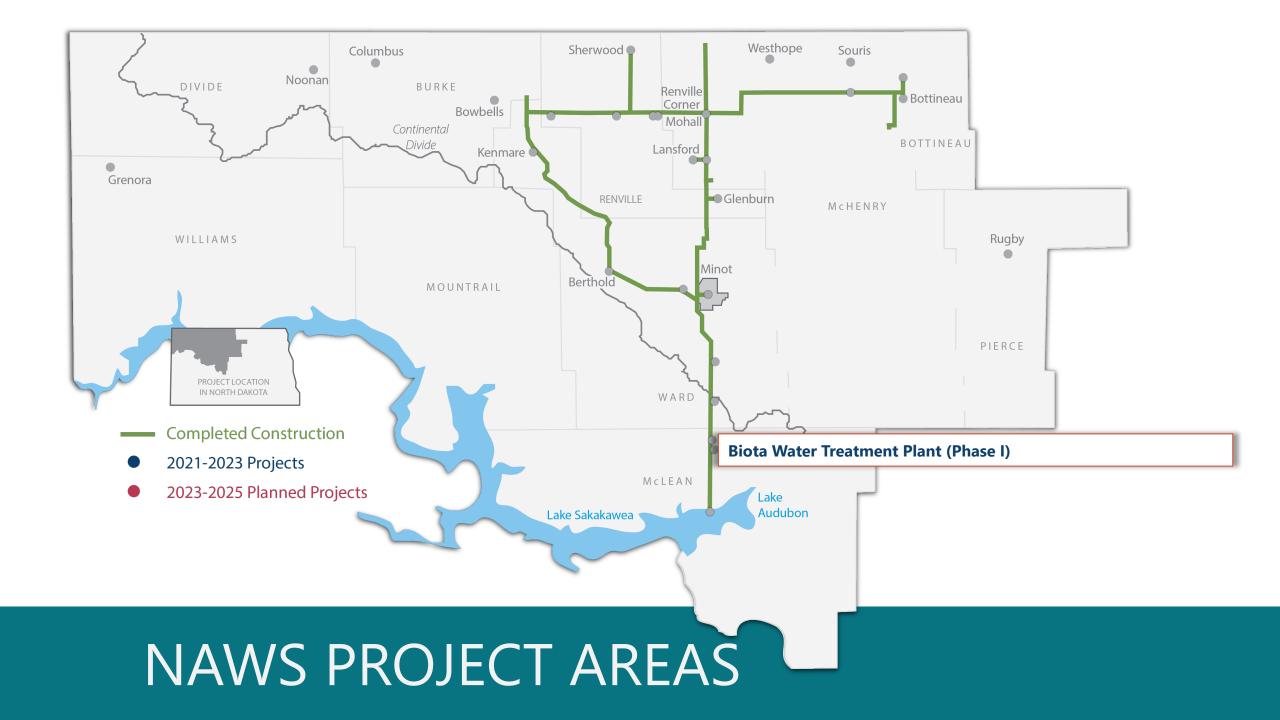
Contract 2 Will Be Divided Into 2 Bid Schedules



- Completion Expected Summer 2024
- Schedule 2 Will Include The Intake Pipe Bore & Permanent Intake Structure
- Completion Expected 1-2 Years After Bidding (2024 or 2025)
- Permitting, Funding, Construction Difficulties, Supply Chain Issues Are All Potential Variables

The Temporary Intake Screen Included In Contract 1 Will Be Used For Startup & Commissioning At Biota WTP & To Provide Raw Water Service To Minot

The Permanent Intake Will Improve Capacity & Water Quality For NAWS



BIOTA WATER TREATMENT PLANT PHASE I - FUNDING

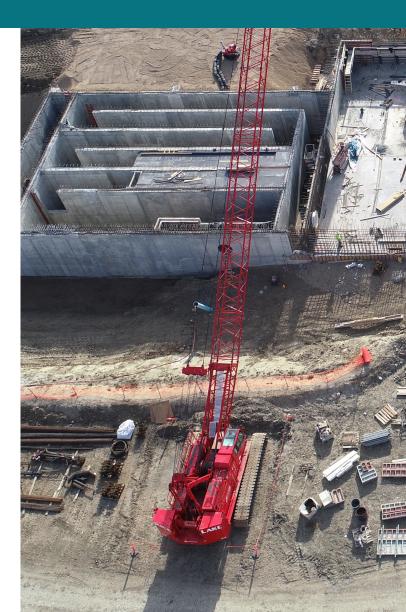


- Biota WTP Is For Boundary Waters Treaty Act Compliance & Therefore A Federal Responsibility Per Dakota Water Resources Act
- Garrison Diversion Unit MR&I Program Is Reclamation's Only Funding For Water Development In North Dakota
- All Costs Incurred For Phase I Of The Biota WTP Have Been Reimbursed With MR&I Funds. Sufficient MR&I Funding Will Be Available For Phase I When FY 2023 MR&I Funding Is Approved
- The Line Of Credit (LOC) Was Needed To Award The Phase I Contracts But Funding From LOC Has Not Been Accessed

PHASE I BIOTA WATER TREATMENT PLANT

Features

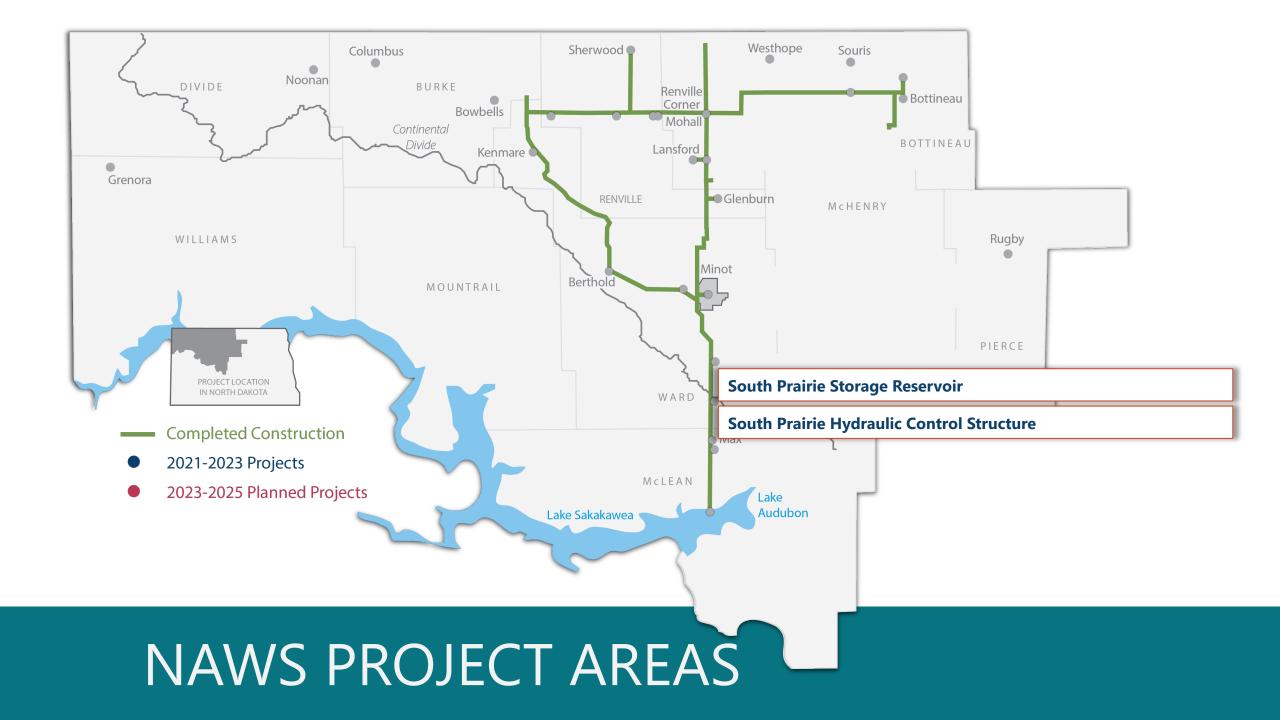
- The Treatment Process Includes Clarification Through Flocculation & Dissolved Air Flotation, Dual Media Filtration, UV Disinfection, & Chemical Disinfection Through Chlorine Converted To Chloramine
- Freeze-Thaw Lagoons Will Be Used For Solids Residual Handling (Sludge From The Clarification Process)
- Includes A Shop Building For Storing Equipment For Building & Grounds Maintenance As Well As Staging Delivered Process Equipment During Construction Of Phase I & Phase II



PHASE I BIOTA WATER TREATMENT PLANT



- Shop Building Complete
- Cast In Place Concrete Complete
- Half Of The Roofing System Has Been Installed
- Working On Interior Walls, Process Piping, Coatings, Wiring, HVAC, Etc.
- Substantial Completion Date On The Contract - December 2023
- Final Completion June 2024
 - Startup Dependent On Intake Contract 1 & Contract 2 Discharge Pipeline Completion -Scheduled For Spring 2024



SOUTH PRAIRIE RESERVOIR & HYDRAULIC CONTROL STRUCTURE



- 10.5 Million Gallon Reservoir, Flow Control Facility, & Hydraulic Control Structure
- Hydraulic Control Structure Is Nearly Complete, Flow Control Facility Cast in Place & Precast Concrete Is complete
- Reservoir Floor & Reservoir Panels Have Been Cast & Reservoir Will Be Erected In 2023
- Contract Cost \$15 Million (2021-2023 Funding)
- Completion Date On Contract November 2023

SOUTH PRAIRIE HYDRAULIC CONTROL STRUCTURE



Located 8 Miles North Of Max At Continental Divide

The Hydraulic Control Structure Protects The Pipeline By Eliminating Pressure Spikes

SOUTH PRAIRIE RESERVOIR & FLOW CONTROL FACILITY

14 Miles North Of Max



- Current Objective Is To Deliver Lake Water To Minot Summer/Fall Of 2024
 - Intake Contract 1 Completion Summer 2024
 - Contract 2 Discharge Pipeline Anticipated Completion Summer/Fall 2024
- Delays In Construction May Delay Delivery
 - Supply Chain Issues
 - Pandemic Disruptions
 - Timely Permitting
 - Funding Limitations
 - Operational Conflicts With Minot WTP/Peak Usage

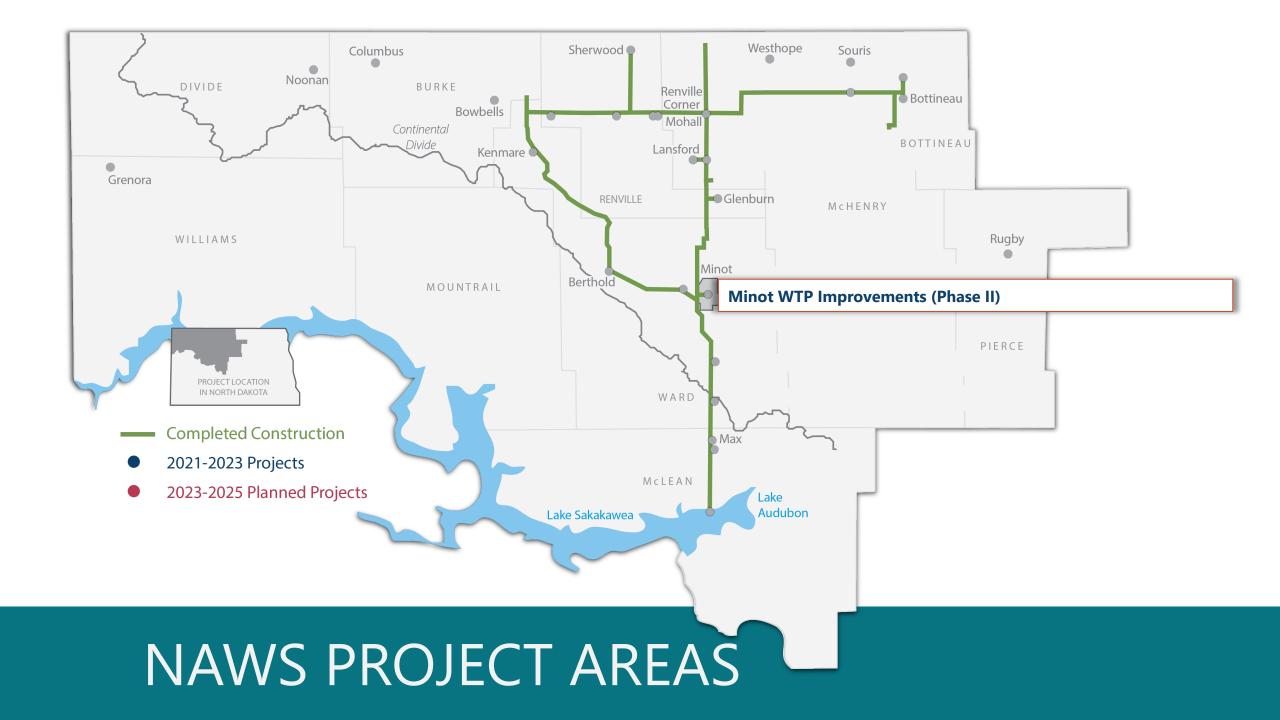
TIMELINE FOR LAKE WATER TO MINOT

MINOT INTERIM WATER SUPPLY

- Raw Water Supply For NAWS From Ground Water Until The Intake For NAWS Is Complete
- Summer Of 2021 & 2022 Ground Water Wells Had Some Operational Issues
- Issues Resolved & City of Minot Has Signed The Amendment to The Interim Water Supply Agreement

Total Raw Water Capacity From Ground Water -17 MGD





MINOT WATER TREATMENT PLANT

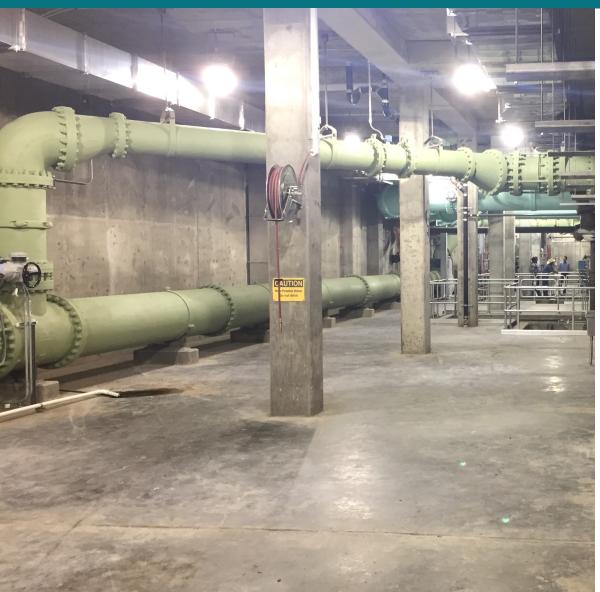


Minot WTP Capacity Is **18 Million Gallons** Per Day - Built In 1950s & 1960s

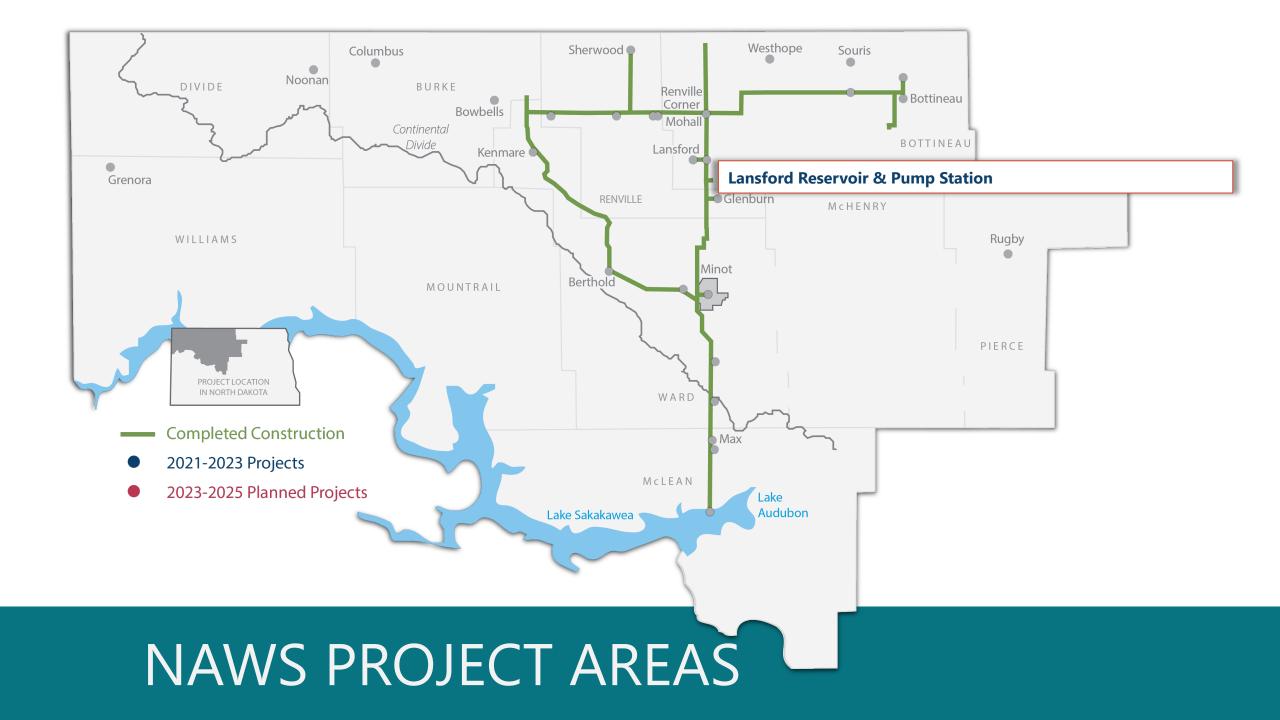
Phase I Construction Completed In 2013 Replaced The Filtration Units, Controls

Phase II Construction Replaced Softening Basins, Added Pretreatment Building, Replaced Chemical Feed Systems

PHASE II MINOT WATER TREATMENT PLANT



- Currently Working Through Finishing Details
- Both Basins Operational
- Final Commissioning Likely When Weather Allows
- Substantially Complete, A Few Weather-Dependent Items Remain
- Expected Final Commissioning -May-June 2023



LANSFORD RESERVOIR & PUMP STATION

Reservoir

4.5 Million Gallons

Pump Station & Operation Center 2500 GPM Capacity

Operational Since October 2022



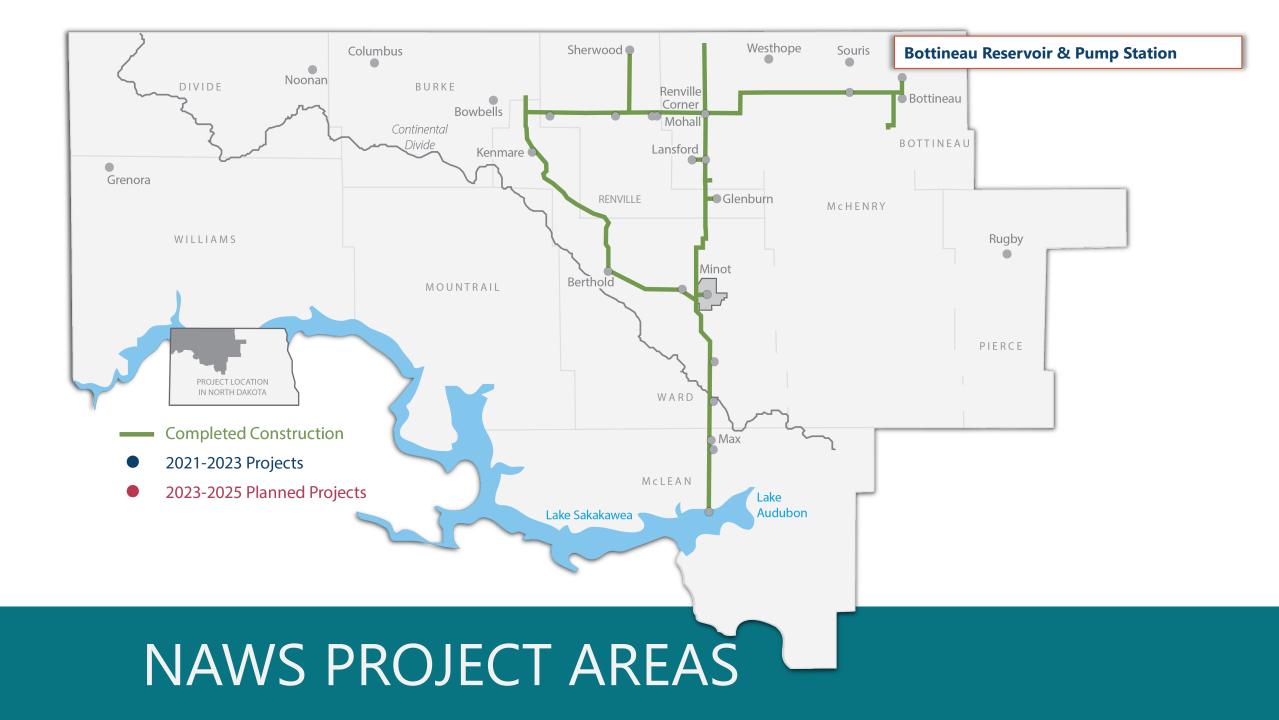
LANSFORD RESERVOIR & PUMP STATION

ICSI

BOTTINEAU/ASWUD PIPELINE

Began Water Service To Bottineau - October 19, 2022





BOTTINEAU RESERVOIR & PUMP STATION

Reservoir

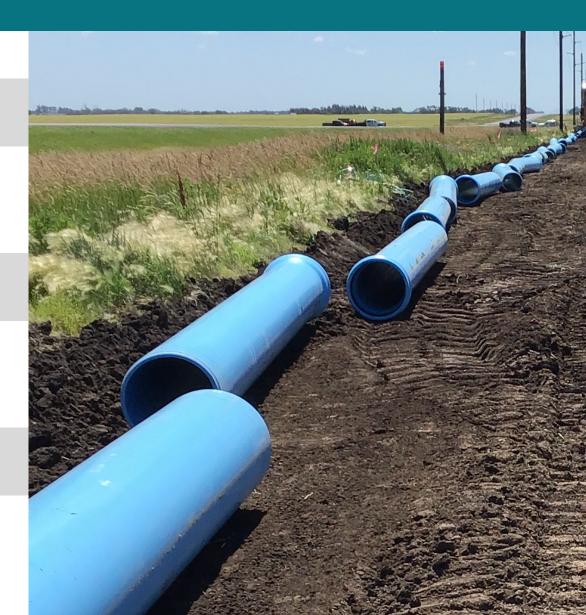
1 Million Gallons

Pump Station

1400 GPM Capacity

Completion Date

June 2024



PROJECT FUNDING NEEDS 2023-2025 BIENNIUM EXECUTIVE BUDGET

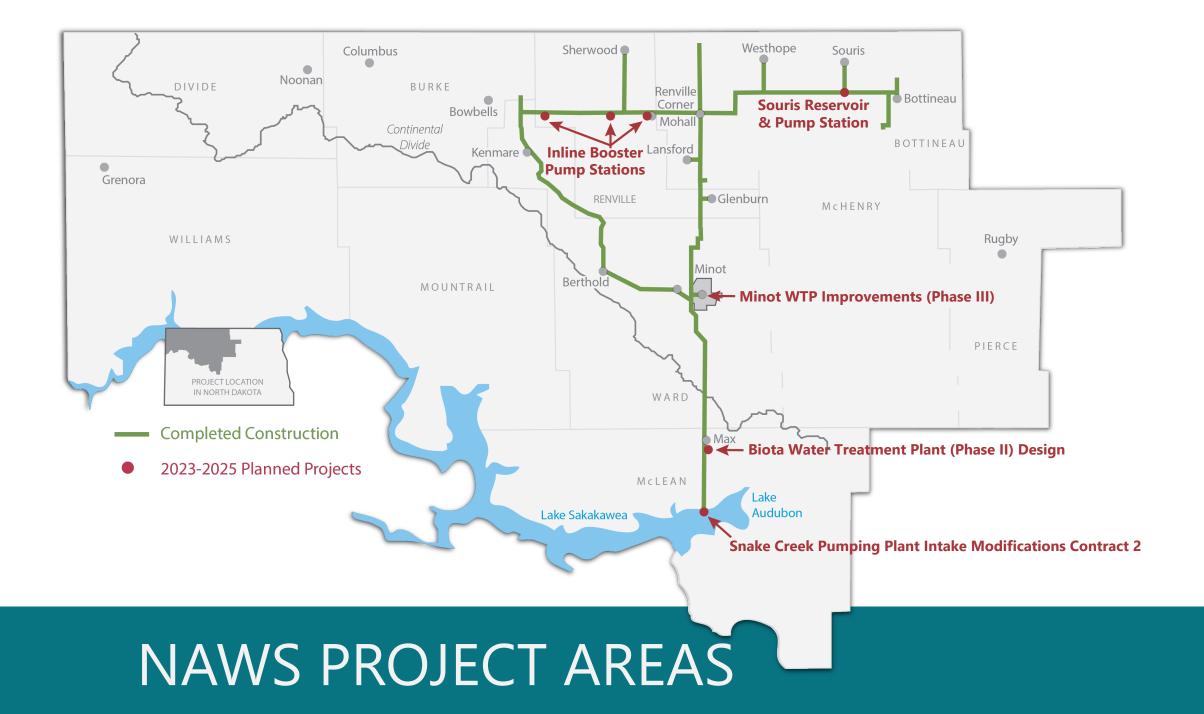


Total New Authority Request For 2023-2025 **\$61 Million**

ALLE THE HALL STORNER MAIL CORRECT AND STATISTICS

\$36 Million From City of Minot, RTF

\$25 Million Federal





THANK YOU

ND Department of Water Resources
 701.328.2750
 dwr@nd.gov
 dwr.nd.gov
 www.facebook.com/NDWaterResources





Water Resources

Testimony of Brandon Bochenski, Grand Forks Mayor Senate Bill 2020 Senate Appropriations Committee – Education & Environment Division Bismarck, North Dakota – January 19, 2023

Chairman Sorvaag and members of the Senate Appropriations Committee Education and Environment Division. I am here in support of funding for the Red River Valley Water Supply Project funding in Senate Bill 2020, in the Department of Water Resources budget.

The Garrison Diversion Conservancy District and Lake Agassiz Water Authority (LAWA) are cosponsors of the Red River Valley Water Supply Project (RRVWS). Grand Forks is a large end user of the project and is also a member of LAWA. The Red River Valley Water Supply Project will mitigate the effects of moderate and severe droughts for the City of Grand Forks and for many North Dakota communities and rural water systems in central and eastern North Dakota. While we can't predict future drought severity and length, it is inevitable that we will find ourselves in an extended drought that would exhaust our river flows as it has in the past. Having a consistent source of water through the RRVWS project is crucial to growing both population and industry.

Garrison Diversion and Lake Agassiz are requesting \$255 million dollars to ensure a timely completion of the Project over an 8-year construction schedule. Compressing the timeframe will lower the cost for users by reducing inflationary pressures and increasing economies of scale. This lower cost would pass through not only to the State of North Dakota, but also the end users, which could allow for more water systems to participate. Allowing various components of the project to have less time lag between completion dates would further align useful life expectancies of the many phases of the project. The final benefit of a compressed timeframe is incalculable, as it removes several years of risk by providing the finished product and water security sooner.

Approving a commitment from the State to complete the project and provide \$255 million this biennium will allow the Project to move forward immediately and leverage an additional \$85 million in local funding for a total of \$340 million of shovel-ready construction and design work.

Thank you, Chairman Sorvaag and members of the Senate Appropriations Committee Education and Environment Division for listening to my testimony.

Respectfully,

2420

Brandon Bochenski Mayor of Grand Forks

Testimony



Senate Bill 2020 Senate Appropriations Committee – Education and Environment Division January 19, 2023

Chairman Sorvaag and members of the Senate Appropriations Committee – Education and Environment Division. The Valley Prosperity Partnership (VPP) is a membership organization led by business executives – joined by leaders from higher education, economic development, and chambers of commerce – to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and the entirety of North Dakota.

The Red River Valley Water Supply Project (RRVWSP) is a top priority for the VPP because it is of critical importance to the economic well-being of the region's businesses and residents. Without the certainty of an adequate water supply, companies may restrain their growth, expand elsewhere, or choose to relocate. Companies from outside the region looking for a new location may take cities and counties in the Valley off their short list of potential sites. The economic impact would be especially disastrous in the event of an extended drought, with losses in that scenario now estimated to reach as high as \$25 billion. Simply put, the strength of our economy relies on a steady and reliable supply of water.

The VPP greatly appreciates previous State investments in the RRVWSP. Timely additional investments are needed, as an expedited construction schedule reduces the risk of ongoing cost increases, and the uncertainty of water shortages looms large on the horizon. Therefore, the VPP respectfully requests that your committee consider "accelerated funding" for the RRVWSP.

Valley Prosperity Partnership Steering Committee

Brian Johnson, CEO, Choice Bank, Co-Chair Valley Prosperity Partnership*

Judd Graham, Market President Dacotah Bank - Fargo Co-Chair Valley Prosperity Partnership*

Jonathan Holth, JLG Architects Vice Co-Chair*

Marshal Albright, President & CEO Cass County Electric Cooperative,

Andrew Armacost, President University of North Dakota

Steve Burian, President & CEO Burian & Associates

Dan Conrad, President & CEO Blue Cross Blue Shield North Dakota

David Cook, President North Dakota State University

Tim Curoe, CEO RD Offutt Company

Mylo Einarson, President & CEO Nodak Electric Cooperative

Chad Flanagan, Partner Eide Bailly

Rod Flanigan, President North Dakota State College of Science

Todd Forkel, CEO Altru Health System

Shannon Full, President/CEO Fargo Moorhead West Fargo Chamber of Commerce*

Shawn Gaddie, Director of Infrastructure Management Services, AE2S AE2S Jim Galloway, Principal JLG Architects

Kevin Hanson, President & CEO Gate City Bank

Tiffany Lawrence, CEO & President Sanford Fargo

Keith Lund, President & CEO Grand Forks Region EDC*

William C. Marcil, Sr. Chairman Forum Communications Company

Pat McAdaragh, President & CEO Midco

Jeff Melgaard, Vice President Construction Engineers

Tammy Peterson, Grand Forks Region President & Ag Banking Director Bremer Bank

Joe Raso, President & CEO Greater Fargo Moorhead EDC*

Jim Roers, President & CEO Roers Construction & Development

Richard Solberg, Chairman & CEO Bell State Bank & Trust

David White, President Border States Electric

Barry Wilfahrt, President & CEO The Chamber Grand Forks/East Grand Forks*

Chris Wolf, North Valley Market President Alerus Financial

Delore Zimmerman, Executive Director*

Senate Appropriations Committee - Education and Environment Division

Senator Ronald Sorvaag, Chairman

January 19, 2023

Chairman Sorvaag, Members of the Senate Appropriations Committee- Education and Environment Division:

My name is Keith Hunke and I am the City Administrator for the City of Bismarck.

I am providing written testimony in support of Senate Bill 2020.

Senate Bill 2020 provides the appropriation for defraying the expenses of the Department of Water Resources. Appropriations for water supply grants, discretionary funds for water projects, general water projects are included in Senate Bill 2020.

The City of Bismarck has appreciated the collaboration between the Department of Water Resources team members and City of Bismarck team members involved in preparing the 2023-2025 ND Department of Water Resources State Water Plan. Bismarck has several water utility projects included in the State Water Plan and are highlighted on the attachment to my testimony. These projects provide regional service to the University of Mary, South Central Regional Water District, United Tribes Technical College, and City of Lincoln. Favorable consideration and appropriation of funding for Senate Bill 2020 and Bismarck's water utility projects would be greatly appreciated.

I urge you to give SB 2020 a DO PASS recommendation.

Thank you for the opportunity to provide testimony in support of Senate Bill 2020. I am happy to stand for any questions the Committee may have.

Keith J. Hunke, City Administrator City of Bismarck 701-355-1300 khunke@bismarcknd.gov



City of Bismarck Public Works – Utility Operations 2023-2025 Capital Projects Overview

Bismarck has invested \$40M in awarded contracts in the last three years (2020-2022) for watermain repairs, disinfecting and dewatering projects. There are several additional water utility projects, representing a tremendous amount of work and planning, that will affect our local and regional residents in the immediate future for which we are seeking state grant funding assistance.

Water Needs – \$50M Grant



\$43M in grant funding for the WTP Expansion Project has been submitted in the 2023-2025 ND Department of Water Resources State Water Plan. The Expansion Project will alleviate shortages experienced and increase output capacity to 40 million gallons per day. This is expected to have an overall cost of \$72M with \$29M being funded by City of Bismarck utility fees. The water plant provides regional service to University of Mary, South Central Regional Water District, United Tribes Technical College, and City of Lincoln. Design work is underway.

Two additional projects for \$6M and \$675K in grant funding are also submitted for Cast iron Watermain Replacements and an Ash Coulee Drive Watermain extension in the 2023-2025 State Water Plan. The remaining costs would be covered by Bismarck utility fees. Design work is underway.

Other Utility Needs – \$58M IN NEEDS



Hay Creek Lift Station Needs - \$25M Hay Creek Interceptor - \$22M In 2019, this lift station was serving 6000 homes beyond its capacity, increasing the risk of sewer backups into homes during significant rain events. Since then, this area has seen the addition of Silver Ranch Elementary School, medical uses, and approximately 1200 new residential lots. Design work is underway.

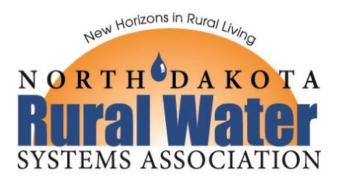




Treatment Equalization Basin - \$11M

Additional work is required for 2 million gallons of storage to balance incoming flows during rain events, assist with hydrogen sulfide control, piping, and aeration and electrical in flow control building and a biosolids equipment maintenance building. Regional services are provided to the Burleigh County shop, United Tribes Technical College, and new regional service is being evaluated to receive flows from the City of Lincoln. Design work is underway.

For any additional information, please contact Mayor Mike Schmitz, 701-934-5040 (c), 701-355-1300 (o) <u>mschmitz@bismarcknd.gov</u> or Keith J. Hunke, 701-220-5878 (c), 707-355-1300 (o), <u>khunke@bismarcknd.gov</u>



Eric Volk, Executive Director ND Rural Water Systems Association In Support of Senate Bill 2020 Senate Appropriations Committee-E&E Div. January 19, 2023

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.

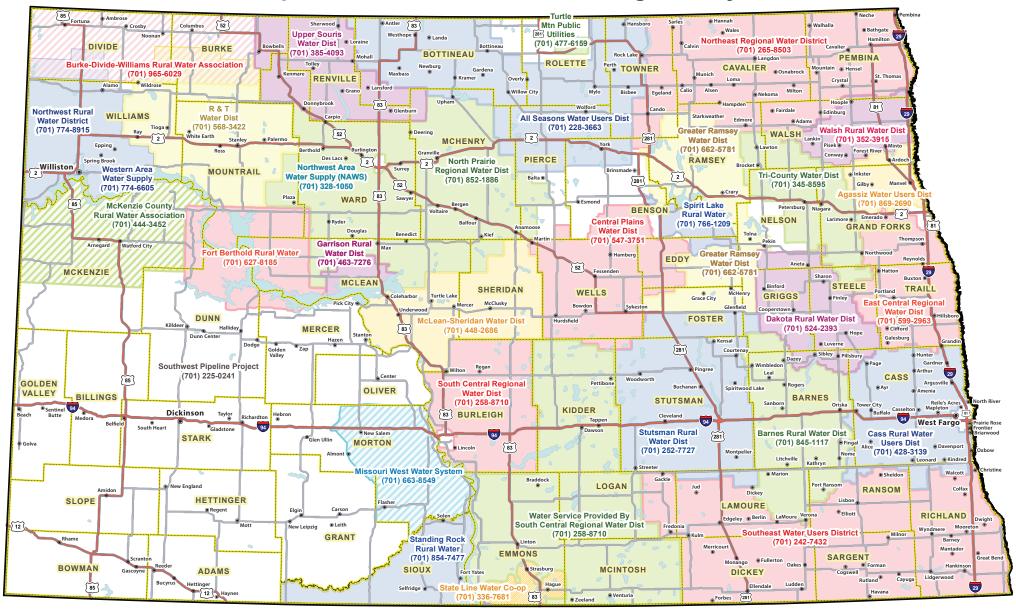
In addition to the Southwest Pipeline Project, Northwest Area Water System, the Red River Valley Water Supply Project and the Western Area Water Supply Project, there are currently many other rural and regional projects in various stages of development across the state. Some examples of these projects are the completion of the large expansion of the McLean-Sheridan Rural Water District, the further development of the East Central Regional Water District, and the start of a large user expansion for All Seasons Water Users District, 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 \$125 million (\$91 million state grant is needed) (see attached funding map).

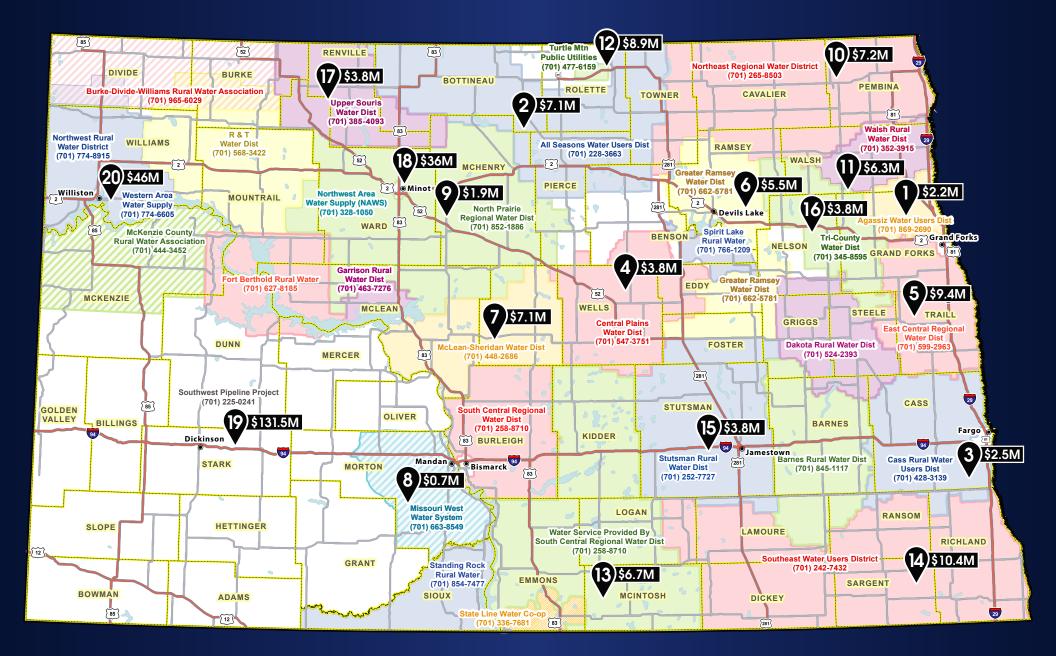
These projects are designed to meet similar needs. Those needs include water quality and quantity. On the water quality side, the projects will help communities comply with federal mandates required by the Safe Drinking Water Act, including arsenic levels, nitrates, disinfection by-products, and total 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 are taking its toll on many small and rural water systems. A study completed by the United States Environmental Protection Agency revealed the rates needed to cover future infrastructure repair and replacement for small systems will 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 which 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 cost to the consumer is just 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 23-25 project funding). Every rural water system that has been built in our state is still operating. They are providing safe, clean water to their customers, reducing their debt, putting money in reserve, complying with every state and federal regulation, and doing 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 170,000 rural residents, they also provide water to 266 (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.

Incorporated Cities on a Rural or Regional System





1	AGASSIZ WATER USERS DISTRICT - GILBY Reservoir 1 to 3 Transmission Expansion
2	ALL SEASONS WATER USERS DISTRICT – BOTTINEAU System 1 Expansion - Phase 2
3	CASS RURAL WATER DISTRICT – KINDRED County Road 17 Improvements, System Wide Improvements
4	CENTRAL PLAINS WATER DISTRICT - FESSENDEN Connection to the city of Maddock
5	EAST CENTRAL REGIONAL WATER DISTRICT - THOMPSON Individual Service to Galesburg, Hillsboro WTP Expansion, Wellfield, Transmission & User Expansion
6	GREATER RAMSEY WATER DISTRICT – DEVILS LAKE North System Capacity Improvements
7	MCLEAN-SHERIDAN RURAL WATER DISTRICT – TURTLE LAKE Phase 2 WTP Construction, Phase 3 Expansion
8	MISSOURI WEST WATER SYSTEM – MANDAN Fort Abraham Lincoln State Park Improvements
9	NORTH PRAIRIE REGIONAL WATER DISTRICT – MINOT Reservoir 3 to Max Transmission Line
10	NORTHEAST REGIONAL WATER DISTRICT - CAVALIER Bulk Cities to Individual Services, WTP and Wellfield Expansion
11	NORTHEAST, WALSH, AGASSIZ, TRI-COUNTY, & EAST CENTRAL RWDS Northeast North Dakota Long-Term Groundwater Supply
12	ROLETTE COUNTY - TURTLE MOUNTAIN – BELCOURT Highway 43 Reservoir & Pump Station Improvements, Three Mile Road Rural Water Main Replacement, Highway 3 and BIA 8 Water Main Replacement
13	SOUTH CENTRAL REGIONAL WATER DISTRICT – BISMARCK Service to the city of Ashley
14	SOUTHEAST WATER USERS DISTRICT – MANTADOR West System Water Treatment Plant Improvements
15	STUTSMAN RURAL WATER DISTRICT – JAMESTOWN Raw Water Facilities Improvement, Service to the city of Streeter
16	TRI-COUNTY WATER DISTRICT – PETERSBURG Phase 6 Expansion, Phase 7 Expansion - McVille Area
17	UPPER SOURIS RURAL WATER DISTRICT – KENMARE Improvements & Expansion - Phase 2
18	NORTHWEST AREA WATER SUPPLY PROJECT (NAWS) – MINOT 2023-25 Treatment & Distribution Improvements
19	SOUTHWEST PIPELINE PROJECT (SWPP) – DICKINSON 2023-25 Treatment & Distribution Improvements
20	WESTERN AREA WATER SUPPLY (WAWS) - WILLISTON

2023-25 Treatment & Distribution Improvements



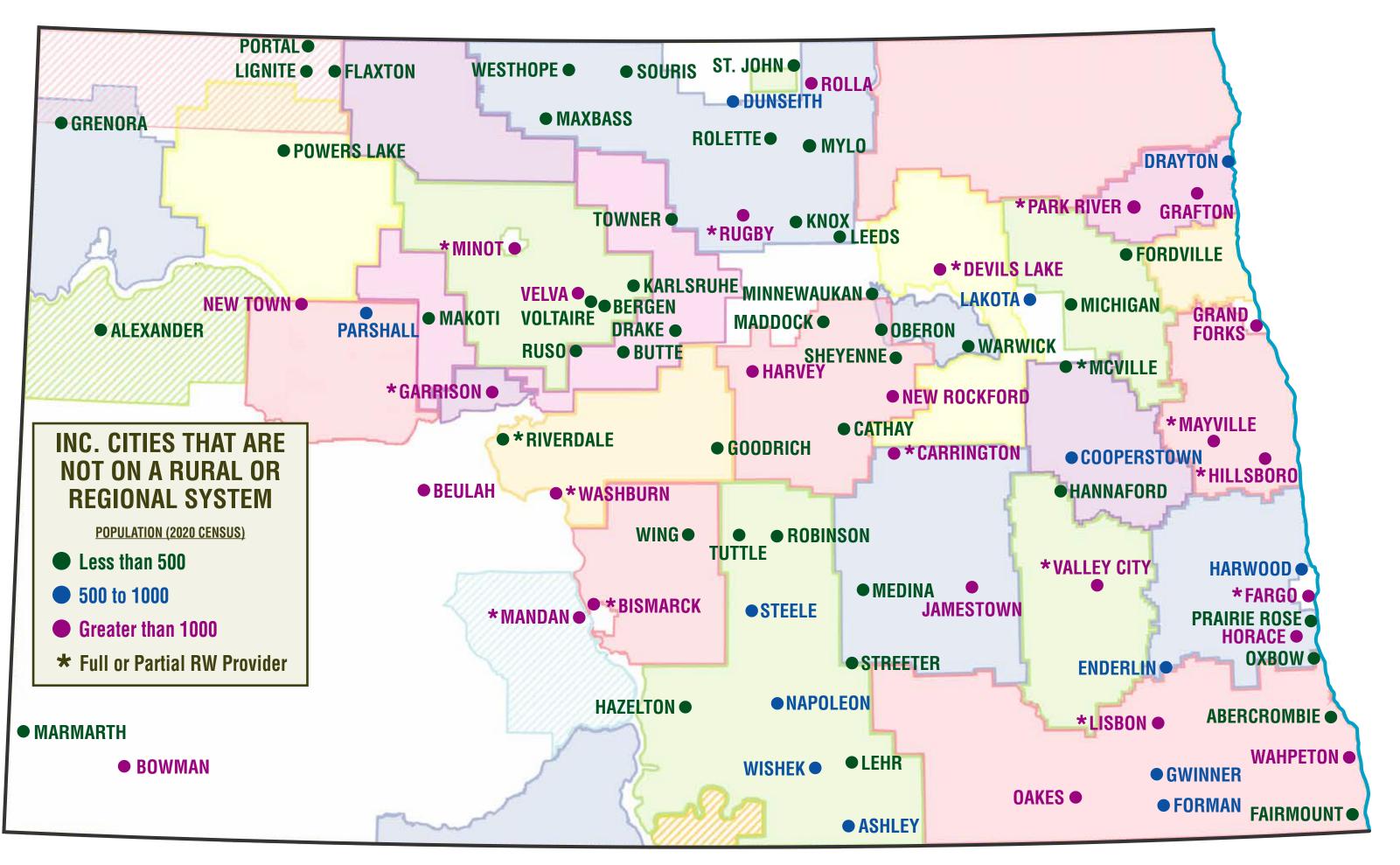
OUR VISION All of North Dakota has access to affordable, ample, and quality water.



Local Sponsor	Project Name		SWC 23-25 Grant	Local Share	Total Project Cost
Agassiz Water Users District	Reservoir 1 to 3 Transmission Expansion		\$2,150,550	\$716,850	\$2,867,400
All Seasons Water Users District	System 1 Expansion - Phase 2		\$7,125,000	\$2,375,000	\$9,500,000
Cass Rural Water District	County Road 17 Improvements		\$891,675	\$297,225	\$1,188,900
Cass Rural Water District	System Wide Improvements		\$1,575,000	\$525,000	\$2,100,000
Central Plains Water District	Connection to the city of Maddock		\$3,750,000	\$1,250,000	\$5,000,000
East Central Regional Water District	Individual Service to Galesburg		\$1,337,737	\$445,913	\$1,783,650
East Central Regional Water District	Hillsboro WTP Expansion		\$2,124,513	\$708,171	\$2,832,684
East Central Regional Water District	Wellfield, Transmission & User Expansion		\$5,954,906	\$1,984,968	\$7,939,874
Greater Ramsey Water District	North System Capacity Improvements		\$5,521,522	\$1,890,507	\$7,412,029
McLean-Sheridan Rural Water District	Phase 2 WTP Construction		\$4,800,000	\$1,600,000	\$6,400,000
McLean-Sheridan Rural Water District	Phase 3 Expansion		\$2,300,000	\$800,000	\$3,100,000
Missouri West Water System	Fort Abraham Lincoln State Park Improvements		\$744,000	\$248,000	\$992,000
North Prairie Regional Water District	Reservoir 3 to Max Transmission Line		\$1,918,000	\$639,000	\$2,557,000
Northeast Regional Water District	Bulk Cities to Individual Services		\$2,698,986	\$899,662	\$3,598,648
Northeast Regional Water District	WTP and Wellfield Expansion		\$4,500,000	\$1,500,000	\$6,000,000
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply		\$6,255,647	\$2,085,215	\$8,340,862
Rolette County - Turtle Mountain	Highway 43 Reservoir & Pump Station Improvements		\$3,000,000	\$2,000,000	\$5,000,000
Rolette County - Turtle Mountain	Three Mile Road Rural Water Main Replacement		\$1,125,000	\$875,000	\$2,000,000
Rolette County - Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement		\$4,822,500	\$3,607,500	\$8,430,000
South Central Regional Water District	Service to the city of Ashley		\$6,655,440	\$2,218,480	\$8,873,920
Southeast Water Users District	West System Water Treatment Plant Improvements		\$10,350,000	\$3,450,000	\$13,800,000
Stutsman Rural Water District	Raw Water Facilities Improvement		\$3,203,250	\$1,067,750	\$4,271,000
Stutsman Rural Water District	Service to the city of Streeter		\$582,000	\$194,000	\$776,000
Tri-County Water District	Phase 6 Expansion		\$1,350,000	\$450,000	\$1,800,000
Tri-County Water District	Phase 7 Expansion - McVille Area		\$2,464,500	\$821,500	\$3,286,000
Upper Souris Rural Water District	Improvements & Expansion - Phase 2		\$3,750,000	\$1,250,000	\$5,000,000
		Totals:	\$90,950,226	\$33,899,741	\$124,849,967
Northwest Area Water Supply Project (NAWS)	2023-25 Treatment & Distribution Improvements		\$36,000,000	\$16,200,000	\$77,200,000
Southwest Pipeline Project (SWPP)	2023-25 Treatment & Distribution Improvements		\$131,500,000	\$0	\$131,500,000
Western Area Water Supply (WAWS)	2023-25 Treatment & Distribution Improvements		\$46,000,000	\$24,000,000	\$70,000,000
		Totals:	\$213,500,000	\$40,200,000	\$278,700,000

Rural Water System Rates - January 2023

SYSTEM	# of Users	Minimum Cost	\$/1000 Gal.	\$/6000 Gal.	Miles of Pipe
Agassiz Water Users District	1,400	\$27.50	\$8.50	\$78.50	400
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	1,400	\$50.00	\$5.50	\$83.00	
Barnes Rural Water District #2	274	\$60.00	\$6.00	\$96.00	
Barnes Rural Water District #3	350	\$56.00	\$5.50	\$89.00	1,200
Belcourt Public Utilities	3,500	\$20.50	\$5.75	\$55.00	245
Cass Rural Water District	8,017	\$27.00	\$5.40	\$59.40	
Cass Rural Water District - Leonard Project	140	\$40.00	\$5.40	\$72.40	2,400
Central Plains Water District (Old)	790	\$30.00	\$6.50	\$69.00	,
Central Plains Water District (New)	340	\$56.00	\$7.25	\$99.50	1,266
Dakota Rural Water District Expansion	1,035	\$53.00	\$6.50	\$92.00	1,200
East Central Regional Water District	2,310	\$40.00	\$7.00	\$82.00	
East Central Regional Water District	2,469	\$60.00	\$7.00	\$102.00	2,200
Fort Berthold Rural Water	2,500	\$25.00	\$5.00	\$55.00	650
Garrison Rural Water District	822	\$62.00	\$8.00	\$110.00	162
Greater Ramsey Water District	1,011	\$35.00	\$5.50	\$68.00	
Greater Ramsey Water District	1,132		\$5.50	\$73.00	
Greater Ramsey Water District	385	\$45.00	\$5.50	\$78.00	1,650
McKenzie County Water Resource District	1,260	\$45.90	\$7.02	\$88.02	1,530
McLean-Sheridan Rural Water District #1	696	\$62.00	\$7.40	\$106.40	1,000
McLean-Sheridan Rural Water District #2	174	\$65.00	\$6.54	\$104.24	
McLean-Sheridan Rural Water District #3	113	\$76.00	\$7.80	\$122.80	700
Missouri West Water System	2,005	\$40.00	\$6.29	\$77.74	650
North Prairie Regional Water District (Existing)	2,000	\$54.00	\$9.83	\$112.98	000
North Prairie Regional Water District (Dew)	4,788	\$65.00	\$9.83	\$123.98	2,500
Northeast Regional Water District/Langdon Branch	1,299	\$63.00	\$6.10	\$99.60	2,000
Northeast Regional Water District/North Valley Branch	1,372	\$50.00	\$6.10	\$86.60	2,512
Northwest Rural Water District	2,600	\$45.00	\$8.80	\$97.80	1,200
R&T Water District	825	\$50.00	\$7.70	\$96.20	514
South Central Regional Water District (Includes 500 gals)	6,260		\$7.50	\$75.25	014
South Central Regional Water District	1,780		\$6.00	\$76.00	5,000
Southeast Water Users District Central	623	\$50.00	\$5.75	\$84.50	547
Southeast Water Users District Central-New	138	\$55.00	\$5.75	\$89.50	147
Southeast Water Users District Central-New	1,810		\$4.50	\$58.00	1,372
Southeast Water Users District East-New	252	\$55.00	\$4.50	\$82.00	201
Southeast Water Users District West	732	\$50.00	\$3.50	\$71.00	743
Southeast Water Users District West	132	\$55.00	\$3.50	\$76.00	166
Southwest Water Authority	7,465		\$5.30	\$94.14	5,260
State Line Water Cooperative (includes 1000 gals)	452	\$40.00	\$6.25	\$71.25	200
Stutsman Rural Water District	1,222	\$43.00	\$5.35	\$75.10	1,100
Stutsman Rural Water District Expansion Project	1,222	\$48.00	\$5.35	\$75.10	1,100
Tri-County Water District	1,347		\$5.35	\$80.10	1,090
Upper Souris Water District	650	\$35.00	\$0.00	\$90.00	600
					000
Walsh Rural Water District R1	1,232	\$36.00	\$7.75	\$82.50	
Walsh Rural Water District R3	155	\$48.00	\$7.75	\$94.50	
Walsh Rural Water District R4	142	\$55.00	\$7.75	\$101.50	700
	70,173		*	A	41,005
Median		\$48.00	\$6.38 \$6.57	\$85.80 \$86.36	
Average		\$47.15	\$6.57	\$86.36	
Yearly Average				\$1,036.38	



Testimony by Jenifer Murray, Manager/CEO Southwest Water Authority On behalf of the Southwest Pipeline Project to the Senate Education and Environment Committee Hearing on Senate Bill 2020 January 19, 2023

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 (Project) 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 overseeing the newly integrated rural water system. Since 1996, SWA has had the responsibility of the management, operations, and maintenance of the state-owned 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.

Senate Bill 2020 provides unprecedented support to critical water needs throughout the state. Within this budget, the State Water Commission (SWC) would provide over \$600 million in funding for critical water supply and flood control projects.

From the beginning, funding for the construction of the Project was unique. It was and remains funded with the requirement that all water customers would repay the state for the Project's construction costs. To that effort, SWA's customers have return over \$90 million back to the state through capital repayment. The financial commitment the state has made in the Project has benefitted southwest North Dakota, and through capital repayment the state is now realizing a return from its investment.

The strategy SWA has taken to building for the future is three-pronged. The first prong includes increasing the main transmission line capacity to ensure transmission capacity does not become a limiting factor to connecting future customers. The second prong includes strategic hydraulic improvements which will allow users on SWA's waiting lists to be added as subsequent customers. The third prong is the expansion of the system into under-served areas.

Projects planned for the 2023-2025 biennium include a 12-million-gallons-per-day expansion of the Southwest Water Treatment Plant. The Dickinson Water Treatment Plant was built in 1951 and due to the circumstances of the time was adopted by the SWPP to be utilized as the primary treatment source. Upgrades and modifications have been done over the years to increase capacity and treat Lake Sakakawea's source water. An assessment was done in 2021 which noted the plant is operating at or beyond its useful life at an increased risk of malfunction or failure. It was recommended to begin the migration of its capacity when funding is available. In February 2022, the decision was made by the SWC to begin with the process of design for the plant's expansion. The Southwest Water Treatment Plant expansion membrane and equipment procurement contracts are expected to be bid in June 2023. Construction and installation funding is requested at \$83 million. 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 throughout southwest North Dakota is essential to continuing to provide our communities and customers with an adequate supply of quality water both now and into the future. West Zone Transmission Facility improvements will ensure that capacity is not a limiting factor in rural development and growth. 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 West Zone Transmission Facility improvements are conceptualized at \$17.5 million for nearly 28 miles of parallel main transmission line, upgrades to three separate pump stations, and addition of a 300k gallon storage reservoir.

Increasing service to under-served areas has been a focus of the SWPP over the past two years. The Burt, Hebron Service Area, including Lake Tschida, is being canvassed for potential customers and is currently under preliminary design. To date, 640 residents have financially committed to connecting to the SWPP once construction is complete. This area is vast, and sparsely populated creating challenges. SWA is requesting funding of \$11.2 million in the 2023-2025 biennium to begin construction.

Above and beyond the 640 customers signed up in the Burt, Hebron Service Area, including Lake Tschida, 670 locations system-wide have been placed on a waiting list. When the project was originally constructed additional capacity was estimated to be at 150%. Over time the need and interest in rural water has grown and the additional initial capacity has been allocated. Currently more than 30% of the SWPP customer base connected as subsequent customers. These are the people connected after the initial construction had already been completed. At this time, Strategic Hydraulic Improvements are being prioritized to enable more of these subsequent 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 nearly 7,500 rural customers, and 33 communities, and yet there are water needs yet to be met and hundreds of people waiting for their chance to receive quality water. I am here today on behalf of SWA to express my support of Senate Bill 2020, and respectfully request your consideration of \$131.6 million for the 12-million-gallons-per-day Southwest Water Treatment Plant expansion, West Zone Transmission Facility Improvements, Strategic Hydraulic improvements, and the Supplementary Intake Pump Station. For it is only with your financial support Southwest Water Authority can continue its mission of quality water for southwest North Dakota.

Thank you. Jenifer Murray, Manager/CEO Southwest Water Authority jmurray@swwater.com

THE SOUTHWEST PIPELINE PROJECT AND SOUTHWEST WATER AUTHORITY

2023-2025 PROPOSED CONSTRUCTION AND FUNDING NEEDS

JANUARY 2023





Water Resources







Southwest Pipeline Project is a State-Owned Regional Water Supply Project





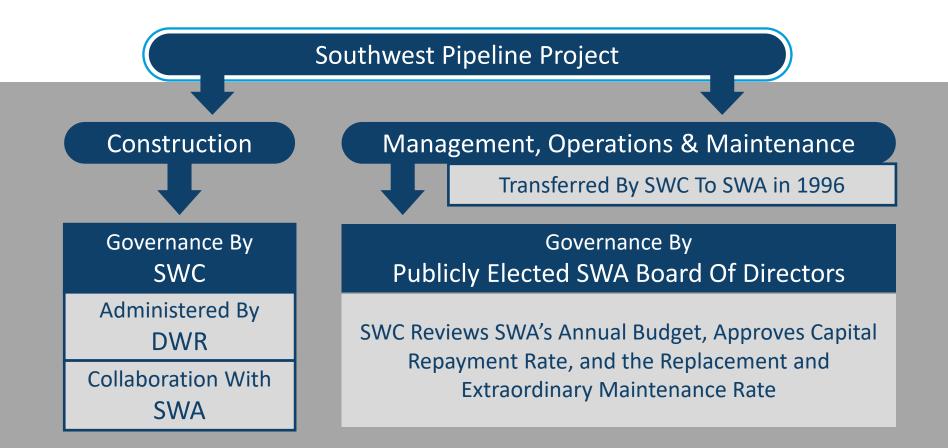
1986 Construction Began

SWA Was Authorized By The North Dakota State
 Legislature and Became A Political Subdivision Under
 NDCC §61-24.5-21

1996

Operations, Maintenance & Management Of The SWPP Transferred from SWC To SWA

ROLE OF SWC, DWR, AND SWA



SWPP FUNDING MODEL



- Funded Through The Resources Trust Fund
- Local Share For SWPP = Capital Repayment
- Capital Repayment Is A Component Of SWPP's Water Rate
- Study Completed In 1982 Capital Repayment Rate Based On Ability To Pay Adjusted Annually By The CPI

2023 Capital Repayment Rate:

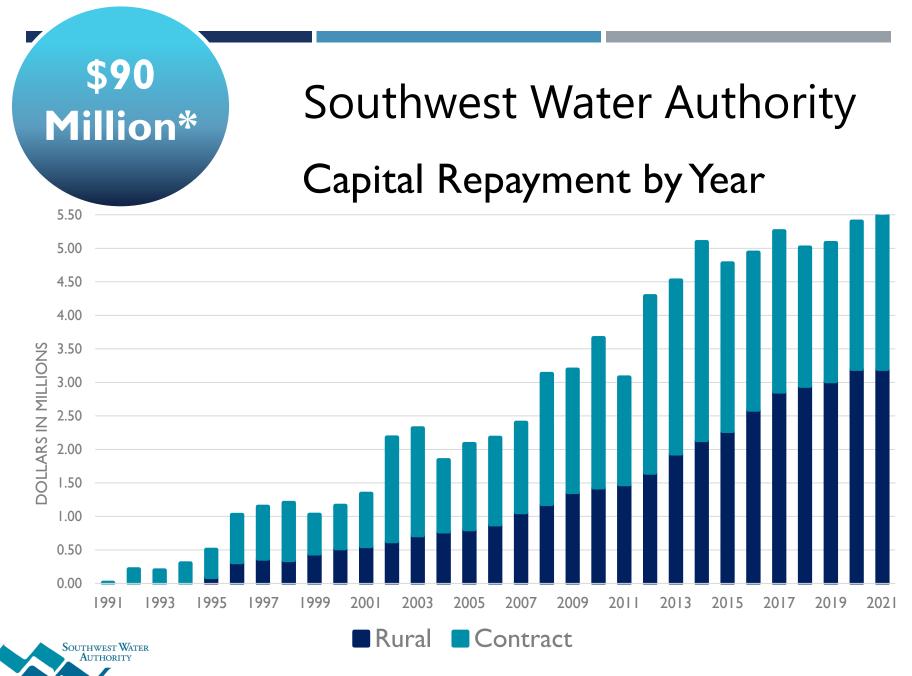
Contract Customers (Cities) \$1.42/1,000 gallons sold

 Capital Repayment Rate For SWPP's Rural Customers Is Included In The Monthly Minimum/Base Rate

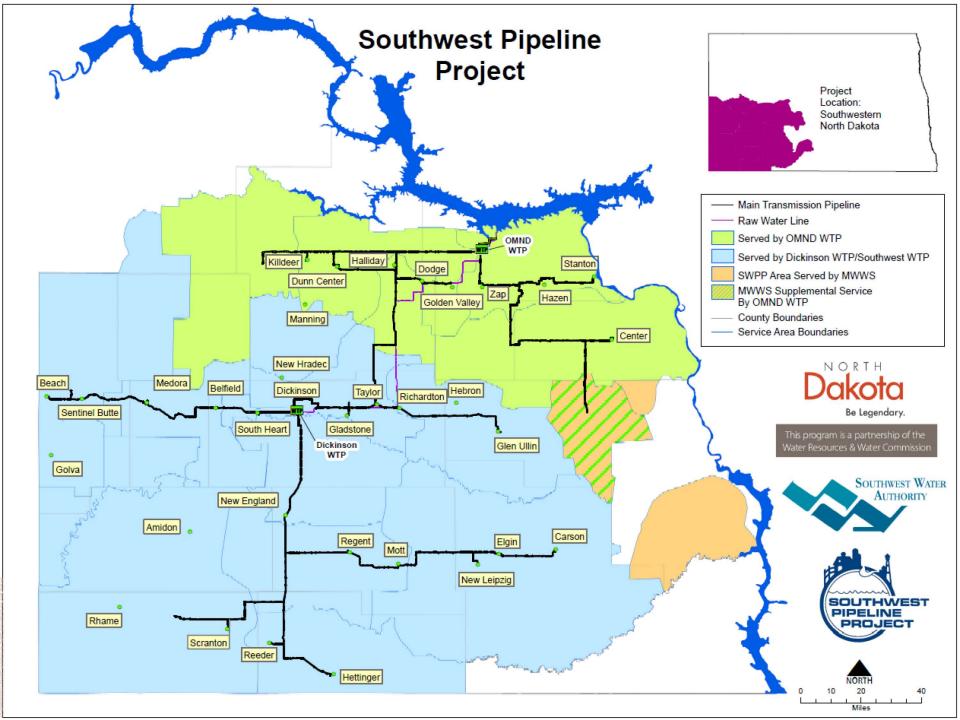
2023 Capital Repayment Rate:

Rural Customers \$43.43/month

 SWPP's Customer Growth Will Result In More Capital Repayment Back To The State



*32.5% of State Funding Returned



THE SOUTHWEST PIPELINE PROJECT

• Population served is ~ 58,000

-

- ~7,500 rural customers
- 5,300 Miles of Pipeline
- 33 Communities
- 13 Counties

- 37 Million Gallons of Storage
- 32 Water Storage Reservoirs
- 35 Pump Stations
- 3 Water Treatment Plants
- 2 Additional Rural Water Systems

2022 Water Sales = 2.3 Billion Gallons





Mission: Quality Water for Southwest North Dakota Vision: People and Business Succeeding with Quality Water Transmission Facility Improvements

Improvements and Upgrades to Transmission Pipelines and Facilities Throughout the Southwest Pipeline Project Strategic Hydraulic Improvements

Addressing Waiting Lists and Areas Where Growth and Distribution is Limited by Existing Infrastructure Expansion of Under-served Areas

Capturing the Needs of Under-served Areas by Canvassing to Ensure All Potential Customers Have the Opportunity to Connect to Rural Water

Three-Pronged Approach to Building for the Future





\$33.8 Million

2021-2023 BIENNIUM

Main Transmission Line Upgrades

- From Ray Christensen Pump Station to Belfield Reservoirs
- From Ray Christensen Pump Station to New England Reservoirs
- From Ray Christensen Pump Station to the Davis Buttes Reservoirs

Strategic Hydraulic Improvements

- Improvements in 4 separate service areas
- Approximately 18 miles of 3-6" pipeline and 5 booster pump stations
 - Will add more than 100 subsequent customers
- Supplemental Intake Construction and Construction Administration
- Southwest Water Treatment Plant Expansion Membrane and Equipment Procurement
 - Ultra Filtration Membranes and High-Rate Softening Equipment
 - Expected bid date June 2023

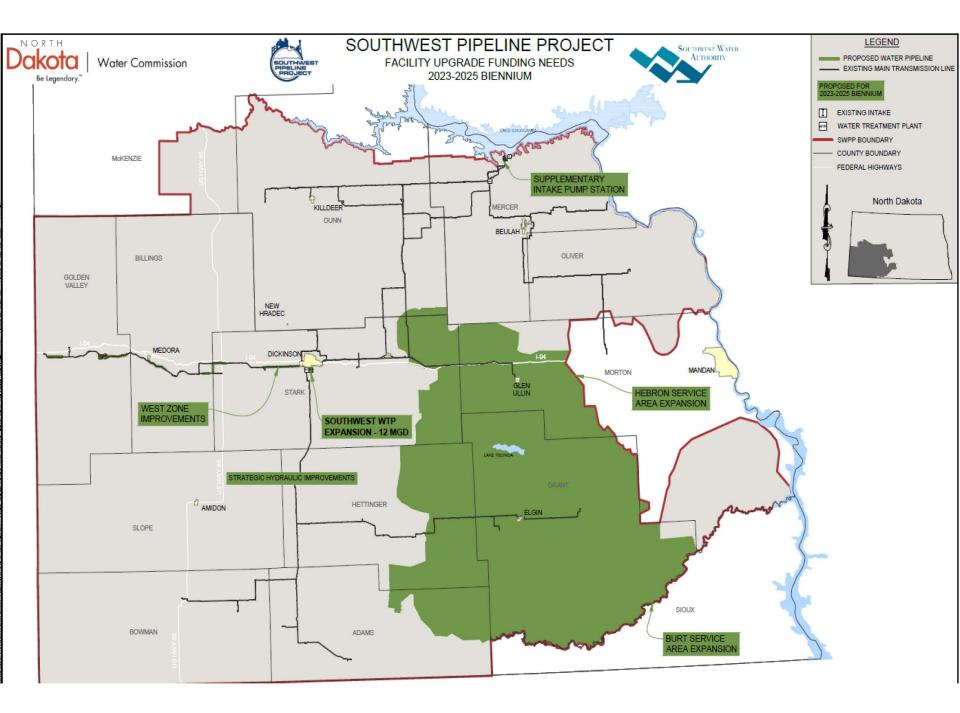
\$131.6 M

2023-2025 Biennium Proposed Funding Needs for the SWPP

- Southwest Water Treatment Plant 12 MGD Expansion \$83 M
- West Zone Transmission Facility Improvements \$17.5 M
- Burt, Hebron Service Area Expansion \$11.2 M
- Strategic Hydraulic Improvements \$5 M
- Supplementary Intake Pump Station \$14 M
- DWR Agency Operations \$750,000









THE ORIGINAL PLANT DATES FROM 1951, AN ADDITION BUILT IN 1966 WITH SIGNIFICANT UPGRADES IN 1988. MODIFICATIONS TO TREAT LAKE SAKAKAWEA WATER AND INCREASE THE PLANT CAPACITY WERE MADE IN 1994 AND 1996.

12 MGD Water Treatment Plant in Dickinson



6 MGD Southwest Water Treatment Plant Operational in 2018

Dickinson WTP

Southwest Water Treatment Plant I 2 MGD Expansion

1 x . x x 2 x 1 x x

(18 MGD Total Capacity)

\$83 M

\$17.5 M WEST ZONE TRANSMISSION FACILITY IMPROVEMENTS



Transmission Facility Improvements from Dickinson to Beach

Approximately 28 miles of
 Parallel Main Transmission Line



- Upgrades to Three Booster
 Pump Stations
- 300,000 Gallon Storage Reservoir

STRATEGIC HYDRAULIC IMPROVEMENTS

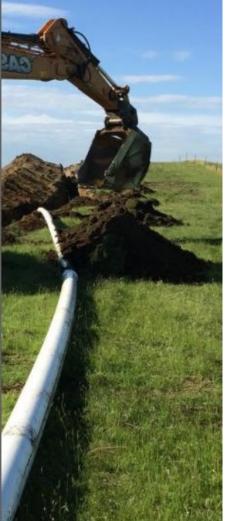
Distribution System Improvements to Serve Subsequent Customers

\$5.0 M

~ 670 Waiting List Locations

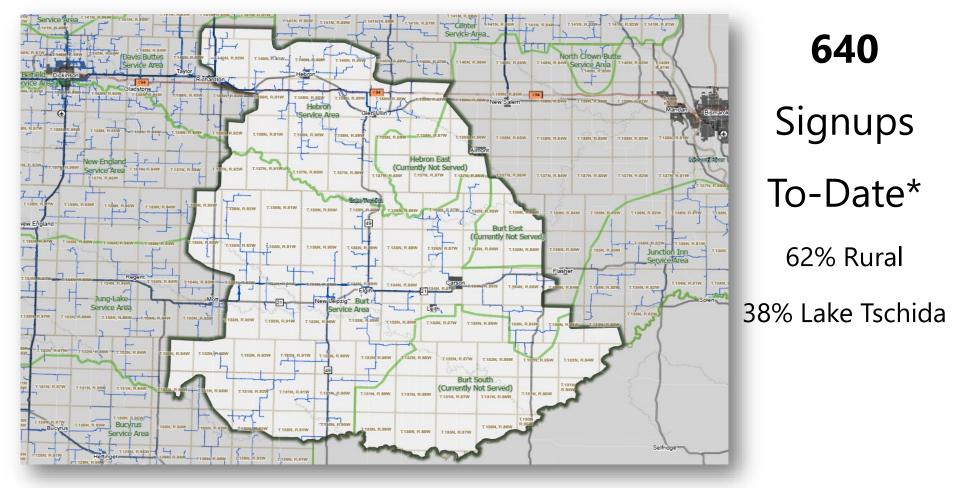


WAITING LIST



- SWA has 7,474 active rural water customer accounts
 - **2,628** are subsequent customers system-wide
 - ~35% of customer base added after construction, using all additional capacity built into the system
 - Over **4,000** additional locations across the SWPP Service Area could potentially be served based on **911** analysis

RURAL CONSTRUCTION EXPANSION: BURT-HEBRON SERVICE AREA INCLUDING LAKETSCHIDA



\$11.2 M

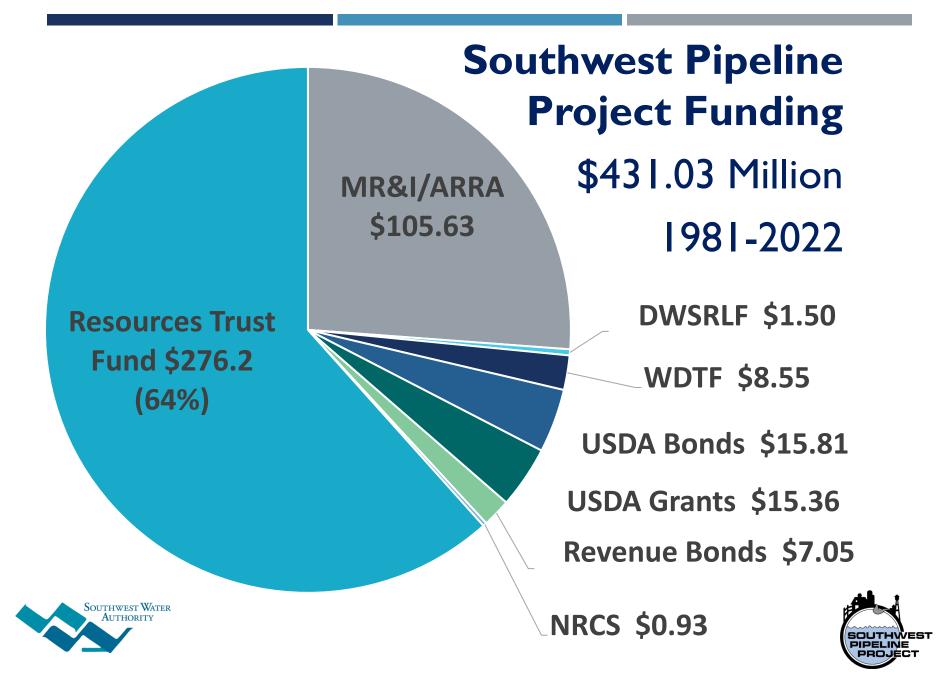
*In addition to Waiting Lists

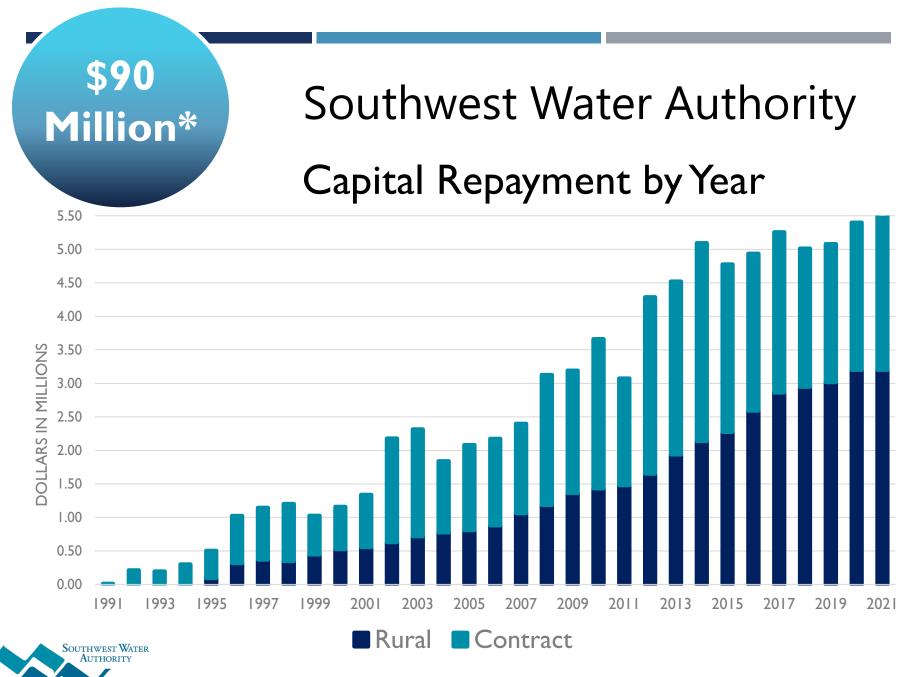


Dependent on Intake Progress

\$14 M

Supplementary Intake Pump Station





*32.5% of State Funding Returned

SOUTHWEST WATER AUTHORITY





6651/2



THANK YOU

Jen Murray, Manager/CEO jmurray@swwater.com Southwest Water Authority www.swwater.com 701.225.0241

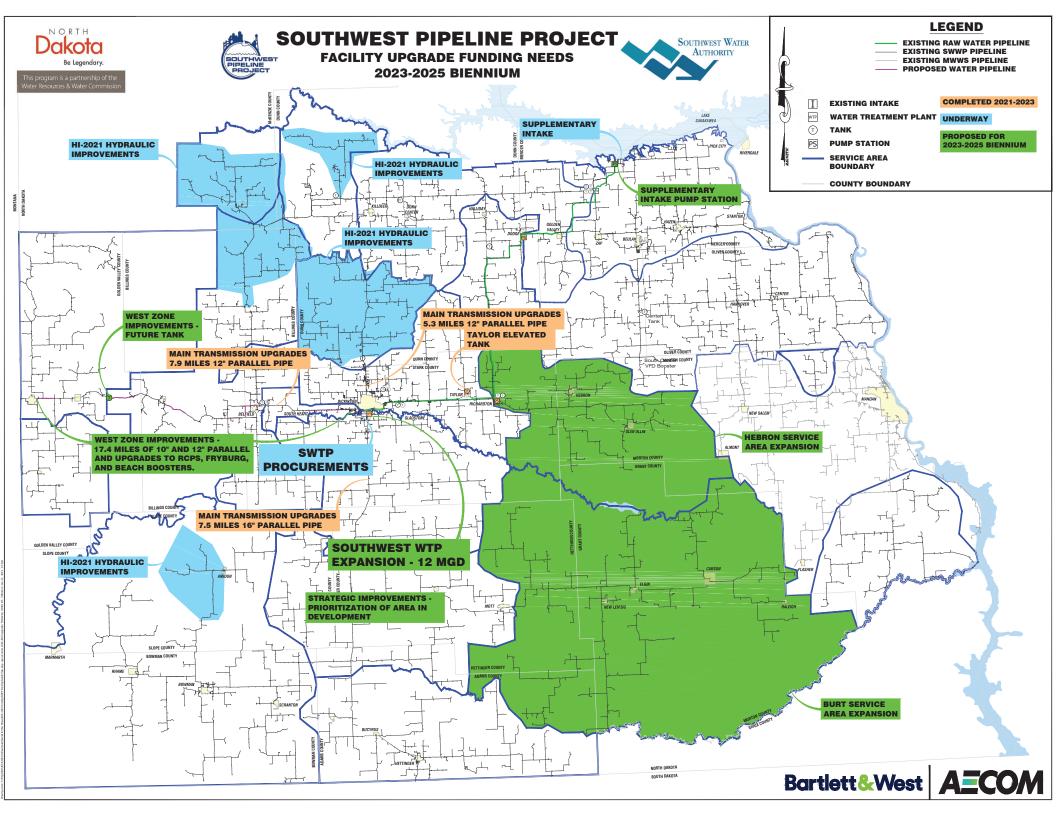




Southwest Pipeline Project Proposed 2023-2025 Biennium Funding Needs

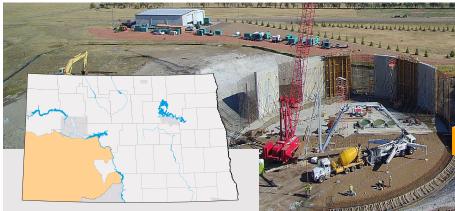


Contract	Description	Detail	2023-2025 Planned needs
н	Strategic Hydraulic Improvements	Distribution System Expansion to Serve Subsequent Customers Prioritized by Need	\$5,000,000
3-2H	Southwest Water Treatment Plant 12 MGD Expansion	Construction and Equipment Installation	\$83,000,000
1-2B	Supplementary Intake Pump Station	Intake Pump Station Building, Pumps, Air Chamber and SCADA Dependent on Supplementary Intake Completion	\$14,080,000
	West Zone Transmission Improvements	Transmission Facility Improvements to the West Zone including Medora 27.8 miles of 10" and 12" Parallell, 300k gallon Reservoir, and Upgrades to Ray Christensen, Fryburg, and Beach Booster Pump Station	\$17,560,000
*	Burt, Hebron Service Area including Lake Tschida*	Rural Service Expansion into Under-served Areas	\$11,200,000
	Department of Water Resources Agency Operations	Per Biennium Agency Operations	\$750,000
	Total 2023-2025 Biennium Funding Needs		\$131,590,000





SOUTHWEST **PIPELINE PROJECT**



OUICK FACTS



WATER USERS (7.4% OF ND POPULATION)



COMMUNITIES SERVED



RURAL CUSTOMERS



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 (\$89.9M), and replacement and extraordinary maintenance funds (\$1.5M).

BACKGROUND AND PURPOSE

LOOKING AHEAD 2023-2025

31.6 ILLION



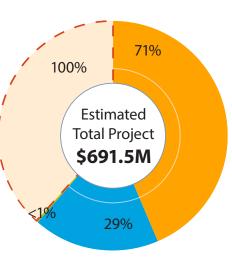
Funding for strategic hydraulic improvements, West Zone main transmission line improvements, an intake pump station, Burt Hebron Service Area expansion, Southwest Water Treatment Plant expansion, and agency operational costs.

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, 31 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	\$1.5M			
State*	\$307M			
Federal**	\$122M			
*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	\$261M
State	\$261M



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 Be Legendary.



Senate Appropriations – Education and Environment Division Chairman – Senator Ron Sorvaag January 19, 2023

Joint Testimony of:

Tom Ross Mayor, City of Minot tom.ross@minotnd.org (701) 721-7763

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

<u>SB 2020</u>

SLIDE 1 – Tom Ross

Chairman Sorvaag and members of the Senate Appropriations Education and Environment Division, my name is Tom Ross. I am the mayor of Minot. I am here today to speak in support of Senate Bill 2020 and the allocation needed to continue progress on the Mouse River Enhanced Flood Protection Project.

With me today, is David Ashley, Chairman of the Souris River Joint Board. We will be presenting jointly today.

This summer will mark 12 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.

We have uploaded this joint testimony along with a series of slides and a supplemental handout. Our intent is to cover three topics with you today.

First, we wish to update you regarding the status of the current biennium appropriations and how that funding is being utilized.

Second, we want to share good news regarding the overall budget of the project and how our work to secure federal funding has reduced the anticipated State share of the project.

Finally, we want to talk about a financial plan to finish this project by 2035 and how we would utilize this upcoming biennium's appropriation, if approved.

David Ashley is going to say a few words and cover slides 2 through 16, and then I will be back at the podium to wrap up with slides 17 through 21.

SLIDE 2 – David Ashley

On behalf of the Souris River Joint Board, let me also say 'thank you' for your support for this regional flood protection project.

The information shown on this slide illustrates the sources and uses for the current biennium's appropriation to the Mouse River project. A total of \$84.5 million was appropriated, with \$74.5 million coming through House Bill 1431 (also known as the bonding bill) and the balance of \$10 million coming through House Bill 1020, the Department of Water Resources budget bill.

The appropriated funding was then allocated by the State Water Commission, with \$71.35 million going to the Souris River Joint Board for construction, engineering and acquisitions generally outside Minot city limits, and the balance of \$13.15 million going to the City of Minot for acquisitions within Minot city limits.

SLIDE 3 – David Ashley

The table on this slide indicates the individual activities included in the original work plan for the current biennium. Generally, we had approximately \$22.5 million total in acquisitions, \$12 million total in engineering and permitting, and \$92 million in construction, for a total program of \$126.5 million. The State share of that total was \$84.5 million.

SLIDE 4 – David Ashley

This slide shows graphically where the activities were located in Minot, with design activities shown in maroon and construction activities shown in orange. The bulk of the construction funding is being used to construct the Northeast Tieback Floodwall in northeast Minot.

SLIDE 5 – David Ashley

We have split the Minot system into three separate milestones, with each having the ability to function independently. Thanks to your previous support, we have been able to make significant progress towards Minot Milestone 1. The fully funded portions are shown in the solid green lines and the portion yet to be funded is shown with a dashed green line. This dashed area is known as the Maple Diversion, and is the portion of the project which has a federal interest and a federal funding partner through the US Army Corps of Engineers. In January 2022, an announcement was made by Senator Hoeven that \$61.45 million was appropriated for this portion of the project.

SLIDE 6 – David Ashley

This slide shows 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 7 – David Ashley

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 still remain to be achieved.

SLIDE 8 – David Ashley

We've also been completing work outside of Minot. Our work plan includes the replacement of three bridges to eliminate bottlenecks along the river at Mouse River Park in Renville County and also at Sawyer and Velva, downstream of Minot. In addition, the design of the levee at Robinwood, located west of Minot, is included in the current biennium work plan.

SLIDE 9 – David Ashley

Levee work in Burlington is substantially complete. Final cleanup, paving, and landscaping will be completed this spring. But 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. We look forward to celebrating this milestone in Burlington next spring, and we hope that you would be able to join us in that celebration.

SLIDE 10 – David Ashley

During the last legislative session, House Bill 1020 included legislative intent related to the anticipated State share necessary to complete the project. That figure was estimated to be \$604 million, with the final appropriation being made in the 39-41 Biennium. With the current biennium appropriation of \$84.5 million, the remaining State share, per the legislative intent, would be \$519.5 million. We have done some significant work to improve upon that remaining commitment.

SLIDE 11 – David Ashley

Since the 2021 legislative session, the Souris River Joint Board and the City of Minot have secured approximately \$71 million in federal funding for the project – with \$61.5 million through the US Army Corps of Engineers and \$9.8 million through the Department of Defense.

The federal grants are used to reduce both the State and local shares of the project. For every \$1.00 of federal funding secured for construction of the project, it reduces the projected State share by \$0.65.

We have been working diligently with the City of Minot on the local funding related to the project, and they have been exceptional partners. With the legislature's generosity in the last session and the federal funding injection into the project, we are in an excellent position to complete this project.

SLIDE 12 – David Ashley

We want this project done by 2035, and we think it is absolutely achievable. To get this done by 2035, the average appropriation level would be about \$8 million less per biennium than what we are working with currently. We have developed three funding scenarios to illustrate the benefit to the State and to local stakeholders of expediting the completion of the project.

SLIDE 13 – David Ashley

The average appropriation level for the project since 2011 has been approximately \$52 million per biennium. If we were to continue at that rate, the project would be complete by around 2041. There would be \$687 million of improvements remaining with this approach.

SLIDE 14 – David Ashley

This slide shows a second scenario which would allow us to complete this project sooner and at a lower cost to the taxpayer. At a levelized appropriation of \$76.1 million per biennium, the final appropriation would be made in the 31-33 biennium and we would be able to have the project complete by 2035. With this approach, the total cost of the work remaining would be \$640 million. Total cost savings would be \$47 million as compared to Scenario 1, with the State's share being approximately \$32 million of the total.

SLIDE 15 – David Ashley

A third scenario has been developed which would front-load the appropriation with \$100 million for the next biennium, with the amount tailing off to approximately \$64 million in the 31-33 biennium. With this approach, the total cost of the work remaining would be \$632 million. Total cost savings would be \$55 million as compared to Scenario 1, with the State's share being approximately \$37 million of the total.

SLIDE 16 – David Ashley

If Scenario 3 was supported by the Legislature, this chart depicts our proposed work plan for the upcoming biennium. Generally, acquisitions would total approximately \$26 million, design and permitting would total \$3 million, and construction would represent the bulk of the investment at approximately \$182 million. The total program for the next biennium would be approximately \$211 million, with the State share being \$100 million of the total. As I mentioned previously, the City of Minot has been a steadfast supporter of the work of the Souris River Joint Board. Mayor Ross will speak to Minot's perspectives on funding scenarios and fast-tracking the completion of this project.

SLIDE 17 – Tom Ross

We are asking for your support of either Scenario 2 or Scenario 3. We have coordinated both of these approaches with our ability to finance the required local match and feel confident moving forward with either of these scenarios. Because Scenario 3 offers an \$8 million overall savings as compared to Scenario 2, we would prefer Scenario 3.

SLIDE 18 – Tom Ross

If the Legislature supports Scenario 3, it could reduce the amount pledged by the State during the last session by up to \$143.5 million. How is this possible? The influx of federal funding that we mentioned combined with shortening the implementation schedule to combat the effects of inflation.

SLIDE 19 – Tom Ross

Savings for North Dakota residents go beyond the capital cost savings. As Dave Ashley mentioned previously, flood insurance reforms will continue to affect Mouse River valley residents as a result of two factors: (1) Congressional reforms of the National Flood Insurance Program which will phase out the federal subsidy of the program, and (2) revised Flood Insurance Rate Maps for the valley which will place approximately 3,000 properties in the regulatory floodplain.

SLIDE 20 – Tom Ross

The rough economics associated with these two factors are that Minot residents will be paying about \$9 million per year in mandatory flood insurance premiums. In addition to impacting a family's bottom line, the flood insurance requirements will significantly devalue properties within the valley. Many of these properties carry multiple debt instruments, including a mortgage and disaster assistance loans provided through the Small Business Administration following the flood.

Additionally, the 2011 flood caused \$1 billion in damage to public and private property. Construction of the project prevents those damages from occurring in the future, should we experience another flood similar to 2011.

SLIDE 21 – Tom Ross

Once again, thank you for your leadership and your steadfast support of Minot and the basin as we continue to recover from the 2011 flood and rebuild the community for future generations of North Dakotans.

JANUARY 2023 PROJECT FINANCIAL SUMMARY



BASIN-WIDE FLOOD RISK MANAGEMENT FOR MINOT, RURAL COMMUNITIES, AND BASIN RESIDENTS

Faster Implementation Will Save the State of North Dakota Millions

PREVIOUS FUNDING

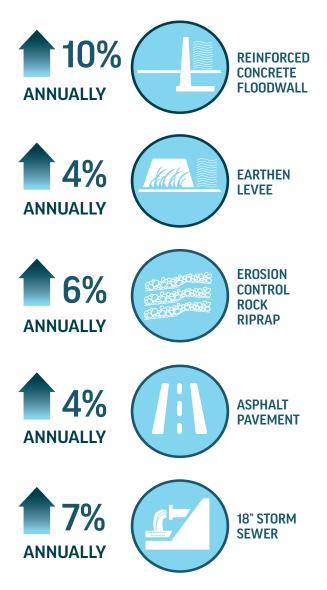
To date, the project has received funding from State, federal and local agencies totaling approximately \$535 million, with \$313.2 million being provided by the State of North Dakota. This funding has been used for acquisitions, relocations, design, permitting and construction activities. The average State appropriation level for the Mouse River Enhanced Flood Protection Project has been \$52.2 million per biennium since 2011.

INFLATION

Thus far, the project has been able to counteract the effects of inflation through value engineering and receipt of competitive construction bids.

The Souris River Joint Board continuously evaluates the cost of various flood control construction features. Since construction of the project began in 2017, construction inflation on the Mouse River Enhanced Flood Protection Project has significantly outpaced the national average inflation (based on the Consumer Price Index). From 2017 to 2022, the average cost of reinforced concrete for floodwalls increased from \$750 per cubic yard to \$1,200 per cubic yard. In the same period, the average cost of levee embankment increased from \$9.50 per cubic yard to \$11.75 per cubic yard. The average annual cost increases since 2017 for various flood control work items are shown at right.





PROJECT COMPLETION SCENARIOS



The project completion schedule is directly dependent on two variables - the level of appropriation and the rate of inflation. As appropriations are made, project components are designed and constructed to match the available funding. As the schedule for the project extends, the costs will continue to increase due to inflation. Scenarios 2 and 3 below demonstrate considerable cost savings to the project and the State of North Dakota associated with advancing the construction schedule. For the baseline assessment of potential savings, the construction inflation rate was assumed to be 3%.

Scenario 1 - 2041 Completion

The 2041 Plan is based on assuming the average of State appropriations since 2011, or \$52.2 million, in the 2023-2025 biennium and beyond to project completion. Based on this assumed funding scenario, the final appropriation will be made in the 2037-2039 biennium, with construction being completed in 2041. The total cost to complete the project in this scenario is \$687 million.

Scenario 2 - 2035 Completion Plan A

2035 Plan A is based on assuming five biennia of equal appropriations necessary to complete the project. The biennial appropriation level would be \$76.1 million, with the final appropriation being made in the 2031-2033 biennium and construction being completed in 2035. The total cost to complete the project in this scenario is \$640 million.

A cost savings of \$47 million

2035 Plan A results in a total cost savings of \$47 million as compared to the 2041 Plan, with the State of North Dakota saving approximately \$32 million.

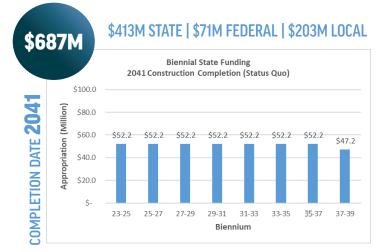
Scenario 3 - 2035 Completion Plan B

2035 Plan B is an accelerated version of 2035 Plan A. The biennial appropriation level would be \$100 million for the 2023-2025 biennium, decreasing to \$63.6 million in the 2031-2033 biennium. Construction would be completed in 2035. The total cost to complete the project in this scenario is \$632 million.

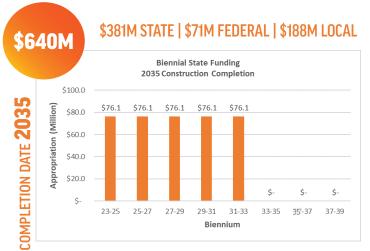
A cost savings of **\$55 million**

2035 Plan B results in a total cost savings of \$55 million as compared to the 2041 Plan, with the State of North Dakota saving approximately \$37 million.

SCENARIO 1



SCENARIO 2



SCENARIO 3





TESTIMONY TO SENATE APPROPRIATIONS EDUCATION & ENVIRONMENT DIVISION RE: SENATE BILL 2020 19 JANUARY 2023



21-23 Biennium Funding Summary

\$84.5 Million Total

\$74.5 Million via HB 1431 (Bonding Bill)

\$10.0 Million via HB 1020 (DWR Budget Bill)

Allocated by State Water Commission in August 2021



 \$71.35 Million to the Souris River Joint Board for Construction and Engineering Throughout the Basin (Including Minot) and Acquisition Activities Generally Outside Minot City Limits

 \$13.15 Million to the City of Minot for Acquisition Activities inside City Limits in Support of US Department of Housing & Urban Development (HUD) National Disaster Resilience (NDR) Program

Original 21-23 Biennium Work Plan

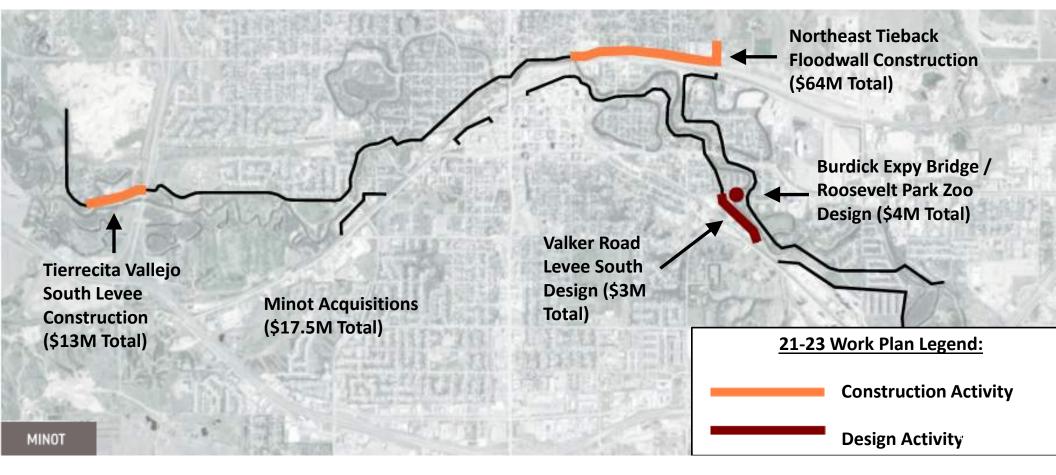
		A	Activity Cost
PROPERTY ACQUISITIONS (75% STATE)	Minot	\$	17,533,333
	Outside of Minot	\$	5,000,000
	Phase WC-2: Robinwood Levee	\$	4,000,000
DESIGN & PERMITTING (65% STATE)	Phase MI-8: Valker Road South Levee	\$	3,000,000
	Phase MI-9: Burdick Expressway Bridge	\$	4,000,000
	Phase RU-1: Rural Conveyance Improvements	\$	1,000,000
	Phase MI-5: Northeast Tieback Floodwall	\$	64,000,000
CONSTRUCTION (65% STATE)	Phase WC-1B: Tierrecita Vallejo Levee South	\$	13,000,000
	Phase SA-1: Sawyer Bridge	\$	4,000,000
	Phase VE-1: Velva Bridge	\$	4,000,000
	Phase RC-1: Mouse River Park Bridge	\$	4,000,000
	Phase RU-1: Rural Conveyance Improvements	\$	3,000,000
	TOTAL	\$	126,533,333
	STATE FUNDS	\$	84,500,000
LOCAL FUNDS		\$	42,033,333



Estimated

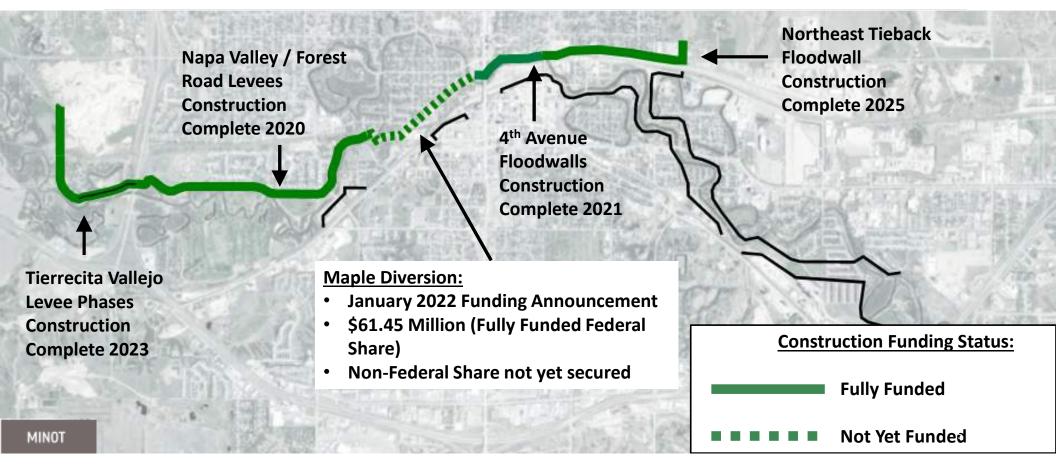


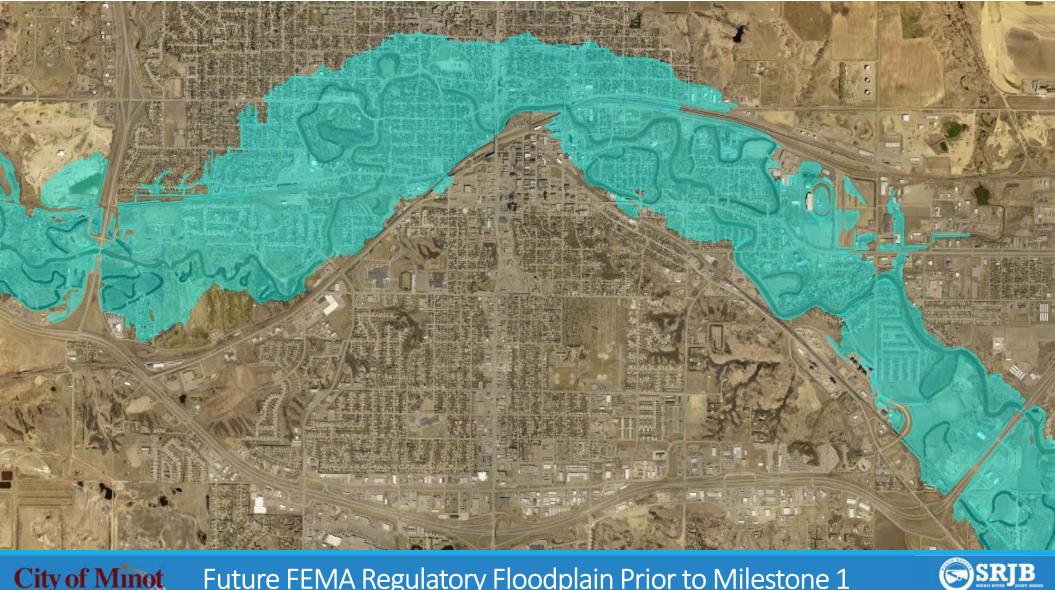
Original 2021-2023 Biennium Minot Work Plan



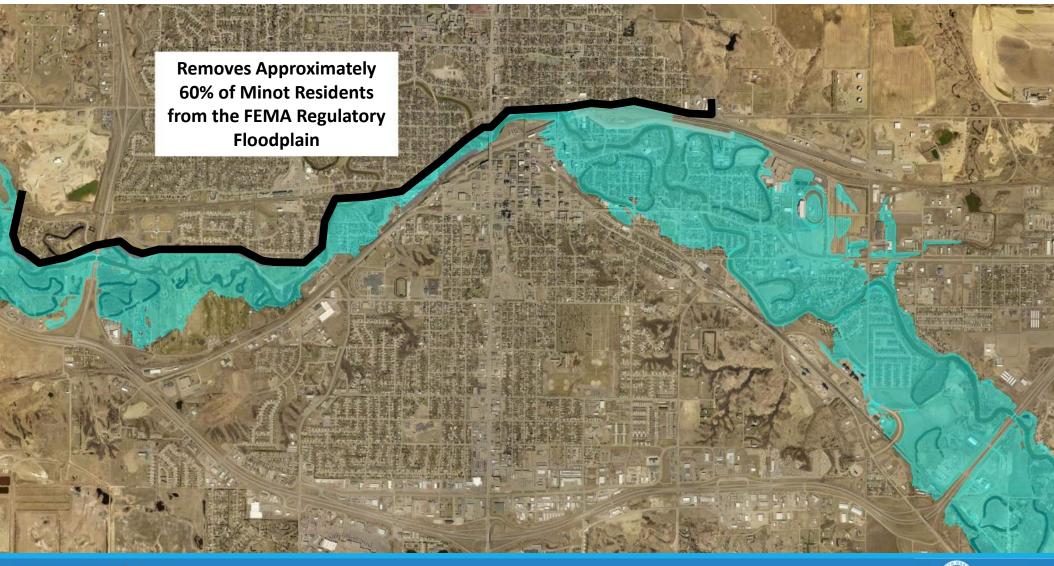


Significant Progress Made Towards Minot Milestone 1





City of Minot Future FEMA Regulatory Floodplain Prior to Milestone 1

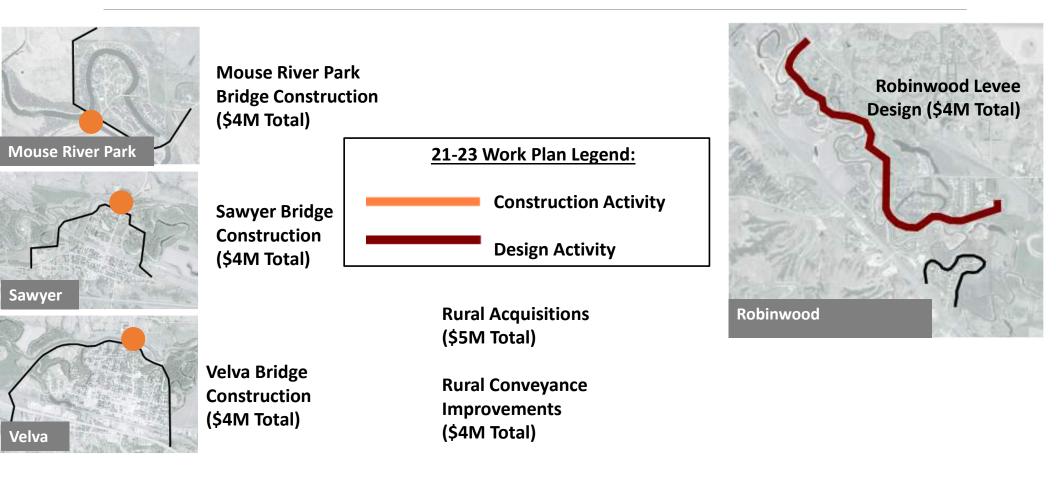


City of Minot Interim Regulatory Floodplain Following Minot Milestone 1





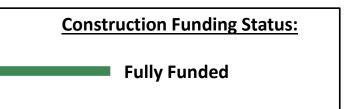
Original 2021-2023 Biennium Rural Work Plan





Progress in Rural Portions of the Mouse River Valley





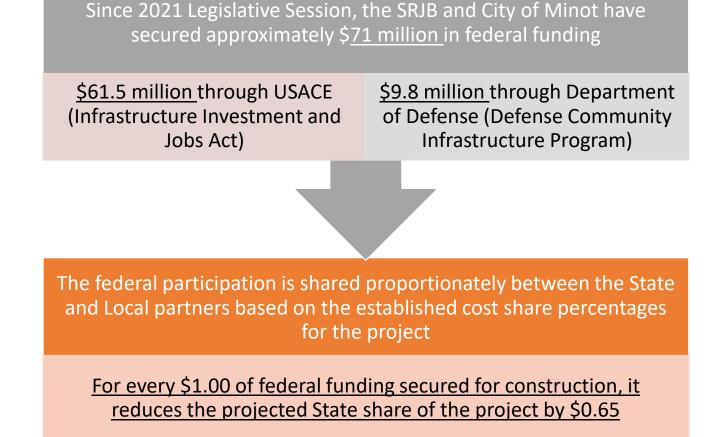
Construction of all Burlington phases of the project will be complete by 2023.

Previous Legislative Intent

- Legislative Intent included in House Bill 1020 (2021 Session) identified the anticipated State share of <u>\$604 million</u> to complete the project. This was based on average historical appropriations for the project, with the final appropriation being made in the <u>39-41</u> <u>Biennium</u>.
- With the 21-23 Biennium appropriation of \$84.5 million, the remaining State share, per Legislative Intent, would be <u>\$519.5 million</u>.

10

Significant Reduction in Overall Budget due to Federal Involvement & Timing



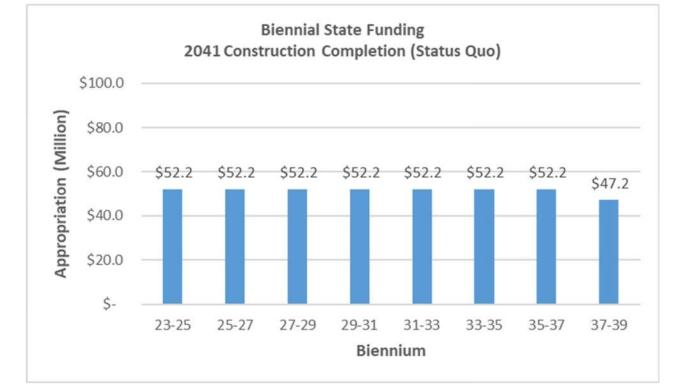
11

We Wish to Secure a Commitment to Finish this Project by 2035 Three funding scenarios have been developed to illustrate the benefit to the State and local stakeholders of securing federal funding and expediting the completion of the project.

Funding Scenarios

Scenario 1

(Status Quo / Average of Previous Appropriations)



\$687 M TOTAL

\$413 M STATE | \$71 M FEDERAL | \$203 M LOCAL

Funding Scenarios

Scenario 2

(Accelerated w/ Consistent Commitment Over Time)

\$640 M

TOTAL

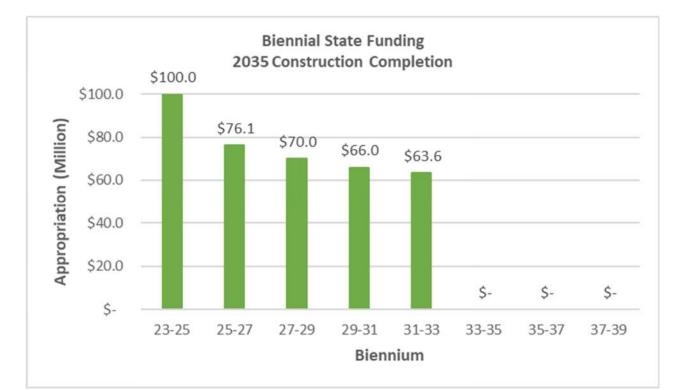


\$381 M STATE | \$71 M FEDERAL | \$188 M LOCAL \$47 M TOTAL COST SAVINGS \$32 M STATE COST SAVINGS (as compared to Scenario 1)

Funding Scenarios

Scenario 3

(Accelerated with Decreasing Commitment Over Time)



\$376 M STATE | \$71 M FEDERAL | \$185 M LOCAL \$55 M TOTAL COST SAVINGS \$37 M STATE COST SAVINGS (as compared to Scenario 1)

			otal Estimated It to Complete
	PROPERTY	Minot	\$ 22,000,000
	ACQUISITIONS	Outside of Minot	\$ 4,300,000
2023-2025 WORK PLAN BASED ON SCENARIO 3	DESIGN & PERMITTING	Phase WC-3: Kings Court Levee	\$ 3,000,000
2025 \ D ON 5		Phase MI-4: Maple Diversion	\$ 100,000,000
2023- (BASE		Phase MI-6: Downtown Levee / Floodwall (Partial)	\$ 40,000,000
		Phase MI-7: Roosevelt Park Levee / Floodwall	\$ 42,000,000
		Total	\$ 211,300,000
		State Funds	\$ 100,000,000
		Federal Funds	\$ 61,500,000
		Local Funds	\$ 49,800,000

Proposed Work Plan (23-25 Biennium)

If the Legislature was to Support Scenario 3





Scenarios 2 and 3 are coordinated with the ability to finance the local match.

Bonds have previously been sold by the City of Minot to provide local match funds for the next (approximately) three years' construction.

Additional local funding will be secured to match State appropriations for Scenarios 2 or 3.

17

We are asking the Legislative Assembly to consider supporting Scenario 2 or Scenario 3 Support of Scenario 3 would reduce the amount pledged by the State during the last session, in terms of Legislative Intent, by up to <u>\$143.5</u> <u>million</u>.

How?

- Influx of federal support (\$71 million) in 2022
- Shortening the implementation schedule to complete the project by 2035

Please keep in mind that these projections are based on an average inflation rate for the past 10 years of approximately 3% annually. Sustained high inflation will negatively affect the project's financial trajectory.

Additional Savings for North Dakota Residents

Flood Insurance reforms will continue to affect Mouse River valley residents as a result of two factors:

- Congressional reform of the National Flood Insurance Program which eliminates the federal subsidy for the program over time
- Revised Flood Insurance Rate Maps for the Mouse River valley which will place approximately 3,000 properties in the regulatory floodplain

Additional Savings for North Dakota Residents Once new Flood Insurance Rate Maps become effective and the rates are transitioned to fully actuarial (i.e. no federal subsidy), Minot residents are expected to pay approximately **<u>\$9 million per year</u>** in flood insurance premiums.

- Federal flood insurance paid by area residents is used to subsidize the overall portfolio of the NFIP but are mandated by financial institutions with federally secured mortgages or loans
- Significant negative effect on the value of properties within the Mouse River valley

The 2011 flood caused approximately **<u>\$1 billion</u>** in damages. Construction of the Mouse River Plan prevents those damages from occurring in the future.

On behalf of the residents of the Mouse River Basin...

Thank You!





Project information may be viewed or downloaded at: <u>http://www.mouseriverplan.com</u>

Construction progress videos may be viewed at: <u>https://www.youtube.com/channel/UCJEMcuR74qzNP</u> <u>Z83qzQhCTg</u>





FMWF Chamber Support for SB 2020

01/19/2023

Chairman Sorvaag and members of the Senate Appropriations - Education and Environment Division Committee:

For the record, my name is Shannon Full, and I have the pleasure of serving as the President/ CEO of the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. On behalf of our over 1,900 members, I respectfully offer testimony in support of Senate Bill 2020, as it relates to the Red River Valley Water Supply Project (RRVWSP).

I would like to start by thanking members of the Legislative Assembly for their steadfast leadership and commitment to the FM Diversion project, protecting our region from the unpredictable Red River. With this project fully funded and construction well underway, our community is thrilled to have permanent flood protection in times of water abundance. Unfortunately, this unpredictability of the Red River leaves many throughout the eastern side of our state without a sustainable supply of emergency water during times of scarcity. The Red River Valley Water Supply Project is the solution to providing central and eastern North Dakota with a sustainable water supply, protecting hundreds of thousands of North Dakotans and thousands of businesses from drought.

Naturally, as our population continues to grow throughout the Red River Valley, land and water usage will also continue to grow. This is why we believe both the protection against flooding and the supply of water are crucial components to the current and future development of our state and region. Just in the last year, our region generated over 18 billion dollars in gross regional product, producing millions in state revenue. This project will not only mitigate drought conditions but will foster economic development by meeting municipal and industrial water demands, ultimately securing and growing that source of revenue. The RRVWSP is key to the sustainability and development of our region's health and economic vibrancy.

The increasing demand for water is not only present across our great state, but across the nation. As you may know, states like California, Arizona, Nevada, and others throughout the western United States are in desperate need of sustainable water sources. Community and business leaders throughout those states have already begun to explore creative solutions that tap into the Missouri River's water supply, such as a pipeline to feed the Colorado River Basin. While the feasibility of these projects may be unknown, their demand for water is certain. The timing of the project is pivotal to securing the necessary rights before the opportunity lapses. The FMWF Chamber respectfully requests that this committee and the Senate Appropriations committee provide this project with adequate and sustainable funding, to allow for its swift completion.

On behalf of our members, I would like to thank the committee for their time and consideration this morning.

Respectfully,

Shannon Full President/CEO FMWF Chamber of Commerce <u>sfull@fmwfchamber.com</u>









BILLINGS COUNTY, NORTH DAKOTA

Testimony of Medora Area Planning Leadership Group Senate Bill 2020 Senate Appropriations Committee – Education & Environment Division Bismarck, North Dakota – January 19, 2023

Chairman Sorvaag and Members of the Senate Appropriations Committee Education and Environment Division:

The Medora Area Planning leadership group supports the funding request of the Southwest Water Authority within the Department of Water Resources budget, Senate Bill 2020. The leadership group which consists of the City of Medora, Billings County, the Theodore Roosevelt Presidential Library Foundation, and the Theodore Roosevelt Medora Foundation have partnered and been leading a comprehensive planning effort for the Medora area over the last 15 months.

Our comprehensive planning efforts have identified long-term needs of the Medora area due to projected growth in tourism and population. For instance, the City of Medora will need to increase its water supply from 150 gallons per minute to 225 gallons per minute to serve the projected growth in tourism and population. The Southwest Water Authority has requested funding to provide greater service to southwestern North Dakota. The people of the City of Medora and Billings County are part of the larger region that will benefit from the approval of Southwest Water Authority's funding request in SB 2020. An adequate supply of drinking water is crucial if we want to accommodate the growth that is anticipated within 10 years.

Please approve Southwest Water Authority's funding request to ensure Medora and other southwest North Dakota cities continue to have an adequate supply of drinking water and for fire protection.

Thank you, Chairman Sorvaag and members of the Senate Appropriations Committee Education and Environment Division for accepting the Medora Area Planning leadership group's testimony for Senate Bill 2020.



Phone (701) 623-4377 Lester Iverson District 1

September 29, 2022

Jen Murray, Manager/CEO Southwest Water Authority 4665 2nd Street SW Dickinson, ND 58601-7231 P.O. Box 168 Medora, ND 58645-0168 Billings County Commission Michael Kasian District 2

BILLINGS COUNTY



Fax (701) 623-4761 Dean Rodne District 3

Via email to: jmurray@swwater.com cc Dr. Andrea Travnicek, ND Dept. of Water Resources Via email to: atravnicek@nd.gov

Dear Jen,

Earlier this year Billings County and the City of Medora partnered with the Theodore Roosevelt Presidential Library Foundation and the Theodore Roosevelt Medora Foundation to prepare a comprehensive plan in anticipation of growth and development impacts from the TR Presidential Library and other improvements within the Medora area. The Medora Area Plan is nearing the final stage of public review and adoption and wet infrastructure is a key component of the plan.

The county appreciates Southwest Water Authority's recent commitment to increase the City of Medora's contracted flowrate to 150 gpm. However, upon further review of peak water usage in the summer months as identified in the preliminary engineering report prepared by Brosz Engineering, water usage is estimated at 212 gpm and a recommended flowrate to handle future growth is 225 gpm.

Water availability and quality are essential for housing and economic development. Billings County has 78 of the 734 applications on SWA's waiting list and the county expects the increased capacity to Medora to assist in reaching some of the rural areas of Billings County. Increasing SWA's capacity and maximum flowrate to the City of Medora from 150 gpm to 225 gpm is consistent with the following goals, objectives, and policies of Billings County's Comprehensive Plan:

- Provide for steady, responsible residential and commercial growth and development.
- Cooperate with the City of Medora to accomplish common goals.
- Promote the County's tourism and recreational opportunities, particularly as an economic tool, and maintain a strong working relationship with local tourist entities and the City of Medora in the development of the local tourism industry.
- Promote the economic revitalization of Billings County and Southwestern North Dakota
- Ensure the efficient and economical provision of adequate public services, facilities, and utilities for County residents.
- Ensure adequate rural and community fire protections.

The Commission would also like to invite you and others from the Southwest Water Authority and the ND Department of Water Resources to the next community engagement workshop for the Medora Area Plan. This workshop will be held from 3:30pm to 5:30pm MDT on Sunday, October 2, 2022 at the community center in Medora. For more information please visit https://www.medora150.com/.

Sincerely,

=1

Lester Iverson, Chairman Billings County Commission

Enclosure: Wet Infrastructure – Medora Area Plan Prepared by Brosz Engineering



Southwest Water Authority Jen Murray, Manager/CEO 4665 2nd Street SW Dickinson, ND 58601-7231

Re: Amendment Request for Increase Flow Rate Water Service Contract 1736-18

Dear Ms. Murray:

The City of Medora is requesting an amendment to Section VI, Paragraph B.2 of our Water Service Contract. We are requesting that the maximum flow rate to be provided by the Southwest Water Authority to the City be changed from a not-to-exceed 150 gallons per minute to **225** gallons per minute.

If you have any questions or concerns, please contact me, or the City Engineer Mike Njos, PE at 701-260-2113(cell) or email him at njos@highlandseng.com.

Sincerely,

and us kin

Douglas Ellison Acting Mayor/President, City of Medora Phone: 701-623-4828 Email: amble.inn.medora@gmail.com

465 Pacific Avenue P.O. Box 418A Medora, ND 58645

mauditor@midstate.net www.medorand.com 701.623.4828 Fax 701.623.4924

CITY OF HISTORIC MEDORA



Testimony of Mr. Keith Lund Grand Forks Region Economic Development Corporation President & CEO

Senate Bill 2020 Senate Appropriations Committee, Education and Environment Division Bismarck, North Dakota – January 19, 2023

Chairman Sorvag and members of the Senate Appropriations Committee, Education and Environment Division. My name is Keith Lund, and I am President & CEO of the Grand Forks Region Economic Development Corporation. I am providing written testimony in support of funding for the Red River Valley Water Supply Project in the Department of Water Resources budget contained within Senate Bill 2020.

The Red River Valley Water Supply Project is tremendously important for population and industry growth in North Dakota. The Project will deliver water from the Missouri River to central and eastern North Dakota, which will mitigate the effects of moderate and severe droughts and provide a consistent and reliable water source for many North Dakota communities and rural water systems, which in total serve nearly half of our State's population.

Agriculture is a key economic driver of North Dakota and Agribusiness is a key underpinning of the Grand Forks Region EDC's economic development strategy. Agribusiness and industry cannot exist without adequate water supply. The Red River Valley is one of the best places in the world for production agriculture, and as a result, we have tremendous opportunities to leverage this strength to develop agribusiness and further expand and diversify the State's economy. The agribusiness industry needs a reliable water supply to flourish and our capacity to develop this and other industries will decrease if we are not able to demonstrate a stable water supply. I encourage the Committee to develop and appropriate necessary funds to a plan that will complete the project in a reasonable timeframe, ideally less than 10-years. This will avoid costly delays in this inflationary environment and reduce the risk of not having the project serving the needs of nearly half of North Dakota residents and important industry in North Dakota when needed.

Thank you, Chairman Sorvaag, and members of the Senate Appropriations Committee, Education and Environment Division for your service to the State of North Dakota and for the opportunity to provide this written testimony.



VALLEY CITY-SHEYENNE RIVER PERMANENT FLOOD PROTECTION



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



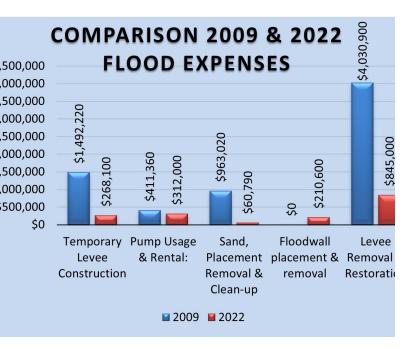
Each time our community experiences flood conditions, considerable amounts of resources are expended to combat the rising waters. With nearly back to back annual flooding events, City and community resources have been stressed financially and socially in recent years. Economic impacts are felt months 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, 7 90
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.

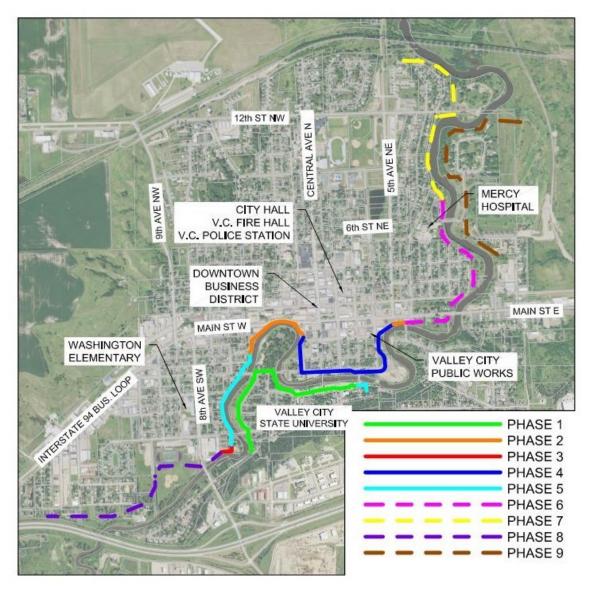
Phase 3 of permanent flood protection protects the City's Master Lift Station. The Master Lift Station is constructed on the bank of the Sheyenne River and serves the entire City. Work started in the fall of 2019 and was completed in the summer of 2020. Phase 3 was funded in the 2017-2019 Legislative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

Funding for Phases 4 and 5 have been approved in previous Legislative Biennia. These phases of the flood protection project are in the planning phase with work focused on the Conditional Letter of Map Revision (CLOMR) for the entire permanent flood protection system. As discussed above, only Phase 2 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. 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.



NEXT STEPS

Following the planning efforts for the CLOMR and Phases 4 and 5, the City will turn their focus to Phase 6 of our flood protection project 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.



Phase 6 concentrates on continuing 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
- Bio-engineering stream bank restoration

REQUEST

The City of Valley City asks for your support of Senate Bill 2020 and the funding of \$13.2 million in grant funding through the Department of Water Resources for the continued construction of the Valley City Flood Protection Project.

Testimony of Bernie Dardis, West Fargo Mayor Senate Bill 2020 Senate Appropriations Committee – Education & Environment Division Bismarck, North Dakota – January 19, 2023

Good afternoon Chairman Sorvaag and members of the Senate Appropriations Committee Education and Environment Division. My name is Bernie Dardis and I am the Mayor and Commission President for the City of West Fargo. I am here to testify in support of the critical funding needed to move the Red River Valley Water Supply Project forward this biennium and to ensure the completion of the entire project in a timely manner.

Known as the "City on the Grow", West Fargo is the fastest growing city in North Dakota. As of 2023 we have a population of more than 42,000 residents. As Mayor of West Fargo, I am obligated to ensure the City has access to an adequate water supply for our growing population. The City of West Fargo is part of a regional water system operated by the City of Fargo and includes multiple cities and rural systems in Cass County. Both Cities and greater Cass County will benefit from the supplemental and industrial water supply from the Red River Valley Water Supply Project.

In addition to safeguarding water for domestic use, access to industrial water from the Red River Valley Water Supply Project is needed as West Fargo endeavors to attract and diversify its economic opportunities. Continued economic development is an important aspect to West Fargo's strategic efforts to relieve some of the property tax pressure off our residents.

The residents and businesses in West Fargo will contribute a good amount of the \$85 million in local cost-share that will be available upon approval of the RRVWSP request for \$255 million dollars to provide for long-term drought protection and resiliency for our City on the Grow.

Thank you, Chairman Sorvaag and members of the Senate Appropriations Committee Education and Environment Division for the opportunity to provide testimony.

1

Rural Water Supply Update

Presented By: Eric Volk, Executive Director ND Rural Water Systems Association

SB 2020 Senate Appropriations – E&E Division January 19, 2023

NDRWSA VISION:

ALL OF NORTH DAKOTA HAS ACCESS TO AFFORDABLE, AMPLE, AND QUALITY WATER.

QUICK SUMMARIES

- RURAL & REGIONAL WATER SUMMARY
- 2021-23 FUNDING SUMMARY
- 2023-25 FUNDING MAP
- 2023-25 FUNDING LIST
- RW RATES
- CITIES NOT SERVED BY RW

RURAL WATER BACKGROUND

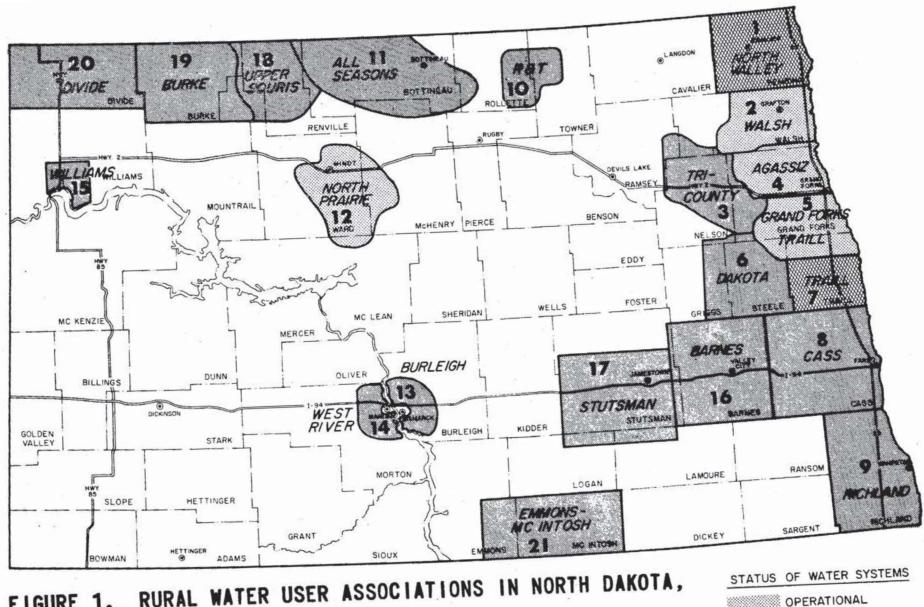
- RW was started in the Late 60's and Early 70's
 - LOTS OF \$\$\$ ON THEIR OWN
 - FEDERAL LOANS (USDA-RD)
 - STATE LOANS
 - MID 80'S FEDERAL MR&I PROGRAM
 - 1996 EPA SRF LOAN PROGRAM
 - 2000 DAKOTA WATER RESOURCES ACT
 - EARLY 2010'S RESOURCES TRUST FUND

USE OF THE RTF

- HELPED HOOK-UP CITIZENS OF ND TO AFFORDABLE, AMPLE, AND QUALITY WATER.
- IMPROVED FLOW, QUANTITY, AND PRESSURE (AT AN AFFORDABLE RATE) FOR RURAL RESIDENTS AND SMALLER COMMUNITIES.

SYSTEM SUSTAINABILITY

- SYSTEMS HAVE USER FEES AND CHARGE ACCORDINGLY
- PERFORM ROUTINE REPAIR & REPLACEMENT
- UNDERSTAND THAT PROPER RESERVES ARE NECESSARY FOR SYSTEM LONGEVITY
- SERVING CITIES, RURAL USERS, THE ÅG INDUSTRY AND ANYONE ELSE ALONG THE WAY, HELP MAKE IT ALL WORK.



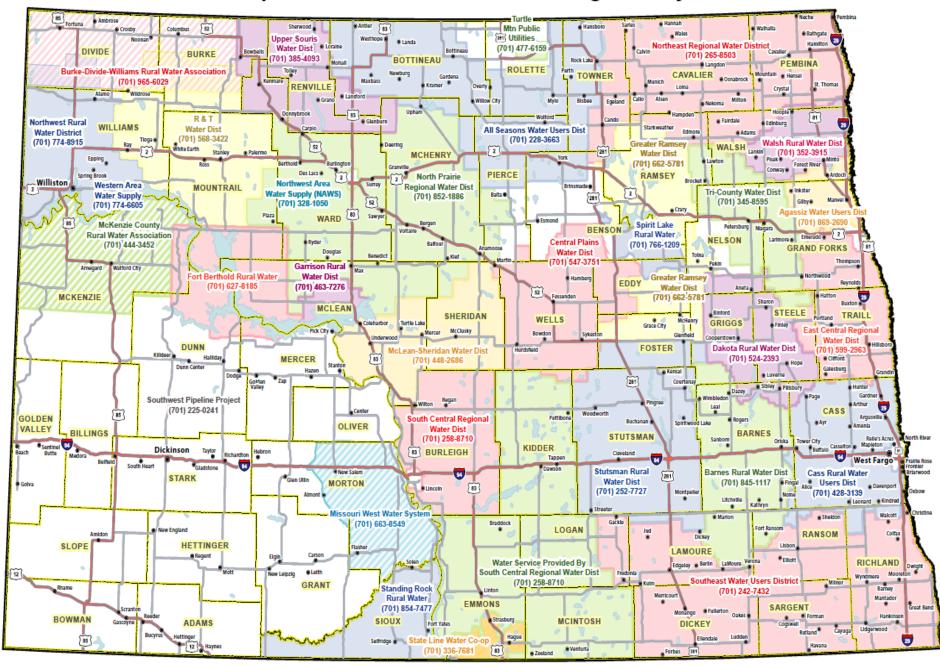
UNDER CONSTRUCTION

PLANNING STAGE

FIGURE 1. RURAL WATER USER ASSOCIATIONS IN NORTH DAKOTA, FEBRUARY, 1975

SOURCE: K. B. MACKICHAN & ASSOCIATES, INC., FEBRUARY, 1975.

Incorporated Cities on a Rural or Regional System

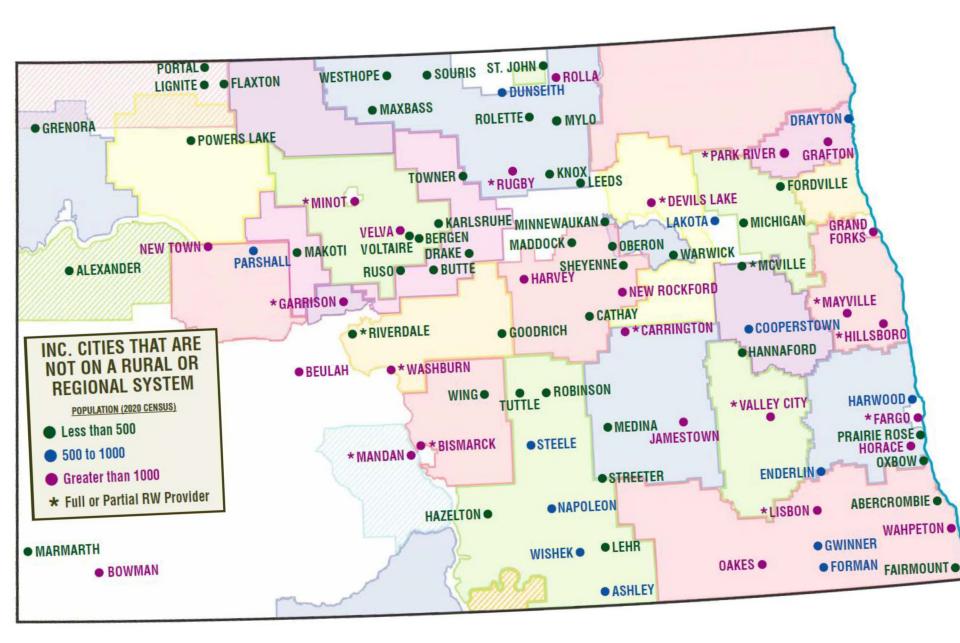


RURAL/REGIONAL WATER ON A STATEWIDE BASIS:

- Touches Every County in the State
- Provides Water Service to over 170,000 Rural Residents through over 70,000 Connections
- Network of 41,000 Miles of Pipe
- Serves 75% of ND's 355 Inc. Cities
- Furnishes Water Service to nearly 129,000 Residents in Cities
- No Taxing Authority
- Did Not Receive Any Direct Federal Stimulus Dollars*
- Do Not Have a Prairie Dog Bucket

ND WATER SERVICE DATA

- 355 INC. CITIES
- 266 ON RURAL/REGIONAL WATER
 - 108 ARE IND. METERED
 - 158 ARE SERVED IN BULK
- 89 CITIES HAVE THEIR OWN SOURCE
 - 4 FROM OTHER CITIES
 - 8 FROM IND. WELLS
 - -77 FROM OWN SOURCE



SERVICE POPULATION %

- 60% CITIES NOT ON RW
- 38% ON RW
 - RESIDENTIAL
 - CITY
- 1% CENSUS DESIGNATED PLACES NOT ON RW OR COUNTED IN THE CITY #S (AFBS)
- 1% REMAINING TO SERVE

21-23 FUNDING RECAP

- \$59.6M IN THE RW BUCKET
 - WAWS IS IN THE WATER SUPPLY BUCKET
 - SWPP & NAWS ARE IN THE CAPITAL ASSETS BUCKET
 - OTHER RURAL & REGIONAL SYSTEMS

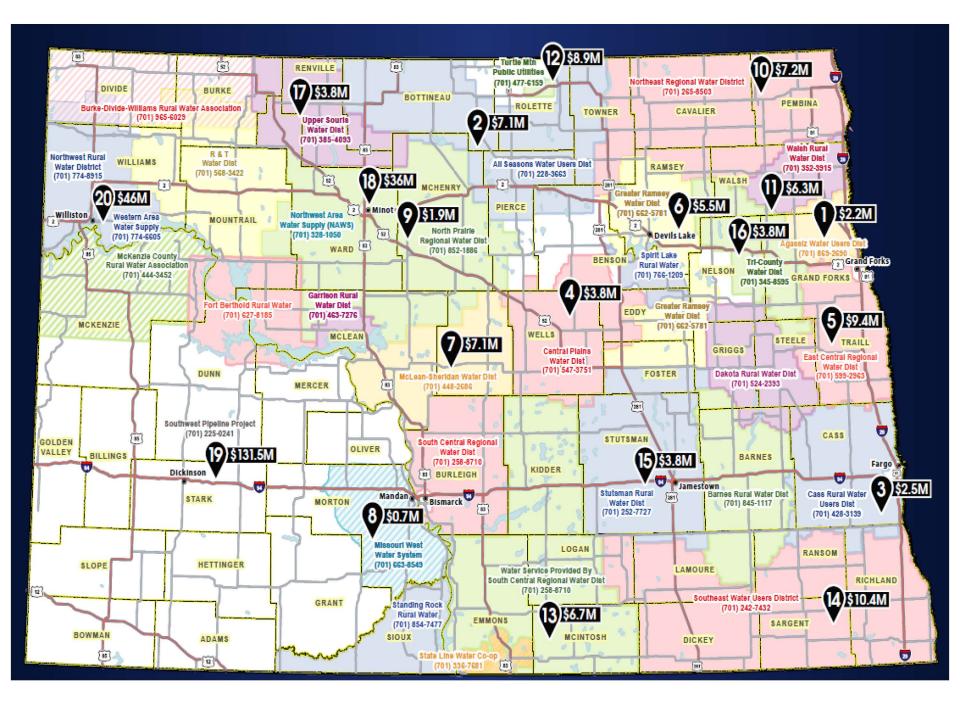
21-23 FUNDING RECAP

- \$33.5M APPROVED THUS FAR
- \$2.2M COMPLETED PROJECTS
- \$23.9M REMAINING
- \$27.6M IN PROJECTS ARE STILL PLANNED BEFORE THE END OF THE BIENNIUM.
- \$10.6M HAS BEEN ADDED FROM THE SFRF.

23-25 FUNDING NEED

- \$125M WORTH OF PROJECTS
- \$91 M of Grant Funding is Needed.

Local Sponsor	Project Name		SWC 23-25 Grant	Local Share	Total Project Cost
Agassiz Water Users District	Reservoir 1 to 3 Transmission Expansion		\$2,150,550	\$716,850	\$2,867,400
All Seasons Water Users District	System 1 Expansion - Phase 2		\$7,125,000	\$2,375,000	\$9,500,000
Cass Rural Water District	County Road 17 Improvements		\$891,675	\$297,225	\$1,188,900
Cass Rural Water District	System Wide Improvements		\$1,575,000	\$525,000	\$2,100,000
Central Plains Water District	Connection to the city of Maddock		\$3,750,000	\$1,250,000	\$5,000,000
East Central Regional Water District	Individual Service to Galesburg		\$1,337,737	\$445,913	\$1,783,650
East Central Regional Water District	Hillsboro WTP Expansion		\$2,124,513	\$708,171	\$2,832,684
East Central Regional Water District	Wellfield, Transmission & User Expansion		\$5,954,906	\$1,984,968	\$7,939,874
Greater Ramsey Water District	North System Capacity Improvements		\$5,521,522	\$1,890,507	\$7,412,029
McLean-Sheridan Rural Water District	Phase 2 WTP Construction		\$4,800,000	\$1,600,000	\$6,400,000
McLean-Sheridan Rural Water District	Phase 3 Expansion		\$2,300,000	\$800,000	\$3,100,000
Missouri West Water System	Fort Abraham Lincoln State Park Improvements		\$744,000	\$248,000	\$992,000
North Prairie Regional Water District	Reservoir 3 to Max Transmission Line		\$1,918,000	\$639,000	\$2,557,000
Northeast Regional Water District	Bulk Cities to Individual Services		\$2,698,986	\$899,662	\$3,598,648
Northeast Regional Water District	WTP and Wellfield Expansion		\$4,500,000	\$1,500,000	\$6,000,000
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply		\$6,255,647	\$2,085,215	\$8,340,862
Rolette County - Turtle Mountain	Highway 43 Reservoir & Pump Station Improvements		\$3,000,000	\$2,000,000	\$5,000,000
Rolette County - Turtle Mountain	Three Mile Road Rural Water Main Replacement		\$1,125,000	\$875,000	\$2,000,000
Rolette County - Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement		\$4,822,500	\$3,607,500	\$8,430,000
South Central Regional Water District	Service to the city of Ashley		\$6,655,440	\$2,218,480	\$8,873,920
Southeast Water Users District	West System Water Treatment Plant Improvements		\$10,350,000	\$3,450,000	\$13,800,000
Stutsman Rural Water District	Raw Water Facilities Improvement		\$3,203,250	\$1,067,750	\$4,271,000
Stutsman Rural Water District	Service to the city of Streeter		\$582,000	\$194,000	\$776,000
Tri-County Water District	Phase 6 Expansion		\$1,350,000	\$450,000	\$1,800,000
Tri-County Water District	Phase 7 Expansion - McVille Area		\$2,464,500	\$821,500	\$3,286,000
Upper Souris Rural Water District	Improvements & Expansion - Phase 2		\$3,750,000	\$1,250,000	\$5,000,000
		Totals:	\$90,950,226	\$33,899,741	\$124,849,967
Northwest Area Water Supply Project (NAWS)	2023-25 Treatment & Distribution Improvements		\$36,000,000	\$16,200,000	\$77,200,000
Southwest Pipeline Project (SWPP)	2023-25 Treatment & Distribution Improvements		\$131,500,000	\$0	\$131,500,000
Western Area Water Supply (WAWS)	2023-25 Treatment & Distribution Improvements		\$46,000,000	\$24,000,000	\$70,000,000
		Totals:	\$213,500,000	\$40,200,000	\$278,700,000



WHY IS RURAL WATER FUNDING NEEDED?

- THE GRANT FUNDING ALLOWS THOSE RESIDENTS IN SMALLER COMMUNITIES AND RURAL AREAS TO RECEIVE A BASIC NECESSITY OF LIFE FOR A REASONABLE PRICE.
- THOSE RURAL RESIDENTS DO PAY THEIR FAIR SHARE THROUGH HISTORICALLY HIGHER RATES.

SYSTEM	# of Users	Minimum Cost	\$/1000 Gal.	\$/6000 Gal.	Miles of Pipe
Agassiz Water Users District	1,400	\$27.50	\$8.50	\$78.50	400
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	1,400	\$50.00	\$5,50	\$83.00	
Barnes Rural Water District #2	274	\$60.00	\$6.00	\$96.00	
Barnes Rural Water District #3	350	\$56.00	\$5,50	\$89.00	1.200
Belcourt Public Utilities	3,500	\$20.50	\$5.75	\$55.00	245
Cass Rural Water District	8,017	\$27.00	\$5.40	\$59.40	
Cass Rural Water District - Leonard Project	140	\$40.00	\$5.40	\$72.40	2.400
Central Plains Water District (Old)	790	\$30.00	\$6.50	\$69.00	
Central Plains Water District (New)	340	\$56.00	\$7.25	\$99.50	1.266
Dakota Rural Water District Expansion	1.035	\$53.00	\$6.50	\$92.00	1,200
East Central Regional Water District	2.310	\$40.00	\$7.00	\$82.00	1,200
East Central Regional Water District	2,310	\$60.00	\$7.00	\$102.00	2.200
Fort Berthold Rural Water	2,403	\$25.00	\$5.00	\$55.00	2,200
Garrison Rural Water District	2,500	\$62.00	\$5.00	\$110.00	162
Greater Ramsey Water District	1,011	\$35.00	\$5.50	\$68.00	102
Greater Ramsey Water District	1,011	\$40.00	\$5.50	\$73.00	
Greater Ramsey Water District	385	\$45.00	\$5.50	\$78.00	1,650
McKenzie County Water Resource District	1.260	\$45.90	\$5.50	\$78.00	1,650
McLean-Sheridan Rural Water District #1	1,260	\$62.00	\$7.02	\$00.02 \$106.40	1,530
McLean-Sheridan Rural Water District #2	174	\$65.00	\$6.54	\$104.24	700
McLean-Sheridan Rural Water District #3	113	\$76.00	\$7.80	\$122.80	700
Missouri West Water System	2,005	\$40.00	\$6.29	\$77.74	650
North Prairie Regional Water District (Existing)		\$54.00	\$9.83	\$112.98	
North Prairie Regional Water District (New)	4,788	\$65.00	\$9.83	\$123.98	2,500
Northeast Regional Water District/Langdon Branch	1,299	\$63.00	\$6.10	\$99.60	
Northeast Regional Water District/North Valley Branch	1,372	\$50.00	\$6.10	\$86.60	2,512
Northwest Rural Water District	2,600	\$45.00	\$8.80	\$97.80	1,200
R&T Water District	825	\$50.00	\$7.70	\$96.20	514
South Central Regional Water District (Includes 500 gals)	6,260	\$34.00	\$7.50	\$75.25	
South Central Regional Water District	1,780	\$40.00	\$6.00	\$76.00	5,000
Southeast Water Users District Central	623	\$50.00	\$5.75	\$84.50	547
Southeast Water Users District Central-New	138	\$55.00	\$5.75	\$89.50	147
Southeast Water Users District East	1,810	\$31.00	\$4.50	\$58.00	1,372
Southeast Water Users District East-New	252	\$55.00	\$4.50	\$82.00	201
Southeast Water Users District West	732	\$50.00	\$3.50	\$71.00	743
Southeast Water Users District West-New	136	\$55.00	\$3.50	\$76.00	166
Southwest Water Authority	7,465	\$55.32	\$6.47	\$94.14	5,260
State Line Water Cooperative (includes 1000 gals)	452	\$40.00	\$6.25	\$71.25	200
Stutsman Rural Water District	1,222	\$43.00	\$5.35	\$75.10	1,100
Stutsman Rural Water District Expansion Project	1,347	\$48.00	\$5.35	\$80.10	1,090
Tri-County Water District	1,200	\$54.00	\$6.00	\$90.00	1,200
Upper Souris Water District	650	\$35.00	\$10.00	\$95.00	600
Walsh Rural Water District R1	1,232	\$36.00	\$7.75	\$82.50	
Walsh Rural Water District R3	155	\$48.00	\$7.75	\$94.50	
Walsh Rural Water District R4	142	\$55.00	\$7.75	\$101.50	700
	70,173				41,005
Median		\$48.00	\$6.38	\$85.80	
Average		\$47.15	\$6.57	\$86.36	
Yearly Average				\$1,036.38	

WHY IS RURAL WATER FUNDING NEEDED?

- GRANT FUNDING (FEDERAL & STATE) HAS BEEN A SUCCESSFUL MECHANISM FOR PROVIDING AND MAINTAINING WATER SERVICE IN RURAL AREAS.
- IN THE MID 1990'S, THE SYSTEMS PROVIDED WATER SERVICE TO ABOUT 90,000 RESIDENTS. TODAY, THEY SERVE AROUND 300,000 RESIDENTS.
- PROPER FEDERAL AND STATE GRANT FUNDING, 100S OF MILLIONS (MAYBE BILLIONS) OF DOLLARS OF LOANS/OTHER PAY BACKS AND AN IMMENSE AMOUNT OF HARD WORK BY THE SYSTEMS, MAKE THIS ALL POSSIBLE.

WHY IS RURAL WATER FUNDING NEEDED?

- RURAL WATER SYSTEMS NEED TO BE PROPERLY DESIGNED TO MEET THE INCREASED DEMANDS OF THE AGRICULTURE INDUSTRY.
- IT IS CRITICAL FOR THE SYSTEMS TO CONTINUE HELPING OUR FARMERS AND RANCHERS ECONOMICALLY FEED THE WORLD AND PROVIDE US WITH THE FOOD SECURITY WE SOMETIMES TAKE FOR GRANTED.

CARRYOVER AUTHORITY

3 Additional FTEs

THOUGHTS ON THE RTF

- ARTICLE X, SECTION 22 OF THE STATE CONSTITUTION SETS UP THE RTF.
- RTF MAY BE EXPENDED ONLY PURSUANT TO LEGISLATIVE APPROPRIATION

OIL EXTRACTION TAX 57-51.1-07

• ALLOCATION OF MONEYS IN OIL EXTRACTION TAX DEVELOPMENT FUND.

OIL EXTRACTION TAX 57-51.1-07

- 20% TO RESOURCES TRUST FUND
 - +0.5% (Aug. 2019) until \$128,740,000 is reached
 - RENEWABLE ENERGY \$3M
 - ENERGY CONSERVATION \$1.2M
- 20% TO COMMON SCHOOLS TRUST FUND AND FOUNDATION AID STABILIZATION FUND
- 30% TO THE LEGACY FUND
- REMAINDER MUST BE ALLOCATED TO THE STATE'S GENERAL FUND.

OIL EXTRACTION TAX GOV. 23-25 BUDGET

- RTF \$460.1M
- FOUNDATION AID \$224.4M
- COMMON SCHOOLS \$224.4M
- EVERY 1% EQUALS \$22.44M

THANK YOU!



RURAL WATER CONTACT ERIC VOLK EXECUTIVE DIRECTOR ERICVOLK@NDRW.ORG 701-391-5080

Senate Appropriations Education and Environmental Division SB 2020 Testimony Jan 19, 2022

Missouri River Joint Water Board

Understanding and Pursuing Missouri River Benefits for North Dakota

Educate
$$\sim$$
 Advocate \sim Engage

Program FundingNorth Dakota Depart of Water Resources Garrison Diversion Conservancy District Missouri River Joint Water Board Southwest Water Authority

Missouri River EAE Program

Educate

Do You Know?

- ~ What Is the Pick Sloan Act in North Dakota?
- ~ What did North Dakota contribute to be a part of Pick Sloan?
- ~ What did Pick Sloan promise to our State?
- ~ What was actually provided?



Understanding and Pursuing Missouri River Benefits for North Dakota Educate \sim Advocate \sim Engage

Advocate

What Is Important to North Dakota?

- As a primary source of drinking water for many in out State?
- ~ Irrigation Development and Farm Income Enhancement?
- ~ Recreational benefits and Tourism Opportunity?
- ~ Support for Industrial and Ag Processing Facilities?



Understanding and Pursuing Missouri River Benefits for North Dakota Educate \sim Advocate \sim Engage

Engage

Who Sets Policy for Our Use of the River System?

- ~ Which State Agencies can hear and act on your concerns?
- ~ How does Federal Regulations apply to our use of the System?
- Can your local county water boards play a part in river management?
- Is there legislative action or attention that is needed to ensure our beneficial use of the River System?



Missouri River Joint Water Board

Understanding and Pursuing Missouri River Benefits for North Dakota Educate ~ Advocate ~ Engage

Our Missouri River ... An Audit of Promises Made

This past year, the Missouri River Joint Water Board, which is an organization of the County Water Boards located along the Missouri River in North Dakota, enlisted a consultant to start a process of examination of the economic impacts, both positive and negative, of the management of the river system within our state. We embarked on that effort with the financial support and encouragement of the Garrison Diversion Conservancy District.

In particular, we were interested in the impact of an event which occurred more than 75 years ago, when the United States enacted the 1944 Flood Act, commonly referred to as the Pick Sloan Program. That act made a promise to North Dakota to forever change our Missouri River System, arguably, for the better.

Now many years later, we believed it appropriate to take another look at the program and ask some probing questions:

- What was required of our state to be involved?
- How were we enticed to participate?
- What has been the return on our investment with the program?
- · If we are not essaining one meaningd homefits when

contributed collectively approximately

 1.1 million acres to the project. The lower basin states contributed no land for inundation, except a few small tributary impoundments.

Oftentimes, the Native American tribal sacrifice to this program gets lost in this discussion. My comments here certainly cannot convey the sacrifices made by the tribes; that can and



Wade Bachmeier, Chairman Missouri River Joint Water Board

should be a subject of a future editorial best provided by their own spokesperson. But as a quick measure of one part of that tribal contribution, it is worth noting that of the lond taken in North Delegte, the part majority of the

EAE Program is Coming to the Missouri River

The Missouri River Joint Water Board is embarking on a program tagged the EAE Program – Educate, Advocate, and Engage – for the Missouri River System in North Dakota.

The program supports the Joint Board mission statement which seeks to provide ... "a coordinated effort ... (for) ... management, conservation, protection, development, and control of the water resources in the Missouri River Basin."

The Joint Board believes an important component in achieving that mission statement lies in an aggressive and comprehensive program that:

FOUCATEC .



WADE BACHMEIER Chairman, Missouri River Joint Water Board



KEN ROYSE Program Manager, Missouri River Joint Water Board

members Jim Oderman of Dickinson, Eugene Veeder of Willison, and Jay Volk of Bismarck. North Dakota Department of Water Resources (DWR) Director Andrea Travnicek and her staff members have helped define the

History of Pick Sloan of North Dakota

North Dakota water folks are well aware of the Pick Sloan Act – the basis of the Flood Control Act of 1944 that applies directly to our present-day use and management of the Missouri River System in North Dakota.

A full understanding of the history of Pick Sloan requires a general sense of the history of the Missouri River Basin. The Missouri River, at nearly 2,540 miles in length, is the longest river in the United States. It is a recipient of water from the largest basin in the country (528,000 square miles), which is comparable to one-sixth of the size of the 48 lower states.

But even though it is the longest river and in the largest basin, it is one of the lowest-yielding rivers in terms of water runoff and conveyance in the country. This is so because it watersheds and who, in a general sense, have conflicting water management policies and principals. The Army Corps of Engineers has a water policy based on water abundance, so its historical

KEN ROYSE Program Manager, Missouri River Joint Water Board

emphasis is how to manage and use such abundance. Its policies, therefore, revolve to a large part around flood control and navigation. Conversely, the US Bureau of Reclamation has a water policy based on water scarcity. From that perspective, the Bureau of Reclamation focuses on using all available water for consumptive purposes, such as irrigation and water supplies, and for power generation



THANK YOU O'Mahoney and Millikin

All of us in North Dakota owe a big thank you to Joe O'Mahoney and Eugene Millikin. Never heard of them? Well, that's not unusual. But if your water supply is from the Missouri River, or if you are an irrigator from that river, or use and enjoy its recreational benefits, or power benefits, or flood control benefits of its dams, then you should be aware of what these two did to help all of us in North Dakota achieve those benefits.

Joe O'Mahoney and Eugene Milliken were both U.S. senators during the 1940s when the federal government began finalizing legislation and plans to build the great dams along the Missouri River. Those large dams, and a collection of minor dams on minor tributaries, are placed from Montana through the Dakotag Nebragka and Kangag River system and therefore had a stake in how that river system was to be managed. Despite their interests being somewhat less than in other states where most of the construction would take place, both senators had an



KEN ROYSE Program Manager, Missouri River Joint Water Board

immediate and strong appreciation for the needs of the upstream states. The upstream states would contribute essentially all the land needed to construct the major dams – ultimately a contribution of more than 1.7 million acres shared almost equally and exclusively by Montana, North Dakota and South Dakota

North Dakota Use of the Missouri River

Followers of these Missouri River articles are aware that the mighty Missouri River, the longest in the nation at more than 2,300 river miles, is a natural resource shared by a large part of our country.

Starting as a mere trickle in west-central Montana, it flows through and drains over 529,000 square miles of land in parts of 10 states and two Canadian provinces. All told, the Missouri River system provides drainage on more than one-fourth of all agricultural lands in the United States.

By the time it empties into the Mississippi River near St Louis, Missouri, the "Mighty Missouri" is of formidable size, providing a contribution to that river of an average of more than 60,000 cubic feet of water per second (cfs). It is such a valuable and visible resource that four state capitals are found along its banks: Helena, Mont., Bismarck, N.D.,



KEN ROYSE Program Manager, Missouri River Joint Water Board

Who holds North Dakota usage permits, and who uses that water? Figures 2 and 3 are again from the state engineer's presentation and provide some insight. Figure 2 shows that most of the permit allocation is for the category entitled "multiple use." Those include

Missouri River SWOT ... Lessons Learned

On August 14 of this year, 105 water managers, elected officials, members of the general public and representatives from local, state insert KWR photo and federal agencies met in Mandan, North Dakota for the Missouri River Stakeholders meeting.

This meeting, hosted jointly by the Missouri River Joint Water Board (MRJWB) and the Missouri River Advisory Council (MRAC), is part of the ongoing Educate, Advocate and Engage (EAE) Program being conducted by the MRJWB and funded, in large part, by the North Dakota Department of Water Resources and the Garrison Diversion Conservancy District. The focus and intent of the meeting was to conduct a SWOT (Strength, Weaknesses, Opportunities and Threat) assessment; a tool often used by governmental agencies and private business to assess their current operations and <u>future needs</u>. In



KEN ROYSE Program Manager, Missouri River Joint Water Board

projects in the west, central and east, from rural and urban North Dakota.

Significant regulatory entities also were represented, including the North Dakota Department of Water Resources, the U.S. Army Corps of Engineers and the

The Flood That Never Ended

Much has been written on the impacts that the Pick Sloan Act has had and continues to have on tribal lands in the Missouri River basin. All six mainstem dams along the river are built on or near tribal lands and all have impacts on those lands.

Arguably, no tribe – upper basin or lower basin – has been impacted more from the building of the dams than the Three Affiliated Tribes of the Fort Berthold Reservation in central North Dakota. The impacts are well known. For the Fort Berthold Indian Reservation, more than 150,000 acres of land, much of it prime agricultural land, was subjected to a permanent flood; the reservation was split into geographic segments; longstanding and well-populated towns, communities and public facilities were forever lost; and families, friends and neighbors were divided.

Other tribes, like the Standing Rock Sioux Tribe in both North Dakota and South Dakota, had similar adverse impacts. South Dakota tribes also lost approximately promise of an abundant supply of low-cost hydropower for downstream, nontribal, states.

Promises were made to various impacted tribes. Foremost was a promise to develop programs for safe, clean and dependable drinking water from the Missouri River system. Yet more than 75 years after that promise was

KEN ROYSE Program Manager, Missouri River Joint Water Board

made, some tribal members on the Fort Berthold Indian Reservation and Standing Rock Reservation have no reliable water supply and have to haul water.

Tribal impacts can perhaps be best understood by reviewing the notes of a meeting held in October 1945. The meeting was chaired by Sen. Joseph O'Mahoney of Wyoming with participation from Chairman Martin Cross



Missouri River FLOOD CONTROL

The Missouri River is a highly alluvial river modified via reservoir construction under the 1944 Flood Control Act. It is operated by the US Army Corps of Engineers (USACE) to provide for eight authorized purposes under what is referred to as the *Master Manual*. One primary authorized system purpose is *Flood Control*.

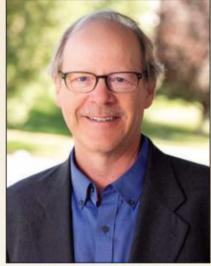
Flood Chronology – Awareness / Concerns

The flood of record for the Missouri River at the United States Geological Survey (USGS) stream gage at Bismarck, N.D., was 27.9 feet. This was associated with an ice jam break upstream from the Bismarck gage in the spring of 1952. The USGS has designated the flood stage at Bismarck to be 14 feet, while a 1% chance event (100-year) is around 17 feet. Since the Garrison Dam closure that created Lake Sakakawea in 1954, other flood events have created concerns. by system mismanagement. This is far from the case. After-action reports noted the USACE successfully managed the event, within the system's capabilities, to prevent even greater impacts ^{[1][2][3]}.

Flood Risks

The 1944 Flood Control Act and the reservoirs

are designed for "*flood control*" not "*flood prevention*" and are managed as events occur within the system's design capabilities. Subsequently, flood risks remain and continuously change as the floodplain and channel conditions are modified by both man and nature.



MICHAEL GUNSCH Chairman North Dakota Missouri Advisory Council

Presentations ... Made and Scheduled

- Water Topics Feb. 2022
- Water Topics ... April, 2022
- Water Topics June, 2022
- Water Topics Sept 2022
- NDSWC April, 2022
- Garrison Diversion April, 2022
- Water Topics ... June, 2022
- NDWU July 2022
- ND State Fair Water Day ... July, 2022
- Burleigh County WRD May, 2022
- League of Cities .. Pending
- Association of Counties ... Oct 2022
- Williston Rotary ... Dec 2022

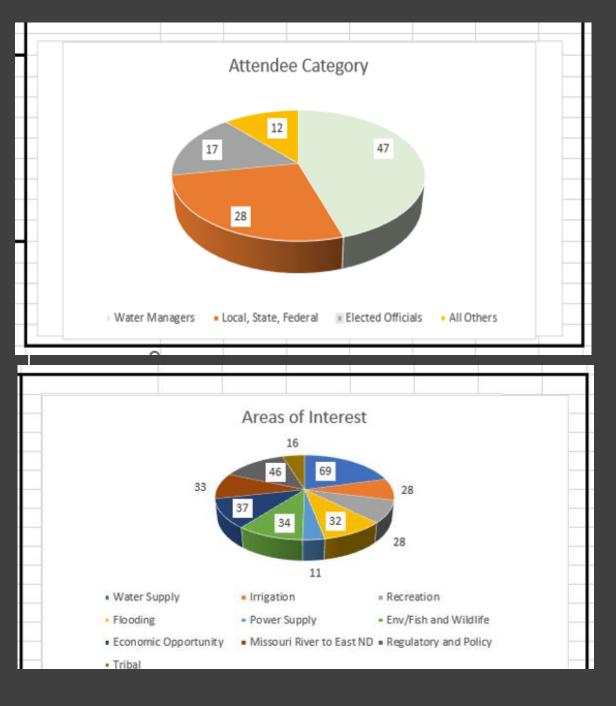
- Southwest Water Authority .. June 2022
- ND State Water Resources ... July 2022
- Bismarck Am Vets Club July, 2022
- Sheyenne River Exec Board ... April, 2022
- Devils Lake Joint Board Pending
- Red River Joint Board ... Pending
- Upper Missouri Association .. Oct. 2022
- Souris River Joint Board ... Pending
- Williston Lions Dec 2022
- NDSPE Pending March 22
- Red River Commission Pending

REPORT ON MISSOURI RIVER STAKEHOLDER MEETING

August, 2022

Co-Sponsored by: MISSOURI RIVER JOINT WATER BOARD MISSOURI RIVER ADVISORY COUNCIL

> Prepared by Ken Royse, Program Manager Missouri River Joint Water Board



Significant Interest in the Missouri River.

Large event attendee list
Good cross-sectional representation
Follow up news coverage

Appreciation and Acknowledgement of the Resource.

 notations of 'good quality, abundant supply, affordable to treat '



Apathy and Lack of Political Clout.

- Low population equals low federal congressional clout
- General public needs more education of resource value

Greater Use Possibilities.

Irrigation development.
Attract high water use industry.

Encourage more recreation and tourism.

Burdensome Regulatory Issues:

Costly, time consuming and consuming permit process (access)

WOTUS, ESA, NEPA

Upstream interests are secondary to downstream interests. es.

Threat of Depletion of the River.

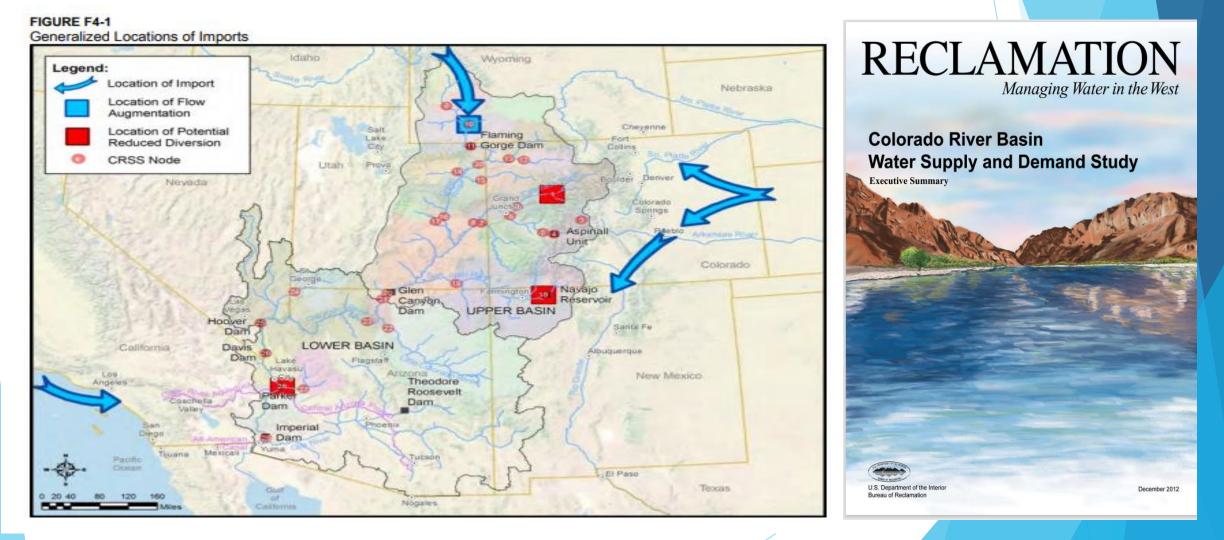
- Downstream and out of basin interest in the water
- Continued threat of lawsuits
- Competition for power
- Possible River Compact

ANS and Environmental Concerns.

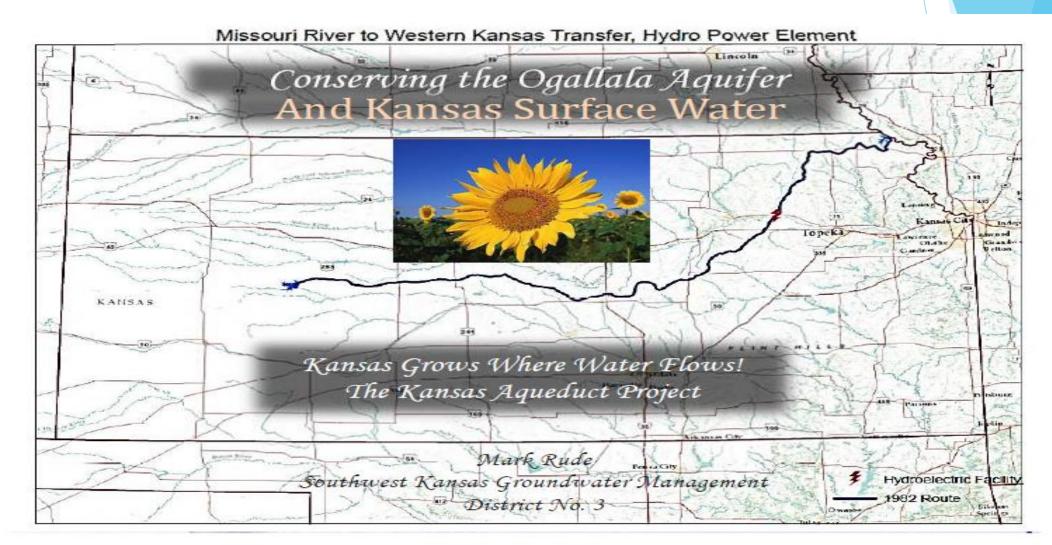
- Zebra Mussel threat to infrastructure
- Delta Formation
- Drought effects on system



Colorado River Basin Study, USBR: 600,000 acre feet yr (minimum) from the Missouri



Kansas Aqueduct Study, USCOE: 4,000,000 acre feet yr (minimum) from the Missouri



California wells run dry as drought depletes groundwater

ENERGY + ENVIRONMENT

Officials plan to truck 6,000 gallons of water from Missouri River across Kansas

California readies for fourth year of extreme drought

"This is our new climate reality, and we must adapt," Karla Nemeth, director of the state Department of Water Resources, said in a statement.



Rio Verde residents file lawsuit against Scottsdale over loss of water services Members of the committee,

My name is Fred Richter, PO 364, Sykeston, ND 58486. (701)-650-8936

My concerns are the funds being asked to be appropriated to the Red River Valley Water Supply Project (RRVWSP).

I am a landowner and have land where the proposed pipeline is crossing.

According to the Department of Water Resources (DWR) projected financial needs summary, they are asking for \$254.3 million dollars for the RRVWSP in the upcoming biennium.

Before any funding should be appropriated for this project, the final ownership of the pipeline needs to be addressed. Since this is a state project, fully funded by the state, the state should be taking full responsibility and liability for the pipeline.

The compensation also needs to be addressed; Garrison Diversion will not negotiate on any change in compensation. They are using a 15 year old appraisal. Since they feel they can use Eminent Domain, they seem to feel that they do not have to negotiate in good faith. If this was an oil or gas line, 4 inches in diameter and 4 feet in the ground, we would be receiving 10 times the payment. This is a 72 inch pipeline, buried from 15-25 feet in the ground. The difference in soil disturbance is immense.

What I am asking for is for you to work with the landowners to adjust compensation to a fair level. This should be assumed into the funding budget. This is the fair and right thing to do, this is the time that it should be done.

To be clear, I am not against this project if this is what the citizens of North Dakota want. But I am also a citizen of North Dakota and feel that I should be treated fairly.

Testimony of Alan Walter Garrison Diversion Conservancy District Board Chairman Senate Bill 2020 Senate Appropriations Committee – Education & Environment Division Bismarck, North Dakota – January 19, 2023

Hello Chairman Sorvaag and members of the Senate Appropriations Committee Education and Environment Division. My name is Alan Walter and I am the Chairman of the Garrison Diversion Conservancy District (Garrison Diversion) Board. I am here to testify in support of funding for the Red River Valley Water Supply Project in Senate Bill 2020 - the Department of Water Resources budget.

Garrison Diversion and Lake Agassiz Water Authority (Lake Agassiz) are the state cosponsors of the Red River Valley Water Supply Project. We are requesting the inclusion of \$255 million dollars in Senate Bill 2020 to provide long-term drought protection to nearly 50% of North Dakota's population. The Project will deliver water from the Missouri River to central and eastern North Dakota via a buried pipeline.

The State of North Dakota has been a vital partner thus far in the development of the Project. However, now is the time to fully commit to constructing the Red River Valley Water Supply Project to ensure drought protection is in place soon. Right now, we have \$340 million of shovel-ready construction and design work ready to begin if the Project is funded at the requested level this biennium. Our \$255 million request will be combined with \$85 million of local cost-share allowing for an accelerated build schedule. An accelerated construction schedule will provide drought protection sooner, and will also protect the State and users from the ongoing risk of inflation.

In addition, seeing proof of the State's commitment to the Red River Valley Water Supply Project is critically important to the Project's potential end users. As Garrison Diversion meets with cities and rural water systems, the prospective end users need to have confidence in

1

the State's commitment to getting the Project built in a timely manner. A strong State commitment will provide confidence to local water systems currently deliberating their level of involvement.

Please approve our \$255 million funding request to move the Red River Valley Water Supply Project forward sooner. Thank you, Chairman Sorvaag and members of the Senate Appropriations Committee Education and Environment Division for hearing my testimony today.



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

SENATE APPROPRIATIONS -EDUCATION AND ENVIRONMENT DIVISION SB2020 HEARING

JANUARY 19, 2023



RED RIVER VALLEY WATER SUPPLY PROJECT

RRVWSP is a drought resiliency project and an economic development initiative



PROJECTED ECONOMIC BENEFITS OF RRVWSP DURING DROUGHT

"SAVING OUR ECONOMY" FROM THE IMPACTS OF SIGNIFICANT DROUGHT

\$33.6 BILLION

Projected total positive Project impact in a "Dirty Thirties" style drought simulated from mid-2030s through the mid-2040s

RED RIVER VALLEY WATER SUPPLY PROJECT



GARRISON DIVERSION CONSERVANCY DISTRICT

Represents the State of ND





LAKE AGASSIZ WATER AUTHORITY

Represents Local Users

PRIMARY 2023 LEGISLATIVE REQUEST

STATE COMMITMENT TO THE PROJECT

> Funding Commitment to Implement Project Not just 23/25 Biennium Work Plan

- The State has been a vital partner in the development of the Project. Now is the time to commit to full implementation of the Project.
- A strong State commitment provides confidence to local water systems deliberating on their level of involvement.
- Cost efficient build schedule to get the project into service sooner, reducing risks and inflationary impacts.

2023-25 BIENNIUM REQUEST

-\$255 MILLION -

Using State Cost Share Policy (72/25) leverages in additional \$85M in Local Funding for \$340M in total capabilities

Shovel-Ready Construction (43 Miles of Pipeline!)

Continued Design (40 Miles of Pipeline)

ENDAWS Phase 1 Design (32 Miles of Pipeline)

LEGISLATIVE REQUEST ADDITIONAL AFFORDABILITY CONSIDERATIONS



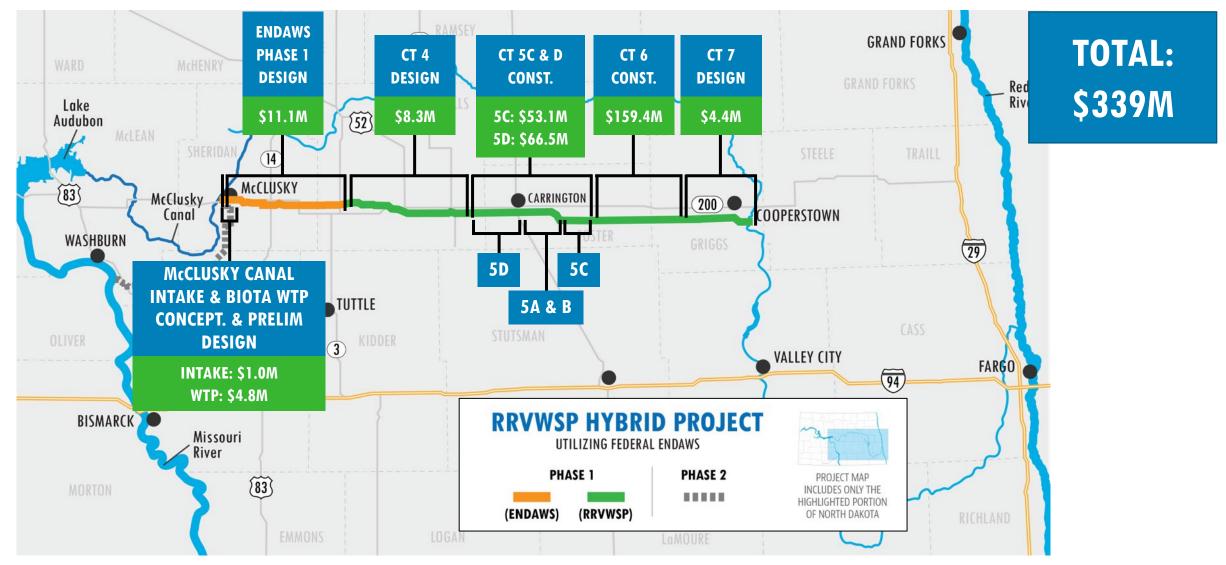
Ability to shape debt repayment to match anticipated revenues and expenses allowing systems to 'grow' into project repayment



PROCEED WITH FEDERAL PORTION OF THE PROJECT

> An 8-year build utilizing ENDAWS saves the State \$295 Million!

DRAFT 2023-2025 WORK PLAN



* OTHER PROGRAM COSTS: \$29.6M

RED RIVER VALLEY WATER SUPPLY PROJECT | 7

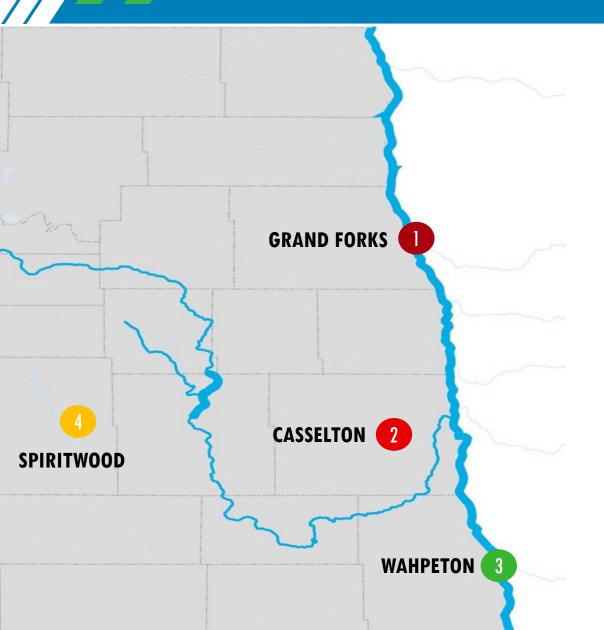
FORECASTED SPEND SCHEDULES STATE COST-SHARE AND INFLATION MITIGATION

WHAT IF PROJECT IS FUNDED AT A SLOWER PACE THAN IS BEING REQUESTED?

STATE CONTRIBUTION (PER BIENNIUM)	RRVWSP PROJECTED COMPLETION DATE	ENDAWS PROJECTED COMPLETION DATE
\$85M	∞ (*Never)	∞ (*Never)
\$100M	∞ (*Never)	42-Years (Dec 2063)
\$150M	32-Years (June 2053)	22-Years (Dec 2043)
\$200M	21-Years (June 2042)	16-Years (June 2037)
\$250M	16-Years (Dec 2037)	12-Years (Dec 2033)

* Due to inflation outpacing project spend, project timeline is indefinite.

INDUSTRIAL WATER DEMAND EXCEEDS CURRENT SUPPLY



GRAND FORKS AGRIBUSINESS NEEDS

Fully Permitted City's Wastewater Effluent Discharge Corn Wet Mill to Approximately Double City's Water Use

CASSELTON INDUSTRY

Fargo Looking to Expand Effluent Reuse Facility CGB Soybean Plant will Approximately Double Reuse Demand

AGP SOYBEAN CRUSHING/CRACKING Relocated Facility, Missed Opportunity



CARGILL (PRO GOLD) Reliability & Expansion Precluded

by Permit Restrictions

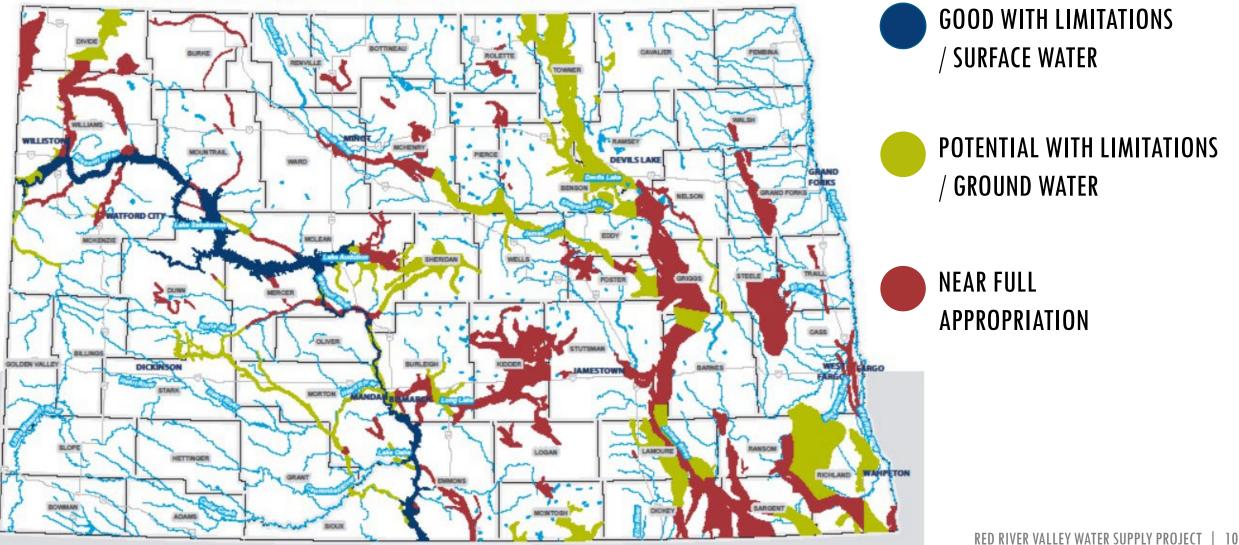


SPIRITWOOD ENERGY PARK Water Options Limited

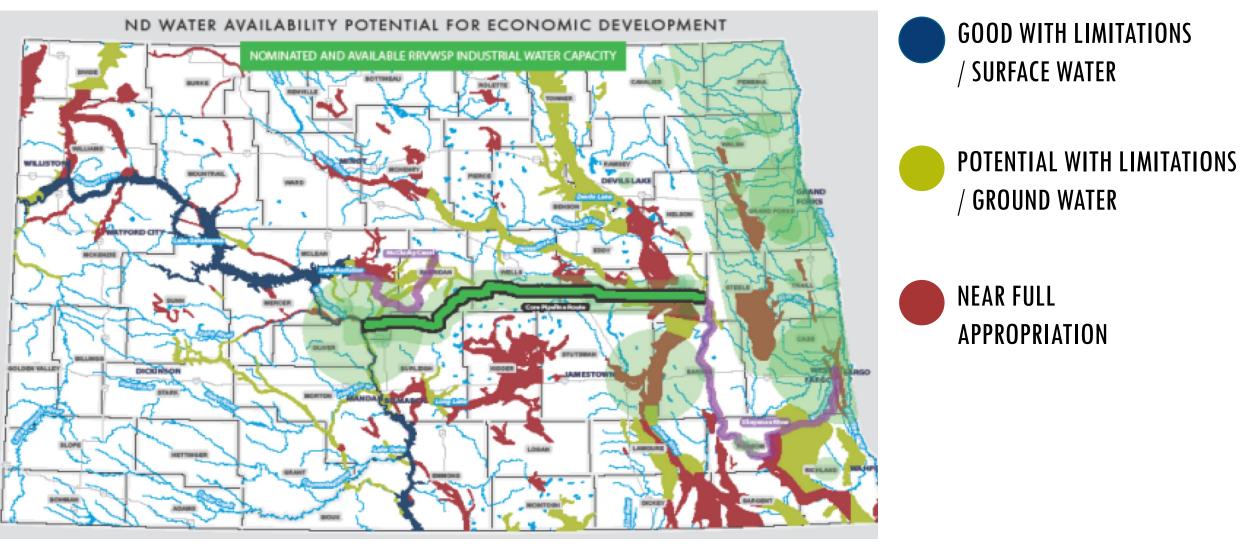
DAIRY/POTATO WASHING/HOG & BEEF, MISC. WATER DISTRICTS Water Options Limited

AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT DEPARTMENT OF WATER RESOURCES

ND WATER AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT



AVAILABILTY POTENTIAL FOR ECONOMIC DEVELOPMENT NOMINATED & AVAILABLE RRVWSP INDUSTRIAL WATER CAPACITY



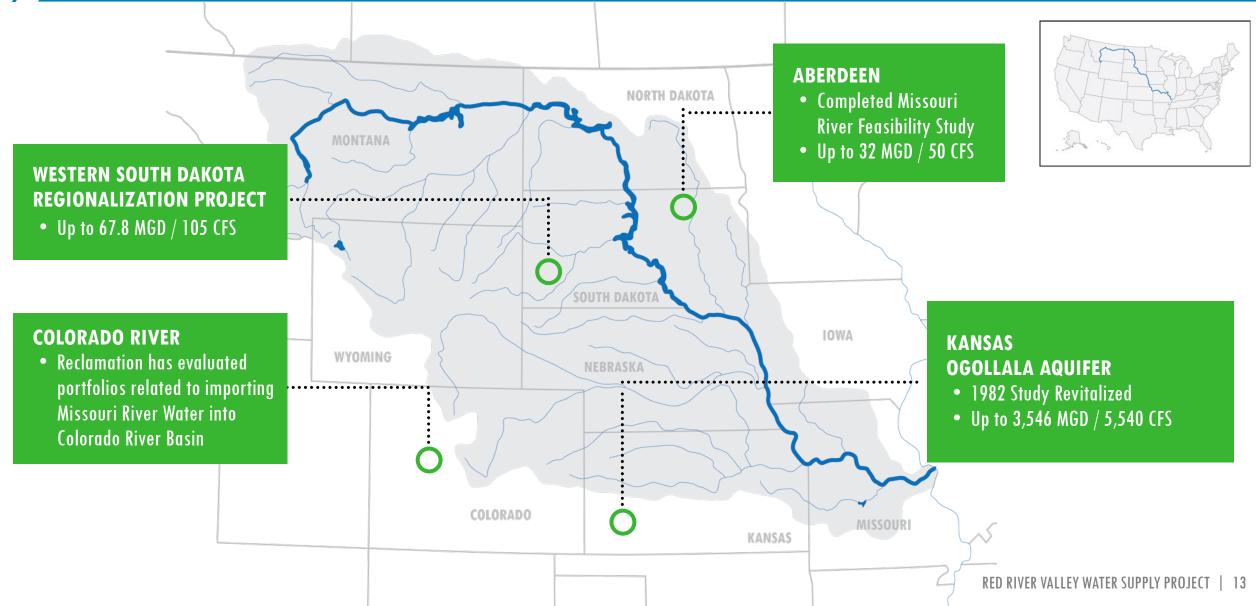
MISSOURI RIVER

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%, leaving 99.5% of Missouri River unaffected

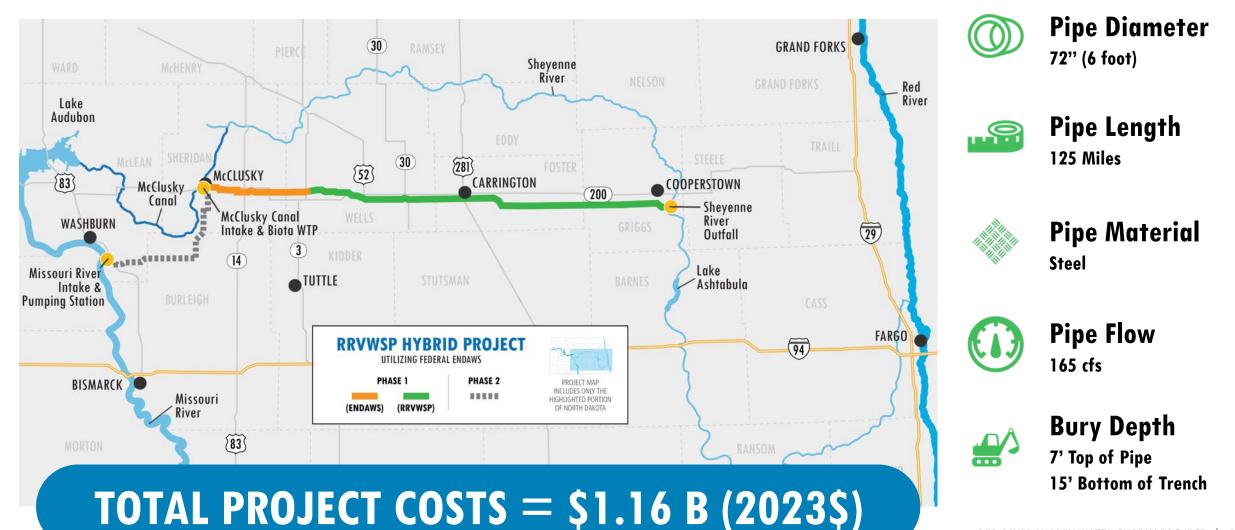
A DROP IN THE BUCKET!

MISSOURI RIVER FIRST IN TIME, FIRST IN LINE



SYSTEM OVERVIEW

THE PROJECT IS AN EMERGENCY WATER SUPPLY FOR NEARLY 50% OF NORTH DAKOTA'S POPULATION



EASTERN ND ALTERNATE WATER SUPPLY (ENDAWS)

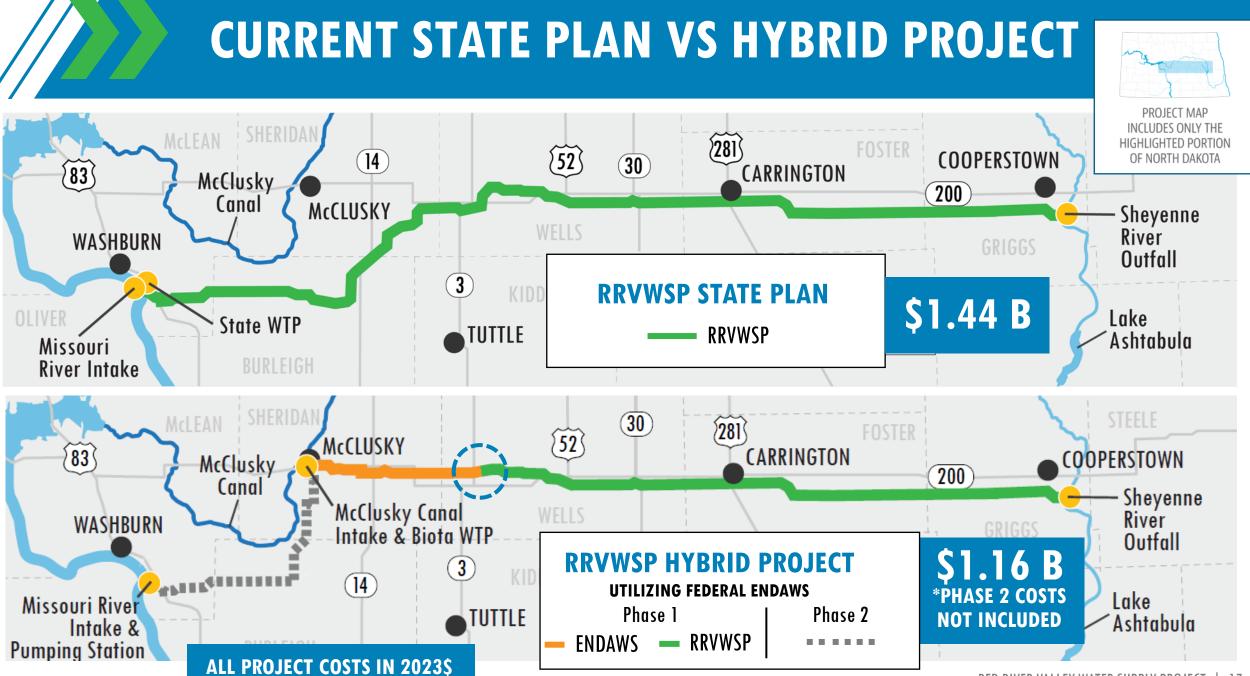
DAKOTA WATER RESOURCES ACT OF 2000

FEDERAL RED RIVER VALLEY WATER SUPPLY PROJECT



FEDERAL EASTERN NORTH DAKOTA ALTERNATE WATER SUPPLY (ENDAWS)



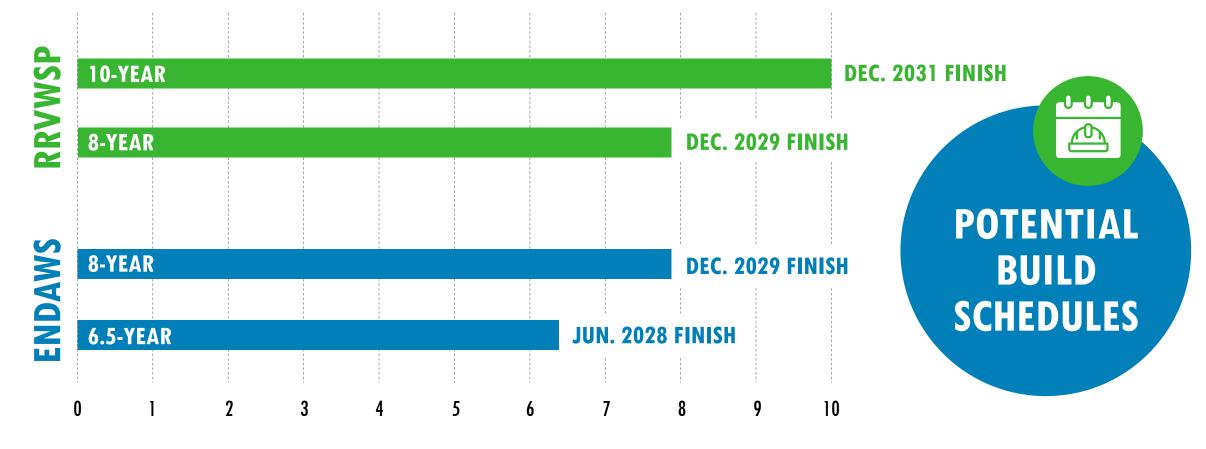


RED RIVER VALLEY WATER SUPPLY PROJECT | 17

FINANCING AND BUILD SCENARIOS



FORECASTED SPEND SCHEDULES PROJECT ACCELERATION AND ENDAWS



FORECASTED SPEND SCHEDULES STATE COST-SHARE — INFLATION ADJUSTED

PROJECTED STATE-COST SHARE BY BIENNIUM (\$M)*

	21-23	23-25	25-27	27-29	29-31	31-33	TOTAL STATE SHARE (Savings)	REMAINING LOCAL SHARE (Savings)	TOTAL PROJECT (Savings)
RRVWSP: 10-Year	\$85.9	\$254.3	\$271.7	\$291.1	\$311.8	\$81.4	\$1,296 (-)	\$432 (-)	\$1,728 (-)
RRVWSP: 8-Year	\$85.9	\$254.3	\$392.5	\$420.4	\$109.7	-	\$1,263 (\$33)	\$421 (\$11)	\$1,684 (\$44)
ENDAWS: 8-Year	\$85.9	\$254.3	\$280.9	\$301.0	\$78.5	-	\$1,001 (\$295)	\$333 (\$99)	\$1,334 (\$394)
ENDAWS: 6.5-Year	\$85.9	\$254.3	\$421.4	\$221.8	-	-	\$983 (\$313)	\$328 (\$104)	\$1,311 (\$417)

*State cost-share of 75% and inflation adjusted to the projected year of expenditure

RRVWSP CONSTRUCTION IS UNDERWAY!



MISSOURI RIVER WET WELL

MAIN TRANSMISSION PIPELINE

SHEYENNE RIVER DISCHARGE STRUCTURE

GROUNDBREAKING CEREMONY TRANSMISSION PIPELINE



2021 Groundbreaking Awarded Five Construction Contracts to Date

FUTURE TOURS PLANNED







SEND LETTER EXPLAINING PROJECT AND WHAT WE NEED (PROPERTY ACCESS, REQUEST TO SIGN OPTION OR EASEMENT)

Certified mail with delivery confirmation receipt



LAND AGENT MAKES/ATTEMPTS CONTACT THROUGH CALL OR IN-PERSON Land agents attempt contact 3-5 times



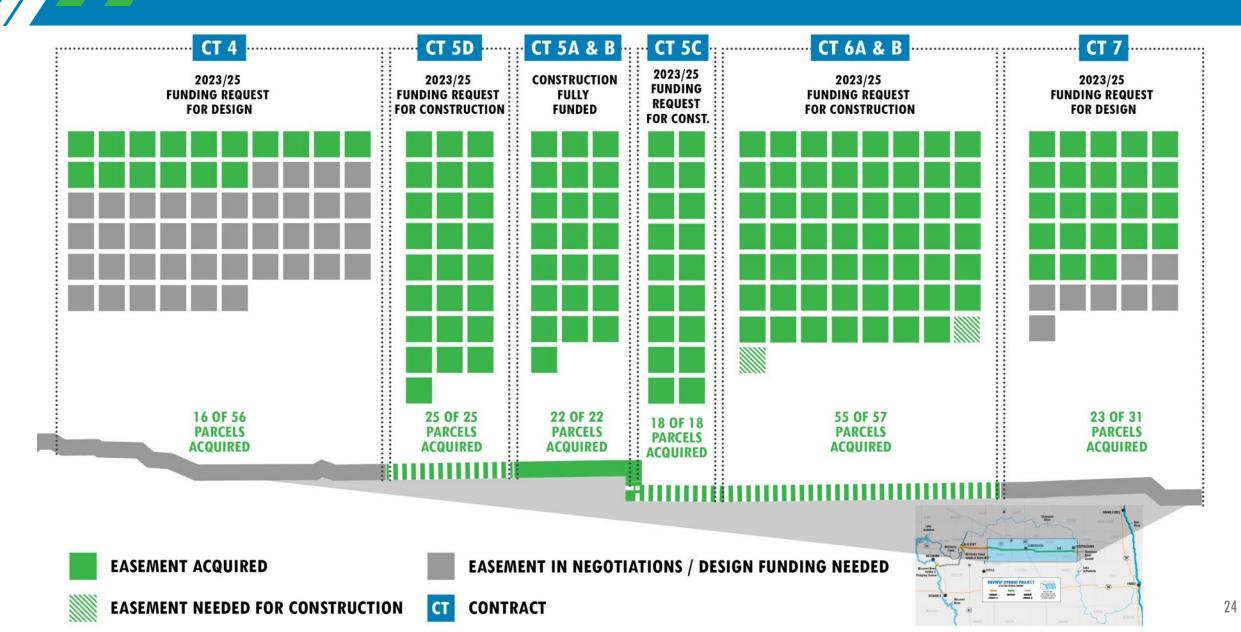
QUESTIONS DIRECTED TO GARRISON DIVERSION DISTRICT ENGINEER Each contact is recorded



RESOLUTION OF LAST RESORT

Last contact made through attorney letter

PROPERTY ACQUISITION STATUS



2023 LEGISLATIVE REQUEST SUMMARY

> 2023-25 BIENNIUM REQUEST

\$255 Million (75% State Cost-Share)

> STATE FINANCING OF LOCAL COST-SHARE

40-Year @ 2% with 'Debt Sculpting'

> STATE COMMITMENT TO IMPLEMENT TOTAL PROJECT

Look Beyond the 23/25 Biennium Work Plan



2023-25 Workplan

Shovel-Ready Construction (43 Miles of Pipeline!)

Continued Design (40 Miles of Pipeline)

ENDAWS Phase 1 Design (32 Miles of Pipeline)

THANK YOU!



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





www.rrvwsp.com





Testimony of Dr. Tim Mahoney Lake Agassiz Water Authority Chairman & Fargo Mayor Senate Bill 2020 Senate Appropriations Committee – Education and Environment Division Bismarck, North Dakota – January 19, 2023

Good morning, Chairman Sorvaag and members of the Senate Appropriations Committee – Education and Environment Division. My name is Dr. Tim Mahohey, and I am the Chairman of the Lake Agassiz Water Authority (LAWA) Board and the Mayor of Fargo. LAWA represents the local users, the cities and rural water systems, of the Red River Valley Water Supply Project. LAWA and the Garrison Diversion Conservancy District (Garrison Diversion) are cosponsors of the Red River Valley Water Supply Project. I am here to testify in support of funding for the Red River Valley Water Supply Project and to assist in the local affordability of the project by providing access to flexible, long-term financing. It is also essential for the State to consider a commitment to construction of the entire project to provide confidence to our local end users who we are asking to fund the local share of the costs.

I am here today to ask the Committee to consider LAWA and Garrison Diversion's request for \$255 million dollars to construct 43 miles of pipeline and to design an additional 72 miles so the project can remain on a cost-effective timeline. Now is the time to invest in the Red River Valley Water Supply Project as it will benefit future generations and safeguard the water supply of nearly HALF of North Dakota's population.

The Project has \$340 million of shovel-ready construction and design work that can begin immediately if the Project is adequately funded this biennium. The \$255 million request, along with \$85 million of local funding, will allow us to move the Project forward in a timely manner.

Now is the time for the State to harness the natural resource provided by the Missouri River and fully commit to getting this Project completed. Time is of the essence, as a cost-

1

efficient construction schedule reduces the risk of ongoing inflation and reduces the political risks associated with competition from other States wishing to access the Missouri River downstream. Furthermore, seeing the State's financial investment in the Project will boost the confidence of rural water systems and cities that are currently considering whether they should also invest in the Project.

LAWA and Garrison Diversion have worked hard to reduce the costs of the project and are proposing an 8-year construction timeline utilizing the federal ENDAWS, which will save the state \$295 million compared to previous alternatives considered. Local affordability is also a large concern and in order for communities and water systems to participate in the Red River Valley Water Supply Project, it must be affordable. There needs to be access to long-term, lowinterest financing so the Project's costs does not prevent systems from reaping the drought mitigation benefits the Project will provide. This is why LAWA is requesting the State develop and fund additional flexible financing options that allows the Project's end users to grow into their repayments.

Please favorably consider our \$255 million funding request and providing access to flexible financing to allow end users to adequately plan for a fiscally responsible future. Thank you, Chairman Sorvaag and members of the Committee for the opportunity to provide testimony.

2

82%

6%

5%

\$1 B

\$70 M

\$71 M 6%

RRVWSP FACT SHEET

The Red River Valley Water Supply Project developer, Garrison Diversion Conservancy District, has instructed its attorneys to use eminent domain on landowners and refuses to even negotiate with landowners on compensation.

PROJECT BUDGET

- Total project cost started at \$1,220,000,000¹ and is now projected to be \$1,356,000,000.²
- Only about **0.22%** of that \$1.356 billion has been set aside for compensating landowners, <u>less than a quarter of a percent</u>.³
- While project costs have increased by \$1.36M, the compensation level of \$1,350/acre was set in 2009 and has never changed.³
- Despite a \$1.356 billion budget "water would not be affordable at all" if Garrison Diversion had to pay more for easements.⁴

PROJECT PROGRESS

- Funds have been appropriated during six legislative sessions going back to 2009.⁵
- After 11 years, less than 10% of the funding required has been achieved¹ and the project is "barely affordable now."⁴
- At its current rate, the project is on a 36- to 37-year build.⁴
- Please <u>stop</u> the use of eminent domain for this project. Tell Garrison Diversion it will not receive funding if it uses eminent domain.

¹ Water Topics Overview Committee Presentation March 22, 2022.

Discharge Structure \$10 M 1%

Practical Treatment-WTP \$66 M

Transmission Pipeline

Intake, Pumps, Supply

Pump Stations, etc.

Landowners (ROW) \$ 3 M 0.22%

Costs⁶

State Funding⁵

2009	HB1020	\$3,000,000
2013	HB1020	\$11,000,000
2015	SB2020	\$5,000,000
2017	HB1020	\$30,000,000
2019	SB2020	\$17,000,000
2021	HB1020	\$50,000,000

² "That's just inflation. Every year we are somewhere presently in a three and six percent inflation factor and the jump from \$1.2 to \$1.356 is just inflation." - Duane DeKrey, <u>https://www.kxnet.com/news/answers-to-your-questions-revolving-red-river-valley-water-supply-project/</u>
 ³ "The total easement cost...\$3,019,000" Easement Pricing File Memorandum 7-7-09. \$3,019,000 / \$1.365B = 0.223%

⁶ HB 1020 State Water Commission Budget Presentation, Senate Appropriations Committee, March 22, 2021.

⁴ Pates, Mikkel. "Red River Water Supply pipe project will sue if landowners don't sign by July 8, 2022" Ag Week, June 27, 2022

⁵ Red River Valley Water Supply Project Study - Background Memorandum; Prepared for the Water Topics Overview Committee July 2021

Interim Water Topics Committee

September 20, 2022

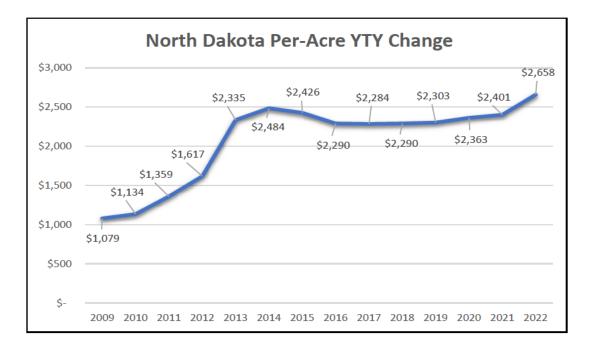
Testimony of Derrick Braaten

Red River Valley Water Supply Project Landowners

Chairman Schmidt and members of the committee, my name is Derrick Braaten and I am here to briefly discuss the Red River Valley Water Supply Project. I represent a group of landowners whose land is affected by the project and the pipeline is crossing these landowners' property.

The best way to protect landowners in this project is to have the State of North Dakota own the pipeline. If the State of North Dakota owns the pipeline, landowners will be assured an entity will protect and indemnify them. There is no plan known to landowners as to what happens when the pipeline is abandoned on their property, or if it will be removed.

The Garrison Diversion first started acquiring options in 2009 based on land values at that time. (*See* 2009 Garrison Easement Pricing Memorandum). Consultants for landowners put together the following graph to illustrate the rise in average land values since that time.



The appraiser who consulted with Garrison Diversion in 2009 was recently quoted in Agweek, which wrote: "When premium farmland is coming up for sale, Kyle Nelson says the bids these days can be 'astronomical.' Nelson of Farmers National Company said he underestimated the momentum that was 2021 roll building in farmland sales that has continued in 2022." in to (https://www.agweek.com/news/farmland-sees-some-astronomical-sales-results).

Since 2009, the Garrison Diversion has refused to negotiate compensation despite an overall value increase in average land values of 146.34% based on surveys (and according to Landowner's consultants). Rather than acknowledge the astronomical markets, in June of 2022 Garrison Diversion sent landowners a letter threatening to file eminent domain actions if landowners did not sign an agreement at its 2009 compensation offer by July 8, 2022. It indicated last week that it is initiating those eminent domain actions now.

Agricultural-use land values and the "before and after approach" are also not the only way to value pipeline easements and this is a common misconception. The federal court in North Dakota recently agreed in a case brought by a ND pipeline developer to condemn pipeline easements. The federal court agreed that other pipeline easements and the amounts paid per rod were relevant comparable sales and admissible evidence. *WBI Energy Transmission, Inc. v. Easement & Right-Of-Way Across*, No. 1:18-cv-078, 2021 U.S. Dist. LEXIS 63744, at *24 (D.N.D. Apr. 1, 2021). The RRVWSP is also <u>not</u> a typical pipeline project, and requires a double lift of soil and subsoil similar to what is done when strip mining for coal.

Garrison Diversion has obtained less than 10% of the funding needed for the project. Currently, Garrison Diversion has appropriated less than a quarter of 1% of its 1.3 billion-dollar-budget to compensate the hosts of the project (included as part of my testimony is a fact sheet regarding the project budget and project progress). At the current rate of funding, the project will not be completed for another 36-37 years, but Garrison Diversion is paying 2009 prices, which were insufficient even then.

The North Dakota Legislature has the power to authorize additional compensation for the hosts of this project and bring Garrison Diversion to the table to negotiate with landowners and take eminent domain off the table.

Testimony of Derrick Braaten on behalf of Red River Valley Water Supply Project Landowners as Neutral to SENATE BILL NO. 2020 Senate Appropriations Committee – Education and Environment Division January 19, 2023

My name is Derrick Braaten, and I am an attorney in Bismarck and owner of Braaten Law Firm. My law practice is focused on representing farmers and ranchers, and other landowners. I am submitting this testimony on behalf of a group of landowners who are being forced into eminent domain lawsuits by Garrison Diversion for the Red River Valley Water Supply Project. I submitted testimony and information on these issues to the Interim Water Topics Committee on September 20, 2022.

My clients are not opposed to the State Water Commission's budget, but we have serious concerns about allocations that will be used to fund the Red River Valley Water Supply Project. Based on testimony from Andrea Travnicek, Garrison Diversion is requesting \$170 million out of this budget for the Red River Valley Water Supply Project (*See,* page 28 of Andrea Travnicek testimony, Doc. No. 12872 and page 10 of Andrea Travnicek testimony, Doc. No. 12931).

My clients are being forced to choose between defending a condemnation action, or accepting compensation for an easement that was set at property rates in 2009 and has never changed, and more importantly, these landowners are being asked to negotiate an easement without knowing who will actually own and be liable for the pipeline once it is built. My clients are asking the State of North Dakota to accept ownership and liability for this pipeline upon completion. This is a significant public works and earthworks project, and the landowners are being asked to negotiate their grandchildren's liability without knowing who will actually own the pipeline and be responsible for reclamation and abandonment.

Please condition any further funding of the Red River Valley Water Supply Project on the State of North Dakota accepting liability and ownership of the pipeline and ensuring that landowners are not being prevented from negotiating a fair agreement for fair compensation without being sued by Garrison Diversion as is happening now. Garrison Diversion paused these proceedings after our prior presentation in September, but has indicated it is now recommencing eminent domain proceedings against these landowners because it refuses to negotiate on the compensation it set back in 2009.

Thank you,

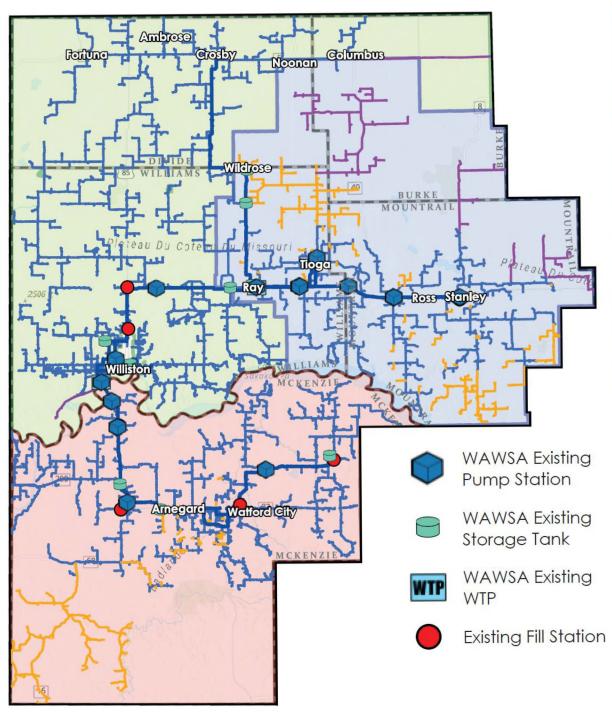
Derrick Braaten

Attorney/lobbyist for Fred Richter, Larry Rexine, and Red River Valley Water Supply Project landowner group

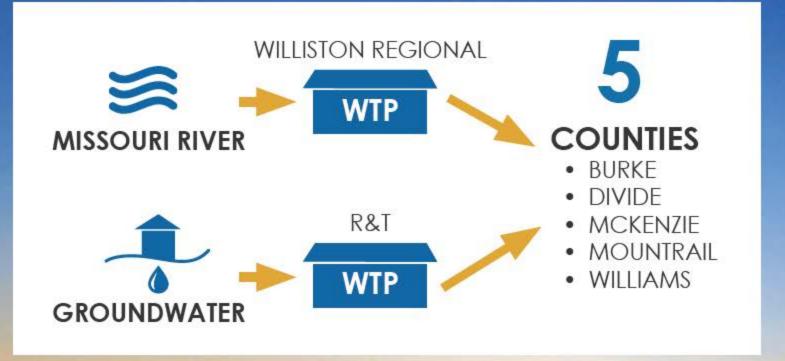


SB2020: Project Update

Tami Madsen, Executive Director January 19, 2023

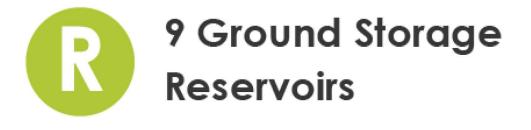








1,800+ Miles installed of Rural Distribution & Transmission Pipeline









Over 60,000 Residents Served in Northwest North Dakota	167% Growth (First Decade)		193% Growth (2011-2022)
Member Entity	2011	2021	2022
McKenzie County Water Resource District	200	1350	1466
Northwest Rural Water BDW	<mark>138</mark> 3	2411	2639
R&T Water	90	700	800
	4905		

2020 United States Census

	2010	Growth Rate	2020
McKenzie County, ND	6,400	131%	14,700
Williams County, ND	22,400	83%	41,000





Proposed System Improvements/Expansion	4/1/	2022 Estimate	2023-2025 State Cost Share Request	Bu	2023-2025 Idgeted State Cost Share	Bu	2023-2025 Idgeted Local Cost Share
MCWRD - System II Improvements/Expansion	S	7,700,000	PC/C	\$	5,775,000	\$	1,925,000
MCWRD - Transmission System Expansion	\$	19,300,000	PC	\$	1,447,500	\$	482,500
MCWRD - System IV Improvements/Expansion	S	3,300,000	PC	\$	247,500	\$	82,500
Williston - WTP Expansion to 35 MGD	\$	44,850,000	С	\$	26,910,000	\$	17,940,000
R&TWD - Battle View/McGregor Rural Distribution Expansion	\$	9,350,000	PC	\$	701,250	\$	233,750
R&TWD - Stanley Transmission Improvements - Phase II	\$	7,150,000	С	\$	5,362,500	\$	1,787,500
R&TWD - Blaisdell/Palermo & Misc. Rural Distribution System Expansion	\$	3,900,000	PC	\$	292,500	\$	97,500
NWRWD - County Route 9 Service Area	\$	6,400,000	С	\$	4,320,000	\$	1,440,000
NWRWD - BDW Rural Distribution Expansion	S	4,400,000	PC	\$	330,000	\$	110,000
NWRWD - Trenton Area Rural Distribution Expansion	S	8,300,000	PC	\$	622,500	\$	207,500
Subtotals	\$	114,650,000		\$	46,008,750	\$	24,306,250
Total 2023 - 2025 Biennium CIP						\$	70,315,000



Tami Madsen, Executive Director Western Area Water Supply Authority 701-609-0450 | Tami.madsen@wawsp.com

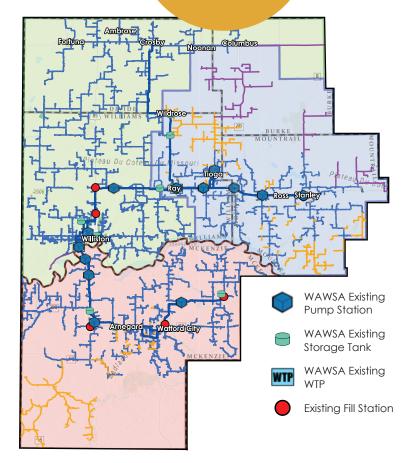


www.WAWSP.com

83% Population Increase in Williams County since 2010

WESTERN AREA

131% Population Increase in McKenzie County since 2010



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.

 McKenzie County Water Resource District
 Northwest Rural Water District
 R&T Water District
 Existing Funded Infrastructure through Phase VI (2019-2021) (Includes Design for WTP 35MGD Expansion)
 Phase VII (2021-2023)
 Phase VIII (2023-2025)

OVER 70,000 RESIDENTS SERVED IN NORTHWEST ND

RURAL CONNECTIONS (193% INCREASE SINCE 2011)					
	2011	CURRENT			
McKenzie Rural Water	200	1,466			
Northwest/BDW	1,383	2,639			
R&T Water Supply	90	800			

— CITIES SERVED –

Williston, Watford City, Ray, Tioga, Stanley, Wildrose, Crosby, Fortuna, Noonan, Columbus, Ross, Ambrose, & Arnegard

P 16 Pump Stations

MISSOURI RIVER

GROUNDWATER



WILLISTON REGIONAL

R&T

WTP

9 Ground Storage Reservoirs

• BURKE • DIVIDE

> MCKENZIE MOUNTRAIL

WILLIAMS

4 Water Towers

ers

1,90 Dist

1,900+ Miles installed of Rural Distribution & Transmission Pipeline



WAWSA BOARD

- City of Williston
- McKenzie County Water Resource District (MCWRD)
- Northwest Rural Water District (NWRWD)
- 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 project.

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? SB2020

- > WAWSA is Requesting \$43M from the SWC Budget
- WAWSA and Member Entities Currently Own \$53M in Domestic Debt
- State of North Dakota Currently Owns \$91.2M in Industrial Debt (Principle Reduced by \$146.8M Since 2013)

Planning, Engineering, & Construction of:



Reservoirs



Transmission & Distribution Pipelines





PLAN INCREASED TO 37 MGD

Rural Water Supply Update

Presented By: Eric Volk, Executive Director ND Rural Water Systems Association

SB 2020 Senate Appropriations – E&E Division January 19, 2023

NDRWSA VISION:

ALL OF NORTH DAKOTA HAS ACCESS TO AFFORDABLE, AMPLE, AND QUALITY WATER.

QUICK SUMMARIES

- RURAL & REGIONAL WATER SUMMARY
- 2021-23 FUNDING SUMMARY
- 2023-25 FUNDING MAP
- 2023-25 FUNDING LIST
- RW RATES
- CITIES NOT SERVED BY RW

RURAL WATER BACKGROUND

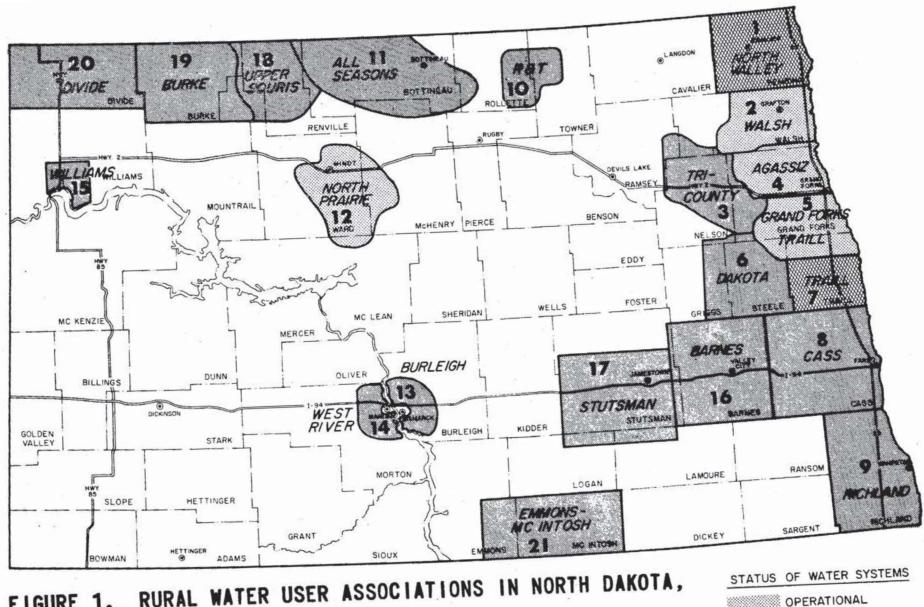
- RW was started in the Late 60's and Early 70's
 - LOTS OF \$\$\$ ON THEIR OWN
 - FEDERAL LOANS (USDA-RD)
 - STATE LOANS
 - MID 80'S FEDERAL MR&I PROGRAM
 - 1996 EPA SRF LOAN PROGRAM
 - 2000 DAKOTA WATER RESOURCES ACT
 - EARLY 2010'S RESOURCES TRUST FUND

USE OF THE RTF

- HELPED HOOK-UP CITIZENS OF ND TO AFFORDABLE, AMPLE, AND QUALITY WATER.
- IMPROVED FLOW, QUANTITY, AND PRESSURE (AT AN AFFORDABLE RATE) FOR RURAL RESIDENTS AND SMALLER COMMUNITIES.

SYSTEM SUSTAINABILITY

- SYSTEMS HAVE USER FEES AND CHARGE ACCORDINGLY
- PERFORM ROUTINE REPAIR & REPLACEMENT
- UNDERSTAND THAT PROPER RESERVES ARE NECESSARY FOR SYSTEM LONGEVITY
- SERVING CITIES, RURAL USERS, THE ÅG INDUSTRY AND ANYONE ELSE ALONG THE WAY, HELP MAKE IT ALL WORK.



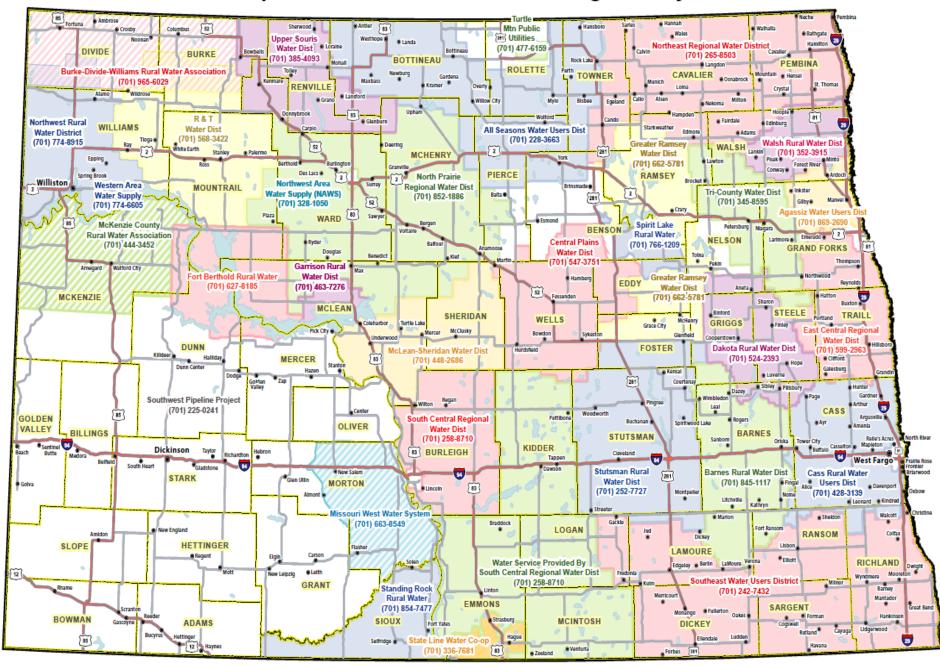
UNDER CONSTRUCTION

PLANNING STAGE

FIGURE 1. RURAL WATER USER ASSOCIATIONS IN NORTH DAKOTA, FEBRUARY, 1975

SOURCE: K. B. MACKICHAN & ASSOCIATES, INC., FEBRUARY, 1975.

Incorporated Cities on a Rural or Regional System

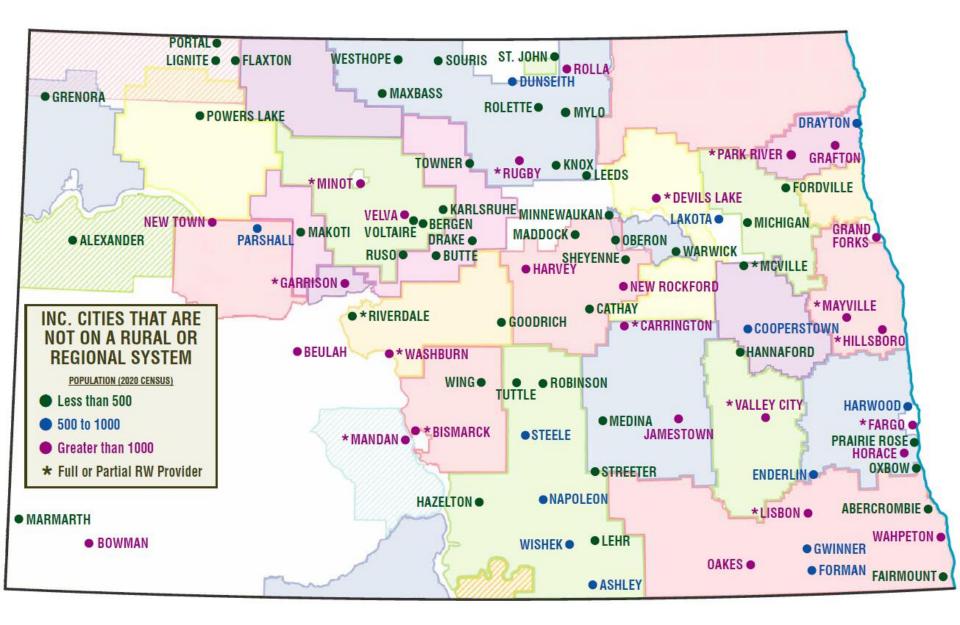


RURAL/REGIONAL WATER ON A STATEWIDE BASIS:

- Touches Every County in the State
- Provides Water Service to over 170,000 Rural Residents through over 70,000 Connections
- Network of 41,000 Miles of Pipe
- Serves 75% of ND's 355 Inc. Cities
- Furnishes Water Service to nearly 129,000 Residents in Cities
- No Taxing Authority
- Did Not Receive Any Direct Federal Stimulus Dollars*
- Do Not Have a Prairie Dog Bucket

ND WATER SERVICE DATA

- 355 INC. CITIES
- 266 ON RURAL/REGIONAL WATER
 - 108 ARE IND. METERED
 - 158 ARE SERVED IN BULK
- 89 CITIES HAVE THEIR OWN SOURCE
 - 4 FROM OTHER CITIES
 - 8 FROM IND. WELLS
 - -77 FROM OWN SOURCE



SERVICE POPULATION %

- 60% CITIES NOT ON RW
- 38% ON RW
 - RESIDENTIAL
 - CITY
- 1% CENSUS DESIGNATED PLACES NOT ON RW OR COUNTED IN THE CITY #S (AFBS)
- 1% REMAINING TO SERVE

21-23 FUNDING RECAP

- \$59.6M IN THE RW BUCKET
 - WAWS IS IN THE WATER SUPPLY BUCKET
 - SWPP & NAWS ARE IN THE CAPITAL ASSETS BUCKET
 - OTHER RURAL & REGIONAL SYSTEMS

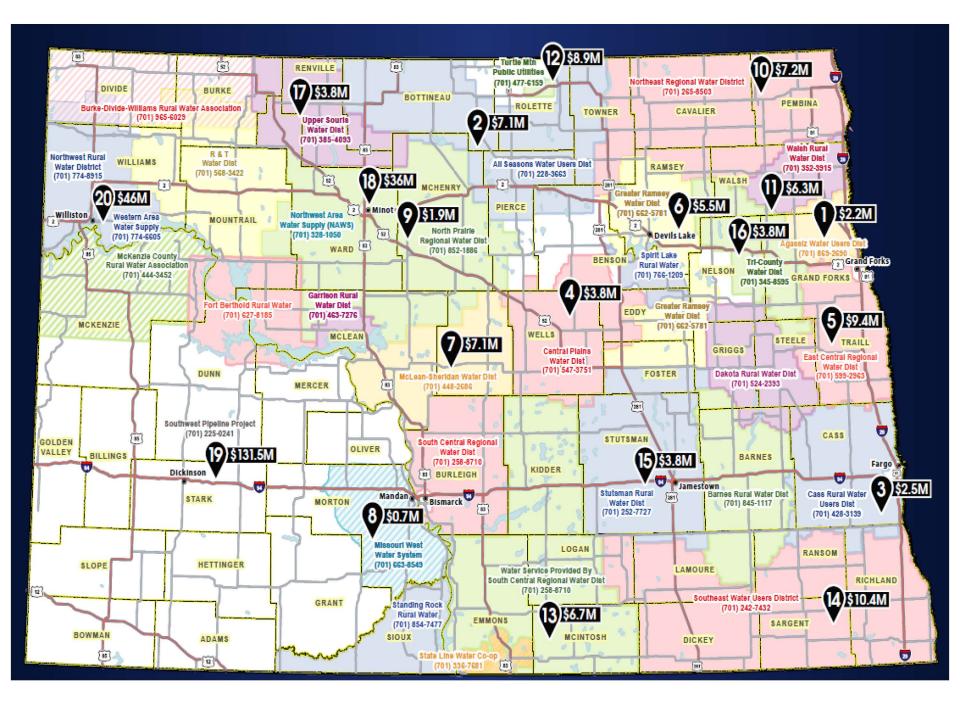
21-23 FUNDING RECAP

- \$33.5M APPROVED THUS FAR
- \$2.2M COMPLETED PROJECTS
- \$23.9M REMAINING
- \$27.6M IN PROJECTS ARE STILL PLANNED BEFORE THE END OF THE BIENNIUM.
- \$10.6M HAS BEEN ADDED FROM THE SFRF.

23-25 FUNDING NEED

- \$125M WORTH OF PROJECTS
- \$91 M of Grant Funding is Needed.

Local Sponsor	Project Name		SWC 23-25 Grant	Local Share	Total Project Cost
Agassiz Water Users District	Reservoir 1 to 3 Transmission Expansion		\$2,150,550	\$716,850	\$2,867,400
All Seasons Water Users District	System 1 Expansion - Phase 2		\$7,125,000	\$2,375,000	\$9,500,000
Cass Rural Water District	County Road 17 Improvements		\$891,675	\$297,225	\$1,188,900
Cass Rural Water District	System Wide Improvements		\$1,575,000	\$525,000	\$2,100,000
Central Plains Water District	Connection to the city of Maddock		\$3,750,000	\$1,250,000	\$5,000,000
East Central Regional Water District	Individual Service to Galesburg		\$1,337,737	\$445,913	\$1,783,650
East Central Regional Water District	Hillsboro WTP Expansion		\$2,124,513	\$708,171	\$2,832,684
East Central Regional Water District	Wellfield, Transmission & User Expansion		\$5,954,906	\$1,984,968	\$7,939,874
Greater Ramsey Water District	North System Capacity Improvements		\$5,521,522	\$1,890,507	\$7,412,029
McLean-Sheridan Rural Water District	Phase 2 WTP Construction		\$4,800,000	\$1,600,000	\$6,400,000
McLean-Sheridan Rural Water District	Phase 3 Expansion		\$2,300,000	\$800,000	\$3,100,000
Missouri West Water System	Fort Abraham Lincoln State Park Improvements		\$744,000	\$248,000	\$992,000
North Prairie Regional Water District	Reservoir 3 to Max Transmission Line		\$1,918,000	\$639,000	\$2,557,000
Northeast Regional Water District	Bulk Cities to Individual Services		\$2,698,986	\$899,662	\$3,598,648
Northeast Regional Water District	WTP and Wellfield Expansion		\$4,500,000	\$1,500,000	\$6,000,000
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply		\$6,255,647	\$2,085,215	\$8,340,862
Rolette County - Turtle Mountain	Highway 43 Reservoir & Pump Station Improvements		\$3,000,000	\$2,000,000	\$5,000,000
Rolette County - Turtle Mountain	Three Mile Road Rural Water Main Replacement		\$1,125,000	\$875,000	\$2,000,000
Rolette County - Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement		\$4,822,500	\$3,607,500	\$8,430,000
South Central Regional Water District	Service to the city of Ashley		\$6,655,440	\$2,218,480	\$8,873,920
Southeast Water Users District	West System Water Treatment Plant Improvements		\$10,350,000	\$3,450,000	\$13,800,000
Stutsman Rural Water District	Raw Water Facilities Improvement		\$3,203,250	\$1,067,750	\$4,271,000
Stutsman Rural Water District	Service to the city of Streeter		\$582,000	\$194,000	\$776,000
Tri-County Water District	Phase 6 Expansion		\$1,350,000	\$450,000	\$1,800,000
Tri-County Water District	Phase 7 Expansion - McVille Area		\$2,464,500	\$821,500	\$3,286,000
Upper Souris Rural Water District	Improvements & Expansion - Phase 2		\$3,750,000	\$1,250,000	\$5,000,000
		Totals:	\$90,950,226	\$33,899,741	\$124,849,967
Northwest Area Water Supply Project (NAWS)	2023-25 Treatment & Distribution Improvements		\$36,000,000	\$16,200,000	\$77,200,000
Southwest Pipeline Project (SWPP)	2023-25 Treatment & Distribution Improvements		\$131,500,000	\$0	\$131,500,000
Western Area Water Supply (WAWS)	2023-25 Treatment & Distribution Improvements		\$46,000,000	\$24,000,000	\$70,000,000
		Totals:	\$213,500,000	\$40,200,000	\$278,700,000



WHY IS RURAL WATER FUNDING NEEDED?

- THE GRANT FUNDING ALLOWS THOSE RESIDENTS IN SMALLER COMMUNITIES AND RURAL AREAS TO RECEIVE A BASIC NECESSITY OF LIFE FOR A REASONABLE PRICE.
- THOSE RURAL RESIDENTS DO PAY THEIR FAIR SHARE THROUGH HISTORICALLY HIGHER RATES.

SYSTEM	# of Users	Minimum Cost	\$/1000 Gal.	\$/6000 Gal.	Miles of Pipe
Agassiz Water Users District	1,400	\$27.50	\$8.50	\$78.50	400
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	1,400	\$50.00	\$5.50	\$83.00	
Barnes Rural Water District #2	274	\$60.00	\$6.00	\$96.00	
Barnes Rural Water District #3	350	\$56.00	\$5.50	\$89.00	1,200
Belcourt Public Utilities	3,500	\$20.50	\$5.75	\$55.00	245
Cass Rural Water District	8,017	\$27.00	\$5.40	\$59.40	
Cass Rural Water District - Leonard Project	140	\$40.00	\$5.40	\$72.40	2,400
Central Plains Water District (Old)	790	\$30.00	\$6.50	\$69.00	
Central Plains Water District (New)	340	\$56.00	\$7.25	\$99.50	1.266
Dakota Rural Water District Expansion	1.035	\$53.00	\$6.50	\$92.00	1.200
East Central Regional Water District	2.310	\$40.00	\$7.00	\$82.00	.,
East Central Regional Water District	2,469	\$60.00	\$7.00	\$102.00	2.200
Fort Berthold Rural Water	2,405	\$25.00	\$5.00	\$55.00	650
Garrison Rural Water District	822	\$62.00	\$8.00	\$110.00	162
Greater Ramsey Water District	1,011	\$35.00	\$5.50	\$68.00	102
Greater Ramsey Water District	1,132	\$40.00	\$5.50	\$73.00	
Greater Ramsey Water District	385	\$45.00	\$5.50	\$78.00	1,650
McKenzie County Water Resource District	1.260	\$45.90	\$7.02	\$88.02	1,030
McLean-Sheridan Rural Water District #1	696	\$62.00	\$7.40	\$106.40	1,000
McLean-Sheridan Rural Water District #1	174	\$65.00	\$6.54	\$100.40	
McLean-Sheridan Rural Water District #2	1/4	\$76.00	\$7.80	\$104.24	700
Missouri West Water System	2.005	\$40.00	\$7.00	\$122.00	650
North Prairie Regional Water District (Existing)	2,005	\$54.00	\$9.83	\$112.98	050
North Prairie Regional Water District (Existing)	4,788	\$65.00	\$9.83	\$112.90	2,500
North Praine Regional Water District (New)	4,700	\$63.00	\$9.65	\$123.90	2,500
	1,299	\$50.00	\$6.10	\$99.60	2.512
Northeast Regional Water District/North Valley Branch					
Northwest Rural Water District R&T Water District	2,600 825	\$45.00 \$50.00	\$8.80 \$7.70	\$97.80 \$96.20	1,200 514
		\$34.00	\$7.50	\$96.20	514
South Central Regional Water District (Includes 500 gals)	6,260				5.000
South Central Regional Water District	1,780	\$40.00	\$6.00	\$76.00	5,000
Southeast Water Users District Central	623	\$50.00	\$5.75	\$84.50	547
Southeast Water Users District Central-New	138	\$55.00	\$5.75	\$89.50	147
Southeast Water Users District East	1,810	\$31.00	\$4.50	\$58.00	1,372
Southeast Water Users District East-New	252	\$55.00	\$4.50	\$82.00	201
Southeast Water Users District West	732	\$50.00	\$3.50	\$71.00	743
Southeast Water Users District West-New	136	\$55.00	\$3.50	\$76.00	166
Southwest Water Authority	7,465	\$55.32	\$6.47	\$94.14	5,260
State Line Water Cooperative (includes 1000 gals)	452	\$40.00	\$6.25	\$71.25	200
Stutsman Rural Water District	1,222	\$43.00	\$5.35	\$75.10	1,100
Stutsman Rural Water District Expansion Project	1,347	\$48.00	\$5.35	\$80.10	1,090
Tri-County Water District	1,200	\$54.00	\$6.00	\$90.00	1,200
Upper Souris Water District	650	\$35.00	\$10.00	\$95.00	600
Walsh Rural Water District R1	1,232	\$36.00	\$7.75	\$82.50	
Walsh Rural Water District R3	155	\$48.00	\$7.75	\$94.50	
Walsh Rural Water District R4	142	\$55.00	\$7.75	\$101.50	700
	70,173				41,005
Median		\$48.00	\$6.38	\$85.80	
Average		\$47.15	\$6.57	\$86.36	
Yearly Average				\$1,036.38	

WHY IS RURAL WATER FUNDING NEEDED?

- GRANT FUNDING (FEDERAL & STATE) HAS BEEN A SUCCESSFUL MECHANISM FOR PROVIDING AND MAINTAINING WATER SERVICE IN RURAL AREAS.
- IN THE MID 1990'S, THE SYSTEMS PROVIDED WATER SERVICE TO ABOUT 90,000 RESIDENTS. TODAY, THEY SERVE AROUND 300,000 RESIDENTS.
- PROPER FEDERAL AND STATE GRANT FUNDING, 100S OF MILLIONS (MAYBE BILLIONS) OF DOLLARS OF LOANS/OTHER PAY BACKS AND AN IMMENSE AMOUNT OF HARD WORK BY THE SYSTEMS, MAKE THIS ALL POSSIBLE.

WHY IS RURAL WATER FUNDING NEEDED?

- RURAL WATER SYSTEMS NEED TO BE PROPERLY DESIGNED TO MEET THE INCREASED DEMANDS OF THE AGRICULTURE INDUSTRY.
- IT IS CRITICAL FOR THE SYSTEMS TO CONTINUE HELPING OUR FARMERS AND RANCHERS ECONOMICALLY FEED THE WORLD AND PROVIDE US WITH THE FOOD SECURITY WE SOMETIMES TAKE FOR GRANTED.

CARRYOVER AUTHORITY

3 Additional FTEs

THOUGHTS ON THE RTF

- ARTICLE X, SECTION 22 OF THE STATE CONSTITUTION SETS UP THE RTF.
- RTF MAY BE EXPENDED ONLY PURSUANT TO LEGISLATIVE APPROPRIATION

OIL EXTRACTION TAX 57-51.1-07

• ALLOCATION OF MONEYS IN OIL EXTRACTION TAX DEVELOPMENT FUND.

OIL EXTRACTION TAX 57-51.1-07

- 20% TO RESOURCES TRUST FUND
 - +0.5% (Aug. 2019) until \$128,740,000 is reached
 - RENEWABLE ENERGY \$3M
 - ENERGY CONSERVATION \$1.2M
- 20% TO COMMON SCHOOLS TRUST FUND AND FOUNDATION AID STABILIZATION FUND
- 30% TO THE LEGACY FUND
- REMAINDER MUST BE ALLOCATED TO THE STATE'S GENERAL FUND.

OIL EXTRACTION TAX GOV. 23-25 BUDGET

- RTF \$460.1M
- FOUNDATION AID \$224.4M
- COMMON SCHOOLS \$224.4M
- EVERY 1% EQUALS \$22.44M

THANK YOU!



RURAL WATER CONTACT ERIC VOLK EXECUTIVE DIRECTOR ERICVOLK@NDRW.ORG 701-391-5080



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

SENATE APPROPRIATIONS -EDUCATION AND ENVIRONMENT DIVISION SB2020 HEARING

JANUARY 19, 2023



RED RIVER VALLEY WATER SUPPLY PROJECT

RRVWSP is a drought resiliency project and an economic development initiative



PROJECTED ECONOMIC BENEFITS OF RRVWSP DURING DROUGHT

"SAVING OUR ECONOMY" FROM THE IMPACTS OF SIGNIFICANT DROUGHT



Projected total positive Project impact in a "Dirty Thirties" style drought simulated from mid-2030s through the mid-2040s

RED RIVER VALLEY WATER SUPPLY PROJECT



GARRISON DIVERSION CONSERVANCY DISTRICT

Represents the State of ND





LAKE AGASSIZ WATER AUTHORITY

Represents Local Users

PRIMARY 2023 LEGISLATIVE REQUEST

STATE COMMITMENT TO THE PROJECT

> Funding Commitment to Implement Project Not just 23/25 Biennium Work Plan

- The State has been a vital partner in the development of the Project. Now is the time to commit to full implementation of the Project.
- A strong State commitment provides confidence to local water systems deliberating on their level of involvement.
- Cost efficient build schedule to get the project into service sooner, reducing risks and inflationary impacts.

2023-25 BIENNIUM REQUEST

Using State Cost Share Policy (72/25) leverages in additional \$85M in Local Funding for \$340M in total capabilities

Shovel-Ready Construction (43 Miles of Pipeline!)

Continued Design (40 Miles of Pipeline)

ENDAWS Phase 1 Design (32 Miles of Pipeline)

LEGISLATIVE REQUEST ADDITIONAL AFFORDABILITY CONSIDERATIONS



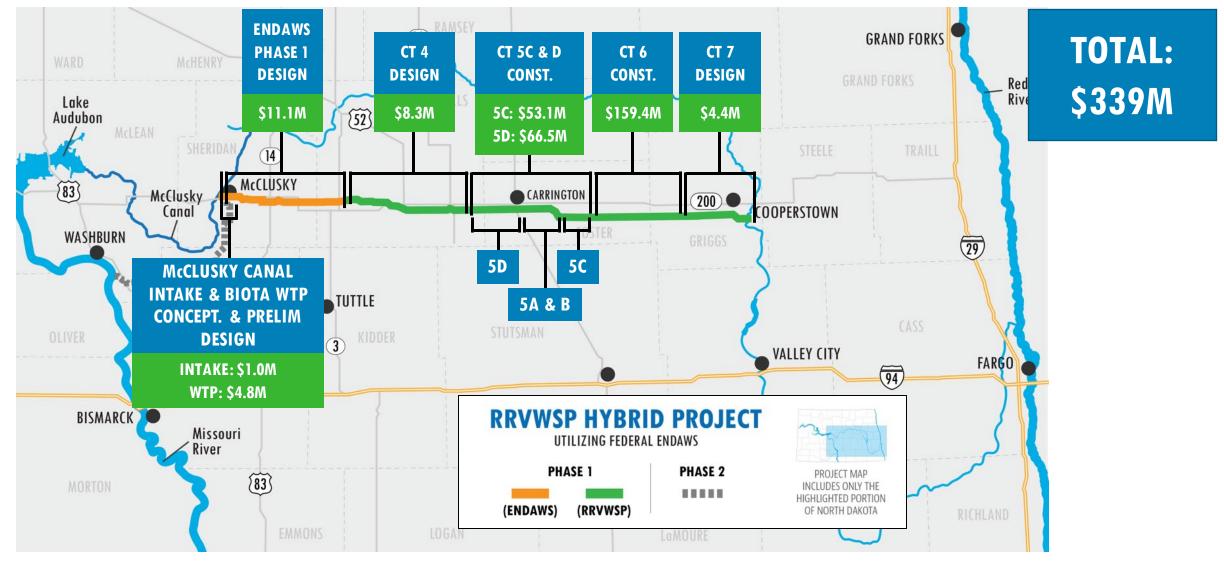
Ability to shape debt repayment to match anticipated revenues and expenses allowing systems to 'grow' into project repayment



PROCEED WITH FEDERAL PORTION OF THE PROJECT

> An 8-year build utilizing ENDAWS saves the State \$295 Million!

DRAFT 2023-2025 WORK PLAN



* OTHER PROGRAM COSTS: \$29.6M

=

RED RIVER VALLEY WATER SUPPLY PROJECT7

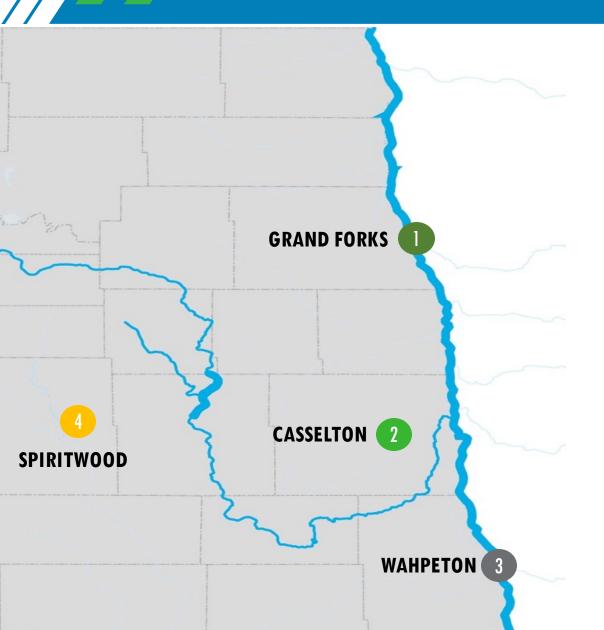
FORECASTED SPEND SCHEDULES STATE COST-SHARE AND INFLATION MITIGATION

WHAT IF PROJECT IS FUNDED AT A SLOWER PACE THAN IS BEING REQUESTED?

STATE CONTRIBUTION (PER BIENNIUM)	RRVWSP PROJECTED COMPLETION DATE	ENDAWS PROJECTED COMPLETION DATE		
\$85M	∞ (*Never)	∞ (*Never)		
\$100M	∞ (*Never)	42-Years (Dec 2063)		
\$150M	32-Years (June 2053)	22-Years (Dec 2043)		
\$200M	21-Years (June 2042)	16-Years (June 2037)		
\$250M	16-Years (Dec 2037)	12-Years (Dec 2033)		

* Due to inflation outpacing project spend, project timeline is indefinite.

INDUSTRIAL WATER DEMAND EXCEEDS CURRENT SUPPLY



GRAND FORKS AGRIBUSINESS NEEDS

Permitted Use of City's Wastewater Effluent Discharge Significant Current and Proposed Industrial Use

CASSELTON INDUSTRY

Fargo Looking to Expand Effluent Reuse Facility CGB Soybean Plant will Approximately Double Reuse Demand

AGP SOYBEAN CRUSHING/CRACKING Relocated Facility, Missed Opportunity



CARGILL (PRO GOLD) Reliability & Expansion Precluded by Permit Restrictions

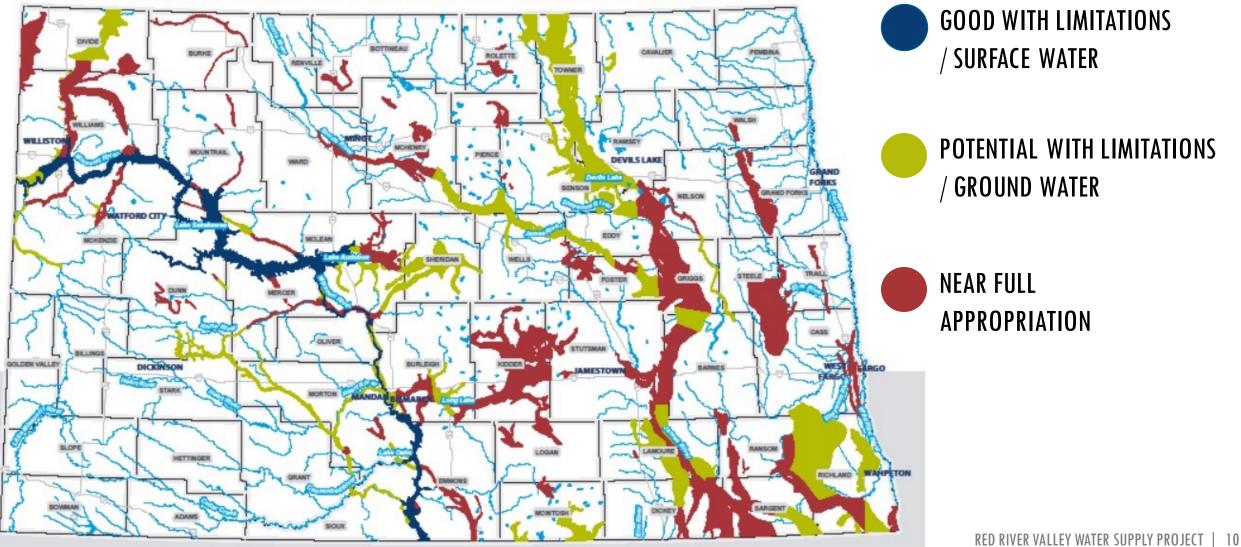


SPIRITWOOD ENERGY PARK Water Options Limited

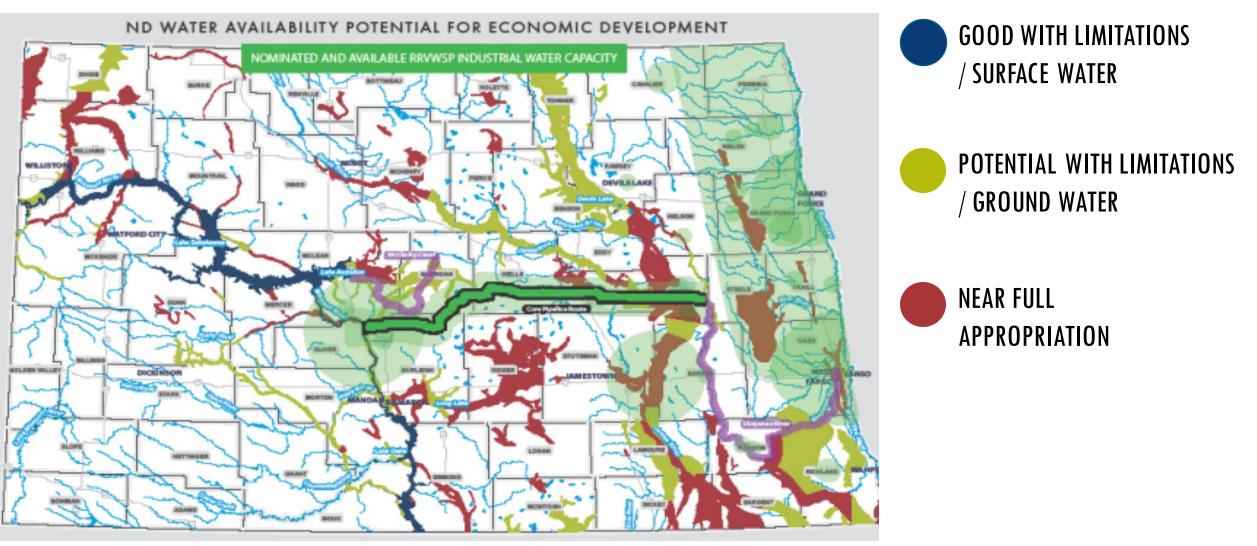
DAIRY/POTATO WASHING/HOG & BEEF, MISC. WATER DISTRICTS Water Options Limited

AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT DEPARTMENT OF WATER RESOURCES

ND WATER AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT



AVAILABILTY POTENTIAL FOR ECONOMIC DEVELOPMENT NOMINATED & AVAILABLE RRVWSP INDUSTRIAL WATER CAPACITY



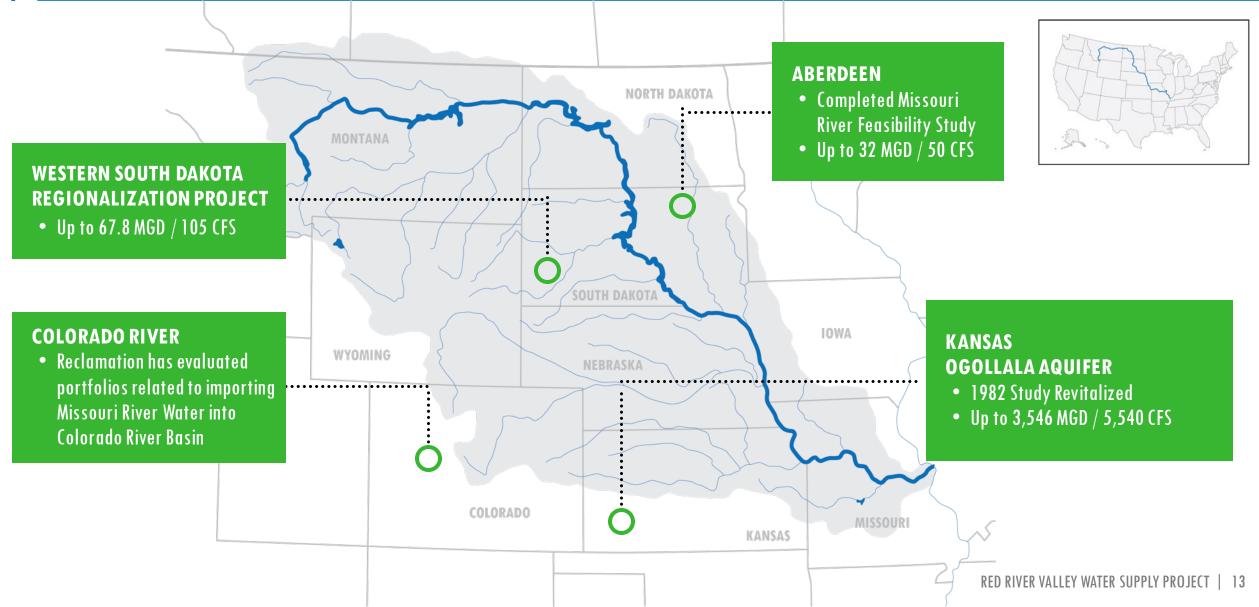
MISSOURI RIVER

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%, leaving 99.5% of Missouri River unaffected

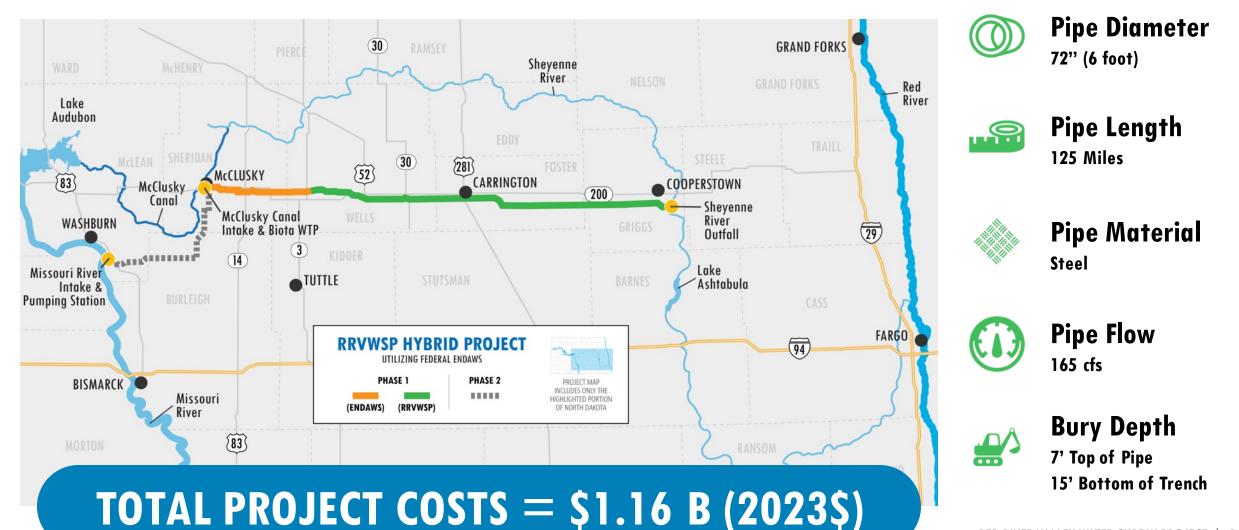
A DROP IN THE BUCKET!

MISSOURI RIVER FIRST IN TIME, FIRST IN LINE



SYSTEM OVERVIEW

THE PROJECT IS AN EMERGENCY WATER SUPPLY FOR NEARLY 50% OF NORTH DAKOTA'S POPULATION



EASTERN ND ALTERNATE WATER SUPPLY (ENDAWS)

DAKOTA WATER RESOURCES ACT OF 2000

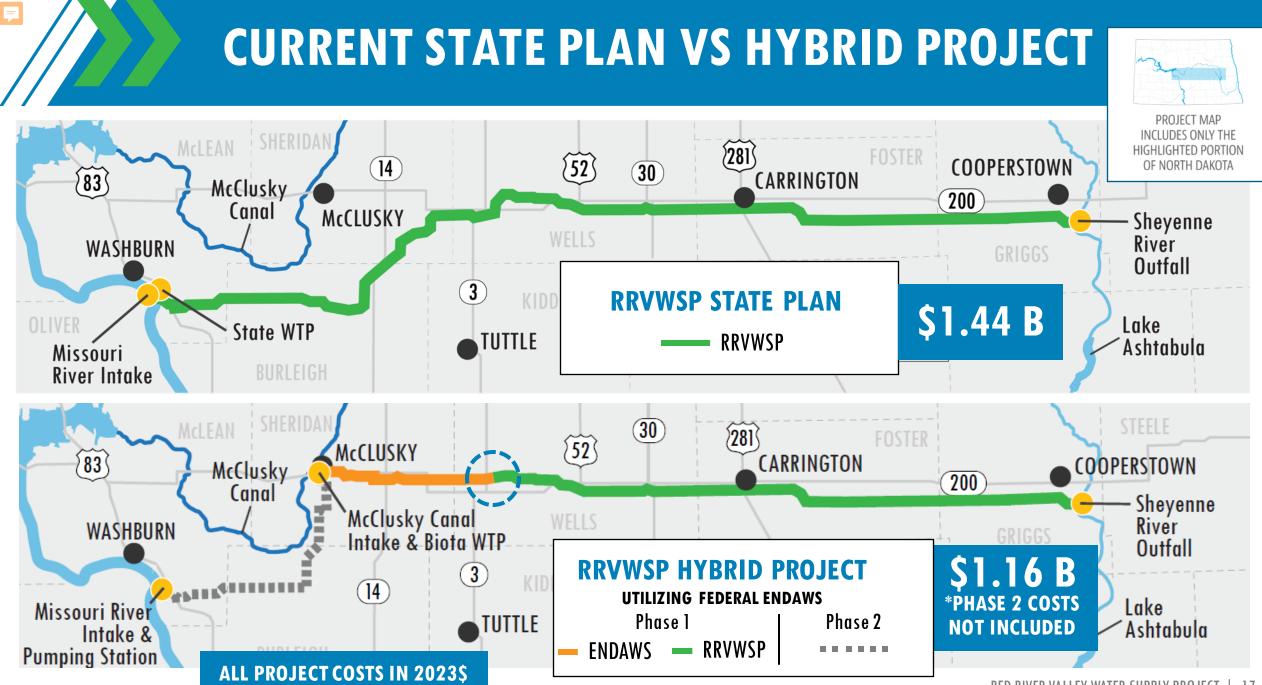
FEDERAL RED RIVER VALLEY WATER SUPPLY PROJECT

=



FEDERAL EASTERN NORTH DAKOTA ALTERNATE WATER SUPPLY (ENDAWS)



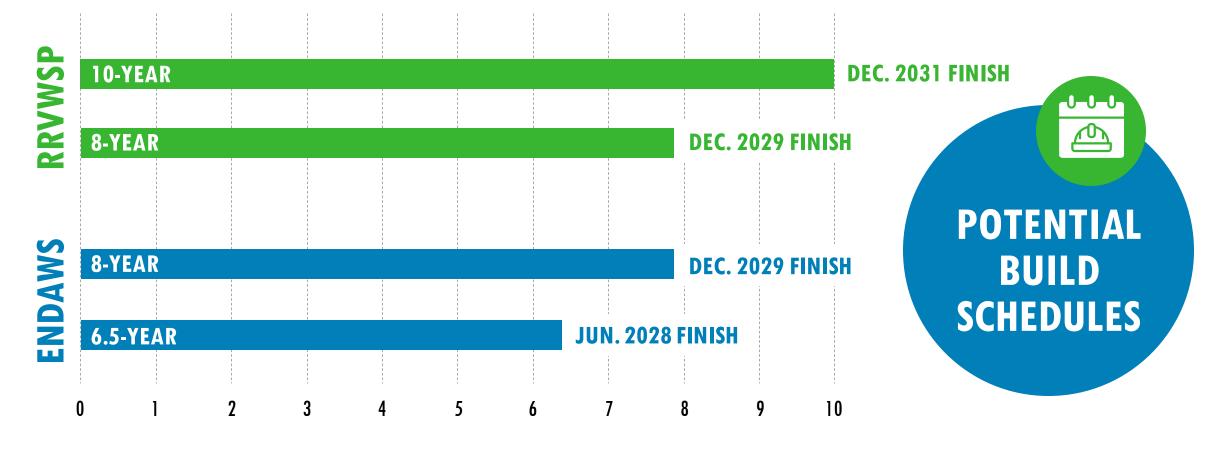


RED RIVER VALLEY WATER SUPPLY PROJECT | 17

Ţ

FINANCING AND BUILD SCENARIOS

FORECASTED SPEND SCHEDULES PROJECT ACCELERATION AND ENDAWS



YEARS

FORECASTED SPEND SCHEDULES STATE COST-SHARE — INFLATION ADJUSTED

PROJECTED STATE-COST SHARE BY BIENNIUM (\$M)*

	21-23	23-25	25-27	27-29	29-31	31-33	TOTAL STATE SHARE (Savings)	REMAINING LOCAL SHARE (Savings)	TOTAL PROJECT (Savings)
RRVWSP: 10-Year	\$85.9	\$254.3	\$271.7	\$291.1	\$311.8	\$81.4	\$1,296 (-)	\$432 (-)	\$1,728 (-)
RRVWSP: 8-Year	\$85.9	\$254.3	\$392.5	\$420.4	\$109.7	-	\$1,263 (\$33)	\$421 (\$11)	\$1,684 (\$44)
ENDAWS: 8-Year	\$85.9	\$254.3	\$280.9	\$301.0	\$78.5	-	\$1,001 (\$295)	\$333 (\$99)	\$1,334 (\$394)
ENDAWS: 6.5-Year	\$85.9	\$254.3	\$421.4	\$221.8	-	-	\$983 (\$313)	\$328 (\$104)	\$1,311 (\$417)

*State cost-share of 75% and inflation adjusted to the projected year of expenditure

RRVWSP CONSTRUCTION IS UNDERWAY!



MISSOURI RIVER WET WELL

MAIN TRANSMISSION PIPELINE

SHEYENNE RIVER DISCHARGE STRUCTURE

GROUNDBREAKING CEREMONY TRANSMISSION PIPELINE



2021 Groundbreaking Awarded Five Construction Contracts to Date

FUTURE TOURS PLANNED







SEND LETTER EXPLAINING PROJECT AND WHAT WE NEED (PROPERTY ACCESS, REQUEST TO SIGN OPTION OR EASEMENT)

Certified mail with delivery confirmation receipt



LAND AGENT MAKES/ATTEMPTS CONTACT THROUGH CALL OR IN-PERSON Land agents attempt contact 3-5 times



QUESTIONS DIRECTED TO GARRISON DIVERSION DISTRICT ENGINEER Each contact is recorded

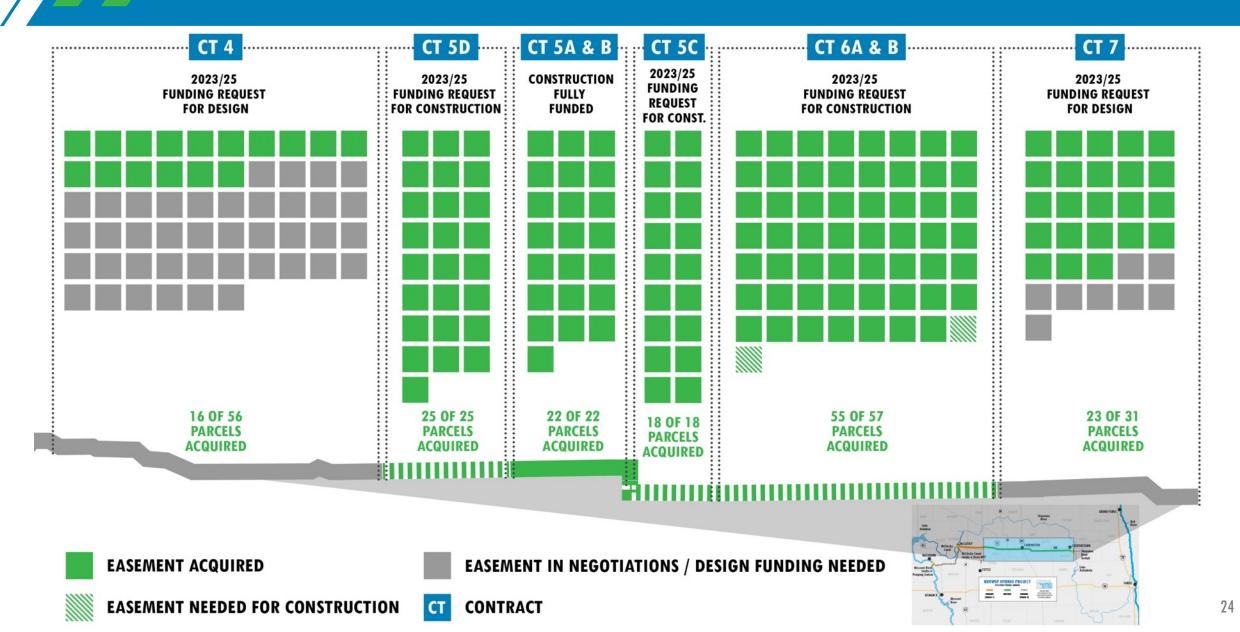


RESOLUTION OF LAST RESORT

Last contact made through attorney letter

PROPERTY ACQUISITION STATUS

F



2023 LEGISLATIVE REQUEST SUMMARY

> 2023-25 BIENNIUM REQUEST

Ę

\$255 Million (75% State Cost-Share)

> STATE FINANCING OF LOCAL COST-SHARE

Capitalization of Water Infrastructure Revolving Loan Fund

> STATE COMMITMENT TO IMPLEMENT TOTAL PROJECT

Look Beyond the 23/25 Biennium Work Plan



2023-25 Workplan

Shovel-Ready Construction (43 Miles of Pipeline!)

Continued Design (40 Miles of Pipeline)

ENDAWS Phase 1 Design (32 Miles of Pipeline)

THANK YOU!



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





www.rrvwsp.com



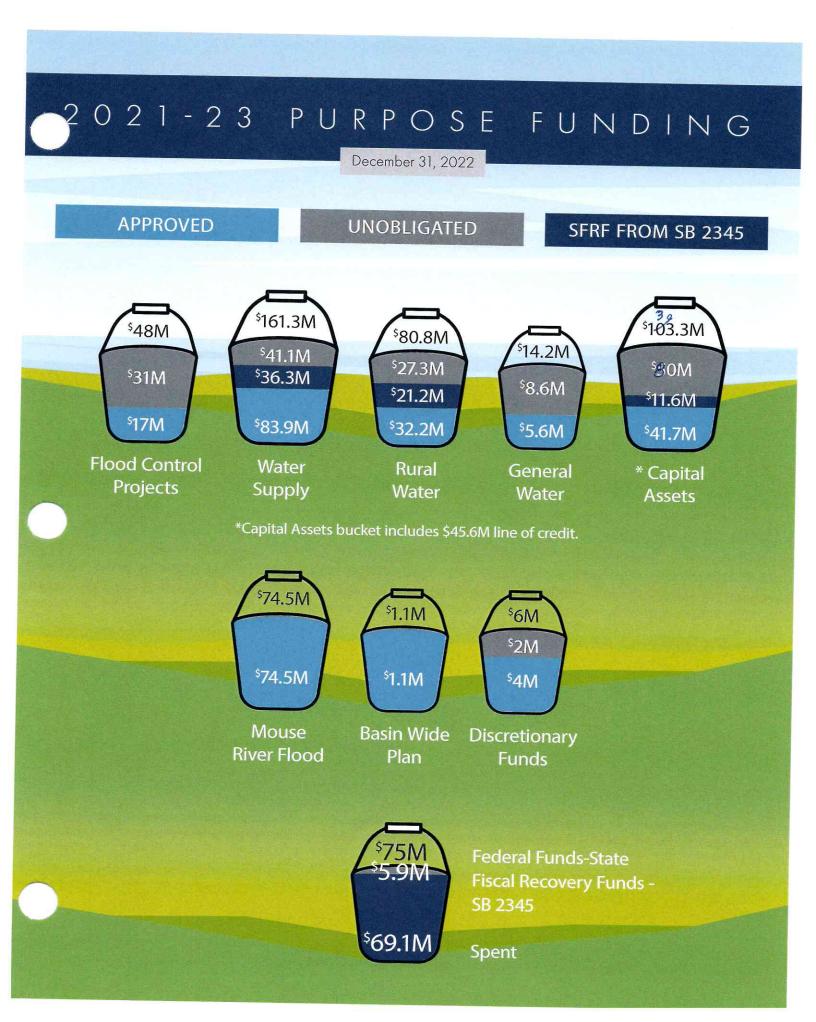
) facebook.com/RRVWSP

Options to general fund selected operations of the Department of Water Resources as request by Chairman Sorvaag for the Senate Education and Environment Committee.

· · · · · · · · · · · · · · · · · · ·	Option 1		Option 2			
·	General Fund	Other Funds	Total	General Fund	Other Funds	Total
SALARIES AND WAGES	\$18,547,059	\$5,262,819	\$23,809,878	\$9,008,417	\$14.801.461	\$23,809,878
OPERATING EXPENSES	21,294,089	38,184,979	59,479,068	9,261,901	50,217,167	59,479,068
CAPITAL ASSETS	3,923,950	168,472,394	172,396,344	2,094,500	170,301,844	172,396,344
WATER PROJECT GRANTS		439,233,275	439,233,275		439,233,275	439,233,275
TOTAL	\$43,765,098	\$651,153,467	\$694,918,565	\$20,364,818	\$674,553,747	\$694,918,565

Option 1 funds all operations of the DWR except the Development Division which includes NAWS, SWPP, and Devils Lake operations from the general fund.

Option 2 funds only the Administrative Division, Planning and Education Division, Atmospheric Resource Board, and data & technology of the DWR from general funds.



Rural Water Bucket Updated Implementation Timelines

Agassiz Water Users District - Gilby

Project Name: Reservoir 1 to 3 Transmission Expansion

Implementation Timeline: Planning: Completed Design: January – April 2023 Bidding: June 2023 Begin Construction: August 2023 Completion: August 2024

All Seasons Water Users District - Bottineau

Project Name: System 1 Expansion – Phase 2

Implementation Timeline: Planning: September 2023 Design: December 2023 – January 2024 Bidding: March 2024 Begin Construction: May 2024 Completion: June 2025

Cass Rural Water District - Kindred

Project Name: County Road 17 Improvements

Implementation Timeline: Planning: April 2023 Design: May 2023 Bidding: July 2023 Begin Construction: August 2023 Completion: November 2023

Project Name: System Wide Improvements

Implementation Timeline: Planning: November 2023 Design: January 2024 Bidding: March 2024 Begin Construction: June 2024 Completion: September 2025

Central Plains Water District - Fessenden

Project Name: Connection to the city of Maddock

Implementation Timeline: Planning: April – May 2023 Design: June – November 2023 Bidding: January 2024 Begin Construction: March 2024 Completion: June 2025

East Central Regional Water District - Thompson

Project Name: Individual Service to Galesburg

Implementation Timeline: Planning: Completed Design: February – May 2023 Bidding: May – June 2023* Begin Construction: August 2023 Completion: July 2024 *Project might be completed using 21-23 funds.

Project Name: Hillsboro Water Treatment Plant Expansion

Implementation Timeline: Planning: Fall 2023 Design: Summer 2024 Bidding: April 2025 Begin Construction: June 2025 Completion: December 2026

Project Name: Wellfield, Transmission and User Expansion

Implementation Timeline: Planning: Spring 2023 Design: Summer 2023 Bidding: October 2023 Begin Construction: Fall 2023 – Spring 2024 Completion: December 2024

Greater Ramsey Water District - Devils Lake

Project Name: North System Capacity Improvements

Implementation Timeline: Planning: November 2022 – January 2023 Design: February – June 2023 Bidding: August 2023 Begin Construction: September 2023 Completion: November 2024

McLean-Sheridan Rural Water District - Turtle Lake

Project Name: Phase 2 Water Treatment Plant Construction

Implementation Timeline: Planning: December 2022 Design: Early 2023 Bidding: May 2023 Begin Construction: July 2023 Completion: July 2025

Project Name: Phase 3 Expansion

Implementation Timeline: Planning: August 2023 Design: Fall 2023 Bidding: November 2023 Begin Construction: June 2024 Completion: Late 2024

Northeast Regional Water District - Cavalier

Project Name: Bulk Cities to Individual Service

Implementation Timeline: Planning: Summer – Fall 2023 Design: Winter 2023 – 2024 Bidding: May 2024 Begin Construction: June 2024 Completion: November 2026

Project Name: Water Treatment Plant and Wellfield Expansion

<u>Implementation Timeline:</u> Planning: January – May 2023 Design: June 2023 – February 2024 Bidding: February 2024 Begin Construction: June 2024 Completion: August 2025 (long lead times on material)

Various Rural Water Districts in Eastern ND

Project Name: Long Term Water Supply for Northeast North Dakota

Implementation Timeline: Planning: January – June 2023 Design: Fall 2024 Bidding: Spring 2025 Start Construction: Spring 2025 Completion: Summer 2026

Rolette County - Turtle Mtn. Public Utilities - Belcourt

Project Name: Highway 43 Reservoir and Pump Station Improvements

Implementation Timeline: Planning: March 2023 Design: August 2023 Bidding: April 2024 Begin Construction: July 2024 Completion: November 2025

Project Name: Three Mile Road Rural Water Main Improvements

Implementation Timeline: Planning: Completed Design: August 2023 Bidding: January 2024 Begin Construction: April 2024 Completion: November 2024

Project Name: Highway 43 and BIA 8 Water Main Improvements

Implementation Timeline: Planning: Completed Design: June 2023 Bidding: November 2023 Begin Construction: April 2024 Completion: August 2025

South Central Regional Water District - Bismarck

Project Name: Service to the city of Ashley

Implementation Timeline: Planning: June 2023 (assuming a favorable vote) Design: August 2023 Bidding: November 2023 Begin Construction: June 2024 Completion: December 2024

Southeast Water Users District - Mantador

Project Name: West System Water Treatment Plant Improvements

Implementation Timeline: Planning: April 2023 Design: May – November 2023 Bidding: December 2023 Begin Construction: March 2024 Completion: December 2025

Stutsman Rural Water District - Jamestown

Project Name: Raw Water Facilities Improvement

<u>Implementation Timeline:</u> Planning: Underway Design: Nearly complete Bidding: March 2023* Begin Construction: May 2023 Completion: November 2024 *Project might be completed using 21-23 funds.

Project Name: Service to the city of Streeter

Implementation Timeline: Planning: October – November 2023 Design: December 2023 – January 2024 Bidding: March 2024 Begin Construction: May 2024 Completion: November 2024

Tri-County Water District - Petersburg

Project Name: Phase 6 Expansion (Western Grand Forks and Eastern Nelson County)

Implementation Timeline: Planning: September 2023 Design: December 2023 – January 2024 Bidding: March 2024 Begin Construction: May 2024 Completion: June 2025

Project Name: Phase 7 Expansion (McVille Area)

Implementation Timeline: Planning: December 2023 Design: January – March 2024 Bidding: May 2024 Begin Construction: July 2024 Completion: July 2025

Upper Souris Rural Water District - Kenmare

Project Name: Systemwide User Expansion & Capacity Improvements - Phase 2

Implementation Timeline: Planning: August – September 2023 Design: October 2023 Bidding: February 2024 Begin Construction: June 2024 Completion: November 2025



SENATE APPROPRIATIONS -EDUCATION AND ENVIRONMENT DIVISION SB2020 COMMITTEE WORK

FEBRUARY 3, 2023



PRIMARY 2023 LEGISLATIVE REQUEST

STATE COMMITMENT TO THE PROJECT

Funding Commitment to Implement Project Not just 23/25 Biennium Work Plan

- The State has been a vital partner in the development of the Project. Now is the time to commit to full implementation of the Project.
- A strong State commitment provides confidence to local water systems deliberating on their level of involvement.
- Cost efficient build schedule to get the project into service sooner, reducing risks and inflationary impacts.

2023-25 BIENNIUM REQUEST

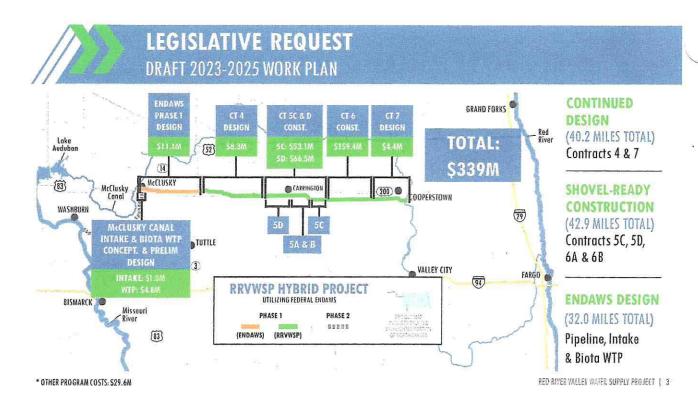
\$255 MILLION ----

Using State Cost Share Policy (72/25) leverages in additional \$85M in Local Funding for \$340M in total capabilities

Shovel-Ready Construction (43 Miles of Pipeline!)

Continued Design (40 Miles of Pipeline)

ENDAWS Phase 1 Design (32 Miles of Pipeline)





- Current Cost Opinion = \$58.6 mil (\$7.2 mil/mile)
- Ready to bid by July 3, 2023



RED RIVER VALLEY WATER SUPPLY PROJECT | 5

PROJECTED ECONOMIC BENEFITS OF RRVWSP DURING DROUGHT

\$33.6

LION.

"SAVING OUR ECONOMY" FROM THE IMPACTS OF SIGNIFICANT DROUGHT

Projected total positive Project impact in a "Dirty Thirties" style drought simulated from mid-2030s through the mid-2040s

FORECASTED SPEND SCHEDULES STATE COST-SHARE AND INFLATION MITIGATION

WHAT IF PROJECT IS FUNDED AT A SLOWER PACE THAN IS BEING REQUESTED?

STATE CONTRIBUTION (PER BIENNIUM)	RRVWSP PROJECTED COMPLETION DATE	ENDAWS PROJECTED COMPLETION DATE
\$85M	∞ (*Never)	∞ (*Never)
\$100M	∞ (*Never)	42-Years (Dec 2063)
\$150M	32-Years (June 2053)	22-Years (Dec 2043)
\$200M	21-Years (June 2042)	16-Years (June 2037)
\$250M	16-Years (Dec 2037)	12-Years (Dec 2033)

* Due to inflation outpacing project spend, project timeline is indefinite.

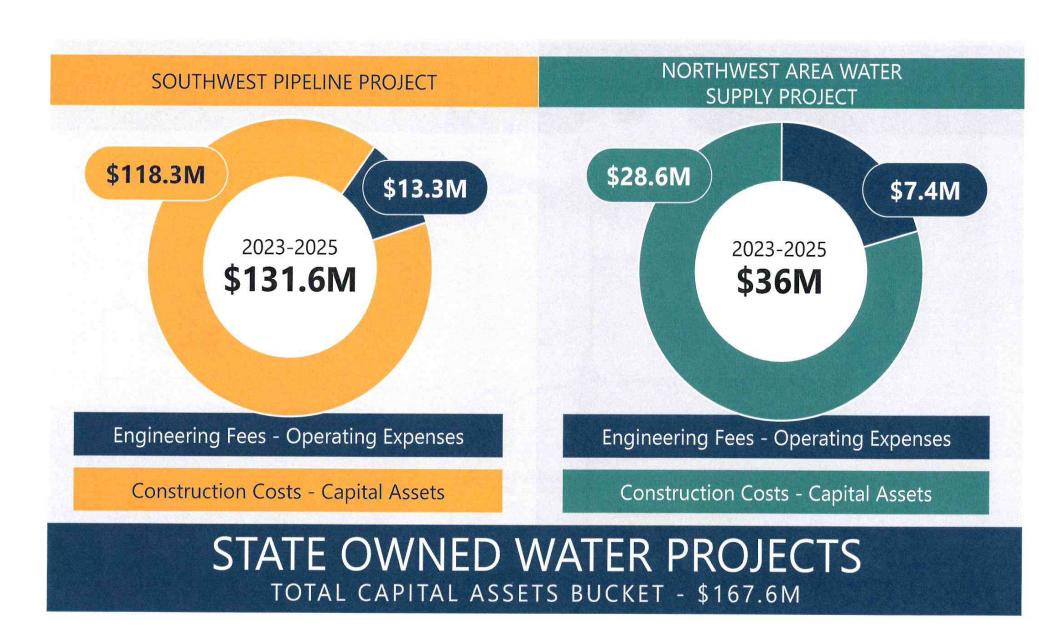
RED RIVER VALLEY WATER SUPPLY PROJECT | 7

FORECASTED SPEND SCHEDULES STATE COST-SHARE — INFLATION ADJUSTED

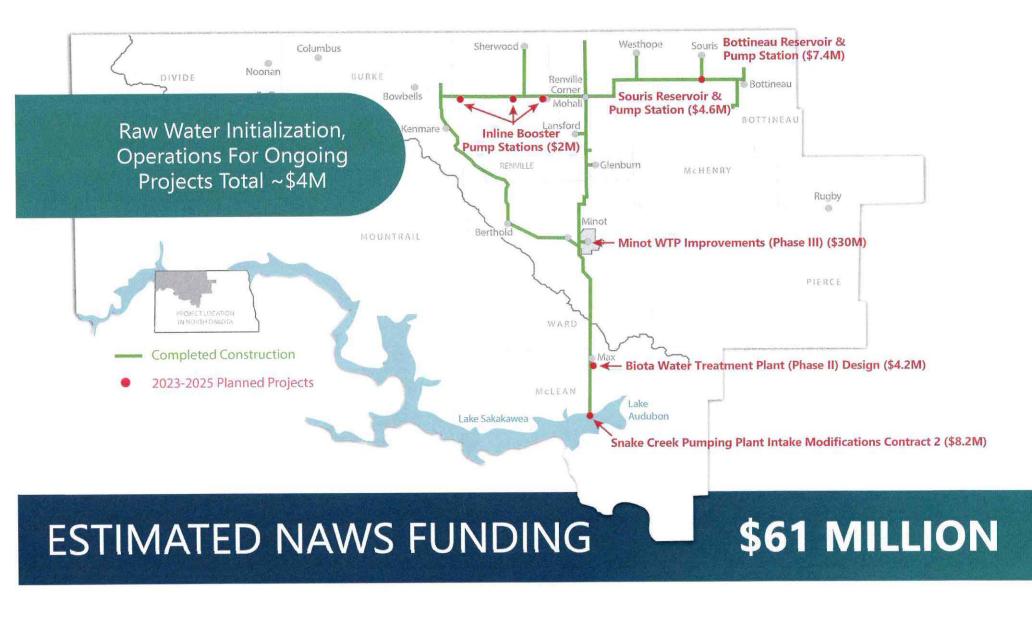
PROJECTED STATE-COST SHARE BY BIENNIUM (\$M)*

	21-23	23-25	25-27	27-29	29-31	31-33	TOTAL STATE SHARE (Savings)	REMAINING LOCAL SHARE (Savings)	TOTAL PROJECT (Savings)
RRVWSP: 10-Year	\$85.9	\$254.3	\$271.7	\$291.1	\$311.8	\$81.4	\$1 ,296 (-)	\$ 432 (-)	\$1 ,728 (-)
RRVWSP: 8-Year	\$85.9	\$254.3	\$392.5	\$420.4	\$109.7	-	\$1 ,263 (\$33)	\$ 421 (\$11)	\$1,684 (\$44)
ENDAWS: 8-Year	\$85.9	\$254.3	Ş280.9	\$301.0	\$78.5		\$1,001 (\$295)	\$333 (\$99)	\$1,334 (\$394)
ENDAWS: 6.5-Year	\$85.9	\$254.3	\$421.4	\$221.8	-	-	\$983 (\$313)	\$328 (\$104)	\$1,311 (\$417)

*State cost-share of 75% and inflation adjusted to the projected year of expenditure



#19622

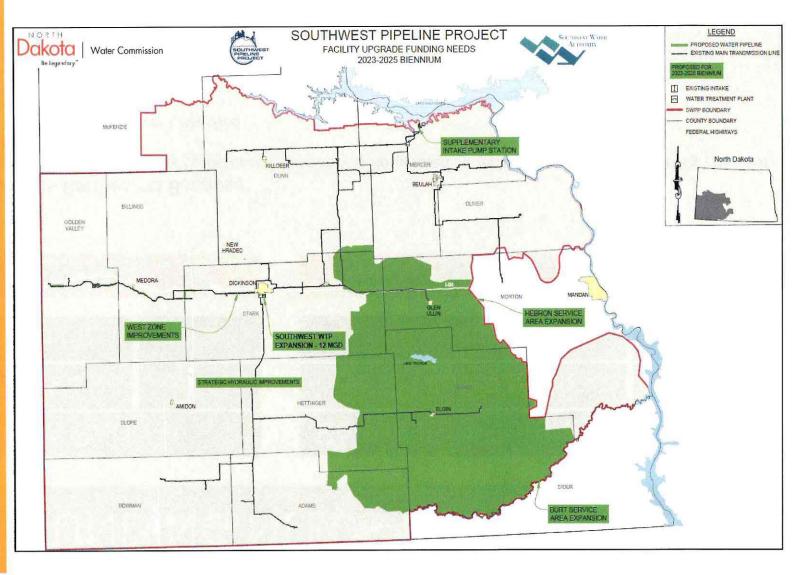


NAWS FUNDING NEEDS BREAKDOWN

In Executive Budget		Requested Potential Change			
RTF & City of Minot	\$36M	RTF & City of Minot	\$36M		
Federal Authority	\$25M	Federal Authority	\$78M*		
TOTAL \$61M		TOTAL \$114M	1		

- * Increased Authority Is Requested Because:
 - Budget Includes Spending Authority & Increased Authority Is Requested To Include Expenditure Authority For Prior Biennium Approved Projects
 - Buy America Build America Waiver Concerns
 - Line Of Credit Discussion

SWPP 2023-2025 PROJECTS



SWPP FUNDING NEEDS BREAKDOWN

Southwest Water Treatment Plant 12 MGD Expansion	\$83M			
Migrating Capacity From 60-70 Years Old WTP				
West Zone Transmission Facility Improvements	\$17.5M			
Improves Transmission Capacity For Belfield, South Heart, Medora, Sentinel Butte, Beach, Golva And Potential Rural Users				
Burt, Hebron Service Area Expansion	\$11.2M			
Over 650 Users Signed Up - Low Density Area With Very Low Service Level				
Strategic Hydraulic Improvements	\$5M			
Will Address Waiting List Users				
Supplementary Intake Pump Station	\$14M			
Ongoing Operational Expenses	\$0.75M			
Project Management, Professional Expenses For Ongoing Contracts, Legal				
TOTAL \$131.6M	W. Haller and			

SWPP FUNDING NEEDS DISCUSSION

SOUTHWEST WATER TREATMENT PLANT 12 MGD EXPANSION - \$83 M

- Equipment Procurement Bid Opening Expected May 2023 Award Expected June 2023 SWC Meeting (2021-2023 Funding)
- Construction Contract Bid Opening Expected Fall 2024 Award Expected October 2024 SWC Meeting
- Potential Funding Options:
 - Request Full Funding Authorization
 - Line Of Credit With Intent Language Needed
- Expansion Of SWTP In One Phase Will Save Construction Administration Costs And Inflationary Costs Due to Delay





2023-2025 LEGISLATIVE REQUEST: \$46M COST SHARE

NWRWD – BDW Rural Distribution Expansion (8-1) | Est. Cost Share: \$330K (PC)

This rural expansion will look to supply water to the communities of Lignite, Flaxton, Portal and the surrounding rural areas in Burke County. Expansion will also serve additional rural users throughout BDW's western service area of Divide County by installing new service lines and upgrading capacity of the existing system as needed.

NWRWD – Trenton Area Rural Distribution Expansion (8-2) | Est. Cost Share: \$622K (PC)

The project would currently service 40 rural users and a 60-lot single family home development between Hwy 2 and the Missouri River in southwestern Williams County. Potable water service would also be supplied to the industrial businesses of the Marley Crossing Industrial Park as part of this project.

R&TWD – Battleview & McGregor Rural Distribution Expansion (8-3) | Est. Cost Share: \$701K (PC)

This rural water expansion will be Phase II of the Battleview and McGregor Distribution Area. Water distribution pipelines ranging in size from 2.0-inch through 6.0-inch will be installed to service rural customers north of Battleview and McGregor along the Hwy 40 corridor in southwestern Burke County.

R&TWD – Stanley Transmission Improvements – Phase II (8-4) | Est. Cost Share: \$5.36M (C)

Phase II of the Stanley Transmission Improvements will add approximately 18 miles of 20.0-inch water pipeline between Tioga and Stanley along Highway 2. The result of the project will increase capacity to the bulk user cities of Tioga, Ross and Stanley and also provided additional capacity for future rural growth throughout Mountrail County and southern Burke County.

R&TWD – Blaisdell, Palermo, & Misc. Rural System Expansion (8-5) | Est. Cost Share: \$293K (PC)

This rural water service expansion is located in eastern Mountrail County north of the Hwy 2 corridor, southeastern Burke County, and northwestern Ward county along the hwy 8 and 50 corridors. The project will serve new rural customers and expand service to users within the communities of Palermo and Blaisdell.

MCWRD – System IV Improvements and Expansion (8-6) | Est. Cost Share: \$248K (PC)

This rural water service expansion is located in northwestern McKenzie County north of the Hwy 200 corridor. The Project will bring additional capacity to existing users and serve new rural customers throughout this area of McKenzie County.

MCWRD – System II Improvements and Expansion Project (8-7) | Est. Cost Share: \$5.78M (PC/C)

This rural water service expansion is located in eastern McKenzie County along the Hwy 23 corridor. The Project will bring additional capacity to existing users and serve new rural and commercial users throughout the corridor and around the Johnson's Corner area in McKenzie County.



MCWRD – Transmission System Expansion (8-8) | Est. Cost Share: \$1.45M (PC)

The project consists of preconstruction including study and report, preliminary engineering, final engineering and bidding phases for the expansion of the WAWSA Transmission System through McKenzie County. The project would entail a study and report of routing options for the transmission main corridor along with siting of pump stations and water reservoirs. Preliminary engineering would focus on surveying and layout of selected transmission main corridor. Final design would bring engineering disciplines of civil, structural, electrical, mechanical, and instrumentation and controls together to complete the design and bidding for the expansion of the WAWSA Transmission System Expansion within McKenzie County.

NWRWD - County Road 9 Service Area (8-9) | Est. Cost Share: \$4.32M (C)

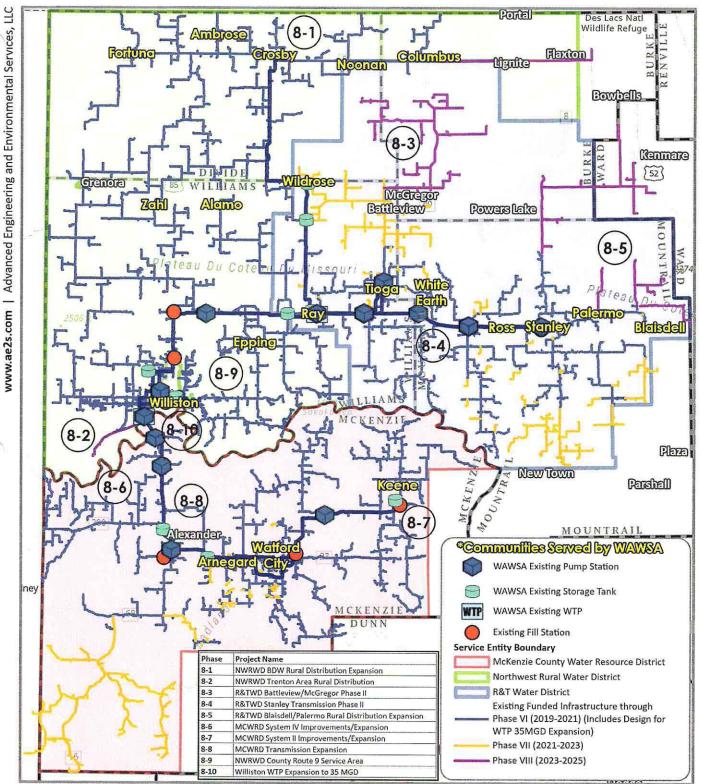
The project will service 115 new rural and commercial customers through the installation of 56 miles of 2.0inch through 6.0-inch water distribution pipelines east of the City of Williston in Williams County.

Williston – WTP Expansion to 35 MGD (8-10) | Est. Cost Share: \$26.91M (C)

The Williston water treatment plant is approaching maximum treatment capacity during summer months. To keep treatment capacity ahead of growing water demands, the expansion of the supply and treatment systems are needed. The design of the expansion is complete. The project would proceed with bidding once construction phase funding is secured. The construction phase may take up to 30 months with up to 6 months needed for system commissioning. Current domestic water demands are projected to exceed existing supply and treatment capacity in the near future.

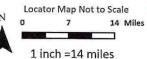
Proposed System Improvements/Expansion	2023-2025 State Cost Share Request	Bı	2023-2025 idgeted State Cost Share	Bu	2023-2025 dgeted Local Cost Share
NWRWD – BDW Rural Distribution Expansion	PC	\$	330,000	\$	110,000
NWRWD - Trenton Area Rural Distribution Expansion	PC	\$	622,500	\$	207,500
R&TWD - Battle View/McGregor Rural Distribution Expansion	PC	\$	701,250	\$	233,750
R&TWD - Stanley Transmission Improvements - Phase II	С	\$	5,362,500	\$	1,787,500
R&TWD - Blaisdell/Palermo & Misc. Rural Distribution System Expansion	PC	\$	292,500	\$	97,500
MCWRD - System IV Improvements/Expansion	PC	\$	247,500	\$	82,500
MCWRD - System II Improvements/Expansion	PC/C	\$	5,775,000	\$	1,925,000
MCWRD - Transmission System Expansion	PC	\$	1,447,500	\$	482,500
NWRWD – County Route 9 Service Area	С	\$	4,320,000	\$	1,440,000
Williston - WTP Expansion to 35 MGD	С	\$	26,910,000	\$	17,940,000
Subtotals		\$	46,008,750	S	24,306,250
Total 2023 - 2025 Biennium CIP				\$	70,315,000
PC = Preconstruction					
C = Construction					

WAWSA 2023-2023 Capital Improvements Plan Cost Summary



Information depicted may include data unverified by AE25. Any reliance upon such data is at the user's own risk. AE25 does not warrant this map or its features are either spatially or temporally accurate. Coordinate System: NAD 1983 StatePlane North Dakota North FIPS 3301 Feet | Edited by: dissick | C\Data\Projects\Nasun\W\WAWSA\GIS_General\Gis\WAWSA GIS General-Mapping and Analysis.aprx| WAWSA Rural Water System Phase Map





WESTERN AREA WATER SUPPLY PROJECT RURAL WATER DISTRICT MAP WAWSA



City of Bismarck 10 Million Gallon Per Day WTP Expansion

- Preliminary Design Began November 2022
- CMAR Proposals Received January 27, 2023
- CMAR Interviews/Selection March 2023
- Bid Package Prep & Bid Starting February 2024
- Ultrafiltration and Reverse Osmosis Membrane Procurement May 2024; Estimated Cost of \$8.75 Million
- Significant Project Completion February 2026
- Final Project Completion May 2026
- Total Estimated Project Cost = \$72 Million

2/16/23

		Proposed Senate	Proposed Senate	Governor's			
	Base Level	Adjustments	Version	Recommendation			
Capital Assets	98,467,437	167,379,801	265,847,238	172,396,344			
Water Supply Grants	125,000,000	158,000,000	283,000,000	270,000,000			
Rural Water Supply Grants	59,600,000	(19,600,000)	40,000,000	35,000,000			
Flood Control Projects	48,000,000	66,600,000	114,600,000	115,000,000			
General Water Grants	14,227,275	(2,227,275)	12,000,000	14,233,275			
Basinwide Plan Implementation	-	1,000,000	1,000,000	-			
Discretionary Funds	-	1,000,000	1,000,000	5,000,000			
NOTE: The Senate version for capital assets includes \$100 million from a line of credit and \$47.8 million from							
federal funds that were not included	in the Governor's	recommendation.	-				

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

Lass Loss : analing changes	F	Executive Budge	et Recommendati	on	1	Senat	e Version	f	Sen
	FTE	General	Other		FTE	General	Other		Incre FTE
	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total	Positions
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129	0.00
2023-25 Ongoing Funding Changes								Ken v v	
Base payroll changes			\$148,098	\$148,098			\$148,098	\$148,098	
Salary increase			1,404,288	1,404,288			1,049,393	1,049,393	
Health insurance increase			449,618	449,618			459,961	459,961	
Adds FTE positions	3.00		703,398	703,398	1			0	(3.00)
Adds funding for travel costs for new FTE positions			2,000	2,000				0	245 - 544
Adds a temporary employee for the Northwest Area Water Supply Project			170,000	170,000			170,000	170,000	
Adds funding to fund a temporary employee at the same level as an FTE position			61,609	61,609			61,609	61,609	
Adds funding for staff training and professional development			80,000	80,000			80,000	80,000	
Adds funding for IT unification			4,082,784	4,082,784			4,082,784	4,082,784	
Adds funding for PRESENS installations			1,572,800	1,572,800			1,572,800	1,572,800	
Adds funding for maintenance of ground water modeling and related hydrologic analysis software			22,000	22,000			22,000	22,000	
Adds funding from federal funds for RiskMAP			100,000	100,000			100,000	100,000	
Adjusts funding among line items, including an increase of \$5.9 million in professional fees			<u>8</u>	0			62	0	
and services, a \$1.8 million increase in other operating expenses, and a \$7.7 million decrease in capital assets									
Reduces funding for rural water supply grants				0			(19,600,000)	(19,600,000)	
Reduces funding for general water grants				0			(2,233,275)	(2,233,275)	
Adds funding for water supply grants				0			158,000,000	158,000,000	
Adds funding for flood control projects				0			66,600,000	66,600,000	
Adds funding for capital assets				0			23,473,352	23,473,352	
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	0.00	\$0	\$233,986,722	\$233,986,722	(3.00)
One-Time Funding Items								12.43	
Adds funding for new FTE positions equipment			\$19,320	\$19,320				\$0	
Adds funding for IT unification			1,532,980	1,532,980			1,532,980	1,532,980	
Adds funding for increased motor pool rates			118,180	118,180			118,180	118,180	
Adds funding for drilling supplies inflation			180,000	180,000			180,000	180,000	
Adds funding for a navigability study Adds funding for airborne electromagnetic			180,000 750,000	180,000			180,000	180,000	
survey (AEM) data collection			750,000	750,000			750,000	750,000	
Adds funding for ground water modeling and related hydrologic analysis software			72,665	72,665			72,665	72,665	
Adds funding for the potential relocation of the agency			200,000	200,000			200,000	200,000	
Adds funding for the Bowman radar system			1,800,000	1,800,000			1,800,000	1,800,000	
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000			1,800,000	1,800,000	
Adds one-time funding for flood control projects			67,000,000	67,000,000				0	
Adds one-time funding for water supply grants			120,400,000	120,400,000	l.			0	

23.0274.01002 Title.	Prepared by the Legislative Council staff for the Senate Appropriations - Education and
nuo.	Environment Division Committee
Fiscal No. 2	February 17, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2020

- Page 1, line 2, after "resources" insert "; to amend and reenact section 61-02-79 of the North Dakota Century Code and section 4 of chapter 20 of the 2021 Session Laws, relating to a Bank of North Dakota line of credit and state water commission discretionary funding; to provide legislative intent; to provide an exemption; and to declare an emergency"
- Page 1, line 7, remove "for the biennium beginning July 1, 2023, and ending June 30,"
- Page 1, line 8, replace "2025" with "for the period beginning with the effective date of this Act, and ending June 30, 2025"

Page 1, replace lines 9 through 20 with:

n		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - grants	125,000,000	158,000,000	283,000,000
Rural water supply - grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
Discretionary funding	0	1,000,000	1,000,000
General water - grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation	<u>0</u>	1,000,000	<u>1,000,000</u>
Total special funds	\$409,199,129	\$425,729,215	\$834,928,344
Full-time equivalent positions	90.00	3.00	93.00"

Page 1, line 21, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

- Page 1, line 22, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"
- Page 1, remove line 24

Page 2, replace lines 1 through 5 with:

"Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
Basinwide plan implementation	1,100,000	1,000,000
Discretionary funding	0	1,000,000
Equipment for new employees	0	19,320
Information technology unification	0	1,532,980
Increased motor pool rates	0	118,180
Drilling supplies inflation	0	180,000
Navigability study	0	180,000
Airborne electromagnetic survey data collection	0	750,000
Ground water modeling and hydrologic analysis software	0	72,665
Potential agency relocation	0	200,000
Radar system	0	1,800,000

Drilling rig replacement	0	1,800,000
Northwest area water supply	0	47,847,238
Discretionary water project funding	6,000,000	0
Mouse River flood control project	74,500,000	0
Water infrastructure projects	<u>75,000,000</u>	<u>0</u>
Total special funds	\$206,600,000	\$156,500,383

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

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

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

SECTION 5. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 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, 2025.

SECTION 6. PILOT PROJECT - BASINWIDE WATER PLAN **IMPLEMENTATION - REPORT TO LEGISLATIVE MANAGEMENT.** Of the \$1,000,000 in the basinwide plan implementation line item in section 1 of this Act, up to \$1,000,000 may be used to provide grants for the pilot project authorized in this section for the period beginning with the effective date of this Act, and ending June 30, 2025. These funds are not subject to state water commission cost-share policies. Water resource districts and joint water resource districts in a basin may develop a basinwide water plan identifying water conveyance, flood control, and other water projects to be undertaken in the basin, and may jointly apply to the state water commission for a grant of up to \$1,000,000 for implementation of the plan. The state water commission may select a basinwide plan submitted under this section for funding and enter into one cooperative agreement with the water resource districts and joint water resource districts that submitted the plan. The cooperative agreement must include the amount of funding the state water commission will provide, a prohibition on using funds granted for implementation of the plan for planning or any purpose other than implementation of the basinwide plan, and the obligations of the state water commission and each water resource district and joint water resource district in implementing the basinwide plan. The agreement also must provide for monitoring and oversight of the basinwide plan's

implementation. The department of water resources shall report to the legislative management on the results of this pilot project no later than August 1, 2024.

SECTION 7. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND. The total special funds line item in section 1 of this Act includes \$120,000,000 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, 2025.

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 <u>fiftyone</u> <u>hundred</u> million dollars at a rate of one and one-half percent over the three month-London interbank offered rate, but may not exceed three percent to the state watercommissionthe prevailing interest rate charged to North Dakota government entities. The state water commissiondepartment of water resources shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state watercommissiondepartment of water resources may access the line of credit, as necessary, to provide funding as authorized by the legislative assemblyup to fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project during the biennium beginning July 1, 20212023, and ending June 30, 20232025.

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

SECTION 4. APPROPRIATION - RESOURCES TRUST FUND -STATE WATER COMMISSION DISCRETIONARY FUNDING. There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the state water commission for thepurpose of providing discretionary funds for water projectgrantsdepartment of water resources to be used as necessary except for salaries and wages, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered to be a one-time funding item.

SECTION 10. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River water supply project in excess of a total of \$953,000,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly that of the \$953,000,000, \$175,000,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 11. 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-eighth legislative assembly that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

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

SECTION 13. EXEMPTION - LINE ITEM TRANSFERS. The office of management and budget shall transfer up to \$13,292,362 between the operating 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, 2025, 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 14. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to \$405,000,000 for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, and general water grants line items in section 1 of chapter 20 of the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021 Special Session Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2023-25 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 2021-23 biennium into the 2023-25 biennium.

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - State Water Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - Grants	125,000,000	158,000,000	283,000,000
Rural water supply - Grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
General water - Grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation		1,000,000	1,000,000
Discretionary funding		1,000,000	1,000,000
Loan repayment		30,000,000	30,000,000
Total all funds	\$409,199,129	\$455,729,215	\$864,928,344
Less estimated income	409,199,129	455,729,215	864,928,344
General fund	\$0	\$0	\$0
FTE	90.00	3.00	93.00

Department 770 - State Water Commission - Detail of Senate Changes

Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants Basinwide plan implementation Discretionary funding	Adjusts Funding for Base Payroll Changes ¹ \$148,098	Adds Funding for Salary and Benefit Increases ² \$1,509,354	Adds FTE Positions ³ \$703,398 2,000	Adds Funding for Other Operations and Compensation ⁴ \$576,609 5,512,584	Makes Other Base Budget Adjustments ⁵ (\$10,000) 7,744,789 (7,740,789) 6,000	Adds One- Time Funding ⁶ \$2,853,145 3,800,000
Loan repayment						30,000,000
Total all funds Less estimated income	\$148,098 148,098	\$1,509,354 1,509,354	\$705,398 705,398	\$6,089,193 6,089,193	\$0 0	\$36,653,145 36,653,145
General fund	\$0	<u> </u>	\$0	\$0	\$0	\$0
FTE	0.00	0.00	3.00	0.00	0.00	0.00
Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants Basinwide plan implementation Discretionary funding Loan repayment Total all funds Less estimated income General fund	Adjusts Funding for Water Projects ^ℤ \$205,857,302 158,000,000 (19,600,000) (66,600,000 (2,233,275) 1,000,000 (2,233,275) 1,000,000 \$410,624,027 410,624,027 \$0	Total Senate Changes \$2,927,459 16,112,518 201,916,513 158,000,000 (19,600,000) (6,600,000) (2,227,275) 1,000,000 1,000,000 30,000,000 \$455,729,215 \$0				

¹ Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

3.00

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>Federal Funds</u>	Other Funds	<u>Total</u>
Salary increase	\$23,689	\$1,025,704	\$1,049,393
Health insurance increase	12,102	447,859	459,961
Total	\$35,791	\$1,473,563	\$1,509,354

³ The following FTE positions and funding of \$2,000 for related travel expenses are added:

0.00

FTE

	FTE	Other
	Positions	<u>Funds</u>
Natural resources services	2.00	\$505,772
Engineering and planning services	<u>1.00</u>	<u>197,626</u>
Total	3.00	\$703,398

⁴ Funding for operations and salaries and wages is adjusted as follows:

Northwest area water supply temporary salaries Temporary employee benefits Staff training and development Information technology unification Pushing remote sensors (PRESENS) installations Groundwater modeling and hydrologic analysis softw RiskMAP (federal funds) Total ⁵ Funding is adjusted for other changes as follows:	ware maintenance	Salaries and <u>Wages</u> \$170,000 61,609 345,000 \$576,609	Operating Expenses \$80,000 4,082,784 1,227,800 22,000 100,000 \$5,512,584	Total \$170,000 61,609 80,000 4,082,784 1,572,800 22,000 100,000 \$6,089,193
	Other Funds			
Reduces funding for salaries and wages	(\$10,000)			
Increases funding for operating expenses,	7,744,789			
including \$5.9 million for professional fees and				
services Reduces funding for capital assets	(7,740,789)			
Increases funding for general water grants	6.000			
Total	<u>0,000</u> \$0			
	+-			
⁶ One-time funding is added as follows:				
	Other Funds			
New FTE equipment	\$19,320			
Information technology unification	1,532,980			
Increased motor pool rates	118.180			
Drilling supplies inflation Navigability study	180,000 180,000			
Airborne electromagnetic survey data collection	750,000			
Ground water modeling and hyrdological analysis	72,665			
software	,			
Agency relocation	200,000			
Drilling rig replacement	1,800,000			
Bowman radar system	<u>1,800,000</u>			
Total	\$6,653,145			

A section is also added to appropriate \$30 million from the water projects stabilization fund to repay loans issued by the Bank of North Dakota for the Western Area Water Supply Authority.

⁷ Funding for water projects is adjusted as follows:

Increase funding for capital assets, including \$47.8 million from federal funds for the Northwest Area Water Supply Project and \$100 million from a line of credit	Total Funds \$205,857,302
Increase funding for water supply grants Decrease funding for rural water supply grants Increase funding for flood control projects Decrease funding for general water grants Add one-time funding for basinwide plan implementation	158,000,000 (19,600,000) 66,600,000 (2,233,275) 1,000,000
Add one-time funding for discretionary water projects Total	<u>1,000,000</u> \$410,624,027

This amendment also adds sections to:

• Appropriate any additional funds in the resources trust fund to the Department of Water Resources for expenses of the department, excluding operating expenses and salaries and wages.

• Appropriate \$30 million from the water projects stabilization fund to repay Bank of North Dakota loans for the Western Area Water Supply Authority.

• Provide that the discretionary funds line item may be used as necessary, except for salaries and wages.

- Provide that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.
- Identify \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
- Provide for the Bank to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for the Northwest Area Water Supply Project and \$50 million may be used for the Southwest Pipeline Project.
- Amend 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.
- Provide legislative intent for a total of \$953 million for the Red River Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.
- Provide legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.
- Provide legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.
- Provide authority for the Department of Water Resources to transfer up to \$13.3 million between the operating expenses and capital assets line items.
- Provide that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.
- Declare the bill to be an emergency measure.

23.0274.01002 Title.

Fiscal No. 2

Ŷ

Prepared by the Legislative Council staff for the Senate Appropriations - Education and Environment Division Committee February 17, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2020

- Page 1, line 2, after "resources" insert "; to amend and reenact section 61-02-79 of the North Dakota Century Code and section 4 of chapter 20 of the 2021 Session Laws, relating to a Bank of North Dakota line of credit and state water commission discretionary funding; to provide legislative intent; to provide an exemption; and to declare an emergency"
- Page 1, line 7, remove "for the biennium beginning July 1, 2023, and ending June 30,"
- Page 1, line 8, replace "2025" with "for the period beginning with the effective date of this Act, and ending June 30, 2025"

Page 1, replace lines 9 through 20 with:

u .		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - grants	125,000,000	158,000,000	283,000,000
Rural water supply - grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
Discretionary funding	0	1,000,000	1,000,000
General water - grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation	<u>0</u>	1,000,000	<u>1,000,000</u>
Total special funds	\$409,199,129	\$425,729,215	\$834,928,344
Full-time equivalent positions	90.00	3.00	93.00"

Page 1, line 21, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

- Page 1, line 22, after "biennium" insert "and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act"
- Page 1, remove line 24

Page 2, replace lines 1 through 5 with:

"Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
Basinwide plan implementation	1,100,000	1,000,000
Discretionary funding	0	1,000,000
Equipment for new employees	0	19,320
Information technology unification	0	1,532,980
Increased motor pool rates	0	118,180
Drilling supplies inflation	0	180,000
Navigability study	0	180,000
Airborne electromagnetic survey data collection	0	750,000
Ground water modeling and hydrologic analysis software	0	72,665
Potential agency relocation	0	200,000
Radar system	0	1,800,000

23.0274.01002

Drilling rig replacement	0	1,800,000
Northwest area water supply	0	47,847,238
Discretionary water project funding	6,000,000	0
Mouse River flood control project	74,500,000	0
Water infrastructure projects	75,000,000	<u>0</u>
Total special funds	\$206,600,000	\$156,500,383

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

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

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

SECTION 5. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 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, 2025.

SECTION 6. PILOT PROJECT - BASINWIDE WATER PLAN **IMPLEMENTATION - REPORT TO LEGISLATIVE MANAGEMENT.** Of the \$1,000,000 in the basinwide plan implementation line item in section 1 of this Act, up to \$1,000,000 may be used to provide grants for the pilot project authorized in this section for the period beginning with the effective date of this Act, and ending June 30, 2025. These funds are not subject to state water commission cost-share policies. Water resource districts and joint water resource districts in a basin may develop a basinwide water plan identifying water conveyance, flood control, and other water projects to be undertaken in the basin, and may jointly apply to the state water commission for a grant of up to \$1,000,000 for implementation of the plan. The state water commission may select a basinwide plan submitted under this section for funding and enter into one cooperative agreement with the water resource districts and joint water resource districts that submitted the plan. The cooperative agreement must include the amount of funding the state water commission will provide, a prohibition on using funds granted for implementation of the plan for planning or any purpose other than implementation of the basinwide plan, and the obligations of the state water commission and each water resource district and joint water resource district in implementing the basinwide plan. The agreement also must provide for monitoring and oversight of the basinwide plan's

implementation. The department of water resources shall report to the legislative management on the results of this pilot project no later than August 1, 2024.

SECTION 7. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND. The total special funds line item in section 1 of this Act includes \$120,000,000 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, 2025.

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 fiftyone <u>hundred</u> million dollars at a rate of one and one-half percent over the three month <u>London interbank offered rate</u>, but may not exceed three percent to the state water commissionthe prevailing interest rate charged to North Dakota government entities. The state water commissiondepartment of water resources shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commissiondepartment of water resources may access the line of credit, as necessary, to provide funding as authorized by the legislative assemblyup to fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project during the biennium beginning July 1, 20212023, and ending June 30, 20232025.

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

SECTION 4. APPROPRIATION - RESOURCES TRUST FUND -STATE WATER COMMISSION DISCRETIONARY FUNDING. There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the state water commission for the purpose of providing discretionary funds for water project grantsdepartment of water resources to be used as necessary except for salaries and wages, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered to be a one-time funding item.

SECTION 10. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River water supply project in excess of a total of \$953,000,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly that of the \$953,000,000, \$175,000,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 11. 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-eighth legislative assembly that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

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

SECTION 13. EXEMPTION - LINE ITEM TRANSFERS. The office of management and budget shall transfer up to \$13,292,362 between the operating 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, 2025, 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 14. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to \$405,000,000 for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, and general water grants line items in section 1 of chapter 20 of the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021 Special Session Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2023-25 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 2021-23 biennium into the 2023-25 biennium.

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - State Water Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	201,916,513	300,383,950
Water supply - Grants	125,000,000	158,000,000	283,000,000
Rural water supply - Grants	59,600,000	(19,600,000)	40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000
General water - Grants	14,227,275	(2,227,275)	12,000,000
Basinwide plan implementation		1,000,000	1,000,000
Discretionary funding		1,000,000	1,000,000
Loan repayment		30,000,000	30,000,000
Total all funds	\$409,199,129	\$455,729,215	\$864,928,344
Less estimated income	409,199,129	455,729,215	864,928,344
General fund	\$0	\$0	\$0
FTE	90.00	3.00	93.00

Department 770 - State Water Commission - Detail of Senate Changes

Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants	Adjusts Funding for Base Payroll Changes ¹ \$148,098	Adds Funding for Salary and Benefit Increases ² \$1,509,354	Adds FTE Positions ³ \$703,398 2,000	Adds Funding for Other Operations and Compensation 4 \$576,609 5,512,584	Makes Other Base Budget Adjustments⁵ (\$10,000) 7,744,789 (7,740,789)	Adds One- Time Funding ^s \$2,853,145 3,800,000
Flood control projects General water - Grants Basinwide plan implementation Discretionary funding Loan repayment					6,000	30,000,000
Total all funds Less estimated income General fund	\$148,098 148,098 \$0	\$1,509,354 	\$705,398 	\$6,089,193 6,089,193 \$0	\$0 	\$36,653,145 36,653,145 \$0
FTE	0.00	0.00	3.00	0.00	0.00	0.00
Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants Basinwide plan implementation Discretionary funding Loan repayment	Adjusts Funding for Water Projects ^z \$205,857,302 158,000,000 (19,600,000) 66,600,000 (2,233,275) 1,000,000 1,000,000	Total Senate Changes \$2,927,459 16,112,518 201,916,513 158,000,000 (19,600,000) 66,600,000 (2,227,275) 1,000,000 1,000,000 30,000,000				
Total all funds Less estimated income General fund	\$410,624,027 410,624,027 \$0	\$455,729,215 455,729,215 \$0				

¹ Funding is adjusted for base payroll changes, including the cost to continue 2021-23 biennium salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

3.00

	Federal Funds	Other Funds	Total
Salary increase	\$23,689	\$1,025,704	\$1,049,393
Health insurance increase	12,102	447,859	459,961
Total	\$35,791	\$1,473,563	\$1,509,354

³ The following FTE positions and funding of \$2,000 for related travel expenses are added:

0.00

FTE

	FTE <u>Positions</u>	Other <u>Funds</u>
Natural resources services	2.00	\$505,772
Engineering and planning services	<u>1.00</u>	197,626
Total	3.00	\$703,398

⁴ Funding for operations and salaries and wages is adjusted as follows:

Northwest area water supply temporary salaries Temporary employee benefits Staff training and development Information technology unification Pushing remote sensors (PRESENS) installations Groundwater modeling and hydrologic analysis software maintenance RiskMAP (federal funds) Total	Salaries and <u>Wages</u> \$170,000 61,609 345,000 \$576,609	Operating Expenses \$80,000 4,082,784 1,227,800 22,000 100,000 \$5,512,584	<u>Total</u> \$170,000 61,609 80,000 4,082,784 1,572,800 22,000 <u>100,000</u> \$6,089,193
⁵ Funding is adjusted for other changes as follows:			
Reduces funding for salaries and wages (\$10,000)			
Increases funding for operating expenses, 7,744,789 including \$5.9 million for professional fees and services			
Reduces funding for capital assets (7,740,789)			
Increases funding for general water grants6,000Total\$0			
⁶ One-time funding is added as follows:			
Other Funds			
New FTE equipment \$19,320			
Information technology unification 1,532,980			
Increased motor pool rates 118.180			8
Drilling supplies inflation 180,000 Navigability study 180,000			
Airborne electromagnetic survey data collection 750,000			
Ground water modeling and hyrdological analysis 72,665			
software			
Agency relocation 200,000			
Drilling rig replacement 1,800,000			
Bowman radar avatam 1 900 000			

A section is also added to appropriate \$30 million from the water projects stabilization fund to repay loans issued by the Bank of North Dakota for the Western Area Water Supply Authority.

1,800,000

\$6,653,145

⁷ Funding for water projects is adjusted as follows:

Bowman radar system

Total

Increase funding for capital assets, including \$47.8 million from federal funds for the Northwest Area Water Supply Project and \$100 million from a line of credit	Total Funds \$205,857,302
Increase funding for water supply grants Decrease funding for rural water supply grants Increase funding for flood control projects Decrease funding for general water grants Add one-time funding for basinwide plan implementation	158,000,000 (19,600,000) 66,600,000 (2,233,275) 1,000,000
Add one-time funding for discretionary water projects Total	<u>1,000,000</u> \$410,624,027

This amendment also adds sections to:

Appropriate any additional funds in the resources trust fund to the Department of Water Resources for expenses of the department, excluding operating expenses and salaries and wages.

Appropriate \$30 million from the water projects stabilization fund to repay Bank of North Dakota loans for the
Western Area Water Supply Authority.

[·] Provide that the discretionary funds line item may be used as necessary, except for salaries and wages.

- Provide that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.
- · Identify \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
- Provide for the Bank to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for the Northwest Area Water Supply Project and \$50 million may be used for the Southwest Pipeline Project.
- Amend 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.
- Provide legislative intent for a total of \$953 million for the Red River Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.
- Provide legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.
- Provide legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.
- Provide authority for the Department of Water Resources to transfer up to \$13.3 million between the operating expenses and capital assets line items.
- Provide that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.
- Declare the bill to be an emergency measure.

Rural Water Supply DWR Project Summary December 2022

System	Project	Approved	Total Approved	Total Payments	P.I			
North Central	Carpio/Berthold Phase 2	4/1/2015	\$258,691	so	Balance	% of Balance		
All Seasons	System 4 Connection to System 1	12/11/2015	\$4,900,000		\$258,691	0.69%		
North Central	Mountrail Expansion Phase 2	8/23/2017	\$2,919,153	\$71,215	\$4,828,785	12.86%	\$5,087,476	13.55%
North Central	Mountrail Expansion Phase 3	8/23/2017		\$1,015,105	\$1,904,048	5.07%		101.1.191.5
Tri-County	System Expansion Project	8/9/2018	\$3,384,126	\$31,816	\$3,352,310	8.93%	\$5,256,358	14.00%
Dakota	2019 Expansion	4/9/2020	\$28,929	\$0	\$28,929	0.08%	\$28,929	0.08%
East Central	2019 Expansion Phase IV		\$2,053,156	\$2,053,156	\$0	0.00%		
North Prairie	Minot to Velva Highway 52 Improvement	10/8/2020	\$2,520,722	\$2,000,484	\$520,238	1.39%		
Walsh	Drayton Water Supply Project - Phase 1 & 2	10/8/2020	\$609,148	\$8,440	\$600,708	1.60%	\$1,120,946	2.98%
Southeast	West System Supply Study	2/11/2021	\$7,323,029	\$3,839,694	\$3,483,335	9.27%		
ast Central		2/11/2021	\$134,408	\$113,716	\$20,692	0.06%		
ast Central	Hatton Water Supply	4/8/2021	\$75,000	\$75,000	\$0	0.00%		
lortheast	Grandin Water Supply	6/8/2021	\$185,953	\$124,343	\$61,610	0.16%		
	Expansion - Adams/Walsh RWD	6/8/2021	\$50,000	\$50,000	\$0	0.00%		
arnes	2021 Storage Expansion	10/14/2021	\$112,000	\$112,000	\$0	0.00%	\$3,565,637	9.49%
	Total Rural Water Carryover	WAREN SHOW	\$24,554,315	\$9,494,969	\$15,059,346	40.10%	\$15,059,346	40.10%
lortheast	Expansion - Adams/Walsh RWD	6/8/2021	\$160,000	\$138,561	\$21,439	0.06%	¥10,000,040	40.10%
akota	2019 Expansion	8/12/2021	\$904,144	\$9,126	\$895,018	2.38%		
ast Central	Hatton Water Supply	8/12/2021	\$1,058,276	\$536,391	\$521,885			
pper Souris	2021 Improvements and Expansion	8/12/2021	\$590,000	\$154,020	\$435,980	1.39%		
arnes	2021 Storage Expansion	10/14/2021	\$770,711	\$647,280		1.16%		
gassiz	2022 Expansion Phase 2	10/14/2021	\$332,500	\$26,250	\$235,430	0.63%		
iss	2022 System Distribution Project	10/14/2021	\$2,517,095		\$306,250	0.82%		
cLean-Sheridan	McClusky Water Tower Replacement	2/23/2022	\$2,517,559	\$203,472	\$2,313,623	6.16%		
cLean-Sheridan	System Improvements Phase 2	2/23/2022		\$687,622	\$1,889,937	5.03%		
alsh	Interconnect with NRWD		\$5,490,186	\$2,613,474	\$2,876,712	7.66%		
kota	Service to Hannaford and WTP Expansion	2/23/2022	\$2,175,000	\$142,208	\$2,032,792	5.41%		
st Central		4/12/2022	\$575,075	\$59,400	\$515,675	1.37%		
st Central	Grandin Water Supply	4/12/2022	\$528,000	\$0	\$528,000	1.41%		
	WTP and Transmission Expansion	4/12/2022	\$2,942,619	\$1,086,432	\$1,856,187	4.94%		
alsh	Drayton Water Supply Project	4/12/2022	\$1,025,300	\$0	\$1,025,300	2.73%		
ntral Plains	Maddock WTP Feasibility Study	5/3/2022	\$26,000	\$0	\$26,000			

Turtle Mtn.	Highway 43 Corridor Expansion	6/7/2022	\$2,600,000	\$1,256,308	\$1,343,692	3.58%		
Missouri West	South Mandan Expansion	8/11/2022	\$81,000	\$0	\$81,000	0.22%		
North Prairie	Minot to Velva Highway 52 Improvement	8/30/2022	\$2,022,000	\$0	\$2,022,000	5.38%		
East Central	Service to Galesburg	10/13/2022	\$120,000	\$0	\$120,000	0.32%		
South Central	Hawktree Tank	10/13/2022	\$120,000	\$0	\$120,000	0.32%		
Stutsman	Well Field Expansion	10/13/2022	\$250,000	\$0	\$250,000	0.67%		
All Seasons	Rolla Area Booster	10/3/2022	\$26,000	\$0	\$26,000	0.07%		
All Seasons	System 4 Connection to System 1	12/9/2022	\$2,180,000	\$0	\$2,180,000	5.80%		
McLean-Sheridan	WTP Expansion	12/9/2022	\$350,603	\$0	\$350,603	0.93%	\$22,499,306	59.90%
	Total Rural Water 2021-2023		\$30,012,068	\$7,624,761	\$22,499,306	59.90%	\$22,499,306	59.90%
North Central	Mountrail Expansion Phase II	8/23/2017	\$62,475	\$62,475	\$0			
North Central	Mountrail County Water Phase II	8/23/2017	\$2,055	\$2,055	\$0			
Dakota	2019 Expansion	8/12/2021	\$972,856	\$972,856	\$0			
East Central	2019 Expansion Phase IV	10/8/2020	\$144,521	\$144,521	\$0			
North Prairie	Minot to Velva Highway 52 Improvement	10/8/2020	\$2,464,882	\$2,464,882	\$0			
East Central	Grandin Water Supply	6/8/2021	\$1,454,047	\$1,454,047	\$0			
East Central	Hatton Water Supply	4/12/2022	\$624,724	\$624,724	\$0			
Barnes	2021 Storage Expansion	10/14/2021	\$1,491,689	\$1,491,689	\$0			
McLean-Sheridan	McClusky Water Tower Replacement	2/23/2022	\$467,441	\$467,441	\$0			
East Central	WTP and Transmission Expansion	8/11/2022	\$727,381	\$727,381	\$0			
McLean-Sheridan	System Improvements Phase 2	2/23/2022	\$1,667,714	\$1,667,714	\$0			
Cass	2022 System Distribution Project	6/7/2022	\$148,905	\$148,905	\$0			
Cass	ND Soybean Processors Facility & Pipeline	4/12/2022	\$10,583,000	\$158,970	\$10,424,030			
Dakota	Service to Hannaford and WTP Expansion	4/12/2022	\$121,725	\$121,725	\$0	3 6 4		
McLean-Sheridan	WTP Expansion	12/9/2022	\$34,898	\$34,898	\$0			
	SB2345 (SFRF)		\$20,968,313	\$10,544,283	\$10,424,030			
	Total Rural Water Supply		\$54,566,383	\$17,119,730	\$37,558,652	100.00%	\$37,558,652	100.00%

	Budget	Approved	Balance
Other Rural Water	\$57,428,200	\$30,012,068	\$27,416,132
Other Rural Water - Completed	\$2,171,800	\$2,171,800	\$0
Budget Rural Water 2021-2023	\$59,600,000	\$32,183,868	\$27,416,132

#21163

Local Sponsor	Project Name	SWC 22 25 Count		N
Agassiz Water Users District	Reservoir 1 to 3 Transmission Expansion	SWC 23-25 Grant		Total Project Cost
All Seasons Water Users District	System 1 Expansion - Phase 2	\$2,150,550	\$716,850	\$2,867,400
Cass Rural Water District		\$7,125,000	\$2,375,000	\$9,500,000
Cass Rural Water District	County Road 17 Improvements	\$891,675	\$297,225	\$1,188,900
	System Wide Improvements	\$1,575,000	\$525,000	\$2,100,000
Central Plains Water District	Connection to the city of Maddock	\$3,750,000	\$1,250,000	\$5,000,000
East Central Regional Water District	Individual Service to Galesburg*	\$1,337,737	\$445,913	\$1,783,650
East Central Regional Water District	Hillsboro WTP Expansion	\$2,124,513	\$708,171	\$2,832,684
East Central Regional Water District	Wellfield, Transmission & User Expansion	\$5,954,906	\$1,984,968	\$7,939,874
Greater Ramsey Water District	North System Capacity Improvements	\$3,216,410	\$1,072,137	\$4,288,547
McLean-Sheridan Rural Water District	Phase 2 WTP Construction	\$4,800,000	\$1,600,000	\$6,400,000
McLean-Sheridan Rural Water District	Phase 3 Expansion	\$2,300,000	\$800,000	\$3,100,000
Missouri West Water System	Fort Abraham Lincoln State Park Improvements	\$744,000	\$248,000	\$992,000
North Prairie Regional Water District	Reservoir 3 to Max Transmission Line	\$1, <mark>918,000</mark>	\$639,000	\$2,557,000
Northeast Regional Water District	Bulk Cities to Individual Services	\$2,698,986	\$899,662	\$3,598,648
Northeast Regional Water District	WTP and Wellfield Expansion	\$4,500,000	\$1,500,000	\$6,000,000
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply	\$6,255,647	\$2,085,215	\$8,340,862
Rolette County - Turtle Mountain	Highway 43 Reservoir & Pump Station Improvements	\$3,000,000	\$2,000,000	\$5,000,000
Rolette County - Turtle Mountain	Three Mile Road Rural Water Main Replacement	\$1,125,000	\$875,000	\$2,000,000
Rolette County - Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement	\$4,822,500	\$3,607,500	\$8,430,000
South Central Regional Water District	Service to the city of Ashley	\$6,655,440	\$2,218,480	\$8,873,920
Southeast Water Users District	West System Water Treatment Plant Improvements	\$10,350,000	\$3,450,000	\$13,800,000
Stutsman Rural Water District	Raw Water Facilities Improvement*	\$3,203,250	\$1,067,750	\$4,271,000
Stutsman Rural Water District	Service to the city of Streeter	\$582,000	\$194,000	\$776,000
Tri-County Water District	Phase 6 Expansion	\$1,350,000	\$450,000	\$1,800,000
Tri-County Water District	Phase 7 Expansion - McVille Area	\$2,464,500	\$821,500	\$3,286,000
Upper Souris Rural Water District	Improvements & Expansion - Phase 2	\$3,750,000	\$1,250,000	\$5,000,000
	- D	Totals: \$85,983,114	\$33,081,371	\$121,726,485
	*Might he funded using 21-22 funds	700,000,114	<i>433,001,37</i> 1	\$121,720,403

*Might be funded using 21-23 funds.

Prepared for the Senate Appropriations Committee

Department 770 - Department of Water Resources Senate Bill No. 2020

Executive Budget Comparison to Base Level								
General Fund Other Funds Total								
2023-25 Executive Budget	\$0	\$694,918,565	\$694,918,565					
2023-25 Base Level	0	409,199,129	409,199,129					
Increase (Decrease)	\$0	\$285,719,436	\$285,719,436					

Selected Budget Changes Recommended in the Executive Budget								
	General Fund	Other Funds	Total					
1. Adds funding for pushing remote sensors (PRESENS) installations	\$0	\$1,572,800	\$1,572,800					
2. Adds funding for IT unification, including \$1,532,980 of one-time funding	\$0	\$5,615,764	\$5,615,764					
3. Adds one-time funding for flood control projects to provide a total of \$115 million	\$0	\$67,000,000	\$67,000,000					
4. Adds one-time funding for water supply grants to provide a total of \$270 million	\$0	\$120,400,000	\$120,400,000					
5. Adds one-time funding for capital improvements to provide a total of \$172.4 million	\$0	\$77,869,696	\$77,869,696					
6. Adds one-time funding for discretionary water projects	\$0	\$5,000,000	\$5,000,000					

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Additional income - Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.

Exemption - Water-related projects - Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.

Loan repayment - Appropriation - Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority. This amount is not included in the executive budget appropriation.

Discretionary funding - Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.

Line item transfers - Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor reported the Department of Water Resources did not properly account for the sale of land, making their expenditures and other financing sources understated by \$461,500.

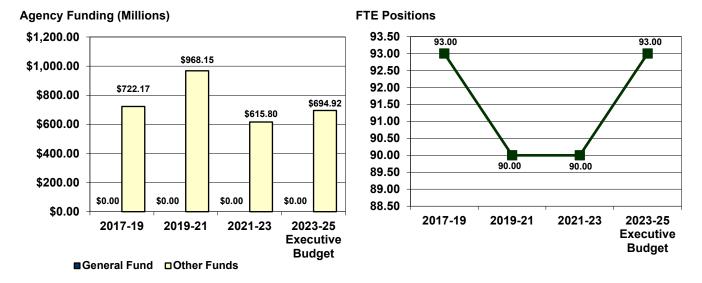
Major Related Legislation

Senate Bill No. 2036 - Provides for a uniform assessment procedure for all water projects by addressing conflicts and redundancies throughout Title 61.

Senate Bill No. 2037 - Provides for a cost-benefit analysis for assessment projects costing \$1 million or more.

Historical Appropriations Information

Agency Appropriations and FTE Positions



Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing other funds appropriations	\$868,935,836	\$647,173,475	\$867,254,091	\$409,199,129	\$417,995,724
Increase (decrease) from previous biennium	N/A	(\$221,762,361)	\$220,080,616	(\$458,054,962)	\$8,796,595
Percentage increase (decrease) from previous biennium	N/A	(25.5%)	34.0%	(52.8%)	2.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(25.5%)	(0.2%)	(52.9%)	(51.9%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

1. Removed 4 FTE positions and related funding	(\$753,720)
 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
 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

 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 (Executive Budget Recommendation)	
 Adds 3 FTE positions, including 2 FTE natural resources services II positions and 1 FTE engineering and planning services IV position 	\$703,398
2. Adds funding for IT unification	\$4,082,784
3. Adds funding for PRESENS installations	\$1,572,800

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time other funds appropriations	\$290,000,000	\$75,000,000	\$100,900,000	\$206,600,000	\$276,922,841

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	
 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 (Executive Budget Recommendation)	
1. Adds funding for IT unification	\$1,532,980
2. Increases funding for flood control projects to provide a total of \$115 million	\$67,000,000
3. Increases funding for water supply grants to provide a total of \$270 million	\$120,400,000
4. Increases funding for capital improvements to provide a total of \$172.4 million	\$77,869,696
5. Adds funding for discretionary water projects	\$5,000,000

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

Base Level Funding Changes	Executive Budget Recommendation								
	FTE Positions	General Fund	Other Funds	Total					
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129					
2023-25 Ongoing Funding Changes									
Base payroll changes			\$148,098	\$148,098					
Salary increase			1,404,288	1,404,288					
Health insurance increase			449,618	449,618					
Adds FTE positions	3.00		703,398	703,398					
Adds funding for travel costs for new FTE positions			2,000	2,000					
Adds a temporary employee for the Northwest Area Water Supply Project			170,000	170,000					
Adds funding to fund a temporary employee at the same level as an FTE position			61,609	61,609					
Adds funding for staff training and professional development			80,000	80,000					
Adds funding for IT unification			4,082,784	4,082,784					
Adds funding for PRESENS installations			1,572,800	1,572,800					
Adds funding for maintenance of ground water modeling and related hydrologic analysis software			22,000	22,000					
Adds funding from federal funds for RiskMAP			100,000	100,000					
Adjusts funding among line items, including an increase of \$5.9 million in professional fees and services, a \$1.8 million increase in other operating expenses, and a \$7.7 million decrease in capital assets				0					
Adjusts funding for the Northwest Area Water Supply (NAWS), including a \$5.16 million reduction in federal funds and a corresponding increase in other funds				0					
Transfers \$24.6 million from the rural water supply grants line item to the water supply grants line item				0					
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595					
One-time funding items									
Adds one-time funding for new FTE positions equipment			\$19,320	\$19,320					
Adds one-time funding for IT unification			1,532,980	1,532,980					
Adds one-time funding for increased motor pool rates			118,180	118,180					
Adds one-time funding for drilling supplies inflation			180,000	180,000					
Adds one-time funding for a navigability study			180,000	180,000					
Adds one-time funding for airborne			750,000	750,000					
electromagnetic survey (AEM) data collection Adds one-time funding for ground water modeling and related hydrologic analysis software			72,665	72,665					
Adds one-time funding for the potential relocation of the agency			200,000	200,000					
Adds one-time funding for the Bowman radar system			1,800,000	1,800,000					

Adds one-time funding to replace the drilling rig Adds one-time funding for flood control projects Adds one-time funding for water supply grants Adds one-time funding for capital improvements Adds one-time funding for discretionary water project grants			1,800,000 67,000,000 120,400,000 77,869,696 5,000,000	1,800,000 67,000,000 120,400,000 77,869,696 5,000,000
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436
2023-25 Total Funding Federal funds included in other funds	93.00	\$0	\$694,918,565 \$36,053,261	\$694,918,565
Total ongoing changes as a percentage of base level Total changes as a percentage of base level	3.3% 3.3%		2.1% 69.8%	2.1% 69.8%

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

Other Dections in Department of Water Resources - Dudget No. 770								
	Executive Budget Recommendation							
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.							
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.							
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority. This amount is not included in the executive budget appropriation.							
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.							
Line item transfers	Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.							

SENATE BILL NO. 2020 (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; and to provide an exemption.

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, 2023, and ending June 30, 2025, as follows:

		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries And Wages	\$ 20,537,867	\$ 3,272,011	\$ 23,809,878
Operating Expenses	43,366,550	16,112,518	59,479,068
Capital Assets	98,467,437	73,928,907	172,396,344
Project Carryover	0	0	0
Water Supply - Grants	125,000,000	145,000,000	270,000,000
Rural Water Supply - Grants	59,600,000	(24,600,000)	35,000,000
Fargo Area Flood Control (Including the			
Fargo Moorhead Diversion)	0	0	0
Mouse River Flood Control	0	0	0
Flood Control Projects (Other Than Fargo			
Area Flood Control Including the Fargo			
Moorhead Diversion)	48,000,000	67,000,000	115,000,000
General Water - Grants	14,227,275	6,000	14,233,275
Discretionary Fund for Water Projects	0	5,000,000	5,000,000
Total Special Funds	\$409,199,129	\$285,719,436	\$694,918,565
Full-Time Equivalent Positions	90.00	3.00	93.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the grand total appropriation in section 1 of this Act:

One-Time Funding Description	<u>2021-23</u>	2023-25
Line Of Credit – Bank of North Dakota	\$ 50,000,000	\$ 0
Basinwide Plan Implementation	1,100,000	0
Discretionary Fund	6,000,000	5,000,000
Mouse River Flood Control	74,500,000	0
Water Infrastructure Projects	75,000,000	265,269,696
Information Technology Costs	0	1,605,645
Equipment	0	3,600,000
Airborne Electromagnetic Survey	0	750,000
Navigability Study	0	180,000
Inflationary Increases	0	298,180
Total Special Funds	\$206,600,000	\$276,703,521

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the resources trust fund that become available are appropriated to the department of water resources for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2023, and ending June 30, 2025.

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, and general water – grants line items in section 1 of chapter 20 of the 2021 Session Laws and section 9 of Chapter 80 of the 2021 Session Laws. Any unspent funds from these appropriations may be continued into the 2023-25 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 2021-23 biennium into the 2023-25 biennium.

SECTION 5. APPRORPIATION - RESOURCES TRUST FUND - LOAN REPAYMENT. There is appropriated out of any moneys in the water project stabilization fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repayment of loans issued by the Bank of North Dakota to the western area water supply authority.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary fund appropriated to the department of water resources in section 1 of this Act may be used for the purpose of providing discretionary funds for water project grants and capital assets, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 7. LINE ITEM TRANSFERS. The director of the department of water resources may transfer between the salaries and wages, operating, capital assets, water supply – grants, rural water supply – grants, flood control projects and general water – grants line items in Section 1 of this Act when it is cost-effective for construction of water projects. The director of the department of water resources shall notify the office of management and budget of any transfers made pursuant to this section.

#21264

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

0 0	Executive Budget Recommendation			Senate Version				Senate Changes to Executive Budget				
								Increase (Decrease) - Executive Budget				
	FTE	General	Other	10000 Professione (21)	FTE	General	Other		FTE	General	Other	1442 M 44
	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Base payroll changes			\$148,098	\$148,098			\$148,098	\$148,098				\$0
Salary increase			1,404,288	1,404,288			1,049,393	1,049,393			(354,895)	(354,895)
Health insurance increase			449,618	449,618			459,961	459,961	0.0000000000		10,343	10,343
Adds FTE positions	3.00		703,398	703,398				0	(3.00)		(703,398)	(703,398)
Adds funding for travel costs for new FTE			2,000	2,000				0			(2,000)	(2,000)
positions												
Adds a temporary employee for the Northwest			170,000	170,000				0			(170,000)	(170,000)
Area Water Supply Project			04 000	04 000				-			(04.000)	(04.000)
Adds funding to fund a temporary employee at			61,609	61,609				0			(61,609)	(61,609)
the same level as an FTE position								127				
Adds funding for staff training and professional			80,000	80,000				0			(80,000)	(80,000)
development			4 000 704	1 000 701							(1 000 70 ()	(
Adds funding for IT unification Adds funding for PRESENS installations			4,082,784	4,082,784				0			(4,082,784)	(4,082,784)
Adds funding for maintenance of ground water			1,572,800 22,000	1,572,800				0			(1,572,800)	(1,572,800)
modeling and related hydrologic analysis			22,000	22,000				0			(22,000)	(22,000)
software												
Adds funding from federal funds for RiskMAP			100,000	100,000				0			(100,000)	(100,000)
Adjusts funding among line items, including an			100,000	100,000				Ő	1		(100,000)	(100,000)
increase of \$5.9 million in professional fees												270
and services, a \$1.8 million increase in other												
operating expenses, and a \$7.7 million												
decrease in capital assets												
Adjusts funding for the Northwest Area Water				0				0				0
Supply (NAWS), including a \$5.16 million												
reduction in federal funds and a corresponding												
increase in other funds												
Transfers \$24.6 million from the rural water				0				0				0
supply grants line item to the water supply												
grants line item												
Reduces funding for rural water supply grants				0			(19,600,000)	(19,600,000)			(19,600,000)	(19,600,000)
Reduces funding for general water grants				0			(2,227,275)	(2,227,275)			(2,227,275)	(2,227,275)
Adds funding for water supply grants				0			158,000,000	158,000,000			158,000,000	158,000,000
Adds funding for flood control projects				0			66,600,000	66,600,000			66,600,000	66,600,000
Adds funding for capital assets	0.00		*0 700 505	0		¢0	19,532,563	19,532,563		* 0	19,532,563	19,532,563
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	0.00	\$0	\$223,962,740	\$223,962,740	(3.00)	\$0	\$215,166,145	\$215,166,145
One-Time Funding Items				107010 1000 R				527.5				
Adds funding for new FTE positions equipment			\$19,320	\$19,320				\$0			(\$19,320)	(\$19,320)
Adds funding for IT unification			1,532,980	1,532,980				0			(1,532,980)	(1,532,980)
Adds funding for increased motor pool rates			118,180 180,000	118,180				0			(118,180)	(118,180)
Adds funding for drilling supplies inflation Adds funding for a navigability study			180,000	180,000				0			(180,000)	(180,000)
Adds funding for a ravigability study Adds funding for airborne electromagnetic			750,000	180,000 750,000				0			(180,000)	(180,000)
survey (AEM) data collection			730,000	130,000				0			(750,000)	(750,000)
									l.			

Hvel33

Adds funding for ground water modeling and related hydrologic analysis software			72,665	72,665				0			(72,665)	(72,665)
Adds funding for the potential relocation of the agency			200,000	200,000				0			(200,000)	(200,000)
Adds funding for the Bowman radar system			1,800,000	1,800,000				0			(1,800,000)	(1,800,000)
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000				0			(1,800,000)	(1,800,000)
Adds one-time funding for flood control projects			67,000,000	67,000,000				0			(67,000,000)	(67,000,000)
Adds one-time funding for water supply grants			120,400,000	120,400,000				0			(120,400,000)	(120,400,000)
Adds one-time funding for capital improvements			77,869,696	77,869,696				0			(77,869,696)	(77,869,696)
Adds one-time funding for discretionary funds			5,000,000	5,000,000			1,000,000	1,000,000			(4,000,000)	(4,000,000)
Adds funding for basinwide plan implementation				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding from a line of credit				0				0				0
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841	0.00	\$0	\$2,000,000	\$2,000,000	0.00	\$0	(\$274,922,841)	(\$274,922,841)
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436	0.00	\$0	\$225,962,740	\$225,962,740	(3.00)	\$0	(\$59,756,696)	(\$59,756,696)
2023-25 Total Funding	93.00	\$0	\$694,918,565	\$694,918,565	90.00	\$0	\$635,161,869	\$635,161,869	(3.00)	\$0	(\$59,756,696)	(\$59,756,696)
Federal funds included in other funds		22.374	\$36,053,261				\$41,106,023				\$5,052,762	
Total ongoing changes as a percentage of base level	3.3%		2.1%	2.1%	0.0%		54.7%	54.7%				
Total changes as a percentage of base level	3.3%		69.8%	69.8%	0.0%		55.2%	55.2%				

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

	Executive Budget Recommendation	Senate Version	
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.	Section 3 appropriates any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium, subject to Budget Section approval.	
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority.	Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority.	
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.	Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.	
Basinwide water plan implementation		Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.	
Line of credit		Section 7 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for NAWS and \$50 million may be used for SWPP.	
2021-23 biennium discretionary funding		Section 8 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.	
Red River water supply		Section 9 provides legislative intent for a total of \$939.1 million for the Red River water supply project, of which \$175 million is provided during the 2023-25 biennium.	
Mouse River flood control		Section 10 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.	
Line item transfers	Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.	Section 11 provides authority for the director of the Department of Water Resources to transfer up to \$5 million between the operating and capital assets line items.	
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 12 provides that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	
Emergency		Section 13 declares the bill to be an emergency measure.	
			1

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

#21265

	Executive Budget Recommendation				Senat	Senate Version			Senate Changes to Executive Budget			
	FTE	General	046.00					Increase (Decrease) - Executive Budget				
	Positions	Fund	Other Funds	Total	FTE Positions	General Fund	Other	-	FTE	General	Other	
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	<u>Funa</u> \$0	Funds \$409,199,129	Total	Positions	Fund	Funds	Total
2023-25 Ongoing Funding Changes				\$100,100,120	50.00	φŪ	\$409,199,129	\$409,199,129	0.00	\$0	\$0	\$0
Base payroll changes			\$148,098	\$148,098			64.40.000					
Salary increase			1,404,288	1,404,288			\$148,098	\$148,098				\$0
Health insurance increase			449,618	449,618			1,049,393	1,049,393			(354,895)	(354,895)
Adds FTE positions	3.00		703,398	703,398			459,961	459,961 0	(0.00)		10,343	10,343
Adds funding for travel costs for new FTE positions			2,000	2,000				0	(3.00)		(703,398) (2,000)	(703,398) (2,000)
Adds a temporary employee for the Northwest Area Water Supply Project			170,000	170,000			170,000	170,000				0
Adds funding to fund a temporary employee at the same level as an FTE position			61,609	61,609			61,609	61,609				0
Adds funding for staff training and professional development			80,000	80,000			80,000	80,000				0
Adds funding for IT unification			4,082,784	4,082,784			4,082,784	4,082,784				1.7201
Adds funding for PRESENS installations			1,572,800	1,572,800			1,572,800	1,572,800				0
Adds funding for maintenance of ground water			22,000	22,000			22,000	22,000				0
modeling and related hydrologic analysis software				a several distributions.			12,000	22,000				0
Adds funding from federal funds for RiskMAP			100,000	100,000			100,000	100,000				0
Adjusts funding among line items, including an increase of \$5.9 million in professional fees				0				0				0
and services, a \$1.8 million increase in other												U
operating expenses, and a \$7.7 million												
decrease in capital assets												
Reduces funding for rural water supply grants				0								
Reduces funding for general water grants				0			(19,600,000)	(19,600,000)			(19,600,000)	(19,600,000)
Adds funding for water supply grants				0			(2,233,275)	(2,233,275)			(2,233,275)	(2,233,275)
Adds funding for flood control projects				0			158,000,000 66,600,000	158,000,000			158,000,000	158,000,000
Adds funding for capital assets				Ő			23,473,352	66,600,000 23,473,352			66,600,000	66,600,000
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	0.00	\$0	\$233,986,722	\$233,986,722	(3.00)	\$0	23,473,352 \$225,190,127	23,473,352
One-Time Funding Items						0.000		+200,000,722	(0.00)	ΨŪ	9225,190,127	\$225,190,127
Adds funding for new FTE positions equipment			\$19,320	\$19,320				\$0			(010.000)	
Adds funding for IT unification			1,532,980	1,532,980			1,532,980	1,532,980			(\$19,320)	(\$19,320)
Adds funding for increased motor pool rates			118,180	118,180			118,180	118,180				0
Adds funding for drilling supplies inflation			180,000	180,000			180,000	180,000				0
Adds funding for a navigability study			180,000	180,000			180,000	180,000				0
Adds funding for airborne electromagnetic survey (AEM) data collection			750,000	750,000			750,000	750,000				0
Adds funding for ground water modeling and related hydrologic analysis software			72,665	72,665			72,665	72,665				0
Adds funding for the potential relocation of the agency			200,000	200,000			200,000	200,000				0
Adds funding for the Bowman radar system			1,800,000	1,800,000			1,800,000	1 800 000				
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000			1,800,000	1,800,000 1,800,000				0
Adds one-time funding for flood control projects			67,000,000	67,000,000			1,000,000	1,800,000			(07.000.000)	0
Adds one-time funding for water supply grants			120,400,000	120,400,000				0			(67,000,000) (120,400,000)	(67,000,000) (120,400,000)

Adds one-time funding for capital improvements Adds one-time funding for discretionary funds Adds funding for basinwide plan implementation			77,869,696 5,000,000	77,869,696 5,000,000 0			1,000,000 1,000,000	0 1,000,000 1,000,000			(77,869,696) (4,000,000) 1,000,000	(77,869,696) (4,000,000) 1,000,000
Adds funding from a line of credit Adds federal funds for NAWS				0			100,000,000 47,847,238	100,000,000 47,847,238			100,000,000 47,847,238	100,000,000 47,847,238
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841	0.00	\$0	\$156,481,063	\$156,481,063	0.00	\$0	(\$120,441,778)	(\$120,441,778)
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436	0.00	\$0	\$390,467,785	\$390,467,785	(3.00)	\$0	\$104,748,349	\$104,748,349
2023-25 Total Funding Federal funds included in other funds	93.00	\$0	\$694,918,565 \$36,053,261	\$694,918,565	90.00	\$0	\$799,666,914 \$89,053,261	\$799,666,914	(3.00)	\$0	\$104,748,349 \$53,000,000	\$104,748,349
Total ongoing changes as a percentage of base level Total changes as a percentage of base level	3.3% 3.3%		2.1% 69.8%	2.1% 69.8%	0.0% 0.0%		57.2% 95.4%	57.2% 95.4%				

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

	Executive Budget Recommendation	Senate Version	-
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.	Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.	
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority.	Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority.	
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.	Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.	
Basinwide water plan implementation		Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.	
Water projects stabilization fund		Section 7 identifies \$120 million of the amount appropriated in section 1 is from the water projects stabilization fund.	
Line of credit		Section 8 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for NAWS and \$50 million may be used for SWPP.	
2021-23 biennium discretionary funding		Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.	
Red River water supply		Section 10 provides legislative intent for a total of \$953 million for the Red River water supply project, of which \$175 million is provided during the 2023-25 biennium.	
Mouse River flood control		Section 11 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.	
Southwest pipeline project		Section 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the southwest pipeline project.	
Line item transfers	Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.	Section 13 provides authority for the director of the Department of Water Resources to transfer a sum equal to up to 5 percent of the total amount appropriated in the capital assets line item between the operating expenses and capital assets line items.	
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 14 provides that any unexpended obligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	
Emergency		Section 15 declares the bill to be an emergency measure.	

Testimony Senate Bill 2020—Department of Water Resources House Appropriations Committee Representative Don Vigesaa, Chairman March 2, 2023

Good afternoon, Chairman Vigesaa, and members of the House Appropriations Committee, I am Andrea Travnicek, Director of the North Dakota Department of Water Resources. As the director, I serve as head of the Department of Water Resources and Secretary to the State Water Commission.

1. Cite the North Dakota Century Code chapter(s) associated with the agency and list its major statutory responsibilities.

The statutory authorities of the Department of Water Resources (DWR), and State Water Commission (SWC) 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 (or Department). The DWR is now a Cabinet agency that reports directly to the Governor. 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. The overall mission of DWR is to responsibly manage North Dakota's water needs and risks for the people's benefit.

The SWC board still exists and 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.

Water development and associated project funding are a function of the SWC and include state projects such as the Southwest Pipeline Project, the Northwest Area Water Supply, and Devils Lake outlets and Tolna Coulee control structure used for

flood control purposes. The SWC promotes water development by providing costshare assistance for many local projects such as flood control, water conveyance, water supply systems, and other general water management efforts. The DWR has a project management role for the state projects and reviews and recommends projects for funding approval by the SWC.

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 nature and occurrence of the state's water resources. This includes public outreach and education related to DWR functions.

2. Explain the purpose of the agency's various divisions/programs – attach organizational chart.

As illustrated by our organizational chart (see attached), DWR is comprised of 92 Full Time Equivalent employees (FTE), including 2 FTE approved by the Emergency Commission and Legislative Management's Budget Section in March 2022. One temporary employee was also approved at that time through the Budget Section. This is a temporary increase of 2 FTE from the previous biennium. DWR is requesting to permanently retain the 2 FTE approved through Budget Section as well as convert the temporary employee approved through the March 2022 Budget Section as an FTE for a total request of 3 FTE or 93 FTE overall.

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 SWC meeting administrative support.

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

The Planning and Education Division, directed by Patrick Fridgen, maintains and updates a Water Development Plan for the State of North Dakota, and administers a cost-share program in support of that plan. Division staff also 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 ensures implementation of the 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 that is in partnership with the U.S. Army Corps of Engineers.

The Water Appropriation Division, directed by Chris Bader, is responsible for the processing of water permit applications, water rights evaluations, hydrologic data collection, water supply investigations, and economic development support activities. 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 used to support agency water resource management initiatives such as PRESENS.

Finally, the Water Development Division, directed by Sindhuja S.Pillai-Grinolds, is responsible for preliminary engineering, construction, and maintenance of water resource projects; flood response and recovery; construction of Southwest Pipeline Project (SWPP); construction, operation, and maintenance of Northwest Area Water Supply project; 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 current SWC members who represent the eight basins are Michael Anderson (Lower Red River), Connie Ova (James River), Richard Johnson (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 Water Commission include Governor Doug Burgum as Chairman, and Agriculture Commissioner, Doug Goehring.

 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 one finding in the most recent operational audit dated May 19, 2022, regarding improper credits to appropriation. The dollar amount was \$461,500. The

sale of land was recorded as a reduction to expenditures when it should have been recorded as revenue. The department has implemented an additional review process to assist in identifying such errors.

4. 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 Northwest Area Water Supply (NAWS) project that is planned to one-day serve up to 81,000 water users in North Dakota. Progress included completion of the Lansford Reservoir and Pump Station; service to the City of Bottineau; and continued advancements at the Biota Water Treatment Plant, Minot Water Treatment Plant, and other project elements.
- Completed a year-long effort to update the SWC's Cost-Share Policy, Procedure, and General Requirements; as well as the Project Prioritization Guidance. The modification process included extensive public outreach and input from the water community and general public and was meant to modernize the Cost-Share Program in response to more contemporary project development needs.
- Continued to greatly improve North Dakota's ability to manage our state's water resources through innovation, including the monitoring of 368 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. Paul Moen, DWR Director of Information Systems, won the 2022 Pioneer Award, (Governor's Awards for Excellence in Public Service) for his work on developing the PRESENS system.
- Construction on SWPP included treated water main transmission line upgrades, and strategic hydraulic improvements to provide citizens access to quality water.

- Operated the Devils Lake outlets to provide ongoing flood relief for areas surrounding the greater Devils Lake system. The outlets removed over 83,000 acre-feet of floodwater during the 2021 and 2022 operating seasons. Since outlet operations began 15 years ago in 2007, almost 1.4 million acre-feet of floodwater has been removed from the big lake.
- Over the course of the biennium so far, provided state funding support of approximately \$322 million in SWC project approvals through the Cost-Share Program, including \$216 million to support water supply efforts in 28 cities and 20 rural/regional systems, and \$106 million for 105 different flood protection, water conveyance, and general water projects benefitting citizens across the state.
- Provided \$4 million in reimbursements for 1,130 drought resiliency projects for our agriculture producers through the Drought Disaster Livestock Water Supply Assistance Program.
- Secured almost \$5 million in FEMA grant funding for LiDAR data to complete a statewide map of high quality digital topography information to improve and modernize modeling and engineering design data inputs.
- Completed a water development planning process through extensive public outreach, cooperation, and coordination efforts involving water project sponsors and managers. The 2023 Water Development Plan (WDP) is being presented for the first time through an almost entirely electronic platform and new Dashboard. The new 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.
- Launched and operated a one-stop-shop online portal through WebGrants for water project sponsors seeking grant funding or loans through the state. This new portal, known as Funding for Infrastructure in ND (FIND) within WebGrants was developed through a cooperative effort involving the Bank of North Dakota, Department of Environmental Quality, Public Finance Authority, and DWR. FIND has greatly improved and streamlined the application process for project sponsors.

With regard to next biennium goals and plans, DWR completed a Five-Year Strategic Plan last summer to guide the deployment of resources toward key objectives, goals, and tactics through June 2027. An Executive Summary of our new Five-Year Strategic Plan has been provided for your reference. In terms of specific areas of focus for the 2023-2025 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 DWR's internal resilience and promote a positive culture;
- Improve DWR responsiveness and continue to identify efficiencies;
- Advance innovative ideas and technology like PRESENS, aquifer recharge, and water reuse opportunities;
- Work toward Tribal Nation engagement, including memorandum of understanding development;
- Strive for Workforce enhancements, retention of talent, recruiting, and mentoring;
- Continue advancements on the Northwest Area Water Supply project, including progress on Intake Contract II, Souris Reservoir and Pump Station, in-line booster pump stations, Minot Water Treatment Plant (WTP) Phase III, raw water line initialization, and Biota WTP Phase II.
- Make progress on Southwest Pipeline Project strategic hydraulic improvements, WTP expansion, and rural service additions; and
- Implement results of a capital improvement planning effort related to the West End Devils Lake Outlet.

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

	2021-23 Biennium	2023-25 Biennium Governor's	Engrossed	Variance From				
Description	Appropriation	Recommendation	SB 2020	2021-23 Biennium				
Salaries and wages	\$20,537,867	\$23,809,878	\$23,465,326	\$2,927,459				
Operating expenses	43,366,550	59,479,068	59,479,068	16,112,518				
Capital assets	148,467,437	172,396,344	300,383,950	151,916,513				
Water supply – grants	125,000,000	270,000,000	283,000,000	158,000,000				
Rural water supply –	59,600,000	35,000,000	40,000,000	(19,600,000)				
grants Flood control projects	48,000,000	115,000,000	114,600,000	66,600,000				
General water -grants	14,227,275	14,233,275	12,000,000	(2,227,275)				
Basinwide plan implementation	1,100,000	0	1,000,000	(100,000)				
Discretionary funding	6,000,000	5,000,000	1,000,000	(5,000,000)				
Mouse River flood control	74,500,000	0*		(74,500,000)				
State Fiscal Recovery Funds	75,000,000	0		(75,000,000)				
Total	\$615,799,129	\$694,918,565	\$834,928,344	\$219,129,215				
*Funding for Mouse River flood control is included in funding for flood control projects.								

The DWR had 90 FTE in the 2021-2023 biennium, and a request of 93 FTE is included in the Governor's recommendation and engrossed SB 2020 for the 2023--2025 biennium. The three FTE are requested to assist with significantly reducing delays, so constituents receive agency-issued permits in a timelier manner. These positions would include one for the Regulatory Division to assist with permitting and two for the Water Appropriation Division that would work on water appropriation and on PRESENS system support. We have included one-page summaries related to the three FTE we are requesting with metrics related to why each are necessary.

6. 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 engrossed SB 2020 for the DWR budget consist of:

	2021-23		Engrossed SB 2020					
	Biennium	Base	Base	One-time	Engrossed			
Description	Base	Adjustment	Adjustments	Adjustment	SB 2020			
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326		\$23,465,326			
Operating expenses	43,366,550	13,259,373	56,625,923	\$2,853,145	59,479,068			
Capital assets	98,467,437	50,269,275	148,736,712	151,647,238	300,383,950			
Water supply – grants	125,000,000	158,000,000	283,000,000		283,000,000			
Rural water supply - grants	59,600,000	(19,600,000)	40,000,000		40,000,000			
Flood control projects	48,000,000	66,600,000	114,600,000		114,600,000			
General water -grants	14,227,275	(2,227,275)	12,000,000		12,000,000			
Basinwide plan implementation	0		0	1,000,000	1,000,000			
Discretionary funding	0		0	1,000,000	1,000,000			
Mouse River flood control	0				0*			
State Fiscal Recovery Funds	0				0			
Total	\$409,199,129	\$269,228,832	\$678,427,961	\$156,500,383	\$834,928,344			
FTE	90.00	3.00	93.00		93.00			
*Funding for Mouse River flood control is included in funding for flood control projects. See detail below.								

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

Salaries and Wages - The 2021-23 biennium totaled \$20,537,867 and included salaries and fringe benefits for all employees, including employees that provide service for NAWS, SWPP, and the Devils Lake outlets.

Operating Expenses - The 2021-23 biennium totaled \$43,366,550 and included operations for NAWS, SWPP and the Devils Lake pumps. This included funding of \$19 million for professional services, which are primarily consultant engineering dollars, and \$8.7 million for utility costs, primarily to operate the Devils Lake outlets and NAWS.

Capital Assets - The 2021-23 biennium totaled \$98,467,437 and consisted mostly of projects for NAWS and SWPP, which are both state owned. Specifically, \$38.2 million is for SWPP, and \$59.8 million is for NAWS.

For the 2021-23 biennium, the remaining dollars were in the five purpose funding buckets. They included \$125 million for Water Supply; \$59.6 million for Rural Water Supply; \$48 million for flood Control; and \$14.2 million for General Water projects. General Water included funding for dam repairs and rehabilitations, feasibility studies, irrigation projects, as well as other general water management efforts.

- b. Amounts included in engrossed SB 2020 and justification for the change from the base budget. Discuss changes relating to:
 - (1) Salaries and Wages increase from the base budget of \$2,927,459 as follows:
 - Cost to continue adjustment of \$148,098. This is the same as the executive recommendation.
 - Performance-based raises of 4% for the first fiscal year and 4% for the second fiscal year of \$1,049,393. The executive recommendation included performance-based raises of 6% for the first fiscal year and 4% for the second fiscal year of the biennium as recommended in the executive budget of \$1,805,562.
 - Health insurance increase of \$459,961.
 - Increase of 3 FTE of \$703,398 to significantly reduce delays so constituents receive agency-issued permits in a more timely manner. The FTE are for the Regulatory Division, Water Appropriation, and PRESENS system support. This is the same as the executive recommendation.
 - Increased funding for temporary salaries of \$576,609, of which \$170,000 is to provide one full time temporary position to support NAWS, \$345,000 is to provide funding for temporary positions for installation and support of the PRESENS system, and \$61,609 is to provide a full benefits package to DWR's Silver Jackets Program Coordinator - who for years has been a long-term temporary employee. This is the same as the executive recommendation.

The DWR is in support of increasing funding for market equity funding for agencies included in engrossed SB 2020 to the Governor's recommendation, which included \$645,000 for the DWR.

- (2) Operating Expenses Includes a \$16,112,518 increase, of which
 \$13,259,373 is ongoing and \$2,853,145 is one-time, major changes are as follows:
 - Shifted base level funding from capital assets and salaries and wages to operating expenses in the amount of \$7,744,789 to account for consultant engineering expenses related to state owned projects and utility costs primarily to operate the Devils Lake and NAWS projects. These changes were made based on anticipated needs for planning of projects and operating costs. This is the same as the executive recommendation.
 - \$5,615,764, of which \$1,532,980 is one-time funding for IT standardization, applications, and security. The funding is 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 for over 2,000 terabytes of data, which places DWR as one of the largest users of data storage with NDIT at 2,000 terabytes, and the Department of Health and Human Services at 1,650 terabytes; costs associated with additional FTE for NDITD; business analysis; project management; and project oversight. This is the same as the executive recommendation.
 - \$1,227,800 to expand the PRESENS footprint and data collection types/sensors to improve forecasting, modeling, and overall water management – at a fraction of the cost of traditional data collection methods. This is the same as the executive recommendation.

- \$100,000 in additional federal funds spending authority for the Regulatory Division. This is the same as the executive recommendation.
- \$80,000 for professional development. This is the same as the executive recommendation.
- \$94,665 for scientific software which includes one-time funding of
 \$72,665. This is the same as the executive recommendation.
- \$21,320 in operating expenses related to the 3 FTE positions which include one-time funding of \$19,320 for IT equipment and \$2,000 in ongoing funding for travel. This is the same as the executive recommendation.
- One-time funding of \$750,000 for Airborne Electromagnetic Surveying (AEM) 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. This is the same as the executive recommendation.
- One-time funding of \$298,180 for inflationary increases related to motor pool rates of \$118,180 and drilling supplies of \$180,000. This is the same as the executive recommendation.
- One-time funding of \$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 has been achieved on this effort since 2019. This is the same as the executive recommendation.
- (3) Capital Assets changes to provide a total of \$300,383,950 as follows:
 - Base increase of \$50,269,275 primarily to provide funding for state owned water projects at \$118,000,000 in the capital assets line. The executive recommendation included \$167.6 million for state owned water projects.

- One-time increase of \$147,847,238 for state owned water projects, of which; \$100,000,000 is from a line of credit designated for NAWS (\$50,000,000) and SWPP (\$50,000,000); and \$47,847,238 in federal funds for NAWS. The executive recommendation did not include a line of credit.
- One-time increase of \$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. This is the same as the executive recommendation.
- One-time increase of \$1,800,000 to replace DWR's 15-year-old drill rig with a top-head drive drilling rig that provides finer control over the drilling operation and safety features that are superior to the current drill rig. This is the same as the executive recommendation.
- One-time increase of \$200,000 for office modifications due to the DWR being required to evacuate the State Office Building due to environmental hazards. Funding is requested to address office modifications that may be necessary at the agency's current longterm, yet temporary location. This is the same as the executive recommendation.

(4) Grants for water projects changes are as follows:

- Water supply increase of \$158,000,000 to provide \$283,000,000. The executive recommendation included water supply increase of \$145,000,000 to provide \$270,000,000.
- Rural water supply decrease of (\$19,600,000) to provide \$40,000,000. The executive recommendation included rural water supply decrease of (\$24,600,000) to \$35,000,000.
- Flood control increase of \$66,600,000 to provide \$114,600,000.
 The executive recommendation included flood control increase of \$67,000,000 to provide \$115,000,000.

- General water decrease of \$2,227,275 to provide \$12,000,000. The executive recommendation included general water increase of \$6,000 to provide \$14,233,275.
- The addition of discretionary funding in the amount of \$1,000,000. Discretionary funding is for flexibility to provide additional funding either in the buckets, unaccounted for events such as flooding, and to address unknown costs associated with the DWR's move from the State Office Building to the Bank of North Dakota. The executive recommendation included the addition of discretionary funding in the amount of \$5,000,000.
- (5) We did have special line items in the 2021-2023 biennium, where \$1,100,000 was appropriated for basinwide plan implementation, and \$1,000,000 is being included in the 2023-25 biennium budget. The executive recommendation did not include funding for basinwide plan implementation.
- (6) Our estimated income for special funds is \$775.9 million, which included Resource Trust Fund oil extraction tax deposits of \$647 million, of which \$120 million is from the Water Project Stabilization Fund for Red River Valley Water Supply from the water supply bucket and \$30 million was included from the Water Project Stabilization Fund for the repayment of a WAWS loan; and \$100 million from a line of credit with the BND. The balance is made up of capital repayments from SWPP, NAWS payments from the City of Minot, payments from counties for cloud seeding, CD interest, and available balance of the Water Commission fund. The executive recommendation included estimated income for special funds at \$684 million, which included Resource Trust Fund oil extraction tax deposits of \$605.8 million, of which \$120 million is from the Water Project Stabilization Fund for Red River Valley Water Supply from the water supply bucket and \$30 million was included from the Water Project Stabilization Fund for the repayment of a WAWS loan. The balance is

made up of capital repayments from SWPP, NAWS payments from the City of Minot, payments from counties for cloud seeding, CD interest, and available balance of the Water Commission fund.

- (7) Our estimated income for Federal funds is \$89.1 million of which \$78 million is for NAWS and the balance is for operations of our Regulatory Division, and other grants related to the Atmospheric Resources Division and Water Appropriation Division. The executive recommendation included estimated income for Federal funds at \$35 million of which \$25 million is for NAWS and the balance is for operations of our Regulatory Division, and other grants related to the Atmospheric Resources Division and Water Appropriation Division.
- (8) We have no general fund dollars in our budget. The last time the department received a general fund appropriation was during the 2011-13 biennium for some operations of the DWR.
- (9) Our legislatively authorized base FTE is 90, and we were authorized 2 additional FTE positions in March 2022 from the Emergency Commission and Budget Section to support the administration and management of the state's water resources. Engrossed SB 2020 includes an increase of 3 FTE to retain the 2 approved by Budget Section and for 1 additional FTE authorization that was presented to Budget Section in March, but they had only approved funding for a temporary employee who we would like to retain. This is the same as the executive recommendation.

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

We had two one-time funding items in our 2021-2023 appropriation bill.

 The \$50 million line of credit has not been utilized to date. The intent was for this to be used if needed for NAWS. After the end of the 2021 session the DWR received an additional \$30 million in federal funding for NAWS that was not anticipated further reducing the need for the \$50 million line of credit at this time.

- Funding of \$1.1 million was provided for the pilot project for basinwide plan implementation, with \$246,075 expended to date.
- Funding of \$4 million for discretionary water projects was approved by the SWC to be used as follows:
 - \$2 million for the Agriculture Department's Emergency Livestock Water Supply Program of which \$110,559 has been expended to date.
 - \$2 million for DWR's Drought Disaster Livestock Water Supply Assistance Program. This funding is in addition to funding approved from the general water bucket, which together provided over \$6.1 million for the program. Over \$4 million has been expended to date.
- 8. Identify and justify the need for any one-time funding being requested/recommended.
 - One-time funding of \$100 million from a line of credit for state owned water projects. This provides \$50 million for NAWS and \$50 million for SWPP. The executive recommendation did not include a line of credit.
 - One-time funding of \$47.8 million from federal funds for the state-owned water project NAWS. The executive recommendation included one-time funding of \$77,869,696 for state owned water projects.
 - One-time funding of \$1 million for discretionary funding for flexibility to provide additional funding either in the buckets, unaccounted for events such as flooding, and to address unknown costs associated with the DWR's move from the State Office Building to the Bank of North Dakota. The executive recommendation included discretionary funding of \$5 million.
 - One-time funding of \$1 million for the pilot project for basinwide plan implementation. The executive recommendation did not provide funding for basinwide plan implementation.
 - One-time funding of \$1,532,980 for IT standardization, applications, and security. This is the same as the executive recommendation.
 - One-time funding of \$1.8 million 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 first being deployed in 1997, using 1970s equipment. This is the same as the executive recommendation.

- One-time funding of \$1.8 million to replace DWR's 15-year-old drill rig with a top-head drive drilling rig that provides finer control over the drilling operation and safety features that are superior to the current drill rig. This is the same as the executive recommendation.
- One-time funding of \$200,000 for office modifications due to the DWR being required to evacuate the State Office Building due to environmental hazards. This is the same as the executive recommendation.
- One-time funding of \$750,000 for Airborne Electromagnetic Surveying (AEM) 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. This is the same as the executive recommendation.
- One-time funding of \$298,180 for inflationary increases related to motor pool rates of \$118,180 and drilling supplies of \$180,000. This is the same as the executive recommendation.
- One-time funding of \$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 has been achieved on this effort since 2019. This is the same as the executive recommendation.
- One-time funding of \$72,665 for scientific software. This is the same as the executive recommendation.
- One-time funding of \$19,320 to provide computers and other necessary equipment for 3 new FTE positions. This is the same as the executive recommendation.

 Discuss agency collections that are deposited in the general fund or special fund, and any anticipated changes from 2021 legislative session estimates during the 2021-2023 biennium and estimated changes for the 2023-2025 biennium.
 We have very 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 93% of our revenue. Other Special Fund deposits include SWPP capital repayments, NAWS payments from the City of Minot, payments from counties for cloud seeding, and CD interest.

10. Discuss the need for any other sections that are included or are requested/recommended in engrossed SB 2020.

- Section 3 provides an appropriation for additional income section for additional amounts in the resources trust fund for defraying the expenses of the DWR, excluding operating expenses and salaries and wages. The executive recommendation did not limit the use of additional income appropriation.
- Section 4 appropriating \$30 million from the Water Project Stabilization Fund to the DWR for the purpose of repayment of loans issued by the Bank of North Dakota to the Western Area Water Supply Authority. This is the same as the executive recommendation.
- Section 5 identifying the purpose of the discretionary funds which may be used as necessary except for salaries and wages. This is the same as the executive recommendation.
- Section 6 identifying the purpose of the basinwide water plan funding. The executive recommendation did not include funding for basinwide water plan implementation nor a section for the purpose of the basinwide water plan funding.
- Section 7 identifying that \$120 million included in the budget is from the water project stabilization fund. The executive recommendation included the \$120 million in Section 1 of the bill but did not include this section.

- Section 8 authorizing a \$100 million line of credit from the Bank of North Dakota for NAWS (\$50 million) and SWPP (\$50 million). The executive recommendation did not include a line of credit.
- Section 9 amending 2021 HB 1020 to reduce the restrictions on the use of 2021-23 biennium discretionary funding. The executive recommendation did not include this section.
- Section 10 providing legislative intent to provide Red River Water Supply Project a total of \$953 million, excluding funding provided prior to the 2023-25 biennium and identifies intent to provide \$175 million during the 2023-25 biennium. The executive recommendation did not include this section.
- Section 11 providing legislative intent to provide the Mouse River Flood Control Project a total of \$380.5 million, excluding funding provided prior to the 2023-25 biennium and identifies intent to provide \$76.1 million during the 2023-25 biennium. The executive recommendation did not include this section.
- Section 12 providing legislative intent to provide the Southwest Pipeline Project \$40 million during the 2025-27 biennium to cover the portion of the project covered by the line of credit in the 2023-25 biennium. The executive recommendation did not include this section.
- Section 13 providing authority for line item transfers up to \$13,292,362 between the operating and capital assets line items. Due to the fact the DWR has state owned projects which require expenditures from both capital assets and operating expenses, line item transfer authority between those two line items would ensure we can shift funding when needed for payments to engineers and other consultants for those projects. This would be similar to the transfers between line items the Department of Transportation makes for road projects. The executive recommendation included line item transfer authority without any limitations between all line items.
- Section 14 providing authority to carryover \$405 million of unexpended obligated and unobligated funding related to water projects. Carryover will need to be adjusted as we get closer to the end of session as expenditures

during session impact the estimate. The executive recommendation included a section providing an exemption to allow for carryover.

• Section 15 declaring SB 2020 to be an emergency measure. The executive recommendation did not include this section.

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

<u>SB 2015</u>: Relating to the Office of Management and Budget regarding internal equity and external market factor funding for agencies, of which the DWR would receive \$537,500 along with funding of \$451,000 to demolish the State Office Building. The executive recommendation for salary increases at 6% and 4% would provide \$645,000 for internal equity and external market factors.

<u>SB 2097:</u> Relating to wild and scenic river designations.

<u>SB 2196</u>: Relating to WAWS debt restructuring and authorization of a line of credit for NAWS. The line of credit authorization would need to be removed from this bill if included in SB 2020.

<u>HB 1021:</u> Relating to the North Dakota Information Technology department and the DWR's information technology unification.

<u>HB 1070:</u> Relating to the establishment and administration of a hazard mitigation revolving loan fund.

<u>HB 1072:</u> Relating to the powers and duties of the department of water resources; and to repeal section 61-04.1--35 of the North Dakota Century Code, relating to the required bond, cash, or negotiable securities required when bids are submitted to the atmospheric resources board.

<u>HB 1073:</u> Relating to the department of water resources authority to require operating plans for dams.

HB 1074: Relating to informational hearings for water permit applications.

<u>HB 1075</u>: Relating to comments on the cancellation of water rights; and to amend and reenact sections 61-04-24 and 61-04-2-5 of the North Dakota Century Code, relating to the notice and hearing process for the cancellation of water rights.

<u>HB 1076:</u> Relating to the department of water resources authority regarding water permit thresholds for dikes, dams, and other devices; and to provide a penalty.

HB 1077: Relating to water storage contracts.

<u>HB 1286:</u> Relating to the oil extraction tax trigger. This bill removes the 6% triggered oil tax rate on wells outside the exterior boundaries of a reservation, which would reduce potential revenue for water projects if oil prices were to meet the trigger. In the current biennium the triggered tax rate provided an additional \$27.8 million to the resources trust fund.

12. 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.

13. Provide a comparison of your agency's optional adjustment requests to those recommended in the executive budget.

We support the Executive budget recommendation.

14. Identify the purpose and amount of federal state fiscal recovery funding appropriated to your agency during the November 2021 special legislative session, the amount of funds spent to date, the timeline for obligating and spending the remaining funds, and any amounts that will not be obligated by December 2024.

The DWR was appropriated \$75 million from the State Fiscal Recovery Fund as authorized by SB 2345 during the 2021 special session for water infrastructure projects. This funding was to be expended before funds from the resources trust fund when possible. The DWR anticipates carryover of roughly \$13 million.

15. Identify the amount of federal funding available to your agency for the 2023-25 biennium, the purpose of the funding, federal deadlines for spending the funds, and your agency's plan for spending the funds.

The DWR's budget includes federal funding of \$89,053,261 as follows:

 MR&I funding of \$78,008,097 for construction of NAWS. There is no deadline for spending. The executive recommendation included MR&I funding of \$25,008,097.

- Dam safety funding of \$295,267. This is the same as the executive recommendation.
- Water Education Today (WET) non-point source program \$335,680. The executive recommendation included \$340,324.
- FEMA Cooperating Technical Partners funding of \$343,158. The executive recommendation included \$438,252.
- FEMA Risk Mapping, Assessment, and Planning funding of \$8,046,168. This is the same as the executive recommendation.
- FEMA Community Assistance Program State Support Services Element funding of \$274,891. The executive recommendation included \$275,089.
- Weather modification research and development federal authority of \$1,500,000 for research grants that may become available. This is the same as the executive recommendation.
- USGS national grants of \$250,000, which is a pass-through grant. This is the same as the executive recommendation.

16. 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. In the past, DWR has produced and printed that information in a detailed Water Development Plan. For the 2023-2025 biennium, DWR and the SWC are providing that same 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 of the information that's available on the Dashboard, go to our homepage at <u>www.dwr.nd.gov</u> and click on the Water Development Plan Dashboard link.

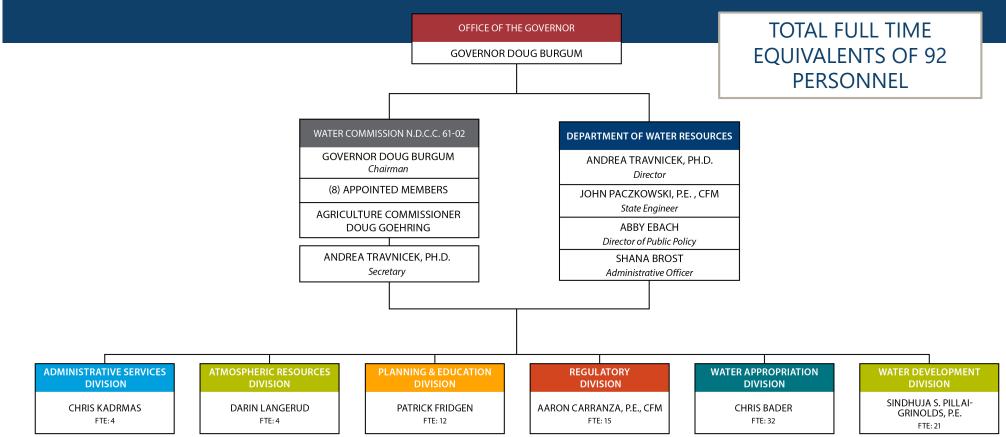
Overall, the DWR continues to work towards improving agency responsiveness and efficiencies; advancing innovative ideas and technology; supporting the development of critical water infrastructure; and prioritizing workforce enhancement, retention of talent, recruiting and mentoring.

Mr. Chairman, this concludes our agency overview and testimony relative to Engrossed Senate Bill 2020 and the Executive Budget Recommendations. 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. 2023-2025 State Water Commission and Department of Water Resources Five Year Strategic Plan Executive Summary
- 3. One-page overviews of requested FTE
- 4. 2023 Water Development Plan Executive Summary

DWR ORGANIZATIONAL CHART



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

16 Surveys Completed





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.



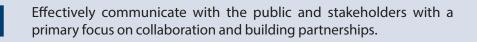
STRATEGIC INITIATIVES

The DWR Strategic Plan furthers the implementation of Governor Doug Burgum's strategic initiatives: Main Street Initiative; Tribal Engagement; Reinventing Government; Behavioral Health and Addiction; and Transforming Education.

OBJECTIVES

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





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.



Water Resources





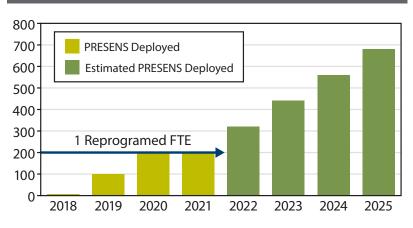
DATA & TECHNICAL SERVICES DIVISION

DWR has always been a leader in data collection related to water resources, but has not had near real-time access to its data sources. The PRESENS (Pushing REmote SENSors) datalogger was designed in-house to fill that gap and provides near real time data so decisions and actions can be made based on current data. The PRESENS program was created by leveraging the talent of internal staff with the scientific background and knowledge of data needs of the DWR. The PRESENS program so far has been a resounding success. It has proven to be more valuable than originally hoped as staff have continued to adapt PRESENS to record new data, such as precipitation, soil temperature, and soil moisture. The program currently is in its infancy and is now ready to move into production.

Why An FTE Is Necessary

Reprogrammed staff have been responsible for picking up the extra work associated with developing and managing the PRESENS program. To add more devices and to move the PRESENS program into a production system, an additional FTE devoted to PRESENS is required.

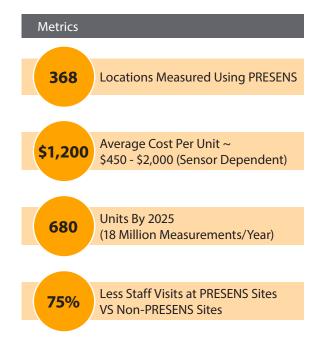
Goal Is 2,000 PRESENS Units



Other Considerations



PRESENS is a game-changing technology in environmental data collection that is the envy of other states and provinces. Natural Resources Services (PRESENS) 1 FTE



PRESENS can perform real-time measurements beyond what any number of personnel could accomplish, including data not previously collected such as temperature and barometric pressure.



 NORTH

 Ockota

 Be Legendary.



WATER APPROPRIATION DIVISION

(1 FTE)

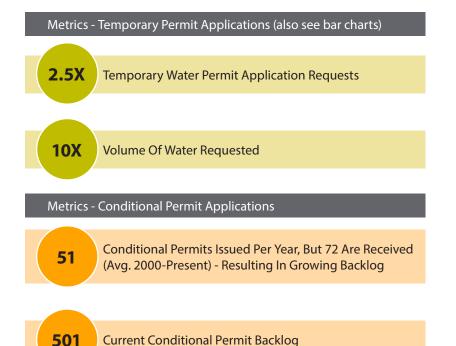
The Water Appropriation Division (WAD) is experiencing an unprecedented backlog of work that is adversely impacting the ability of the division to respond to permit application requests and other permitting processes tied to the management of North Dakota's water resources. Historically, there has always been some variation in workload within the division, but over the past 10 years, there have been significant increases in the tasks that are clearly not cyclical and there are no indications that this will be mitigated moving forward without more staff resources to address increased workload.

Why An FTE Is Necessary

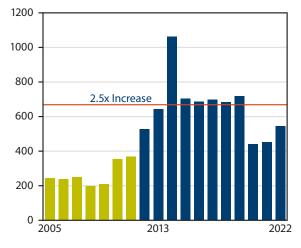
The increased workload can be tied to three independent drivers that have resulted in notable changes to division work processes, workflow, and workload. These include the following:

- Industrial Oil Field Production (Hydraulic Fracturing)
- **Performance Audit**
- Maturity of North Dakota Ground and Surface Water Systems

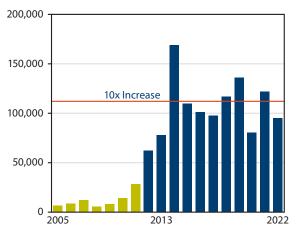
Hydraulic fracturing has profoundly changed the landscape, economics, and water demands in western North Dakota. Hydraulic fracturing requires substantial volumes of fresh water, and the associated demand for water in western North Dakota to facilitate the growth and expansion of the Bakken has placed overwhelming demands on WAD staff. The nature and the type of use related to delivering water for the development of the Bakken play has led to considerable increases in the number of Conditional and Temporary Permit applications as well as exceptional increases in the quantity of water that is requested.



Temporary Permit Applications (Annual)



Approved Acre-Feet Temp. Permits (Annual)



NORTH

Be Legendary.

Water Resources

REGULATORY DIVISION

In recent years, North Dakota's water projects have increased in project complexity and project volume, which in part is correlated closely to the increased funding for flood control and surface water projects. Additionally, the litigious nature of water-related issues such as drainage and water resource board decisions has also increased, thereby increasing the complexity of reviews and lengthening review timelines. The DWR Engineering & Permitting Section (E&P) staff have been at the forefront of these increases, attempting to keep pace with incoming permit applications while still prioritizing permit reviews for construction season dependent projects.

Why An FTE Is Necessary

- The E&P staff are unable to keep pace with the current trend in the complexity and volume of flood control and drainage project permit applications and complaint appeals.
- Major flood control projects, such as the Fargo-Moorhead Diversion Project and Mouse River Enhanced Flood Protection Project as well as other flood control projects for Grafton, Valley City, and Lisbon entailed more complex reviews requiring more staff time, thereby shifting workload priorities away from a growing backlog.
- The functions of E&P are core agency functions that are required to be completed by Century Code and Administrative Code, requiring adequate resources to fulfill.
- Other priorities, such as project or site inspections, field visits, database improvement, and education and outreach, are not currently occurring due to limited staff availability.

Other Considerations

Several attempts have been already made to harvest efficiencies with an existing E&P staff of 5 FTEs to process all applications, determinations, and appeals. These efforts already completed include leveraging of technology for electronic project management routing, reorganization of dam construction permits to the Dam Safety Section, and the publishing of 3 new agency policies that address common litigious issues with drainage and construction permitting, thereby streamlining aspects of the drain permitting and construction permitting processes. While these attempts were successful to some degree, incoming, time-sensitive applications take priority at the expense of a growing review backlog and other priorities.

Trends In Applications And Reviews

Permitting Engineer (1 FTE)

Metrics Major flood control project reviews 5+ since 2015, three of which are ongoing ex. FM Diversion Unprecedented emergency drain permit applications in 2019 and 2020 flood 28 fighting season, diverting other review priorities Only known project-related inspection or field visit completed since 2019 due to prioritization of review backlog Complaint appeals pending review (the most complicated and time 13

intensive reviews averaging only 1.5 per year completed)

Goals For Reviews Continue To Fall Short

Work Load Analysis (Days)	Review Type	Goals For Average Processing Time
811	Construction Permits	3 - 4 months
790	Statewide Significance Drain Permits	3 - 4 months
670	Complaint Appeals	4 - 6 months
605	Stream Crossing Determinations	1 - 2 months
437	Watercourse Determinations	1 - 2 months
344	Assessment Appeals	1 - 2 months
102	Non-Statewide Surface Drain Permits	< month
40	Emergency Permits	< 2 weeks

Water Resources

Be Legendary.

NORTH

EXECUTIVE SUMMARY WATER DEVELOPMENT PLAN



www.dwr.nd.gov

FEBRUARY 2023



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 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, long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more!

WATER DEVELOPMENT GOALS & PRIORITIES

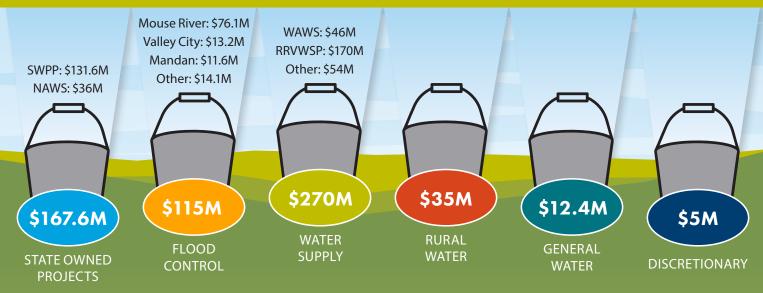
GOAL 1

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.



2023-2025 DWR PROJECT & PURPOSE FUNDING EXECUTIVE RECOMMENDATIONS

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

2023-2025 PROJECT FINANCIAL NEEDS SUMMARY (ESTIMATED DWR SHARE)



	WATER DEVELOPMENT PLAN INVENTORY PROJECT NEEDS			
PROJECT PURPOSES	High Priority	Moderate Priority	Low Priority	DESCRIPTION OF FINANCIAL NEED: 2023-2025
Flood Control (Total = \$210M)	\$121.1	\$47.2	\$42.4	Heart River Flood Control (Mandan), Mouse River Enhanced Flo Protection, and Water Conveyance.
F-M Area Diversion	-	-	-	Total state commitment of \$850M addressed during 2021 Legis
Mandan Flood Risk Reduction	\$12.3	-	-	Floodwall replacement, levee raises, and interior drainage impr
Mouse River Enhanced Flood Protection	\$76.1	-	-	Funding scenario based on \$76.1M over 5 biennia. Includes pro and construction on the Maple Diversion and in-town levees.
Other Flood Control	\$19.5	\$0.7	\$0.2	Community flood protection projects, levee certifications, floo
Valley City Permanent Flood Protection	\$13.2	-	-	Phase 6 - Permanent concrete flood walls, removable flood wa stream bank restorations.
Water Conveyance	\$0.0	\$46.5	\$42.2	New drainage, drainage improvements, bank stabilizations, and
General Water Management (Total = \$48.1M)	\$2.5	\$42.4	\$3.2	Dam remediations, repurposing, rehabilitations, and repairs; irri
Rural Water Supply (Total = \$109.7M)	\$13.7	\$18.8	\$77.2	Community regionalizations, system expansions, storage impro (WTP) improvements.
Water Supply (Total = \$679.9M)	\$467.9	\$1.6	\$210.4	Municipal water supply projects, Northwest Area Water Supply Western Area Water Supply.
Municipal Water Supply	\$0.0	\$1.6	\$210.4	Water distribution, storage, and treatment expansions; improve
Northwest Area Water Supply	\$36.0	-	-	Intake Contract II, Bottineau and Souris Reservoirs and Pump St Water Line Initialization, and Biota WTP Phase II.
Red River Valley Water Supply	\$254.3	-	-	Pipeline construction, Eastern North Dakota Alternative Water S WTP and Main Pump Station design.
Southwest Pipeline Project	\$131.6	-	-	Strategic hydraulic improvements, WTP expansion, rural service
Western Area Water Supply	\$46.0	-	-	Rural water service area expansions to new users and Williston
TOTAL (\$1.05B)	\$605	\$110	\$333	

Flood Protection, Other Flood Control, Valley City Permanent Flood

gislative session with \$435.5M provided through HB 1431.

provements.

property acquisitions in Minot and rural areas, additional levee design, s.

ood reduction studies, and rural ring dikes.

walls, clay levees, storm water pump stations, and bioengineered

and snagging and clearing.

irrigation; watershed plans; and water retention and detention.

provements, transmission line installations, and water treatment plant

oly, Red River Valley Water Supply, Southwest Pipeline Project, and

ovements; and replacements.

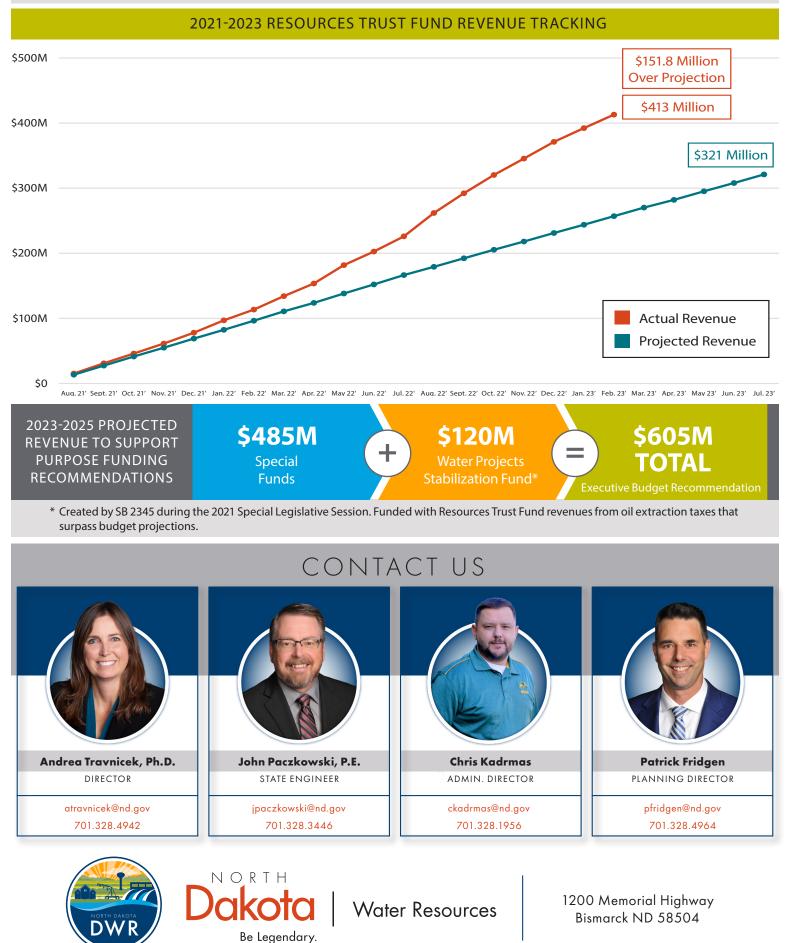
Stations, In-line Booster Pump Stations, Minot WTP Phase III, Raw

er Supply design, McClusky Canal Intake preliminary design, and Biota

vice additions, and DWR operations.

on WTP 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 funded with 20.5 percent of revenues from the oil extraction tax.





House Appropriations Committee | Eng. Senate Bill 2020 | 68th Legislative Assembly



Water Resources

#21782



Divisions Within DWR Remain The Same Including:

- Administration
- 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

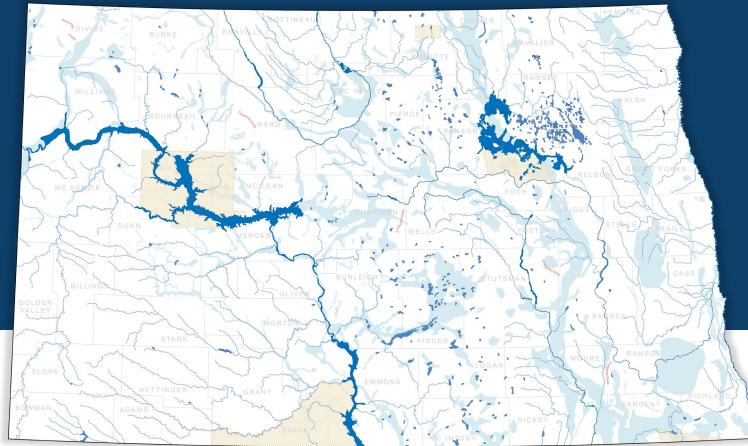
To responsibly manage North Dakota's water needs and risks for the people's benefit.

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.



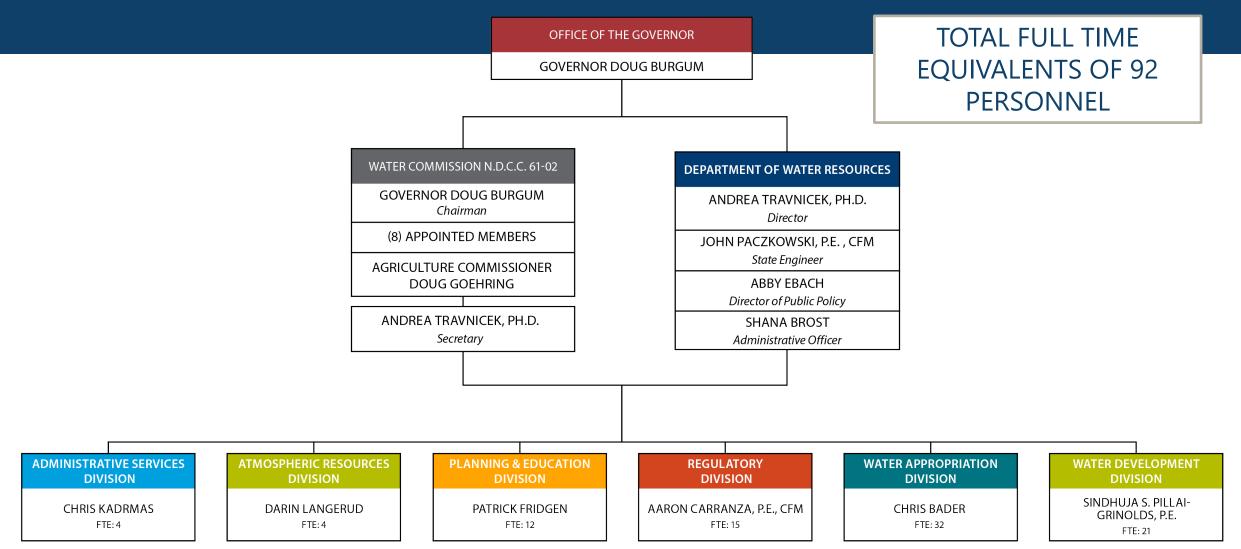
The Department of Water Resources values fairness, objectivity, accountability, responsiveness, engagement, and credibility. We pledge to use professional and scientific methods to maintain the highest of standards in our delivery of services.

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 NDs Largest Lakes & Reservoirs Cover 863,000 Acres

DWR ORGANIZATIONAL CHART



WORKFORCE

TEAM DWR Asked For 3 FTE Approved By Emergency Commission 2 FTE + 1 Temp Approved By Budget Section (March 2022)

Water Appropriation | Regulatory | PRESENS

- Continued Challenges With Salary Equity
- 22.6% Turnover In 2022 (2 Retirements)
- 20 New Team Members Hired In 2022
- Cooperating With NDSU & Others To Guide Course & Curriculum Focus

WATER COMMISSION



SWC Chair Governor Burgum



Ag. Comm. Goehring



Gene Veeder Upper Missouri River Basin



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



Jason Zimmerman Mouse River Basin

erman Basin Richard Johnson Devils Lake Basin



Michael Anderson Lower Red River Basin



Jay Volk Lower Missouri River Basin





April Walker Upper Red River Basin

DWR DIRECTOR & STATE ENGINEER



DWR DIRECTOR

Andrea Travnicek, Ph.D., Director atravnicek@nd.gov | 701-328-4942

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

General support, budget development, records management, human resources, State Water Commission meeting preparation, and accounting.



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

Chris Bader, Director cbader@nd.gov | 701-328-4771

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



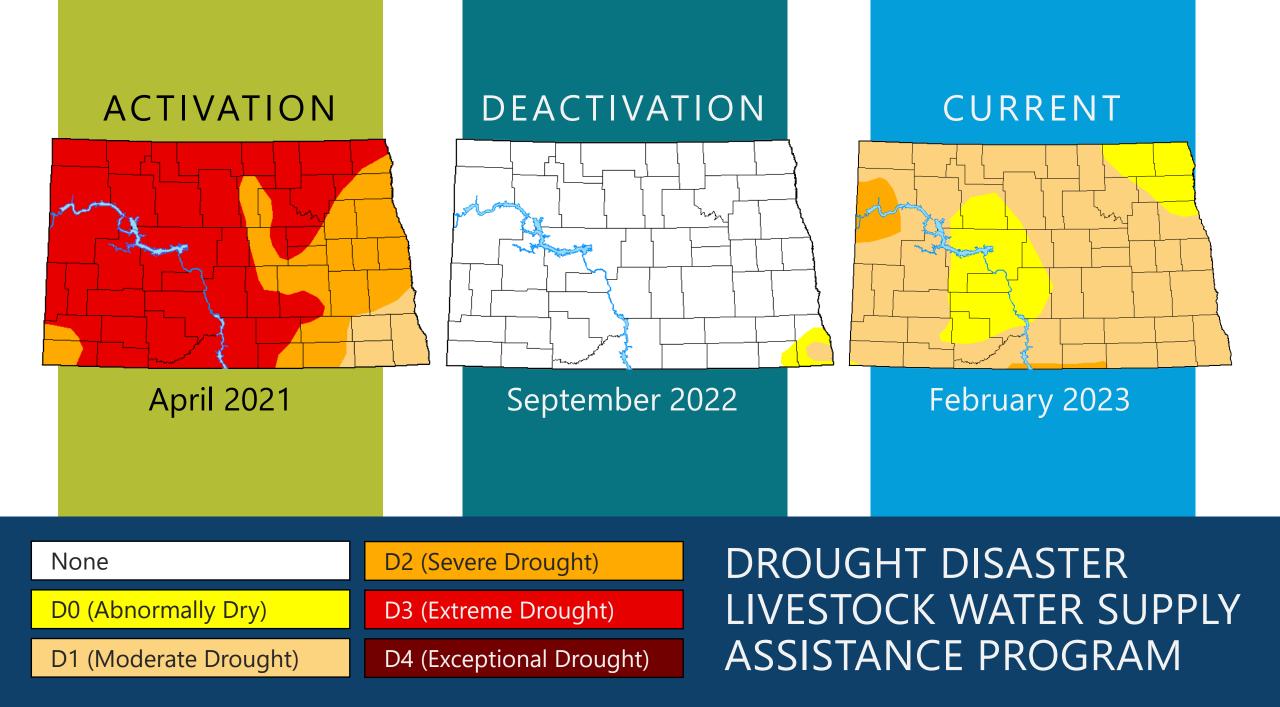
WATER DEVELOPMENT

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



NAWS UPDATE

UNDER CONTRACT

- Minot WTP Phase II
- Biota WTP Phase I
- South Prairie
 Reservoir & Hydraulic
 Control Structure

2023-2025 REQUEST: \$36M

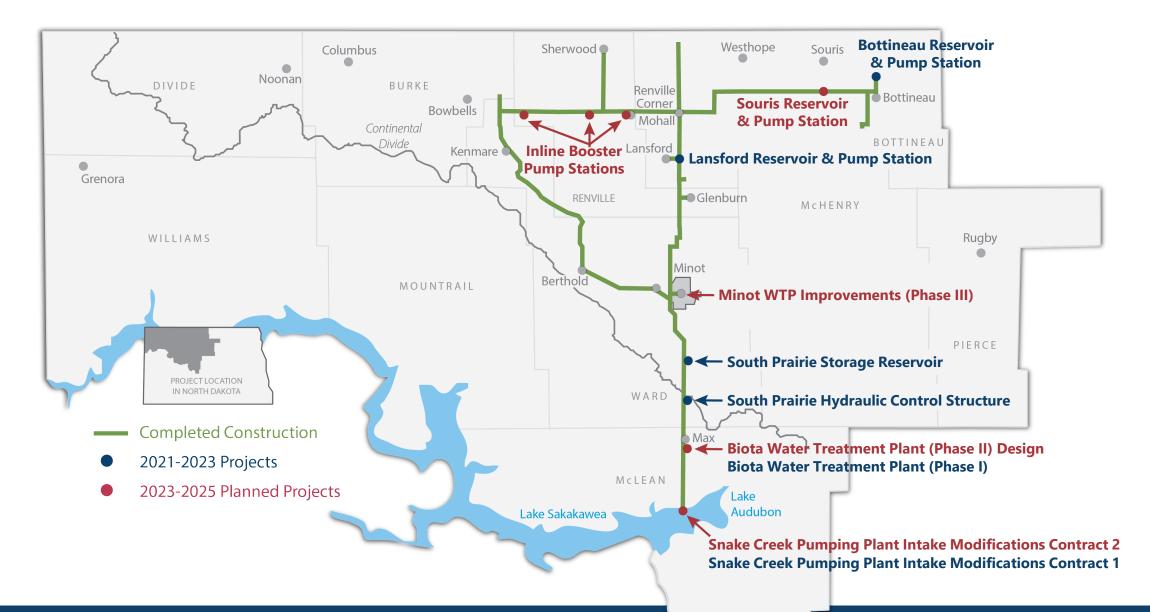
Recently Completed

Service To Bottineau Lansford Reservoir & Pump Station

Snake Creek Intake Modifications Permitting & Awarded Contracts

Goal

Deliver Missouri Water - End Of 2024



NAWS PROJECT AREAS

SOUTHWEST PIPELINE PROJECT UPDATE

UNDER CONTRACT

- Elevated Tank In City Of Taylor (Substantially Complete)
- Main Transmission Line Parallel Piping (Substantially Complete)
- Supplementary Intake
- Strategic Hydraulic Improvements

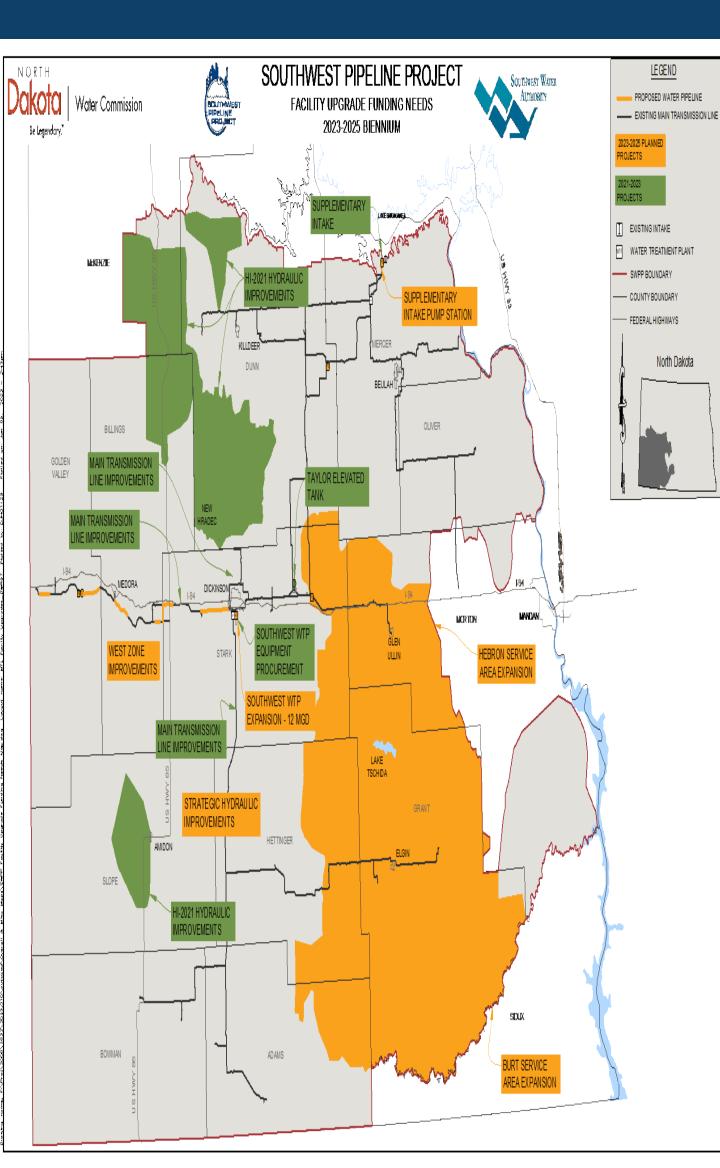
2023-2025 REQUEST: \$131.6M



Future Projects

- Strategic Hydraulic Improvements
- Water Treatment Plant Expansion
- Burt & Hebron Service Area Expansion
- West Zone Transmission Upgrades

SWPP PROJECT AREAS



DEVILS LAKE OUTLETS UPDATE



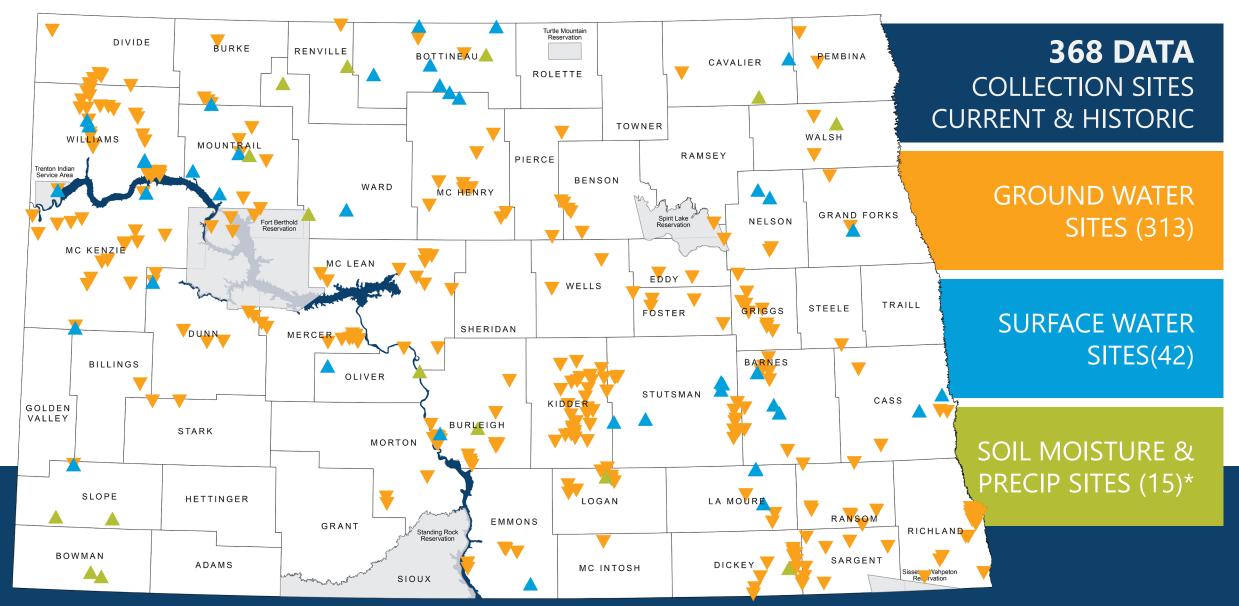
OUTLETS | PUMPS | STRUCTURE

- Approx. 60K Acre-Feet Pumped In 2022
- Repairs Made To The West End Outlet
 - Terminal Structure
 - Drainpipe (Round Lake Pump #3)
 - Electrical Outage (Round Lake Pump #4)
- Outlet Capital Improvement Plan



- Constantly Collecting Valuable Water Resource Data -Publicly Accessible On Agency's Map Services
- Collect Water Levels, Precipitation, Soil Moisture, Soil Temperature, Barometric Pressure, Air Temperature
- 368 Locations Measured Using PRESENS
- 287 Units Currently Operating
 - Surface Units Are Removed In Winter To Prevent Damage
- **15 Units** Currently Have Rain Gauge & Soil Moisture Sensors
- Goal Is 680 Units By 2025
- 2023-2025 REQUEST: \$1,572,800 (ONGOING)

PUSHING REMOTE SENSORS (PRESENS)



PRESENS LOCATIONS

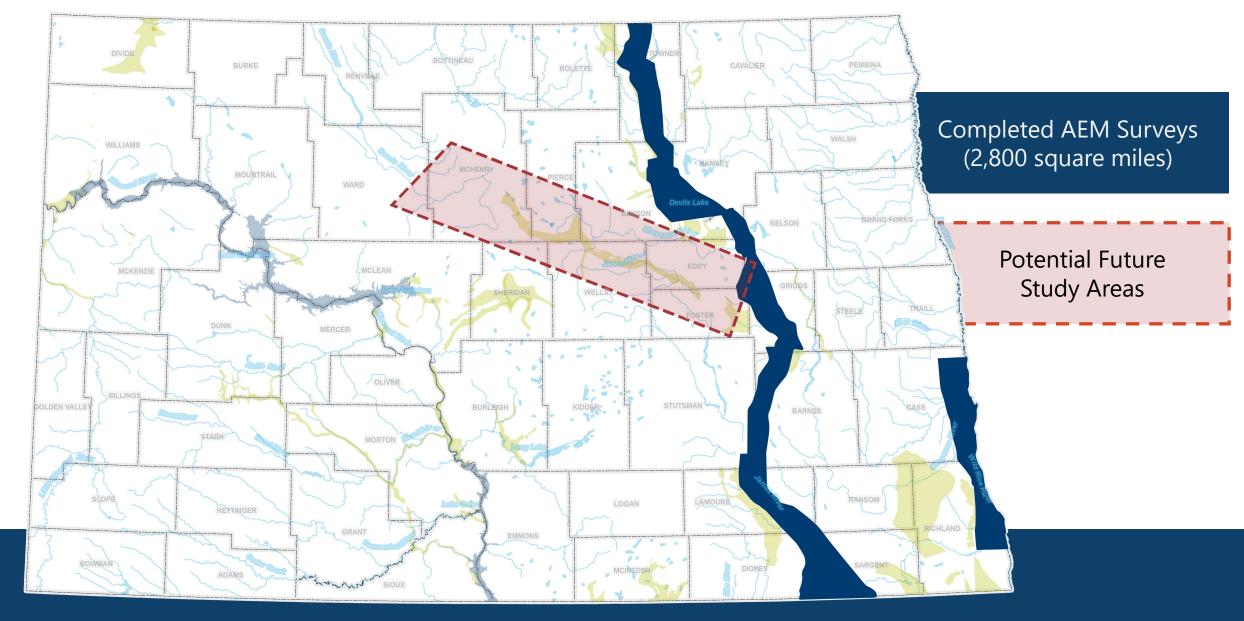
*Two soil moisture & precip sites are co-located with ground water sites.



AIRBORNE ELECTROMAGNETIC SURVEYS (AEM)

- Provide High-Resolution Maps
 Of Aquifers That Help Water Managers
 Identify & Optimize Local Sources Of Available Groundwater
- 2,800 Sq. Miles Completed With Plans To Expand Data Collection
- 2023-2025 REQUEST: \$750,000 (ONE-TIME)

AIRBORNE ELECTROMAGNETIC (AEM) SURVEYS

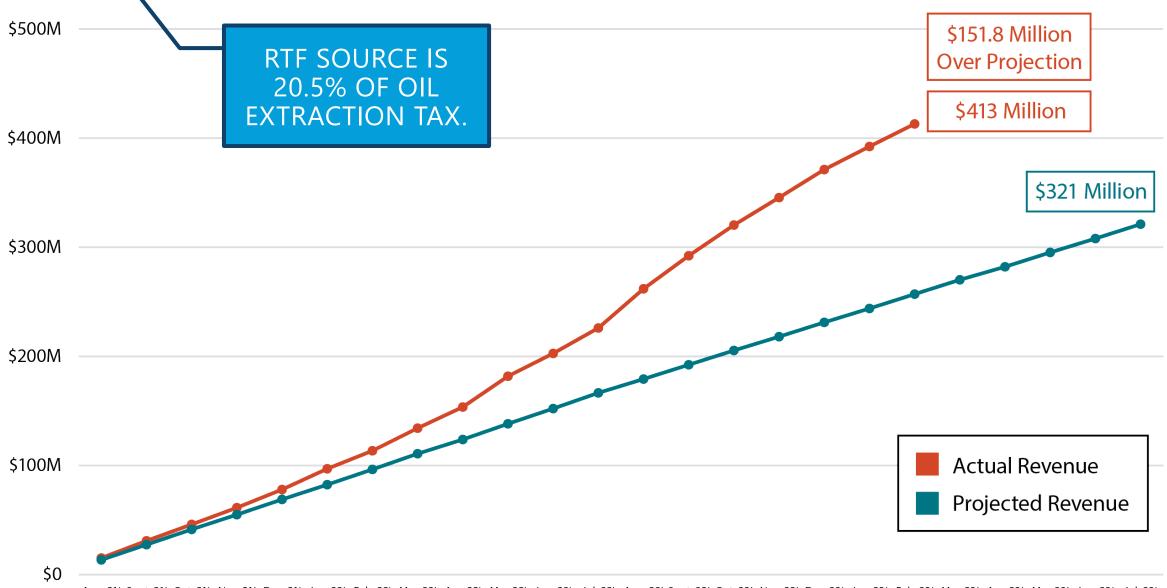


OTHER DWR HIGHLIGHTS

- Cost-Share Program Policy Update Completed 2023-2025 Implementation
- 2021-2023 Cost-Share Program (State Funding)
 - **\$322M** Total Approvals To Date
 - \$216M For Water Supply Projects In 28 Cities & 20 Rural/Regional Systems
 - \$106M For 105 Different Flood Protection, Water Conveyance, & General Water Projects
- Secured Almost \$5M In FEMA Grant Funding For LiDAR Data To Improve & Modernize Modeling & Engineering Design Data Inputs
- Launched A One-Stop-Shop Online Portal Through WebGrants
 For Water Project Sponsors Seeking Grant Funding Or Loans



RESOURCES TRUST FUND REVENUE

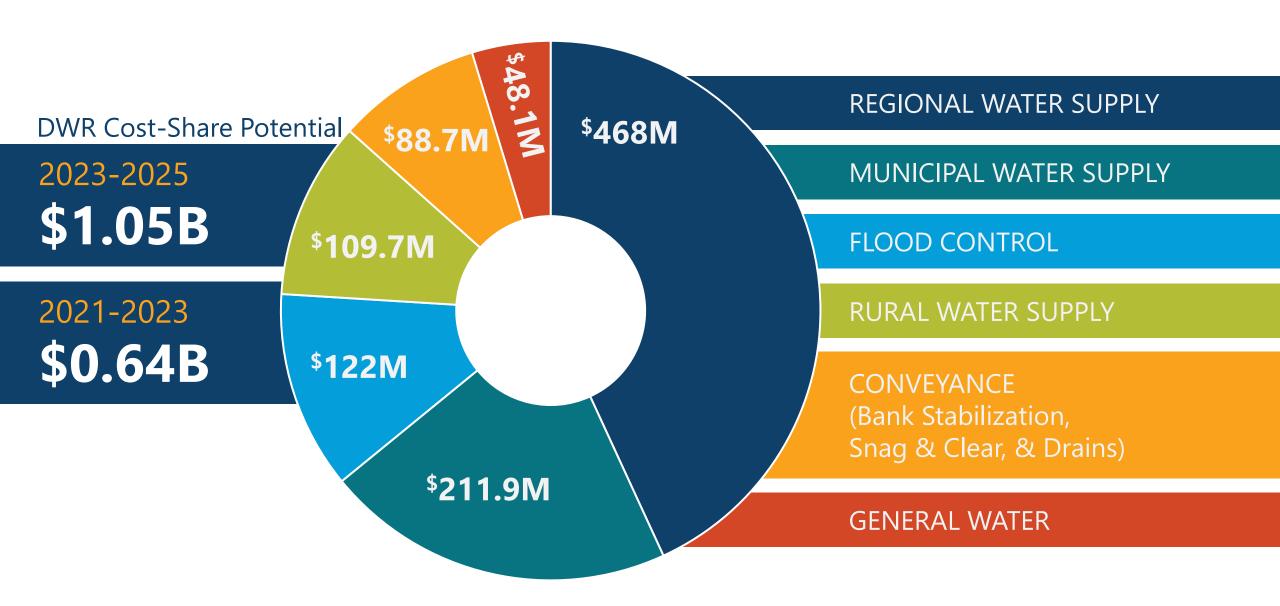


Aug. 21' Sept. 21' Oct. 21' Nov. 21' Dec. 21' Jan. 22' Feb. 22' Mar. 22' Apr. 22' May 22' Jun. 22' Aug. 22' Sept. 22' Oct. 22' Nov. 22' Dec. 22' Jan. 23' Feb. 23' Mar. 23' Apr. 23' May 23' Jun. 23' Jul. 23'

WATER PROJECTS STABILIZATION FUND



- Created By SB 2345 During 2021 Special Session
- Funded With Resources Trust Fund Revenues That Surpass Budget Projections
- Transfers To WPSF Ended February 2023
- Eng. SB 2020 Includes **\$150M**
 - \$120M Red River Valley Water Supply Project
 - \$30M Western Area Water Supply Project (Loan Payoff)



WATER DEVELOPMENT PLAN INVENTORY

2023-2025 PROJECT & PURPOSE FINANCIAL NEEDS SUMMARY

ESTIMATED DWR SHARE BY PRIORITY

Project PurposesHigh PriorityModerate PriorityLow PriorityFlood Control (Total = \$210M)\$121.10\$47.20\$42.40F-M Area DiversionMandan Flood Risk Reduction\$12.30Mouse River Enhanced Flood Protection\$76.10Other Flood Control\$19.50\$0.70\$0.20Valley City Permanent Flood Protection\$13.20Water Conveyance\$0.00\$46.50\$42.20General Water Management (Total = \$48.1M)\$2.50\$42.40\$3.20Rural Water Supply (Total = \$109.7M)\$13.70\$18.80\$77.20Water Supply (Total = \$679.9M)\$467.90\$1.60\$210.40Northwest Area Water Supply\$0.00\$1.60\$210.40Northwest Area Water Supply\$36.00Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00Yestern Area		WDP INVENTORY PROJECT NEEDS			
F-M Area DiversionMandan Flood Risk Reduction\$12.30-Mouse River Enhanced Flood Protection\$76.10-Other Flood Control\$19.50\$0.70\$0.20Valley City Permanent Flood Protection\$13.20Water Conveyance\$0.00\$46.50\$42.20General Water Management (Total = \$48.1M)\$2.50\$42.40\$3.20Rural Water Supply (Total = \$109.7M)\$13.70\$18.80\$77.20Water Supply (Total = \$679.9M)\$467.90\$1.60\$210.40Northwest Area Water Supply\$36.00Red River Valley Water Supply\$36.00Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00	Project Purposes				
Mandan Flood Risk Reduction\$12.30-Mouse River Enhanced Flood Protection\$76.10-Other Flood Control\$19.50\$0.70\$0.20Valley City Permanent Flood Protection\$13.20Water Conveyance\$0.00\$46.50\$42.20General Water Management (Total = \$48.1M)\$2.50\$42.40\$3.20Rural Water Supply (Total = \$109.7M)\$13.70\$18.80\$77.20Water Supply (Total = \$679.9M)\$467.90\$1.60\$210.40Municipal Water Supply\$36.00Red River Valley Water Supply\$254.30Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00	Flood Control (Total = \$210M)	\$121.10	\$47.20	\$42.40	
Nouse River Enhanced Flood Protection\$ 76.10.Other Flood Control\$19.50\$0.70\$0.20Valley City Permanent Flood Protection\$13.20Water Conveyance\$0.00\$46.50\$42.20General Water Management (Total = \$48.1M)\$2.50\$42.40\$3.20Rural Water Supply (Total = \$109.7M)\$13.70\$18.80\$77.20Water Supply (Total = \$679.9M)\$467.90\$1.60\$210.40Municipal Water Supply\$36.00\$1.60\$210.40Northwest Area Water Supply\$36.00Red River Valley Water Supply\$36.00Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00	F-M Area Diversion	-	-	-	
Arrow Other Flood ControlArrow \$19.50Arrow \$0.70\$0.20Valley City Permanent Flood Protection\$13.20Water Conveyance\$0.00\$46.50\$42.20General Water Management (Total = \$48.1M)\$2.50\$42.40\$3.20Rural Water Supply (Total = \$109.7M)\$13.70\$18.80\$77.20Water Supply (Total = \$679.9M)\$467.90\$1.60\$210.40Municipal Water Supply\$36.00\$1.60\$210.40Northwest Area Water Supply\$36.00Red River Valley Water Supply\$254.30Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00	Mandan Flood Risk Reduction	\$12.30	-	-	
Valley City Permanent Flood Protection\$13.20AWater Conveyance\$0.00\$46.50\$42.20General Water Management (Total = \$48.1M)\$2.50\$42.40\$3.20Rural Water Supply (Total = \$109.7M)\$13.70\$18.80\$77.20Water Supply (Total = \$679.9M)\$467.90\$1.60\$210.40Municipal Water Supply\$36.00\$1.60\$210.40Northwest Area Water Supply\$36.00Red River Valley Water Supply\$254.30Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00	Mouse River Enhanced Flood Protection	\$76.10	-	-	
Water Conveyance \$0.00 \$46.50 \$42.20 General Water Management (Total = \$48.1M) \$2.50 \$42.40 \$3.20 Rural Water Supply (Total = \$109.7M) \$13.70 \$18.80 \$77.20 Water Supply (Total = \$679.9M) \$467.90 \$1.60 \$210.40 Municipal Water Supply \$0.00 \$1.60 \$210.40 Northwest Area Water Supply \$36.00 \$1.60 \$210.40 Red River Valley Water Supply \$36.00 - - Southwest Pipeline Project \$131.60 - - Western Area Water Supply \$46.00 - -	Other Flood Control	\$19.50	\$0.70	\$0.20	
General Water Management (Total = \$48.1M) \$2.50 \$42.40 \$3.20 Rural Water Supply (Total = \$109.7M) \$13.70 \$18.80 \$77.20 Water Supply (Total = \$679.9M) \$467.90 \$1.60 \$210.40 Municipal Water Supply \$0.00 \$1.60 \$210.40 Northwest Area Water Supply \$36.00 - - Red River Valley Water Supply \$36.00 - - Southwest Pipeline Project \$131.60 - - Western Area Water Supply \$46.00 - -	Valley City Permanent Flood Protection	\$13.20	-	-	
Rural Water Supply (Total = \$109.7M) \$13.70 \$18.80 \$77.20 Water Supply (Total = \$679.9M) \$467.90 \$1.60 \$210.40 Municipal Water Supply \$0.00 \$1.60 \$210.40 Northwest Area Water Supply \$36.00 \$1.60 \$210.40 Red River Valley Water Supply \$36.00 - - Southwest Pipeline Project \$131.60 - - Western Area Water Supply \$46.00 - -	Water Conveyance	\$0.00	\$46.50	\$42.20	
Water Supply (Total = \$679.9M)\$467.90\$1.60\$210.40Municipal Water Supply\$0.00\$1.60\$210.40Northwest Area Water Supply\$36.00Red River Valley Water Supply\$254.30Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00	General Water Management (Total = \$48.1M)	\$2.50	\$42.40	\$3.20	
Municipal Water Supply\$0.00\$1.60\$210.40Northwest Area Water Supply\$36.00Red River Valley Water Supply\$254.30Southwest Pipeline Project\$131.60Western Area Water Supply\$46.00	Rural Water Supply (Total = \$109.7M)	\$13.70	\$18.80	\$77.20	
Northwest Area Water Supply\$36.00-Red River Valley Water Supply\$254.30-Southwest Pipeline Project\$131.60-Western Area Water Supply\$46.00-	Water Supply (Total = \$679.9M)	\$467.90	\$1.60	\$210.40	
Red River Valley Water Supply\$254.30-Southwest Pipeline Project\$131.60-Western Area Water Supply\$46.00-	Municipal Water Supply	\$0.00	\$1.60	\$210.40	
Southwest Pipeline Project\$131.60-Western Area Water Supply\$46.00-	Northwest Area Water Supply	\$36.00	-	-	
Western Area Water Supply \$46.00 -	Red River Valley Water Supply	\$254.30	-	-	
	Southwest Pipeline Project	\$131.60	-	-	
TOTAL (\$1.05B) \$605 \$110 \$333	Western Area Water Supply	\$46.00	-	-	
	TOTAL (\$1.05B)	\$605	\$110	\$333	



WWW.DWR.ND.GOV



2023-2025 EXECUTIVE RECOMMENDATIONS

2023-2025 PURPOSE FUNDING



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

SB 2020: DWR BUDGET SUMMARY

	2021-2023 Base Level	2023-2025 Executive Rec.	Engrossed SB 2020
Salaries & Wages	\$20,537,867	\$23,809,878	\$23,465,326
Operating Expenses	\$43,366,550	\$59,479,068	\$59,479,068
Capital Assets	\$98,467,437	\$172,396,344	\$300,383,950
Water Supply Projects	\$125,000,000	\$270,000,000	\$283,000,000
Rural Water Supply	\$59,600,000	\$35,000,000	\$40,000,000
Flood Control Projects	\$48,000,000	\$115,000,000	\$114,600,000
General Water Projects	\$14,227,275	\$14,233,275	\$12,000,000
Discretionary Projects	-	\$5,000,000	\$1,000,000
Basinwide Plan	-	\$0	\$1,000,000
TOTAL	\$409,199,129	\$694,918,565	\$834,928,344
Full Time Equivalents (FTE)	90	93	93

DPTIONAL	ULFSTS
DWR 0	R F C

3 FTE (\$19,320 equipment and \$2,000 travel)	
1 Full Time Temp - NAWS	S
Motor Pool Rate Increase	Z
IT Standardization, Applications, & Security	
PRESENS Installations & Temp Salaries	-AC
Drilling Supply Cost Increases	Z
Navigability Study	RECOMMENDATION
AEM Survey Technology	Σ
Groundwater Modeling/Analysis Software	
Professional Development	Ц Ц
Full Time Temp - FTE Conversion	/Е
Bowman Radar Replacement	CUTIVE
New Drilling Rig	\square
Office Modifications	Ш Х
RiskMAP - *Federal Funding Spending Authority	Ē
TOTAL OPTIONAL REQUESTS	

\$13,496,080		\$13,447,736
\$100,000*		\$100,000*
\$200,000		\$200,000
\$1,800,000		\$1,800,000
\$1,800,000	Z Ш	\$1,800,000
\$61,609	GR	\$61,609
\$80,000	OS	\$80,000
\$94,665	S П	\$94,665
\$750,000		\$750,000
\$180,000	SB	\$180,000
\$180,000	20	\$180,000
\$1,572,800)20	\$1,572,800
\$5,615,764		\$5,615,764
\$118,180		\$118,180
\$170,000		\$170,000
\$773,062		\$724,718

DWR BUDGET: OTHER CHANGES

OTHER CHANGES	ENGROSSED SB 2020
Line of Credit Included In Capital Assets	\$100,000,000
Incr. Federal Funds For NAWS In Capital Assets	\$47,847,238
Discretionary Funding	\$1,000,000
Basinwide Plan Implementation	\$1,000,000
TOTAL OTHER CHANGES	\$149,847,238

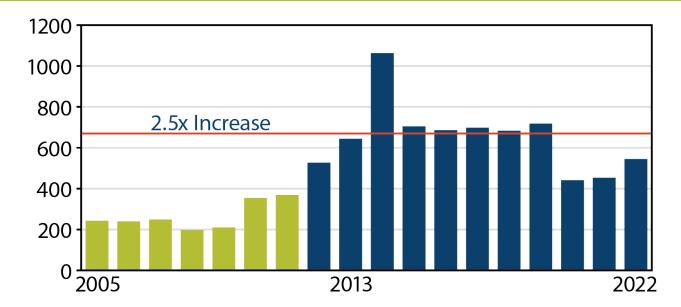
REQUEST FOR 3 FTE

2023-2025 REQUEST: \$773,062

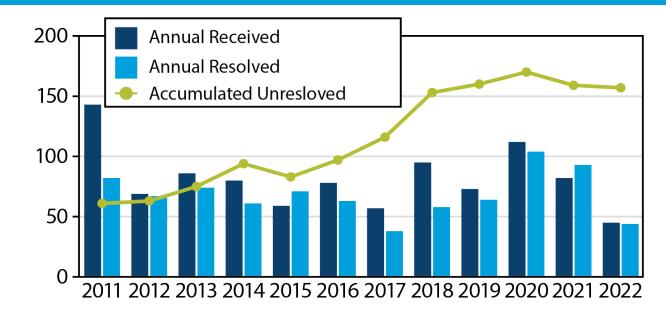
Includes One For The Regulatory Division To Assist With Permitting & Two For The Water Appropriation Division That Would Work On Water Appropriation & PRESENS System Support

Assist With Significantly Reducing Delays So Constituents Receive Permits In A Timelier Manner

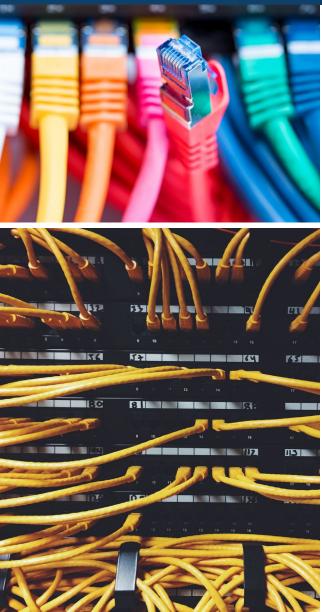
TEMPORARY WATER PERMIT APPLICATIONS (ANNUAL)



TRENDS IN REGULATORY APPLICATIONS & REVIEWS



IT STANDARDIZATION, APPLICATIONS & SECURITY



To Consolidate & Standardize IT Services Under One Umbrella Through NDIT:

- 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 NDIT
- Business Analysis
- Project Management
- Project Oversight

2023-2025 Request: \$5,615,764

ADDRESSING SALARY CHALLENGES FOR OUR TEAM MEMBERS

EXECUTIVE REQUEST



Recommended To Address Internal Equity & External Market Factors That Affect Existing Team Members. This Would Assist With Reducing Turn-over & Would Support Competitive Pay & Compression Adjustments.

DWR SUPPORTS SENATE BILL 2015

Example: Hydrologist Positions Are **Well** Below Private Sector. HYDROLOGIST POSITIONS 22%

OTHER ENG. SB 2020 SECTIONS



SECTION 3

 Additional Income Appropriation Section For Additional Amounts In The Resources Trust Fund For Defraying The Expenses Of The Department, Excluding Operating Expenses & Salaries & Wages.

SECTION 5

 A Section Identifying The Purpose Of The Discretionary Funds Which May Be Used As Necessary Except For Salaries & Wages.

SECTION 8

 A Section Authorizing A \$100 Million Line Of Credit From The Bank Of North Dakota For NAWS (\$50 Million) & SWPP (\$50 Million). SB 2196 Also Includes A Line Of Credit For NAWS That Should Be Removed.

OTHER ENG. SB 2020 SECTIONS



SECTIONS 10, 11, & 12

Intent Related To Red River Valley Water Supply (\$175M 2023-2025 With \$953M Total Remaining), Mouse River Flood Control (\$76.1M 2023-2025 With \$380.5M Total Remaining), & Southwest Pipeline Project (\$40M Through 2025-2027).

SECTION 13

 A Section Providing Authority For Line-Item Transfers Up To \$13,292,362 Between The Operating & Capital Assets Line Items.

SECTION 14

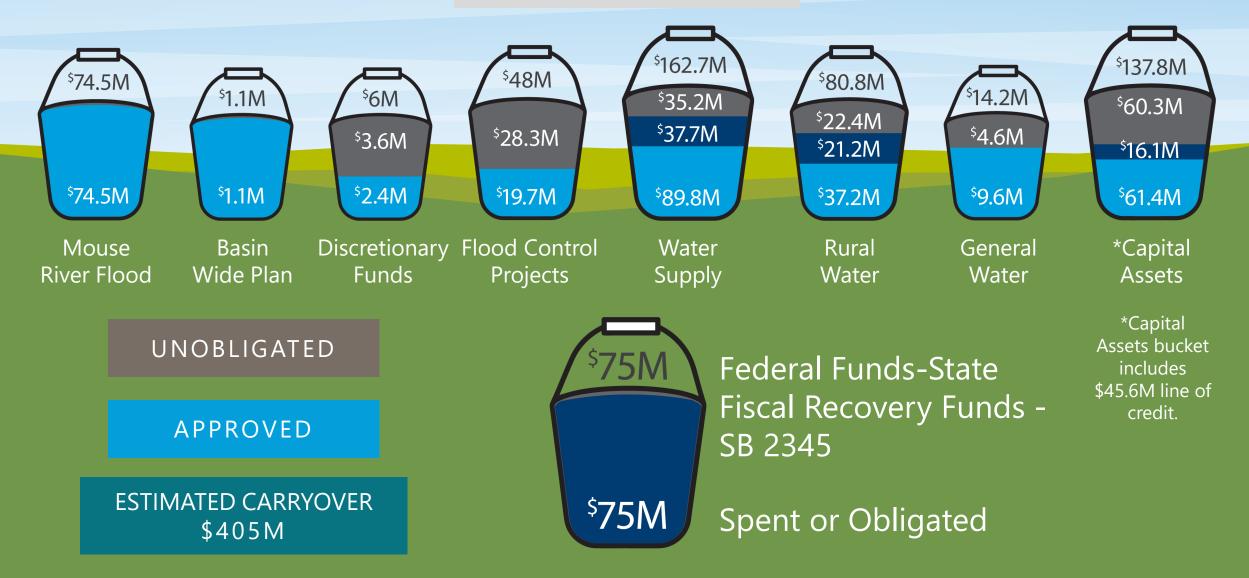
 Exemption Section Providing Authority To Carryover \$405 Million Of Unexpended Obligated & Unobligated Funding Related To Water Projects.

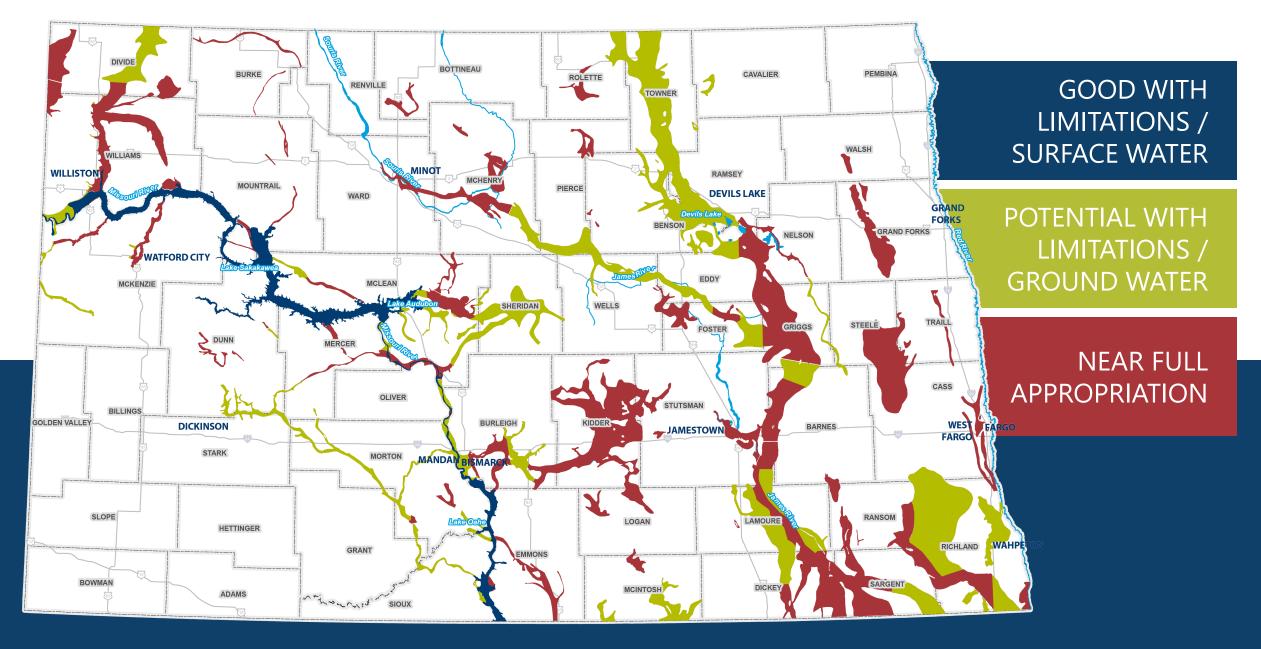
SECTION 15

• A Section Declaring SB 2020 To Be An Emergency Measure.

2021-2023 PURPOSE FUNDING

FEBRUARY 28, 2023





WATER AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT



OBJECTIVE 1

Effectively communicate with the public and stakeholders with a primary focus on collaboration and building partnerships.

OBJECTIVE 2

Develop world-class, sustainable, and resilient water development and management practices.

OBJECTIVE 3

Support beneficial use of Missouri River system water and other available water supply sources.

OBJECTIVE 4

Implement innovative ideas, technology, and grow analytic capabilities to improve efficiencies in water management and development.

OBJECTIVE 5

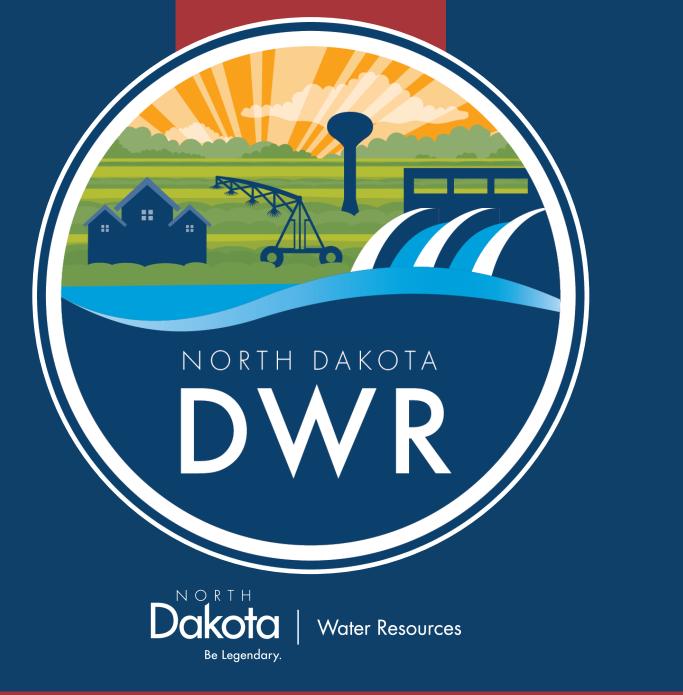
Improve the department's internal resilience and promote a positive culture.

Multiple Goals & Tactics Associated With Each Objective.

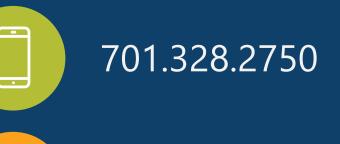
THIS BUDGET SUPPORTS...



- Agency Responsiveness & Efficiencies
- Advancement Of Innovative Ideas & Technology
- Critical Water Infrastructure
- Workforce Enhancement, Retention
 Of Talent, Recruiting & Mentoring



THANK YOU



dwr@nd.gov



<u>dwr.nd.gov</u>

/NDWaterResources





Department of Water

Groundwater Monitoring

PRESENS (Pushing REmote

SENSors) Real-Time Envi-

ronmental Data Loggers

Have Collected Measure-

For Water Supply, Flood

Protection & Other Water

Projects (21-23 Biennium)

Supply, Flood Protection

& Other Water Projects

Proposed For Water

(23-25 Biennium)

Average Increase In Temporary Water Permit

Last 10 Years

Applications Annually -

Resources Full Time

Equivalents (FTE)

Wells

ments

MISSION

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

500+

360-

Ş

\$549M

\$605M

250%

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.

WHO WE SERVE

DWR FACTS



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.





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

Andrea Travnicek, Ph.D., Director atravnicek@nd.gov 701-328-4942

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

General support, records management, human resources, and accounting, including financial reporting, audits, and processing payments.



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

Chris Bader, Director cbader@nd.gov 701-328-4771

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

DEPARTMENT OF WATER RESOURCES WORKFORCE

WHAT WE'RE ABOUT

The Department of Water Resources (DWR) has several responsibilities on behalf of the people of North Dakota that make the agency and its workforce unique. 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.

WHAT HAPPENS IF WE CAN'T EFFECTIVELY DO OUR JOB...

Result

Cost-share support for flood protection, water supplies, and other water development projects would be stalled.



Result

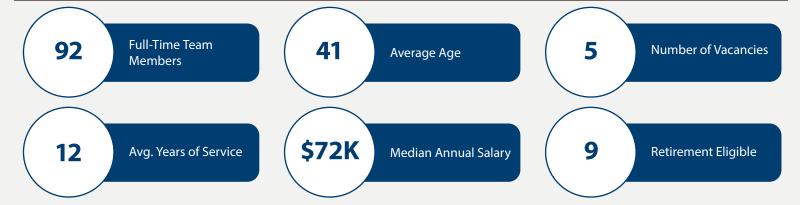
Water permit requests for drinking water, agriculture, and industrial development will be delayed.



Result

Regulatory functions designed to protect citizens and infrastructure from negative water-related events (i.e. flooding and dam failures) could be impacted.

CURRENT AGENCY TEAM MEMBER STATS



ADDRESSING SALARY CHALLENGES FOR OUR TEAM MEMBERS

EXECUTIVE REQUEST

\$645K

Recommended to address internal equity and external market factors that affect existing team members. This would assist with reducing turn-over and would support competitive pay and compression adjustments.

DWR SUPPORTS SENATE BILL 2015

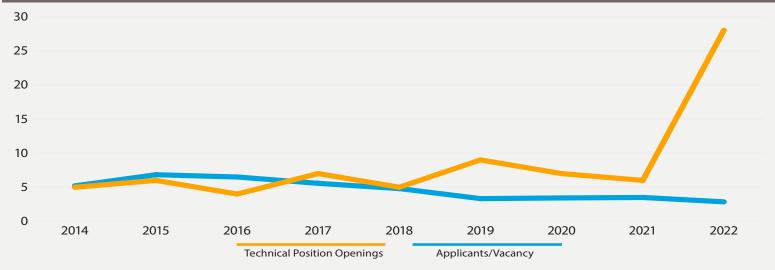
HYDROLOGIST POSITIONS

22%

EXAMPLE Hydrologist Positions Are **22%** Below Private Sector.

DEPARTMENT OF WATER RESOURCES

TECHNICAL POSITION APPLICANTS PER POSITION - LAST 10 YEARS



COST OF TURNOVER



To properly function, DWR requires highly specialized and technical skillsets related to engineering, hydrology, planning, and finance, as examples. Productive team members must then apply all of these principles, and others, to water resource management. When hiring there is a loss of productivity across the team. Besides hiring and on-boarding costs, each new hire has a 6 to 24 month learning curve before less supervision is necessary. During this time, the development of each employee impacts other productive team members, and increases time demands by managers and other coworkers - thus reducing team production. Further exacerbating the cost of turnover is the loss of recently trained employees who leverage the state's investment in their professional development and pursue similar yet higher paying employment with the private sector or other government agencies with their newly-attained knowledge, skills, and professional licenses.

WORKFORCE COMPETITION



Engineering & Environmental Services Firms



Federal Government



Other States (Similar Agencies)



Fossil Fuel Industries

22.6% TURNOVER IN 2022



Water Resources



DEPARTMENT OF WATER RESOURCES 2023-2025 OPTIONAL REQUESTS

The following is a summary of optional requests included in the 2023-2025 Executive Budget recommendation. More detailed descriptions are available through the Budget Development Tracking System or by contacting DWR staff (see below).

DEPARTMENT OF WATER RESOURCES STAFF



3 FULL TIME EQUIVALENTS (FTE)

To significantly reduce delays so constituents receive permits and water appropriations in a timelier manner.

- » Regulatory Division
- » Water Appropriation
- » PRESENS System Support

\$170,000

1 FULL TIME TEMP Northwest Area Water Supply (NAWS) - To ensure streamlined operation of the NAWS system as DWR works to partner with Minot in operating the biota water treatment plant and completing projects necessary to receive and distribute water from Lake Sakakawea.

\$80,000

PROFESSIONAL DEVELOPMENT

To support mentoring and training of water appropriation staff in positions that require high levels of technical expertise, and that in recent years have experienced high turnover rates.

\$61,609

FULL TIME TEMP BENEFITS

To provide a full benefits package to DWR's Silver Jackets Program Coordinator - who for years has been a long-term temporary employee.

TECHNOLOGY & INNOVATION

IT STANDARDIZATION, APPLICATIONS & SECURITY

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.

PRESENS (PUSHING REMOTE SENSORS) INSTALLATIONS & TEMP SALARIES

To expand the PRESENS footprint and data collection types/sensors to improve forecasting, modeling, and overall water management - at a fraction of the cost of traditional data collection methods.

AEM (AIRBORNE ELECTROMAGNETIC SURVEYS)

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.

GROUNDWATER MODELING & HYDROLOGIC ANALYSIS SOFTWARE

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.

\$5,615,764

ter, particularly in

\$1,572,800



INFLATIONARY COST INCREASES

MOTOR POOL RATE INCREASES

To address inflation impacting current travel expenses. Motor Pool announced increased rates moving forward that represent an average increase across the vehicle fleet of 10% and 15%.

\$118,180

DRILLING SUPPLY COST INCREASES

To maintain ongoing drilling operations and to account for increasing costs related to drilling mud, cement, and PVC pipe.

\$180,000

EQUIPMENT & OFFICE

BOWMAN RADAR

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.

\$1,800,000

\$200,000

\$1,800,000

DRILLING RIG

To replace DWR's 15-year old drill rig with a top-head drive drilling rig that provides finer control over the drilling operation and safety features that are superior to the current drill rig.

OFFICE MODIFICATIONS

DWR was required to evacuate the State Office Building due to environmental hazards. Funding is requested to address office modifications that may be necessary at the agency's current long-term, yet potentially temporary location.

FEDERAL FUNDING AUTHORITY

\$100,000

ND RISKMAP (RISK ASSESSMENT MAPSERVICE)

To address federal spending authority increase projections related to RiskMAP. RiskMAP was developed in-house and allows users to zoom in and visually display current flood risks.

STUDY/ANALYSIS

\$180,000

NAVIGABILITY STUDY

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 has been achieved on this effort since 2019.



CONTACT US Andrea Travnicek, Ph.D. | Director

atravnicek@nd.gov | 701.328.4942

Chris Kadrmas | Director of Admin. ckadrmas@nd.gov | 701.328.1956

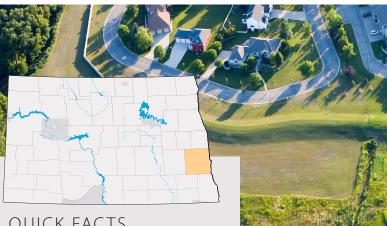




Water Resources



FARGO-MOORHEAD AREA DIVERSION PROJECT



LOOKING AHEAD 2023-2025



FULLY FUNDED

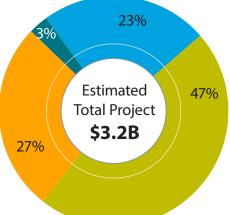
State funding of \$414.5M was provided through the 2019-2021 biennium. During the 2021 Legislative Session HB 1431 provided an additional \$435.5M for a total state commitment of \$850M.

BACKGROUND AND PURPOSE

Developed as a response to the 1997 flood, the Fargo-Moorhead Area Diversion Project (FMADP) aims to reduce flood risk to the cities and townships that make up the metropolitan area of Fargo-Moorhead. The FMADP provides flood risk reduction from the Red River and its North Dakota tributaries, including the Wild Rice, Sheyenne, Maple, Rush, and Lower Rush Rivers. The project has four major elements, which include (i) the in-town levee system, (ii) the diversion channel, (iii) the southern embankment, and (iv) mitigation projects. When complete, the FMADP will provide flood protection for approximately 235,000 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 and Moorhead, along with Cass County, Clay County, and the Cass County Joint Water Resource District, have signed a joint powers agreement, which created the Metro Flood Diversion Authority (MFDA). Its purpose has been to work with the US Army Corps of Engineers to build, finance, operate, and maintain a comprehensive project to provide the Fargo-Moorhead metro area with permanent flood protection from the Red River and its tributaries. The MFDA has developed a comprehensive and prudent financial model in which local dollars are contributed via local and city sales taxes. Voters approved three half-cent sales taxes to be extended through 2084 to cover the local share.



NORTH Be Legendary.



OUICK FACTS





IN-TOWN PROTECTION



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



ESTIMATED OPERATIONAL





MOUSE RIVER ENHANCED FLOOD PROTECTION PROJECT



QUICK FACTS



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



ESTIMATED OPERATIONAL



COUNTIES (Renville, Ward, McHenry, & Bottineau)



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

CURRENT DWR COST-SHARE **65%**Engineering & Construction **75%**Property Acquisitions

2023-2025 \$76,1 MILLION EXECUTIVE BUDGET REQUEST

LOOKING AHEAD

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.

PROJECTED COST SCHEDULES HISTORIC FUNDING

						• • • •	
TOTAL COST -	16 Year		\$1.28B		Local		\$137M
TOTAL COST -	10 Year	\$1.	22B - 1.23B		State		\$313M
Biennial State Funding	Decreas	ing	Consistent		Federal		\$141M
2023-2025	\$100N	N	\$76.1M				
2025-2027	\$76.1	N	\$76.1M	\$76.1M FUTURE FUNDIN		NG	
2027-2029	\$70N	1	\$76.1M		Local	\$185	5M - \$203M
2029-2031	\$66N	1	\$76.1M				
2031-2033	\$63.6l	M	\$76.1M		State	\$376	5M - \$413M
TOTAL	\$375.7	М	\$380.5M		Federal		\$71M

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.



N O R T H Dakota Be Legendary.



DECEMBER 2022



NORTHWEST AREA WATER SUPPLY PROJECT

LOOKING AHEAD 2023-2025



OUICK FACTS

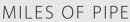


FUTURE WATER USERS (10% OF ND POPULATION)



SYSTEMS SERVED







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

CURRENT DWR COST-SHARE 65%* *Biota Water Treatment Plant -100% Federal Funds





EXECUTIVE BUDGET REQUEST

Funding for Intake Contract 2, Bottineau and Souris reservoirs and pump stations, booster pump stations, Minot Water Treatment Plant (WTP) Phase III, raw water line, and Biota WTP Phase II design.

The purpose of the Northwest Area Water Supply (NAWS) project is to address long-standing water supply and poor water guality 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 years. The District Court ruled in favor of the project in 2017, and that decision was upheld by the Appellate Court in 2019 - ending 17 years of litigation. Today, construction on the NAWS project is back underway, with interim water supplies provided by the City of Minot. Phase I of the Biota Water Treatment Plant is scheduled for completion in 2024, with overall project completion in 2029.

HISTORIC FUNDING

Local	\$74M
State	\$102M
Federal	\$163M
FUTURE FUNDING	
Est. Remaining Funds	\$98M
Local	\$35M
State	\$40M
Federal	\$23M

36% 48% 41% 23% Estimated Total Project \$437M 30% 22%

LOCAL SPONSOR

In 1991, the state passed into law a bill creating the NAWS Advisory Committee (including one person representing Minot, water resource districts, State Water Commission (SWC), Turtle Mountain, rural water, other municipal, Garrison Diversion, and at-large), while giving the SWC the authority to construct, operate, and manage the project. The City of Minot has been funding the entire local share of the project to date through a 1 percent city sales tax.



NORTH Be Legendary.



FEBRUARY 2023



RED RIVER VALLEY WATER SUPPLY PROJECT



QUICK FACTS



TRANSMISSION PIPELINE



MAX FLOW







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

BACKGROUND AND PURPOSE

The Red River Valley Water Supply Project (RRVWSP) began as a joint federal, state, and local effort to deliver high quality Missouri River water to the region. The Dakota Water Resources Act of 2000 authorized the project to provide a supplemental water source for improved drought resiliency for the Red River Valley. In 2013, it was clear the project would not receive federal approval. Today, the project continues with state and local sponsorship. RRVWSP will deliver Missouri River water to central and eastern North Dakota from south of Washburn to a discharge in the Sheyenne River. In conjunction, Garrison Diversion Conservancy District and the Lake Agassiz Water Authority (LAWA) are also pursuing the Eastern North Dakota Alternate Water Supply (ENDAWS), which would utilize the McClusky Canal as a water source.

HISTORIC FUNDING

Local		\$26M		
State		\$117M		
FUTURE FUNDING				
Est. Remaining Funds	\$1.	18B-1.59B		
Local State	1-12 =	02M-\$407M 77M-\$1.19B		

PROJECTED COST SCHEDULES

LOOKING AHEAD

2023-2025

MILLION

RRVWSP - 10 Year	\$1.79B
RRVWSP - 8 Year	\$1.74B
RRVWSP - 6 Year	\$1.7B
ENDAWS - 10 Year	\$1.41B
ENDAWS - 8 Year	\$1.4B
ENDAWS - 6 Year	\$1.3B

LOCAL SPONSORS

The Garrison Diversion Conservancy District is made up of 28 member counties who each elect a citizen to serve on the board of directors. The principal mission of the organization 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 LAWA to address future water needs in the Red River Valley. LAWA was further directed to develop a reliable supply of drinking water to central and eastern North Dakota. LAWA serves as the representative for RRVWSP water users, and is a cooperating entity with the Garrison Diversion Conservancy District.





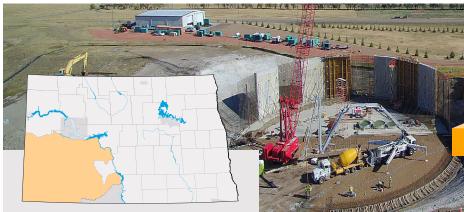
Water Resources

FFB

FEBRUARY 2023



SOUTHWEST **PIPELINE PROJECT**



OUICK FACTS



WATER USERS (7.4% OF ND POPULATION)



COMMUNITIES SERVED



RURAL CUSTOMERS



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 (\$89.9M), and replacement and extraordinary maintenance funds (\$1.5M).

BACKGROUND AND PURPOSE

LOOKING AHEAD 2023-2025

31.6 ILLION

EXECUTIVE BUDGET REQUEST

Funding for strategic hydraulic improvements, West Zone main transmission line improvements, an intake pump station, Burt Hebron Service Area expansion, Southwest Water Treatment Plant expansion, and agency operational costs.

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, 31 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	\$1.5M			
State*	\$307M			
Federal**	\$122M			
*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	\$261M
State	\$261M

71% 100% Estimated Total Project \$691.5M 29%

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 Be Legendary.





VALLEY CITY PERMANENT FLOOD PROTECTION



QUICK FACTS



PROJECT PHASES



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



CLOMR COMPLETION (Conditional Letter Of Map Revision)



LEGISLATIVE DISTRICT (24)

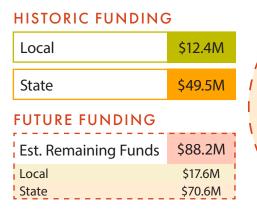
CURRENT DWR COST-SHARE

80% Construction **85%** Engineering

LOOKING AHEAD 2023-2025 \$13,2 MILLION EXECUTIVE BUDGET REQUEST

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 2024 and phase V anticipated for 2025.





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.



N O R T H Dakota Be Legendary.





WESTERN AREA WATER SUPPLY



QUICK FACTS



WATER USERS (9% OF ND POPULATION)



COMMUNITIES SERVED



RURAL CONNECTIONS



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

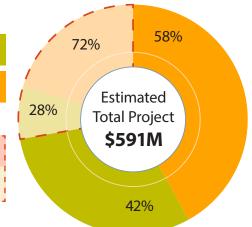
CURRENT DWR COST-SHARE

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 2040.

HISTORIC FUNDING





LOOKING AHEAD

2023-2025

MILLION

EXECUTIVE BUDGET REQUEST

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. As originally planned after 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 fund the majority of the project by selling excess water to the energy industry. However, fluctuation in oil activity has caused WAWSA to revisit that funding model. The Legislature has responded with legislation that has allowed for the refinancing or restructuring of WAWSA debt. The Executive budget recommendation for the 2023-2025 biennium includes the addition of a section to **SB 2020** that would appropriate **\$30 million** from the Water Project Stabilization Fund for the purpose of repayment of loans issued by the Bank of North Dakota to WAWSA.



N O R T H Dakota Be Legendary.



Testimony by Randall Binegar On behalf of the Southwest Pipeline Project to the House Appropriations Committee Hearing on Senate Bill 2020

March 9, 2023

Dear Committee Members:

My name is Randall Binegar, and I'm a lifelong North Dakota Resident, growing up mainly in Bismarck. I am currently the President of the Heart Butte Association where I represent the cabin owners at Lake Tschida, located about 15 miles south of Glen Ullin.

In the 1970's when I was a teenager, I visited a friend's lake cabin at Lake Tschida. After a hot summer's day of enjoying the lake, I vowed to myself I too would own a lake cabin before my first-born child would turn eight years-old. In 1993 we bought a small trailer on Lake Tschida. My oldest child turned eight that year.

There are many water wells at varying depths around lake Tschida that serve the more than 200 cabins but none of them produce a water whose quality is sufficient for drinking. So, cabin owners haul water to the lake. For 30 years, I have been hauling our water weekly to Lake Tschida from Bismarck. Now that I'm into my 60's, this task is growing more difficult. Some families around the lake have been hauling their drinking water for multiple generations going back to the 1950's.

The prospect of having fresh clean drinking water supplied by the Southwest Pipeline Project to Lake Tschida has cabin owners around the lake very excited. Clothes can be washed without staining them. Cabin owners can open their cabins earlier in the year and stay longer in the fall because many of the shared well systems are not installed to prevent freezing, whereas the Southwest Pipeline Project can be installed in a manner that will not allow the water lines to freeze.

As the southwestern portion of the United States' water supply becomes severely threatened by drought, the possibility of Missouri River waters being diverted to this area becomes a reality. This increases the urgency of putting North Dakota's Missouri River water, which is the source for the Southwest Pipeline Project, to beneficial use before National priorities lay claim to this water. By expanding and enhancing the Southwest Water Supply Project now, we are securing our right to Missouri River water before other areas of the country can secure these water rights.

The water provided by the Southwest Pipeline Project is reliable, clean, clear, odorless, and tastes good. Water is a precious resource vital to life. Having a reliable source of water is essential to the future of all of North Dakota. Funding the Southwest Pipeline Project is an investment in western North Dakota's future, its economic wellbeing and the quality of life of its citizens. I ask that you continue your support of this vital infrastructure that benefits so many people in all aspects of their lives.

Thank you for your time and consideration. Respectfully,

Randall Binegar Bismarck, ND randy.binegar@yahoo.com



March 6, 2023

To: House Appropriations Education and Environment Committee

Re: State Water Commission Budget - Senate Bill 2020

Dear Representative Nathe and Committee Members,

I am Terri Thiel, the Executive Director for the Dickinson Convention & Visitors Bureau. I am writing in support of the budget for the ND State Water Commission that is being presented to your committee. My representation for support for the bill includes the importance of the visitor experience in western North Dakota. Travelers are fully expecting quality drinking water when they are on their vacation along with other toiletry functions in a lodging property. The visitor experiences encompass not only larger communities, but also the smaller, rural towns, and agritourism businesses, making the support of SW Water Pipeline Projects vital for all southwest North Dakota.

The future Theodore Roosevelt Presidential Library will be constructed soon in Medora. This legacy project will be bringing visitors from all over the across the country to experience his time in the badlands and the shaping of his political future. The infrastructure that will be needed to be put into place to service the visitors is important. The visitor experience also spreads over to Dickinson and the surrounding areas with the overflow of travelers.

The Dickinson Convention & Visitors Bureau asks for your support of Senate Bill 2020 to improve the quality of the visitor experience, and to support future entrepreneurship tourism businesses that wish to also provide a good quality water experience.

VISITDICKINSON.COM

G (in)

Sincerely,

Terri Thiel

Dickinson Convention & Visitors BureauExecutive Director701-483-4988 | 800.279.7391 | 72 E. Museum Dr. | Dickinson, ND 58601

#22360

January 2023

To: House Appropriations Education and Environment Committee

Re: State Water Commission Budget - Senate Bill 2020

Dear Representative Nathe and Committee Members,

My name is Terri Thiel, a rural Stark County resident. I wish to give my personal support for Senate Bill 2020. Our ranch is currently hooked up to SW Water, furnishing water for our cattle, horses, and personal home use. The quality of the water is not only vital for the health and income product of the sale of the livestock, but also an asset for our homelife.

My personal background with water use began in rural Minnesota in my youth with a cistern that had to be filled with a 1950's water tank truck, and later a commercial water truck service. Each time our use of water was limited and recycled to many extremes. Later I moved to Hettinger, ND, 1981, and the water at that time was so filled with fluoride that people's teeth were brown with white lines. The water also fizzed so much that it was as though an Alka-Seltzer was dropped into the glass. I then moved to south of Gascoyne, ND. The water was from a well that contained high levels of coal, everything was dark brown or black when it came out of the spouts. Later with a new well, we had water with Manganese that covered everything in bright orange scum. The water was manually distilled at one gallon per two hours (1980's), white clothes had to be brought to Bowman for washing at the laundry mat. Moving again, up to rural Dickinson, another well was the water source, and we were not able to drink the water, but instead hauled many plastic gallon jugs that were refilled weekly from the store. At the time of buying a larger acreage in 2007, east of Dickinson, there was no SW Water line accessing the new property area north of the water hookup. We decided the value of the SW Water line was definitely worth the large investment and had a line dug just short of a mile north of Highway 10 east of Dickinson. For the first time in my life, I have been able to turn on water, good water, and not have to worry about minerals, or filling a water tank for a cistern, or have to haul water jugs or clothing miles away to a laundry mat.

Please support SB 2020 for those other residents who need the good water that SW Water provides. The good water that is provided is worth so much to residents and livestock.

Sincerely,

Terri Thiel

10388 35th St. SW Dickinson, ND 58601

Irrigation Funding

North Dakota Irrigation Association

House Appropriations Education and Environment Division

3.9.23









Approx. 300,000 acres under irrigation Potential for as much as 28 million acres

Limitations include water availability and funding



Value Provided by Irrigation

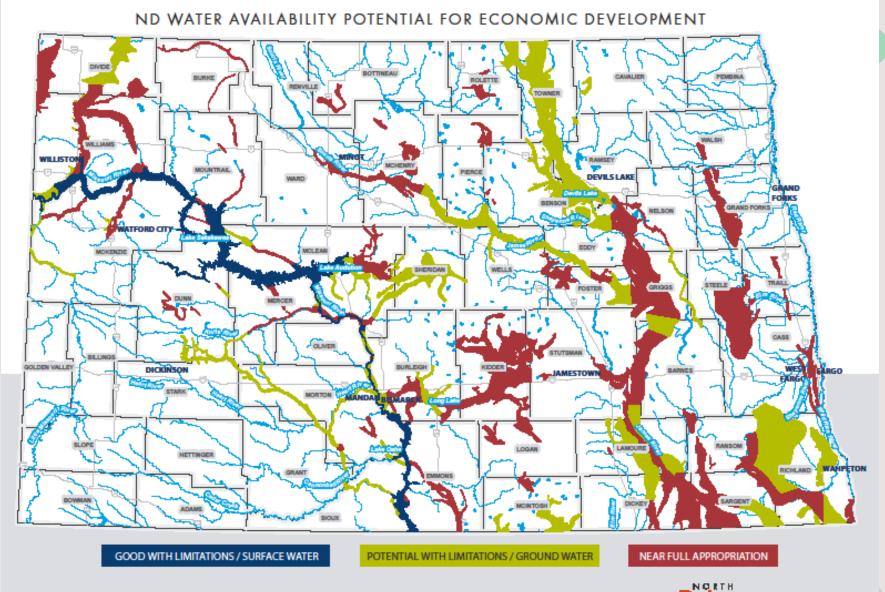
- Specialty Crops
- Value-added agriculture
- Risk mitigation





Value Provided by Irrigation

- Economic Impact of Irrigation:
- 1 acre of irrigation=4 acres of dryland
- During drought:
- 1 acre of irrigation=6 acres of dryland



Dakota

to legadary

Water Resources

About This Map - The purpose of this map is to provide a starting point for future water users who are considering North Dakota to site large-scale industrial or agricultural processing facilities. The Department of Water Resources (DWR) also offers extensive data related to the areal distribution of groundwater, groundwater chemistry, depth to water, and long-term water level changes, along with other pertinent data via DWR's online MapService at mapservice.dwr.nd.gov.

For More Information - (701) 328-2754 | dwr@nd.gov

Water Availability

Funding

Available to political subdivision: irrigation districts

50% cost share for shared works

Comes out of the General Water bucket

Permit Applications



FTE for permit processing



Training and software to ensure staff have the expertise and tools they need

Thank you!

North Dakota Irrigation Association

- Dani Quissell
- Executive Director
- <u>dquissell@ndwater.net</u>
- <u>www.ndwater.org</u>

Like us on Facebook at:

• North Dakota Irrigation Association





Testimony on SB 2020 Senate Appropriations Education and Environment Division Dani Quissell, Executive Director, North Dakota Irrigation Association March 9, 2023

Chairman Nathe and members of the House Appropriations Education and Environment Division, thank you for the opportunity to submit testimony on SB 2020 on behalf of the North Dakota Irrigation Association. The Association is made up of irrigators, irrigation equipment dealers, businesses and others interested in supporting irrigation and irrigation development.

North Dakota irrigates about 300,000 acres to produce a variety of crops including corn and cereal grain crops, livestock forage, and high value crops such as potatoes, sugar beets, and onions. Irrigation provides strong economic return, with an acre of irrigated land producing four times that of dryland in regular conditions and as much as six times during drought.

Irrigation provides the opportunity to grow higher value crops where top yields and exceptional quality are necessary. High quality coupled with substantial yielding potatoes have made the French fry industry, located in Grand Forks and Jamestown, successful in the state. The acreage of onions in the state is smaller than the other crops, but this crop may have an important role in the future as markets are developed. Irrigation does and can diversify and strengthen the agricultural economy of the state.

Irrigation also provides producers and agricultural processors dependability despite weather conditions. The drought in 2021 heightened awareness of the need for additional irrigation to support the growing value-added agriculture processing in the state. The Association is proud to partner with other commodity organizations and processors in the state to expand awareness of the benefits of irrigation and brainstorm ways to reduce barriers to irrigation development.

These barriers include water availability in some areas of the state and funding for irrigation development. Many of the aquifers that supply water for irrigation are near full appropriation, meaning that there is limited opportunity for further development. The Missouri River remains an ideal place for future development, however. Approximately 300,000 acres in the Missouri River corridor have the water and soils suitable for irrigation. Additionally, the area surrounding the McClusky Canal has much potential for future development that could be jumpstarted with some policy changes from the federal government.

On the funding side, the North Dakota State Water Commission (SWC) was created in 1937 to help develop irrigation. Today, the SWC provides financial assistance to irrigation districts for constructing infrastructure to convey the water to the land. The state cost share assistance for irrigation is limited to irrigation districts or the Garrison Diversion Conservancy District, and can

be used for 'shared works'. Shared works are the parts of irrigation development that occur off a private irrigators' land, such as an intake out of a body of water and water pipe to private land. Irrigation districts can receive 50% of the cost of such works from the SWC. The funding for this cost share comes out of the General Water bucket.

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 that 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 Association supports the DWR's request for an additional FTE for the appropriations division. Additionally, the Association supports the DWR's requests for:

- \$80,000 for professional development for appropriations staff in positions that require high levels of technical expertise, and that in recent years have experienced high turnover rates.
- \$1.6 million to expand the pushing remote sensors (PRESENS) footprint to improve forecasting, modeling, and overall water management. PRESENS is key to developing good data on aquifer levels so it is known exactly what water may be available for irrigation.
- \$750,000 to expand use of airborne electromagnetic surveys (AEM) technology to better understand the extent and availability of ground water, particularly in glaciated regions.
- \$94,665 to acquire groundwater modeling and hydrologic analysis software to perform many of the scientific analytical functions and related modeling activities in support of DWR's water appropriation responsibilities.

Thank you for the opportunity to provide this testimony.





Senate Bill 2020 House Appropriations E&E Division Thursday, March 9, 2023 at 8am Testimonial: Gary Zuroff, Public Works Director, City of Dickinson

In my capacity as Public Works Director of the City of Dickinson, I write to express my endorsement of funding the expansion of the Southwest Water Treatment Plant (SWTP) from its current six million gallons-per-day (MGD) to its eventual capacity of 18 MGD. This process will involve shifting the existing 12 MGD Dickinson Water Treatment Plant (DWTP) processes to the upgraded Southwest Plant.

At present, the DWTP provides treated water to the Southwest Pipeline Project (SWPP). It is the only source of treated drinking water being delivered to 33 communities, numerous bulk customers, and more than 7,500 rural water customers in southwest North Dakota. In Dickinson it provides over 25,000 people with award-winning quality water. Each day, the city's residents and businesses require about six million gallons of reliable, safe water. It's essential to each and every one of them - 24/7.

Quality water is also essential to our city's economy. Every sector of our economy relies on its water resources. And inevitably, any interruption in the supply of water for the growing city would cripple its economy and stifle its growth. Since being Southwest Water Authority's (SWA) first customer in 1991, Dickinson population has grown almost 60%. It has become, by area, the eight largest city in the state and the most populated in the southwest. Yet, in the 10 square miles the city encompasses, water capacity remains a concern to developers.

With a majority of the DWTP's original equipment having exceeded 50 years in age, the plant operators must take increasingly arduous and costly measures to keep the machinery functioning. Moreover, with the much of the equipment being well past intended lifespan, a breakdown or malfunction is a plausible danger. In the event of a malfunction or failure of a critical component, the plant's ability to provide treated water to southwestern North Dakota would be substantially hindered.

Reliable treatment capabilities will help guarantee the city will continue to have its contracted 6 MGD available and the ability to keep growing. Since building water infrastructure such as the water treatment plant expansion takes time, funding in the next biennium is requested for the ongoing prosperity of southwest communities like Dickinson.





With all of the above in mind, I am testifying in support of funding the expansion of the water treatment plant - a cost-efficient and lasting solution. Hastening the implementation of the expansion would bring immense advantage to the city, its neighboring communities, rural customers, and additional water systems relying on the SWPP.

Funding the SWPP is an investment in southwest North Dakota's future, its economic wellbeing and the quality of life of its residents. I ask that your financial support of this vital infrastructure that benefits so many people in all aspects of their lives.

Thank you for your time and consideration.

Respectfully,

Gary Zuroff, Public Works Director, City of Dickinson



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

Testimony, SB2020 March 9, 2023 Prairie Room, State Capitol, Bismarck, ND Dennis Reep, Burleigh County WRD, ND Water Users Association, ND Water Resource Districts Association

Chairman Nathe and Members of the House Appropriations Committee:

My name is Dennis Reep and I serve on the Board of Directors for the ND Water Resource Districts Association as President, the ND Water Users Association, and the Burleigh County Water Resource District.

North Dakota water interests are dependent on the state's healthy economy and revenue outlook and can only be supported by a strong budget for Department of Water Resources' operations and critical water project funding and grants. 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 NDDWR funding. Without this funding, many important flood control, water supply, erosion protection, water management, and beneficial use projects would not have been completed. According to the North Dakota Water Development Plan, there exists approximately \$1.05B in current needs for water projects, \$605M is classified as high priority. There exists approximately \$109M in current needs for general water management projects, and approximately \$109M in current needs for water conveyance and local flood control projects. Water resource districts request additional funding authorization for water resource districts' projects for this upcoming biennium.

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 or critical path to maintaining project schedules and correspondingly, 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 stagnant due a ceiling on the FTE number at the NDDWR. We support the funding of additional FTEs at the NDDWR to streamline the permit review and approval process, 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.

Thank you.

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

Testimony, SB 2020 March 9, 2023 Prairie Room, State Capitol, Bismarck, ND

Testimony From:

Jim Neubauer, City Administrator, Mandan, ND and Ryan Jockers, Vice-Chairman, Lower Heart WRD

Chairman Nathe and Members of the House Appropriations Committee:

We are here to present testimony in support of Senate Bill 2020 and represent the City of Mandan and the Lower Heart Water Resource District.

The Lower Heart Water Resource District's primary responsibility is assuring the Lower Heart River Levee System operates to successfully provide real and recognized flood protection to the City of Mandan and surrounding areas. The Hurricane Katrina event in 2005 resulted in the United States Government through the Federal Emergency Management Agency (FEMA) updating requirements for meeting federal levee safety standards. Due to these updated requirements and a subsequent FEMA hydrologic and hydraulic analysis, the Lower Heart River Levee System was determined to be out of compliance of these new standards. Meeting these standards is imperative for the economic well-being of our community as being out of compliance will invoke flood insurance requirements on over 2,600 residential, commercial, and industrial properties. These requirements result in an estimated **\$10 million direct economic burden annually** on our citizens, not to mention the additional secondary economic and social impacts.

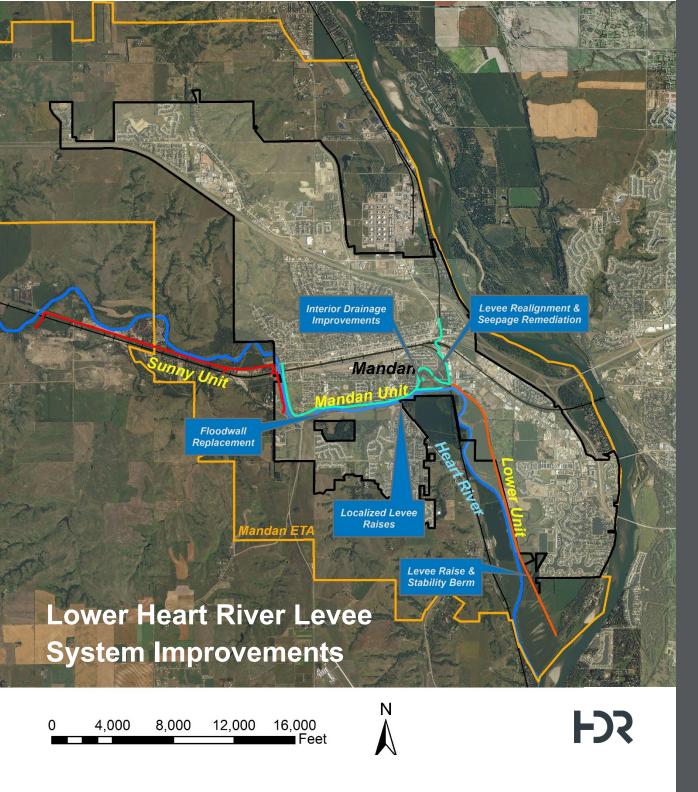
We are currently designing remediation work on the levee system and applying for state and federal permits to bring it up to current federal standards and maintain FEMA accreditation. The State of North Dakota through the North Dakota State Water Commission has been a valuable, and absolutely necessary, partner to complete the work required to maintain FEMA accreditation and avoid the economic and social impacts of de-accreditation. Below are some pertinent information bullets on the project and its status:

• 2,600 commercial, industrial, and residential properties directly impacted.

- Includes critical infrastructure such as fire stations, electrical substations, wastewater treatment plant, city and county office buildings, transportation routes, etc.
- Entire community of Mandan and surrounding areas indirectly impacted.
- \$10 million in estimated *annual* flood insurance requirements if de-accredited.
- \$23.3 million estimated project cost.
- Federal benefit cost ratio is 5.7:1
- \$1.4 million already received through North Dakota State Water Commission in grants for design and planning studies.
- \$12.3 million estimated need from the North Dakota State Water Commission in 2023-25 biennium if additional federal funding is not secured.
- Have established city-wide assessment district to cover local cost share.
- Major project features:
 - Localized levee raises and raise of Lower Unit levee segment protecting the Lakewood residential area
 - o Geotechnical work including stability berm installation and seepage berm
 - o Interior drainage improvements and replacements (pump station)
 - Floodwall replacement
- Project schedule"
 - February 2023 Conditional Letter of Map Revision (CLOMR) Submittal
 - February 2023– Section 408 and 404 Permit Submittals
 - o Fall, 2023 Spring 2024 Construction Bidding
 - Spring, 2024 Construction Commencement
 - Fall, 2025 Construction Complete

Thank for your consideration of our testimony in support of SB 2020. We would be happy to answer any questions the committee may have regarding this testimony.

Thank you.



Major Project Features:

- Localized levee raises and raise of Lower Unit levee segment protecting the Lakewood residential area
- Geotechnical work including stability berm installation and seepage berm
- Interior drainage improvements and replacements (pump station)
- Floodwall replacement

Project By The Numbers:

- 2,600 commercial, industrial, and residential properties directly impacted.
 - Includes critical infrastructure such as fire stations, electrical substations, wastewater treatment plant, city and county office buildings, transportation routes, etc.
- Entire community of Mandan and surrounding areas are indirectly impacted.
- \$10 million in estimated annual flood insurance requirements if de-accredited.
- \$23.3 million estimated project cost.
- Federal benefit cost ratio is 5.7:1
- \$1.4 million already received through North Dakota State Water Commission in grants for design and planning studies.
- \$12.3 million estimated need from the North Dakota State Water Commission in 2023-25 biennium if additional federal funding is not secured.

Upcoming Project Schedule:

- February 2023 Conditional Letter of Map Revision (CLOMR) Submittal
- February 2023– Section 408 and 404 Permit Submittals
- Fall, 2023 Spring 2024 Construction Bidding
- Spring, 2024 Construction Commencement
- Fall, 2025 Construction Complete



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 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 Central Regional Water 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 Environmental Division

Senate Bill 2020

Committee Hearing March 9, 2023

Testimony Provided by: Ken Royse, Chairman, ND Water Coalition

Chairman Nathe and Members of the Committee,

My name is Ken Royse and I serve as Chairman of the North Dakota Water Coalition. Thank you for the opportunity to offer testimony in support of Senate Bill 2020 and state funding for water projects.

The Water Coalition is an organization of organizations---- that is, we do not have individual members but rather we are 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.

Our membership all have a common interest and a common goal; and that is to work in a collaborative manner toward identification and construction of water development projects and to send a collective and unified position on the need for water funding for all of our very critical projects to both the State Water Commission and to the Legislature.

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. They have in common that they all, individually and collectively, provide health, safety, economic, or 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 XIII

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

Today, 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



2023-25 Critical Water Needs Summary

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, along with other financing packages like the historic bonding bill passed in 2021, provide 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 over 75% of North Dakota and has helped strengthen economic development. Using regional water systems, which distribute 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). Along with the state's robust rural water systems, these regional systems serve all of North Dakota's 53 counties, providing water to approximately 300,000 residents. Funding is also provided for municipal water systems, both those tied in with rural or regional systems and those that maintain systems on 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 with which North Dakota is all too familiar.

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 Lower Heart-City of Mandan Flood Risk Reduction Project still lack the funds to be completed. Additionally, there are many projects to provide drainage and rural flood protection brought forward by farmers, ranchers, and rural residents 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.

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 North Dakotas other top industries and every North Dakota citizen. Sufficient funding for water infrastructure allows that 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

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

2023 and Beyond

Water needs are clearly greater than our resources. We must work hard to "Meet the Challenge" and *"to meet the challenge of completing vital water infrastructure projects for the benefit of every North Dakotan."*

(701) 223-4615 • staff@ndwater.net

House Appropriations--Education and Environmental Division SB 2020 Testimony March 9, 2023

Missouri River Joint Water Board

Understanding and Pursuing Missouri River Benefits for North Dakota

Educate
$$\sim$$
 Advocate \sim Engage

Program FundingNorth Dakota Depart of Water Resources Garrison Diversion Conservancy District Missouri River Joint Water Board Southwest Water Authority

Missouri River EAE Program

Educate

Do You Know?

- ~ What Is the Pick Sloan Act in North Dakota?
- ~ What did North Dakota contribute to be a part of Pick Sloan?
- ~ What did Pick Sloan promise to our State?
- ~ What was actually provided?



Understanding and Pursuing Missouri River Benefits for North Dakota Educate \sim Advocate \sim Engage

Advocate

What Is Important to North Dakota?

- As a primary source of drinking water for many in out State?
- ~ Irrigation Development and Farm Income Enhancement?
- ~ Recreational benefits and Tourism Opportunity?
- ~ Support for Industrial and Ag Processing Facilities?



Understanding and Pursuing Missouri River Benefits for North Dakota Educate \sim Advocate \sim Engage

Engage

Who Sets Policy for Our Use of the River System?

- ~ Which State Agencies can hear and act on your concerns?
- ~ How does Federal Regulations apply to our use of the System?
- Can your local county water boards play a part in river management?
- Is there legislative action or attention that is needed to ensure our beneficial use of the River System?



Missouri River Joint Water Board

Understanding and Pursuing Missouri River Benefits for North Dakota Educate ~ Advocate ~ Engage

Our Missouri River ... An Audit of Promises Made

This past year, the Missouri River Joint Water Board, which is an organization of the County Water Boards located along the Missouri River in North Dakota, enlisted a consultant to start a process of examination of the economic impacts, both positive and negative, of the management of the river system within our state. We embarked on that effort with the financial support and encouragement of the Garrison Diversion Conservancy District.

In particular, we were interested in the impact of an event which occurred more than 75 years ago, when the United States enacted the 1944 Flood Act, commonly referred to as the Pick Sloan Program. That act made a promise to North Dakota to forever change our Missouri River System, arguably, for the better.

Now many years later, we believed it appropriate to take another look at the program and ask some probing questions:

- What was required of our state to be involved?
- How were we enticed to participate?
- What has been the return on our investment with the program?
- · If we are not essaining one meaningd homefits when

contributed collectively approximately

 1.1 million acres to the project. The lower basin states contributed no land for inundation, except a few small tributary impoundments.

Oftentimes, the Native American tribal sacrifice to this program gets lost in this discussion. My comments here certainly cannot convey the sacrifices made by the tribes; that can and



Wade Bachmeier, Chairman Missouri River Joint Water Board

should be a subject of a future editorial best provided by their own spokesperson. But as a quick measure of one part of that tribal contribution, it is worth noting that of the lond taken in North Delegte, the part majority of the

EAE Program is Coming to the Missouri River

The Missouri River Joint Water Board is embarking on a program tagged the EAE Program – Educate, Advocate, and Engage – for the Missouri River System in North Dakota.

The program supports the Joint Board mission statement which seeks to provide ... "a coordinated effort ... (for) ... management, conservation, protection, development, and control of the water resources in the Missouri River Basin."

The Joint Board believes an important component in achieving that mission statement lies in an aggressive and comprehensive program that:

FOUCATEC .



WADE BACHMEIER Chairman, Missouri River Joint Water Board



KEN ROYSE Program Manager, Missouri River Joint Water Board

members Jim Oderman of Dickinson, Eugene Veeder of Willison, and Jay Volk of Bismarck. North Dakota Department of Water Resources (DWR) Director Andrea Travnicek and her staff members have helped define the

History of Pick Sloan of North Dakota

North Dakota water folks are well aware of the Pick Sloan Act – the basis of the Flood Control Act of 1944 that applies directly to our present-day use and management of the Missouri River System in North Dakota.

A full understanding of the history of Pick Sloan requires a general sense of the history of the Missouri River Basin. The Missouri River, at nearly 2,540 miles in length, is the longest river in the United States. It is a recipient of water from the largest basin in the country (528,000 square miles), which is comparable to one-sixth of the size of the 48 lower states.

But even though it is the longest river and in the largest basin, it is one of the lowest-yielding rivers in terms of water runoff and conveyance in the country. This is so because it watersheds and who, in a general sense, have conflicting water management policies and principals. The Army Corps of Engineers has a water policy based on water abundance, so its historical

KEN ROYSE Program Manager, Missouri River Joint Water Board

emphasis is how to manage and use such abundance. Its policies, therefore, revolve to a large part around flood control and navigation. Conversely, the US Bureau of Reclamation has a water policy based on water scarcity. From that perspective, the Bureau of Reclamation focuses on using all available water for consumptive purposes, such as irrigation and water supplies, and for power generation



THANK YOU O'Mahoney and Millikin

All of us in North Dakota owe a big thank you to Joe O'Mahoney and Eugene Millikin. Never heard of them? Well, that's not unusual. But if your water supply is from the Missouri River, or if you are an irrigator from that river, or use and enjoy its recreational benefits, or power benefits, or flood control benefits of its dams, then you should be aware of what these two did to help all of us in North Dakota achieve those benefits.

Joe O'Mahoney and Eugene Milliken were both U.S. senators during the 1940s when the federal government began finalizing legislation and plans to build the great dams along the Missouri River. Those large dams, and a collection of minor dams on minor tributaries, are placed from Montana through the Dakotag Nebragka and Kangag River system and therefore had a stake in how that river system was to be managed. Despite their interests being somewhat less than in other states where most of the construction would take place, both senators had an



KEN ROYSE Program Manager, Missouri River Joint Water Board

immediate and strong appreciation for the needs of the upstream states. The upstream states would contribute essentially all the land needed to construct the major dams – ultimately a contribution of more than 1.7 million acres shared almost equally and exclusively by Montana, North Dakota and South Dakota

North Dakota Use of the Missouri River

Followers of these Missouri River articles are aware that the mighty Missouri River, the longest in the nation at more than 2,300 river miles, is a natural resource shared by a large part of our country.

Starting as a mere trickle in west-central Montana, it flows through and drains over 529,000 square miles of land in parts of 10 states and two Canadian provinces. All told, the Missouri River system provides drainage on more than one-fourth of all agricultural lands in the United States.

By the time it empties into the Mississippi River near St Louis, Missouri, the "Mighty Missouri" is of formidable size, providing a contribution to that river of an average of more than 60,000 cubic feet of water per second (cfs). It is such a valuable and visible resource that four state capitals are found along its banks: Helena, Mont., Bismarck, N.D.,



KEN ROYSE Program Manager, Missouri River Joint Water Board

Who holds North Dakota usage permits, and who uses that water? Figures 2 and 3 are again from the state engineer's presentation and provide some insight. Figure 2 shows that most of the permit allocation is for the category entitled "multiple use." Those include

Missouri River SWOT ... Lessons Learned

On August 14 of this year, 105 water managers, elected officials, members of the general public and representatives from local, state insert KWR photo and federal agencies met in Mandan, North Dakota for the Missouri River Stakeholders meeting.

This meeting, hosted jointly by the Missouri River Joint Water Board (MRJWB) and the Missouri River Advisory Council (MRAC), is part of the ongoing Educate, Advocate and Engage (EAE) Program being conducted by the MRJWB and funded, in large part, by the North Dakota Department of Water Resources and the Garrison Diversion Conservancy District. The focus and intent of the meeting was to conduct a SWOT (Strength, Weaknesses, Opportunities and Threat) assessment; a tool often used by governmental agencies and private business to assess their current operations and <u>future needs</u>. In



KEN ROYSE Program Manager, Missouri River Joint Water Board

projects in the west, central and east, from rural and urban North Dakota.

Significant regulatory entities also were represented, including the North Dakota Department of Water Resources, the U.S. Army Corps of Engineers and the

The Flood That Never Ended

Much has been written on the impacts that the Pick Sloan Act has had and continues to have on tribal lands in the Missouri River basin. All six mainstem dams along the river are built on or near tribal lands and all have impacts on those lands.

Arguably, no tribe – upper basin or lower basin – has been impacted more from the building of the dams than the Three Affiliated Tribes of the Fort Berthold Reservation in central North Dakota. The impacts are well known. For the Fort Berthold Indian Reservation, more than 150,000 acres of land, much of it prime agricultural land, was subjected to a permanent flood; the reservation was split into geographic segments; longstanding and well-populated towns, communities and public facilities were forever lost; and families, friends and neighbors were divided.

Other tribes, like the Standing Rock Sioux Tribe in both North Dakota and South Dakota, had similar adverse impacts. South Dakota tribes also lost approximately promise of an abundant supply of low-cost hydropower for downstream, nontribal, states.

Promises were made to various impacted tribes. Foremost was a promise to develop programs for safe, clean and dependable drinking water from the Missouri River system. Yet more than 75 years after that promise was

KEN ROYSE Program Manager, Missouri River Joint Water Board

made, some tribal members on the Fort Berthold Indian Reservation and Standing Rock Reservation have no reliable water supply and have to haul water.

Tribal impacts can perhaps be best understood by reviewing the notes of a meeting held in October 1945. The meeting was chaired by Sen. Joseph O'Mahoney of Wyoming with participation from Chairman Martin Cross



Missouri River FLOOD CONTROL

The Missouri River is a highly alluvial river modified via reservoir construction under the 1944 Flood Control Act. It is operated by the US Army Corps of Engineers (USACE) to provide for eight authorized purposes under what is referred to as the *Master Manual*. One primary authorized system purpose is *Flood Control*.

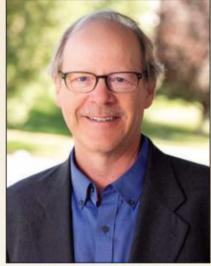
Flood Chronology – Awareness / Concerns

The flood of record for the Missouri River at the United States Geological Survey (USGS) stream gage at Bismarck, N.D., was 27.9 feet. This was associated with an ice jam break upstream from the Bismarck gage in the spring of 1952. The USGS has designated the flood stage at Bismarck to be 14 feet, while a 1% chance event (100-year) is around 17 feet. Since the Garrison Dam closure that created Lake Sakakawea in 1954, other flood events have created concerns. by system mismanagement. This is far from the case. After-action reports noted the USACE successfully managed the event, within the system's capabilities, to prevent even greater impacts ^{[1][2][3]}.

Flood Risks

The 1944 Flood Control Act and the reservoirs

are designed for "*flood control*" not "*flood prevention*" and are managed as events occur within the system's design capabilities. Subsequently, flood risks remain and continuously change as the floodplain and channel conditions are modified by both man and nature.



MICHAEL GUNSCH Chairman North Dakota Missouri Advisory Council

EAE Program | Educate, Advocate and Engage

A DEPARTMENT OF WATER RESOURCES PERSPECTIVE: Missouri River Initiative Will Contribute to Continued Successes

During the process of formulating a five-year strategic plan for the newly established Department of Water Resources (DWR) in the spring of 2022, it was known early on that the importance of the Missouri River to the future success of North Dakota would need to be a key element. Ultimately, one of the five primary objectives included in the plan is to "Support beneficial use of Missouri River system water and other available water supply sources." To accomplish that objective, there are several related goals to guide DWR's progress.

Though that objective is part of DWR's five-year strategic plan, North Dakota's citizens and economy will only be able to maximize the river's benefits by working together. Looking back to what now seems fortuitous timing, a collaborative approach in support of North Dakota's interest in the Missouri River – the Missouri River Joint Board's EAE (Educate, Advocate, and Engage) initiative – was also gaining momentum last spring.

In understanding the importance of what grassroots stakeholders were trying to accomplish with the EAE initiative. DWR and water commissioners partnered to



EAE Program | Educate, Advocate and Engage

Moving Missouri River West ... Truck by Truck

In October 2022, an interesting article appeared in the *Missouri Independent* newspaper, published out of Jefferson City, Mo. The article was titled "Officials plan to truck 6,000 gallons of water From Missouri River across Kansas."

The essence of the story was that a local water management district in western Kansas was seeking a solution to the decades-long decline of the Ogallala Aquifer (such aquifer being a significant source of water for users in states from Oklahoma all the way north to South Dakota). The Ogallala, according to the article, has only half the water that was once available, and additionally could be fully depleted within the next 10 years



KEN ROYSE Program Manager, Missouri River Joint Water Board

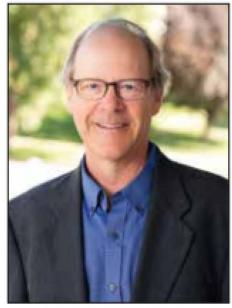
feet of water per year. This would be a hugely ambitious and expensive project to address a water shortage issue in western Kansas and the Great Plains.

It appears however that not all water managers in

EAE Program | Educate, Advocate and Engage

Recreation an Invaluable Resource

There are eight authorized purposes under the 1944 Flood Control Act. Reservoir and project lands acquired in North Dakota are operated and managed by the U.S. Army Corps of Engineers (USACE) using its *Master Manual*. One often overlooked purpose is recreation. The economic values associated with recreation are comprised of many elements. The federal nexus of reservoir management along with the jurisdictional oversight on the free-flowing river is as important to understand as is knowing that recreation is not simply hunting and fishing but also includes camping, picnic areas, athletic events, boating, hiking, birding, and others. In addition, recreational



MICHAEL GUNSCH Vice Chairman, Friends of Lake Sakakawea

locations are restricted due to archeological sites, critical wildlife habitat, or policy.

Presentations ... Made and Scheduled

- Water Topics Feb. 2022
- Water Topics ... April, 2022
- Water Topics June, 2022
- Water Topics Sept 2022
- NDSWC April, 2022
- Garrison Diversion April, 2022
- Water Topics ... June, 2022
- NDWU July 2022
- ND State Fair Water Day ... July, 2022
- Burleigh County WRD May, 2022
- League of Cities .. Pending
- Association of Counties ... Oct 2022
- Williston Rotary ... Dec 2022

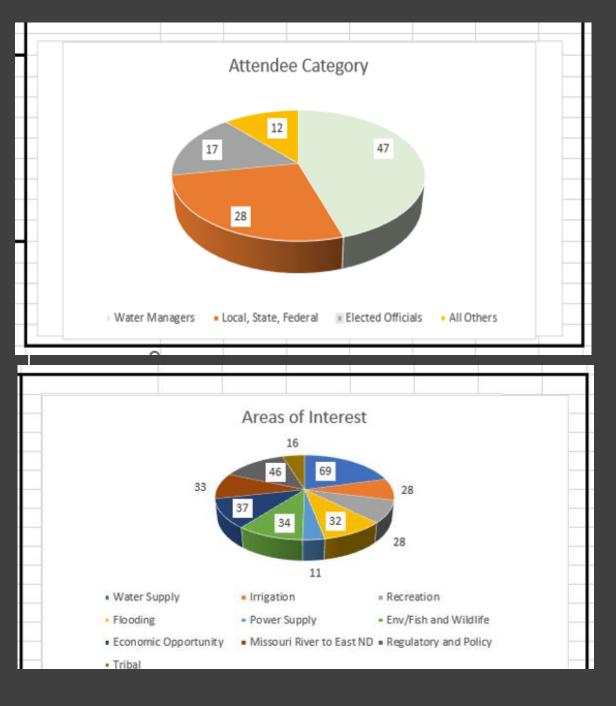
- Southwest Water Authority .. June 2022
- ND State Water Resources ... July 2022
- Bismarck Am Vets Club July, 2022
- Sheyenne River Exec Board ... April, 2022
- Devils Lake Joint Board Pending
- Red River Joint Board ... Pending
- Upper Missouri Association .. Oct. 2022
- Souris River Joint Board ... Pending
- Williston Lions Dec 2022
- NDSPE Pending March 22
- Red River Commission Pending

REPORT ON MISSOURI RIVER STAKEHOLDER MEETING

August, 2022

Co-Sponsored by: MISSOURI RIVER JOINT WATER BOARD MISSOURI RIVER ADVISORY COUNCIL

> Prepared by Ken Royse, Program Manager Missouri River Joint Water Board



Significant Interest in the Missouri River.

Large event attendee list
Good cross-sectional representation
Follow up news coverage

Appreciation and Acknowledgement of the Resource.

 notations of 'good quality, abundant supply, affordable to treat '



Apathy and Lack of Political Clout.

- Low population equals low federal congressional clout
- General public needs more education of resource value

Greater Use Possibilities.

Irrigation development.
Attract high water use industry.

Encourage more recreation and tourism.

Burdensome Regulatory Issues:

Costly, time consuming and consuming permit process (access)

WOTUS, ESA, NEPA

Upstream interests are secondary to downstream interests.

Threat of Depletion of the River.

- Downstream and out of basin interest in the water
- Continued threat of lawsuits
- Competition for power
- Possible River Compact

ANS and Environmental Concerns.

- Zebra Mussel threat to infrastructure
- Delta Formation
- Drought effects on system



Our Goals For 2023 ...

- Continued Targeted Presentations:
 - State Water Resources Convention
 - State Engineers Convention
 - ACEC
 - Annual State Water Convention
 - Upper Missouri Association Convention
 - Association of Counties Annual Meeting
 - League of Cities Annual Meeting
 - Garrison Diversion Semi Annual Water Conference
 - State Fair
 - Possibly Eastern ND Stakeholder Mtg

Our Goals For 2023 ...

• Continued Water Magazine articles:

- Colorado River in Crisis v Missouri River
- Irrigation in the State; Value added
- Sediment in the System
- Focus on MRI Benefits

• Larger Program Exposure:

- Other State Magazines
- Talk Radio
- Non-water groups

Our Financial Outlook Beyond 2023 ...

• Budget in Process, but:

- Expect order of magnitude budget of \$120K per year
- Expect continued State Sharing, indicated at 50%
- May be GDU funding available
- Balance, up to 50%, would be about \$60K and a local issue

• Local Funding:

- Currently the local funds are provided by the member joint board members
- Challenge will be to raise up to \$60K with limited board membership
- SWA has been a good local contributor.

Important Funding Note

• • •

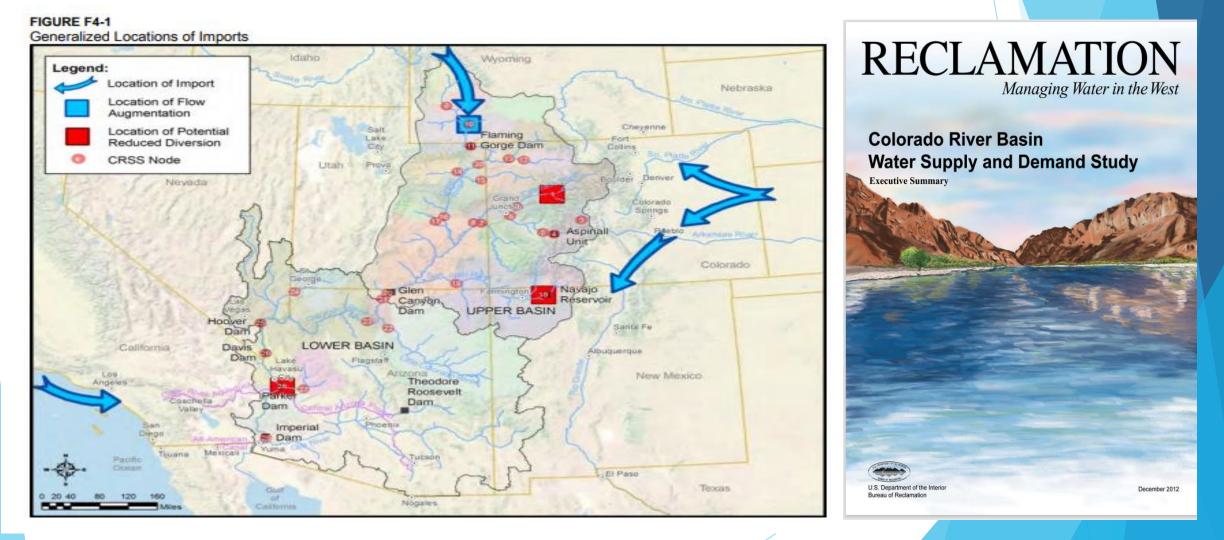
• State Funding, if received:

- Not an Earmark
- Part of normal DWR discretionary funds

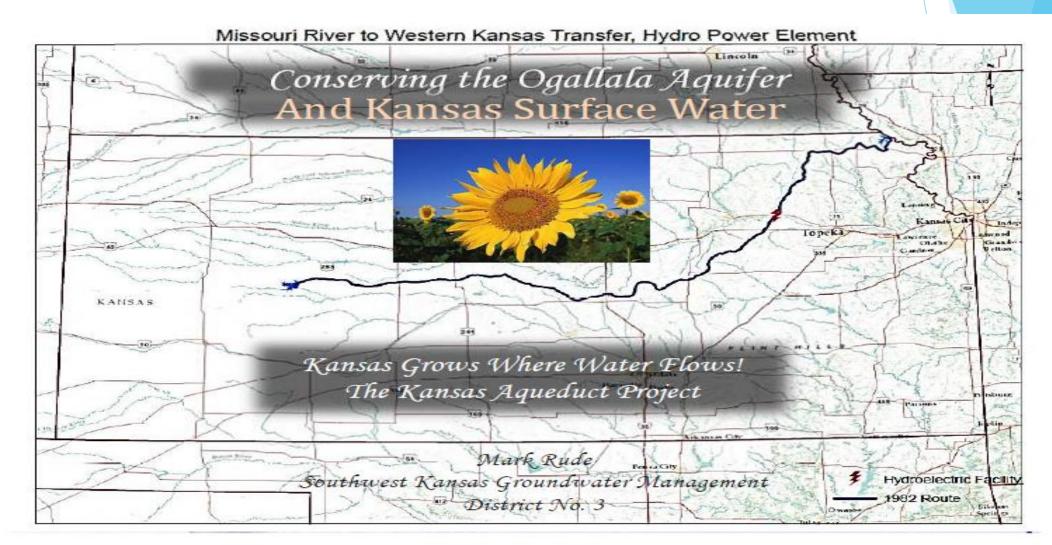
• Local Funding:

- If Joint Board cannot match the State, then program will be cut back
- Will likely keep only the following:
 - Monthly Water Articles on the River
 - Limited Public Presentations and Panel participations
 - Defer on Eastern ND Stakeholder Meeting

Colorado River Basin Study, USBR: 600,000 acre feet yr (minimum) from the Missouri



Kansas Aqueduct Study, USCOE: 4,000,000 acre feet yr (minimum) from the Missouri



California wells run dry as drought depletes groundwater

ENERGY + ENVIRONMENT

Officials plan to truck 6,000 gallons of water from Missouri River across Kansas

California readies for fourth year of extreme drought

"This is our new climate reality, and we must adapt," Karla Nemeth, director of the state Department of Water Resources, said in a statement.



Rio Verde residents file lawsuit against Scottsdale over loss of water services



Testimony of Mr. Keith Lund Grand Forks Region Economic Development Corporation President & CEO

Senate Bill 2020 House Appropriations Committee – Education and Environment Division Bismarck, North Dakota – March 9, 2023

Chairman Nathe, Vice Chair Swiontek, and members of the House Appropriations Committee - Education and Environment Division, my name is Keith Lund, and I am President & CEO of the Grand Forks Region Economic Development Corporation (EDC). I am providing written testimony in support of funding for the Red River Valley Water Supply Project in the Department of Water Resources budget contained within Senate Bill 2020.

The Red River Valley Water Supply Project is tremendously important for population and industry growth in North Dakota. The Project will deliver water from the Missouri River to central and eastern North Dakota, which will mitigate the effects of moderate and severe droughts and provide a consistent and reliable water source for many North Dakota communities and rural water systems, which in total serve nearly half of our State's population.

Agriculture is a key economic driver of North Dakota and Agribusiness is a key underpinning of the Grand Forks Region EDC's economic development strategy. Agribusiness and industry cannot exist without adequate water supply. The Red River Valley is one of the best places in the world for production agriculture, and as a result, we have tremendous opportunities to leverage this strength to develop agribusiness and further expand and diversify the State's economy. The agribusiness industry needs a reliable water supply to flourish and our capacity to develop this and other industries will decrease if we are not able to demonstrate a stable water supply. We are appreciative of the \$175 million commitment for the 23-25 biennium contained in SB 2020 at this time. This is a significant step to ensure the project maintains momentum but encourage the Committee to consider reinstating the original request of \$255 million to maintain the schedule and avoid significant inflationary impacts. Beyond the current biennium, we are thankful for the commitment to fund the project in 10-years or less with a \$953 million legislative intent at a 75% cost share. This commitment will avoid multiple risks of a drawn-out schedule and provides great clarity for project users to commit to the project.

In addition to State cost-share for the Red River Valley Water Supply project, we encourage the Committee to identify a solution to ensure full capitalization of the Water Infrastructure Revolving Loan Fund. Should this funding not be available to finance the local 25% cost-share, the Red River Valley Water Supply Project will likely become unaffordable with significant market financing hurdles to overcome.

Thank you, Chairman Nathe, Vice Chairman Swiontek, and members of the House Appropriations Committee - Education and Environment Division, for your service to the State of North Dakota and for the opportunity to provide this written testimony.

Pilot Basin Funding Program Testimony March 9, 2023

Flooding is a persistent problem for residents of the Red River Basin and has resulted in a basin wide need for solutions to alleviate damages. To assure projects are developed in a strategic effort across the Red River Basin, the Red River Retention Authority (RRRA) was formed. My name is Keith Weston, and I currently serve as the executive director for the RRRA. Prior to this role, I worked for the Natural Resources Conservation Service (NRCS) assisting in watershed planning and conservation implementation throughout the Red River Basin. The RRRA is comprised of members of the Red River Joint Water Resource District (RRJWRD), a North Dakota political subdivision, and the Red River Watershed Management Board, a Minnesota political subdivision. The primary objective of the Red River Retention Authority is to ensure joint, comprehensive, and strategic coordination of retention projects in the Red River Valley. The Authority and its members have been aggressively pursuing federal dollars to off-set local and state costs for retention projects and serves as an advocate for projects in the federal regulatory process. Our directors seek basin-wide solutions to realize effective flood protection and flood damage reduction, accomplished on a strategic project-by-project basis.

The RRRA has been successful at creating a venue for joint discussions between North Dakota and Minnesota in our multijurisdictional watershed to ensure a coordinated effort on a basin scale. This venue has been successful at increased dialog with local, state, and federal regulators and funding sources alike. One of our largest successes as an organization was to secure \$12 million in federal funding from the NRCS through their Regional Conservation Partnership Program (RCPP). The funding was awarded to the RRRA in May 2015. The RRRA facilitated individual County Water Resource Districts (WRD) to enter into a funding agreement with NRCS to use the RCPP funds for assistance in completing NRCS Watershed Plans, recognizing that completion of an NRCS Watershed Plan would be required to further capitalize on federal funding. In total, eight NRCS watershed planning efforts were started in North Dakota. Planning began in early 2016 for most efforts and has been ongoing since.

For County WRDs that complete an NRCS Watershed Plan, NRCS provides opportunity for federal technical and financial assistance for construction. This program is known as the NRCS Watershed Program and is administered by federal Public Law 83-566 (PL-566). The NRCS Watershed Program has a long history of success in North Dakota, including construction of many small watershed dams, flood control projects, and agricultural drainage projects throughout the state. The federal program was well funded in the 1950s, -60s, and -70s when many of these projects were built. After this time, federal funding was limited and project development through the program halted. The federal program has recently been funded again through the federal farm bill and discretionary federal appropriations. This has created an opportunity for North Dakota to bring significant federal funding into the state to address our water management issues.

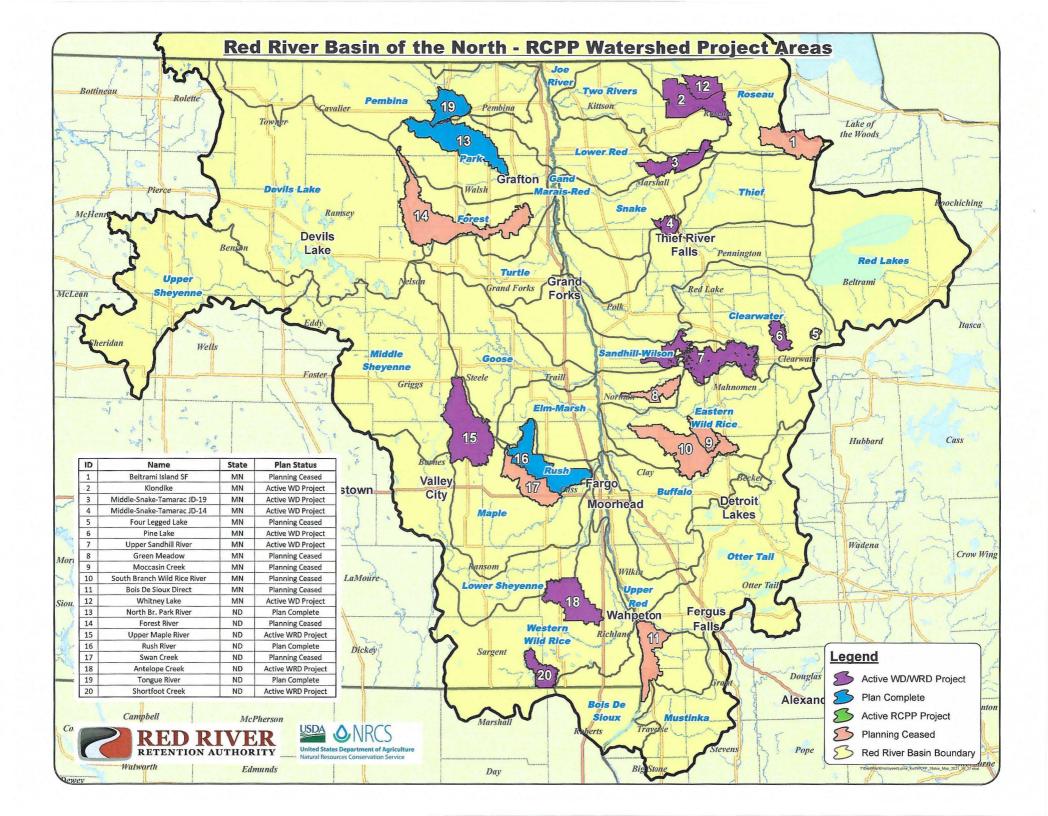
Several of the NRCS Watershed Plans funded through RCPP are nearing completion. In addition, several County WRDs have started NRCS Watershed Planning to revisit several high hazard watershed dams previously constructed through the program to evaluate opportunities to rehabilitate each structure for current dam safety, environmental, and societal concerns. Completion of an NRCS Watershed Plan is a rigorous effort that engages all stakeholders, regulatory entities, and the general public. Problems are clearly defined within the specific watershed, alternatives are developed and vetted, and decisions on the

preferred alternative are arrived at. The planning process results in projects that are locally acceptable, permittable, and feasible. Both rehabilitation of deteriorating older watershed dams along with implementation of new projects is needed within the Red River Basin. If successful on all projects, the federal investment through the on-going watershed planning efforts would result in over 3-dollars of federal investment for every 1-dollar invested non-federally.

While the program presents a significant opportunity for North Dakota, it isn't without challenges. First is the strenuous planning completed by the sponsoring County WRD. The planning effort takes time and can lead to fatigue from all of those involved, including landowners and residents that may be called upon to assist in financing the non-federal portion of the project. In addition, while the program does provide an opportunity for a significant federal investment into North Dakota, often the non-federal share may still be cost prohibitive. Financing needs for County resources are high, and often WRD funding has to be weighed against other County needs. County WRDs have the power to assess costs to landowners, however local appetite for additional taxes with consideration to all County needs can be a challenge. Under current financing options, construction would likely be staggered based on annual cash-flow available to the County WRDs. This scenario would most certainly result in increased costs due to the staggering inflation that has hit the construction industry. Federal funding could also be jeopardized if program funding is again limited in future years. Ultimately, delaying these projects will lead to an increased cost to the state of North Dakota and its residents. And lastly, current eligibility requirements for North Dakota Department of Water Resources (DWR) cost share can create a challenge for many of these projects. In several instances the NRCS has decided to proceed with an alternative that provides additional ancillary benefits, primarily to natural resources and the environment. The additional benefits come at an increased cost that reduces cost effectiveness when considered strictly from a flood control perspective. The additional benefits created the opportunity for significant federal investment, however, it would also result in the projects being unfairly ranked on a benefit-to-cost basis because of the increased total costs. The current eligibility requirements do not fully consider the benefits of federal investments into North Dakota's water management projects with regard to reduced demand on state and local funding sources.

We propose a pilot watershed funding program to incentivize County WRDs to continue to pursue a federal investment through the NRCS Watershed Program into North Dakota's water management challenges. In total, we estimate construction costs of \$115 million within the next biennium if all NRCS Watershed Plans are completed on their current timeline. This would result in \$79 million in federal investment and require \$36 million in state/local funds. Under our proposal, the program would provide 75% cost share to eligible projects to incentivize continued federal investment. The maximum anticipated funding need is \$27 million through our pilot funding proposal, with the most likely funding need being closer to \$12 million within this biennium. However, recognizing that this approach is a pilot approach and traditional DWR cost share will likely be available for several projects, we request \$7.8 million to be funded in the pilot program for this biennium. This is anticipated to fund two high priority projects this biennium. The RRJWRD would secure the funding for the Red River Basin and administer funding to projects in North Dakota developed by their member districts.

In closing, ensuring the success of water management projects with federal funding is in the best interest of North Dakota. The 3.2:1 return on federal dollars for every non-federal dollar invested represents a significant savings to the state and its residents. Local residents and County WRDs should be incentivized to further pursue federal funding to lessen the future demands on state funds. Once completed, projects funded through this proposal will be an asset to the state of North Dakota long into the future.



Park River Joint Water Resource District North Branch Park River Watershed Project

FY2023-2025 Legislative Fact Sheet

Proposers:

Park River Joint Water Resource District (PRJWRD)

Watershed Location:

Pembina County, ND Walsh County, ND Cavalier County, ND

Description:

The Park River Joint Water Resource District (PRJWRD) was formed to evaluate flood damage reduction alternatives in the North Branch Park River Watershed following severe flooding during spring and early summer of 2013. Member Districts



include Walsh County Water Resource District and Pembina County Water Resource District. The PRJWRD began watershed planning through an agreement with NRCS with the intent of developing a project that would qualify for federal funding assistance through the NRCS Watershed Program. The planning process began in 2016 and included a rigorous review of watershed issues and vetting alternatives. The planning included input from the general public, regulatory agencies, and other local stakeholders.



The planning effort resulted in the development of a flood water retention project along the Cart Creek, which is a flood prone tributary of the North Branch Park River. The project will provide flood damage reduction benefits to downstream agricultural land, infrastructure, and flood prone communities. To meet NRCS program requirements, additional amenities were added to the project to enhance water quality and wildlife habitat. The project was able to demonstrate a commitment to international water quality agreements along the Red River through reductions to phosphorus levels in downstream water courses.

The project consists of construction of diversion channels and embankments to route flood waters from Cart Creek into a section of flood prone land. Embankments would be used to hold water in the retention area. Discharges would be regulated through a control structure that would use the available storage to reduce downstream peak flow rates. As an example, 100-year peak discharges at the downstream community of Crystal, ND would be reduced nearly 30%. In total, the project would provide 2,590 acre-feet of storage at peak flood pool levels. Several management practices within the flood pool would be implemented to provide for the water quality and habitat benefits required for NRCS funding.

Current Status: (As of January 2023)

The PRJWRD is working with NRCS to finalize the Watershed Plan and Environmental Document. We anticipate this to be completed in early 2023, at which time federal funds will be authorized to begin final design. The PRJWRD anticipates moving through final design, permitting, funding, and landowner outreach in 2023 and 2024, with construction in 2025. Before moving into construction, the PRJWRD needs to finalize a funding package for the non-federal portion of the project.

Funding Needs:

The project qualifies for funding through the NRCS Watershed Program. Based on current cost estimates, federal funds would cover nearly 80% of the total project costs. The breakdown below provides the current cost estimate for the project and the required non-federal match. The cost estimate represents anticipated costs as of 2022, however delayed funding would likely increase project costs due to inflation of land and construction costs.

Total Project Costs \$ 12.23 Mil.

- Federal (NRCS Watershed Program) \$ 9.66 Mil.
- Non-Federal Match \$ 2.57 Mil.

Cass County Joint Water Resource District Upper Maple River Watershed – Retention Site

Legislative Information Fact Sheet - FY2023-2025

Sponsor:

Cass County Joint Water Resource District With Cooperation from the Barnes County Water Resource District and the Steele County Water Resource District. (a new tri-county water resource district is likely to be formed)

Watershed Area:

Cass County, Barnes County and Steele County, ND

Description:

Cass County has separated its County Water Resource District (WRD) into four Districts based on the watershed areas in the County; the Maple River WRD, Rush River WRD, Southeast Cass WRD and North Cass WRD. These 4 water resource districts then formed a Cass County Joint Water Resource District (CCJWRD) to address common interests and develop flood damage reduction projects within Cass County.

The CCJWRD received a cooperative agreement with NRCS to develop a watershed plan for the Upper Maple River watershed area that hopefully would conclude with a flood damage reduction project that would be eligible for Federal Program funding. A planning team was formed with participation from federal and state agencies, local landowners, local officials, and participation from the three water resource districts. (Cass, Barnes & Steele). There were many alternatives analyzed and considered to alleviate flooding conditions in the watershed. The planning process led to the preferred alternative, a flood water retention project with additional benefits to improve water quality and wildlife habitat. The chosen alternative also provides benefit to international treaty agreements with Canada, providing reductions to phosphorus downstream in the Red River watershed.

The Preferred Alternative, known in the plan as Site 2A, entails construction of a dry dam with interior features for the purpose of nutrient reduction and wildlife habitat. The primary dam structure will provide temporary (less than one week) floodwater retention during peak flow events. This project will control a drainage area of 59.7 square miles and has embankment length of 2.3 miles, maximum height of 31 feet, 48-inch principal spillway conduit, and structural concrete auxiliary spillway to create 2,863 acre-feet of flood storage at the auxiliary spillway crest. In addition to the flood protection the project will also create approximately 240 acres of biomass harvest areas and approximately 230 acres of wetland improvements meeting goals of flood protection with wildlife enhancement and water quality improvements.

Current Status:

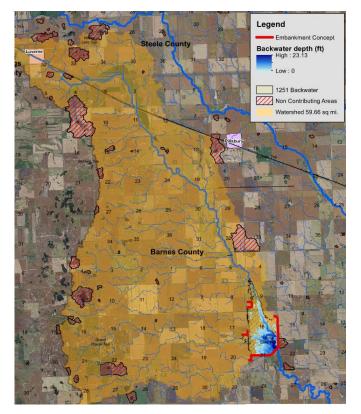
The initial plan has been reviewed and commented on by the NRCS. They have indicated the watershed plan would be eligible for funding under the Watershed Operations Program. The final stages of the watershed plan and environmental impact statement are being updated. This plan should be completed

in the 1st quarter of 2023. Final review and approval from NRCS would be anticipated by the end of 2023. The CCJWRD would then begin final design, permitting, financial commitments, and landowner meetings and right-of-way in 2024. Construction would likely begin in early 2025.

Funding:

This project is eligible for funding through the NRCS Watershed Operations Program. The federal funds cover 75% of the construction and design costs, 50% of the mitigation features and the local sponsors are responsible for all right-of-way, utility relocations and permitting costs with non-federal sources.

Estimated Total Project Costs \$14.80 million (in 2022 \$) Federal Funds – NRCS Watershed Operations: \$ 8.00 million Local/Non Federal Sources: \$ 6.80 million



Testimony of Brandon Bochenski, Grand Forks Mayor Senate Bill 2020 House Appropriations Committee – Education & Environment Division Bismarck, North Dakota – March 9, 2023

Good morning, Chairman Nathe and members of the House Appropriations Committee Education and Environment Division. I am Brandon Bochenski, the Mayor of Grand Forks. I am here in support of funding for the Red River Valley Water Supply Project funding in Senate Bill 2020, the Department of Water Resources budget.

The Garrison Diversion Conservancy District (Garrison Diversion) and Lake Agassiz Water Authority (Lake Agassiz) are cosponsors of the Red River Valley Water Supply Project. Grand Forks is one of the largest end users of the Project and is also a member of Lake Agassiz. The Red River Valley Water Supply Project will mitigate the effects of moderate and severe droughts for the City of Grand Forks and for many North Dakota communities and rural water systems in central and eastern North Dakota.

We are requesting \$255 million dollars, to be matched with \$85 million in local cost-share, to complete \$340 million in project work this coming biennium. A financially efficient construction timeline is necessary to reduce risks and is paramount when you consider the cost of recovery from a decade long drought like the Dust Bowl. Another 1930s-style drought would cost the entire State of North Dakota \$33 billion.

I am thankful for the work done so far on Senate Bill 2020 to include a State commitment of \$953 million to complete the Red River Valley Water Supply and \$175 million for the 2023-2025 biennium. The importance of a strong State partnership cannot be understated, and I want to express my appreciate for your support.

I believe it is prudent for the State and the Project's end users to work together to get the Red River Valley Water Supply Project completed before construction costs increase any further due to inflation. Maintaining the State's commitment to completing construction, as

1

included in SB 2020, will allow for a cost-efficient construction schedule and will reduce our risk of impacts from continuing inflation.

Thank you, Chairman Nathe and members of the House Appropriations Committee Education and Environment Division for listening to my testimony.

Testimony of Lake Agassiz Water Authority

Senate Bill 2020 House Appropriations Committee – Education and Environment Division Bismarck, North Dakota – March 9, 2023

Chairman Nathe and members of the House Appropriations Committee – Education and Environment Division. My name is Tim Mahoney and I am Chair of the Lake Agassiz Water Authority (LAWA) Board and Mayor of Fargo. LAWA was created by the North Dakota legislature in 2003 to represent the local users, the cities and rural water systems, of the Red River Valley Water Supply Project. LAWA and the Garrison Diversion Conservancy District (Garrison Diversion) are cosponsors of the Red River Valley Water Supply Project.

I am here to testify in support of funding in the Department of Water Resources budget, SB 2020, for the Red River Valley Water Supply Project. I'm also here in support of ensuring local affordability of the project by providing access to flexible, long-term financing.

I appreciate the efforts by the Senate to include \$953 million commitment by the State of North Dakota to fund the Red River Valley Water Supply Project to completion. This State commitment helps provide certainty for our end user and gives us confidence the Red River Valley Water Supply will come to fruition. Cities and rural water systems are asked to invest in the Project through the local share requirement, therefore a financial commitment from the State to see the project through completion is a meaningful sign of support.

I am here today to ask the House Education and Environment Committee to consider LAWA and Garrison Diversion's request for \$255 million dollars to construct 43 miles of pipeline and to design an additional 72 miles so the project can remain on a cost-effective timeline. The \$255 million request, along with \$85 million of local funding, will allow us to move the Project forward in a timely manner.

1

Now is the time for the State to harness the natural resources provided by the Missouri River. Time is of the essence, as a cost-efficient construction schedule reduces the risk of ongoing inflation and reduces the political risks associated with competition from other States wishing to access the Missouri River downstream.

Now is the time to invest in the Red River Valley Water Supply Project as it will benefit future generations and safeguard the water supply of nearly HALF of North Dakota's population. Thank you, Chairman Nathe and members of the Committee for the opportunity to provide testimony.



Testimony on SB 2020 Presented to the House Appropriations Committee Prepared by Bernie Dardis, West Fargo Commission President March 9, 2023

Chairman Nathe, Vice-Chairman Swiontek, and members of the House Appropriations Committee Education and Environment Division: My name is Bernie Dardis and I am the Commission President for the City of West Fargo. I am here to testify in support of the funding included in Senate Bill 2020, the Department of Water Resources budget, to move the Red River Valley Water Supply Project forward this biennium and to ensure the completion of the project in a timely manner.

As of 2023, West Fargo has a population of more than 40,000 residents and is
known as "A City on the Grow," as it is one of the fastest growing cities in the state. West
Fargo is part of a regional water system operated by the City of Fargo and includes
multiple cities and rural systems in Cass County. Both Cities and greater Cass County will
benefit from the supplemental and industrial water supply from the Red River Valley
Water Supply Project.

In addition to safeguarding water for domestic use, access to industrial water
from the Red River Valley Water Supply Project is needed as West Fargo endeavors to
attract and diversify its economic opportunities. Continued economic development is
an important aspect of West Fargo's strategic efforts to relieve some of the property tax
pressure off our residents.

The residents and businesses in West Fargo will contribute a fair share of the local cost-share that will be available upon approval of funding for the project. We are grateful for the current inclusion of \$175 million for the RRVWSP in the Department of Water Resources budget, as well as the state commitment to the Project in the form of

> The City of West Fargo supports SB 2020. Page 1 of 2

- 22 \$953 million. Please continue to support this drought mitigation Project that will benefit
- 23 West Fargo and approximately 50% of North Dakota's population.
- 24 Thank you, Chairman Nathe and members of the House Appropriations
- 25 Committee Education and Environment Division for the opportunity to provide
- 26 testimony.

House Appropriations Committee - Education and Environment Division

Representative Mike Nathe, Chairman

March 9, 2023

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

My name is Keith Hunke, and I am the City Administrator for the City of Bismarck.

I am providing written testimony in support of Senate Bill 2020.

Senate Bill 2020 provides the appropriation for defraying the expenses of the Department of Water Resources. Appropriations for water supply grants, discretionary funds for water projects, general water projects are included in Senate Bill 2020.

The City of Bismarck has appreciated the collaboration between the Department of Water Resources team members and City of Bismarck team members involved in preparing the 2023-2025 ND Department of Water Resources State Water Plan. Bismarck has several water utility projects included in the State Water Plan. These projects include the Ash Coulee watermain; cast iron watermain replacements including lead service lines, various valve & hydrant replacements; and the 10 million gallon per day water treatment plant expansion project.

The Bismarck Water Utility provides regional service to the University of Mary (3,800+ students & faculty), South Central Regional Water District (8,000+ users), United Tribes Technical College (900+ students & faculty), and the City of Lincoln (4,300+ population) along with service to Bismarck (22,000+ customer accounts; 74,000+ population).

Bismarck's 10 million gallon per day water treatment plant expansion project will meet peak demands through 2040.

Bismarck's cast iron watermain replacement projects are addressing health and safety issues with the removal of lead service lines and increasing fire flows in the oldest parts of Bismarck.

The Ash Coulee watermain project is necessary due to increased growth in north Bismarck.

Additional project information is attached to my testimony.

Favorable consideration and appropriation of funding for Senate Bill 2020 and Bismarck's water utility projects would be greatly appreciated.

I urge you to give SB 2020 a DO PASS recommendation.

Thank you for the opportunity to provide testimony in support of Senate Bill 2020. I am happy to stand for any questions the Committee may have.

Keith J. Hunke, City Administrator City of Bismarck 701-355-1300 khunke@bismarcknd.gov



City of Bismarck Public Works – Utility Operations 2023-2025 Capital Projects Overview

Bismarck has invested \$40M in awarded contracts in the last three years (2020-2022) for watermain repairs, disinfecting and dewatering projects. There are several additional water utility projects, representing a tremendous amount of work and planning, that will affect our local and regional residents in the immediate future for which we are seeking state grant funding assistance.

Water Needs – \$50M Grant



\$43M in grant funding for the WTP Expansion Project has been submitted in the 2023-2025 ND Department of Water Resources State Water Plan. The Expansion Project will alleviate shortages experienced and increase output capacity to 40 million gallons per day. This is expected to have an overall cost of \$72M with \$29M being funded by

City of Bismarck utility fees. The water plant provides regional service to University of Mary, South Central Regional Water District, United Tribes Technical College, and City of Lincoln. Design work is underway.

Two additional projects for \$6M and \$675K in grant funding are also submitted for Cast iron Watermain Replacements and an Ash Coulee Drive Watermain extension in the 2023-2025 State Water Plan. The remaining costs would be covered by Bismarck utility fees. Design work is underway.

> For any additional information, please contact Mayor Mike Schmitz, 701-934-5040 (c), 701-355-1300 (o) <u>mschmitz@bismarcknd.gov</u> or Keith J. Hunke, 701-220-5878 (c), 707-355-1300 (o), <u>khunke@bismarcknd.gov</u>

Water Treatment Plant Expansion: \$72 Million

- Surface Intake Pumps
- Source Water Blending Structure
- Site Piping
- · Prepare Diversion Basins and Superpulsators as **Pretreatment for Membranes**
- Procurement of Electrical Equipment
- Procurement of Ultrafiltration and Reverse **Osmosis Membranes**
- Construction of UF Break Tank, RO Break Tank and **Backwash Holding Tank**
- Construction of Membrane Building
- Installation of Membrane Systems and Process Piping
- Installation of Membrane Feed and Backwash Pumps
- Installation of Mechanical and Electrical in Membrane Building



SOURCE

WATER

BLENDING

STRUCTURE

SURFACE

WATER

INTAKE PUMPS

500 Feet

MEMBRANE SKIDS AND ANCILLARY EQUIPMENT ON MAIN PROCESS FLOOR

UF BREAK TANK, RO BREAK TANK, AND BACKWASH TANK UNDER MAIN PROCESS FLOOR

NEW

BUILDING

Bismarck BISMARCK WTP 10 MGD EXPANSION

CCALITEMPIARCGISPROTEMP1601002080A0EF-A0xE-4326-8680-3F8027F427D8MINTITLED.APRX DATE: W27/20

FJS

City of Bismarck 10 Million Gallon Per Day WTP Expansion

- Preliminary Design Began November 2022
- CMAR Proposals Received January 27, 2023
- CMAR Interviews/Selection March 2023
- Bid Package Prep & Bid Starting February 2024
- Ultrafiltration and Reverse Osmosis Membrane Procurement May 2024; Estimated Cost of \$8.75 Million
- Significant Project Completion February 2026
- Final Project Completion May 2026
- Total Estimated Project Cost = \$72 Million

City of Bismarck - DWR/SWC projects

Name	Approved	Cost-Share	Balance
Bismarck Wastewater Treatment Plant Effluent Flood Control - Preconstruction	10/14/2021	\$72,000	\$9,176
Bismarck Wastewater Treatment Plant Effluent Flood Control - Construction	8/11/2022	\$170,009	\$170,009
43rd Ave Water System Expansion Phase 1	6/8/2021	\$584,000	\$113,110
43rd Ave Water System Expansion Phase 2	4/12/2022	\$2,936,000	\$259,083
Lockport Pump Station	10/8/2020	\$2,955,000	\$216,378
Bismarck WU137 Watermain Replacement	6/7/2022	\$2,170,000	\$1,766,799
Bismarck Water Treatment Plant Improvements - Filters 1-6 & Effluent Piping	8/11/2022	\$2,307,000	\$2,288,508
Bismarck Water Treatment Plant Expansion - PreConstruction/Design	8/1/2022	\$2,794,000	\$2,794,000
Tom O'Leary Water Intake Improvements (Parks & Rec)	9/2/2022	\$49,600	\$49,600
2023 Water Main Replacement WU140 (pending-\$2,301,360 requested)			
		\$14,037,609	\$7,666,663

House Appropriations – Education and Environment Division Chairman – Representative Mike Nathe March 9, 2023

Joint Testimony of:

Tom Ross Mayor, City of Minot tom.ross@minotnd.org (701) 721-7763

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

<u>SB 2020</u>

SLIDE 1 – Tom Ross

Chairman Nathe and members of the House Appropriations Education and Environment Division, my name is Tom Ross. I am the mayor of Minot. I am here today to speak in support of Senate Bill 2020 and the allocation needed to continue progress on the Mouse River Enhanced Flood Protection Project.

With me today, is David Ashley, Chairman of the Souris River Joint Board. We will be presenting jointly today.

This summer will mark 12 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.

We have uploaded this joint testimony along with a series of slides and a supplemental handout. Our intent is to cover three topics with you today.

First, we wish to update you regarding the status of the current biennium appropriations and how that funding is being utilized.

Second, we want to share good news regarding the overall budget of the project and how our work to secure federal funding has reduced the anticipated State share of the project.

Finally, we want to talk about a financial plan to finish this project by 2035 and how we would utilize this upcoming biennium's appropriation, if approved.

David Ashley is going to say a few words and cover slides 2 through 19, and then I will be back at the podium to wrap up with slides 20 through 24.

SLIDE 2 – David Ashley

On behalf of the Souris River Joint Board, let me also say 'thank you' for your support for this regional flood protection project.

The information shown on this slide illustrates the sources and uses for the current biennium's appropriation to the Mouse River project. A total of \$84.5 million was appropriated, with \$74.5 million coming through House Bill 1431 (also known as the bonding bill) and the balance of \$10 million coming through House Bill 1020, the Department of Water Resources budget bill.

The appropriated funding was then allocated by the State Water Commission, with \$71.35 million going to the Souris River Joint Board for construction, engineering and acquisitions generally outside Minot city limits, and the balance of \$13.15 million going to the City of Minot for acquisitions within Minot city limits.

SLIDE 3 – David Ashley

The table on this slide indicates the individual activities included in the original work plan for the current biennium. Generally, we had approximately \$22.5 million total in acquisitions, \$12 million total in engineering and permitting, and \$92 million in construction, for a total program of \$126.5 million. The State share of that total was \$84.5 million.

SLIDE 4 – David Ashley

This slide shows graphically where the activities were located in Minot, with design activities shown in maroon and construction activities shown in orange. The bulk of the construction funding is being used to construct the Northeast Tieback Floodwall in northeast Minot.

SLIDE 5 – David Ashley

We have split the Minot system into three separate milestones, with each having the ability to function independently. Thanks to your previous support, we have been able to make significant progress towards Minot Milestone 1. The fully funded portions are shown in the solid green lines and the portion yet to be funded is shown with a dashed green line. This dashed area is known as the Maple Diversion, and is the portion of the project which has a federal interest and a federal funding partner through the US Army Corps of Engineers. In January 2022, an announcement was made by Senator Hoeven that \$61.45 million was appropriated for this portion of the project.

SLIDE 6 – David Ashley

This slide shows 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 7 – David Ashley

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 still remain to be achieved.

SLIDE 8 – David Ashley

We've also been completing work outside of Minot. Our work plan includes the replacement of three bridges to eliminate bottlenecks along the river at Mouse River Park in Renville County and also at Sawyer and Velva, downstream of Minot. In addition, the design of the levee at Robinwood, located west of Minot, is included in the current biennium work plan.

SLIDE 9 – David Ashley

Levee work in Burlington is substantially complete. Final cleanup, paving, and landscaping will be completed this spring. But 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. We look forward to celebrating this milestone in Burlington next spring, and we hope that you would be able to join us in that celebration.

SLIDE 10 – David Ashley

During the last legislative session, House Bill 1020 included legislative intent related to the anticipated State share necessary to complete the project. That figure was estimated to be \$604 million, with the final appropriation being made in the 39-41 Biennium. With the current biennium appropriation of \$84.5 million, the remaining State share, per the legislative intent, would be \$519.5 million. We have done some significant work to improve upon that remaining commitment.

SLIDE 11 – David Ashley

Since the 2021 legislative session, the Souris River Joint Board and the City of Minot have secured approximately \$71 million in federal funding for the project – with \$61.5 million through the US Army Corps of Engineers and \$9.8 million through the Department of Defense.

The federal grants are used to reduce both the State and local shares of the project. For every \$1.00 of federal funding secured for construction of the project, it reduces the projected State share by \$0.65.

We have been working diligently with the City of Minot on the local funding related to the project, and they have been exceptional partners. With the legislature's generosity in the last session and the federal funding injection into the project, we are in an excellent position to complete this project.

SLIDE 12 – David Ashley

We want this project done by 2035, and we think it is absolutely achievable. To get this done by 2035, the average appropriation level would be about \$8 million less per biennium than what we are working with currently. We have developed three funding scenarios to illustrate the benefit to the State and to local stakeholders of expediting the completion of the project.

SLIDE 13 – David Ashley

The average appropriation level for the project since 2011 has been approximately \$52 million per biennium. If we were to continue at that rate, the project would be complete by around 2041. There would be \$687 million of improvements remaining with this approach.

SLIDE 14 – David Ashley

This slide shows a second scenario which would allow us to complete this project sooner and at a lower cost to the taxpayer. At a levelized appropriation of \$76.1 million per biennium, the final appropriation would be made in the 31-33 biennium and we would be able to have the project complete by 2035. With this approach, the total cost of the work remaining would be \$640 million. Total cost savings would be \$47 million as compared to Scenario 1, with the State's share being approximately \$32 million of the total.

SLIDE 15 – David Ashley

A third scenario has been developed which would front-load the appropriation with \$100 million for the next biennium, with the amount tailing off to approximately \$64 million in the 31-33 biennium. With this approach, the total cost of the work remaining would be \$632 million. Total cost savings would be \$55 million as compared to Scenario 1, with the State's share being approximately \$37 million of the total.

SLIDE 16 – David Ashley

The Senate put legislative intent language within Senate Bill 2020 which defines the appropriation level for the upcoming biennium, as well as a cap on the total appropriation to the project from today through the completion. The downside of this language is that it does not lay out an intended plan for the future. In general, the language is consistent with what we have proposed in Scenario 2, but we are asking the House to strengthen that language.

SLIDE 17 – David Ashley

We are suggesting two alternatives for legislative intent language, based on Scenarios 2 and 3 that we have referenced previously. The difference with our suggested language is that it is specific for this biennium while laying out the legislature's plan to finish this project with a final appropriation in the 2031-33 biennium.

SLIDE 18 – David Ashley

We understand that this legislature can not bind the next, and we aren't asking this legislature to do that. But we feel that this language communicates a schedule to completing this project that is absent in the current Senate version. The language also gives the project sponsor a basis for planning and execution of project phases in the future. We understand that the appropriation levels may change in the future depending on revenues, but having a plan to finish this project gives the project sponsor a solid-enough footing to get phases of a certain size or type ready for construction in the upcoming biennium if there is an indication of what that funding level is expected to be. Our suggested legislative intent language is based on previous language included for the Fargo Diversion, so we don't feel these are uncharted or perilous waters for this Legislature.

SLIDE 19 – David Ashley

If Scenario 3 was supported by the Legislature, this chart depicts our proposed work plan for the upcoming biennium. Generally, acquisitions would total approximately \$26 million, design and permitting would total \$3 million, and construction would represent the bulk of the investment at approximately \$182 million. The total program for the next biennium would be approximately \$211 million, with the State share being \$100 million of the total. As I mentioned previously, the City of Minot has been a steadfast supporter of the work of the Souris River Joint Board. Mayor Ross will speak to Minot's perspectives on funding scenarios and fast-tracking the completion of this project.

SLIDE 20 - Tom Ross

We are asking for your support of either Scenario 2 or Scenario 3. We have coordinated both of these approaches with our ability to finance the required local match and feel confident moving forward with either of these scenarios. Because Scenario 3 offers an \$8 million overall savings as compared to Scenario 2, we would prefer Scenario 3.

SLIDE 21 – Tom Ross

If the Legislature supports Scenario 3, it could reduce the amount pledged by the State during the last session by up to \$143.5 million. How is this possible? The influx of federal funding that we mentioned combined with shortening the implementation schedule to combat the effects of inflation.

SLIDE 22 – Tom Ross

Savings for North Dakota residents go beyond the capital cost savings. As Dave Ashley mentioned previously, flood insurance reforms will continue to affect Mouse River valley residents as a result of two factors: (1) Congressional reforms of the National Flood Insurance Program which will phase out the federal subsidy of the program, and (2) revised Flood Insurance Rate Maps for the valley which will place approximately 3,000 properties in the regulatory floodplain.

SLIDE 23 – Tom Ross

The rough economics associated with these two factors are that Minot residents will be paying about \$9 million per year in mandatory flood insurance premiums. In addition to impacting a family's bottom line, the flood insurance requirements will significantly devalue properties within the valley. Many of these properties carry multiple debt instruments, including a mortgage and disaster assistance loans provided through the Small Business Administration following the flood.

Additionally, the 2011 flood caused \$1 billion in damage to public and private property. Construction of the project prevents those damages from occurring in the future, should we experience another flood similar to 2011.

SLIDE 24 – Tom Ross

Once again, thank you for your leadership and your steadfast support of Minot and the basin as we continue to recover from the 2011 flood and rebuild the community for future generations of North Dakotans.

JANUARY 2023 PROJECT FINANCIAL SUMMARY



BASIN-WIDE FLOOD RISK MANAGEMENT FOR MINOT, RURAL COMMUNITIES, AND BASIN RESIDENTS

Faster Implementation Will Save the State of North Dakota Millions

PREVIOUS FUNDING

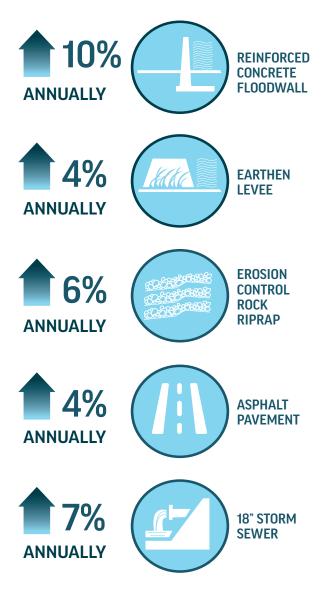
To date, the project has received funding from State, federal and local agencies totaling approximately \$535 million, with \$313.2 million being provided by the State of North Dakota. This funding has been used for acquisitions, relocations, design, permitting and construction activities. The average State appropriation level for the Mouse River Enhanced Flood Protection Project has been \$52.2 million per biennium since 2011.

INFLATION

Thus far, the project has been able to counteract the effects of inflation through value engineering and receipt of competitive construction bids.

The Souris River Joint Board continuously evaluates the cost of various flood control construction features. Since construction of the project began in 2017, construction inflation on the Mouse River Enhanced Flood Protection Project has significantly outpaced the national average inflation (based on the Consumer Price Index). From 2017 to 2022, the average cost of reinforced concrete for floodwalls increased from \$750 per cubic yard to \$1,200 per cubic yard. In the same period, the average cost of levee embankment increased from \$9.50 per cubic yard to \$11.75 per cubic yard. The average annual cost increases since 2017 for various flood control work items are shown at right.





PROJECT COMPLETION SCENARIOS



The project completion schedule is directly dependent on two variables - the level of appropriation and the rate of inflation. As appropriations are made, project components are designed and constructed to match the available funding. As the schedule for the project extends, the costs will continue to increase due to inflation. Scenarios 2 and 3 below demonstrate considerable cost savings to the project and the State of North Dakota associated with advancing the construction schedule. For the baseline assessment of potential savings, the construction inflation rate was assumed to be 3%.

Scenario 1 - 2041 Completion

The 2041 Plan is based on assuming the average of State appropriations since 2011, or \$52.2 million, in the 2023-2025 biennium and beyond to project completion. Based on this assumed funding scenario, the final appropriation will be made in the 2037-2039 biennium, with construction being completed in 2041. The total cost to complete the project in this scenario is \$687 million.

Scenario 2 - 2035 Completion Plan A

2035 Plan A is based on assuming five biennia of equal appropriations necessary to complete the project. The biennial appropriation level would be \$76.1 million, with the final appropriation being made in the 2031-2033 biennium and construction being completed in 2035. The total cost to complete the project in this scenario is \$640 million.

A cost savings of \$47 million

2035 Plan A results in a total cost savings of \$47 million as compared to the 2041 Plan, with the State of North Dakota saving approximately \$32 million.

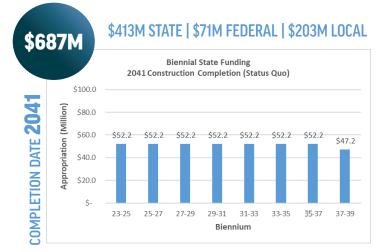
Scenario 3 - 2035 Completion Plan B

2035 Plan B is an accelerated version of 2035 Plan A. The biennial appropriation level would be \$100 million for the 2023-2025 biennium, decreasing to \$63.6 million in the 2031-2033 biennium. Construction would be completed in 2035. The total cost to complete the project in this scenario is \$632 million.

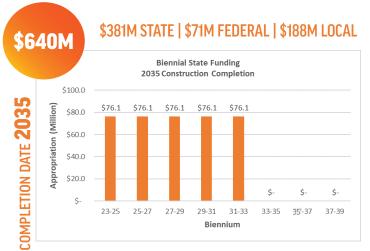
A cost savings of **\$55 million**

2035 Plan B results in a total cost savings of \$55 million as compared to the 2041 Plan, with the State of North Dakota saving approximately \$37 million.

SCENARIO 1



SCENARIO 2



SCENARIO 3





TESTIMONY TO HOUSE APPROPRIATIONS EDUCATION & ENVIRONMENT DIVISION RE: SENATE BILL 2020

9 MARCH 2023



21-23 Biennium Funding Summary

\$84.5 Million Total

\$74.5 Million via HB 1431 (Bonding Bill)

\$10.0 Million via HB 1020 (DWR Budget Bill)

Allocated by State Water Commission in August 2021



 \$71.35 Million to the Souris River Joint Board for Construction and Engineering Throughout the Basin (Including Minot) and Acquisition Activities Generally Outside Minot City Limits

 \$13.15 Million to the City of Minot for Acquisition Activities inside City Limits in Support of US Department of Housing & Urban Development (HUD) National Disaster Resilience (NDR) Program

Original 21-23 Biennium Work Plan

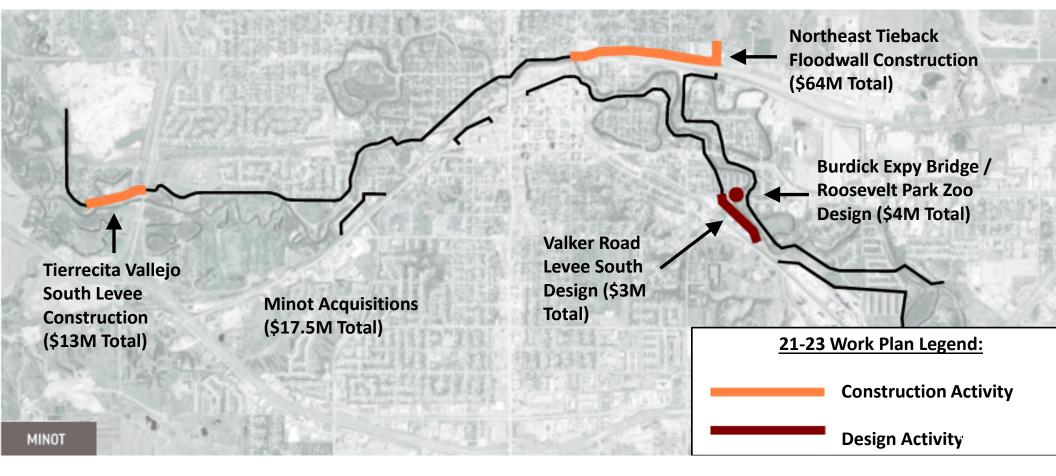
		A	Activity Cost
PROPERTY ACQUISITIONS (75% STATE)	Minot	\$	17,533,333
	Outside of Minot	\$	5,000,000
DESIGN & PERMITTING (65% STATE)	Phase WC-2: Robinwood Levee	\$	4,000,000
	Phase MI-8: Valker Road South Levee	\$	3,000,000
	Phase MI-9: Burdick Expressway Bridge	\$	4,000,000
	Phase RU-1: Rural Conveyance Improvements	\$	1,000,000
CONSTRUCTION (65% STATE)	Phase MI-5: Northeast Tieback Floodwall	\$	64,000,000
	Phase WC-1B: Tierrecita Vallejo Levee South	\$	13,000,000
	Phase SA-1: Sawyer Bridge	\$	4,000,000
	Phase VE-1: Velva Bridge	\$	4,000,000
	Phase RC-1: Mouse River Park Bridge	\$	4,000,000
	Phase RU-1: Rural Conveyance Improvements	\$	3,000,000
TOTAL		\$	126,533,333
STATE FUNDS		\$	84,500,000
LOCAL FUNDS		\$	42,033,333



Estimated

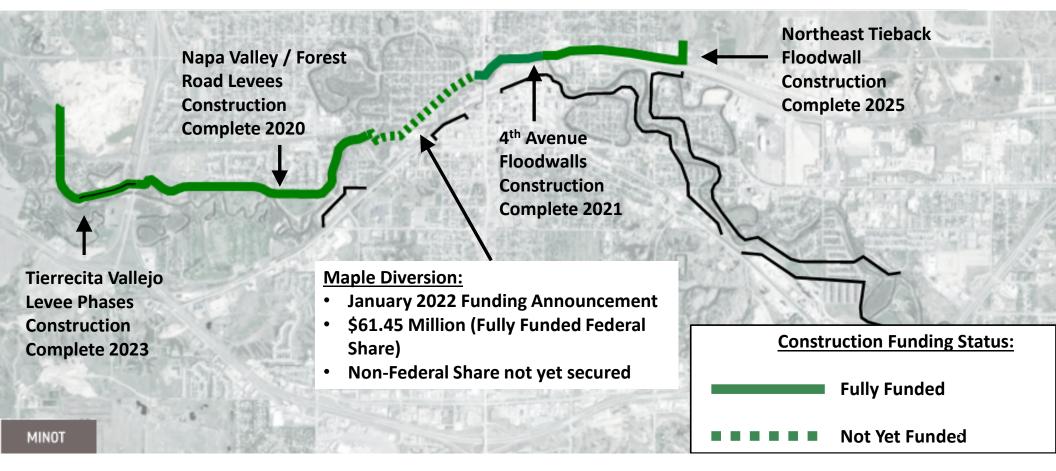


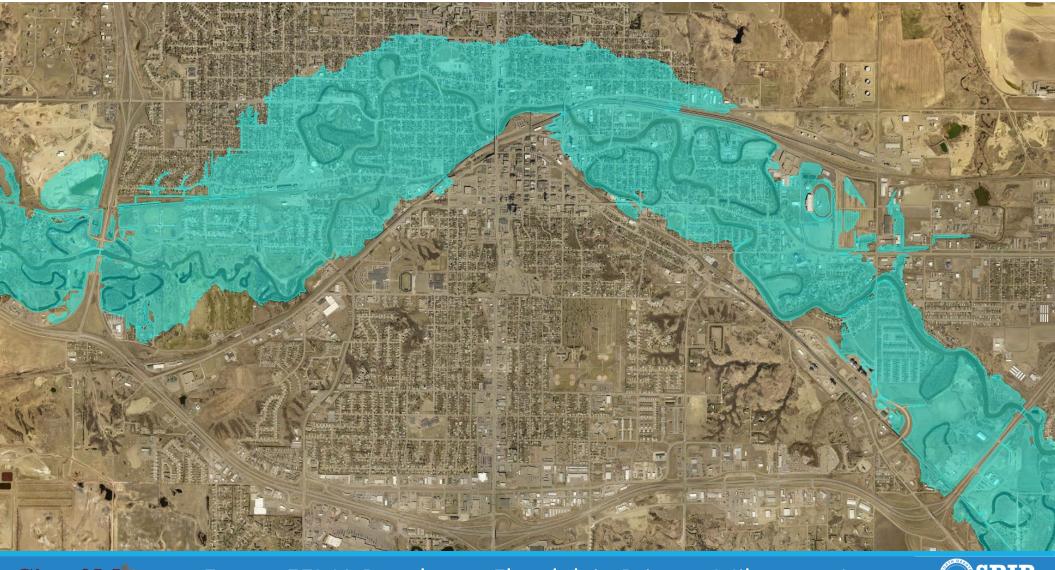
Original 2021-2023 Biennium Minot Work Plan





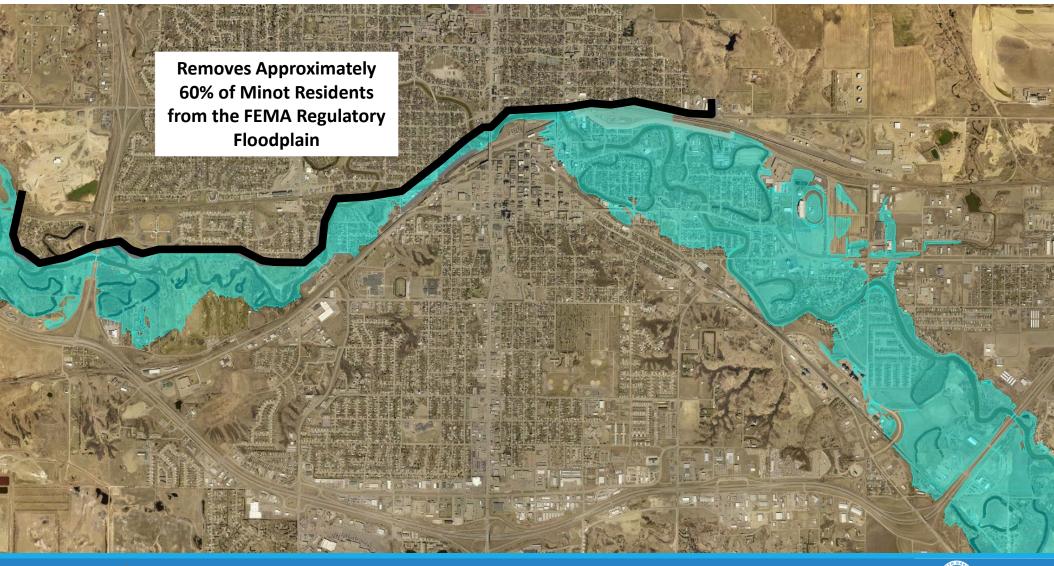
Significant Progress Made Towards Minot Milestone 1





City of Minot Future FEMA Regulatory Floodplain Prior to Milestone 1



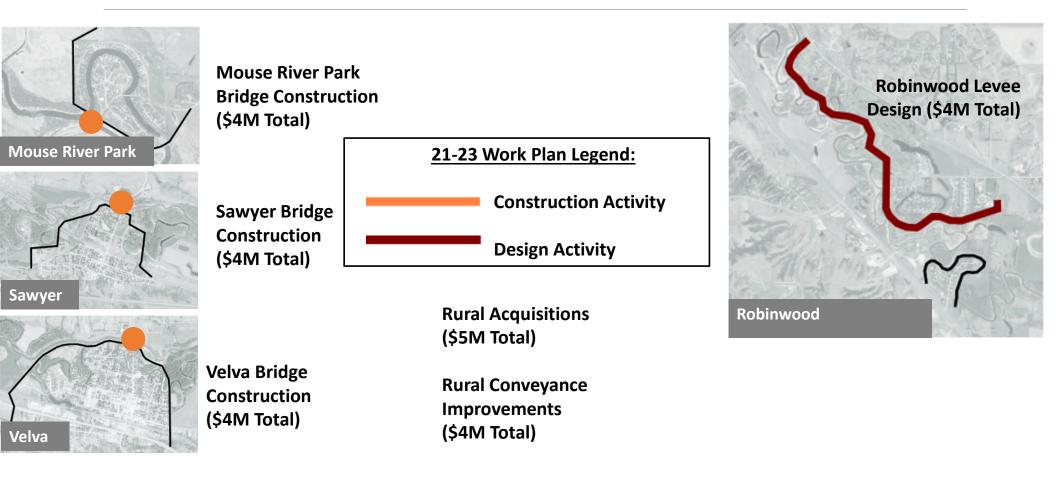


City of Minot Interim Regulatory Floodplain Following Minot Milestone 1



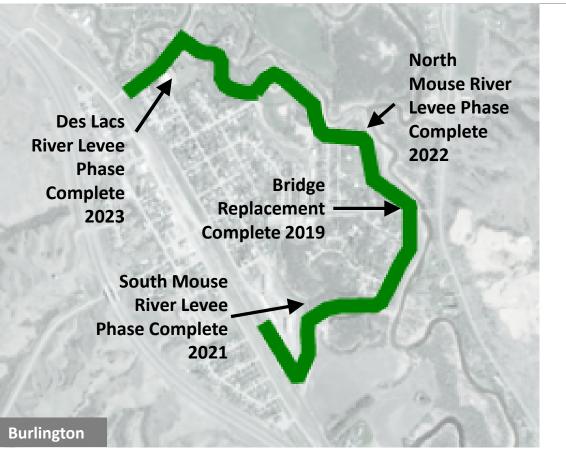


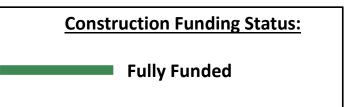
Original 2021-2023 Biennium Rural Work Plan





Progress in Rural Portions of the Mouse River Valley





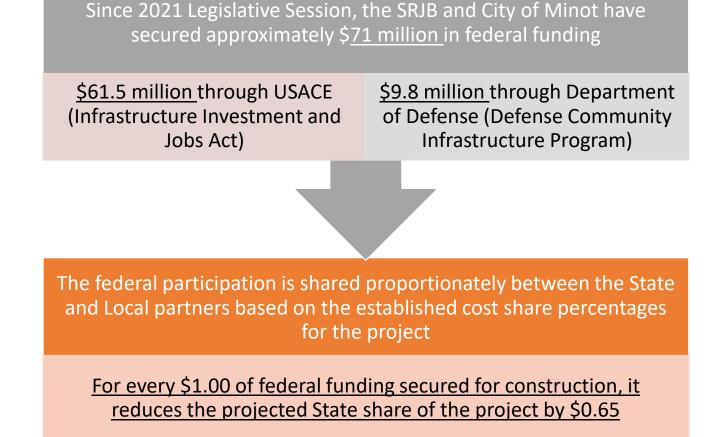
<u>Construction of all Burlington</u> <u>phases of the project will be</u> <u>complete by 2023.</u>

Previous Legislative Intent

- Legislative Intent included in House Bill 1020 (2021 Session) identified the anticipated State share of <u>\$604 million</u> to complete the project. This was based on average historical appropriations for the project, with the final appropriation being made in the <u>39-41</u> <u>Biennium</u>.
- With the 21-23 Biennium appropriation of \$84.5 million, the remaining State share, per Legislative Intent, would be <u>\$519.5 million</u>.

10

Significant Reduction in Overall Budget due to Federal Involvement & Timing



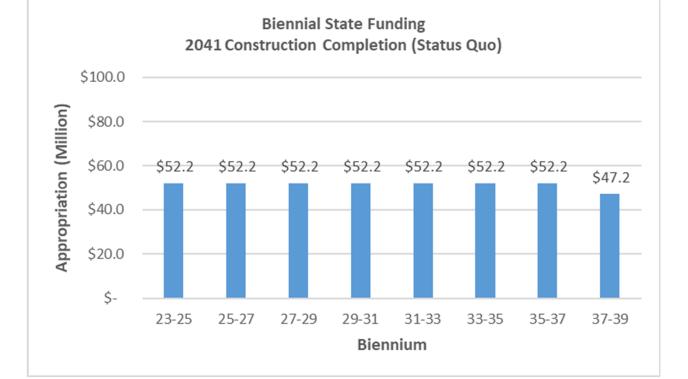
11

We Wish to Secure a Commitment to Finish this Project by 2035 Three funding scenarios have been developed to illustrate the benefit to the State and local stakeholders of securing federal funding and expediting the completion of the project.

Funding Scenarios

Scenario 1

(Status Quo / Average of Previous Appropriations)



\$687 M TOTAL

\$413 M STATE | \$71 M FEDERAL | \$203 M LOCAL

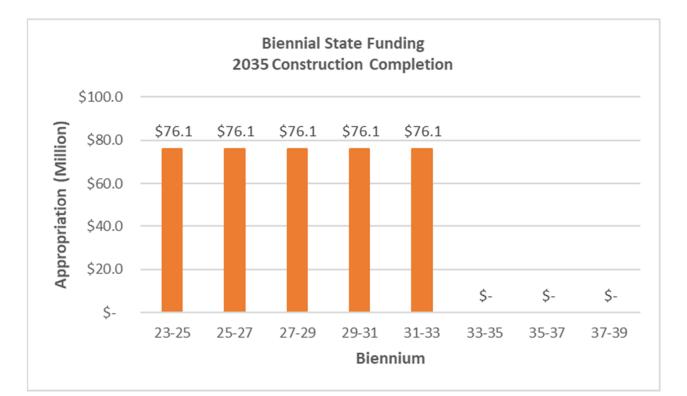
Funding Scenarios

Scenario 2

(Accelerated w/ Consistent Commitment Over Time)

\$640 M

TOTAL

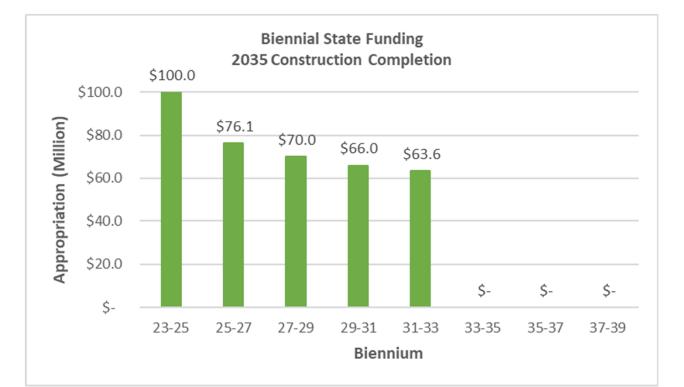


\$381 M STATE | \$71 M FEDERAL | \$188 M LOCAL \$47 M TOTAL COST SAVINGS \$32 M STATE COST SAVINGS (as compared to Scenario 1)

Funding Scenarios

Scenario 3

(Accelerated with Decreasing Commitment Over Time)



\$376 M STATE | \$71 M FEDERAL | \$185 M LOCAL \$55 M TOTAL COST SAVINGS \$37 M STATE COST SAVINGS (as compared to Scenario 1)

Current Legislative Intent Language

Current Senate Version generally aligns with Scenario 2:

SECTION 11. 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-eighth legislative assembly that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

Area of Concern:

No reference to future appropriations, but it places a cap on the total amount that would change if the appropriation schedule of Scenario 2 isn't followed.

Proposed Legislative Intent Language

Alternatives based on proposed funding scenarios:

Scenario 2:

LEGISLATIVE INTENT – MOUSE RIVER FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-eighth legislative assembly that the state provide \$380,500,000 for the Mouse River flood control project as follows: \$76,100,000 during each of the 2023-25, 2025-27, 2027-29, 2029-31, and 2031-33 bienniums.

Scenario 3:

LEGISLATIVE INTENT – MOUSE RIVER FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-eighth legislative assembly that the state provide \$375,700,000 for the Mouse River flood control project as follows: \$100,000,000 during the 2023-25 biennium, \$76,100,000 during the 2025-27 biennium, \$70,000,000 during the 2027-29 biennium, \$66,000,000 during the 2029-31 biennium, and \$63,600,000 during the 2031-33 biennium.

Proposed Legislative Intent Language

Proposed Legislative Intent Language mimics earlier Legislative Intent for Fargo Diversion (2019 Session)

We understand that this legislature can not bind the next legislature, but this legislature can communicate what it is thinking about the future. This language serves as a starting point for conversations with the next legislature, and it gives the project sponsor better ability to plan for execution of future phases.

SECTION 9. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-sixth legislative assembly that the state provide a portion of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed \$750,000,000, which includes \$120,000,000 originally designated for Fargo interior flood control. It is the intent of the sixty-sixth legislative assembly that the \$379,500,000 yet to be designated by the state for the Fargo flood control project be made available in installments as follows: \$66,500,000 during the 2019-21, 2021-23, 2023-25, 2025-27, and 2027-29 bienniums, and \$47,000,000 during the 2029-31 biennium.

			otal Estimated It to Complete
2023-2025 WORK PLAN (BASED ON SCENARIO 3)	PROPERTY	Minot	\$ 22,000,000
	ACQUISITIONS	Outside of Minot	\$ 4,300,000
	DESIGN & PERMITTING	Phase WC-3: Kings Court Levee	\$ 3,000,000
	CONSTRUCTION	Phase MI-4: Maple Diversion	\$ 100,000,000
		Phase MI-6: Downtown Levee / Floodwall (Partial)	\$ 40,000,000
		Phase MI-7: Roosevelt Park Levee / Floodwall	\$ 42,000,000
Total		\$ 211,300,000	
State Funds		\$ 100,000,000	
Federal Funds		\$ 61,500,000	
		Local Funds	\$ 49,800,000

Proposed Work Plan (23-25 Biennium)

If the Legislature was to Support Scenario 3





Scenarios 2 and 3 are coordinated with the ability to finance the local match.

Bonds have previously been sold by the City of Minot to provide local match funds for the next (approximately) three years' construction.

Additional local funding will be secured to match State appropriations for Scenarios 2 or 3.

20

We are asking the Legislative Assembly to consider supporting Scenario 2 or Scenario 3 Support of Scenario 3 would reduce the amount pledged by the State during the last session, in terms of Legislative Intent, by up to <u>\$143.5</u> <u>million</u>.

How?

- Influx of federal support (\$71 million) in 2022
- Shortening the implementation schedule to complete the project by 2035

Please keep in mind that these projections are based on an average inflation rate for the past 10 years of approximately 3% annually. Sustained high inflation will negatively affect the project's financial trajectory.

Additional Savings for North Dakota Residents

Flood Insurance reforms will continue to affect Mouse River valley residents as a result of two factors:

- Congressional reform of the National Flood Insurance Program which eliminates the federal subsidy for the program over time
- Revised Flood Insurance Rate Maps for the Mouse River valley which will place approximately 3,000 properties in the regulatory floodplain

Additional Savings for North Dakota Residents Once new Flood Insurance Rate Maps become effective and the rates are transitioned to fully actuarial (i.e. no federal subsidy), Minot residents are expected to pay approximately **<u>\$9 million per year</u>** in flood insurance premiums.

- Federal flood insurance paid by area residents is used to subsidize the overall portfolio of the NFIP but are mandated by financial institutions with federally secured mortgages or loans
- Significant negative effect on the value of properties within the Mouse River valley

The 2011 flood caused approximately **<u>\$1 billion</u>** in damages. Construction of the Mouse River Plan prevents those damages from occurring in the future.

On behalf of the residents of the Mouse River Basin...

Thank You!





Project information may be viewed or downloaded at: <u>http://www.mouseriverplan.com</u>

Construction progress videos may be viewed at: <u>https://www.youtube.com/channel/UCJEMcuR74qzNP</u> <u>Z83qzQhCTg</u>



Testimony by Jenifer Murray, Manager/CEO, Southwest Water Authority On behalf of the Southwest Pipeline Project to the House Education and Environment Committee Hearing on Senate Bill 2020 March 9, 2023

Mr. Chairman and members of the committee, I am Jenifer Murray, Manager/CEO of Southwest Water Authority (SWA). I am here today on behalf of SWA to express my support of Senate Bill 2020, and respectfully request your consideration of \$131.6 million for the 12 million-gallonsper-day (MGD) Southwest Water Treatment Plant expansion, West Zone Transmission Facility Improvements, Strategic Hydraulic improvements, and the Supplementary Intake Pump Station. For it is only with your financial support Southwest Water Authority can continue our mission of quality water for southwest North Dakota.

Senate Bill 2020 provides unprecedented support to critical water needs throughout the State. Within this budget, the State Water Commission would provide over \$600 million in funding for critical water infrastructure projects.

The Southwest Pipeline Project was authorized by this legislature in 1981 and construction began in 1986. 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 \$90 million back to the state through capital repayment. The financial commitment the state has made in the Project has benefitted southwest North Dakota, and through capital repayment the State is now benefitting from that return with nearly \$12 million returned to the Resources Trust Fund each biennium.

The strategy SWA has taken to building for the future is three-pronged. The first prong includes increasing the main transmission line capacity to ensure transmission capacity does not become a limiting factor to connecting future customers. The second prong includes strategic hydraulic improvements which will allow users on SWA's waiting lists to be added as subsequent customers. The third prong is the expansion of the rural water system into under-served areas.

Projects planned for the 2023-2025 biennium include a 12 million gallon per day expansion of the Southwest Water Treatment Plant. The Dickinson Water Treatment Plant was built in 1951 and due to the circumstances of the time was adopted by the SWPP to be

utilized as the primary treatment source. Upgrades and modifications have been done over the years to increase capacity and treat Lake Sakakawea water. An assessment was done in 2021 which noted the plant is operating at or beyond its useful life at an increased risk of malfunction or failure. It was recommended to begin the migration of its capacity when funding is available. In February 2022, the State Water Commission (SWC) approved the decision to begin with the process of design for the expansion. The Southwest Water Treatment Plant Expansion Membrane and Equipment procurement contracts are expected Testimony by Jenifer Murray, Manager/CEO Education and Environment Subcommittee Page 2 March 9, 2023

to be bid in June 2023. Construction and installation funding is requested for the 2023-2025 biennium at \$83 million. Intent language was added to Engrossed SB 2020 to defer \$40 million of that request to the 2025-2027 biennium. 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 throughout southwest North Dakota is essential to continuing to provide our communities and customers with an adequate supply of quality water both now and into the future. West Zone Transmission Facility Improvements will ensure that capacity is not a limiting factor in rural development and growth. 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 West Zone Transmission Facility Improvements are conceptualized at \$17.5 million for nearly 28 miles of parallel main transmission line, upgrades to three separate pump stations, and addition of a 300k gallon storage reservoir.

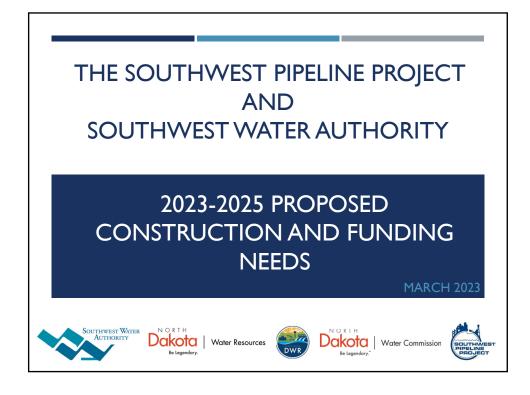
Increasing service to under-served areas has been a focus of the SWPP over the past two years. The Burt, Hebron Service Area, including Lake Tschida, is being canvassed for potential customers and is currently under preliminary design. To-date 660 customers have financially committed to connecting to the SWPP once construction is complete. This area is vast, and sparsely populated creating challenges. \$11.2 million is being requested in the 2023-2025 biennium to begin with the first phase of construction.

Above and beyond the 660 customers signed up in the Burt, Hebron Service Area, 670 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. Currently more than 30% of the SWPP customer base came on as subsequent customers, or after construction had completed. Strategic Hydraulic Improvements are being prioritized to allow for additional customers to connect.

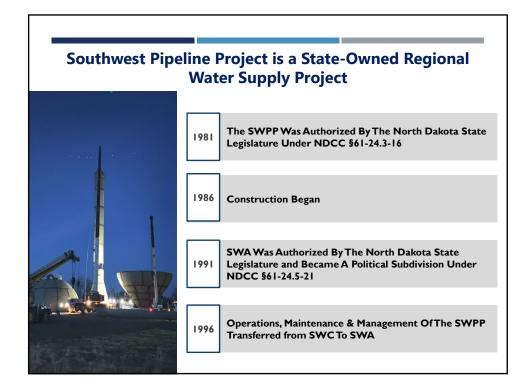
Throughout the years, SWA's reliable, quality water has become an integral part of what makes southwest North Dakota a great place to live, work and recreate. Today, SWA serves over 7,500 rural customers, and 33 communities, and yet there are water needs to be met and hundreds of people waiting for their chance to receive quality water.

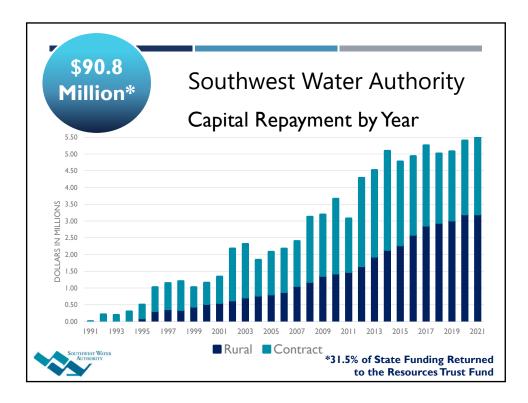
On behalf of the thousands depending on SWA's reliable safe drinking water and those still waiting to be connected, I respectfully request continued funding of the SWPP. For it is only with your financial support, SWA can continue to bring quality water to those willing to repay the state for its investment.

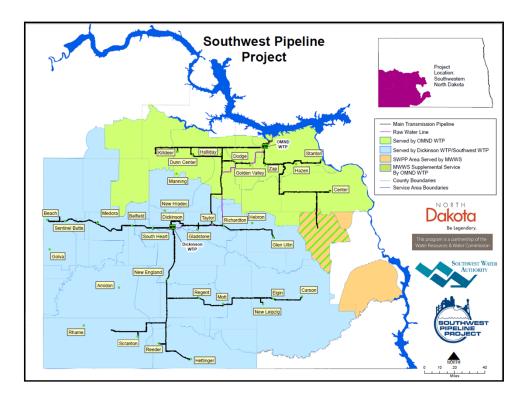
Respectfully, Jenifer Murray, Manager/CEO Southwest Water Authority jmurray@swwater.com









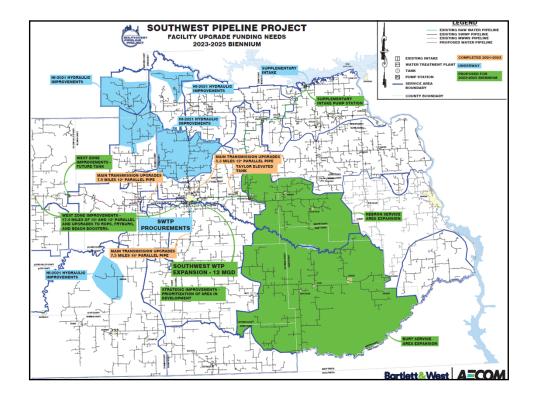


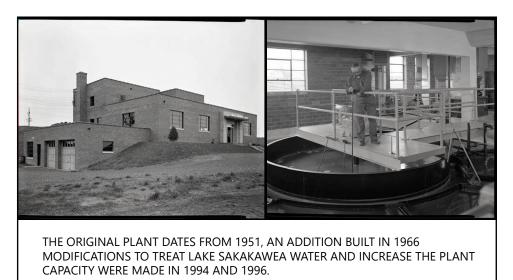


Transmission Facility Improvements	Strategic Hydraulic Improvements	Rural Service Area Expansion
Improvements and Upgrades to Transmission Pipelines and Facilities Throughout the Southwest Pipeline Project	Address Waiting Lists and Areas Where Growth and Distribution is Limited by Existing Infrastructure. Connect Subsequent Customers	Capturing the Needs of Under- served Areas by Canvassing to Ensure All Potential Customers Have the Opportunity to Connect to Rural Water
Three-Pronge	ed Approach to the Future	o Building for









12 MGD Water Treatment Plant in Dickinson





Southwest Water Treatment Plant 12 MGD Expansion

TO BID AND AWARD – FUNDING MUST BE SECURED Equipment and Membrane Procurement Contract - Bid Opening and Award Expected May/June 2023 - 2021-2023 Funding

Construction and Equipment Installation Contract – \$83 Million Bid Opening and Award Expected Fall 2024

Potential Funding Options:

Full Funding Authorization or Line of Credit With Intent Language **Eng. SB 2020** includes the SWPP in the Capital Assets Line of Credit and includes intent language for \$40 million in the 25-27 biennium

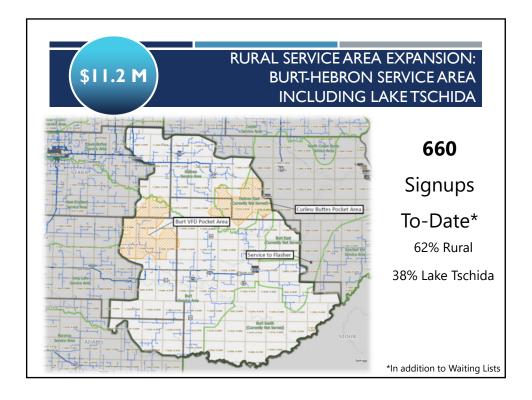


SUBSEQUENT CUSTOMERS AND WAIT LIST

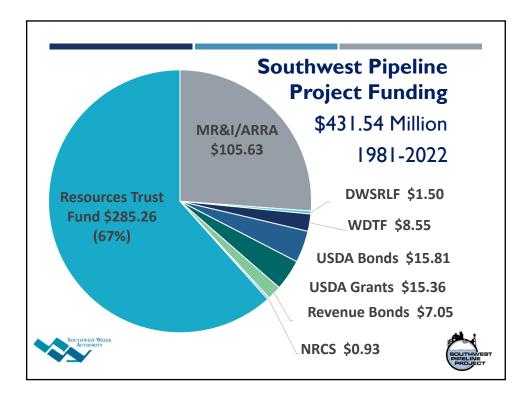


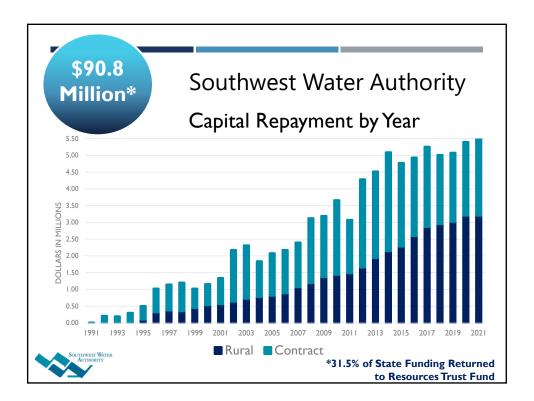
- SWA has 7,500 active rural water customer accounts
 - 2,650 are subsequent customers system-wide
 - **35%** of customer base added after construction, using all additional capacity built into the system
- Over 4,000 locations across the SWPP Service Area could potentially be served based on 911 analysis





















Contract	Description	Detail	2023-2025 Estimated Funding Needs
н	Strategic Hydraulic Improvements	Distribution System Expansion to Serve Subsequent Customers Prioritized by Need	55 000 000
3-2H	Southwest Water Treatment Plant 12 MGD Expansion	Construction and Equipment Installation Migration of Capacity from Dickinson Water Treatment Plant	S83 000 000
1-2B	Supplementary Intake Pump Station	Intake Pump Station Building, Pumps, Air Chamber and SCADA Dependent on Supplementary Intake Completion	S14 080 000
	West Zone Transmission Improvements	Transmission Facility Improvements to the West Zone including Medora 27 miles of 10" and 12" Parallell, 300k Gallon Reservoir, and Upgrades to Ray Christensen, Fryburg, and Beach Booster Pump Stations	\$17,560,000
	Burt, Hebron Service Area including Lake Tschida	Rural Service Phased Expansion in Under-served Areas	\$11,200,000
	Department of Water Resources Agency Operations	Per Biennium Agency Operations	\$750,000
	Total 2023-2025 Biennium Funding Needs		\$131,590,000



March 08, 2023 House Appropriations Committee Education and Environment Div. Rep. Nathe, Chairman SB 2020

Good morning, Chairman Nathe and members of the Committee. For the record, Matt Gardner, Executive Director, North Dakota League of Cities.

I am here in support of SB 2020, the appropriations bill for the Department of Water Resources. I will direct my following testimony to the request for municipal water project funding which is included in the water supply bucket.

The 2023-2025 State Water Plan lists 91 cities for 139 projects for a total of \$211.9 million for potential State Water Commission funding. This is up from 94 projects submitted by 59 cities in the 2021- 2023 Plan for \$92.9 million and 89 projects in 64 cities in 2019-21. These projects mostly consist of water main replacements and upgrades with some water storage and water treatment plant projects. As has been done in the past, I reached out directly to these cities or spoke to their engineer on the likelihood that these projects would move forward during the 23-25 biennium. I was able to have conversation on over 90% of the projects listed in the Plan.

After these conversations, I estimate that 45 projects for \$118 million (see attachment) can move forward in the 23-25 biennium. This doesn't mean that the other projects are not needed but, rather there are other factors limiting their ability to complete the project next biennium. The Senate appropriated \$68 million for municipal water infrastructure in SB 2020. Although this is short of the \$118 million, this still goes a long way towards upgrading the municipal infrastructure in the state.

Judging by the steady increase in projects on the Plan, it is clear there are increasing needs for municipal water supply infrastructure. The Resources Trust Fund is a true asset to North Dakota in providing the needed water related infrastructure. Thank you for your time and consideration and I will stand for any questions.

		POTENTIAL SWC GRANT 2023-		C ESTIMATED	
LOCAL SPONSOR	PROJECT NAME		2025	2	2023-2025
	2023-2025 Funding Needs from the 2023-2025 State Water Develop	men	t Plan		
City of Bismarck	Ash Coulee Dr Watermain - HC143	\$	673,482	\$	1,122,470
City of Bismarck	Cast Iron Watermain Replacement	\$	3,840,000	\$	6,400,000
City of Bismarck	Water Treatment Plant Expansion & Improvements	\$	40,320,000	\$	67,200,000
City of Carrington	Hwy 281 Watermain Replacement	\$	600,000	\$	1,000,000
City of Devils Lake	Water Main Replacement	\$	1,047,450	\$	1,745,75
City of Devils Lake, Greater Ramsey RWD,					
& Northeast RWD	Devils Lake Raw Water Capacity Increase	\$	2,085,282	\$	3,475,470
City of Fargo	Water Treatment Plant Residuals Facility	\$	4,800,000	\$	8,000,000
City of Fargo	Water Meter Replacement (AMI Improvements)	\$	1,500,000	\$	2,500,000
City of Fargo	Red River Emergency Intake Screen	\$	1,200,000	\$	2,000,000
City of Flasher	City Wide Curb Stop Replacement	\$	26,244	\$	162,00
City of Flasher	Water Meter Replacement	\$	9,088	\$	56,10
City of Garrison	Raw Water Intake	\$	2,400,000	\$	4,000,000
City of Garrison	Water Main Replacement	\$	1,200,000	\$	2,000,000
City of Grand Forks	Water Treatment Plant Demolition	\$	3,060,000	\$	5,100,000
City of Jamestown	NE Transmission Water Main	\$	3,000,000	\$	5,000,000
City of Jamestown	Two New Supply Wells	\$	1,149,000	\$	1,915,000
City of Kindred	Water Reservoir Improvements	\$	750,000	\$	1,250,000
City of Langdon	Water Main Looping Feasibility Study	\$	24,000	\$	40,000
City of Mandan	Memorial Highway Water Main Upgrade	\$	3,322,103	\$	6,089,520
City of Mandan	Southside Reservoir Pump Upgrade	\$	237,000	\$	395,000
City of Mandan	Water Treatment Plant Phase III Optimization	\$	3,952,440	\$	6,587,400
City of Mandan	Collins Reservoir Replacement	\$	1,920,000	\$	3,200,000

1		1.		
City of Mapleton	Mapleton Original Townsite Water Main Replacement	\$	690,000	\$ 1,150,000
City of Minot	Municipal Watermain Replacement	\$	2,355,000	\$ 3,925,000
City of Minot	Municipal Watermain Replacement - SW Area	\$	2,400,000	\$ 4,000,000
City of Minot	Municipal Watermain Replacement - Eastwood Park	\$	6,300,000	\$ 10,500,000
City of Minot	16th Street SW Watermain Replacement	\$	600,000	\$ 1,000,000
City of New Leipzig	New Leipzig Water System Improvements	\$	424,000	\$ 707,000
City of New Town	2025-2026 Utility Improvements	\$	4,200,000	\$ 7,000,000
City of Parshall	Water Supply Line Improvements	\$	5,700,000	\$ 9,500,000
City of Portland	Water System Improvements (Water Tower & Distribution)	\$	180,000	\$ 1,800,000
City of Riverdale	Raw Water Supply Line Replacement & Gate Valve Improvements	\$	3,300,000	\$ 5,500,000
City of Robinson	Pumping System Upgrades	\$	300,000	\$ 500,000
City of Steele	NW Area Water System Improvements	\$	450,000	\$ 4,000,000
City of Tioga	Water Main Replacement	\$	1,500,000	\$ 2,500,000
City of Underwood	Elevated Water Tower Replacement	\$	1,320,000	\$ 2,200,000
City of Valley City	Water Main Expansion (Northwest Growth Area)	\$	360,000	\$ 600,000
City of Valley City	Water Main Improvements (NW, NE & SE Quadrants)	\$	1,200,000	\$ 2,000,000
City of Valley City	Northwest Standpipe Rehabilitation/Replacement	\$	1,500,000	\$ 2,500,000
City of Wahpeton	New Well Field	\$	3,719,354	\$ 7,138,923
City of Watford City	3rd & 4th Street SW Reconstruction	\$	349,070	\$ 581,783
City of West Fargo	Water Main Improvements	\$	1,500,000	\$ 2,500,000
City of Williston	13th Ave W Reconstruction	\$	722,448	\$ 1,204,080
City of Williston	1st Ave W Reconstruction	\$	385,500	\$ 642,500
City of Wilton	Water Storage Reservoir Improvements	\$	600,000	\$ 1,000,000
		\$	117,171,461	\$ 201,687,996

Remaining Projects	from the 2023-2025 State Water Development Plan These projects are	still r	eeded but are	e less	likely to be
	ready in the 2023 - 2025 biennium.				
City of Almont	Water System Improvements	\$	600,000	\$	1,000,000
City of Amenia	Amenia Water System Improvements	\$	360,000	\$	600,000
City of Aneta	Aneta Water System Improvements	\$	3,444,000	\$	7,000,000
City of Arthur	Pump House Rehabilitation	\$	180,000	\$	300,000
City of Berthold	Water Main Replacement	\$	3,847,284	\$	6,412,140
City of Bowbells	Water Quality Improvements	\$	94,500	\$	157,500
City of Buffalo	Water System Improvements	\$	1,771,200	\$	3,600,000
City of Burlington	Water Main Replacement Wallace Street	\$	342,600	\$	571,000
City of Cando	Water System Improvements	\$	3,900,000	\$	6,500,000
City of Cando	Water Tower Replacement	\$	1,200,000	\$	2,000,000
City of Carson	Water System Improvements	\$	1,692,000	\$	4,700,000
City of Carson	Water Storage Improvements	\$	810,000	\$	2,250,000
City of Casselton	Water Main Looping – Martin's Addition & Central Cass Public School	\$	420,000	\$	700,000
City of Casselton	ACP Water Main Replacement & Casselton Farms Transmission Line	\$	2,520,000	\$	4,200,000
City of Casselton	(21-23 Funding) Water Main Replacement (2nd St N) & Looping	\$	810,000	\$	1,350,000
City of Center	Water Storage & Distribution System Improvements	\$	1,550,000	\$	3,100,000
City of Coleharbor	Water Main Replacement	\$	1,200,000	\$	2,000,000
City of Columbus	Water Main Improvements Phase I	\$	491,010	\$	818,350
City of Columbus	Water Main Improvements Phase II	\$	528,780	\$	881,300
City of Crosby	Hendrickson/Holmes Water Main Improvement	\$	1,869,000	\$	3,115,000
City of Drayton	Water Main Looping	\$	1,200,000	\$	2,000,000
City of Drayton	Water Main Replacement	\$	3,000,000	\$	5,000,000
City of Drayton	Water Main Improvements	\$	1,200,000	\$	2,000,000
City of Elgin	Water System Improvements	\$	1,680,000	\$	2,800,000
City of Fairmount	Water Tower Replacement & Controls Upgrades	\$	1,080,000	\$	1,800,000
City of Fargo	Sheyenne River Raw Water Transmission Improvements	\$	4,200,000	\$	7,000,000
City of Fargo	High Service Pump Station Improvements	\$	2,250,000	\$	3,750,000
City of Galesburg	Infrastructure Improvements	\$	1,079,790	\$	1,799,650

City of Glen Ullin	Water Storage System Improvements	\$ 900,000	\$ 1,500,000
City of Glen Ullin	Water Distribution System Improvements	\$ 600,000	\$ 1,000,000
City of Glenburn	Water Main Replacement	\$ 1,707,000	\$ 2,845,000
City of Grenora	Jetson Water Main Replacement	\$ 373,095	\$ 621,825
City of Harvey	Water Main Replacement Across RR	\$ 226,000	\$ 376,000
City of Harvey	Raw Water Line Replacement	\$ 1,334,000	\$ 2,224,000
City of Harwood	Harwood Water Main Looping	\$ 450,000	\$ 750,000
City of Hazelton	Pump House & Water Tower Improvements	\$ 1,200,000	\$ 2,000,000
City of Hazen	Water Supply Expansion	\$ 600,000	\$ 1,000,000
City of Hebron	Southside Watermain Replacement	\$ 2,100,000	\$ 3,500,000
City of Hunter	Water System Improvements	\$ 1,122,000	\$ 3,400,000
City of Killdeer	South Water Storage Reservoir	\$ 1,200,000	\$ 2,000,000
City of Kindred	ACP Water Main Replacement	\$ 750,000	\$ 1,250,000
City of Kulm	Water Tower Replacement	\$ 900,000	\$ 1,500,000
City of Langdon	Water Main Looping	\$ 420,000	\$ 700,000
City of Langdon	Water Main Replacement	\$ 1,200,000	\$ 2,000,000
City of Langdon	Water Tower Improvements	\$ 300,000	\$ 500,000
City of Leeds	ACP Water Main Replacement & Looping	\$ 1,560,000	\$ 2,600,000
City of Leeds	Water Well & Transmission Line Repairs	\$ 300,000	\$ 500,000
City of Leeds	Water Treatment Plant Improvements	\$ 360,000	\$ 600,000
City of Lehr	Pumphouse & Water Tower Improvements	\$ 1,200,000	\$ 2,000,000
City of Linton	Water System Improvements	\$ 900,000	\$ 1,500,000
City of Makoti	Well Replacement	\$ 300,000	\$ 500,000
City of Mandan	Water System Improvements	\$ 600,000	\$ 1,000,000
City of Mandan	Downtown Street Improvement District	\$ 720,000	\$ 1,200,000
City of Max	Water Main Improvements	\$ 310,200	\$ 517,000
City of Max	Gate Valve Replacement	\$ 105,000	\$ 175,000
City of McClusky	Water System Improvements	\$ 360,000	\$ 600,000
City of McVille	Water System Improvements	\$ 1,122,000	\$ 2,700,000
City of McVille	Water Treatment Plant Upgrades	\$ 390,000	\$ 650,000

City of Medina	Water Supply, Water Treatment, Water Storage	\$ 3,000,000	\$ 5,000,000
City of Michigan	Water Tower Rehabilitation	\$ 480,000	\$ 800,000
City of Mohall	2nd Ave SE Water & Sewer Replacements	\$ 193,203	\$ 982,932
City of Mohall	3rd Ave, 4th & 5th St NW Water & Sewer Replacements	\$ 236,525	\$ 1,313,627
City of Mott	Mott Water Supply Improvements	\$ 1,000,000	\$ 1,670,000
City of Napoleon	Water Extension	\$ 600,000	\$ 1,000,000
City of Napoleon	Water Supply System Replacements	\$ 600,000	\$ 1,000,000
City of New England	Water System Improvements	\$ 504,000	\$ 840,000
City of New Salem	Water Tower Replacement	\$ 1,390,000	\$ 2,320,000
City of New Town	New Water Tower	\$ 3,000,000	\$ 5,000,000
City of Noonan	Water Main Replacement	\$ 447,936	\$ 747,936
City of Parshall	Watermain Improvements	\$ 402,000	\$ 670,000
City of Rutland	Water Tower Replacement	\$ 660,000	\$ 1,100,000
City of Rutland	Watermain Replacement & Looping	\$ 360,000	\$ 600,000
City of Sawyer	2022 Water Improvements	\$ 60,000	\$ 100,000
City of Sherwood	Water Supply Improvements	\$ 404,525	\$ 696,300
City of Sherwood	Water Main Replacement	\$ 659,186	\$ 1,098,643
City of St. John	Water Tower Replacement	\$ 840,000	\$ 1,400,000
City of Surrey	Utility Improvements	\$ 1,314,000	\$ 2,190,000
City of Tower City	Water System Improvements	\$ 2,263,200	\$ 4,600,000
City of Tower City	Water Tower Rehabilitation	\$ 360,000	\$ 600,000
City of Towner	Water Quality Improvement	\$ 1,236,000	\$ 2,060,000
City of Turtle Lake	Water Main Replacement	\$ 1,200,000	\$ 2,000,000
City of Underwood	Water Main Replacement	\$ 1,200,000	\$ 2,000,000
City of Valley City	Water Main Expansion (Southeast Growth Area)	\$ 480,000	\$ 800,000
City of Velva	Water Main Replacement	\$ 549,300	\$ 915,500
City of Watford City	3rd Avenue SW Reconstruction	\$ 1,406,545	\$ 2,344,241
City of Watford City	Park Avenue East Reconstruction	\$ 464,878	\$ 774,797
City of Westhope	Water Main Improvements	\$ 750,000	\$ 1,130,000
City of Wildrose	Water Extension	\$ 200,628	\$ 334,380

City of Wildrose	Water Main Replacement	\$	336,924	\$ 561,540
City of Williston	36th Street Redevelopment	\$	153,500	\$ 255,500
City of Williston	5th Ave Phase I Reconstruction	\$	127,000	\$ 211,612
City of Williston	5th Ave Phase II Reconstruction	\$	37,602	\$ 62,670
City of Williston	Borsheim Addition	\$	680,000	\$ 1,133,000
City of Wing	Ground Storage Reservoir	\$	300,000	\$ 500,000
		\$	94,826,411	\$ 167,926,443



North Dakota League of Cities

Matt Gardner – Executive Director

Executive Board of Directors President: Tina Fisk, West Fargo City Administrator Vice President: Todd Feland, Grand Forks City Administrator Past President: Diane Affeldt, Garrison City Auditor

Northwest Region

Jennifer Titus: Powers Lake City Auditor Bethany Devlin: Watford City Council Member

Northcentral Region

LeeAnn Domonske Keller: Wilton Mayor David Lakefield: Minot Finance Director

Northeast Region

RoxAnne Hoffarth: Langdon Auditor Nick Ziegelmann: Grafton City Administrator

Southwest Region

Jim Neubauer: Mandan City Administrator Matt Oase: Killdeer City Administrator

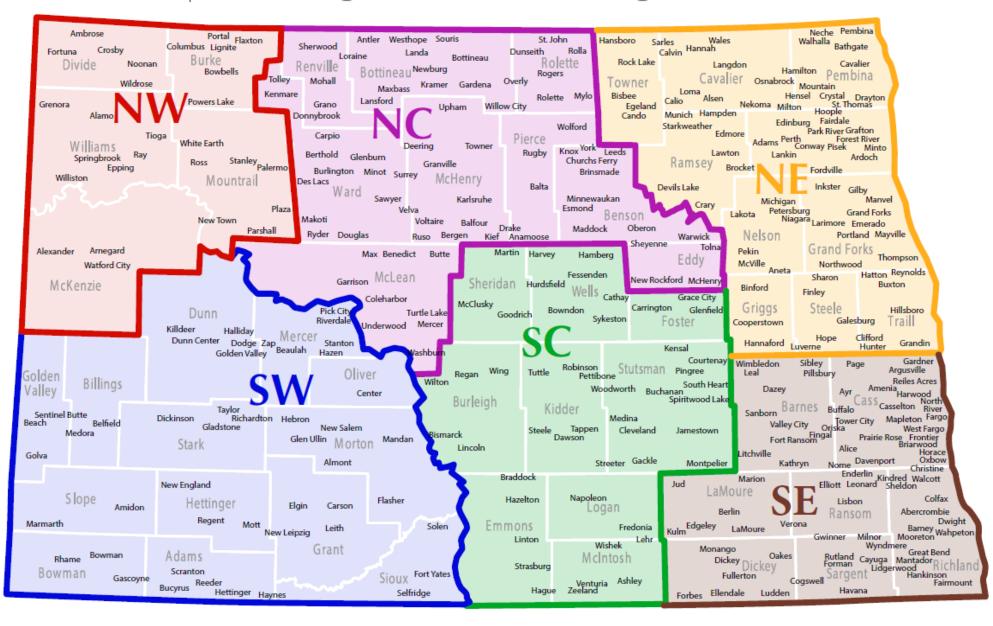
South Central Region

Dwaine Heinrich: Jamestown Mayor Wanda Zimmerman: Lehr City Auditor

Southeast Region

Kory Peterson: Horace Mayor Candance Middlestead: Ellendale City Auditor

ND League of Cities Regions



League of Cities Trivia

- 1. How many incorporated cities in North Dakota? 355
- 2. Smallest 5 vs Largest 3?
 - 1. Smallest Ruso 3, Calio 6, Perth 6, Hannah 8, Loma 8, & Loraine 8
 - 2. Largest Fargo 125,853, Bismarck 73,675, Grand Forks 58,942
- 3. How many cities under 1,000 population? 307
- 4. Percentage of state's population in cities? 76% +



Water Related Services Provided by the League

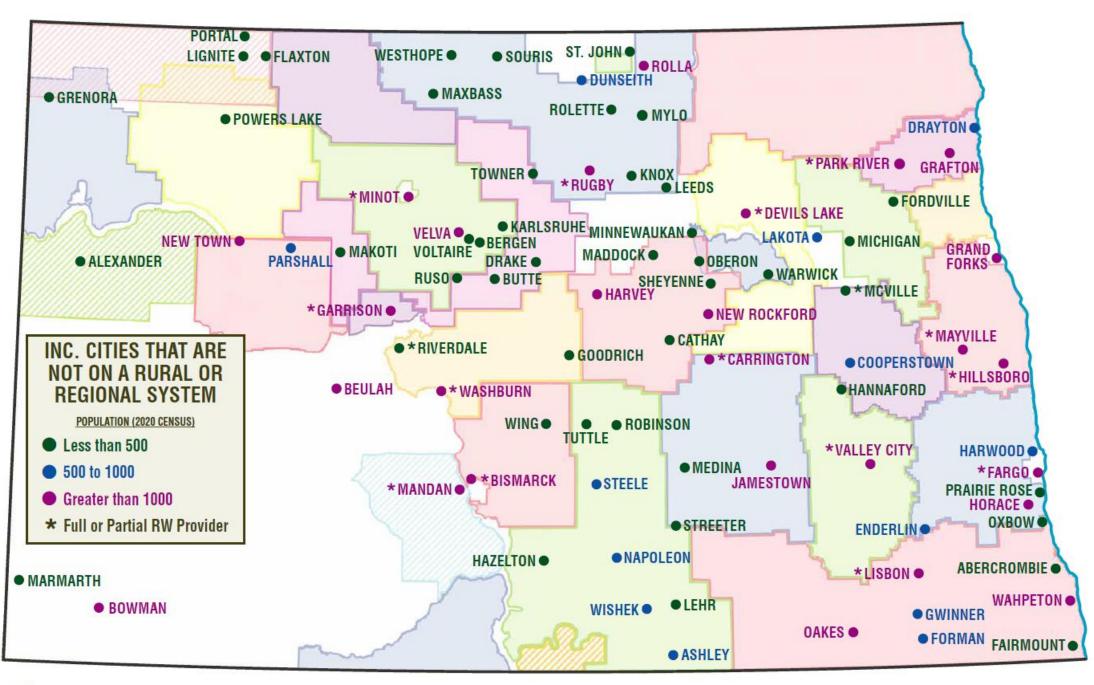
- Assist DWR with state water needs surveys and planning
- Assist DEQ with Drinking Water Intended Use Plan
- Water rates survey
- Education and Training on related water topics



Municipal Water Stats

- 266 Cities are connected to a rural or regional water system
- 89 Cities have their own water system
- 17 Cities provide water for a rural or regional system

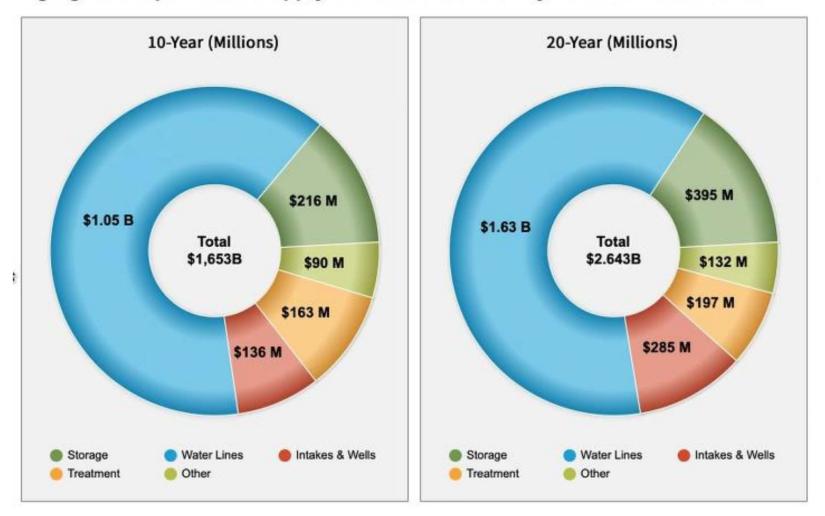




AGING WATER SUPPLY INFRASTRUCTURE

During the summer of 2022, a survey was initiated through a cooperative effort involving the North Dakota League of Cities, North Dakota Rural Water Systems Association, and the DWR. The purpose of the survey was to update previously collected survey data from 2018 related to North Dakota's aging water supply infrastructure needs. More specifically, water system managers were asked to provide water supply replacement and rehabilitation information related to their: storage, distribution/supply lines, wells and intakes, water treatment plants, and other water supply infrastructure - over the course of the next 10 and 20-year timeframes. The following charts summarize the data collected from those surveys.

Aging Municipal Water Supply Infrastructure Survey Results - State of ND



Municipal Water Supply Needs

- 23-25 State Water Development Plan
 - Total = \$369,614,439 / \$211,997,872 SWC Cost Share
 - 23-25 = 139 Projects in 91 cities
 - 21-23 = 94 Projects in 59 cities
- Department of Environment Quality Drinking Water Program -\$809,546,000



23-25 Water Development Plan - Breakout

- 1. Water tower replacement/repair or other storage related project
 - 1. 19-21 = 15
 - 2. 21-23 = 10
 - 3. 23-25 = 25
- 2. Water treatment plant demo, rehab, or upgrades
 - 1. 19-21 = 8
 - 2. 21-23 = 7
 - 3. 23-25 = 6
- 3. Remaining Watermain and general water system improvements
 - 1. 19-21 = 66
 - 2. 21-23 = 77
 - 3. 23-25= 112



23-25 Water Funding Request - Breakout

- 1. 23-25 Funding Request \$117,171,461 (45 total projects)
 - 1. 36 Watermain and general water system improvements
 - 2. 6 Water tower replacement/repair or other storage related project
 - 3. 4 Water treatment plants demo, rehab, or upgrades
- 2. Senate Appropriation \$68 million



Other Challenges Facing Water System Operations

- Lead Service Line
- Co2 shortage
- Backflow Preventer
- Workforce water operators
- Rising costs and supply chain



Testimony Valley Prosperity

Senate Bill 2020

House Appropriations - Education and Environment Division March 9, 2023

Chairman Nathe, Vice Chairman Swiontek and members of the House Appropriations Committee – Education and Environment Division. The Valley Prosperity Partnership (VPP) is a membership organization led by business executives – joined by leaders from higher education, economic development, and chambers of commerce – to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and the entirety of North Dakota.

The Red River Valley Water Supply Project (RRVWSP) is a top priority for the VPP because it is of critical importance to the economic well-being of the region's businesses and residents. Without the certainty of an adequate water supply, companies may restrain their growth, expand elsewhere or choose to relocate. Companies from outside the region looking for a new location may take cities and counties in the Valley off their short list of potential sites. The economic impact would be especially disastrous in the event of an extended drought, with losses in that scenario now estimated to reach as high as \$25 billion. Simply put, the strength of our economy relies on a steady and reliable supply of water.

The VPP greatly appreciates previous State investments in the RRVWSP. Timely additional investments are needed, as an expedited construction schedule reduces the risk of ongoing cost increases, and the uncertainty of water shortages looms large on the horizon. Therefore, the VPP respectfully requests that your committee consider "accelerated funding" for the RRVWSP.

Valley Prosperity Partnership Steering Committee

Brian Johnson, CEO, Choice Bank, Co-Chair Valley Prosperity Partnership*

Judd Graham, Market President Dacotah Bank - Fargo Co-Chair Valley Prosperity Partnership*

Jonathan Holth, JLG Architects Vice Co-Chair*

Marshal Albright, President & CEO Cass County Electric Cooperative,

Andrew Armacost, President University of North Dakota

Steve Burian, President & CEO Burian & Associates

Dan Conrad, President & CEO Blue Cross Blue Shield North Dakota

David Cook, President North Dakota State University

Tim Curoe, CEO RD Offutt Company

Mylo Einarson, President & CEO Nodak Electric Cooperative

Chad Flanagan, Partner Eide Bailly

Rod Flanigan, President North Dakota State College of Science

Todd Forkel, CEO Altru Health System

Shannon Full, President/CEO Fargo Moorhead West Fargo Chamber of Commerce*

Shawn Gaddie, Director of Infrastructure Management Services, AE2S AE2S Jim Galloway, Principal JLG Architects

Kevin Hanson, President & CEO Gate City Bank

Tiffany Lawrence, CEO & President Sanford Fargo

Keith Lund, President & CEO Grand Forks Region EDC*

William C. Marcil, Sr. Chairman Forum Communications Company

Pat McAdaragh, President & CEO Midco

Jeff Melgaard, Vice President Construction Engineers

Tammy Peterson, Grand Forks Region President & Ag Banking Director Bremer Bank

Joe Raso, President & CEO Greater Fargo Moorhead EDC*

Jim Roers, President & CEO Roers Construction & Development

Richard Solberg, Chairman & CEO Bell State Bank & Trust

David White, President Border States Electric

Barry Wilfahrt, President & CEO The Chamber Grand Forks/East Grand Forks*

Chris Wolf, North Valley Market President Alerus Financial

Delore Zimmerman, Executive Director*

Senate Bill 2020 House Appropriations Committee – Education & Environment Division Bismarck, North Dakota – March 9, 2023

Testimony of Duane DeKrey Garrison Diversion Conservancy District Board Chairman

Hello Chairman Nathe and members of the House Appropriations Committee Education and Environment Division. My name is Duane DeKrey and I am the General Manger of the Garrison Diversion Conservancy District (Garrison Diversion). I am here to testify in support of funding for the Red River Valley Water Supply Project in Senate Bill 2020 - the Department of Water Resources budget.

The State of North Dakota has been a vital partner thus far in the development of the Project that will deliver water from the Missouri River to central and eastern North Dakota via a buried pipeline. Garrison Diversion is extremely grateful for the inclusion of \$953 million in legislative intent for the Red River Valley Water Supply Project within the Department of Water Resources budget. This funding shows the State is committed to helping Garrison Diversion and Lake Agassiz provide drought protection to about half of the State's population.

Garrison Diversion and Lake Agassiz Water Authority (Lake Agassiz) are the state cosponsors of the Red River Valley Water Supply Project. We have requested the inclusion of \$255 million dollars in Senate Bill 2020 to maximize capabilities for the upcoming biennium. Currently, SB 2020 includes \$175 million for the Project, and we are very grateful for that.

We currently have \$340 million of shovel-ready construction and design work ready to begin if the Project is funded at the requested level this biennium. Our \$255 million request will be combined with \$85 million of local cost-share allowing for an accelerated build schedule. An accelerated construction schedule will provide drought protection sooner, while also protecting the State and the Project's end users from the ongoing risk of inflation.

1

Please consider maximizing the funding potential to move the Red River Valley Water Supply Project forward in the most cost-effective manner. Thank you, Chairman Nathe and members of the House Appropriations Committee Education and Environment Division for considering our request.



How the Strategic Decision to Construct the Missouri River Intake Provided \$300 Million in Savings and Acted as a Catalyst for Federal Approvals

In order to understand why construction of the Missouri River Intake near Washburn was initiated, it is important to understand the history of the Red River Valley Water Supply Project (Project) and the Garrison Diversion Conservancy District's (Garrison Diversion) intentional strategy to put North Dakota in an advantageous legal position and avoid decades of litigation.

The Flood Control Act of 1944

Also known as the Pick-Sloan Missouri Basin Plan, the Flood Control Act of 1944 authorized a series of dams on the Missouri River and primarily focused on flood control in southern states and irrigation, water supply, recreation and habitat benefits in northern states. North Dakota has still not obtained many of the benefits it was promised in 1944 when North Dakota allowed over 300,000 acres of fertile riverbottom land to be flooded behind the dam.

Garrison Diversion Unit Act of 1965

Because studies indicated irrigation of the promised 1.2 million acres wasn't feasible, the project was reauthorized; and, in 1965, the U.S. Congress enacted legislation for the Garrison Diversion Unit (GDU), which reduced irrigation acres, and focused on municipal and industrial water supply. The Bureau of Reclamation (Reclamation) started construction on the GDU Principal Supply Works (Snake Creek Pumping Plant, McClusky Canal, New Rockford Canal) in the mid-1960s, but construction was halted after the National Environmental Policy Act (NEPA) was passed and litigation ensued. During the Carter Administration, the federal government settled with environmentalists and effectively agreed to halt the GDU Project. North Dakota then sued the federal government to continue the GDU Project, but to no avail.

Garrison Diversion Unit Reformulation Act of 1986

The GDU Reformulation Act of 1986 significantly reduced the amount of irrigation North Dakota could develop but added a renewed emphasis on municipal and rural (MR&I) funding for water supply. After the drought in the late 1980s, North Dakota redoubled its efforts to utilize the Missouri River to provide water to eastern North Dakota. When the Red River had zero-flow for ten days in 1988, there was significant concern about the impacts of similar droughts, particularly with the growing population and additional industrial development happening in the Red River Valley.

Dakota Water Resources Act of 2000

The Dakota Water Resources Act of 2000 authorized the Secretary of the Interior to study the water supply needs of eastern North Dakota, identify options to meet the needs, and ultimately have the federal government lead the construction of the preferred alternative. An Environmental Impact Statement (EIS) was completed by Reclamation from 2001 to 2007. While Reclamation identified a pipeline from the Missouri River to Lake Ashtabula as the Preferred Federal Alternative, the Bush Administration would not allow the signing of a Record of Decision (ROD) to allow the project to be built. Garrison Diversion and the State lobbied hard to try to get federal approval of the ROD, but no federal decision was forthcoming.

State Initiated Alignment in 2011

In 2011, the State opted to initiate a version of the Project without federal involvement. Governor Hoeven tasked Garrison Diversion with leading the effort on behalf of the State. Garrison Diversion began planning an alignment with an expanded geographic scope to include meeting the water needs of central and eastern parts of the state.

Garrison Diversion was careful not to trigger sufficient federal authorities such that would require an EIS and federal approval. Therefore, the initial planning avoided taking water from the McClusky Canal and focused on the Intake location near Washburn. This planning was done in close coordination with the State Water Commission and the Legislative Assembly, including the advice given from the Water Topics Interim Legislative Committee to not rely on the federal government for anything in this Project, given the unsupportive history.

When the Trump Administration began in 2017, Garrison Diversion and the Lake Agassiz Water Authority (LAWA) wanted to revisit the use of the McClusky Canal. A meeting was held with U.S. Interior Secretary Ryan Zinke to discuss the "option" of using the McClusky Canal as a water source. The thinking was that if it were merely an "option" for a water supply contract and an easement (as opposed to the federal government designing and building the project), the scope of the environmental review would be reduced, and it may be easier to get federal approval.

Limited Timeline of Approved Federal Permit

The Trump Administration granted a permit to Garrison Diversion under the Clean Water Act 404 in September 2018. During that same timeframe, the North Dakota Department of Environmental Quality issued a discharge permit for the water transferred from the Missouri River to Lake Ashtabula. Neither of these permits were appealed by Manitoba, environmentalists, or Tribal entities. The federal permit was only valid for four years, with one possible extension, which expired in March 2023.

Intake – To Build or Not to Build

In 2018-2019, Garrison Diversion and LAWA needed to decide whether to initiate construction on the Missouri River Intake right away in order to take advantage of the permit getting issued with no appeal or wait to find out if the Project would get approval to use the McClusky Canal as a water source. After significant consideration and meetings with the Governor's office and Legislative leadership, it was decided to initiate construction in late 2020 due to three primary points; 1) the permit was obtained, 2) the permit was not appealed, and 3) the concern of litigation over the Waters of the U.S. (WOTUS) definition and coverage under the Clean Water Act permit. Had Garrison Diversion not initiated construction of the Intake at that time, there was a strong possibility the Project would not be unable to get a permit from future Administrations. Additionally, it is clear the Project opponents would not miss an appeal deadline next time a permit was issued, which would leave the Project in years of NEPA litigation much like NAWS experienced.

Federal Approval to Use McClusky Canal – Thanks to the Intake Construction

In early 2021, and within days of the end of the Trump Administration, Garrison Diversion was able to secure federal approval through a Record of Decision for a limited portion of the entire Project, called the Eastern North Dakota Alternate Water Supply (ENDAWS), which allowed the use of the McClusky Canal as an optional water supply. Utilizing ENDAWS, the cost of the Project is \$300 million less than building the full alignment to the Intake; even with the \$20+ million cost of the Intake.

Additionally, by starting construction of the Intake, it took away Project opponents' legal arguments claiming the new alignment to use the Missouri River was just a ruse. Garrison Diversion and the State successfully defended a lawsuit brought by the State of Missouri in Missouri Federal District Court, winning the case in 2021. That case is specifically related to a smaller segment of the Project called the Central North Dakota Project, which is like an in-basin version of ENDAWS.

A Calculated Risk – And Future Use of the Intake

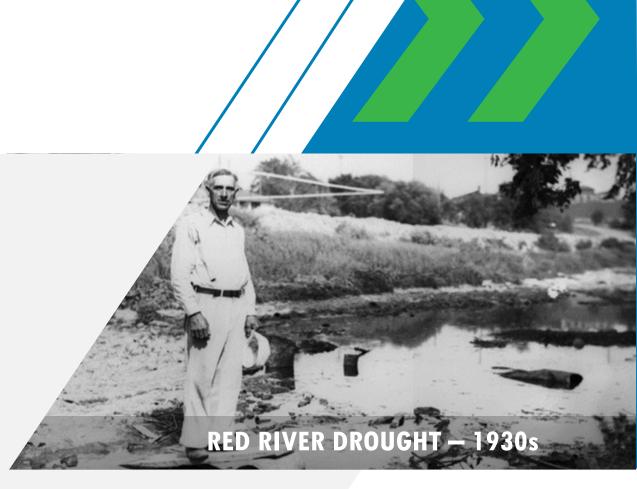
The decision to build the Intake first was a calculated risk, based upon a solid strategy to gain the approval the Project needed to move forward – and to reduce the cost of the construction by \$300 million. The risks and decision were vetted at all levels of local and state leadership. Even when ENDAWS is constructed and utilized, the Intake will still be used by water systems and private industry, while also maintaining security and redundancy for central and eastern North Dakota.

As a final point encouraging the construction of the Intake, the Corps of Engineers (Corps) adopted an Interim Rule in 2018 to not allow the level of Lake Audubon to be more than 43 feet above the level of Lake Sakakawea due to concern that if there was too much water differential, that Highway 83 and the Snake Creek Embankment could wash out. As it sits today, if Lake Sakakawea drops dramatically, Lake Audubon will need to be kept low, potentially jeopardizing the ability to maintain sufficient water in the McClusky Canal. Having the security of a federally approved Intake installed provides security and important redundancy to meet the future water needs of the State.



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

HOUSE APPROPRIATIONS -EDUCATION AND ENVIRONMENT DIVISION SB2020 HEARING





MARCH 9, 2023

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.

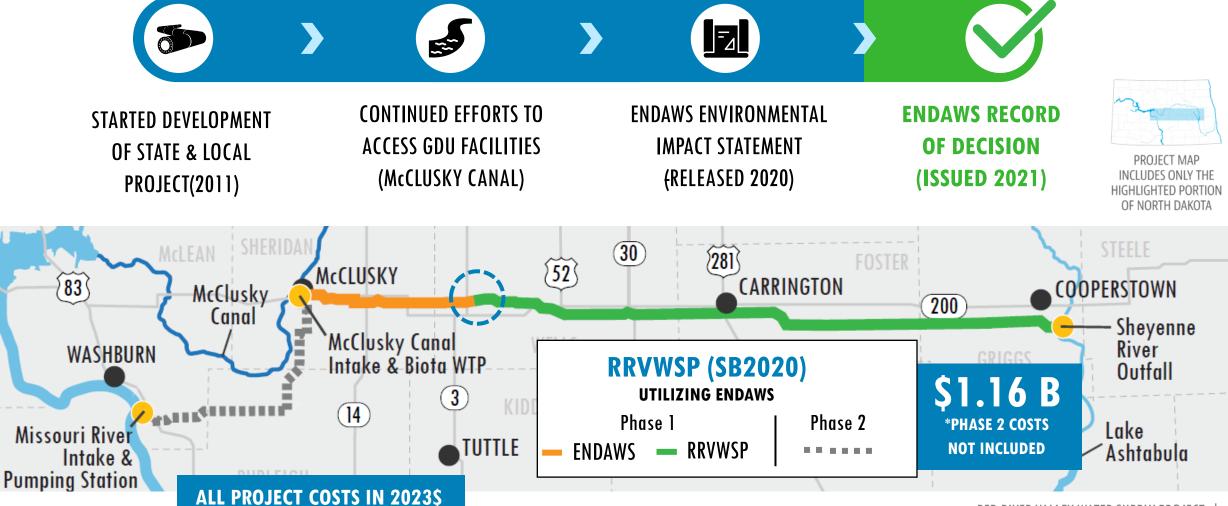
ND STATE WATER COMMISSION & WATER TOPICS OVERVIEW COMMITTEE

A CENTURY OF PROJECT DEVELOPMENT

	RED WATER	RIVER Supply	VALLEY PROJEC1		2008-2010 No "Record of Decision" Issued for Federal RRVWSP JAN. 2003 ND Legislature Created LAWA				NOV. 2020 ENDAWS Environmental Impact Statement Released	
	1944 Control Act	Garriso	on Diversion ct (GDU)		DEC. 2000 Dakota Water Resources Act]	DEC. 2020 Construction Begins	
1940s	1950s	1960s	1970s	1980s	1990s	2000s		2010s	2020s	
Garrison Div	rvancy		MAY GDU Reformula	Y 1986 ation Act	Federal RRV Environment			JAN. 2011 State & Local Project Developed	JAN. 2021 ENDAWS Issu "Record of D	ed a

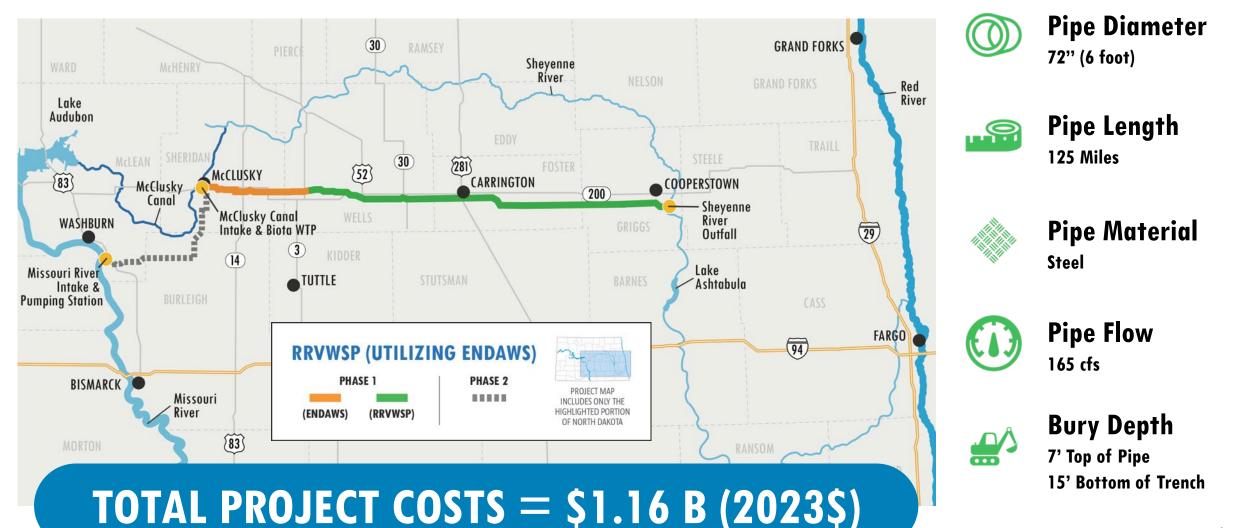
RRVWSP PREFERRED ALIGNMENT UTILIZING ENDAWS

EASTERN NORTH DAKOTA ALTERNATE WATER SUPPLY (ENDAWS)



PROJECT OVERVIEW

THE PROJECT IS AN EMERGENCY WATER SUPPLY FOR NEARLY 50% OF NORTH DAKOTA'S POPULATION



RRVWSP CONSTRUCTION IS UNDERWAY!



MAIN TRANSMISSION PIPELINE

SHEYENNE RIVER DISCHARGE STRUCTURE

RED RIVER VALLEY WATER SUPPLY PROJECT | 6

GROUNDBREAKING CEREMONY TRANSMISSION PIPELINE

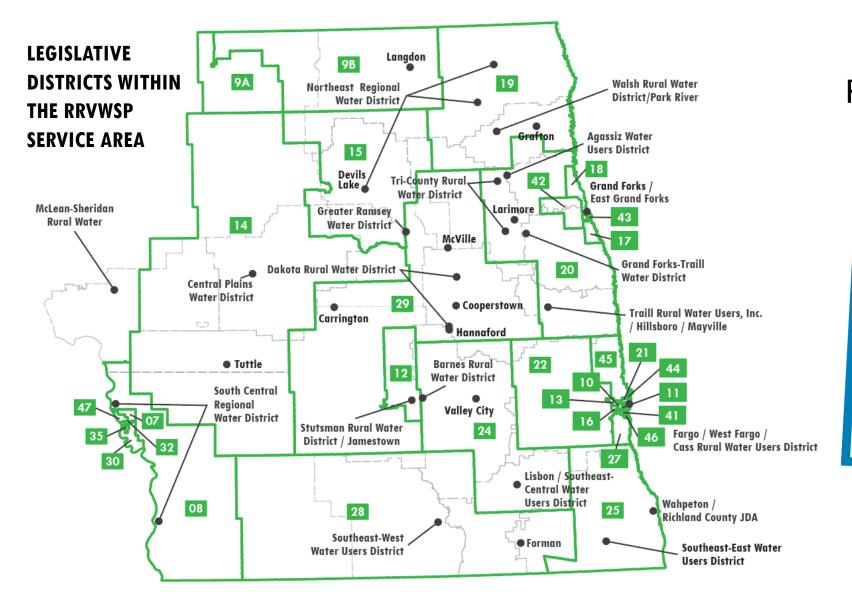


2021 Groundbreaking Awarded Five Construction Contracts to Date

FUTURE TOURS PLANNED



POTENTIAL TO SERVE 50% OF NORTH DAKOTANS



RRVWSP is a drought resiliency project and an economic development initiative

NORTH DAKOTA'S ESTIMATED POPULATION = 780,000

ANTICIPATED USERS SERVED = 380,000

PROJECTED ECONOMIC BENEFITS OF RRVWSP DURING DROUGHT

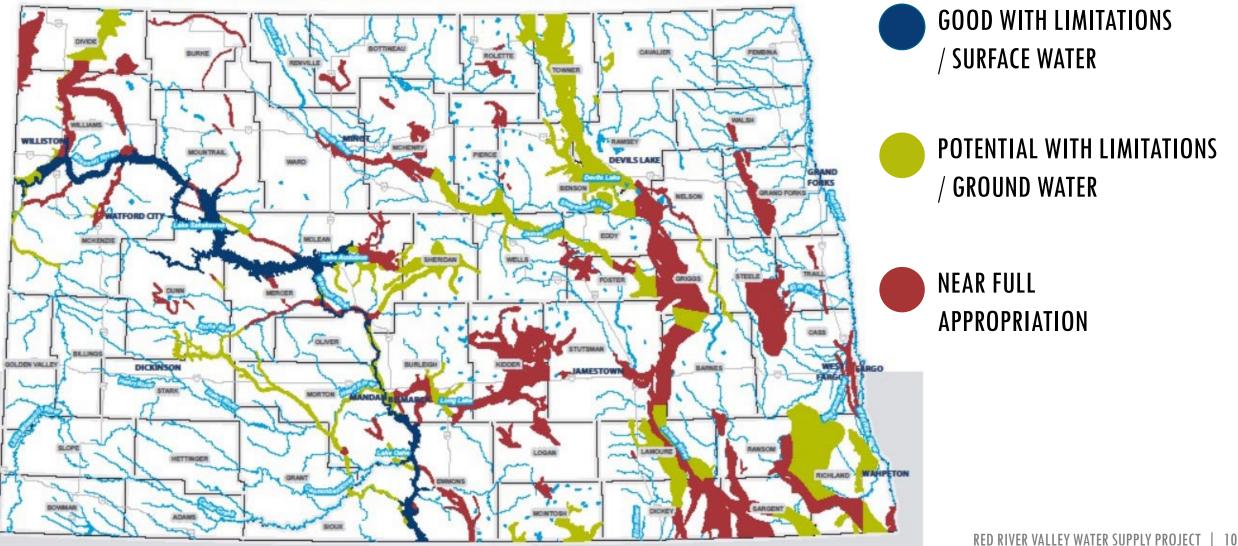
"SAVING OUR ECONOMY" FROM THE IMPACTS OF SIGNIFICANT DROUGHT

\$33.6 BILLION

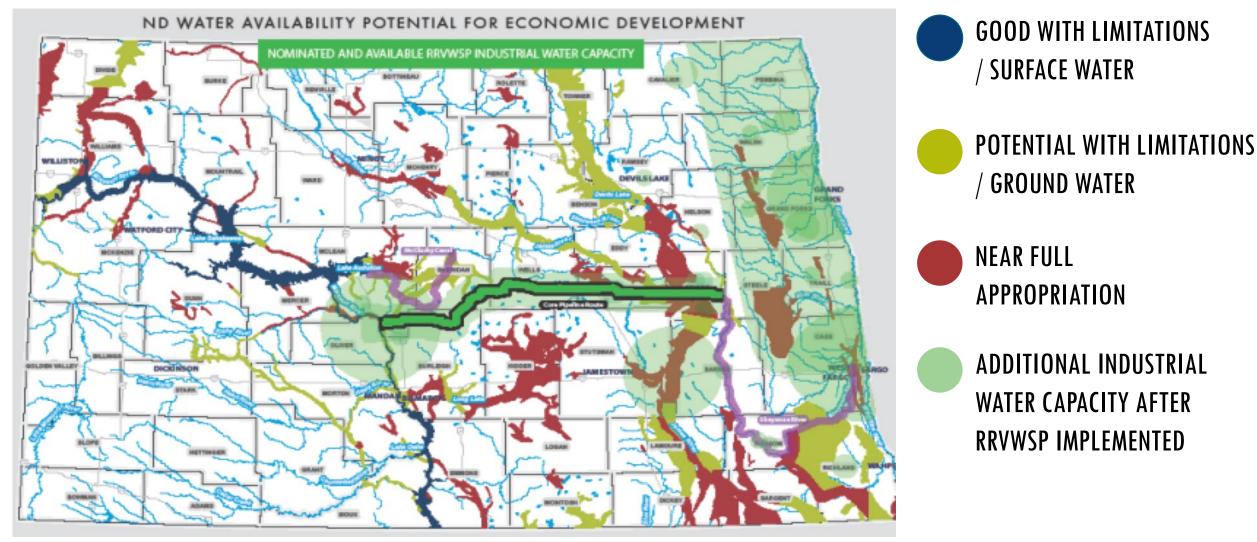
Projected total positive Project impact in a "Dirty Thirties" style drought simulated from mid-2030s through the mid-2040s

AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT DEPARTMENT OF WATER RESOURCES

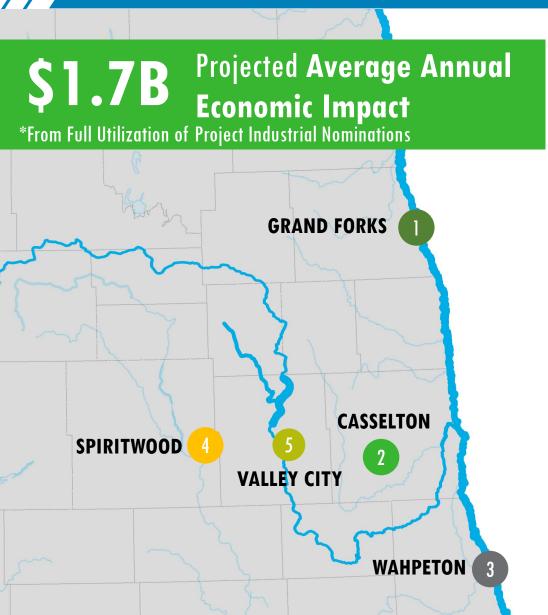
ND WATER AVAILABILITY POTENTIAL FOR ECONOMIC DEVELOPMENT



AVAILABILTY POTENTIAL FOR ECONOMIC DEVELOPMENT NOMINATED & AVAILABLE RRVWSP INDUSTRIAL WATER CAPACITY



INDUSTRIAL WATER DEMAND EXCEEDS CURRENT SUPPLY



GRAND FORKS AGRIBUSINESS NEEDS

Permitted Use of City's Wastewater Effluent Discharge Significant Current and Proposed Industrial Use

CASSELTON INDUSTRY

Fargo Looking to Expand Effluent Reuse Facility CGB Soybean Plant will Approximately Double Reuse Demand

- AGP SOYBEAN CRUSHING/CRACKING
- Relocated Facility, Missed Opportunity
- 3

CARGILL (PRO GOLD)

Reliability & Expansion Precluded by Permit Restrictions

4

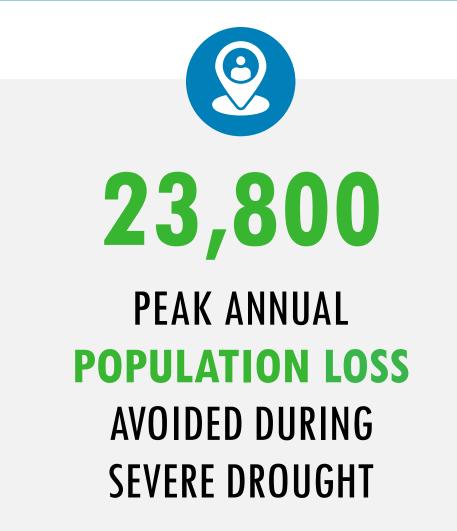
SPIRITWOOD ENERGY PARK Water Options Limited

5

VALLEY CITY INDUSTRY Water Options Limited

DAIRY/POTATO WASHING/HOG & BEEF, MISC. WATER DISTRICTS Water Options Limited

PROJECTED ECONOMIC BENEFITS OF PROJECT DURING DROUGHT





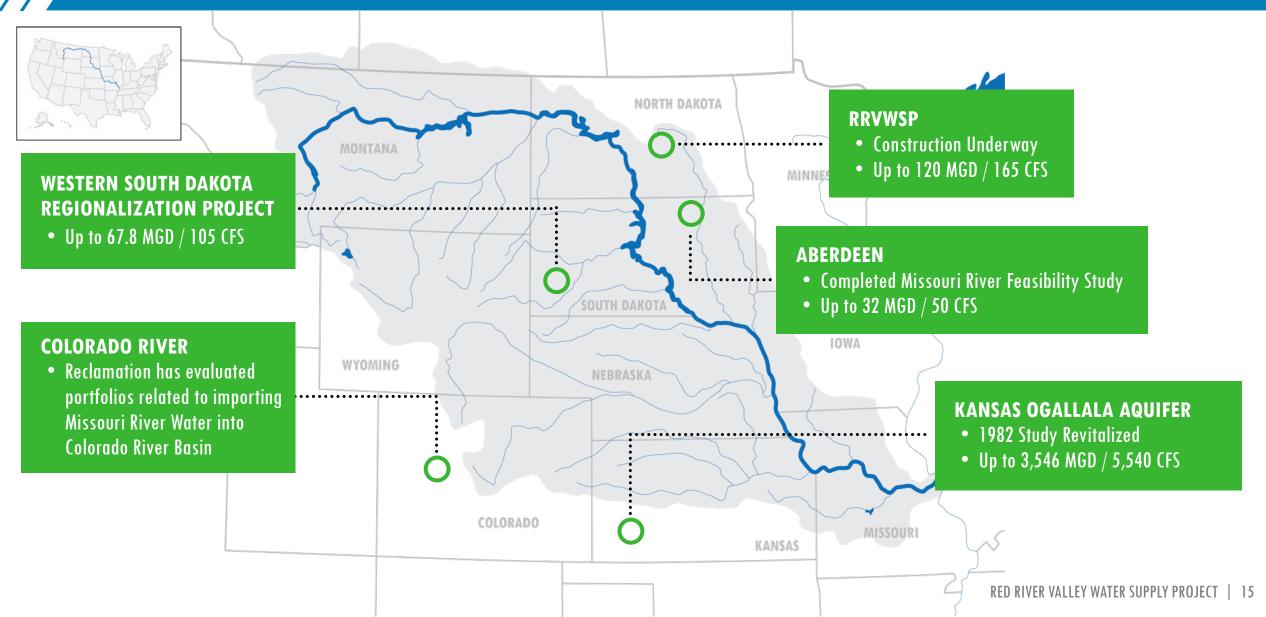
MISSOURI RIVER

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%, leaving 99.5% of Missouri River unaffected

A DROP IN THE BUCKET!

MISSOURI RIVER USE IT OR LOSE IT



2023 LEGISLATIVE REQUEST

STATE COMMITMENT TO THE PROJECT

> Funding Commitment to Implement Project Not just 23/25 Biennium Work Plan

- The State has been a vital partner in the development of the Project. Now is the time to commit to full implementation of the Project.
- A strong State commitment provides confidence to local water systems deliberating on their level of involvement.
- Cost efficient build schedule to get the project into service sooner, reducing risks and inflationary impacts.

2023-25 BIENNIUM REQUEST

- \$255 MILLION -

Using State Cost-Share Policy (75/25) leverages in additional **\$85M in Local Funding** for \$340M in total capabilities

Shovel-Ready Construction (43 Miles of Pipeline)

Continued Design (40 Miles of Pipeline)

ENDAWS Design (32 Miles of Pipeline)





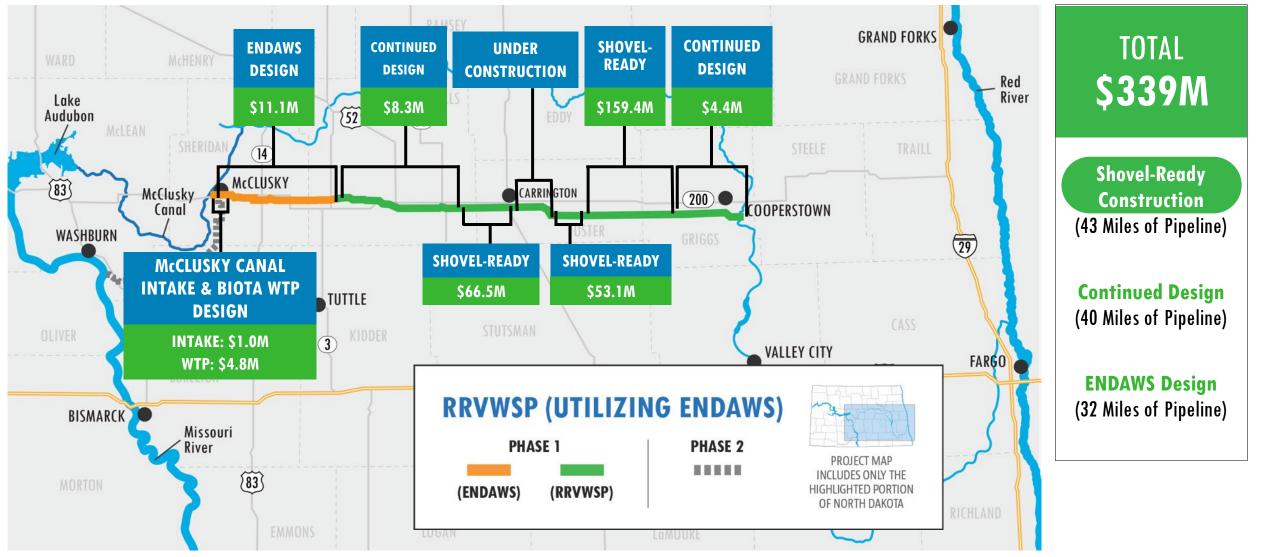


Capitalization of the Water Infrastructure Revolving Loan Fund



Having access to long-term, low interest financing saves hundreds of millions of dollars in local cost-share

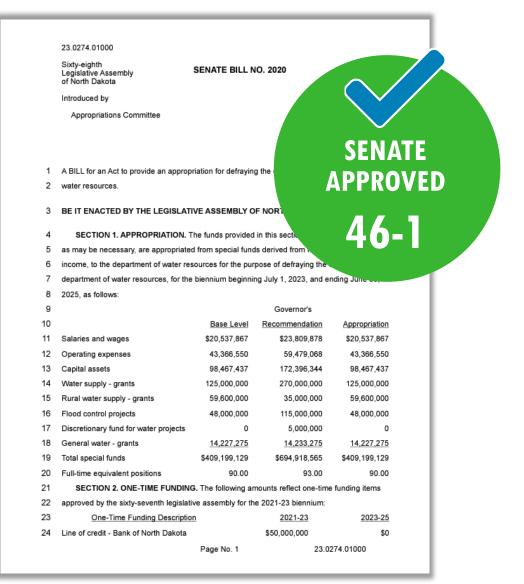
2023-2025 WORK PLAN



RED RIVER VALLEY WATER SUPPLY PROJECT | 18

* OTHER PROGRAM COSTS: \$29.6M

SENATE BILL 2020



SECTION 10. RRVWSP

- > \$175M for 23-25 Biennium
- \$953M Total State Commitment
 75% Cost-Share
- Commitment Based on 10-Year Build Utilizing ENDAWS

FORECASTED SPEND SCHEDULES STATE COST-SHARE AND INFLATION MITIGATION

WHAT IF PROJECT IS FUNDED AT A SLOWER PACE THAN IS BEING REQUESTED?

STATE COST-SHARE REQUEST (PER BIENNIUM)	RRVWSP UTILIZING ENDAWS PROJECTED COMPLETION DATE				
\$55M	∞ (*Never)				
\$70M	50-Years (June 2071)				
\$100M	26-Years (Dec 2047)				
\$150M	16-Years (June 2037)				
\$175M	13-Years (Dec 2034)				
\$250M	9-Years (Dec 2030)				

* Due to inflation outpacing project spend, project timeline is indefinite.

FORECASTED SPEND SCHEDULES — STARTING FY2023 STATE COST-SHARE — INFLATION ADJUSTED

PROJECTED STATE-COST SHARE BY BIENNIUM (\$M)*

	23-25	25-27	27-29	29-31	31-33	STATE SHARE (Savings)	LOCAL SHARE (Savings)	TOTAL PROJECT (Savings)
10-Year (SB2020)	\$1 75.0	\$ 221 .1	\$236.9	\$253.8	\$66.2	\$953	\$317	\$1,270
10-Year (Full Request)	\$254.3	\$194.5	\$208.4	\$223.2	\$58.2	\$939 (\$14)	\$313 (\$4)	\$1,252 (\$18)
8-Year	\$254.3	\$280.9	\$301.0	\$78.5	-	\$915 (\$38)	\$305 (\$12)	\$1,220 (\$50)
6.5-Year	\$254.3	\$421.4	\$221.8	-	-	\$897 (\$56)	\$299 (\$18)	\$1,196 (\$74)

*State cost-share of 75% and inflation adjusted to the projected year of expenditure

2023 LEGISLATIVE REQUEST SUMMARY



2023-25 BIENNIUM REQUEST \$255 Million (75% State Cost-Share) Senate Passed \$175M for 23-25 Biennium; \$953M Commitment



2023-25 Workplan

Shovel-Ready Construction (43 Miles of Pipeline)

> Continued Design (40 Miles of Pipeline)

> ENDAWS Design (32 Miles of Pipeline)



STATE FINANCING OF LOCAL COST-SHARE

Capitalization of Water Infrastructure Revolving Loan Fund



STATE COMMITMENT TO IMPLEMENT TOTAL PROJECT Look Beyond the 23/25 Biennium Work Plan

THANK YOU!



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





www.rrvwsp.com







FMWF Chamber Support for SB 2020

March 9th, 2023

Chairman Nathe and members of the House Appropriations - Education and Environment Division:

For the record, my name is Shannon Full, and I have the pleasure of serving as the President/ CEO of the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. On behalf of our over 1,900 members, I respectfully offer testimony in support of Senate Bill 2020, as it relates to the Red River Valley Water Supply Project (RRVWSP).

I would like to start by thanking members of the Legislative Assembly for their steadfast leadership and commitment to the FM Diversion project, protecting our region from the unpredictable Red River. With this project fully funded and construction well underway, our community is thrilled to have permanent flood protection in times of water abundance. Unfortunately, this unpredictability of the Red River leaves many throughout the eastern side of our state without a sustainable supply of emergency water during times of scarcity. The Red River Valley Water Supply Project is the solution to providing central and eastern North Dakota with a sustainable water supply, protecting hundreds of thousands of North Dakotans and thousands of businesses from drought.

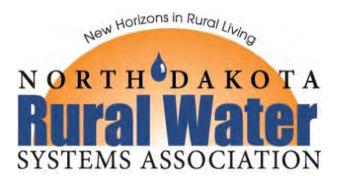
Naturally, as our population continues to grow throughout the Red River Valley, land and water usage will also continue to grow. This is why we believe both the protection against flooding and the supply of water are crucial components to the current and future development of our state and region. Just in the last year, our region generated over 18 billion dollars in gross regional product, producing millions in state revenue. This project will not only mitigate drought conditions but will foster economic development by meeting municipal and industrial water demands, ultimately securing and growing that source of revenue. The RRVWSP is key to the sustainability and development of our region's health and economic vibrancy.

The increasing demand for water is not only present across our great state, but across the nation. As you may know, states like California, Arizona, Nevada, and others throughout the western United States are in desperate need of sustainable water sources. Community and business leaders throughout those states have already begun to explore creative solutions that tap into the Missouri River's water supply, such as a pipeline to feed the Colorado River Basin. While the feasibility of these projects may be unknown, their demand for water is certain. The timing of the project is pivotal to securing the necessary rights before the opportunity lapses. The FMWF Chamber respectfully requests that this committee provide this project with adequate and sustainable funding, to allow for its swift completion.

On behalf of our members, I would like to thank the committee for your time and consideration.

Respectfully,

Shannon Full President/CEO FMWF Chamber of Commerce <u>sfull@fmwfchamber.com</u>



Eric Volk, Executive Director ND Rural Water Systems Association In Support of Senate Bill 2020 House Appropriations Committee-E&E Div. March 9, 2023

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.

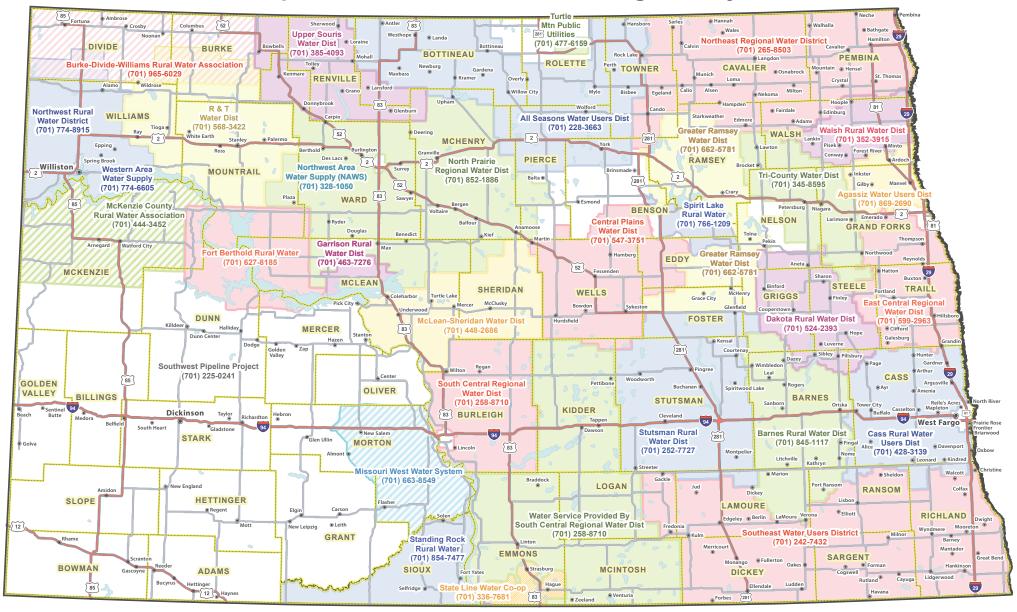
In addition to the Southwest Pipeline Project, Northwest Area Water System, the Red River Valley Water Supply Project and the Western Area Water Supply Project, there are currently many other rural and regional projects in various stages of development across the state. Some examples of these projects are the completion of the large expansion of the McLean-Sheridan Rural Water District, the further development of the East Central Regional Water District, and the start of a large user expansion for All Seasons Water Users District, 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 \$120 million (**\$87 million state grant is needed**) (see attached funding map).

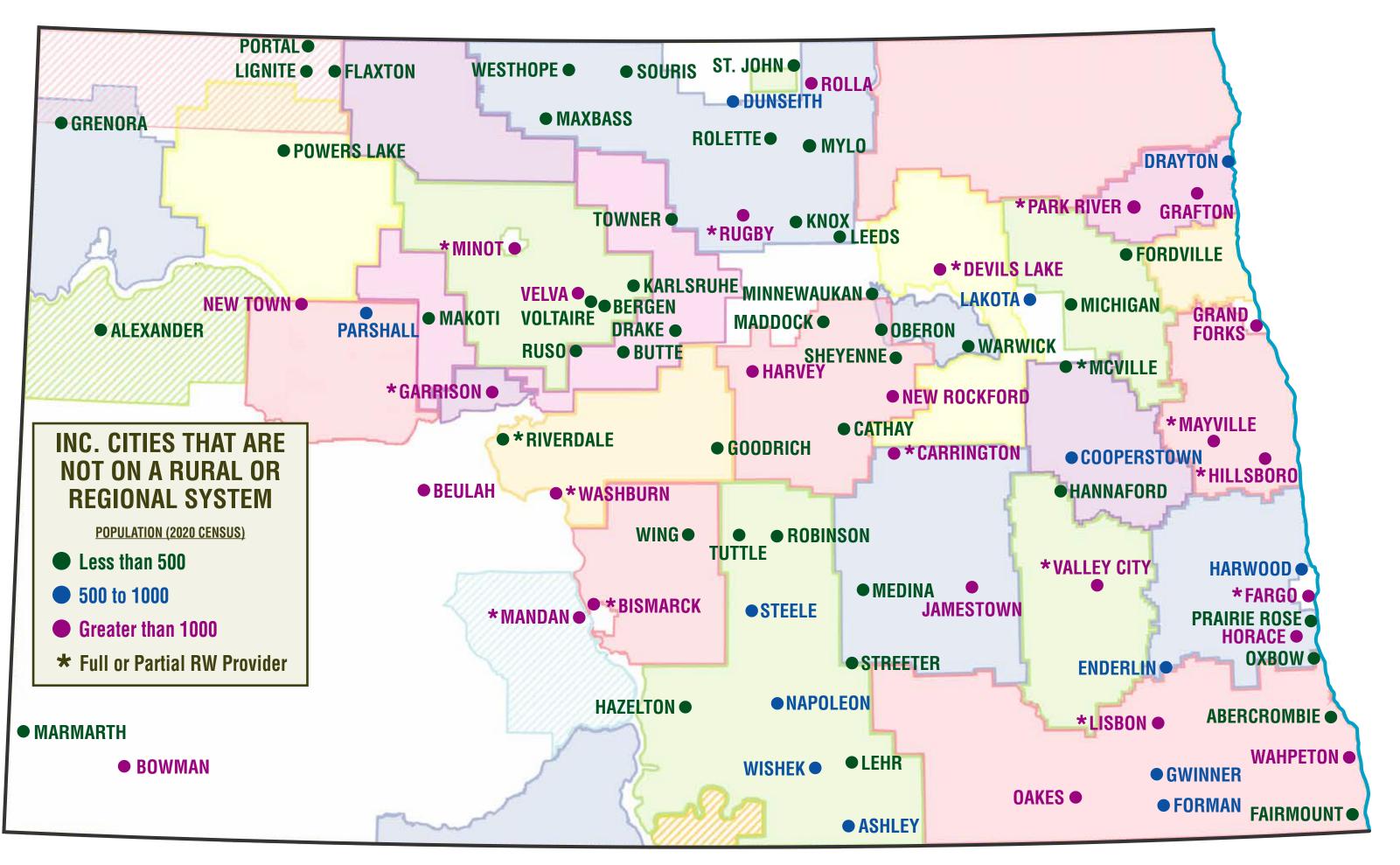
These projects are designed to meet similar needs. Those needs include water quality and quantity. On the water quality side, the projects will help communities comply with federal mandates required by the Safe Drinking Water Act, including arsenic levels, nitrates, disinfection by-products, and total 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 are taking its toll on many small and rural water systems. A study completed by the United States Environmental Protection Agency revealed the rates needed to cover future infrastructure repair and replacement for small systems will 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 which 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 cost to the consumer is just too much for the average family to afford.

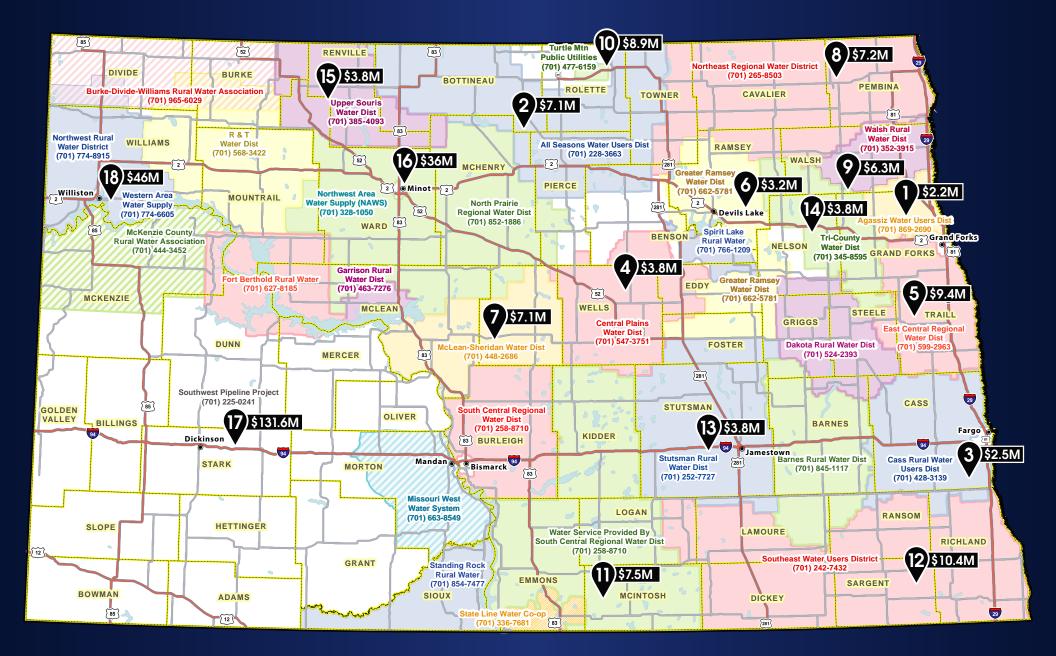
The money spent on water projects in the past has been an investment in the future of North Dakota – an investment in economic development and quality of life for our citizens (see attached 23-25 project funding). Every rural water system that has been built in our state is still operating. They are providing safe, clean water to their customers, reducing their debt, putting money in reserve, complying with state and federal regulations, and doing 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 170,000 rural residents, they also provide water to 266 (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.

Incorporated Cities on a Rural or Regional System







1	AGASSIZ WATER USERS DISTRICT - GILBY Reservoir 1 to 3 Transmission Expansion
2	ALL SEASONS WATER USERS DISTRICT - BOTTINEAU System 1 Expansion - Phase 2
3	CASS RURAL WATER DISTRICT – KINDRED County Road 17 Improvements, System Wide Improvements
4	CENTRAL PLAINS WATER DISTRICT - FESSENDEN Connection to the city of Maddock
5	EAST CENTRAL REGIONAL WATER DISTRICT - THOMPSON Individual Service to Galesburg, Hillsboro WTP Expansion, Wellfield, Transmission & User Expansion
6	GREATER RAMSEY WATER DISTRICT – DEVILS LAKE North System Capacity Improvements
7	MCLEAN-SHERIDAN RURAL WATER DISTRICT – TURTLE LAKE Phase 2 WTP Construction, Phase 3 Expansion
8	NORTHEAST REGIONAL WATER DISTRICT - CAVALIER Bulk Cities to Individual Services, WTP and Wellfield Expansion
9	NORTHEAST, WALSH, AGASSIZ, TRI-COUNTY, & EAST CENTRAL RWDS Northeast North Dakota Long-Term Groundwater Supply
10	ROLETTE COUNTY - TURTLE MOUNTAIN – BELCOURT Highway 43 Reservoir & Pump Station Improvements, Three Mile Road Rural Water Main Replacement, Highway 3 and BIA 8 Water Main Replacement
11	SOUTH CENTRAL REGIONAL WATER DISTRICT – BISMARCK Service to the city of Ashley
12	SOUTHEAST WATER USERS DISTRICT – MANTADOR West System Water Treatment Plant Improvements
13	STUTSMAN RURAL WATER DISTRICT – JAMESTOWN Raw Water Facilities Improvement, Service to the city of Streeter
14	TRI-COUNTY WATER DISTRICT – PETERSBURG Phase 6 Expansion, Phase 7 Expansion - McVille Area
15	UPPER SOURIS RURAL WATER DISTRICT - KENMARE Improvements & Expansion - Phase 2
16	NORTHWEST AREA WATER SUPPLY PROJECT (NAWS) – MINOT 2023-25 Treatment & Distribution Improvements
17	SOUTHWEST PIPELINE PROJECT (SWPP) – DICKINSON 2023-25 Treatment & Distribution Improvements
18	WESTERN AREA WATER SUPPLY (WAWS) – WILLISTON 2023-25 Treatment & Distribution Improvements



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



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

*Might be funded using 21-23 funds.

\$34,708,773	Would m
\$34,275,307	Projects v
\$17,843,594	Remainin
\$86,827,674	Total

Local Share	Total Project Cost
\$716,850	\$2,867,400
\$2,375,000	\$9,500,000
\$297,225	\$1,188,900
\$525,000	\$2,100,000
\$1,250,000	\$5,000,000
\$445,913	\$1,783,650
\$708,171	\$2,832,684
\$1,984,968	\$7,939,874
\$1,072,137	\$4,288,547
\$1,600,000	\$6,400,000
\$800,000	\$3,100,000
\$899,662	\$3,598,648
\$1,500,000	\$6,000,000
\$2,085,215	\$8,340,862
\$2,000,000	\$5,000,000
\$875,000	\$2,000,000
\$3,607,500	\$8,430,000
\$2,500,000	\$10,000,000
\$3,450,000	\$13,800,000
\$1,067,750	\$4,271,000
\$194,000	\$776,000
\$450,000	\$1,800,000
\$821,500	\$3,286,000
\$1,250,000	\$5,000,000
\$32,475,891	\$119,303,565

natch what the DWR has for High & Mod who were/will be funded partially in 21-23 ing Projects (Corrects lack of water)

Rural Water System Rates - February 2023

SYSTEM	# of Users	Minimum Cost	\$/1000 Gal.	\$/6000 Gal.	Miles of Pipe
Agassiz Water Users District	1,400	\$27.50	\$8.50	\$78.50	400
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	1,400	\$50.00	\$5.50	\$83.00	
Barnes Rural Water District #2	274	\$60.00	\$6.00	\$96.00	
Barnes Rural Water District #3	350	\$56.00	\$5.50	\$89.00	1,200
Belcourt Public Utilities	3,500	\$20.50	\$5.75	\$55.00	245
Cass Rural Water District	8,017	\$27.00	\$5.40	\$59.40	
Cass Rural Water District - Leonard Project	140	\$40.00	\$5.40	\$72.40	2,400
Central Plains Water District (Old)	790	\$30.00	\$6.50	\$69.00	
Central Plains Water District (New)	340	\$56.00	\$7.25	\$99.50	1,266
Dakota Rural Water District Expansion	1,035	\$53.00	\$6.50	\$92.00	1,200
East Central Regional Water District	2,310	\$40.00	\$7.00	\$82.00	
East Central Regional Water District	2,469	\$60.00	\$7.00	\$102.00	2,200
Fort Berthold Rural Water	2,500	\$25.00	\$5.00	\$55.00	650
Garrison Rural Water District	822	\$62.00	\$8.00	\$110.00	162
Greater Ramsey Water District	1,011	\$35.00	\$5.50	\$68.00	
Greater Ramsey Water District	1,132	\$40.00	\$5.50	\$73.00	
Greater Ramsey Water District	385	\$45.00	\$5.50	\$78.00	1,650
McKenzie County Water Resource District	1,260	\$45.90	\$7.02	\$88.02	1,530
McLean-Sheridan Rural Water District #1	696	\$62.00	\$7.40	\$106.40	
McLean-Sheridan Rural Water District #2	174	\$65.00	\$6.54	\$104.24	
McLean-Sheridan Rural Water District #3	113	\$76.00	\$7.80	\$122.80	700
Missouri West Water System	2,005	\$40.00	\$6.59	\$79.54	650
North Prairie Regional Water District (Existing)		\$54.00	\$9.83	\$112.98	
North Prairie Regional Water District (New)	4,788	\$65.00	\$9.83	\$123.98	2,500
Northeast Regional Water District/Langdon Branch	1,299	\$63.00	\$6.10	\$99.60	
Northeast Regional Water District/North Valley Branch	1,372	\$50.00	\$6.10	\$86.60	2,512
Northwest Rural Water District	2,600	\$45.00	\$8.80	\$97.80	1,200
R&T Water District	825	\$50.00	\$7.70	\$96.20	514
South Central Regional Water District (Includes 500 gals)	6,260	\$34.00	\$7.50	\$75.25	
South Central Regional Water District	1,780	\$40.00	\$6.00	\$76.00	5,000
Southeast Water Users District Central	623	\$50.00	\$5.75	\$84.50	547
Southeast Water Users District Central-New	138	\$55.00	\$5.75	\$89.50	147
Southeast Water Users District East	1,810	\$31.00	\$4.50	\$58.00	1,372
Southeast Water Users District East-New	252	\$55.00	\$4.50	\$82.00	201
Southeast Water Users District West	732	\$50.00	\$3.50	\$71.00	743
Southeast Water Users District West-New	136	\$55.00	\$3.50	\$76.00	166
Southwest Water Authority	7,465	\$55.32	\$6.47	\$94.14	5,260
State Line Water Cooperative (includes 1000 gals)	452	\$40.00	\$6.25	\$71.25	200
Stutsman Rural Water District	1,222	\$43.00	\$5.35	\$75.10	1,100
Stutsman Rural Water District Expansion Project	1,347	\$48.00	\$5.35	\$80.10	1,090
Tri-County Water District	1,200	\$54.00	\$7.00	\$96.00	1,200
Upper Souris Water District	650	\$35.00	\$10.00	\$95.00	600
Walsh Rural Water District R1	1,232	\$36.00	\$7.75	\$82.50	
Walsh Rural Water District R3	155	\$48.00	\$7.75	\$94.50	
Walsh Rural Water District R4	142	\$55.00	\$7.75	\$101.50	700
	70,173				41,005
Median	· · · · ·	\$48.00	\$6.50	\$85.80	
Average		\$47.15	\$6.60	\$86.53	
Yearly Average				\$1,038.33	

Rural Water Supply DWR Project Summary January 2023

ystem	Project	Approved	Total Approved T	-	Balance	% of Balance		
rth Central	Carpio/Berthold Phase 2	4/1/2015	\$258,691	\$0	\$258,691	0.71%		
l Seasons	System 4 Connection to System 1	12/11/2015	\$4,900,000	\$71,215	\$4,828,785	13.18%	\$5,087,476	13.89% 2015
orth Central	Mountrail Expansion Phase 2	8/23/2017	\$2,919,153	\$1,244,997	\$1,674,156	4.57%		
orth Central	Mountrail Expansion Phase 3	8/23/2017	\$3,384,126	\$31,816	\$3,352,310	9.15%		13.72% 2017
-County	System Expansion Project	8/9/2018	\$28,929	\$0	\$28,929	0.08%		0.08% 2018
ikota	2019 Expansion	4/9/2020	\$2,053,156	\$2,053,156	\$0	0.00%		
st Central	2019 Expansion Phase IV	10/8/2020	\$2,520,722	\$2,022,930	\$497,792	1.36%		
orth Prairie	Minot to Velva Highway 52 Improvement	10/8/2020	\$609,148	\$129,378	\$479,770	1.31%		2.67% 2020
alsh	Drayton Water Supply Project - Phase 1 & 2	2/11/2021	\$7,323,029	\$3,839,694	\$3,483,335	9.51%		
ist Central	Hatton Water Supply	4/8/2021	\$75,000	\$75,000	\$0	0.00%		
st Central	Grandin Water Supply	6/8/2021	\$185,953	\$124,343	\$61,610	0.17%		
ortheast	Expansion - Adams/Walsh RWD	6/8/2021	\$50,000	\$50,000	\$0	0.00%		
rnes	2021 Storage Expansion	10/14/2021	\$112,000	\$112,000	\$0	0.00%		9.68% 2021
	Total Rural Water Carryover		\$24,419,907		\$14,665,378	40.03%		40.03%
ortheast	Expansion - Adams/Walsh RWD	6/8/2021	\$160,000	\$138,561	\$21,439	0.06%		
kota	2019 Expansion	8/12/2021	\$904,144	\$185,291	\$718,853	1.96%		
st Central	Hatton Water Supply	8/12/2021	\$1,058,276	\$640,442	\$417,834	1.14%		
per Souris	2021 Improvements and Expansion	8/12/2021	\$590,000	\$166,815	\$423,185	1.16%		
nes	2021 Storage Expansion	10/14/2021	\$770,711	\$535,280	\$235,430	0.64%		
assiz	2022 Expansion Phase 2	10/14/2021	\$332,500	\$40,940	\$291,560	0.80%		
S	2022 System Distribution Project	10/14/2021	\$2,517,095	\$203,472	\$2,313,623	6.32%		
Lean-Sheridan	McClusky Water Tower Replacement	2/23/2022	\$2,577,559	\$687,622	\$1,889,937	5.16%		
Lean-Sheridan	System Improvements Phase 2	2/23/2022	\$5,490,186	\$2,638,424	\$2,851,762	7.78%		
lsh	Interconnect with NRWD	2/23/2022	\$2,175,000	\$142,208	\$2,032,792	5.55%		
kota	Service to Hannaford and WTP Expansion	4/12/2022	\$575,075	\$59,400	\$515,675	1.41%		
t Central	Grandin Water Supply	4/12/2022	\$528,000	\$0	\$528,000	1.44%		
t Central	WTP and Transmission Expansion	4/12/2022	\$2,942,619	\$1,086,432	\$1,856,187	5.07%		
llsh	Drayton Water Supply Project	4/12/2022	\$1,025,300	\$0	\$1,025,300	2.80%		
ntral Plains	Maddock WTP Feasibility Study	5/3/2022	\$26,000	\$0	\$26,000	0.07%		
ater Ramsey	North System Capacity Improvements	6/7/2022	\$590,000	\$115,991	\$474,009	1.29%		
tle Mtn.	Highway 43 Corridor Expansion	6/7/2022	\$2,600,000	\$1,358,607	\$1,241,393	3.39%		
souri West	South Mandan Expansion	8/11/2022	\$81,000	\$0	\$81,000	0.22%		
th Prairie	Minot to Velva Highway 52 Improvement	8/30/2022	\$2,022,000	\$0	\$2,022,000	5.52%		
t Central	Service to Galesburg	10/13/2022	\$120,000	\$0	\$120,000	0.33%		
th Central	Hawktree Tank	10/13/2022	\$120,000	\$0	\$120,000	0.33%		
tsman	Well Field Expansion	10/13/2022	\$250,000	\$0	\$250,000	0.68%		
Seasons	Rolla Area Booster	10/3/2022	\$26,000	\$0	\$26,000	0.07%		
Seasons	System 4 Connection to System 1	12/9/2022	\$2,180,000	\$0	\$2,180,000	5.95%		
Lean-Sheridan	WTP Expansion	12/9/2022	\$350,603	\$44,063	\$306,540		\$21,968,519	59.97% 21-23
	Total Rural Water 2021-2023		\$30,012,068		\$21,968,519	59.97%	\$21,968,519	59.97%
rth Central	Mountrail Expansion Phase II	8/23/2017	\$62,475	\$62,475	\$0			
th Central	Mountrail County Water Phase II	8/23/2017	\$2,055	\$2,055	\$0			
kota	2019 Expansion	8/12/2021	\$972,856	\$972,856	\$0			
t Central	2019 Expansion Phase IV	10/8/2020	\$144,521	\$144,521	\$0			
rth Prairie	Minot to Velva Highway 52 Improvement	10/8/2020	\$2,464,882	\$2,464,882	\$0			
t Central	Grandin Water Supply	6/8/2021	\$1,454,047	\$1,454,047	\$0			
t Central	Hatton Water Supply	4/12/2022	\$624,724	\$624,724	\$0			
nes	2021 Storage Expansion	10/14/2021	\$1,491,689	\$1,491,689	\$0			
ean-Sheridan	Service to Blue Flint Ethanol Plant	10/14/2021	\$264,984	\$264,984	\$0			
Lean-Sheridan	McClusky Water Tower Replacement	2/23/2022	\$467,441	\$467,441	\$0			
t Central	WTP and Transmission Expansion	8/11/2022	\$727,381	\$727,381	\$0			
Loon Chanidan	System Improvements Phase 2	2/23/2022	\$1,667,714	\$1,667,714	\$0			
Lean-Sheridan	2022 System Distribution Project	6/7/2022	\$148,905	\$148,905	\$0			
			\$10,583,000	\$437.031	\$10,145,969			
cLean-Sheridan ss ss	ND Soybean Processors Facility & Pipeline	4/12/2022						
S	ND Soybean Processors Facility & Pipeline Service to Hannaford and WTP Expansion	4/12/2022 4/12/2022	\$121,725	\$121,725	\$0			
s s					\$0 \$0			

	Budget	Approved	Balance
Other Rural Water	\$57,428,200	\$30,012,068	\$27,416,132
Other Rural Water - Completed	\$2,171,800	\$2,171,800	\$0
Budget Rural Water 2021-2023	\$59,600,000	\$32,183,868	\$27,416,132



2023 - 2025 BIENNIUM FUNDING REQUEST SB 2020 - DEPARTMENT OF WATER RESOURCES FUNDING



VALLEY CITY-SHEYENNE RIVER PERMANENT FLOOD PROTECTION



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



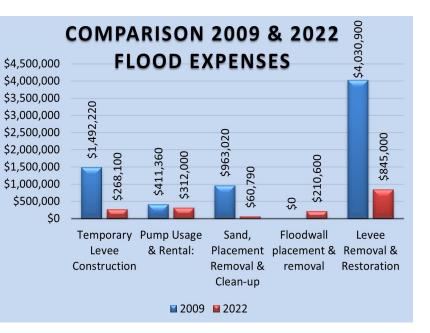
Each time our community experiences flood conditions, considerable amounts of resources are expended to combat the rising waters. With nearly back to back annual flooding events, City and community resources have been stressed financially and socially in recent years. Economic impacts are felt months 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, 7 90
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.

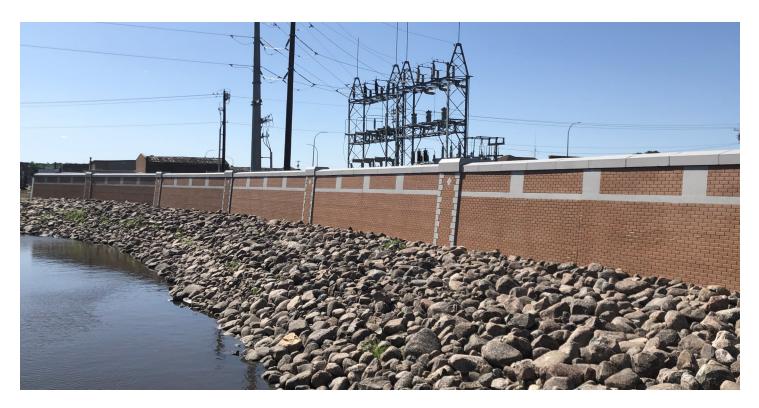




Phase 2 of permanent flood protection concentrates on a portion of the downtown area. This includes the section of Main Street which is located along the Sheyenne River in addition to protecting the area behind the power substation—critical infrastructure for the community. Construction started in the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

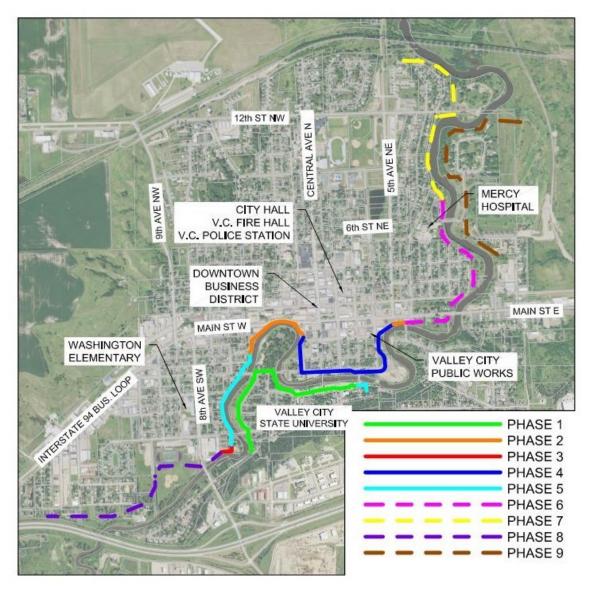
Phase 3 of permanent flood protection protects the City's Master Lift Station. The Master Lift Station is constructed on the bank of the Sheyenne River and serves the entire City. Work started in the fall of 2019 and was completed in the summer of 2020. Phase 3 was funded in the 2017-2019 Legislative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

Funding for Phases 4 and 5 have been approved in previous Legislative Biennia. These phases of the flood protection project are in the planning phase with work focused on the Conditional Letter of Map Revision (CLOMR) for the entire permanent flood protection system. As discussed above, only Phase 2 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. 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.



NEXT STEPS

Following the planning efforts for the CLOMR and Phases 4 and 5, the City will turn their focus to Phase 6 of our flood protection project 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.



Phase 6 concentrates on continuing 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
- Bio-engineering stream bank restoration

REQUEST

The City of Valley City asks for your support of Senate Bill 2020 and the funding of \$13.2 million in grant funding through the Department of Water Resources for the continued construction of the Valley City Flood Protection Project.





NAWS PROJECT UPDATE

ND Department of Water Resources





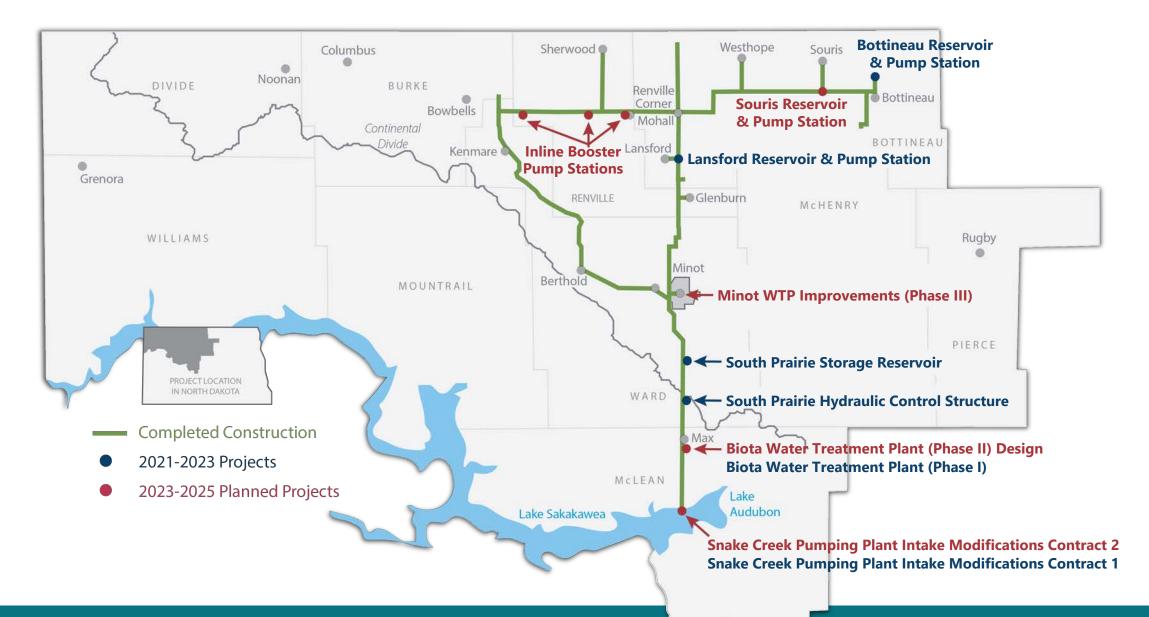
NORTHWEST AREA WATER SUPPLY

- **1 Of 2** Two State-Owned Regional Water Systems In ND
- Authorized By The Garrison Diversion Reformulation Act Of 1986 & The Dakota Water Resources Act Of 2000
 - Construction Began In 2002
- Lawsuits Initiated Immediately
- Favorable Ruling By District Court In 2017
- Upheld By Appellate Court In 2019
- Construction Back Underway After 17 Years Of Litigation

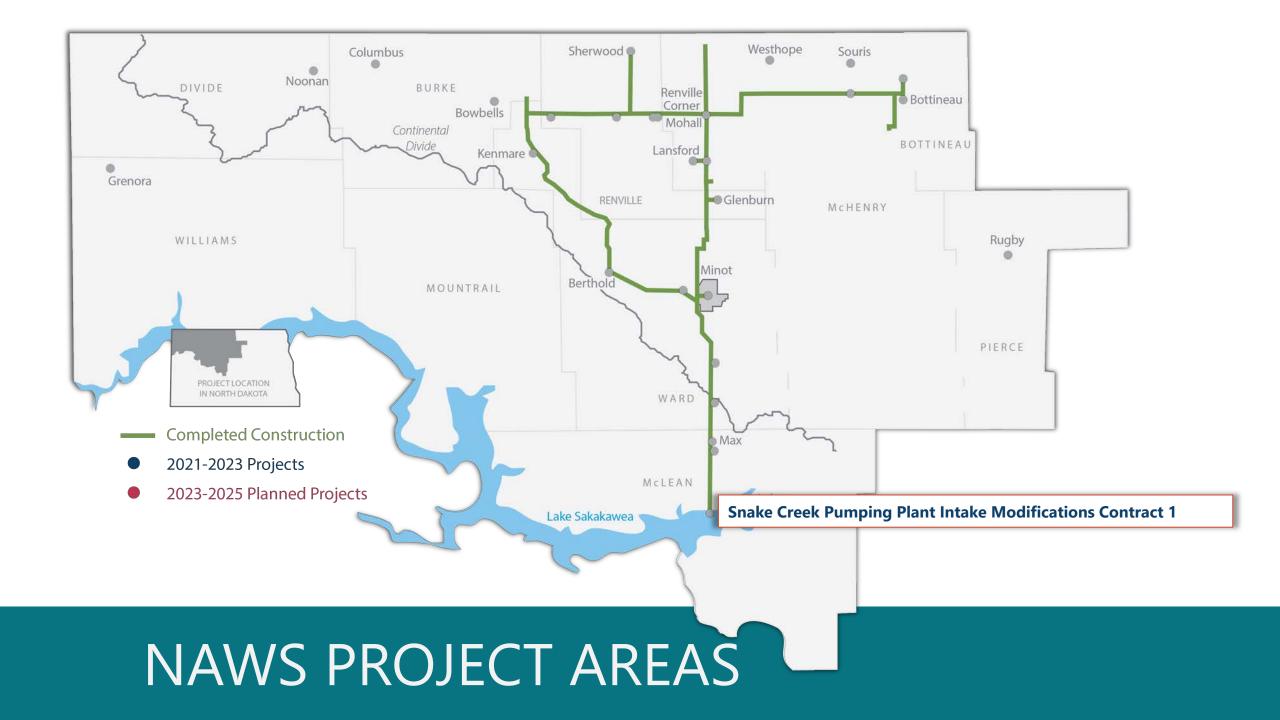


NORTHWEST AREA WATER SUPPLY

- Designed To Serve A Project Area Of 81,000 People
- NAWS Is Owned By The State Water Commission & Administered By The Department Of Water Resources (DWR)
- DWR Is Responsible For Construction & Operation Of NAWS
- 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 Provides 35% In Cost-Share For NAWS
- Bill To Change NAWS Advisory Committee To NAWS Authority (HB 1218) Has Passed Both Chambers



NAWS PROJECT AREAS

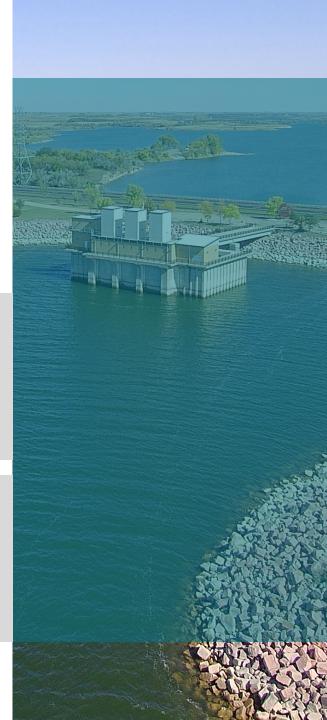


SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS

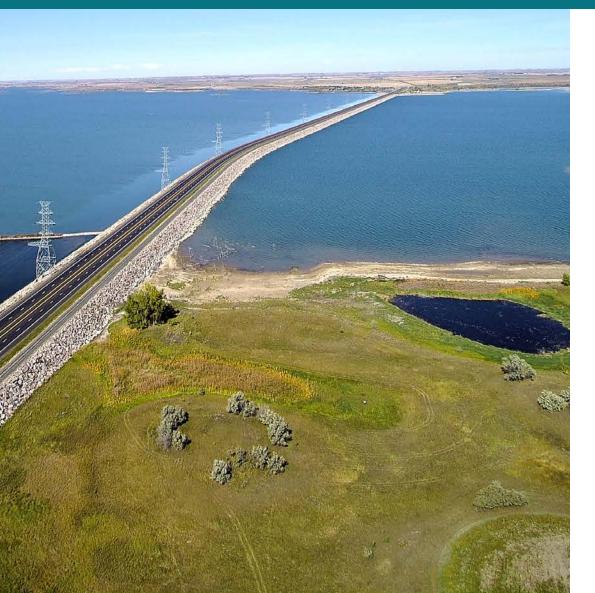
The Project Was Broken Up Into Two Contracts

CONTRACT 1 Is For Work Inside The Existing Facility (No Section 408 Permit Required)

CONTRACT 2 Is For External Work (Section 408 Permit Is Required)

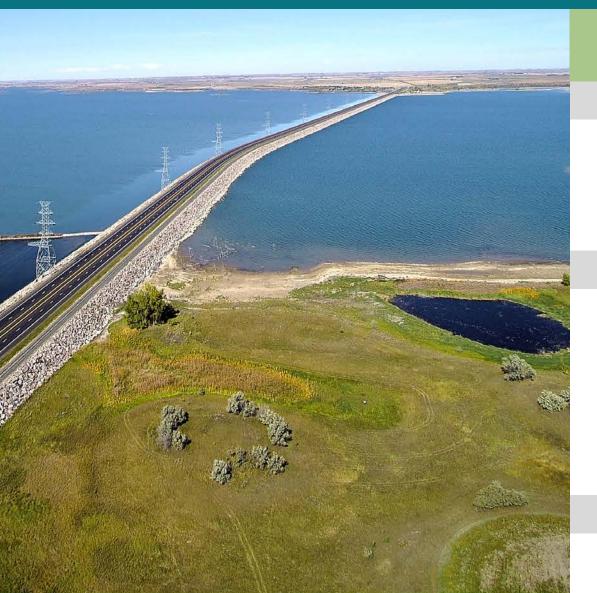


CONTRACT 1 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS



- Letter Of No Permission Required From USACE Received On AUGUST 19, 2022
- In September Bids Were Opened -Included Materials With Long Lead Times For Contract 2 (Pipeline, Permanent Intake Screen, Valves, Fittings, Etc)
- Included Cost Escalation Language In Contract To Secure Better Bids
- Bids Came In 250% Higher Than Estimate

CONTRACT 1 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS



Readvertised Contract 1 Split Into Three Contracts

Procurement Contracts

- Includes Equipment With Long Lead Times
- Contract Awarded At December 2022
 SWC Meeting

Demolition Contracts

- Removal Of Existing Pump Unit No. 1 & Construction Of Bulkhead In The Discharge Structure On Lake Audubon
- Contract Awarded At December 2022
 SWC Meeting

Construction Contract

Opened Bids January 18, 2023

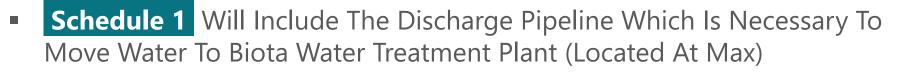
CONTRACT 2 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS



- Completeness Review Completed By USACE
 July 2022
- USACE Has Indicated A Six-To-Twelve-Month Review Period
- SWC Executed **1156 Agreement** With The USACE To Fund The Section 408 Review
- Expected Bidding Timeframe For Contract 2 -February - August 2023 - Based On Corps Review Timeline

CONTRACT 2 SNAKE CREEK PUMPING PLANT INTAKE MODIFICATIONS

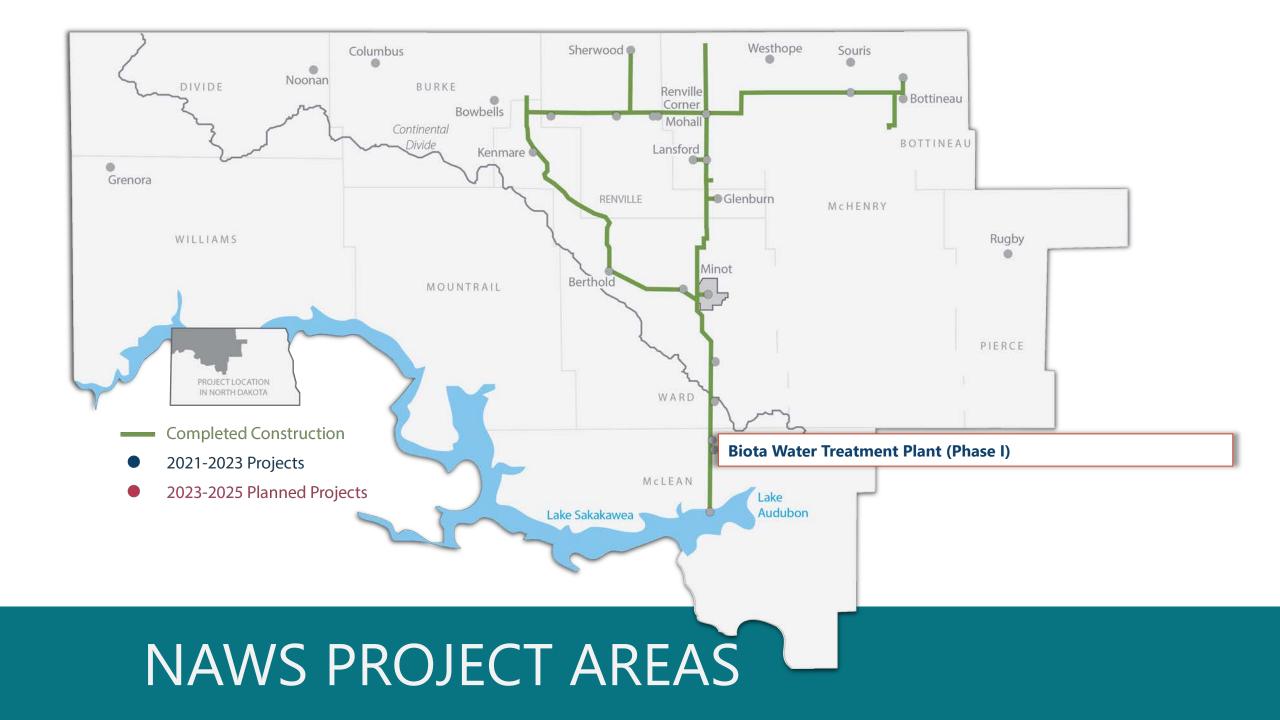
Contract 2 Will Be Divided Into 2 Bid Schedules



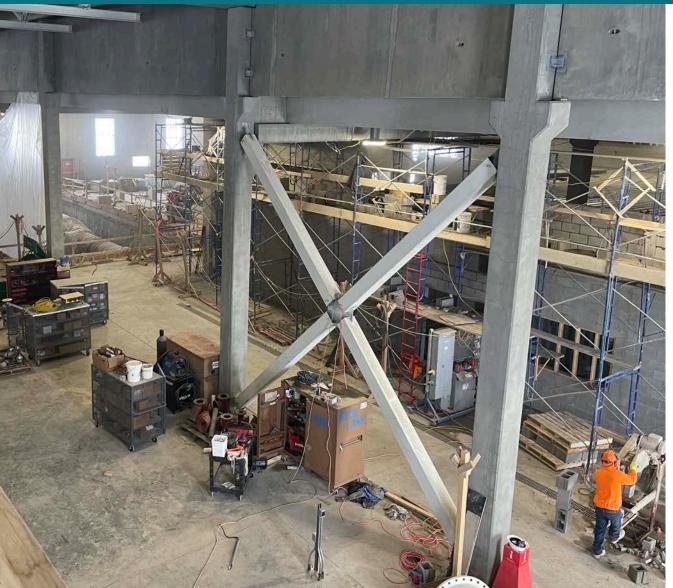
- Completion Expected Summer 2024
- Schedule 2 Will Include The Intake Pipe Bore & Permanent Intake Structure
- Completion Expected 1-2 Years After Bidding (2024 or 2025)
- Permitting, Funding, Construction Difficulties, Supply Chain Issues Are All Potential Variables

The Temporary Intake Screen Included In Contract 1 Will Be Used For Startup & Commissioning At Biota WTP & To Provide Raw Water Service To Minot

The Permanent Intake Will Improve Capacity & Water Quality For NAWS



BIOTA WATER TREATMENT PLANT PHASE I - FUNDING

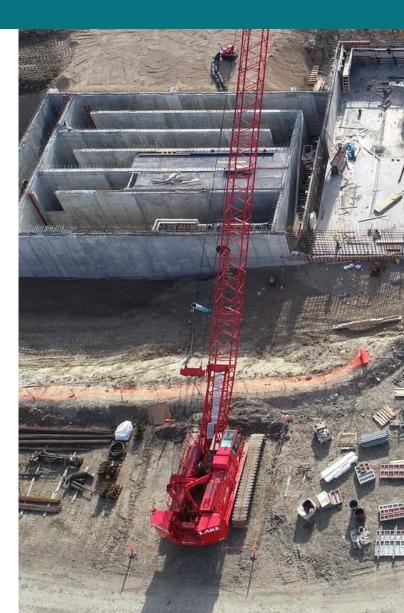


- Biota WTP Is For Boundary Waters Treaty Act Compliance & Therefore A Federal Responsibility Per Dakota Water Resources Act
- Garrison Diversion Unit MR&I Program Is Reclamation's Only Funding For Water Development In North Dakota
- All Costs Incurred For Phase I Of The Biota WTP Have Been Reimbursed With MR&I Funds. Sufficient MR&I Funding Will Be Available For Phase I When FY 2023 MR&I Funding Is Approved
- The Line Of Credit (LOC) Was Needed To Award The Phase I Contracts But Funding From LOC Has Not Been Accessed

PHASE I BIOTA WATER TREATMENT PLANT

Features

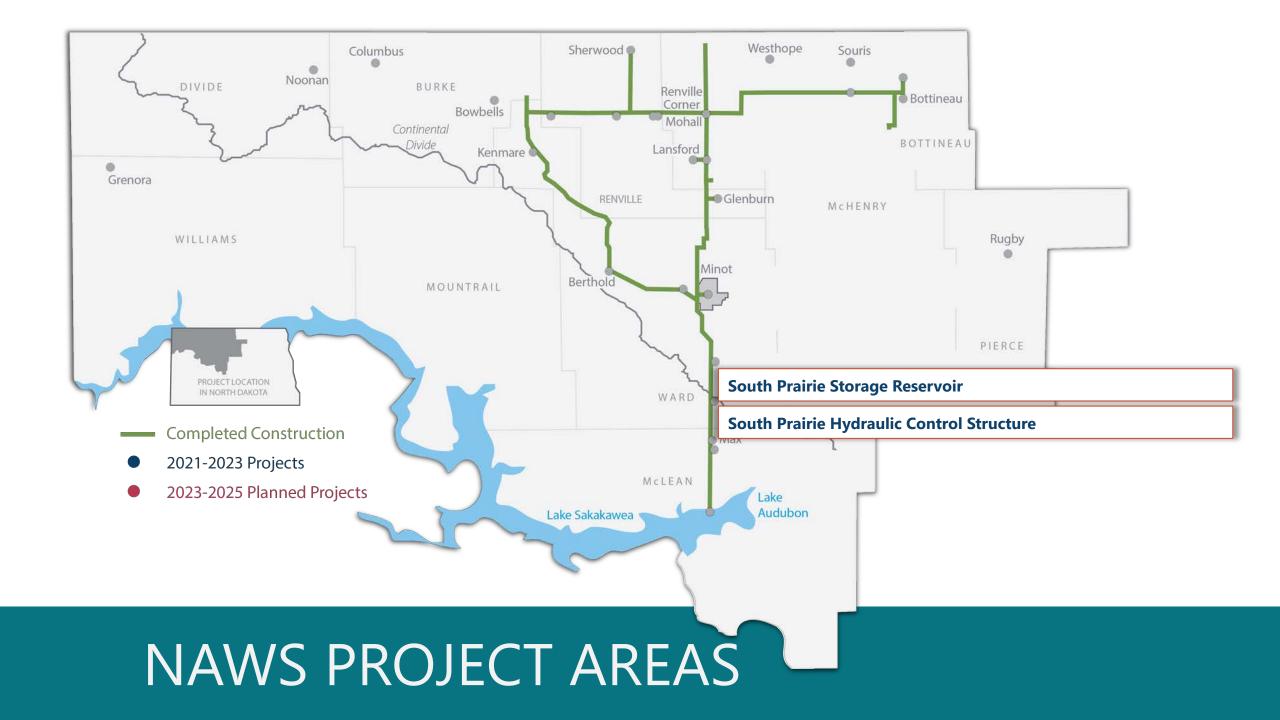
- The Treatment Process Includes Clarification Through Flocculation & Dissolved Air Flotation, Dual Media Filtration, UV Disinfection, & Chemical Disinfection Through Chlorine Converted To Chloramine
- Freeze-Thaw Lagoons Will Be Used For Solids Residual Handling (Sludge From The Clarification Process)
- Includes A Shop Building For Storing Equipment For Building & Grounds Maintenance As Well As Staging Delivered Process Equipment During Construction Of Phase I & Phase II



PHASE I BIOTA WATER TREATMENT PLANT



- Shop Building Complete
- Cast In Place Concrete Complete
- Half Of The Roofing System Has Been Installed
- Working On Interior Walls, Process Piping, Coatings, Wiring, HVAC, Etc.
- Substantial Completion Date On The Contract - December 2023
- Final Completion June 2024
 - Startup Dependent On Intake Contract 1 & Contract 2 Discharge Pipeline Completion -Scheduled For Summer 2024



SOUTH PRAIRIE RESERVOIR & HYDRAULIC CONTROL STRUCTURE



- 10.5 Million Gallon Reservoir, Flow Control Facility, & Hydraulic Control Structure
- Hydraulic Control Structure Is Nearly Complete, Flow Control Facility Cast in Place & Precast Concrete Is complete
- Reservoir Floor & Reservoir Panels Have Been Cast & Reservoir Will Be Erected In 2023
- Contract Cost \$15 Million (2021-2023 Funding)
- Completion Date On Contract November 2023

SOUTH PRAIRIE HYDRAULIC CONTROL STRUCTURE



Located 8 Miles North Of Max At Continental Divide

The Hydraulic Control Structure Protects The Pipeline By Eliminating Pressure Spikes

SOUTH PRAIRIE RESERVOIR & FLOW CONTROL FACILITY

14 Miles North Of Max



- Current Objective Is To Deliver Lake Water To Minot Summer/Fall Of 2024
 - Intake Contract 1 Completion Summer 2024
 - Contract 2 Discharge Pipeline Anticipated Completion Summer/Fall 2024
- Delays In Construction May Delay Delivery
 - Supply Chain Issues
 - Pandemic Disruptions
 - Timely Permitting
 - Funding Limitations
 - Operational Conflicts With Minot WTP/Peak Usage

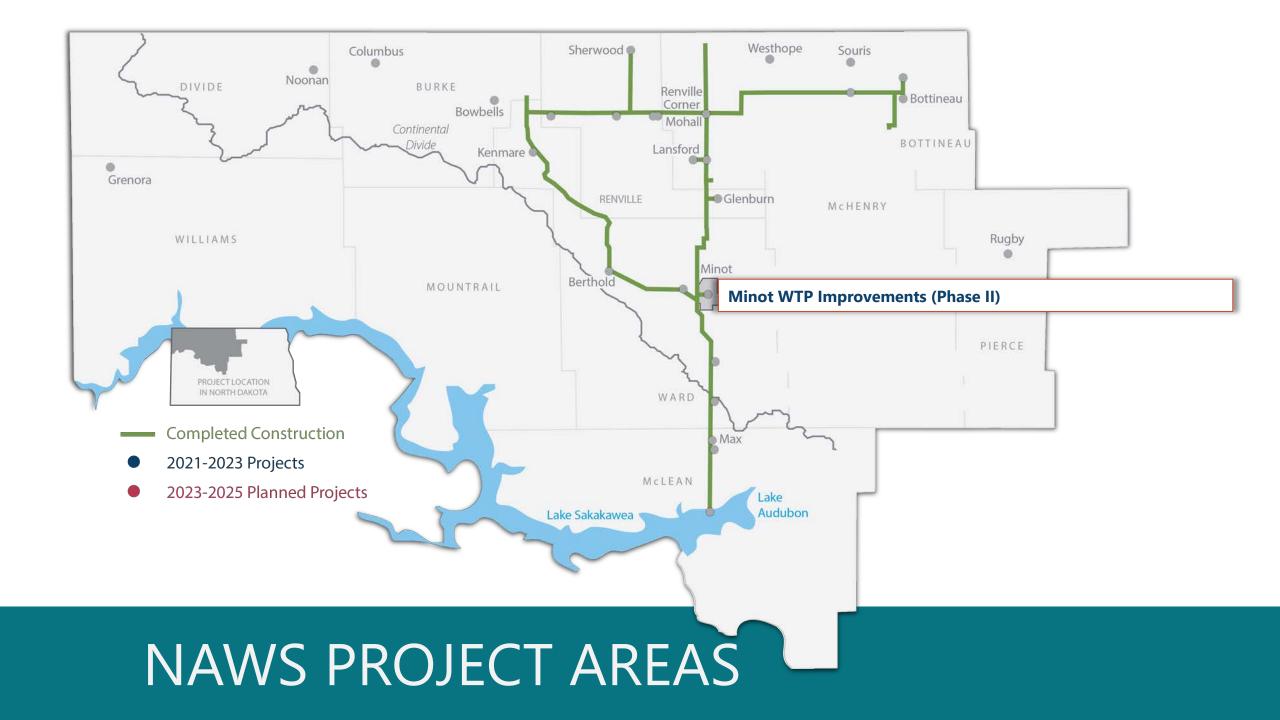
TIMELINE FOR LAKE WATER TO MINOT

MINOT INTERIM WATER SUPPLY

- Raw Water Supply For NAWS From Ground Water Until The Intake For NAWS Is Complete
- Summer Of 2021 & 2022 Ground Water Wells Had Some Operational Issues
- Issues Resolved & City of Minot Has Signed The Amendment to The Interim Water Supply Agreement

Total Raw Water Capacity From Ground Water -17 MGD





MINOT WATER TREATMENT PLANT

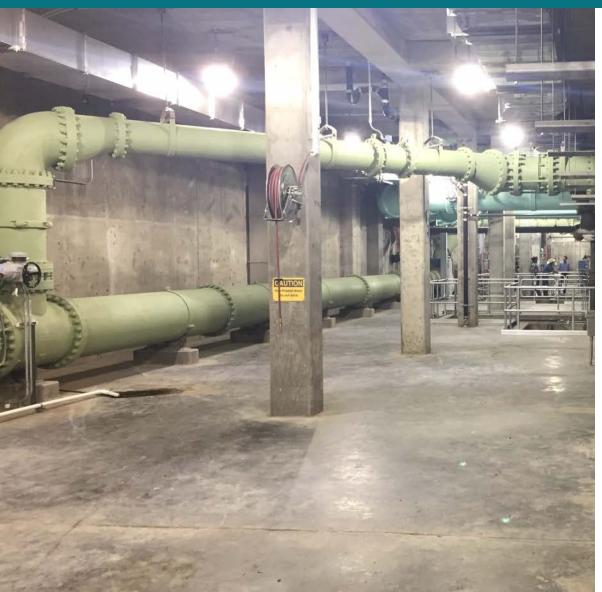


Minot WTP Capacity Is **18 Million Gallons** Per Day - Built In 1950s & 1960s

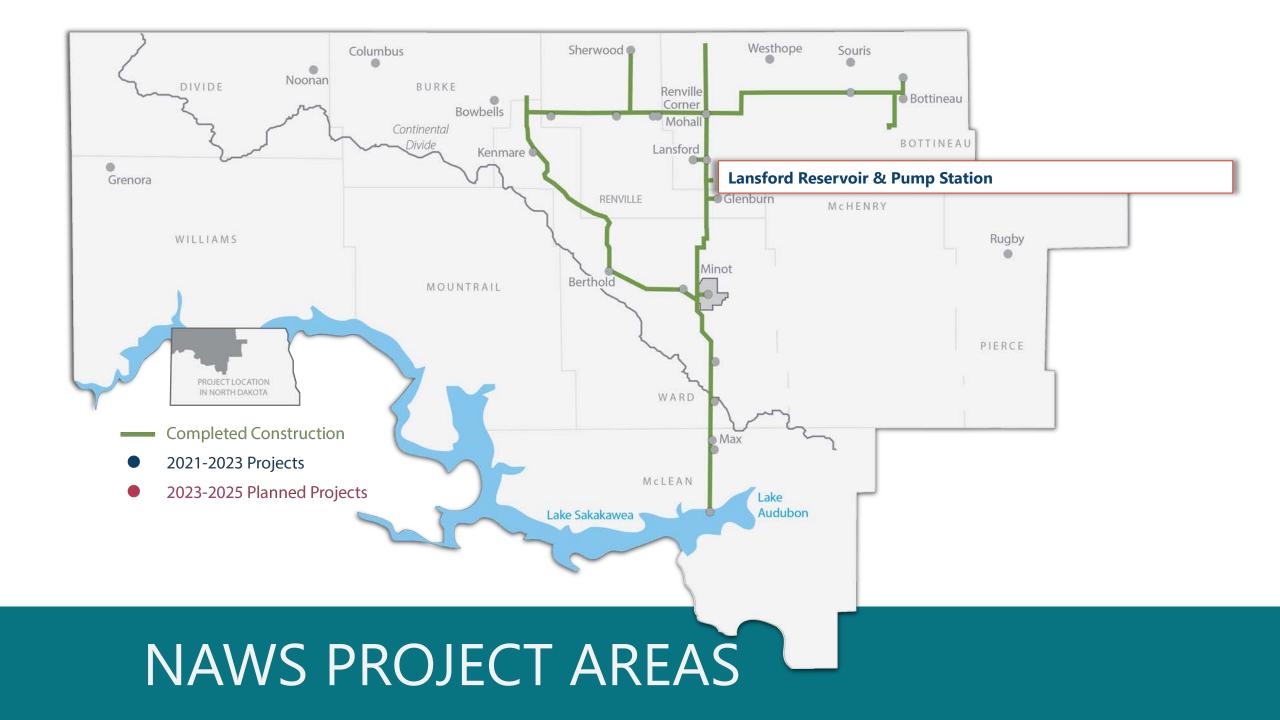
Phase I Construction Completed In 2013 Replaced The Filtration Units, Controls

Phase II Construction Replaced Softening Basins, Added Pretreatment Building, Replaced Chemical Feed Systems

PHASE II MINOT WATER TREATMENT PLANT



- Currently Working Through Finishing Details
- Both Basins Operational
- Substantially Complete, A Few Weather-Dependent Items & Replacement Items With Long Lead Times Remain
- Expected Final Commissioning Summer 2023



LANSFORD RESERVOIR & PUMP STATION

Reservoir

4.5 Million Gallons

Pump Station & Operation Center 2500 GPM Capacity

Operational Since October 2022



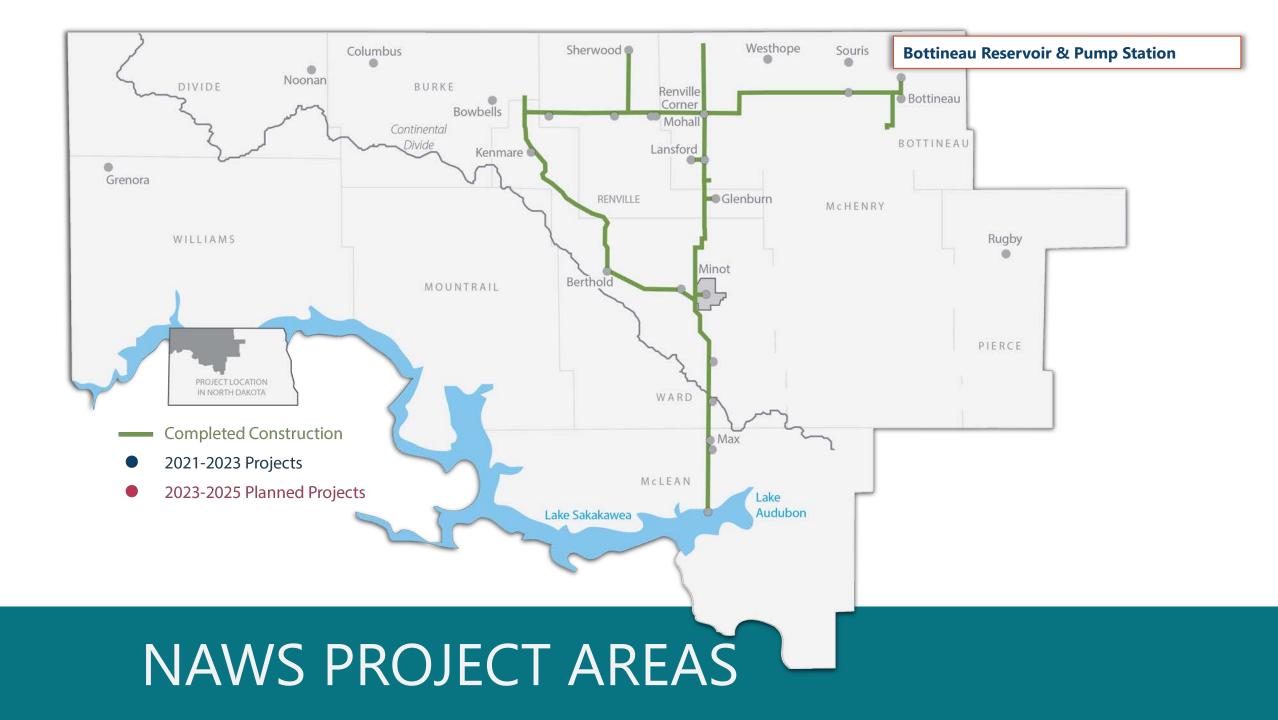
LANSFORD RESERVOIR & PUMP STATION

ICS

BOTTINEAU/ASWUD PIPELINE

Began Water Service To Bottineau - October 19, 2022





BOTTINEAU RESERVOIR & PUMP STATION

Reservoir

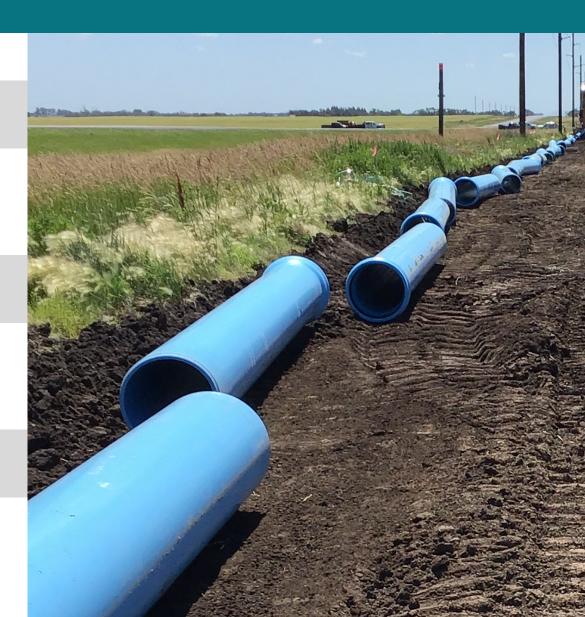
3 Million Gallons

Pump Station

1400 GPM Capacity

Completion Date

November 2024



PROJECT FUNDING NEEDS 2023-2025 BIENNIUM EXECUTIVE BUDGET



\$36 Million From City of Minot, RTF

\$25 Million Federal

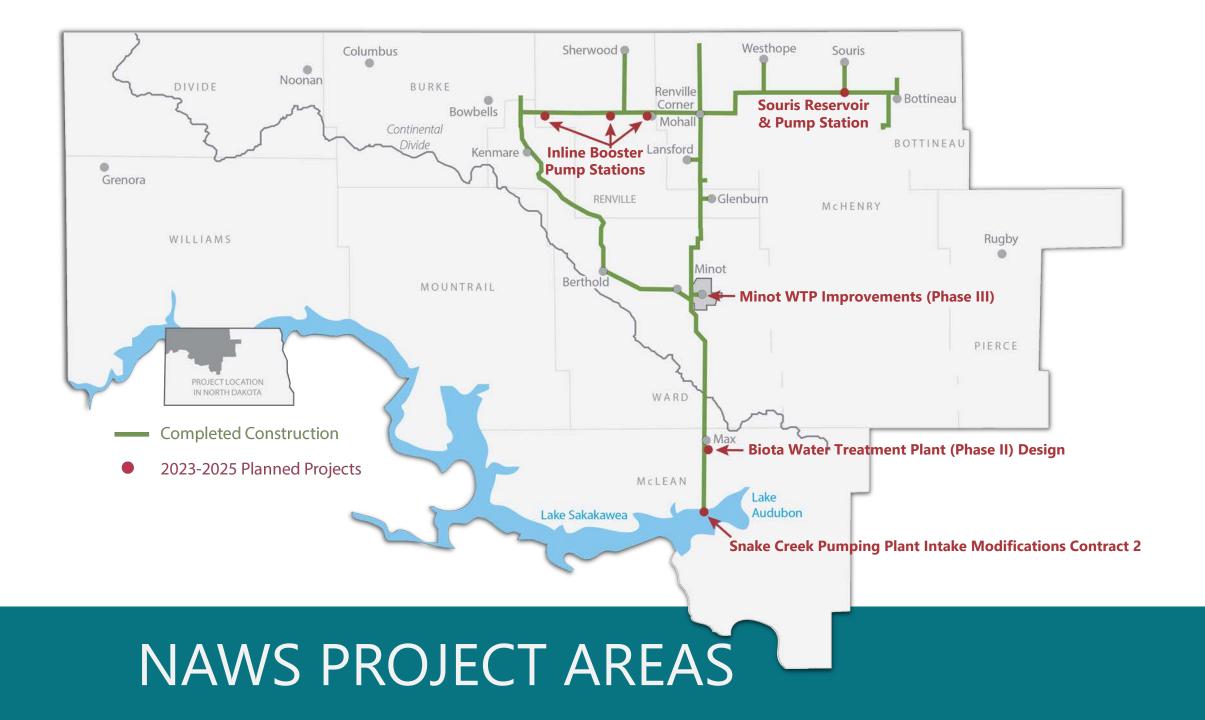
PROJECT FUNDING - ENGROSSED SB 2020

Total New Authority \$175.4 Million (Includes \$11.4 Million in Operations)

\$47.4 Million From City of Minot, RTF

\$78 Million Federal

\$50 Million Line of Credit





THANK YOU

ND Department of Water Resources
 701.328.2750
 dwr@nd.gov
 dwr.nd.gov
 www.facebook.com/NDWaterResources





Water Resources



Options to general fund selected operations of the Department of Water Resources as presented to the Senate Education and Environment Committee. -- 22

-		Option 1			Option 2	
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
SALARIES AND WAGES	\$18,547,059	\$5,262,819	\$23,809,878	\$9,008,417	\$14,801,461	\$23,809,878
OPERATING EXPENSES	21,294,089	38,184,979	59,479,068	9,261,901	50,217,167	59,479,068
CAPITAL ASSETS	3,923,950	168,472,394	172,396,344	2,094,500	170,301,844	172,396,344
WATER PROJECT GRANTS	-	439,233,275	439,233,275		439,233,275	439,233,275
TOTAL	\$43,765,098	\$651,153,467	\$694,918,565	\$20,364,818	\$674,553,747	\$694,918,565

Option 1 funds all operations of the DWR except the Development Division which includes NAWS, SWPP, and Devils Lake operations from the general fund.

Option 2 funds only the Administrative Division, Planning and Education Division, Atmospheric Resource Board, and data & technology of the DWR from general funds.



The Missouri River Joint Water Board is embarking on a program tagged the EAE Program – Educate, Advocate, and Engage – for the Missouri River System in North Dakota.

The program supports the Joint Board mission statement which seeks to provide ... "a coordinated effort ... (for) ... management, conservation, protection, development, and control of the water resources in the Missouri River Basin."

The Joint Board believes an important component in achieving that mission statement lies in an aggressive and comprehensive program that:

EDUCATES the general public and policymakers of the concerns of the users of our state with that river system ...

ADVOCATES those concerns in clear and concise communications to state and federal leaders and regulatory agencies and ...

ENGAGES with all the interests in our state, all those users and those who rely on or enjoy the benefits of the river system, so that their inputs and voices are heard in how the system is managed.

DOES THIS PROGRAM INTEREST YOU?

- Would you like to have more discussion or a special presentation of the Missouri River issues provided to your group?
- Are you interested in being on a contact or email list to keep up to date on this program and other Missouri River issues?
- Do you have specific issues or concerns on our use of the Missouri River or of regulations of such use that may affect you?

For more information on the program and to follow Missouri River issues:

Wade Bachmeier, Chairman, Missouri River Joint Water Board wade@landmarknd.us 701-400-4251

Ken Royse, Program Manager, Missouri Joint Water Board ken.royse@gmail.com 701-202-5459

WEBSITE

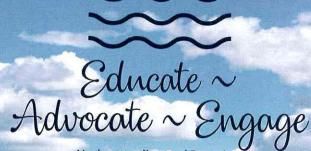
www.mrjwb.weebly.com

FACEBOOK Missouri River Joint Water Board



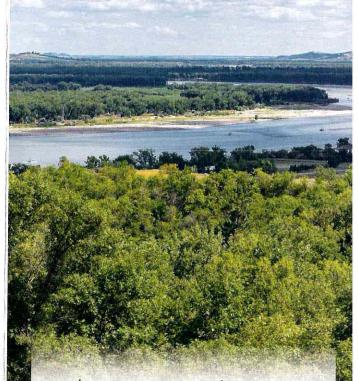
Understanding and Pursuing Missouri River Benefits for North Dakota

Missouri River Joint Water Board



Understanding and Pursuing Missouri River Benefits for North Dakota

Missouri River Joint Water Board



To jointly exercise powers to provide a cooperative and coordinated effort in addressing the management, conservation, protection, development, and control of water resources in the Missouri River Basin.

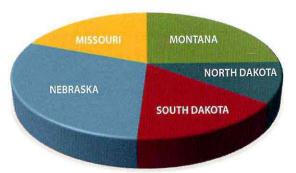
Educate

Do You Know?

- What Is the Pick Sloan Act in North Dakota?
- What did North Dakota contribute to be a part of Pick Sloan?
- What did Pick Sloan promise to our State?
- ~ What was actually provided?

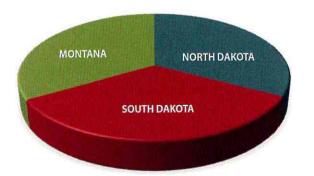
Which states contribute water into the Missouri River System?

- Montana: 15,700 cfs
- North Dakota: 6,600 cfs
- South Dakota: 10,000 cfs
- Wyoming included in MT, SD and NB
- Nebraska: 19,000 cfs
- Iowa: included in Nebraska
- Missouri: 12,000 cfs
- Kansas included in Missouri



Which states contributed land to Pick Sloan?

- North Dakota: 584,000 acres
- South Dakota: 597,000 acres
- Montana: 590,000 acres
- All Other States: 0 acres



Advocate

What Is Important to North Dakota?

- As a primary source of drinking water for many in out State?
- ~ Irrigation Development ан Кевказка Farm Income Enhancement?
- Recreational benefits and Tourism Opportunity?
- Support for Industrial and Ag Processing Facilities?

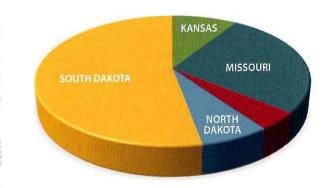
Engage

Who Sets Policy for Our Use of the River System?

- ~ Which State Agencies can hear and act on your concerns?
- How does Federal Regulations apply to our use of the System?
- Can your local county water boards play a part in river management?
- Is there legislative action or attention that is needed to ensure our beneficial use of the River System?

Water Usage By States:

- Kansas: 160,587 AFY
- Missouri: 466,065 AFY
- Nebraska: 74,800 AFY
- North Dakota: 117,570 AFY
- South Dakota: 919,439 AFY



Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

Senate Bill No. 2020												
Base Level Funding Changes						Senat	e Version				Executive Budge	
	E	xecutive Budge	et Recommendation	on	-						- Executive Budg	et
	FTE	General	Other		FTE	General	Other		FTE	General	Other	Tetal
	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total	Positions	Fund	Funds \$0	Total
· · · · · · · · · · · · · · · · · · ·	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129	0.00	\$0	\$0	20
2023-25 Biennium Base Level	90.00		4100,100,100									
2023-25 Ongoing Funding Changes							\$148,098	\$148,098				\$0
Base payroll changes			\$148,098	\$148,098			1,049,393	1,049,393			(354,895)	(354,895)
Salary increase			1,404,288	1,404,288			459,961	459,961	1		10,343	10,343
Health insurance increase			449,618	449,618			400,001	0	(3.00)		(703,398)	(703,398)
Adds FTE positions	3.00		703,398	703,398				ő	(0.00)		(2,000)	(2,000)
Adds funding for travel costs for new FTE			2,000	2,000							3* 0 - 0	
positions								0			(170,000)	(170,000)
Adds a temporary employee for the Northwest			170,000	170,000				v				
Area Water Supply Project								0			(61,609)	(61,609)
Adds funding to fund a temporary employee at			61,609	61,609				U			(*)	
the same level as an FTE position								0			(80,000)	(80,000)
Adds funding for staff training and professional			80,000	80,000				U			(00,000)	(
								0			(4,082,784)	(4,082,784)
development			4,082,784	4,082,784				0			(1,572,800)	(1,572,800)
Adds funding for IT unification Adds funding for PRESENS installations			1,572,800	1,572,800				0			(22,000)	(22,000)
Adds funding for PRESENS Installations			22,000	22,000				0			(22,000)	(,000)
Adds funding for maintenance of ground water												
modeling and related hydrologic analysis											(100,000)	(100,000)
software Adds funding from federal funds for RiskMAP			100,000	100,000				0			(100,000)	(100,000)
Adds funding from federal funds for Risking			<i></i>	0				0				
Adjusts funding among line items, including an												
increase of \$5.9 million in professional fees												
and services, a \$1.8 million increase in other												
operating expenses, and a \$7.7 million												0
decrease in capital assets				0				0				U
Adjusts funding for the Northwest Area Water												
Supply (NAWS), including a \$5.16 million												
reduction in federal funds and a corresponding												0
increase in other funds				0				0				U
Transfers \$24.6 million from the rural water												
supply grants line item to the water supply						1945 - 1945 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 -					(67 420 442)	(\$7,139,143)
grants line item	3,00	\$0	\$8,796,595	\$8,796,595	0.00	\$0	\$1,657,452	\$1,657,452	(3.00)	\$0	(\$7,139,143)	(\$7,139,143)
Total ongoing funding changes	3,00	φu	40,700,000		1							
One-Time Funding Items								50			(\$19,320)	(\$19,320)
Adds one-time funding for new FTE positions			\$19,320	\$19,320				20			(+ 10,020)	Verify and A
equipment								0			(1,532,980)	(1,532,980)
Adds one-time funding for IT unification			1,532,980	1,532,980				0			(118,180)	(118,180)
Adds one-time funding for increased motor pool			118,180	118,180				U			(110,100)	()
											(180,000)	(180,000)
rates Adds one-time funding for drilling supplies			180,000					0			(180,000)	(180,000)
Adds one-time funding for a navigability study			180,000	180,000				0	1		(750,000)	(750,000)
Adds one-time funding for a havigability study Adds one-time funding for airborne			750,000	750,000	1			0			(100,000)	(,, _),),
electromagnetic survey (AEM) data collection					1				1			
electomagnetic survey (Acim) data collection												

Adds one-time funding for ground water modeling			72,665	72,665				0			(72,665)	(72,665)
and related hydrologic analysis software Adds one-time funding for the potential relocation of the agency			200,000	200,000				0			(200,000)	(200,000)
Adds one-time funding for the Bowman radar system			1,800,000	1,800,000				0			(1,800,000)	(1,800,000)
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000				0			(1,800,000)	(1,800,000)
Adds one-time funding for flood control projects			67,000,000	67,000,000				0			(67,000,000)	(67,000,000)
Adds one-time funding for water supply grants			120,400,000	120,400,000				0			(120,400,000)	(120,400,000)
Adds one-time funding for capital improvements			77,869,696	77,869,696				0			(77,869,696)	(77,869,696)
Adds one-time funding for discretionary water project grants			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Total one-time funding changes	0.00	\$0.	\$276,922,841	\$276,922,841	0.00	\$0	\$0	\$0	0.00	\$0	(\$276,922,841)	(\$276,922,841)
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436	0.00	\$0	\$1,657,452	\$1,657,452	(3.00)	\$0	(\$284,061,984)	(\$284,061,984)
2023-25 Total Funding	93,00	\$0	\$694,918,565	\$694,918,565	90.00	\$0	\$410,856,581	\$410,856,581	(3.00)	\$0	(\$284,061,984)	(\$284,061,984)
Federal funds included in other funds			\$36,053,261				\$41,106,023	and the second second second second			\$5,052,762	
Total ongoing changes as a percentage of base level	3.3%		2.1%	2.1%	0.0%		0.4%	0.4%				
Total changes as a percentage of base level	3.3%		69.8%	69.8%	0.0%		0.4%	0.4%				

Senate Version

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

	Executive Budget Recommendation
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority. This amount is not included in the executive budget appropriation.
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.
Line item transfers	Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

		Executive Budge	et Recommendat	ion		Senat	e Version		1 5	enate Changes t	o Executive Bud	
	FTE	General	Other						Inc	rease (Decrease	- Executive Bud	get
	Positions	Fund	Funds	T-1-1	FTE	General	Other		FTE	General	Other	uget
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	Total \$409,199,129	Positions 90.00	Fund	Funds	Total	Positions	Fund	Funds	Total
2023-25 Ongoing Funding Changes			100,100,120	0400,100,120	90.00	\$0	\$409,199,129	\$409,199,129	0.00	\$0	\$0	\$0
Base payroll changes			\$148,098	\$148.098								
Salary increase			1,404,288	1,404,288			\$148,098	\$148,098				\$0
Health insurance increase			449,618	449,618			1,049,393	1,049,393			(354,895)	(354,895)
Adds FTE positions	3.00		703.398	703,398			459,961	459,961			10,343	10,343
Adds funding for travel costs for new FTE			2,000	2,000				0	(3.00)		(703,398)	(703,398)
positions			2,000	2,000				0	10 (A		(2,000)	(2,000)
Adds a temporary employee for the Northwest			170,000	170,000			170.000					(
Area Water Supply Project				110,000			170,000	170,000				0
Adds funding to fund a temporary employee at			61,609	61,609			04.000	121212121212				
the same level as an FTE position			- 1,000	01,000			61,609	61,609				0
Adds funding for staff training and professional			80,000	80,000								
development			00,000	80,000			80,000	80,000				0
Adds funding for IT unification			4,082,784	4,082,784								0
Adds funding for PRESENS installations			1,572,800	1,572,800			4,082,784	4,082,784				0
Adds funding for maintenance of ground water			22,000	22,000			1,572,800	1,572,800				0
modeling and related hydrologic analysis			22,000	22,000			22,000	22,000				0
software												
Adds funding from federal funds for RiskMAP			100,000	100,000			100.000					
Adjusts funding among line items, including an				0			100,000	100,000				0
increase of \$5.9 million in professional fees								0				0
and services, a \$1.8 million increase in other												
operating expenses, and a \$7.7 million				8								
decrease in capital assets												
Adjusts funding for the Northwest Area Water				0								
Supply (NAWS), including a \$5.16 million				°				0				0
reduction in federal funds and a corresponding												
increase in other funds												
Transfers \$24.6 million from the rural water				0								
supply grants line item to the water supply				U I				0				0
grants line item												
Reduces funding for rural water supply grants				0			//0.000.000	a constant of				
Reduces funding for general water grants				ő			(19,600,000)	(19,600,000)			(19,600,000)	(19,600,000)
Adds funding for water supply grants				0			(2,233,275)	(2,233,275)			(2,233,275)	(2,233,275)
Adds funding for flood control projects				ō			158,000,000	158,000,000			158,000,000	158,000,000
Adds funding for capital assets				0			66,600,000 23,473,352	66,600,000			66,600,000	66,600,000
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	0.00	\$0	\$233,986,722	23,473,352 \$233,986,722			23,473,352	23,473,352
One-Time Funding Items							\$200,000,722	\$233,980,722	(3.00)	\$0 5	\$225,190,127	\$225,190,127
Adds funding for new FTE positions equipment			\$19,320	\$19,320								
Adds funding for IT unification			1,532,980	1,532,980				\$0			(\$19,320)	(\$19,320)
Adds funding for increased motor pool rates			118,180	118,180			1,532,980	1,532,980			((0,020)
Adds funding for drilling supplies inflation			180,000	180,000			118,180	118,180				0
Adds funding for a navigability study			180,000	180,000			180,000	180,000				Ő
Adds funding for airborne electromagnetic			750,000	750,000			180,000	180,000				0
survey (AEM) data collection			140	,00,000			750,000	750,000				0
				2				1				

Adds funding for ground water modeling and related hydrologic analysis software			72,665	72,665			72,665	72,665				o
Adds funding for the potential relocation of the agency			200,000	200,000			200,000	200,000				0
Adds funding for the Bowman radar system			1,800,000	1,800,000			1,800,000	1,800,000				0
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000			1,800,000	1,800,000				0
Adds one-time funding for flood control projects			67,000,000	67,000,000				0			(67,000,000)	(67,000,000)
Adds one-time funding for water supply grants			120,400,000	120,400,000				0			(120,400,000)	(120,400,000)
Adds one-time funding for capital improvements			77,869,696	77,869,696				0			(77,869,696)	(77,869,696)
Adds one-time funding for discretionary funds			5,000,000	5,000,000			1,000,000	1,000,000			(4,000,000)	(4,000,000)
Adds funding for basinwide plan implementation				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding from a line of credit				0				0				0
Adds federal funds for capital assets				0			42,000,000	42,000,000			42,000,000	42,000,000
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841	0.00	\$0	\$50,633,825	\$50,633,825	0.00	\$0	(\$226,289,016)	(\$226,289,016)
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436	0.00	\$0	\$284,620,547	\$284,620,547	(3.00)	\$0	(\$1,098,889)	(\$1,098,889)
2023-25 Total Funding	93,00	\$0	\$694,918,565	\$694,918,565	90.00	\$0	\$693,819,676	\$693,819,676	(3.00)	\$0	(\$1,098,889)	(\$1,098,889)
Federal funds included in other funds			\$36,053,261	•			\$78,045,586	Construction of the second			\$41,992,325	
Total ongoing changes as a percentage of base level	3.3%		2.1%	2.1%	0.0%		57.2%	57.2%				
Total changes as a percentage of base level	3.3%		69.8%	69.8%	0.0%		69.6%	69.6%				

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

	Executive Budget Recommendation	Senate Version
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.	Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority.	Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority.
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.	Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.
Basinwide water plan implementation Water projects stabilization fund		Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects. Section 7 identifies \$120 million of the amount appropriated in section 1 is from the water projects stabilization fund.
Line of credit		Section 8 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for NAWS and \$50 million may be used for SWPP.
2021-23 biennium discretionary funding		Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.
Red River water supply		Section 10 provides legislative intent for a total of \$939.1 million for the Red River water supply project, of which \$175 million is provided during the 2023-25 biennium.
Mouse River flood control		Section 11 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.
Southwest pipeline project		Section 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the southwest pipeline project.

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

	Executive Budget Recommendation	Senate Version	
Line item transfers	Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.	Section 13 provides authority for the director of the Department of Water Resources to transfer up to 15 percent of the total amount appropriated in the capital assets line item between the operating expenses and capital assets line items.	
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 14 provides that any unexpended obligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	
Emergency		Section 15 declares the bill to be an emergency measure.	

and the second second

Prepared by the Legislative Council staff for Senate Appropraitions - EE February 1, 2023

SENATE BILL NO. 2020 LISTING OF PROPOSED CHANGES TO BILL

Department - Water Resources

Propos	ed funding items:	FTE	General Fund	Special Funds	Total
	Description	-			
1	Rural Water Systems Association - Various projects			\$91,000,000	\$91,000,000
2	Lower Heart River Water Resource District			\$12,300,000	\$12,300,000
3	Bismarck - Water treatment plant, Hay Creek lift station, Hay Creek interceptor, and treatment equalization basin			\$108,000,000	\$108,000,000
4	Valley City flood protection			\$13,200,000	\$13,200,000
5	Souris (Mouse) River plan			\$100,000,000	\$100,000,000
6	Red River Retention Authority - Pilot watershed planning program			\$12,000,000	\$12,000,000
7	Northwest Area Water Supply (NAWS)			\$61,000,000	\$61,000,000
8	Red River Valley Water Supply Project			\$255,000,000	\$255,000,000
9	Southwest Water Authority - Southwest water treatment plant expansion, West Zone transmission facility improvements, strategic hydraulic improvements, and supplementary intake pump station			\$131,600,000	\$131,600,000
10	Wester Area Water Supply (WAWS)			\$46,008,750	\$46,008,750
11	City infrastructure			\$118,000,000	\$118,000,000
12					\$0
13	*				\$0
14					\$0
15			8(\$0
Tot	al proposed funding changes	-	\$0	\$948,108,750	\$948,108,750
121012					

Other proposed changes:

1 Garrison Diversion Conservancy District - Requested a true 50 percent cost share for McClusky Canal irrigators

2 Individuals requested funding for landowners and townships negatively affected by the Red River Valley Water Supply Project.

3

		Proposed Senate	Proposed Senate	Governor's
	Base Level	Adjustments	Version	Recommendation
Capital Assets	98,467,437	167,379,801	265,847,238	172,396,344
Water Supply Grants	125,000,000	158,000,000	283,000,000	270,000,000
Rural Water Supply Grants	59,600,000	(19,600,000)	40,000,000	35,000,000
Flood Control Projects	48,000,000	66,600,000	114,600,000	115,000,000
General Water Grants	14,227,275	(2,227,275)	12,000,000	14,233,275
Basinwide Plan Implementation		1,000,000	1,000,000	-
Discretionary Funds	-	1,000,000	1,000,000	5,000,000

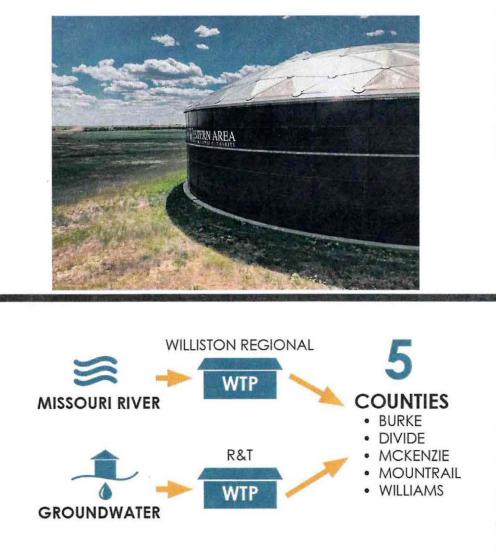


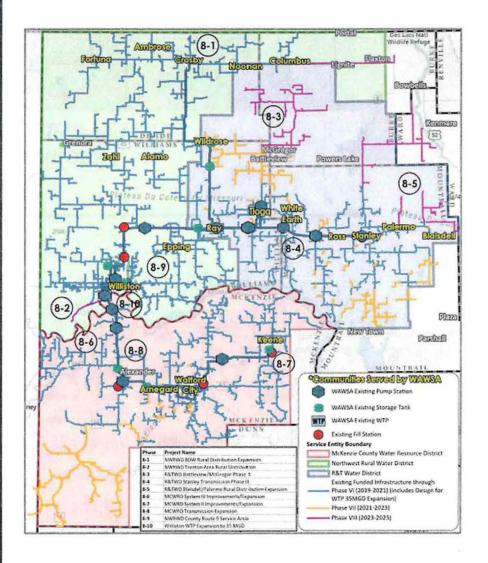
SB2020

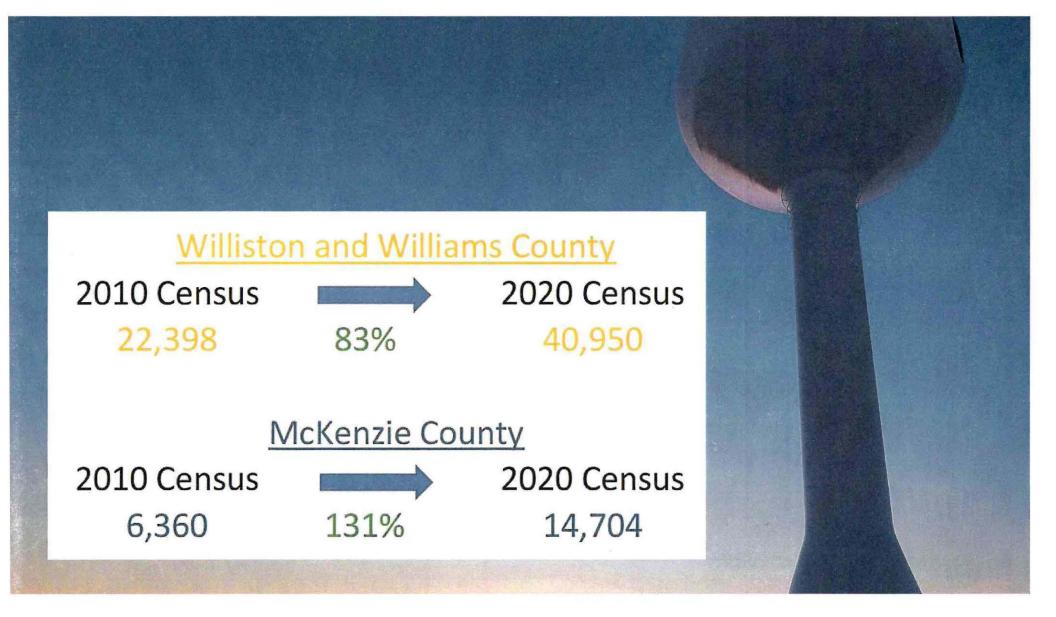
House Appropriations Education and Environment Division

Tami Madsen, Executive Director

March 9, 2023







Member Entity	Ye	ar	Growth	
	2011	2022	- (2011-2022)	
McKenzie County Water Resource District	200	1466	633%	
Northwest Rural Water BDW	1383	2639	91%	
R&T Water	90	800	789%	
Total Connections	1673	4905	193%	

WESTERN AREA

2021-2023 Biennium Funding Request

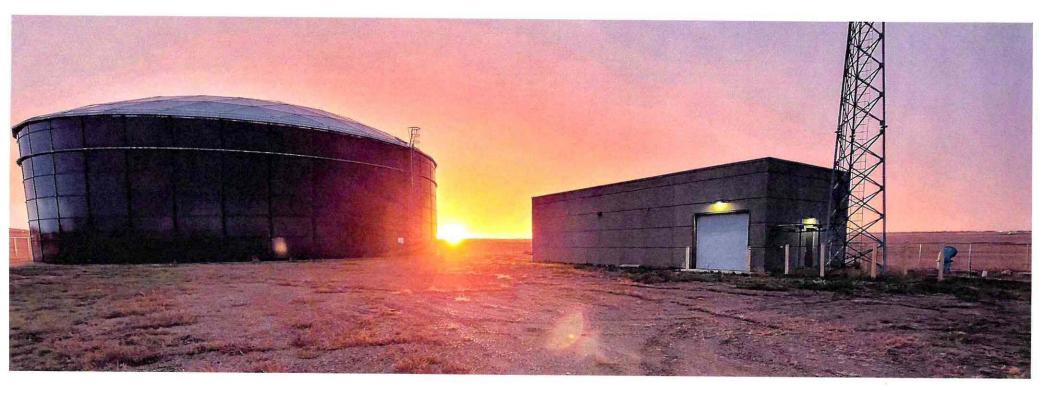
Proposed System Improvements/Expansion	Requested 2021- 2023 Funding	Requested State Cost Share	2021-2023 Local Cost Share
R&TWD - East White Earth Alternates - Construction Funding	\$5,604,000	\$4,203,000	\$1,401,000
R&TWD - West White Earth Rural Distribution Alternates - Construction Funding	\$2,800,000	\$2,100,000	\$700,000
R&TWD - Stanley Rural Distribution - Part 2 - Construction Funding	\$5,008,000	\$3,756,000	\$1,252,000
R&TWD - Battle View/McGregor Rural Distribution - Construction Funding	\$5,429,000	\$4,071,750	\$1,357,250
R&TWD - Service to Stanley - Phase II - Construction Funding	\$11,180,000	\$8,385,000	\$2,795,000
NWRWD - North 200K Rural Distribution - Construction Funding	\$3,770,000	\$2,827,500	\$942,500
NWRWD - 29 Mile Rural Distribution - Construction Funding	\$8,978,000	\$6,733,500	\$2,244,500
MCWRD - System I - Part II Rural Distribution - Construction Funding	\$4,075,000	\$3,056,250	\$1,018,750
NWRWD – County Route 9 Service Area	\$680,000	\$510,000	\$170,000
R&TWD – East White Earth Alternate 2	\$64,000	\$48,000	\$16,000
R&TWD – Stanley Part II – Alternates 2 & 3	\$350,000	\$262,500	\$87,500
Totals	\$47,938,000	\$35,953,500	\$11,984,500



2023-2025 Biennium Funding Request

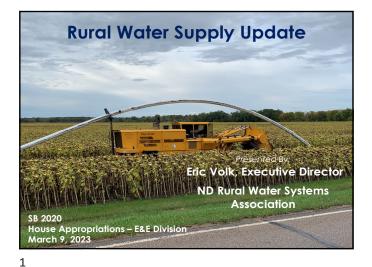
Proposed System Improvements/Expansion	2023-2025 State Cost Share Request	2023-2025 Budgeted State Cost Share		Budgeted State Budgeted	
NWRWD – BDW Rural Distribution Expansion	PC	\$	330,000	\$	110,000
NWRWD – Trenton Area Rural Distribution Expansion	PC	\$	622,500	\$	207,500
R&TWD - Battle View/McGregor Rural Distribution Expansion	PC	\$	701,250	\$	233,750
R&TWD - Stanley Transmission Improvements - Phase II	С	\$	5,362,500	\$	1,787,500
R&TWD - Blaisdell/Palermo & Misc. Rural Distribution System Expansion	PC	\$	292,500	\$	97,500
MCWRD - System IV Improvements/Expansion	PC	\$	247,500	\$	82,500
MCWRD - System II Improvements/Expansion	PC/C	\$	5,775,000	\$	1,925,000
MCWRD - Transmission System Expansion	PC	\$	1,447,500	\$	482,500
NWRWD - County Route 9 Service Area	С	\$	4,320,000	\$	1,440,000
Williston - WTP Expansion to 35 MGD	С	\$	26,910,000	\$	17,940,000
Subtotals		\$	46,008,750	\$	24,306,250
Total 2023 - 2025 Biennium CIP				\$	70,315,000





Tami Madsen, Executive Director tami.madsen@wawsp.com 701-609-0450





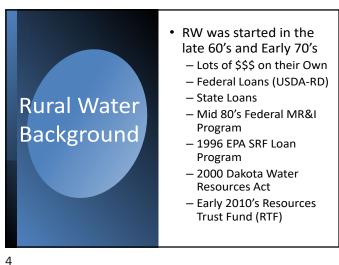


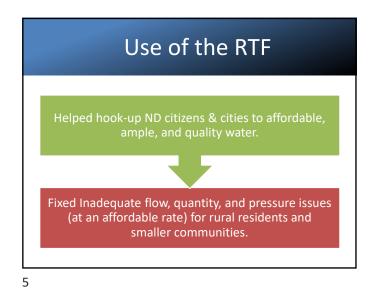
NDRWSA Vision:

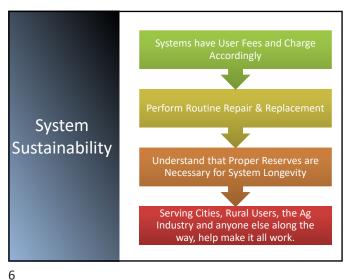
All of North Dakota has access to affordable, ample, and quality water.

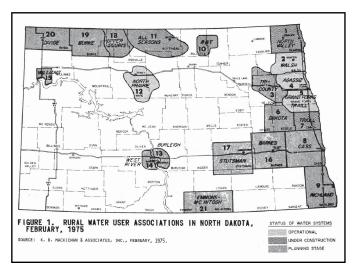


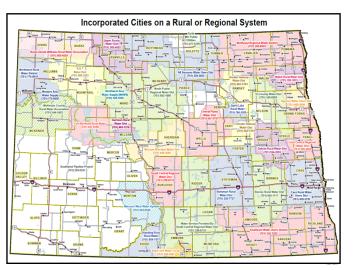








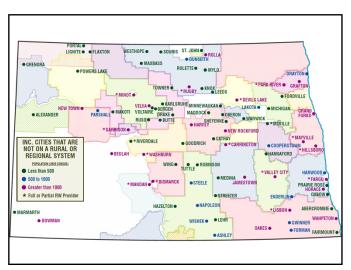




Rural/Regional Water on a Statewide Basis

- Touches Every County in the State
- Provides Water Service to over 170,000 Rural Residents through over 70,000 Connections
- Network of 41,000 Miles of Pipe
- Serves 75% of ND's 355 Inc. Cities
- Furnishes Water Service to nearly 129,000 Residents in Cities
- No Taxing Authority
- Did Not Receive Any Direct Federal Stimulus Dollars*
- Do Not Have a Prairie Dog Bucket

9



ND Water Service Data 355 Inc. Cities 266 on Rural/Regional Water 108 are Ind. Metered 158 are Bulk Users 158 are Bulk Users 4 from Other Cities 89 Cities have their own 89 Cities have their own 81 Strom Ind. Wells

77 from Own Source

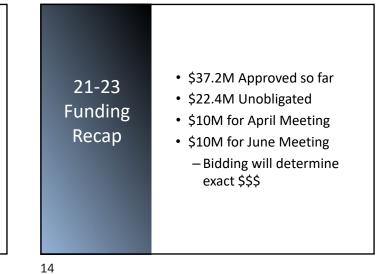
10

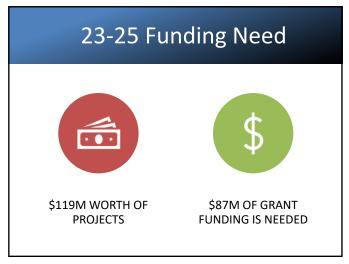
Service Population by % 60% Cities not on RW 38% on RW

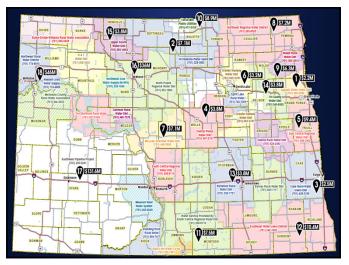
- Residential
- City
- 1% Census Designated Places not on RW or counted in the City #s (AFBs)
- 1% Remaining to serve

Source

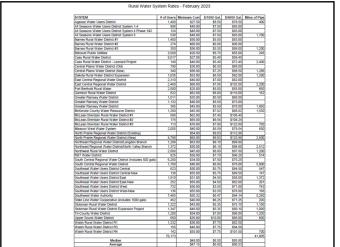
21-23 Funding Recap	 \$59.6M in the RW Bucket WAWS is in the Water Supply Bucket SWPP & NAWS are in the Capital Assets Bucket Other Rural/Regional Systems \$21.2M has been added from the State Fiscal Recovery Funds \$10.6M for ND Soybean Plant \$10.6M for 21-23 & Carryover
13	



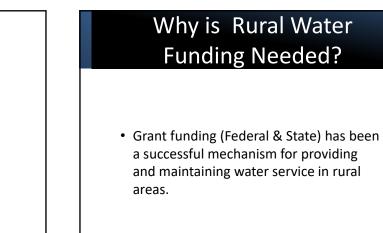




Local Sponsor	Project Name	SWC 23-25 Grant	Local Share	Total Project Cor
Agassiz Water Users District	Reservoir 1 to 3 Transmission Expansion	\$2,150,550	\$716,850	\$2,867,40
All Seasons Water Users District	System 1 Expansion - Phase 2	\$7,125,000	\$2,375,000	\$9,500,00
Cass Rural Water District	County Road 17 Improvements	\$891,675	\$297,225	\$1,188,90
Cass Rural Water District	System Wide Improvements	\$1,575,000	\$525,000	\$2,100,00
Central Plains Water District	Connection to the city of Maddock	\$3,750,000	\$1,250,000	\$5,000,00
East Central Regional Water District	Individual Service to Galesburg*	\$1,337,737	\$445,913	\$1,783,65
East Central Regional Water District	Hillsboro WTP Expansion	\$2,124,513	\$708,171	\$2,832,68
East Central Regional Water District	Wellfield, Transmission & User Expansion	\$5,954,906	\$1,984,968	\$7,939,87
Greater Ramsey Water District	North System Capacity Improvements	\$3,216,410	\$1,072,137	\$4,288,54
McLean-Sheridan Rural Water District	Phase 2 WTP Construction	\$4,800,000	\$1,600,000	\$6,400,00
McLean-Sheridan Rural Water District	Phase 3 Expansion	\$2,300,000	\$800,000	\$3,100,00
Northeast Regional Water District	Bulk Cities to Individual Services	\$2,698,986	\$899,662	\$3,598,64
Northeast Regional Water District	WTP and Wellfield Expansion	\$4,500,000	\$1,500,000	\$6,000,00
Northeast, Walsh, Agassiz, Tri-County, & East Central RWDs	Northeast North Dakota Long-Term Groundwater Supply	\$6,255,647	\$2,085,215	\$8,340,86
Rolette County - Turtle Mountain	Highway 43 Reservoir & Pump Station Improvements	\$3,000,000	\$2,000,000	\$5,000,00
Rolette County - Turtle Mountain	Three Mile Road Rural Water Main Replacement	\$1,125,000	\$875,000	\$2,000,00
Rolette County - Turtle Mountain	Highway 3 and BIA 8 Water Main Replacement	\$4,822,500	\$3,607,500	\$8,430,00
South Central Regional Water District	Service to the city of Ashley	\$7,500,000	\$2,500,000	\$10,000,00
Southeast Water Users District	West System Water Treatment Plant Improvements	\$10,350,000	\$3,450,000	\$13,800,00
Stutsman Rural Water District	Raw Water Facilities Improvement*	\$3,203,250	\$1,067,750	\$4,271,00
Stutsman Rural Water District	Service to the city of Streeter	\$582,000	\$194,000	\$776,00
Tri-County Water District	Phase 6 Expansion	\$1,350,000	\$450,000	\$1,800,00
Tri-County Water District	Phase 7 Expansion - McVille Area	\$2,464,500	\$821,500	\$3,286,00
Upper Souris Rural Water District	Improvements & Expansion - Phase 2	\$3,750,000	\$1,250,000	\$5,000,00
	Totals	: \$86,827,674	\$32,475,891	\$119,303,56
	*Might be funded using 21-23 funds.			
		\$34,708,773 Would	match what the DWR has	for High & Mod
		\$34,275,307 Project	s who were/will be funded	I partially in 21-23
		\$17,843,594 Remain	ning Projects (Corrects lack	of water)
		\$86,827,674 Total		



Why is Rural Water funding Needed? f The grant funding allows those residents in smaller communities and rural areas to receive a basic necessity of life for a reasonable price. f Those rural residents do pay their fair share through historically higher rates.



Why is Rural Water Funding Needed?

 In the mid 1990's, the systems provided water service to about 90,000 residents. Today, they serve around 300,000 residents.

Why is Rural Water Funding Needed?

 Proper Federal and State grant funding, 100s of millions (maybe Billions) of dollars of loans/other pay backs and an immense amount of hard work by the systems, make this all possible.

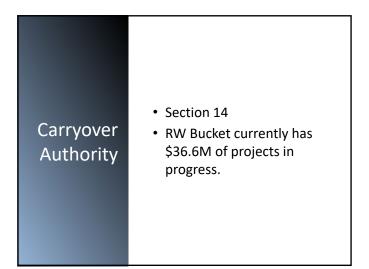
21

Why is Rural Water Funding Needed?

Increased demands of the Agriculture Industry. Helping our farmers and ranchers

conomically feed the world.

They provide us with the food security we sometimes take for granted.

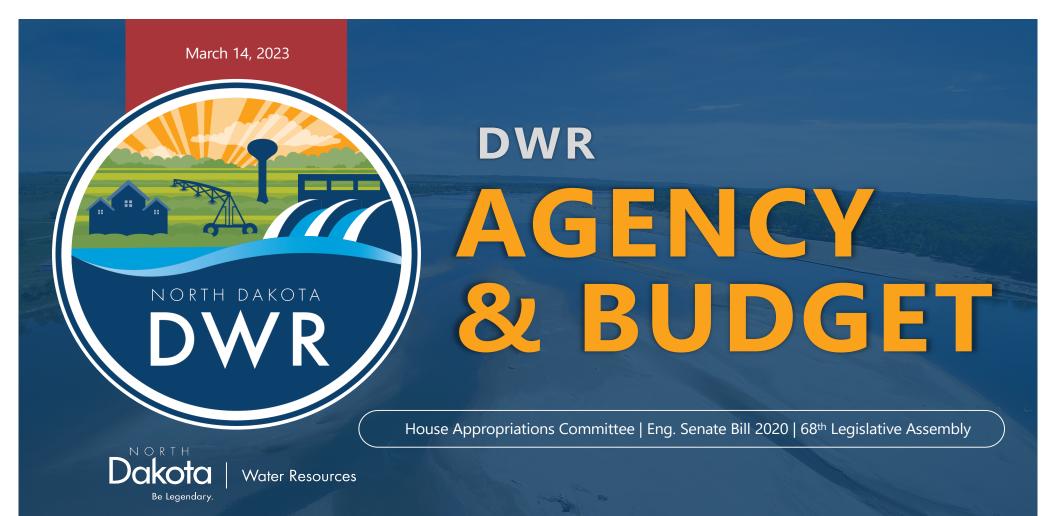


24

Rural Water Supply DWR Project Summary January 2023								
System	Project	Approved	Total Approved T	otal Payments	Balance	% of Balance		
North Central	Carpio/Berthold Phase 2	4/1/2015	\$258,691	\$0	\$258,691	0.71%		
All Seasons	System 4 Connection to System 1	12/11/2015	\$4,900,000	\$71,215	\$4,828,785	13.18%	\$5,087,476	13.89% 201
North Central	Mountrail Expansion Phase 2	8/23/2017	\$2,919,153	\$1,244,997	\$1,674,156	4.57%		
North Central	Mountrail Expansion Phase 3	8/23/2017	\$3,384,126	\$31,816	\$3,352,310	9.15%	\$5,026,466	13.72% 201
Tri-County	System Expansion Project	8/9/2018	\$28,929	\$0	\$28,929	0.08%	\$28,929	0.08% 201
Dakota	2019 Expansion	4/9/2020	\$2,053,156	\$2,053,156	\$0	0.00%		
East Central	2019 Expansion Phase IV	10/8/2020	\$2,520,722	\$2,022,930	\$497,792	1.36%		
North Prairie	Minot to Velva Highway 52 Improvement	10/8/2020	\$609,148	\$129,378	\$479,770	1.31%	\$977,562	2.67% 202
Walsh	Drayton Water Supply Project - Phase 1 & 2	2/11/2021	\$7,323,029	\$3,839,694	\$3,483,335	9.51%		
East Central	Hatton Water Supply	4/8/2021	\$75,000	\$75,000	\$0	0.00%		
East Central	Grandin Water Supply	6/8/2021	\$185,953	\$124,343	\$61,610	0.17%		
Northeast	Expansion - Adams/Walsh RWD	6/8/2021	\$50,000	\$50,000	\$0	0.00%		
Barnes	2021 Storage Expansion	10/14/2021	\$112,000	\$112,000	\$0	0.00%	\$3,544,945	9.68% 202
	Total Rural Water Carryover		\$24,419,907	\$9,754,529	\$14,665,378	40.03%	\$14,665,378	40.03%
Northeast	Expansion - Adams/Walsh RWD	6/8/2021	\$160,000	\$138,561	\$21,439	0.06%		
Dakota	2019 Expansion	8/12/2021	\$904,144	\$185,291	\$718,853	1.96%		
East Central	Hatton Water Supply	8/12/2021	\$1,058,276	\$640,442	\$417,834	1.14%		
Upper Souris	2021 Improvements and Expansion	8/12/2021	\$590,000	\$166,815	\$423,185	1.16%		
Barnes	2021 Storage Expansion	10/14/2021	\$770,711	\$535,280	\$235,430	0.64%		
Agassiz	2022 Expansion Phase 2	10/14/2021	\$332,500	\$40,940	\$291,560	0.80%		
Cass	2022 System Distribution Project	10/14/2021	\$2,517,095	\$203,472	\$2,313,623	6.32%		
McLean-Sheridan	McClusky Water Tower Replacement	2/23/2022	\$2,577,559	\$687,622	\$1,889,937	5.16%		







SB 2020: DWR BUDGET SUMMARY

Full Time Equivalents (FTE)	90	93	93
TOTAL	\$409,199,129	\$694,918,565	\$834,928,344
Basinwide Plan	-	\$ 0	\$1,000,000
Discretionary Projects	-	\$5,000,000	\$1,000,000
General Water Projects	\$14,227,275	\$14,233,275	\$12,000,000
Flood Control Projects	\$48,000,000	\$115,000,000	\$114,600,000
Rural Water Supply	\$59,600,000	\$35,000,000	\$40,000,000
Water Supply Projects	\$125,000,000	\$270,000,000	\$283,000,000
Capital Assets	\$98,467,437	\$172,396,344	\$300,383,950
Operating Expenses	\$43,366,550	\$59,479,068	\$59,479,068
Salaries & Wages	\$20,537,867	\$23,809,878	\$23,465,326
	2021-2023 Base Level	2023-2025 Executive Rec.	Engrossed SB 2020

SB 2020: DWR BUDGET SUMMARY 2023-25 SALARIES AND WAGES

			2023-20 Executive		Engrossed SB 2020
2021-23 Salaries & Wages Base			\$20,537,	867	\$20,537,867
Cost to continue adjustment	Cost to continue adjustment		148,09	8	148,098
Salary and health insurance in	Salary and health insurance increase		1,795,5	62	1,499,354
3 FTE (Regulatory Division, Water Appropriation & PRESENS System Support)			751,74	2	703,398
1 Full Time Temp - NAWS			170,000		170,000
4 temporary employees to in	stall PRESENS system	S	345,000		345,000
Full Time Temp (Benefits)			61,609		61,609
2023-25 Salaries & Wages	2023-25 Salaries & Wages		\$23,809,	878	\$23,465,326
	Base	Request		Rec	ommendation
Full Time Equivalents (FTE)	90	3			93

ADDRESSING SALARY CHALLENGES FOR OUR TEAM MEMBERS

EXECUTIVE REQUEST



Recommended To Address Internal Equity & External Market Factors That Affect Existing Team Members. This Would Assist With Reducing Turn-over & Would Support Competitive Pay & Compression Adjustments.

DWR SUPPORTS SENATE BILL 2015

Example: Hydrologist Positions Are **Well** Below Private Sector.

HYDROLOGIST POSITIONS

22%

SB 2020: DWR BUDGET SUMMARY

2023-25 OPERATING EXPENSES	2023-2025 Executive Rec.	Engrossed SB 2020
2021-23 Operating Expenses Base	\$43,366,550	\$43,366,550
Shifted Funding From Capital Assets Primarily For Engineering Fees & Utilities	7,744,789	7,744,789
IT Standardization, Applications, & Security (\$1,532,980 one-time)	5,615,764	5,615,764
PRESENS Installations	1,227,800	1,227,800
Professional Development	80,000	80,000
Groundwater Modeling/Analysis Software (\$72,665 one-time)	94,665	94,665
Computers for 3 New FTE (\$19,320 one-time) & Travel Expense Increase (\$2,000)	21,320	21,320
AEM Survey Technology (All one-time)	750,000	750,000
Motor Pool Rate Increase (All one-time)	118,180	118,180
Drilling Supply Cost Increases (All one-time)	180,000	180,000
Navigability Study (All one-time)	180,000	180,000
RiskMAP - *Federal Funding Spending Authority	100,000	100,000
2023-25 Operating Expenses	\$59,479,068	\$59,479,068

SB 2020: DWR BUDGET SUMMARY

2023-25 CAPITAL ASSETS

	2023-2025 Executive Rec.	Engrossed SB 2020
2021-23 Capital Assets Base	\$98,467,437	\$98,467,437
Shifted Funding From Capital Assets Primarily For Engineering Fees & Utilities	(7,740,789)	(7,740,789)
State Owned Water Project Funding (All one-time)*	77,869,696	205,857,302
Bowman Radar Replacement (All one-time)	1,800,000	1,800,000
New Drilling Rig (All one-time)	1,800,000	1,800,000
Office Modification (All one-time)	200,000	200,000
2023-25 Capital	\$172,396,344	\$300,383,950

*A \$100 million line of credit from the Bank of North Dakota was provided, of which \$50 million was for SWPP and \$50 million was for NAWS. Federal funding was also increased from \$25 million to \$78 million.

	I FUII II
	Motor F
	IT Stanc
	PRESEN
S N	Drilling
$O \vdash$	Navigat
μ	AEM Su
ΔD	Ground
NR (RE(Professi
	Full Tim
	Bowma

3 FTE (\$19,320 equipment and \$2,000 travel)		\$773,062		\$724,718
1 Full Time Temp - NAWS	S	\$170,000		\$170,000
Motor Pool Rate Increase	Ζ	\$118,180		\$118,180
IT Standardization, Applications, & Security		\$5,615,764		\$5,615,764
PRESENS Installations & Temp Salaries	DATIO	\$1,572,800	20	\$1,572,800
Drilling Supply Cost Increases	Ζ	\$180,000	20	\$180,000
Navigability Study	Ы М	\$180,000	SB	\$180,000
AEM Survey Technology	Σ	\$750,000		\$750,000
Groundwater Modeling/Analysis Software	0 0	\$94,665	S Б	\$94,665
Professional Development	Б Ш	\$80,000	OS	\$80,000
Full Time Temp - FTE Conversion	/Е	\$61,609	GR	\$61,609
Bowman Radar Replacement	CUTIVE	\$1,800,000	С И Ш	\$1,800,000
New Drilling Rig	C	\$1,800,000		\$1,800,000
Office Modifications	EXE	\$200,000		\$200,000
RiskMAP - *Federal Funding Spending Authority	ш	\$100,000*		\$100,000*
TOTAL OPTIONAL REQUESTS		\$13,496,080		\$13,447,736

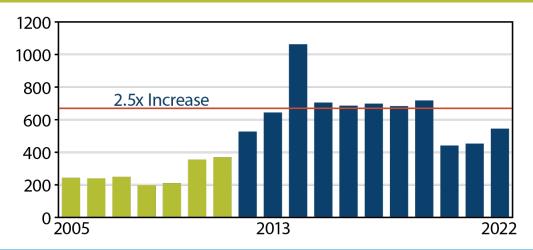
REQUEST FOR 3 FTE

2023-2025 REQUEST: \$773,062

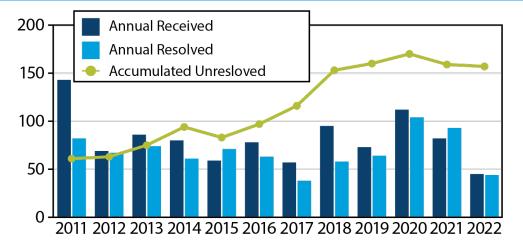
Includes One For The Regulatory Division To Assist With Permitting & Two For The Water Appropriation Division That Would Work On Water Appropriation & PRESENS System Support

Assist With Significantly Reducing Delays So Constituents Receive Permits In A Timelier Manner

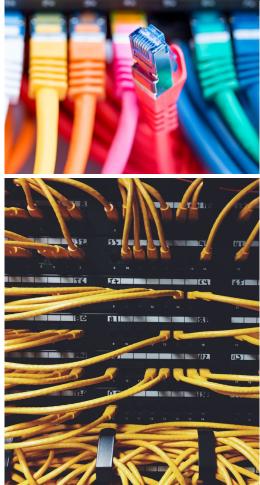
TEMPORARY WATER PERMIT APPLICATIONS (ANNUAL)



TRENDS IN REGULATORY APPLICATIONS & REVIEWS



IT STANDARDIZATION, APPLICATIONS & SECURITY



To Consolidate & Standardize IT Services Under One Umbrella Through NDIT:

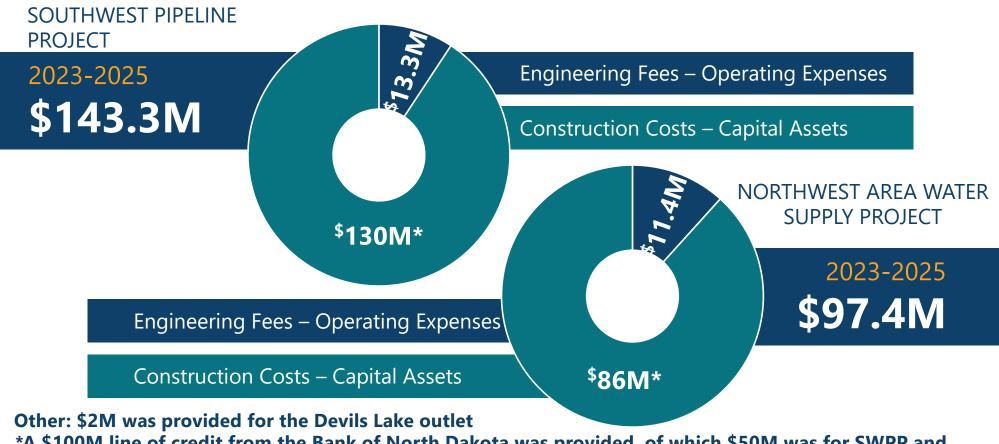
- File Services
- Computational Infrastructure For Scientific Applications
- Big Data Development/Production For Various Data Types
- Big Data Administrative Costs
- Costs Associated With Additional FTE For NDIT
- Business Analysis
- Project Management
- Project Oversight

2023-2025 Request: \$5,615,764

2023-2025 PURPOSE FUNDING



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

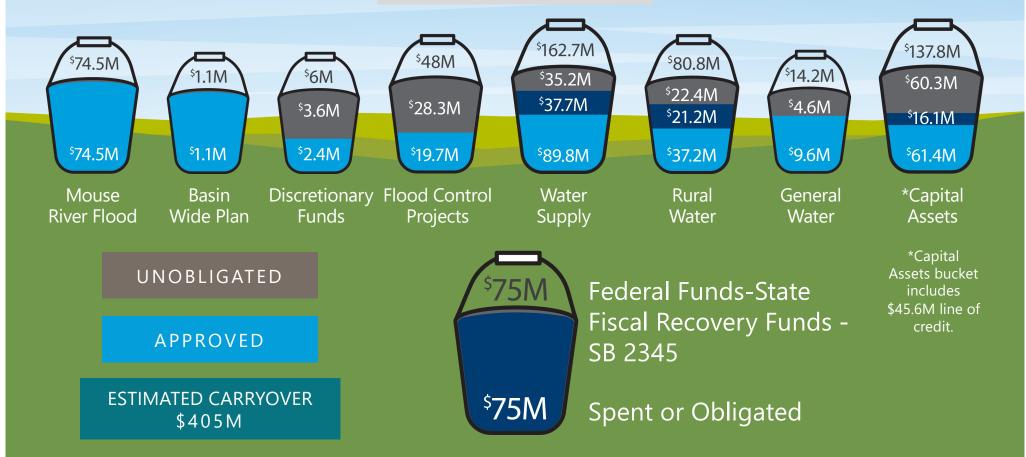


*A \$100M line of credit from the Bank of North Dakota was provided, of which \$50M was for SWPP and \$50M was for NAWS.

STATE OWNED WATER PROJECTS \$240.7M



FEBRUARY 28, 2023



OTHER ENG. SB 2020 SECTIONS



SECTION 3

 Additional Income Appropriation Section For Additional Amounts In The Resources Trust Fund For Defraying The Expenses Of The Department, Excluding Operating Expenses & Salaries & Wages.

SECTION 5

 A Section Identifying The Purpose Of The Discretionary Funds Which May Be Used As Necessary Except For Salaries & Wages.

SECTION 8

 A Section Authorizing A \$100 Million Line Of Credit From The Bank Of North Dakota For NAWS (\$50 Million) & SWPP (\$50 Million). SB 2196 Also Includes A Line Of Credit For NAWS That Should Be Removed.

OTHER ENG. SB 2020 SECTIONS



SECTIONS 10, 11, & 12

Intent Related To Red River Valley Water Supply (\$175M 2023-2025 With \$953M Total Remaining), Mouse River Flood Control (\$76.1M 2023-2025 With \$380.5M Total Remaining), & Southwest Pipeline Project (\$40M Through 2025-2027).

SECTION 13

 A Section Providing Authority For Line-Item Transfers Up To \$13,292,362 Between The Operating & Capital Assets Line Items.

SECTION 14

 Exemption Section Providing Authority To Carryover \$405 Million Of Unexpended Obligated & Unobligated Funding Related To Water Projects.

SECTION 15

• A Section Declaring SB 2020 To Be An Emergency Measure.

SB 2020: REQUESTED CHANGES

Changes to Eng. SB 2020:

- Increase discretionary funding from \$1 million to the executive recommendation of \$5 million.
- Increase salary and wage increases to the executive recommended level of 6% and 4%.
- Amend Section 12 to identify the \$40 million is for the SWPP water treatment plant.





Testimony Senate Bill 2020—Department of Water Resources House Appropriations Committee Representative Mike Nathe, Chairman March 14, 2023

Good afternoon, Chairman Nathe, and members of the House Appropriations Environment and Education Committee, I am Andrea Travnicek, Director of the North Dakota Department of Water Resources. As the director, I serve as head of the Department of Water Resources and Secretary to the State Water Commission.

1. Cite the North Dakota Century Code chapter(s) associated with the agency and list its major statutory responsibilities.

The statutory authorities of the Department of Water Resources (DWR), and State Water Commission (SWC) 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 (or Department). The DWR is now a Cabinet agency that reports directly to the Governor. 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. The overall mission of DWR is to responsibly manage North Dakota's water needs and risks for the people's benefit.

The SWC board still exists and 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.

Water development and associated project funding are a function of the SWC and include state projects such as the Southwest Pipeline Project, the Northwest Area Water Supply, and Devils Lake outlets and Tolna Coulee control structure used for

flood control purposes. The SWC promotes water development by providing costshare assistance for many local projects such as flood control, water conveyance, water supply systems, and other general water management efforts. The DWR has a project management role for the state projects and reviews and recommends projects for funding approval by the SWC.

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 nature and occurrence of the state's water resources. This includes public outreach and education related to DWR functions.

2. Explain the purpose of the agency's various divisions/programs – attach organizational chart.

As illustrated by our organizational chart (see attached), DWR is comprised of 92 Full Time Equivalent employees (FTE), including 2 FTE approved by the Emergency Commission and Legislative Management's Budget Section in March 2022. One temporary employee was also approved at that time through the Budget Section. This is a temporary increase of 2 FTE from the previous biennium. DWR is requesting to permanently retain the 2 FTE approved through Budget Section as well as convert the temporary employee approved through the March 2022 Budget Section as an FTE for a total request of 3 FTE or 93 FTE overall.

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 SWC meeting administrative support.

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

The Planning and Education Division, directed by Patrick Fridgen, maintains and updates a Water Development Plan for the State of North Dakota, and administers a cost-share program in support of that plan. Division staff also 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 ensures implementation of the 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 that is in partnership with the U.S. Army Corps of Engineers.

3

The Water Appropriation Division, directed by Chris Bader, is responsible for the processing of water permit applications, water rights evaluations, hydrologic data collection, water supply investigations, and economic development support activities. 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 used to support agency water resource management initiatives such as PRESENS.

Finally, the Water Development Division, directed by Sindhuja S.Pillai-Grinolds, is responsible for preliminary engineering, construction, and maintenance of water resource projects; flood response and recovery; construction of Southwest Pipeline Project (SWPP); construction, operation, and maintenance of Northwest Area Water Supply project; 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 current SWC members who represent the eight basins are Michael Anderson (Lower Red River), Connie Ova (James River), Richard Johnson (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 Water Commission include Governor Doug Burgum as Chairman, and Agriculture Commissioner, Doug Goehring.

 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 one finding in the most recent operational audit dated May 19, 2022, regarding improper credits to appropriation. The dollar amount was \$461,500. The

4

sale of land was recorded as a reduction to expenditures when it should have been recorded as revenue. The department has implemented an additional review process to assist in identifying such errors.

4. 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 Northwest Area Water Supply (NAWS) project that is planned to one-day serve up to 81,000 water users in North Dakota. Progress included completion of the Lansford Reservoir and Pump Station; service to the City of Bottineau; and continued advancements at the Biota Water Treatment Plant, Minot Water Treatment Plant, and other project elements.
- Completed a year-long effort to update the SWC's Cost-Share Policy, Procedure, and General Requirements; as well as the Project Prioritization Guidance. The modification process included extensive public outreach and input from the water community and general public and was meant to modernize the Cost-Share Program in response to more contemporary project development needs.
- Continued to greatly improve North Dakota's ability to manage our state's water resources through innovation, including the monitoring of 368 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. Paul Moen, DWR Director of Information Systems, won the 2022 Pioneer Award, (Governor's Awards for Excellence in Public Service) for his work on developing the PRESENS system.
- Construction on SWPP included treated water main transmission line upgrades, and strategic hydraulic improvements to provide citizens access to quality water.

5

- Operated the Devils Lake outlets to provide ongoing flood relief for areas surrounding the greater Devils Lake system. The outlets removed over 83,000 acre-feet of floodwater during the 2021 and 2022 operating seasons. Since outlet operations began 15 years ago in 2007, almost 1.4 million acre-feet of floodwater has been removed from the big lake.
- Over the course of the biennium so far, provided state funding support of approximately \$322 million in SWC project approvals through the Cost-Share Program, including \$216 million to support water supply efforts in 28 cities and 20 rural/regional systems, and \$106 million for 105 different flood protection, water conveyance, and general water projects benefitting citizens across the state.
- Provided \$4 million in reimbursements for 1,130 drought resiliency projects for our agriculture producers through the Drought Disaster Livestock Water Supply Assistance Program.
- Secured almost \$5 million in FEMA grant funding for LiDAR data to complete a statewide map of high quality digital topography information to improve and modernize modeling and engineering design data inputs.
- Completed a water development planning process through extensive public outreach, cooperation, and coordination efforts involving water project sponsors and managers. The 2023 Water Development Plan (WDP) is being presented for the first time through an almost entirely electronic platform and new Dashboard. The new 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.
- Launched and operated a one-stop-shop online portal through WebGrants for water project sponsors seeking grant funding or loans through the state. This new portal, known as Funding for Infrastructure in ND (FIND) within WebGrants was developed through a cooperative effort involving the Bank of North Dakota, Department of Environmental Quality, Public Finance Authority, and DWR. FIND has greatly improved and streamlined the application process for project sponsors.

With regard to next biennium goals and plans, DWR completed a Five-Year Strategic Plan last summer to guide the deployment of resources toward key objectives, goals, and tactics through June 2027. An Executive Summary of our new Five-Year Strategic Plan has been provided for your reference. In terms of specific areas of focus for the 2023-2025 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 DWR's internal resilience and promote a positive culture;
- Improve DWR responsiveness and continue to identify efficiencies;
- Advance innovative ideas and technology like PRESENS, aquifer recharge, and water reuse opportunities;
- Work toward Tribal Nation engagement, including memorandum of understanding development;
- Strive for Workforce enhancements, retention of talent, recruiting, and mentoring;
- Continue advancements on the Northwest Area Water Supply project, including progress on Intake Contract II, Souris Reservoir and Pump Station, in-line booster pump stations, Minot Water Treatment Plant (WTP) Phase III, raw water line initialization, and Biota WTP Phase II.
- Make progress on Southwest Pipeline Project strategic hydraulic improvements, WTP expansion, and rural service additions; and
- Implement results of a capital improvement planning effort related to the West End Devils Lake Outlet.

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

	2021-23 Biennium	2023-25 Biennium Governor's	Engrossed	Variance From		
Description	Appropriation	Recommendation	SB 2020	2021-23 Biennium		
Salaries and wages	\$20,537,867	\$23,809,878	\$23,465,326	\$2,927,459		
Operating expenses	43,366,550	59,479,068	59,479,068	16,112,518		
Capital assets	148,467,437	172,396,344	300,383,950	151,916,513		
Water supply – grants	125,000,000	270,000,000	283,000,000	158,000,000		
Rural water supply –	59,600,000	35,000,000	40,000,000	(19,600,000)		
grants Flood control projects	48,000,000	115,000,000	114,600,000	66,600,000		
General water -grants	14,227,275	14,233,275	12,000,000	(2,227,275)		
Basinwide plan implementation	1,100,000	0	1,000,000	(100,000)		
Discretionary funding	6,000,000	5,000,000	1,000,000	(5,000,000)		
Mouse River flood control	74,500,000	0*		(74,500,000)		
State Fiscal Recovery Funds	75,000,000	0		(75,000,000)		
Total	\$615,799,129	\$694,918,565	\$834,928,344	\$219,129,215		
*Funding for Mouse River flood control is included in funding for flood control projects.						

The DWR had 90 FTE in the 2021-2023 biennium, and a request of 93 FTE is included in the Governor's recommendation and engrossed SB 2020 for the 2023--2025 biennium. The three FTE are requested to assist with significantly reducing delays, so constituents receive agency-issued permits in a timelier manner. These positions would include one for the Regulatory Division to assist with permitting and two for the Water Appropriation Division that would work on water appropriation and on PRESENS system support. We have included one-page summaries related to the three FTE we are requesting with metrics related to why each are necessary.

6. 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 engrossed SB 2020 for the DWR budget consist of:

	2021-23		Engrossed SB 2020		
	Biennium	Base	Base	One-time	Engrossed
Description	Base	Adjustment	Adjustments	Adjustment	SB 2020
Salaries and wages	\$20,537,867	\$2,927,459	\$23,465,326		\$23,465,326
Operating expenses	43,366,550	13,259,373	56,625,923	\$2,853,145	59,479,068
Capital assets	98,467,437	50,269,275	148,736,712	151,647,238	300,383,950
Water supply – grants	125,000,000	158,000,000	283,000,000		283,000,000
Rural water supply - grants	59,600,000	(19,600,000)	40,000,000		40,000,000
Flood control projects	48,000,000	66,600,000	114,600,000		114,600,000
General water -grants	14,227,275	(2,227,275)	12,000,000		12,000,000
Basinwide plan implementation	0		0	1,000,000	1,000,000
Discretionary funding	0		0	1,000,000	1,000,000
Mouse River flood control	0				0*
State Fiscal Recovery Funds	0				0
Total	\$409,199,129	\$269,228,832	\$678,427,961	\$156,500,383	\$834,928,344
FTE	90.00	3.00	93.00		93.00
*Funding for Mouse River flood control is included in funding for flood control projects. See detail below.					

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

Salaries and Wages - The 2021-23 biennium totaled \$20,537,867 and included salaries and fringe benefits for all employees, including employees that provide service for NAWS, SWPP, and the Devils Lake outlets.

Operating Expenses - The 2021-23 biennium totaled \$43,366,550 and included operations for NAWS, SWPP and the Devils Lake pumps. This included funding of \$19 million for professional services, which are primarily consultant engineering dollars, and \$8.7 million for utility costs, primarily to operate the Devils Lake outlets and NAWS.

Capital Assets - The 2021-23 biennium totaled \$98,467,437 and consisted mostly of projects for NAWS and SWPP, which are both state owned. Specifically, \$38.2 million is for SWPP, and \$59.8 million is for NAWS.

For the 2021-23 biennium, the remaining dollars were in the five purpose funding buckets. They included \$125 million for Water Supply; \$59.6 million for Rural Water Supply; \$48 million for flood Control; and \$14.2 million for General Water projects. General Water included funding for dam repairs and rehabilitations, feasibility studies, irrigation projects, as well as other general water management efforts.

- b. Amounts included in engrossed SB 2020 and justification for the change from the base budget. Discuss changes relating to:
 - (1) Salaries and Wages increase from the base budget of \$2,927,459 as follows:
 - Cost to continue adjustment of \$148,098. This is the same as the executive recommendation.
 - Performance-based raises of 4% for the first fiscal year and 4% for the second fiscal year of \$1,049,393. The executive recommendation included performance-based raises of 6% for the first fiscal year and 4% for the second fiscal year of the biennium as recommended in the executive budget of \$1,805,562.
 - Health insurance increase of \$459,961.
 - Increase of 3 FTE of \$703,398 to significantly reduce delays so constituents receive agency-issued permits in a more timely manner. The FTE are for the Regulatory Division, Water Appropriation, and PRESENS system support. This is the same as the executive recommendation.
 - Increased funding for temporary salaries of \$576,609, of which \$170,000 is to provide one full time temporary position to support NAWS, \$345,000 is to provide funding for temporary positions for installation and support of the PRESENS system, and \$61,609 is to provide a full benefits package to DWR's Silver Jackets Program Coordinator - who for years has been a long-term temporary employee. This is the same as the executive recommendation.

The DWR is in support of increasing funding for market equity funding for agencies included in engrossed SB 2020 to the Governor's recommendation, which included \$645,000 for the DWR.

- (2) Operating Expenses Includes a \$16,112,518 increase, of which
 \$13,259,373 is ongoing and \$2,853,145 is one-time, major changes are as follows:
 - Shifted base level funding from capital assets and salaries and wages to operating expenses in the amount of \$7,744,789 to account for consultant engineering expenses related to state owned projects and utility costs primarily to operate the Devils Lake and NAWS projects. These changes were made based on anticipated needs for planning of projects and operating costs. This is the same as the executive recommendation.
 - \$5,615,764, of which \$1,532,980 is one-time funding for IT standardization, applications, and security. The funding is 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 for over 2,000 terabytes of data, which places DWR as one of the largest users of data storage with NDIT at 2,000 terabytes, and the Department of Health and Human Services at 1,650 terabytes; costs associated with additional FTE for NDITD; business analysis; project management; and project oversight. This is the same as the executive recommendation.
 - \$1,227,800 to expand the PRESENS footprint and data collection types/sensors to improve forecasting, modeling, and overall water management – at a fraction of the cost of traditional data collection methods. This is the same as the executive recommendation.

- \$100,000 in additional federal funds spending authority for the Regulatory Division. This is the same as the executive recommendation.
- \$80,000 for professional development. This is the same as the executive recommendation.
- \$94,665 for scientific software which includes one-time funding of
 \$72,665. This is the same as the executive recommendation.
- \$21,320 in operating expenses related to the 3 FTE positions which include one-time funding of \$19,320 for IT equipment and \$2,000 in ongoing funding for travel. This is the same as the executive recommendation.
- One-time funding of \$750,000 for Airborne Electromagnetic Surveying (AEM) 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. This is the same as the executive recommendation.
- One-time funding of \$298,180 for inflationary increases related to motor pool rates of \$118,180 and drilling supplies of \$180,000. This is the same as the executive recommendation.
- One-time funding of \$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 has been achieved on this effort since 2019. This is the same as the executive recommendation.
- (3) Capital Assets changes to provide a total of \$300,383,950 as follows:
 - Base increase of \$50,269,275 primarily to provide funding for state owned water projects at \$118,000,000 in the capital assets line. The executive recommendation included \$167.6 million for state owned water projects.

- One-time increase of \$147,847,238 for state owned water projects, of which; \$100,000,000 is from a line of credit designated for NAWS (\$50,000,000) and SWPP (\$50,000,000); and \$47,847,238 in federal funds for NAWS. The executive recommendation did not include a line of credit.
- One-time increase of \$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. This is the same as the executive recommendation.
- One-time increase of \$1,800,000 to replace DWR's 15-year-old drill rig with a top-head drive drilling rig that provides finer control over the drilling operation and safety features that are superior to the current drill rig. This is the same as the executive recommendation.
- One-time increase of \$200,000 for office modifications due to the DWR being required to evacuate the State Office Building due to environmental hazards. Funding is requested to address office modifications that may be necessary at the agency's current longterm, yet temporary location. This is the same as the executive recommendation.

(4) Grants for water projects changes are as follows:

- Water supply increase of \$158,000,000 to provide \$283,000,000. The executive recommendation included water supply increase of \$145,000,000 to provide \$270,000,000.
- Rural water supply decrease of (\$19,600,000) to provide \$40,000,000. The executive recommendation included rural water supply decrease of (\$24,600,000) to \$35,000,000.
- Flood control increase of \$66,600,000 to provide \$114,600,000.
 The executive recommendation included flood control increase of \$67,000,000 to provide \$115,000,000.

- General water decrease of \$2,227,275 to provide \$12,000,000. The executive recommendation included general water increase of \$6,000 to provide \$14,233,275.
- The addition of discretionary funding in the amount of \$1,000,000. Discretionary funding is for flexibility to provide additional funding either in the buckets, unaccounted for events such as flooding, and to address unknown costs associated with the DWR's move from the State Office Building to the Bank of North Dakota. The executive recommendation included the addition of discretionary funding in the amount of \$5,000,000.
- (5) We did have special line items in the 2021-2023 biennium, where \$1,100,000 was appropriated for basinwide plan implementation, and \$1,000,000 is being included in the 2023-25 biennium budget. The executive recommendation did not include funding for basinwide plan implementation.
- (6) Our estimated income for special funds is \$775.9 million, which included Resource Trust Fund oil extraction tax deposits of \$647 million, of which \$120 million is from the Water Project Stabilization Fund for Red River Valley Water Supply from the water supply bucket and \$30 million was included from the Water Project Stabilization Fund for the repayment of a WAWS loan; and \$100 million from a line of credit with the BND. The balance is made up of capital repayments from SWPP, NAWS payments from the City of Minot, payments from counties for cloud seeding, CD interest, and available balance of the Water Commission fund. The executive recommendation included estimated income for special funds at \$684 million, which included Resource Trust Fund oil extraction tax deposits of \$605.8 million, of which \$120 million is from the Water Project Stabilization Fund for Red River Valley Water Supply from the water supply bucket and \$30 million was included from the Water Project Stabilization Fund for the repayment of a WAWS loan. The balance is

made up of capital repayments from SWPP, NAWS payments from the City of Minot, payments from counties for cloud seeding, CD interest, and available balance of the Water Commission fund.

- (7) Our estimated income for Federal funds is \$89.1 million of which \$78 million is for NAWS and the balance is for operations of our Regulatory Division, and other grants related to the Atmospheric Resources Division and Water Appropriation Division. The executive recommendation included estimated income for Federal funds at \$35 million of which \$25 million is for NAWS and the balance is for operations of our Regulatory Division, and other grants related to the Atmospheric Resources Division and Water Appropriation Division.
- (8) We have no general fund dollars in our budget. The last time the department received a general fund appropriation was during the 2011-13 biennium for some operations of the DWR.
- (9) Our legislatively authorized base FTE is 90, and we were authorized 2 additional FTE positions in March 2022 from the Emergency Commission and Budget Section to support the administration and management of the state's water resources. Engrossed SB 2020 includes an increase of 3 FTE to retain the 2 approved by Budget Section and for 1 additional FTE authorization that was presented to Budget Section in March, but they had only approved funding for a temporary employee who we would like to retain. This is the same as the executive recommendation.

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

We had two one-time funding items in our 2021-2023 appropriation bill.

 The \$50 million line of credit has not been utilized to date. The intent was for this to be used if needed for NAWS. After the end of the 2021 session the DWR received an additional \$30 million in federal funding for NAWS that was not anticipated further reducing the need for the \$50 million line of credit at this time.

- Funding of \$1.1 million was provided for the pilot project for basinwide plan implementation, with \$246,075 expended to date.
- Funding of \$4 million for discretionary water projects was approved by the SWC to be used as follows:
 - \$2 million for the Agriculture Department's Emergency Livestock Water Supply Program of which \$110,559 has been expended to date.
 - \$2 million for DWR's Drought Disaster Livestock Water Supply Assistance Program. This funding is in addition to funding approved from the general water bucket, which together provided over \$6.1 million for the program. Over \$4 million has been expended to date.
- 8. Identify and justify the need for any one-time funding being requested/recommended.
 - One-time funding of \$100 million from a line of credit for state owned water projects. This provides \$50 million for NAWS and \$50 million for SWPP. The executive recommendation did not include a line of credit.
 - One-time funding of \$47.8 million from federal funds for the state-owned water project NAWS. The executive recommendation included one-time funding of \$77,869,696 for state owned water projects.
 - One-time funding of \$1 million for discretionary funding for flexibility to provide additional funding either in the buckets, unaccounted for events such as flooding, and to address unknown costs associated with the DWR's move from the State Office Building to the Bank of North Dakota. The executive recommendation included discretionary funding of \$5 million.
 - One-time funding of \$1 million for the pilot project for basinwide plan implementation. The executive recommendation did not provide funding for basinwide plan implementation.
 - One-time funding of \$1,532,980 for IT standardization, applications, and security. This is the same as the executive recommendation.
 - One-time funding of \$1.8 million 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 first being deployed in 1997, using 1970s equipment. This is the same as the executive recommendation.

- One-time funding of \$1.8 million to replace DWR's 15-year-old drill rig with a top-head drive drilling rig that provides finer control over the drilling operation and safety features that are superior to the current drill rig. This is the same as the executive recommendation.
- One-time funding of \$200,000 for office modifications due to the DWR being required to evacuate the State Office Building due to environmental hazards. This is the same as the executive recommendation.
- One-time funding of \$750,000 for Airborne Electromagnetic Surveying (AEM) 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. This is the same as the executive recommendation.
- One-time funding of \$298,180 for inflationary increases related to motor pool rates of \$118,180 and drilling supplies of \$180,000. This is the same as the executive recommendation.
- One-time funding of \$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 has been achieved on this effort since 2019. This is the same as the executive recommendation.
- One-time funding of \$72,665 for scientific software. This is the same as the executive recommendation.
- One-time funding of \$19,320 to provide computers and other necessary equipment for 3 new FTE positions. This is the same as the executive recommendation.

9. Discuss agency collections that are deposited in the general fund or special fund, and any anticipated changes from 2021 legislative session estimates during the 2021-2023 biennium and estimated changes for the 2023-2025 biennium. We have very 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 93% of our revenue. Other Special Fund deposits include SWPP capital repayments, NAWS payments from the City of Minot, payments from counties for cloud seeding, and CD interest.

10. Discuss the need for any other sections that are included or are requested/recommended in engrossed SB 2020.

- Section 3 provides an appropriation for additional income section for additional amounts in the resources trust fund for defraying the expenses of the DWR, excluding operating expenses and salaries and wages. The executive recommendation did not limit the use of additional income appropriation.
- Section 4 appropriating \$30 million from the Water Project Stabilization Fund to the DWR for the purpose of repayment of loans issued by the Bank of North Dakota to the Western Area Water Supply Authority. This is the same as the executive recommendation.
- Section 5 identifying the purpose of the discretionary funds which may be used as necessary except for salaries and wages. This is the same as the executive recommendation.
- Section 6 identifying the purpose of the basinwide water plan funding. The executive recommendation did not include funding for basinwide water plan implementation nor a section for the purpose of the basinwide water plan funding.
- Section 7 identifying that \$120 million included in the budget is from the water project stabilization fund. The executive recommendation included the \$120 million in Section 1 of the bill but did not include this section.

- Section 8 authorizing a \$100 million line of credit from the Bank of North Dakota for NAWS (\$50 million) and SWPP (\$50 million). The executive recommendation did not include a line of credit.
- Section 9 amending 2021 HB 1020 to reduce the restrictions on the use of 2021-23 biennium discretionary funding. The executive recommendation did not include this section.
- Section 10 providing legislative intent to provide Red River Water Supply Project a total of \$953 million, excluding funding provided prior to the 2023-25 biennium and identifies intent to provide \$175 million during the 2023-25 biennium. The executive recommendation did not include this section.
- Section 11 providing legislative intent to provide the Mouse River Flood Control Project a total of \$380.5 million, excluding funding provided prior to the 2023-25 biennium and identifies intent to provide \$76.1 million during the 2023-25 biennium. The executive recommendation did not include this section.
- Section 12 providing legislative intent to provide the Southwest Pipeline Project \$40 million during the 2025-27 biennium to cover the portion of the project covered by the line of credit in the 2023-25 biennium. The executive recommendation did not include this section.
- Section 13 providing authority for line item transfers up to \$13,292,362
 between the operating and capital assets line items. Due to the fact the DWR
 has state owned projects which require expenditures from both capital assets
 and operating expenses, line item transfer authority between those two line
 items would ensure we can shift funding when needed for payments to
 engineers and other consultants for those projects. This would be similar to
 the transfers between line items the Department of Transportation makes for
 road projects. The executive recommendation included line item transfer
 authority without any limitations between all line items.
- Section 14 providing authority to carryover \$405 million of unexpended obligated and unobligated funding related to water projects. Carryover will need to be adjusted as we get closer to the end of session as expenditures

during session impact the estimate. The executive recommendation included a section providing an exemption to allow for carryover.

• Section 15 declaring SB 2020 to be an emergency measure. The executive recommendation did not include this section.

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

<u>SB 2015</u>: Relating to the Office of Management and Budget regarding internal equity and external market factor funding for agencies, of which the DWR would receive \$537,500 along with funding of \$451,000 to demolish the State Office Building. The executive recommendation for salary increases at 6% and 4% would provide \$645,000 for internal equity and external market factors.

<u>SB 2097:</u> Relating to wild and scenic river designations.

SB 2196: Relating to WAWS debt restructuring and authorization of a line of credit for NAWS. The line of credit authorization would need to be removed from this bill if included in SB 2020.

HB 1021: Relating to the North Dakota Information Technology department and the DWR's information technology unification.

<u>HB 1070:</u> Relating to the establishment and administration of a hazard mitigation revolving loan fund.

<u>HB 1072:</u> Relating to the powers and duties of the department of water resources; and to repeal section 61-04.1--35 of the North Dakota Century Code, relating to the required bond, cash, or negotiable securities required when bids are submitted to the atmospheric resources board.

<u>HB 1073:</u> Relating to the department of water resources authority to require operating plans for dams.

HB 1074: Relating to informational hearings for water permit applications.

<u>HB 1075</u>: Relating to comments on the cancellation of water rights; and to amend and reenact sections 61-04-24 and 61-04-2-5 of the North Dakota Century Code, relating to the notice and hearing process for the cancellation of water rights.

<u>HB 1076:</u> Relating to the department of water resources authority regarding water permit thresholds for dikes, dams, and other devices; and to provide a penalty.

HB 1077: Relating to water storage contracts.

HB 1286: Relating to the oil extraction tax trigger. This bill removes the 6% triggered oil tax rate on wells outside the exterior boundaries of a reservation, which would reduce potential revenue for water projects if oil prices were to meet the trigger. In the current biennium the triggered tax rate provided an additional \$27.8 million to the resources trust fund.

12. Provide a one-page itemized listing of the changes your agency is requesting the committee to make to the budget as approved by the first chamber.

The DWR would like the following adjustments:

- Increase discretionary funding from \$1 million to the executive recommendation of \$5 million.
- Amend Section 12 relating to Southwest Pipeline Project funding as identified in green below:

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

13. Identify the purpose and amount of federal state fiscal recovery funding appropriated to your agency during the November 2021 special legislative session, the amount of funds spent to date, the timeline for obligating and spending the remaining funds, and any amounts that will not be obligated by December 2024.

The DWR was appropriated \$75 million from the State Fiscal Recovery Fund as authorized by SB 2345 during the 2021 special session for water infrastructure projects. This funding was to be expended before funds from the resources trust fund when possible. The DWR anticipates carryover of roughly \$13 million.

14. Identify the amount of federal funding available to your agency for the 2023-25 biennium, the purpose of the funding, federal deadlines for spending the funds, and your agency's plan for spending the funds.

The DWR's budget includes federal funding of \$89,053,261 as follows:

- MR&I funding of \$78,008,097 for construction of NAWS. There is no deadline for spending. The executive recommendation included MR&I funding of \$25,008,097.
- Dam safety funding of \$295,267. This is the same as the executive recommendation.
- Water Education Today (WET) non-point source program \$335,680. The executive recommendation included \$340,324.
- FEMA Cooperating Technical Partners funding of \$343,158. The executive recommendation included \$438,252.
- FEMA Risk Mapping, Assessment, and Planning funding of \$8,046,168. This is the same as the executive recommendation.
- FEMA Community Assistance Program State Support Services Element funding of \$274,891. The executive recommendation included \$275,089.
- Weather modification research and development federal authority of \$1,500,000 for research grants that may become available. This is the same as the executive recommendation.
- USGS national grants of \$250,000, which is a pass-through grant. This is the same as 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. In the past, DWR has produced and printed that information in a detailed Water Development Plan. For the 2023-2025 biennium, DWR and the SWC are providing that same 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 of the information that's available on the Dashboard, go to our homepage at <u>www.dwr.nd.gov</u> and click on the Water Development Plan Dashboard link.

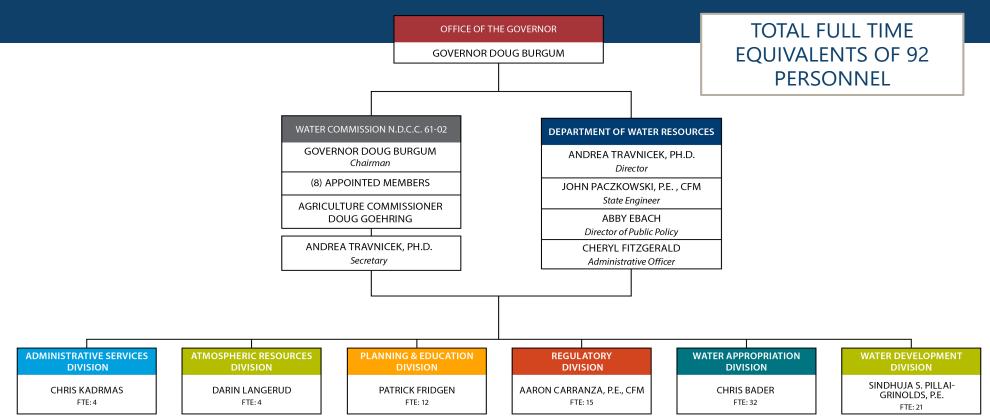
Overall, the DWR continues to work towards improving agency responsiveness and efficiencies; advancing innovative ideas and technology; supporting the development of critical water infrastructure; and prioritizing workforce enhancement, retention of talent, recruiting and mentoring.

Mr. Chairman, this concludes our agency overview and testimony relative to Engrossed Senate Bill 2020 and the Executive Budget Recommendations. 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
- 2023-2025 State Water Commission and Department of Water Resources
 Five Year Strategic Plan Executive Summary
- 3. One-page overviews of requested FTE
- 4. 2023 Water Development Plan Executive Summary

DWR ORGANIZATIONAL CHART



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

16 Surveys Completed





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.



STRATEGIC INITIATIVES

The DWR Strategic Plan furthers the implementation of Governor Doug Burgum's strategic initiatives: Main Street Initiative; Tribal Engagement; Reinventing Government; Behavioral Health and Addiction; and Transforming Education.

OBJECTIVES

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



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.



Water Resources





WATER APPROPRIATION DIVISION

(1 FTE)

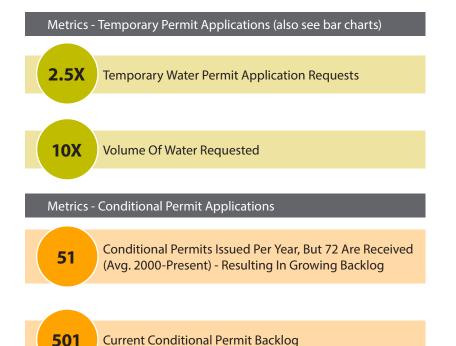
The Water Appropriation Division (WAD) is experiencing an unprecedented backlog of work that is adversely impacting the ability of the division to respond to permit application requests and other permitting processes tied to the management of North Dakota's water resources. Historically, there has always been some variation in workload within the division, but over the past 10 years, there have been significant increases in the tasks that are clearly not cyclical and there are no indications that this will be mitigated moving forward without more staff resources to address increased workload.

Why An FTE Is Necessary

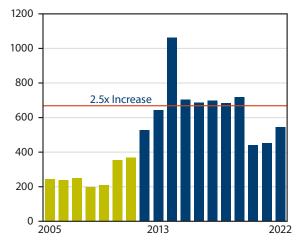
The increased workload can be tied to three independent drivers that have resulted in notable changes to division work processes, workflow, and workload. These include the following:

- Industrial Oil Field Production (Hydraulic Fracturing)
- **Performance Audit**
- Maturity of North Dakota Ground and Surface Water Systems

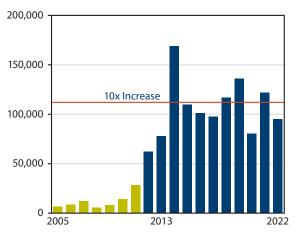
Hydraulic fracturing has profoundly changed the landscape, economics, and water demands in western North Dakota. Hydraulic fracturing requires substantial volumes of fresh water, and the associated demand for water in western North Dakota to facilitate the growth and expansion of the Bakken has placed overwhelming demands on WAD staff. The nature and the type of use related to delivering water for the development of the Bakken play has led to considerable increases in the number of Conditional and Temporary Permit applications as well as exceptional increases in the quantity of water that is requested.



Temporary Permit Applications (Annual)



Approved Acre-Feet Temp. Permits (Annual)



NORTH

Be Legendary.

Water Resources



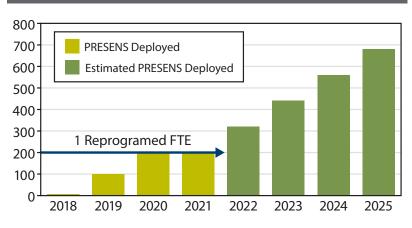
DATA & TECHNICAL SERVICES DIVISION

DWR has always been a leader in data collection related to water resources, but has not had near real-time access to its data sources. The PRESENS (Pushing REmote SENSors) datalogger was designed in-house to fill that gap and provides near real time data so decisions and actions can be made based on current data. The PRESENS program was created by leveraging the talent of internal staff with the scientific background and knowledge of data needs of the DWR. The PRESENS program so far has been a resounding success. It has proven to be more valuable than originally hoped as staff have continued to adapt PRESENS to record new data, such as precipitation, soil temperature, and soil moisture. The program currently is in its infancy and is now ready to move into production.

Why An FTE Is Necessary

Reprogrammed staff have been responsible for picking up the extra work associated with developing and managing the PRESENS program. To add more devices and to move the PRESENS program into a production system, an additional FTE devoted to PRESENS is required.

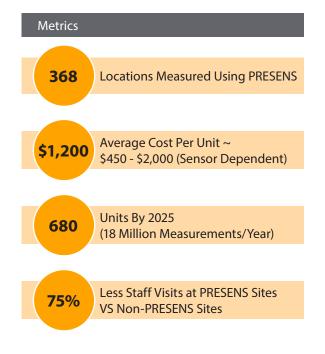
Goal Is 2,000 PRESENS Units



Other Considerations



PRESENS is a game-changing technology in environmental data collection that is the envy of other states and provinces. Natural Resources Services (PRESENS) 1 FTE



PRESENS can perform real-time measurements beyond what any number of personnel could accomplish, including data not previously collected such as temperature and barometric pressure.



NORTH Dakota | Water Resources Be Legendary.

REGULATORY DIVISION

In recent years, North Dakota's water projects have increased in project complexity and project volume, which in part is correlated closely to the increased funding for flood control and surface water projects. Additionally, the litigious nature of water-related issues such as drainage and water resource board decisions has also increased, thereby increasing the complexity of reviews and lengthening review timelines. The DWR Engineering & Permitting Section (E&P) staff have been at the forefront of these increases, attempting to keep pace with incoming permit applications while still prioritizing permit reviews for construction season dependent projects.

Why An FTE Is Necessary

- The E&P staff are unable to keep pace with the current trend in the complexity and volume of flood control and drainage project permit applications and complaint appeals.
- Major flood control projects, such as the Fargo-Moorhead Diversion Project and Mouse River Enhanced Flood Protection Project as well as other flood control projects for Grafton, Valley City, and Lisbon entailed more complex reviews requiring more staff time, thereby shifting workload priorities away from a growing backlog.
- The functions of E&P are core agency functions that are required to be completed by Century Code and Administrative Code, requiring adequate resources to fulfill.
- Other priorities, such as project or site inspections, field visits, database improvement, and education and outreach, are not currently occurring due to limited staff availability.

Other Considerations

Several attempts have been already made to harvest efficiencies with an existing E&P staff of 5 FTEs to process all applications, determinations, and appeals. These efforts already completed include leveraging of technology for electronic project management routing, reorganization of dam construction permits to the Dam Safety Section, and the publishing of 3 new agency policies that address common litigious issues with drainage and construction permitting, thereby streamlining aspects of the drain permitting and construction permitting processes. While these attempts were successful to some degree, incoming, time-sensitive applications take priority at the expense of a growing review backlog and other priorities.

Trends In Applications And Reviews

Permitting Engineer (1 FTE)

Metrics Major flood control project reviews 5+ since 2015, three of which are ongoing ex. FM Diversion Unprecedented emergency drain permit applications in 2019 and 2020 flood 28 fighting season, diverting other review priorities Only known project-related inspection or field visit completed since 2019 due to prioritization of review backlog Complaint appeals pending review (the most complicated and time 13 intensive reviews averaging only 1.5 per year completed)

Goals For Reviews Continue To Fall Short

Work Load Analysis (Days)	Review Type	Goals For Average Processing Time
811	Construction Permits	3 - 4 months
790	Statewide Significance Drain Permits	3 - 4 months
670	Complaint Appeals	4 - 6 months
605	Stream Crossing Determinations	1 - 2 months
437	Watercourse Determinations	1 - 2 months
344	Assessment Appeals	1 - 2 months
102	Non-Statewide Surface Drain Permits	< month
40	Emergency Permits	< 2 weeks



Be Legendary.

EXECUTIVE SUMMARY WATER DEVELOPMENT PLAN



www.dwr.nd.gov



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 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, long-term funding needs, aging water supply infrastructure survey results, current purpose funding tracking, and more!

WATER DEVELOPMENT GOALS & PRIORITIES

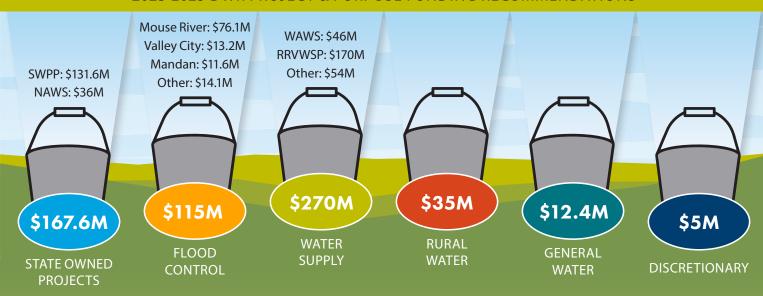
GOAL 1

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.



2023-2025 DWR PROJECT & PURPOSE FUNDING RECOMMENDATIONS

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

2023-2025 PROJECT FINANCIAL NEEDS SUMMARY (estimated dwr share)



	WATER DEVELOP	MENT PLAN INVENTORY	PROJECT NEEDS	
PROJECT PURPOSES	High Priority	Moderate Priority	Low Priority	DESCRIPTION OF FINANCIAL NEED: 2023-2025
Flood Control (Total = \$210M)	\$120.4	\$47.2	\$42.4	Heart River Flood Control (Mandan), Mouse River Enhanced Flo Protection, and Water Conveyance.
F-M Area Diversion	-	-	-	Total state commitment of \$850M addressed during 2021 Legis
Mandan Flood Risk Reduction	\$11.6	-	-	Floodwall replacement, levee raises, and interior drainage impr
Mouse River Enhanced Flood Protection	\$76.1	-	-	Funding scenario based on \$76.1M over 5 biennia. Includes pro and construction on the Maple Diversion and in-town levees.
Other Flood Control	\$19.5	\$0.7	\$0.2	Community flood protection projects, levee certifications, floo
Valley City Permanent Flood Protection	\$13.2	-	-	Phase 6 - Permanent concrete flood walls, removable flood wa stream bank restorations.
Water Conveyance	\$0.0	\$46.5	\$42.2	New drainage, drainage improvements, bank stabilizations, and
General Water Management (Total = \$48.1M)	\$2.5	\$42.4	\$3.2	Dam remediations, repurposing, rehabilitations, and repairs; irri
Rural Water Supply (Total = \$109.7M)	\$13.7	\$18.8	\$77.2	Community regionalizations, system expansions, storage impro (WTP) improvements.
Water Supply (Total = \$679.9M)	\$467.9	\$1.6	\$210.4	Municipal water supply projects, Northwest Area Water Supply Western Area Water Supply.
Municipal Water Supply	\$0.0	\$1.6	\$210.4	Water distribution, storage, and treatment expansions; improve
Northwest Area Water Supply	\$36.0	-	-	Intake Contract II, Bottineau and Souris Reservoirs and Pump St Water Line Initialization, and Biota WTP Phase II.
Red River Valley Water Supply	\$254.3	-	-	Pipeline construction, Eastern North Dakota Alternative Water S WTP and Main Pump Station design.
Southwest Pipeline Project	\$131.6	-	-	Strategic hydraulic improvements, WTP expansion, rural service
Western Area Water Supply	\$46.0	-	-	Rural water service area expansions to new users and Williston
TOTAL (\$1.05B)	\$605	\$110	\$333	

Flood Protection, Other Flood Control, Valley City Permanent Flood

gislative session with \$435.5M provided through HB 1431.

provements.

property acquisitions in Minot and rural areas, additional levee design, s.

ood reduction studies, and rural ring dikes.

walls, clay levees, storm water pump stations, and bioengineered

and snagging and clearing.

irrigation; watershed plans; and water retention and detention.

provements, transmission line installations, and water treatment plant

oly, Red River Valley Water Supply, Southwest Pipeline Project, and

ovements; and replacements.

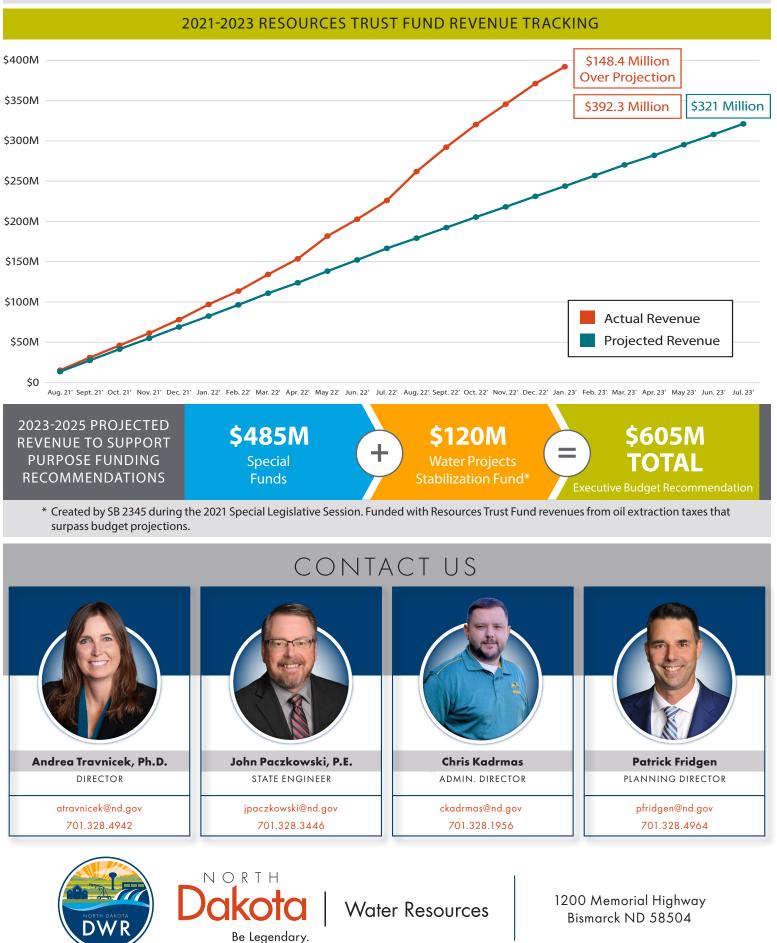
Stations, In-line Booster Pump Stations, Minot WTP Phase III, Raw

er Supply design, McClusky Canal Intake preliminary design, and Biota

vice additions, and DWR operations.

on WTP 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 funded with 20.5 percent of revenues from the oil extraction tax.





Environmental Quality

Neutral Testimony of Senate Bill No. 2020 House Appropriations Committee – Education and Environment Division

March 14, 2023

TESTIMONY OF

Shannon Fisher, Program Manager of the Drinking Water State Revolving Fund

Good afternoon Representative Nathe and members of the Education and Environment Subcommittee of the House Appropriations Committee. My name is Shannon Fisher, and I am the Program Manager of the Drinking Water State Revolving Fund within the Department of Environmental Quality. I am here to provide neutral testimony for SB 2020.

History

The Drinking Water State Revolving Fund (DWSRF) is an important piece of the overall funding picture for drinking water infrastructure projects in the state. While I will speak primarily about the DWSRF program, I'd also like to mention that there is a companion program for wastewater infrastructure projects called the Clean Water State Revolving Fund program (CWSRF) that operates very similarly to the DWSRF. The DWSRF and CWSRF programs are both located within the Department of Environmental Quality.

The DWSRF program has been around for about 25 years. Federal requirements dictate that the DWSRF program be housed in the same agency responsible for administering the Safe Drinking Water Act, originally located within the Environmental Health Section of the Department of Health. The Department of Health then executed an administrative agreement with the Municipal Bond Bank under the Industrial Commission to provide financial services. The Environmental Health Section has since become the Department of Environmental Quality, and the Municipal Bond Bank is now the Public Finance Authority (PFA). Since the beginning of the program, the DWSRF has used more than \$240 million of federal funds to provide more than \$682 million in loans for 311 projects in North Dakota.

Funding and Eligibilities

We receive capitalization grants from the EPA annually, and then the state is required to provide a 20 percent match by issuing bonds. The grants typically range from \$8-11 million per year. Bonds are also issued to leverage the program. The DWSRF program is primarily a loan program. We must offer interest rates below market rate. They are currently at 1.5 percent with a 0.5 percent administrative fee. We utilize the administrative fees and some

grant funds to administer the program. The administrative fee ensures the program can continue operating if the federal government no longer provides capitalization grants. The DWSRF program does not receive general fund appropriations. The loan term length is 30 years, or the useful life of the project, whichever is less.

Program eligibility is on the handout titled "State Revolving Funds Overview." They include source water, treatment, storage, and distribution projects. We must prioritize those projects necessary to ensure compliance with the Safe Drinking Water Act, protect public health, and assist communities most in need on a per-household basis. It is important to note that projects intended primarily for future growth or to provide fire protection are typically ineligible for DWSRF program funds. Also, road repairs would only qualify if resulting from activities like water main replacements. Our partnership with the Bank of North Dakota is important here because if a project or part of a project is *ineligible* for the DWSRF program, it is likely *eligible* for the Bank of North Dakota Infrastructure Revolving Loan Fund (BND IRLF). We will refer them to that program to finance the ineligible portions of the project.

In 2021, Congress passed the Bipartisan Infrastructure Law (BIL), which provides additional funding through the DWSRF and CWSRF programs. The funding will be awarded over the course of five years, from 2022 to 2026. The DWSRF will receive three additional grants per year to fund:

- 1. Any DWSRF eligible projects.
- 2. Projects that address emerging contaminants.
- 3. Lead service line replacements.

The total funding the DWSRF program received in 2022 was just over \$60 million, and we expect that funding levels will remain similar for 2023 through 2026. Most of the funds must be provided to disadvantaged communities in the form of loan forgiveness.

We have a multi-step process for awarding funds to loans. First, the DWSRF program puts together a priority list of projects. Project sponsors submit questionnaires to the DWSRF program, and our staff use our EPA-approved ranking system to rank each project. Our ranking system considers six different factors when ranking projects:

- 1. Water quality impacts
- 2. Water quantity impacts
- 3. Affordability characteristics like water rates, poverty levels, unemployment, and residents with less than a high school education
- 4. Infrastructure adequacy
- 5. Consolidation or regionalization

6. Miscellaneous benefits like eliminating safety hazards and increasing resiliency during emergencies

I've included the priority ranking system that we use along with my testimony. Higherranked projects may be eligible for loan forgiveness, but regardless of where projects fall on our priority list, we are able to provide them with a loan if they are able to demonstrate the ability to repay the loan. We are in the process of finalizing our priority list for 2023, which has 407 projects totaling \$1,113,886,000 of needs for drinking water infrastructure projects in the state. Our draft priority list is included with my testimony.

When the borrower is ready to get funding, they can start the application process by submitting information about their project on the "Funding for Infrastructure in North Dakota" (or FIND) funding opportunity at the grants.nd.gov website. The DWSRF program, the CWSRF program, the PFA, the Department of Water Resources, and the Bank of North Dakota all use this site to evaluate projects and their eligibilities for each program. We then put together a funding package for the project. If the funding package includes a loan through the DWSRF or CWSRF program, the PFA, and/or the BND IRLF, the project sponsor needs to complete a loan application. DWSRF program staff review the loan application to ensure that the project sponsor has the ability to repay a loan. The Public Finance Authority then takes the loan to their advisory committee for approval. The Industrial Commission approves any loans greater than \$2 million.

Accomplishments

I included two documents with my testimony listing the approved projects for this biennium and the previous biennium. In the 2019-2021 biennium, we approved 36 new projects for almost \$81 million. Of those 36 projects, 16 were co-funded with the Department of Water Resources. So far in the 2021-2023 biennium, we have approved 28 new projects for almost \$45 million. Of those 28 projects, 15 were co-funded with the Department of Water Resources. Construction on many projects spans multiple years, so we typically have 50-60 active loans. I've included a chart showing the number of active loans.

Because our program has matured over the nearly 25 years of existence, our loan capacity has increased. We occasionally have our financial advisor run a capacity analysis of our program. The most-recent capacity analysis shows that we could fund \$141 million in loans per year if 60% of our loans have terms of 30 years and \$128 million per year if 80% of our loans have terms of 30 years. I've included a chart that shows the amount of funds disbursed every year of the program, and the maximum amount disbursed was \$85 million. In the history of both SRF programs, we have not turned away any eligible project that has demonstrated the ability to repay a loan and there is plenty of capacity to fund additional loans.

State Agency Coordination

As described earlier, the DWSRF program partners with the Department of Water Resources cost share program and the BND IRLF to put together funding packages for projects seeking financial assistance. Political subdivisions no longer have to submit separate applications to funding programs, and all participating agencies are able to see the overall funding picture for a project. Since the existence of the application portal, more than 200 applications have been received and evaluated.

Cross-agency collaboration ensures the effective use of funds for projects. For example, the DWSRF program recently received funding restricted to projects that address emerging contaminants. We identified a few projects that met the funding eligibility criteria. Both projects had intended to use Department of Water Resources cost share funding for 75% of the project costs, and use the DWSRF program for their 25% cost share. Because of this funding, these projects will instead receive 75% loan forgiveness through the DWSRF and the cost share program will be able to reduce the amount of funding that they provide to those projects and allocate it to other projects.

Mr. Chairman and committee members, this concludes my neutral testimony for SB 2020. I would be happy to answer any questions.

Dakota Be Legendary.™

Environmental Quality

Public Finance Authority

State Revolving Funds Overview

The State Revolving Fund (SRF) Programs offer below-market interest rate loans (currently at 2 percent) to political subdivisions for financing projects authorized under the Clean Water Act and Safe Drinking Water Act. These programs operate nationwide with funding from the U.S. Environmental Protection Agency to provide loans to maintain and improve infrastructure that protects our vital water resources. Loans are awarded to projects listed on the project priority list based on eligibility and repayment ability.

Eligible Projects

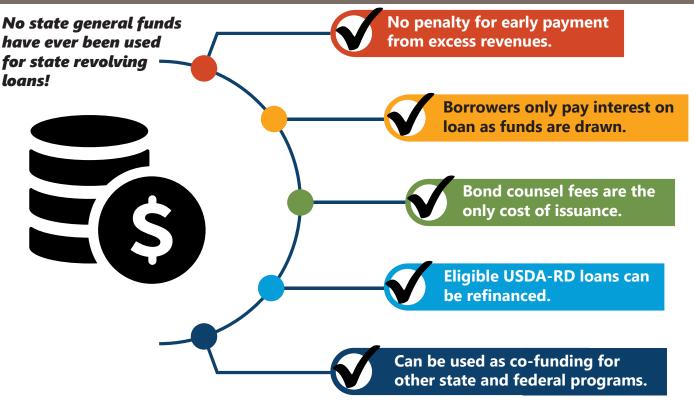
Clean Water State Revolving Fund

- Wastewater Treatment
- Sewer Systems
- Stormwater Projects with a Water Quality Benefit
- Landfill Closure and Leachate
 Collection/Treatment
- Water Meters
- Water Reuse
- Energy Efficiency Plans
- Necessary Land Acquisitions for Eligible Projects

Financial Advantages

Drinking Water State Revolving Fund

- Source Water
- Treatment
- Storage
- Water Distribution
- Consolidation of Water Systems
- Water Security
- Energy Efficiency Plans
- Administrative Buildings



Project Prioritization

Clean Water State Revolving Fund

- Water Quality Improvements
- Affordability
- Permit Compliance
- Readiness to Proceed
- Green Project Reserve

Drinking Water State Revolving Fund

- Water Quality
- Water Quantity
- Affordability
- Infrastructure Adequacy
- Consolidation or Regionalization
- Operator Safety

Return on Investment

	CWSRF	DWSRF	Total
Total Federal Grants Received	\$258,004,688	\$240,645,767	\$498,650,455
Total Project Assistance Disbursed	\$797,544,842	\$682,140,000	\$1,479,684,842
Return on Investment	309%	283%	297%
Number of Projects	338	311	649

As of 12/31/2022

Cofunding Partners



Contact Environmental Quality at 701.328.5211 • www.deq.nd.gov/MF • NDSRF@nd.gov or Public Finance Authority at 701.328.7100 • www.pfa.nd.gov • NDPFA@nd.gov

Appendix E

Priority Ranking System

	General Supplemental	Emerging Contaminants	Lead Service Line Replacement
Water Quality	30	25	30
Water Quantity	20	-	-
Affordability	20	20	20
Infrastructure Adequacy	15	-	15
Consolidation or Regionalization	10	10	-
Miscellaneous	5	-	5
Total	100	55	70

The following criteria and point system is utilized by the DWSRF Program to rank eligible projects for potential financial assistance through the DWSRF Program:

DWSRF funds may be used to buy or refinance existing local debt obligations (publicly owned systems only) where the initial debt was incurred and the construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements.

Creation of New Systems - eligible projects are those that, upon completion, will create a community water system (CWS) to address existing and serious public health problems caused by unsafe drinking water from individual wells or surface water sources. Eligible projects are also those that create a new regional CWS by consolidating existing systems with technical, financial, or managerial difficulties. Projects to address existing public health problems associated with individual wells or surface water sources must be limited in scope to the specific geographic area affected by contamination. Projects that create new regional CWSs by consolidating existing systems must be limited in scope to the service area of the systems being consolidated. A project must be a cost-effective solution to addressing the problem. Applicants must ensure that sufficient public notice has been given to potentially affected parties and consider alternative solutions to addressing the problem. Capacity to serve future population growth cannot be a substantial portion of the project.



Water Quality (select all that apply, 30 points maximum)			
	Supplemental Pts.	Emerging Contaminants Pts.	Lead Pts.
A. Documented waterborne disease outbreaks within last 2 years.	20		
B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s), OR acute microbiological MCL exceedance(s) within last 12 months.	15		
C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite).	10		
 D. Disinfection treatment inadequate to satisfy one of the following: The Surface Water Treatment Rule (SWTR) The Enhanced SWTR (ESWTR) The Groundwater Rule (GWR) Groundwater source(s) deemed by the PWSS to be under the direct influence of surface water Multiple turbidity treatment technique requirement (TTR) violations within last 2 years (includes at least one event where the maximum allowed turbidity was exceeded) 	8		
E. Multiple turbidity TTR violations within last 2 years (no events where the maximum allowed turbidity was exceeded), OR 3 or more non-acute microbiological MCL violations within last 12 months.	7		
F. MCL or TTR exceedance(s) (no URTH level exceedances) within last 4 years (excludes microbiological contaminants, nitrate, nitrite, and turbidity).	6		30
G. Potential MCL or TTR compliance problems based on most recent 4-year period (excludes micro	biological con	taminants and	turbidity).
75% to 100% of MCL or TTR	5		25
50% to 74% of MCL or TTR	4		20
25% to 49% of MCL or TTR	3		15
H. General water quality problems			
 Total dissolved solids (TDS) ≥ 1,500 mg/L Total hardness (TH) as calcium carbonate ≥ 650 mg/L Sodium (Na) ≥ 650 mg/L 	4		



• Iron (Fe) $\geq 2.0 \text{ mg/L}$ • Sulfate (SO ₄) $\geq 750 \text{ mg/L}$			
 TDS from 500-1,499 mg/L TH as calcium carbonate from 200-649 mg/L Na from 200-659 mg/L Fe from 0.3-1.9 mg/L SO₄ from 250-749 mg/L 	2		
I. Emerging contaminants problems			
Exceedance of health advisory level (HAL)	5	25	
75% to 100% of HAL	4	20	
50% to 74% of HAL	3	15	
25% to 49% of HAL	2	10	
<25% of HAL, or contaminant with no HAL	1	5	

Water Quality Total

Wate	Water Quantity (select all that apply, 20 points maximum)				
		Supplemental Pts.	Emerging Contaminants Pts.	Lead Pts.	
A.	Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future	20			
В.	Community Water Systems				
	Correction of an extreme water supply problem (maximum water available <150 gallons per capita per day (gpcd) OR water losses of >30% as documented through an audit).	10			
	Correction of a serious water supply problem (maximum water available <200 gpcd OR daily water shortages OR water losses of 21-30% as documented through an audit).	7			
	Correction of a moderate water supply problem (maximum water available <250 gpcd OR occasional daily water shortages OR water losses of 11-20% as documented through an audit).	4			



Correction of a minor water supply problem (maximum water available <300 gpcd OR sporadic water shortages OR water losses up to 10% as documented through an audit).	2	
C. Non-profit Non-community Water Systems		
Correction of an extreme water supply problem (continuous water shortages during all periods of operation).	10	
Correction of a serious water supply problem (inability to meet peak daily water demand at a frequency of at least once per week during all periods of operation).	7	
Correction of a moderate water supply problem (occasional inability to meet peak daily water demands on a seasonal basis).	4	
Correction of a minor water supply problem (occasional inability to meet peak water demands).	2	

Water Quantity Total

Affordability (select all that apply, 20 points maximum)			
	Supplemental Pts.	Emerging Contaminants Pts.	Lead Pts.
A. Average annual residential water user charge as a percent of local or service area annual median	household ind	come (AMHI)	
>2.5%	5	5	5
2.0% to 2.5%	4	4	4
1.5% to 1.9%	3	3	3
1.0% to 1.4%	2	2	2
0.5% to 0.9%	1	1	1
B. Households with income less than 200% of the poverty threshold			
≥50%	5	5	5
40% to 49%	4	4	4

30% to 39%	3	3	
20% to 29%	2	2	
10% to 19%	1	1	
C. Unemployment rate			
≥5.0%	5	5	
4.0% to 4.9%	4	4	
3.0% to 3.9%	3	3	
2.0% to 2.9%	2	2	
1.0% to 1.9%	1	1	
D. Residents with less than a high school education			
≥20%	5	5	
16.0% to 19.9%	4	4	
12.0% to 15.9%	3	3	
8.0% to 11.9%	2	2	
4.0% to 7.9%		1	

Affordability Total

Infrastructure Adequacy (select all that apply, 15 points maximum)			
	Supplemental Pts.	Emerging Contaminants Pts.	Lead Pts.
Source Water			



A. Correction of well construction or operating deficiencies	3	
 B. Correction of specific design or operating deficiencies associated with surface water intake facilities. 	2	
C. Provision of a second well where only one functional well exists for systems relying solely on their own groundwater supplies	2	
 D. Correction of specific design or operating deficiencies associated with raw water pumping facilities. 	2	
 E. Correction of specific design or operating deficiencies associated with raw water distribution system piping and/or appurtenances. 	2	
Treatment		
F. Correction of general disinfection treatment deficiencies – excludes improvements necessary to directly comply with the SWTR, the ESWTR, or the GWR.	3	
G. Water treatment plant operating at or above design capacity.	3	
H. Water treatment plant operating at or beyond useful design life.	3	
I. Correction of specific design or operating deficiencies associated with water treatment plant unit processes (excludes disinfection treatment).	2	
 J. Correction of specific design or operating deficiencies associated with chemical feed installations (excludes disinfection). 	2	
K. Replacement of inoperative, obsolete, or inadequate instrumentation or controls.	2	
Storage		
L. Replacement of deteriorated finished water storage structures.	3	
 M. Correction of specific design or operating deficiencies associated with finished water storage facilities. 	2	
N. Replacement of inoperative, obsolete, or inadequate instrumentation or controls.	2	
Distribution		
O. Correction of distribution system pressure problems (dynamic pressure <20 psi).	3	
P. Replacement of deteriorated water mains and/or appurtenances.	3	



Q. Replacement of distribution system piping/materials containing lead.	3	15
 R. Correction of specific design or operating deficiencies associated with finished water pumping facilities. 	2	
S. Correction of specific design or operating deficiencies associated with finished water distribution system piping and/or appurtenances.	2	
T. Replacement of water meters.	2	

Infrastructure Adequacy Total

Consolidation or Regionalization (select all that apply, 10 points maximum)			
	Supplemental Pts.	Emerging Contaminants Pts.	Lead Pts.
A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s) or extreme to critical water supply problem(s) for one or more PWSs.	3		
B. Correction of contamination problems (regulated contaminants) or extreme water quantity problems for individual residences or businesses.	2		
C. Correction of potential MCL or TTR compliance problems, general water quality problems, or moderate to serious water quantity problems for one or more PWSs.	2		
D. Correction of general water quality problems, emerging contaminants, or moderate to serious water quantity problems for individual residences or businesses.	2	10	
E. Resolution of technical, managerial, or financial capacity problems for one or more PWSs.	2		

Consolidation or Regionalization Total

Miscellaneous (select all that apply, 5 points maximum)											
	Supplemental Pts.	Emerging Contaminants Pts.	Lead Pts.								
A. Correction of a problem that poses a safety hazard to operators.	3										
R T H											



 B. Measures to improve the PWS's resiliency during emergencies (interconnections with other PWSs, generators, flood protection, etc.) 	3	
C. Administration buildings for the PWS (billing offices, labs, control centers, etc.)	2	
D. Studies that may result in a capital project or reduction in demand to alleviate the need for additional capital investment (water utility audits, leak detection studies, identification of service line materials, optimization studies, asset management plans, drought contingency plans, etc.)	1	5

Miscellaneous Total		
Grand Total		



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
33	-	-	1801056-21-01	Agassiz WUD	Yes	3,525	User & transmission expansion phase 2	3,850	-	-	2023	
281	-	134	1801056-22-01	Agassiz WUD	Yes	3,525	Lead service line inventory	200	-	200	-	
74	-	-	4001153-14-01	All Seasons WUD	Yes	4,295	System 3 improvements - Bottineau & Renville counties	1,060	-	-	2023	
24	-	-	4001153-14-02	All Seasons WUD	Yes	4,295	System 3 improvements - Turtle Mountains & Lake Metigoshe area	29,000	-	-	2023	
146	-	-	4001153-15-01	All Seasons WUD	Yes	4,295	System 4 to system 1 water supply project	6,638	-	-	2023	
35	-	-	4001153-21-01	All Seasons WUD	Yes	4,295	Refinance of projects for well, reservoir, SCADA, & pipeline improvements	3,929	-	-	-	
147	-	-	4001153-21-02	All Seasons WUD	Yes	4,295	Rolla area improvements	924	-	-	2023	
355	-	-	3000012-22-01	Almont	No	115	Water main replacement district no. 2022-1	1,500	-	-	2023	
380	-	100	3000012-23-01	Almont	No	115	Lead service line inventory & replacement	115	-	115	2023	
29	-	121	0900017-22-01	Amenia	No	94	Distribution system improvements	700	-	45	2023	
374	-	94	0900017-23-01	Amenia	No	94	Lead service line inventory & replacement	700	-	700	2023	
210	-	-	3200023-21-01	Aneta	Yes	234	Water main replacement	3,000	-	-	2023	
173	-	40	3200023-23-01	Aneta	Yes	234	Lead service line inventory & replacement	234	-	234	2023	30
245	-	-	0900035-22-01	Arthur	No	328	Control building improvements	400	-	-	2024	
357	-	86	0900035-23-01	Arthur	No	328	Lead service line inventory & replacement	328	-	328	2023	
9	-	-	2600038-21-01	Ashley	Yes	700	Water tower improvements	2,000	-	-	2023	
94	-	-	2600038-21-02	Ashley	Yes	700	Water main replacement	1,000	-	-	2023	
2	3	-	2600038-21-03	Ashley	Yes	700	WTP improvements	2,500	1,250	-	2023	20+
152	-	37	2600038-23-01	Ashley	Yes	700	Lead service line inventory & replacement	700	-	700	2023	30
312	-	-	1700059-20-01	Beach	Yes	981	South side water tower rehabilitation	398	-	-	2023	
130	-	95	1700059-22-01	Beach	Yes	981	Water main & lead service line replacement	1,805	-	181	2023	
352	-	139	1700059-22-02	Beach	Yes	981	Lead service line inventory	94	-	94	-	
76	-	-	4500069-23-01	Belfield	Yes	1,013	12" transmission line extension & PRV vaults	1,845	-	-	2024	
37	-	-	4500069-23-02	Belfield	Yes	1,013	AC water main & gate valve replacement	2,305	-	-	2024	
356	-	-	5100072-18-02	Berthold	No	454	Water tower rehabilitation	300	-	-	2023	
382	-	-	5100072-21-01	Berthold	No	454	Water main replacement	5,000	-	-	2023	
368	-	92	5100072-23-01	Berthold	No	454	Lead service line inventory & replacement	454	-	454	2023	
306	-	-	2900074-20-01	Beulah	Yes	3,052	Phase I main street improvements	5,195	-	-	2023	
22	-	16	0800080-19-01	Bismarck	Yes	88,000	Water main & lead service line replacement	3,500	-	1,500	2023	30
60	-	19	0800080-23-01	Bismarck	Yes	88,000	Lead service line replacement	3,500	-	1,000	2023	30
384	-	-	0700114-21-02	Bowbells	Yes	301	Railway St water main looping	275	-	-	2023	
396	-	145	0700114-22-01	Bowbells	Yes	301	Lead service line inventory	63	-	63	-	
185	-	-	0600119-14-01	Bowman	Yes	1,470	4th ave NW water main replacement	1,445	-	-	2024	
186	-	-	0600119-19-01	Bowman	Yes	1,470	New 500,000 gallon tank	2,100	-	-	2024	
196	-	122	0900134-11-01	Buffalo	No	225	Distribution system improvements	2,300	-	200	2024	
381	-	101	0900134-23-01	Buffalo	No	225	Lead service line inventory & replacement	225	-	225	2023	
350	-	-	5100138-12-01	Burlington	Yes	1,310	Elevated storage tank	1,750	-	-	2023	
208	-	-	5100138-22-01	Burlington	Yes	1,310	Wallace St water main replacement	457	-	-	2022	
105	-	-	4800152-13-02	Cando	Yes	1,115	Water main replacement	2,000	-	-	2023	
26	-	4	4800152-22-01	Cando	Yes	1,115	Lead service line replacement	650	-	650	2023	30
143	-	35	4800152-23-01	Cando	Yes	1,115	Lead service line inventory & replacement	1,115	-	1,115	2023	30
362	-	-	1600159-20-01	Carrington	Yes	2,200	Water main replacement & rehab	1,500	-	-	2023	
30	-	7	1900162-22-01	Carson	Yes	238	Railroad, 1st, & 2nd Ave water main replacement	2,577	-	26	2023	30
89	-	-	1900162-22-02	Carson	Yes	238	Water storage improvements	2,250	-	-	2023	
68	-	3	1900162-23-01	Carson	Yes	238	Lead service line inventory & replacement	238	-	238	2023	30
246	-	-	0901060-22-01	Cass RWD	Yes	17,841	1.5 million gallon water tower	5,860	-	-	2024	
348	-	-	0901060-22-02	Cass RWD	Yes	17,841	County Road 17 water line improvements	1,189	-	-	2024	
247	-	-	0901060-22-03	Cass RWD	Yes	17,841	Reservoir B expansion	982	-	-	2024	
125	-	-	0901060-23-01	Cass RWD	Yes	17,841	2024 system wide improvements	3,000	-	-	2024	



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
239	-	20	0900166-19-01	Casselton	Yes	2,513	Lead service line replacement	910	-	910	2023	30
285	-	-	0900166-20-01	Casselton	Yes	2,513	Water main replacement (5th Ave N)	4,500	-	-	2023	
286	-	-	0900166-22-01	Casselton	Yes	2,513	Water main replacement & looping (2nd St N, Cottonwood Dr to ND Hwy 18, Morningside Dr to ND Hwy 18)	1,350	-	-	2023	
199	-	15	0900166-23-01	Casselton	Yes	2,513	Lead service line inventory & replacement	2,513	-	2,513	2023	30
39	-	-	3400170-22-01	Cavalier	Yes	1,247	Water main replacement	1,355	-	-	2023	
158	-	125	3400170-22-02	Cavalier	Yes	1,247	Lead service line inventory	125	-	125	-	
10	-	70	3300174-22-01	Center	Yes	600	Water storage & distribution improvements	2,600	-	260	2023	
104	-	27	3300174-23-01	Center	Yes	600	Lead service line inventory & replacement	600	-	600	2023	30
1	-	-	5201309-23-01	Central Plains WD	Yes	3,504	Water district expansion	11,171	-	-	2023	30
284	-	-	3900183-09-01	Christine	Yes	150	Water main, gate valve, & hydrant replacement, water main looping	700	-	-	2023	
329	-	80	3900183-23-01	Christine	Yes	150	Lead service line inventory & replacement	150	-	150	2023	
266	-	-	2800192-20-02	Coleharbor	Yes	82	Water main replacement district no. 2021-1	1,500	-	-	2023	
91	-	9	2800194-23-01	Coleharbor	Yes	82	Lead service line inventory & replacement	82	-	82	2023	30
283	-	-	3900196-23-01	Colfax	No	175	Reservoir expansion	1,051	-	-	2023	
394	-	-	3900196-23-02	Colfax	No	175	Water main looping	690	-	-	2024	
313	-	-	0700198-16-01	Columbus	Yes	133	Water main looping	1,250	-	-	2023	
218	-	85	2000203-22-01	Cooperstown	Yes	907	Lead service line replacement	100	-	100	2023	
178	-	43	2000203-23-01	Cooperstown	Yes	907	Lead service line inventory & replacement	907	-	907	2023	30
4	-	110	1200211-22-01	Crosby	Yes	1,065	Hendrickson/Holmes water main improvement	3,229	-	55	2024	
387	-	142	2001061-22-01	Dakota RWD	Yes	2,472	Lead service line inventory	200	-	200	-	
120	-	-	2001061-22-02	Dakota RWD	Yes	2,472	Transmission pipeline expansion	4,931	-	-	2024	
87	1	-	2001061-22-03	Dakota RWD	Yes	2,472	WTP expansion & manganese removal	5,000	5,000	-	2023	20+
209	-	-	0200226-22-01	Dazey	Yes	104	Control panel, electrical, & pump improvements	150	-	-	2023	
282	-	135	2500266-22-01	Drake	Yes	299	Lead service line inventory	63	-	63	-	
203	-	-	3400269-21-01	Drayton	Yes	751	Water main, hydrant, valve, & meter replacement	8,055	-	-	2023	
262	-	60	3400269-23-01	Drayton	Yes	751	Lead service line inventory & replacement	751	-	751	2023	30
315	-	136	1801062-22-02	East Central RWD	Yes	8,448	Lead service line inventory	200	-	200	-	
213	-	-	1801062-22-03	East Central RWD	Yes	8,448	Wellfield, transmission, & user expansion (phase 6)	5,955	-	-	2024	
12	-	-	1801062-22-04	East Central RWD	Yes	8,448	Service to Galesburg	1,784	-	-	2024	
6	4	-	1801062-22-05	East Central RWD	Yes	8,448	WTP expansion (phase 5)	10,564	10,564	-	2023	20+
15	-	-	1801062-23-01	East Central RWD	Yes	8,448	Hillsboro WTP expansion	3,500	-	-	2023	
137	-	-	1801062-23-02	East Central RWD	Yes	8,448	Service to Buxton	6,137	-	-	2023	
328	-	-	3600298-23-01	Edmore	Yes	141	Water storage & pumphouse	650	-	-	2023	
215	-	-	1900303-21-01	Elgin	Yes	662	East side utility improvements	1,700	-	-	2023	
176	-	41	1900303-23-01	Elgin	Yes	662	Lead service line inventory & replacement	662	-	662	2023	30
44	-	-	3700314-02-01	Enderlin	Yes	890	Well field & transmission line	1,700	-	-	2024	
70	-	78	3700314-02-02	Enderlin	Yes	890	Water main & lead service line replacement	1,500	-	400	2024	
92	-	-	3700314-02-03	Enderlin	Yes	890	WTP improvements	4,700	-	-	2025	
45	-	-	3700314-08-01	Enderlin	Yes	890	Water tower replacement	2,000	-	-	2024	
142	-	34	3700314-23-01	Enderlin	Yes	890	Lead service line inventory & replacement	890	-	890	2023	30
182	-	-	3900333-06-01	Fairmount	Yes	367	Water main replacement	800	-	-	2023	
153	-	38	3900333-23-01	Fairmount	Yes	367	Lead service line inventory & replacement	367	-	367	2023	30
32	-	-	0900336-11-01	Fargo	Yes	166,000	High service pump station	9,500	-	-	2025	
171	-	-	0900336-11-02	Fargo	Yes	166,000	WTP residuals facility	38,000	-	-	2025	
139	-	90	0900336-18-02	Fargo	Yes	166,000	Lead service line replacement	2,000	-	2,000	2024	
276	-	-	0900336-21-01	Fargo	Yes	166,000	Sheyenne river water supply improvements	8,000	-	-	2024	
43	-	89	0900336-22-01	Fargo	Yes	166,000	Water main replacement	5,000	-	-	2023	
227	-	-	0900336-23-01	Fargo	Yes	166,000	32nd Ave watermain replacement	2,200	-	-	2024	



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
231	-	137	0900336-23-02	Fargo	Yes	166,000	AMI meter improvements - phase I	3,400	-	400	2024	
232	-	138	0900336-23-03	Fargo	Yes	166,000	AMI meter improvements - phase II	6,600	-	0	2025	
277	-	-	0900336-23-04	Fargo	Yes	166,000	Emergency Red River intake screen	4,000	-	-	2024	
140	5	-	0900336-23-05	Fargo	Yes	166.000	GAC filter conversion	7,000	7,000		2023	20+
228	-	-	0900336-23-06	Fargo	Yes	166.000	Main Ave water main replacement	3,600	-	-	2025	
211	-	47	3000342-20-01	Flasher	Yes	290	Service line improvements & lead service line inventory	350	_	350	2023	30
358	-	-	0700344-22-01	Flaxton	Yes	74	Water main replacement	478	-	-	2023	50
334	_	82	1100346-23-01	Forbes	Yes	53	Lead service line inventory & replacement	53	_	53	2023	
326	-	-	4100357-08-01	Forman	Yes	504	Water tower replacement	1,200	-	-	2023	
320	_	_	4100357-08-01	Forman	Yes	504	Water tower replacement Well improvements & transmission line replacement	750	_	-	2023	
327	-	-	4100357-14-01		Yes	504		1,030	-	-	2023	
69	-	-	2400380-19-01	Forman Gackle	Yes	310	Distribution system upgrades Water main & water meter replacement, pump house improvements	500	-	-	2023	
180	-	45	2400380-23-01	Gackle	Yes	310	Lead service line inventory & replacement	310	-	310	2023	30
118	-	-	4900382-22-01	Galesburg	No	118	Distribution system & storage improvements	1,800	-	-	2023	
405	-	148	4900382-22-02	Galesburg	No	118	Lead service line inventory	63	-	63		
41	-	-	2800389-13-01	Garrison	Yes	2,500	WTP upgrades	5,000	-	-	2022	
165	-	109	2800389-13-02	Garrison	Yes	2,500	Water main & lead service line replacement	2,500	_	1,000	2023	
345	-	-	2800389-15-01	Garrison	Yes	2,500	Intake replacement	4,000	-	-	2023	
258	-	57	2800389-13-01	Garrison	Yes	2,500	Lead service line inventory & replacement	1,462		1,462	2023	30
72	-	-	3000400-19-02	Glen Ullin	Yes	807	Water main replacement district no. 2022-1	4,500	-	-	2023	50
73						807					2023	
	-	-	3000400-22-01	Glen Ullin	Yes	-	Water storage improvement district no. 2022-1	1,500	-	-		20
106	-	28	3000400-23-01	Glen Ullin	Yes	807	Lead service line inventory & replacement	807	-	807	2023	30
336	-	-	3800397-13-01	Glenburn	Yes	380	Distribution system improvements	5,500	-	-	2023	
305	-	75	3800397-23-01	Glenburn	Yes	380	Lead service line inventory & replacement	380	-	380	2023	
8	-	-	5000408-02-01	Grafton	Yes	4,170	WTP improvements	5,562	-	-	2023	
100	-	-	5000408-03-01	Grafton	Yes	4,170	Park river water intake	2,225	-	-	2036	
101	-	-	5000408-16-01	Grafton	Yes	4,170	Raw water transmission line project	7,342	-	-	2029	
102	-	-	5000408-16-02	Grafton	Yes	4,170	Red river water intake	4,536	-	-	2028	
235	-	129	5000408-22-01	Grafton	Yes	4,170	Lead service line inventory	250	-	250	-	
188	-	-	5000408-22-02	Grafton	Yes	4,170	Surface water intake improvements	500	-	-	2023	
226	-	-	1800410-20-01	Grand Forks	Yes	59,166	WTP demolition	5,100	-	-	2024	
138	-	-	1800410-23-01	Grand Forks	Yes	59,166	Potable waterline expansion	3,504	-	-	2023	
13	-	-	2500415-12-01	Granville	Yes	330	Water main replacement	499	-	-	2023	
363	-	-	5300425-20-01	Grenora	Yes	350	Water main replacement (Main St)	1,500	-	-	2031	
364	-	-	5300425-20-02	Grenora	Yes	350	Water main replacement (Jetson St)	703	-	-	2024	
287	-	-	5300425-20-03	Grenora	Yes	350	Water tower improvements	3,000	-	-	2024	
119	8	-	5300425-20-04	Grenora	Yes	350	WTP improvements	2,926	2,926	-	2027	
365	-	-	5300425-20-05	Grenora	Yes	350	Well house #1 improvements	1,000	-	-	2026	
288	-	-	5300425-20-06	Grenora	Yes	350	Well house #2 improvements	1,000		-	2040	
386	-	-	3900443-23-01	Hankinson	Yes	845	Renewable energy water supply	2,465	-	-	2023	
67	-	-	2000446-09-01	Hannaford	Yes	150	Water tower replacement & pump house improvements	2,300	-	-	2024	
93	-	-	5200458-16-01	Harvey	Yes	1,783	WTP improvements	800	-	-	2023	
229	-	-	5200458-22-01	Harvey	Yes	1,783	Raw water line replacement	2,250	-	-	2024	
230	- 1	-	5200458-22-02	Harvey	Yes	1,783	Railroad crossing water main replacement	400	-	-	2024	
48	-	6	5200458-23-01	Harvey	Yes	1,783	Lead service line inventory & replacement	1,783	-	1,783	2023	30
403	-	-	0900460-16-01	Harwood	No	718	Distribution system improvements	1,000	-	-	2023	
391		111	0900460-23-01	Harwood	No	718	Lead service line inventory & replacement	718	-	718	2023	
46	-	-	1500469-22-01	Hazelton	Yes	225	Pump house & water tower improvements	2,000	-	-	2023	
254	-	54	1500469-23-01	Hazelton	Yes	225	Lead service line inventory & replacement	225	-	225	2023	30



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
244	-	117	2900470-22-01	Hazen	Yes	2,411	Lead service line & water meter replacement	2,000	-	1,500	2023	
307	-	76	2900470-23-01	Hazen	Yes	2,411	Lead service line inventory & replacement	2,411	-	2,411	2023	
168	-	-	3000473-20-01	Hebron	Yes	867	Southside water main replacement	3,903	-	-	2023	
257	-	-	3000473-22-01	Hebron	Yes	867	Summit avenue watermain replacement	178	-	-	2023	
241	-	-	0100476-23-01	Hettinger	Yes	1,200	Water main rehabilitation	1,660	-	-	2024	
236	-	130	4900482-22-01	Hillsboro	Yes	1,649	Lead service line inventory	125	-	125	-	
369	-	-	4600487-08-01	Норе	Yes	258	Water main extension	210	-	-	2023	
291	-	71	4600487-23-01	Норе	Yes	258	Lead service line inventory & replacement	258	-	258	2023	
406	-	-	0900488-15-01	Horace	No	614	Water tower improvements	815	-	-	2024	
402	-	-	0900488-22-01	Horace	No	614	Water tower replacement	6,500	-	-	2024	
325	-	-	0900492-15-01	Hunter	Yes	261	Control building improvements	300	-	-	2024	
85	-	14	0900492-15-02	Hunter	Yes	261	Distribution system improvements	4,000	-	200	2024	
161	-	5	0900492-23-01	Hunter	Yes	261	Lead service line inventory & replacement	261	-	261	2023	30
189	-	-	4700498-09-01	Jamestown	Yes	16,000	Water meters	2,835	-	-	2023	
190	-	-	4700498-13-01	Jamestown	Yes	16,000	WTP SCADA improvements	455	-	-	2023	
191	-	-	4700498-13-02	Jamestown	Yes	16,000	WTP filter bay improvements	860	-	-	2023	
192	-	-	4700498-14-02	Jamestown	Yes	16,000	NE water transmission line	4,968	-	-	2023	
77	-	-	4700498-18-01	Jamestown	Yes	16,000	Pitless well rehabilitation	200	-	-	2023	
78	-	-	4700498-19-01	Jamestown	Yes	16,000	WTP backwash recycle system	1,750	-	-	2023	
193	-	-	4700498-19-02	Jamestown	Yes	16,000	NE water tower improvement	350	-	-	2023	
11	-	1	4700498-22-01	Jamestown	Yes	16,000	Water main & lead service line replacement	1,500	-	250	2023	30
25	-	2	4700498-22-02	Jamestown	Yes	16,000	Lead service line replacement	3,500	-	3,500	2023	30
175	-	79	2300508-15-01	Jud	Yes	72	Distribution system improvements	500	-	50	2024	
145	-	36	2300508-23-01	Jud	Yes	72	Lead service line inventory & replacement	72	-	72	2023	30
164	-	108	5100515-15-01	Kenmare	Yes	1,013	Water main replacement	575	-	58	2023	
129	-	11	5100515-22-01	Kenmare	Yes	1,013	Lead service line inventory	310	-	310	2023	10
401	-	147	0900524-22-01	Kindred	No	889	Lead service line replacement study	50	-	50	-	
59	-	-	0900524-22-02	Kindred	No	889	Water reservoir & water main improvements	1,500	-	-	2024	
197	-	119	0900524-23-01	Kindred	No	889	ACP water main replacement	1,480	-	200	2028	
377	-	120	0900524-23-02	Kindred	No	889	Lead service line replacement	500	-	500	2024	
385	-	-	0900524-23-03	Kindred	No	889	Water storage expansion & study	1,000	-	-	2026	
96	-	-	2300535-09-01	Kulm	Yes	354	Water tower replacement	1,500	-	-	2023	
274	-	68	2300535-23-01	Kulm	Yes	354	Lead service line inventory & replacement	354	-	354	2023	
361	-	-	2300537-14-01	LaMoure	Yes	889	Water main replacement & looping	525	-	-	2023	
333	-	81	2300537-23-01	LaMoure	Yes	889	Lead service line inventory & replacement	889	=	889	2023	
297	-	-	1000543-09-01	Langdon	Yes	1,878	Water main replacement	3,000	-	-	2023	
346	-	-	1000543-09-02	Langdon	Yes	1,878	Water tower rehabilitation	600	-	-	2024	
347	-	-	1000543-21-01	Langdon	Yes	1,878	Water main looping	950	-	-	2023	
267	-	62	1000543-23-01	Langdon	Yes	1,878	Lead service line inventory & replacement	1,878	-	1,878	2023	30
123	-	-	0300533-13-01	Leeds	Yes	427	Well & transmission line improvements	600	-	-	2023	
202	-	-	0300553-13-02	Leeds	Yes	427	Well & transmission line improvements	450	-	-	2023	
293	-	107	0300553-13-03	Leeds	Yes	427	Lead service line replacement	650	-	650	2023	
294	-	-	0300553-20-01	Leeds	Yes	427	Water main replacement	525	-	-	2023	
256	-	56	0300553-23-01	Leeds	Yes	427	Lead service line inventory & replacement	427	-	427	2023	30
50	-	-	2600556-22-01	Lehr	Yes	80	Water tower & water main replacement	1,500	-	-	2023	
222	-	50	2600556-23-01	Lehr	Yes	80	Lead service line inventory & replacement	80	-	80	2023	30
49	-	72	3900567-16-01	Lidgerwood	Yes	652	Transmission main & lead service line replacement	1,126	-	320	2024	
99	-	-	3900567-23-01	Lidgerwood	Yes	652	Booster station and water tower controls	292	-	-	2024	
238	-	-	0800570-22-01	Lincoln	No	4,257	Water storage & transmission line improvements	5,400	-	-	2023	
53	-	-	1500571-21-01	Linton	Yes	990	Curb stop replacement	1,500	-	-	2023	
40	-	21	1500571-23-01	Linton	Yes	990	Lead service line inventory & replacement	990	-	990	2023	30



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
75	-	-	3700574-11-01	Lisbon	Yes	2,154	Water well	300	-	-	2022	
148	-	-	3700574-11-02	Lisbon	Yes	2,154	Water main replacement	2,500	-	-	2022	
98	-	-	3700574-14-01	Lisbon	Yes	2,154	WTP improvements	1,000	-	-	2022	
107	-	29	3700574-23-01	Lisbon	Yes	2,154	Lead service line inventory & replacement	2,154	-	2,154	2023	30
116	-	-	0300587-22-02	Maddock	Yes	380	Water tower repair or replacement	2,500	-	-	2024	
290	-	-	5100593-13-01	Makoti	Yes	154	Well & transmission line improvements	400	-	-	2023	
366	-	-	5100593-13-02	Makoti	Yes	154	Water main replacement	2,000	-	-	2022	
341	-	84	5100593-23-01	Makoti	Yes	154	Lead service line inventory & replacement	154	-	154	2023	
349	-	-	3000596-13-03	Mandan	Yes	32,000	Boundary road PRV	661	-	-	2023	
301	-	-	3000596-19-01	Mandan	Yes	32,000	Collins Ave reservoir replacement	3,566	-	-	2025	
207	-	-	3000596-21-01	Mandan	Yes	32,000	Memorial Hwy water main upgrade	5,500	-	-	2023	
248	-	-	3000596-21-02	Mandan	Yes	32,000	South end pump station improvements	419	-	-	2024	
88	-	-	3000596-22-01	Mandan	Yes	32,000	WTP optimization phase 3	6,587	-	-	2024	
167	-	18	3000596-22-02	Mandan	Yes	32,000	Lead service line replacement	50	-	50	2023	30
302	-	-	3000596-22-03	Mandan	Yes	32,000	Midtown west water main replacement	2,000	-	-	2026	
303	-	-	3000596-22-04	Mandan	Yes	32,000	Water distribution system improvements	400	-	-	2023	
304	-	-	3000596-22-05	Mandan	Yes	32,000	Downtown water main replacement	1,200	-	-	2024	
132	-	13	3000596-22-06	Mandan	Yes	32,000	Lead service line inventory & replacement	200	-	200	2023	30
337	-	-	0900613-20-01	Mapleton	Yes	1,320	Water main replacement	1,000	-	-	2023	
243	-	-	0900613-22-01	Mapleton	Yes	1,320	Water main railroad crossing & looping	800	-	-	2023	
338	-	83	0900613-23-01	Mapleton	Yes	1,320	Lead service line inventory & replacement	310	-	310	2023	
250	-	-	2800619-18-01	Max	Yes	334	Water main replacement	639	-	-	2023	
251	-	-	2800619-20-01	Max	Yes	334	Gate valve replacement	156	-	-	2023	
371	-	-	0500620-23-01	Maxbass	Yes	85	Curb stop and gate valve replacement	126	-	-	2024	
204	-	-	4900622-16-01	Mayville	Yes	1,858	WTP upgrades	790	-	-	2023	
205	-	-	4900622-22-01	Mayville	Yes	1,858	Refinance of surface water intake and water main improvements	950	-	-	-	
268	-	63	4900622-23-01	Mayville	Yes	1,858	Lead service line inventory & replacement	1,858	-	1,858	2023	30
103	-	-	4200626-22-01	McClusky	Yes	380	Water main replacement	300	-	-	2023	
79	-	23	4200626-23-01	McClusky	Yes	380	Lead service line inventory & replacement	380	-	380	2023	30
201	-	-	3200626-19-01	McVille	Yes	375	WTP improvements	1,300	-	-	2024	
122	-	-	3200626-22-01	McVille	Yes	375	Elevated tank replacement	2,300	-	-	2023	
163	-	106	3200626-22-02	McVille	Yes	375	Distribution system improvements	10,500	-	150	2024	
255	-	55	3200626-23-01	McVille	Yes	375	Lead service line inventory & replacement	375	-	375	2023	30
5	-	-	4700637-16-01	Medina	Yes	300	WTP & well improvements	840	-	-	2023	20+
36	-	-	4700637-16-02	Medina	Yes	300	Water main replacement	840	-	-	2022	
149	-	-	4700637-16-03	Medina	Yes	300	Water tower replacement	1,000	-	-	2023	
108	-	30	4700637-23-01	Medina	Yes	300	Lead service line inventory & replacement	300	-	300	2023	30
219	-	-	0400638-23-01	Medora	Yes	135	Pacific ave watermain replacement & expansion	1,585	-	-	2024	
220	-	-	0400638-23-02	Medora	Yes	135	Watermain replacement	7,482	-	-	2025	
221	-	-	0400638-23-03	Medora	Yes	135	Water reservoir expansion	2,200	-	-	2025	
407	-	-	TBD-22-01	Metro Flood Diversion	No	19,500	USACE southern embankment & infrastructure	19,000	-	-	2023	
395	-	-	3200653-13-01	Michigan	No	100	Water tower rehabilitation	100	-	-	2023	
367	-	91	3200653-23-01	Michigan	No	100	Lead service line inventory & replacement	345	-	345	2023	
373	-	-	4101425-19-01	Milnor	No	638	Booster station improvements	317	-	-	2023	
31	-	8	5100660-23-01	Minot	Yes	80,000	Eastwood park water main replacement	5,000	-	1,000	2023	30
260	-	-	3001431-22-01	Missouri West WS	Yes	8,050	Service to users in Lyons Rd area and along Hwy 1806	2,025	-	-	2023	
263	-	-	3800695-21-01	Mohall	Yes	705	2nd Ave SE water main replacement	544	-	-	2023	
264	-	-	3800695-22-01	Mohall	Yes	705	3rd Ave, 4th & 5th St NW water main replacement	662	-	-	2024	
265	-	96	3800695-22-02	Mohall	Yes	705	Lead service line replacement	1,649	-	1,649	2023	



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
20	-	-	3900703-11-01	Mooreton	Yes	90	Gate valve & hydrant replacement, control upgrades, addition of bladder tank storage	700	-	-	2024	
58	-	-	2100704-22-01	Mott	Yes	728	Pump house & water tower improvements	2,000	-	-	2023	
65	-	58	2100704-22-02	Mott	Yes	728	Water main replacement district no. 2022-1	1,800	-	20	2023	30
261	-	59	2100704-23-01	Mott	Yes	728	Lead service line inventory & replacement	728	-	728	2023	30
62	-	-	2400715-13-01	Napoleon	Yes	707	Water main extension	2,000	-	-	2023	
342	-	-	2400715-22-01	Napoleon	Yes	707	Refinance of water main replacement	3,100	-	-	-	
308	-	77	2400715-23-01	Napoleon	Yes	707	Lead service line inventory & replacement	792	-	792	2023	
52	-	-	2100726-20-01	New England	Yes	600	Water main replacement & looping	1,000	-	-	2023	
27	-	-	2100726-22-01	New England	Yes	600	Refinance of water system imp. districts Phase 1, 2 & 3 Refinance of water main, service line, water tower, hydrant, &	5,996	-	-	-	
17	-	-	2100726-22-04	New England	Yes	600	gate valve replacement	5,996	-	-	-	
81	-	25	2100726-23-01	New England	Yes	600	Lead service line inventory & replacement	600	-	600	2023	30
128	-	93	1900731-22-01	New Leipzig	Yes	218	Water main & lead service line replacement	708	-	71	2023	
212	-	48	1900731-23-01	New Leipzig	Yes	218	Lead service line inventory & replacement	218	-	218	2023	30
157	-	124	3100744-22-01	New Town	Yes	1,925	Lead service line inventory	125	-	125	-	
115	-	-	3100744-23-01	New Town	Yes	1,925	Reverse osmosis WTP upgrade	39,000	-	-	2025	
183	-	-	1200748-18-01	Noonan	Yes	144	Main St water improvements	832	-	-	2023	
184	-	-	1200748-20-01	Noonan	Yes	144	Water main replacement (Washington St)	665	-	-	2025	
194	-	-	5101189-19-01	North Prairie RWD	Yes	13,000	Backup generators	650	-	-	2023	
174	-	-	5101189-22-01	North Prairie RWD	Yes	13,000	Water main replacement - 47th & 48th St.	1,030	-	-	2023	
117 144	-	-	5101189-23-01 1001380-21-02	North Prairie RWD Northeast RWD	Yes Yes	13,000 7,517	Reservoir 3 to Max transmission main Individual service to residents of Milton, Nekoma, & Osnabrock	2,557 3,599	-	-	2024 2024	
279	-	132	1001380-22-01	Northeast RWD	Yes	7,517	Lead service line inventory	200	-	200	-	
3	-	-	1001380-22-02	Northeast RWD	Yes	7,517	WTP & wellfield expansion	6,000	-	-	2024	
121	-	-	1100758-09-01	Oakes	Yes	1,856	Water reservoir & pump station	720	-	-	2023	
242	-	-	1100758-11-01	Oakes	Yes	1,856	WTP upgrades	2,000	-	-	2023	
160	-	-	1100758-11-02	Oakes	Yes	1,856	Well replacement	400	-	-	2023	
300	-	74	1100759-23-01	Oakes	Yes	1,856	Lead service line inventory & replacement	1,856	-	1,856	2023	
34	-	131	0300762-15-01	Oberon	Yes	104	Distribution system replacement	3,400	-	250	2024	
47	-	-	0300762-15-02	Oberon	Yes	104	Well & control building improvements	650	-	-	2024	
154	-	39	0300762-23-01	Oberon	Yes	104	Lead service line inventory & replacement	104	-	104	2023	30
322	-	-	0200763-09-01	Oriska	No	128	Reservoir & pump house improvements	650	-	-	2024	
392	-	113	0200763-23-01	Oriska	No	128	Lead service line inventory & replacement	310	-	310	2023	
280	-	133	5000773-22-01	Park River	Yes	1,427	Lead service line inventory	125	-	125	-	
55	-	-	3100775-21-01	Parshall	Yes	903	Wild Horse Addition water main looping	750	-	-	2023	
56	-	-	3100775-22-01	Parshall	Yes	903	Water supply line improvements	9,000	-	-	2023	
83	-	118	3100775-22-02	Parshall	Yes	903	Lead service line inventory	94	-	94	2023	
141	-	33	2900789-23-01	Pick City	Yes	89	Lead service line inventory & replacement	89	-	89	2023	30
340	-	-	3100798-16-02	Plaza	Yes	171	Hydrant upgrades	530	-	-	2023	
389	-	144	3100798-22-01	Plaza	Yes	171	Lead service line inventory	63	-	63	-	
399	-	-	0700800-19-01	Portal	No	150	Water main looping	150	-	-	2023	
400 84	-	-	0700800-19-02 4900803-08-01	Portal Portland	No	150 606	Hydrant & gate valve replacement	100	-	-	2023	
378	-	97	4900803-08-01	Portland	No	606	Water tower replacement & distribution system improvements Lead service line inventory & replacement	281	-	- 281	2023	
310		-	0700804-23-01	Powers Lake	Yes	385	5 block water main replacement	833	-		2023	
80	-	24	2100816-23-01	Regent	Yes	123	Lead service line inventory & replacement	100	-	100	2024	30
223	-	51	0600819-23-01	Regent	Yes	123	Lead service line inventory & replacement Lead service line inventory & replacement	154	-	154	2023	30
	-	51	0000019-23-01	Kildille	ies	134	Lead service line inventory & replacement	104	-	134	2025	50



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
298	-	-	2800825-20-01	Riverdale	Yes	226	Gate valve replacement	1,460	-	-	2023	
206	-	-	2800825-20-02	Riverdale	Yes	226	Raw water line replacement	6,000	-	-	2023	
270	-	65	2800825-23-01	Riverdale	Yes	226	Lead service line inventory & replacement	1,500	-	1,500	2023	30
21	-	88	2200827-16-01	Robinson	Yes	45	Distribution system improvements	1,000	-	150	2023	
179	-	44	2200827-23-01	Robinson	Yes	45	Lead service line inventory & replacement	46	-	46	2023	30
249	-	-	4800828-22-01	Rock Lake	Yes	94	Water tower rehabilitation	500	-	-	2024	
114	-	-	4000833-19-01	Rolette	Yes	594	Water meter replacement	200	-	-	2023	
82	-	26	4000833-23-01	Rolette	Yes	594	Lead service line inventory & replacement	611	-	611	2023	30
54	-	22	4000834-20-01	Rolla	Yes	1,280	Lead service line inventory & replacement	745	-	745	2024	30
86	-	-	3500842-20-01	Rugby	Yes	2,876	WTP phase III improvements	1,470	-	-	2022	
295	-	-	3500842-21-03	Rugby	Yes	2,876	Raw water line replacement	8,306	-	-	2023	
372	-	141	3500842-22-01	Rugby	Yes	2,876	Lead service line inventory	250	-	250	-	
200	-	-	4100848-16-01	Rutland	Yes	163	Water main replacement	750	-	-	2025	
343	-	-	4100848-22-01	Rutland	Yes	163	Water tower replacement	1,200	-	-	2024	
289	-	-	5100849-21-01	Ryder	Yes	80	Water tower replacement	1,500	-	-	2025	
354	-	-	0200858-13-01	Sanborn	No	194	Distribution system improvements	650	_	_	2023	
379	-	98	0200858-23-01	Sanborn	No	194	Lead service line inventory & replacement	194	-	194	2023	
332	-	-	5100868-14-01	Sawyer	Yes	367	Water main improvements	1,000	_	-	2023	
296	-	73	5100868-23-01	Sawyer	Yes	367	Lead service line inventory & replacement	367	_	367	2023	
181	_	46	4300871-23-01	Selfridge	Yes	123	Lead service line inventory & replacement	60	_	60	2023	30
383			4600875-23-01	Sharon	Yes	123	Water tower rehab	750	_	-	2023	50
375	-	-	3800877-15-01	Sherwood	No	256	Water main replacement - 3 block	532	-	-	2023	
375		-	3800877-13-01	Sherwood	No	256	Water main replacement - 12 block	1,392	-	-	2023	
61	-	- 112	1400879-15-01	Sheyenne	Yes	236		3,500	-	200	2023	
275	-	69					Water main replacement	123	-		2024	
344	-	69	1400879-23-01	Sheyenne	Yes	204	Lead service line inventory & replacement	2.820		123	2023	
64	-	-	0801154-23-01	South Central RWD South Central RWD	No	-	SCWD hawktree tank	2,820	-	-	2024	
-	-	-	0801154-23-02		No	-	Service to Ashley			-		
170	-	-	4500891-19-01	South Heart	Yes	307	Water main replacement	3,400	-	-	2024	
311	-	-	3901068-14-01	Southeast WUD	Yes	10,839	Automatic meter readers	2,000		-	2022	20
14	6	-	3901068-20-01	Southeast WUD	Yes	10,839	West WTP improvements	12,645	12,645		2022	20+
259	-	-	3901068-22-01	Southeast WUD	Yes	10,839	Distribution system improvements	3,605	-	-	2024	
159	-	-	4000854-22-01	St. John	Yes	342	Lead service line inventory	63	-	63	-	
28	-	-	4000854-22-02	St. John	Yes	342	Water tower replacement	1,875	-	-	2023	
133	-	99	3100898-23-01	Stanley	Yes	2,500	Capital improvement plan - Phase 2	6,575	-	25	2024	
252	-	-	2200913-22-01	Steele	Yes	918	SE distribution system improvements	1,700	-	-	2023	
214	-	49	2200913-23-01	Steele	Yes	918	Lead service line inventory & replacement	918	-	918	2023	30
177	-	42	1500921-23-01	Strasburg	Yes	379	Lead service line inventory & replacement	230	-	230	2023	30
187	-	-	4700922-12-01	Streeter	Yes	170	Water main looping	750	-	-	2023	
71	-	-	4700922-13-01	Streeter	Yes	170	WTP improvements	500	-	-	2023	
97	-	-	4700922-13-02	Streeter	Yes	170	Well redundancy & pump update	800	· -	-	2023	
18	-	-	4701303-19-01	Stutsman RWD	Yes	6,700	Service to Streeter	776	-	-	2023	
16	-	-	4701303-19-04	Stutsman RWD	Yes	6,700	Raw water facilities improvements	4,271	-	-	2023	
330	-	-	5100923-22-01	Surrey	Yes	1,358	Hydrant & gate valve replacement	150	-	-	2023	
331	-	-	5100923-22-02	Surrey	Yes	1,358	Wenz Addition distribution system upgrades	1,900	-	-	2023	
388	-	143	5100923-22-03	Surrey	Yes	1,358	Lead service line inventory	63	-	63	-	
150	-	-	5200927-13-01	Sykeston	Yes	117	Water main replacement district no. 2022-1	250	-	-	2022	
109	-	31	5200927-23-01	Sykeston	Yes	117	Lead service line inventory & replacement	117	-	117	2023	30
151	-	-	5300936-23-01	Tioga	Yes	2,500	Water main replacement	2,400	-	-	2023	
110	-	32	5300936-23-02	Tioga	Yes	2,500	Lead service line inventory & replacement	250	-	250	2023	30
404	-	-	0900945-09-01	Tower City	No	252	Water tower rehabilitation	900	-	-	2024	
237	-	127	0900945-12-01	Tower City	No	252	Distribution system improvements	2,900	-	300	2024	



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
398	-	-	0900945-19-01	Tower City	No	252	Refinance of gate valve & service line replacement	600	-	-	-	
393	-	114	0900945-23-01	Tower City	No	252	Lead service line inventory & replacement	252	-	252	2023	
90	-	-	3201072-22-01	Tri-County WD	Yes	3,175	Phase 6 expansion	1,800	-	-	2023	
42	-	-	3201072-22-02	Tri-County WD	Yes	3,175	Phase 7 expansion	3,286	-	-	2023	
324	-	-	2800949-20-01	Turtle Lake	No	575	Water main replacement district no. 2022-1	1.000	-	-	2023	
360	-	87	2800949-23-01	Turtle Lake	No	575	Lead service line inventory & replacement	575	-	575	2023	
127	_	10	2200951-23-01	Tuttle	Yes	59	Lead service line inventory & replacement	80	_	80	2023	30
95	-	-	2800953-22-01	Underwood	Yes	850	Water tower replacement	2,000	_	-	2023	50
272	-	67	2800953-23-01	Underwood	Yes	850	Lead service line inventory & replacement	850	-	850	2023	30
51	-	-	2500956-16-01	Upham	Yes	133	Water main & service line replacement	508	_	-	2023	50
126		-	511074-21-01	Upper Souris WD	Yes	85,734	Improvements & expansion phase II	5,000		-	2023	
335	-	- 116	0200958-22-04	Valley City	Yes	6,585		2,000	-	2,000	2024	
		110					Lead service line replacement	640	-	2,000		
299	-	- 17	2500964-19-01	Velva	Yes	1,256	Water main replacement			-	2023	20
166	-	17	2500964-22-01	Velva	Yes	1,256	Lead service line replacement	2,373	-	2,373	2023	30
273	-	-	2300969-12-01	Verona	Yes	85	Water main replacement	515	-	-	2023	
169	-	-	2300969-14-01	Verona	Yes	85	Pump house replacement	300	-	-	2023	
314	-	-	2300969-19-01	Verona	Yes	85	Water meter replacement	100	-	-	2023	
225	-	52	2300969-23-01	Verona	Yes	85	Lead service line inventory & replacement	85	-	85	2023	30
155	-	-	3900973-04-01	Wahpeton	Yes	8,004	Water main looping	284	-	-	2024	
19	-	-	3900973-16-01	Wahpeton	Yes	8,004	WTP process improvements	10,707	-	-	2027	
111	-	-	3900973-18-03	Wahpeton	Yes	8,004	15th Ave & 14th St N distribution system improvements	1,114	-	-	2024	
112	-	-	3900973-19-01	Wahpeton	Yes	8,004	Well field relocation	6,654	-	-	2024	
38	-	61	3900973-22-01	Wahpeton	Yes	8,004	3rd Ave & 5th St S distribution system improvements	1,480	-	85	2025	
156	-	-	3900973-22-02	Wahpeton	Yes	8,004	Water tower improvements	420	-	-	2025	
113	-	-	3900973-23-01	Wahpeton	Yes	8,004	Cul-de-sac improvements	2,001	-	-	2025	
23	-	-	5001075-19-01	Walsh RWD	Yes	3.340	NRWD interconnect	3,340	-	-	2023	
234	-	128	5001075-22-01	Walsh RWD	Yes	3,340	Lead service line inventory	200	-	200	-	
57	-	-	5001075-23-01	Walsh RWD	Yes	3,340	NE ND regional water supply project	100,769	-	_	2024	
7	2	-	5001075-23-02	Walsh RWD	Yes	3,340	WTP expansions	10,000	10,000	-	2024	
240	-	-	2800989-18-01	Washburn	Yes	1,313	Raw water intake replacement	1,988	-	-	2023	
397	_	146	2800989-22-01	Washburn	Yes	1,313	Lead service line inventory	1,500	-	125	-	
172	-	-	5301686-19-01	WAWSA	Yes	69.859	Williston WTP expansion to 35 MGD	44.850		-	2024	
390	-	-	5301686-20-01	WAWSA	Yes	69,859	Williston WTP expansion to 55 MGD	7,155	-	-	2024	
316	-	-		WAWSA				4,400	-	-	2024	
317			5301686-23-01		Yes	69,859	NWRWD BDW rural distribution expansion				2024	
317	-	-	5301686-23-02	WAWSA	Yes	69,859	MCWRD system II improvements	7,700	-	-	2024	
	-	-	5301686-23-03	WAWSA	Yes	69,859	MCWRD system IV improvements	3,300	-	-		
233	-	-	5301686-23-04	WAWSA	Yes	69,859	MCWRD transmission system expansion	38,600	-	-	2024	
319	-	-	5301686-23-05	WAWSA	Yes	69,859	NWRWD east williston CR9 service area	6,400	-	-	2023	
195	-	-	5301686-23-06	WAWSA	Yes	69,859	NWRWD Trenton area rural distribution	8,300	-	-	2024	
320	-	-	5301686-23-07	WAWSA	Yes	69,859	R&TWD Battleview McGregor rural distribution	9,350	-	-	2024	
321	-	-	5301686-23-08	WAWSA	Yes	69,859	R&TWD Blaisdell Palermo rural distribution	3,900	-	-	2024	
351	-	-	5301686-23-09	WAWSA	Yes	69,859	R&TWD Stanley transmission imp. phase II	14,300	-	-	2024	
339	-	-	0900999-22-01	West Fargo	Yes	36,406	Water main & appurtenance replacement	15,000	-	-	2024	
224	-	-	5101447-16-01	West River WD	Yes	650	Water service line replacement	471	-	-	2022	
216	-	-	0501001-09-01	Westhope	Yes	429	Water main & service line replacement - 3 blocks	504	-	-	2023	
217	-	-	0501001-22-01	Westhope	Yes	429	Water main & service line replacement - 12 blocks	1,169	-	-	2023	
359	-	-	5301011-20-01	Wildrose	Yes	150	Water main & service line replacement - 3 blocks	629	-	-	2023	
353	-	126	5201012-22-01	Williston	No	30,000	1st Ave water main & lead service line replacement	835	-	84	2023	
323	-	123	5201012-22-02	Williston	No	30,000	5th Ave W phase 1 water main replacement	5,105	-	510	2024	
134	-	102	5201012-22-02	Williston	Yes	30,000	5th Ave W phase 1 water main replacement	803	-	502	2024	
134		102	5201012-22-03	Williston	Yes	30,000	7th Ave W phase 2 water main replacement	681		563	2025	



Priority Ranking (Supplemental)	Priority Ranking (Emerging Contaminants)	Priority Ranking (Lead)	Tracking No.	System Name	Disadvantaged Community	Present Population	Project Description	Project Cost (\$1,000)	Project Cost - Emerging Contaminants (\$1,000)	Project Cost - Lead (\$1,000)	Construction Start Date	Est. Loan Term ¹
136	-	104	5201012-22-05	Williston	Yes	30,000	7th Ave W phase 2 water main replacement	720	-	585	2027	
278	-	140	5201012-22-07	Williston	Yes	30,000	Water meter replacement & lead service line inventory	2,500	-	250	2023	
162	-	105	0801031-18-01	Wilton	Yes	750	Water main replacement (Minnesota Ave, 7th St, Dakota Ave, Burleigh Ave, Railway Ave)	4,100	-	160	2023	
198	-	115	0801031-22-02	Wilton	Yes	750	Bismarck & Dakota Ave water main & lead service line replacement, water tower improvements	2,125	-	100	2023	
253	-	53	0801031-23-01	Wilton	Yes	750	Lead service line inventory & replacement	718	-	718	2023	30
124	-	-	0801036-19-01	Wing	Yes	152	Water tower replacement	700	-	-	2024	
131	-	12	0801036-23-01	Wing	Yes	152	Lead service line inventory & replacement	152	-	152	2023	30
309	-	-	2601037-20-01	Wishek	Yes	1,002	Hydrant replacement	350	-	-	2023	
63	7	-	2601037-20-02	Wishek	Yes	1,002	WTP improvements for iron & manganese	1,200	1,200	-	2023	
292	-	-	3901043-23-01	Wyndmere	Yes	454	Distribution improvements phase 2 & 3	10,000	-	-	2028	
271	-	66	2601055-23-01	Zeeland	Yes	82	Lead service line inventory & replacement	130	-	130	2023	30

 Total Project Cost:
 1,113,886
 50,585
 74,133

¹ Estimated length of the loan term only. The loan term will be set at the time of loan approval.



Projects Funded During the 2019-2021 Biennium

System	Project	Approved	Loan	Loan Term [years]	Interest Rate	Loan Forgiveness	Cofunded with DWR
Agassiz WUD	2019 Transmission and User Expansion	10/16/2019	\$996,000	30	2%	\$0	Yes
Aneta	Emergency Watermain Replacement	10/16/2020	\$400,000	30	2%	\$0	No
All Seasons WUD	Rolla Area Improvements	5/28/2021	\$371,000	20	2%	\$0	No
Beach	Water Main and Service Line Replacement	10/22/2020	\$431,000	30	2%	\$1,144,000	No
Bismarck	Water Main and Lead Service Line Replacement	4/30/2020	\$5,618,000	15	2%	\$1,382,000	No
Carrington	Refinance of Water Main Replacement	3/9/2020	\$4,975,000	30	2%	\$0	No
Cavalier	Water Tower Replacement, GSR & Pump Station Replacement	7/17/2019	\$4,845,000	30	2%	\$1,451,201	Yes
Center	Water Main Replacement	7/22/2020	\$102,000	20	2%	\$0	No
Cooperstown	Water Main Replacement	2/9/2021	\$800,000	30	2%	\$0	No
Dakota RWD	User Expansion	10/22/2019	\$2,176,000	30	2%	\$0	Yes
Davenport	Water Storage, Pumping	3/23/2021	\$527,000	20	2%	\$0	Yes
Dunn Center	Water Main Replacement	5/29/2020	\$2,448,000	30	2%	\$0	No
Enderlin	Water Main Replacement	8/22/2019	\$1,200,000	20	2%	\$0	No
Flaxton	Lead Service Line Inventory & Replacement	5/28/2021	\$893,700	20	2%	\$99,300	No
Jamestown	2019 Water Main Improvements	3/24/2020	\$2,123,000	20	2%	\$0	No
Jamestown	Water Line Replacement (State Hospital)	12/15/2020	\$1,344,000	20	2%	\$0	No
Lakota	Transmission Line Replacement	1/20/2021	\$885,000	30	2%	\$0	Yes
Mandan	Raw Water Intake Improvements	12/15/2020	\$7,255,000	20	2%	\$0	Yes
Mapleton	Ground Storage Tank	3/24/2020	\$1,400,000	30	2%	\$0	Yes
McLean-Sheridan RWD	2019 Distribution System Improvements, Phase I & II	10/22/2019	\$4,660,000	30	2%	\$0	Yes
Missouri West WS	Hwy 25 and 1806 Pipeline Improvements	4/23/2020	\$750,000	30	2%	\$0	Yes
Mohall	Water Main Replacement	3/18/2020	\$391,000	20	2%	\$0	No
North Prairie RWD	Mountrail Phase II & III Transmission Line	1/27/2021	\$3,825,000	30	2%	\$0	Yes
North Prairie RWD	Service to Benedict	9/15/2020	\$113,250	20	2%	\$339,750	Yes
North Prairie RWD	Logan to Velva US Hwy 52 Distribution Improvements	4/27/2021	\$1,151,000	30	2%	\$0	Yes
Riverdale	Water Tower and Water Main Replacement	7/17/2019	\$1,961,000	20	2%	\$0	No
Stanley	Refinance of Water System Improvements	1/20/2021	\$400,000	20	2%	\$0	No
Stutsman RWD	Phase 7 Water Supply Project	10/22/2019	\$1,000,000	30	2%	\$0	Yes
Stutsman RWD	Refinance of Phase 3 Water Supply Project	5/29/2020	\$3,027,000	30	2%	\$0	No
Sykeston	Water Tower Replacement	7/22/2020	\$411,000	30	2%	\$0	Yes
Tri-County	Petersburg Phase 5 Water Supply Project	1/21/2020	\$1,610,000	20	2%	\$0	Yes
Valley City	5th Ave NW Street Reconstruction	4/23/2020	\$300,000	20	2%	\$0	No
Valley City	7th Ave W, 4th St NW, & 2nd Ave NE Street Reconstruction	5/28/2021	\$180,000	20	2%	\$0	No
Wahpeton	Master Lift Station, Streets, & Utilities Improvements	3/24/2020	\$1,197,000	25	2%	\$0	No
WAWSA	Phase VI Projects	5/29/2020	\$16,500,000	30	2%	\$0	Yes

Projects Funded During the 2019-2021 Biennium

Wyndmere	2018 Storm Sewer & Street Improvements	4/30/2020	\$1,196,000	20	2%	\$0	No
		Total Loan and Loan Forgiveness	\$81,878,201				
		Total Projects	36				
	т	otal Projects Cofunded with DWR	16				

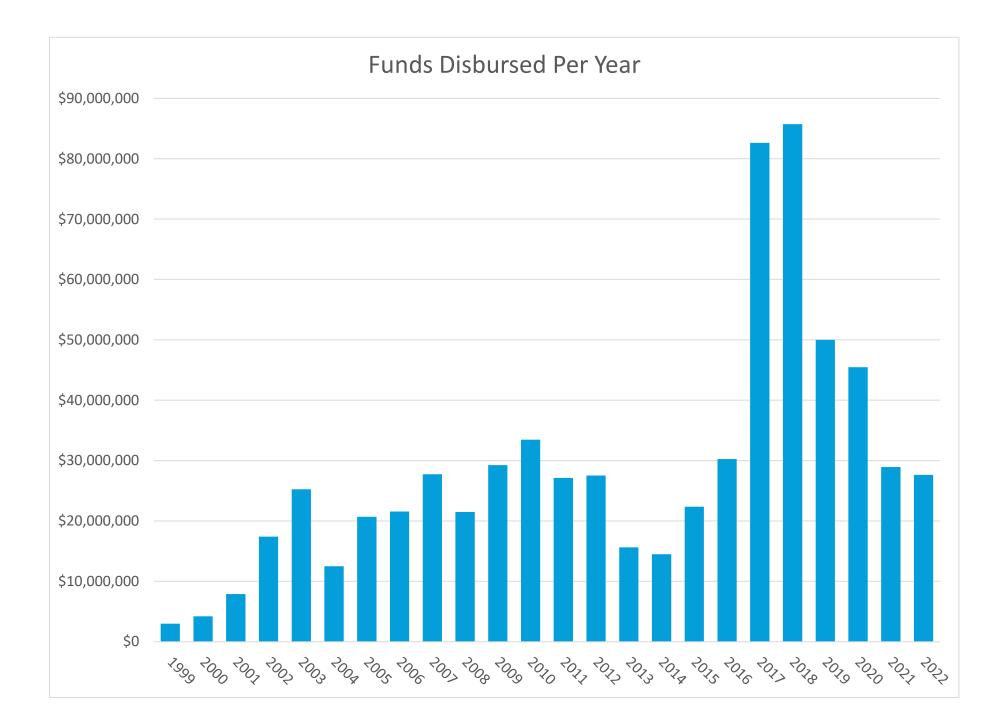
Projects Funded During the 2021-2023 Biennium

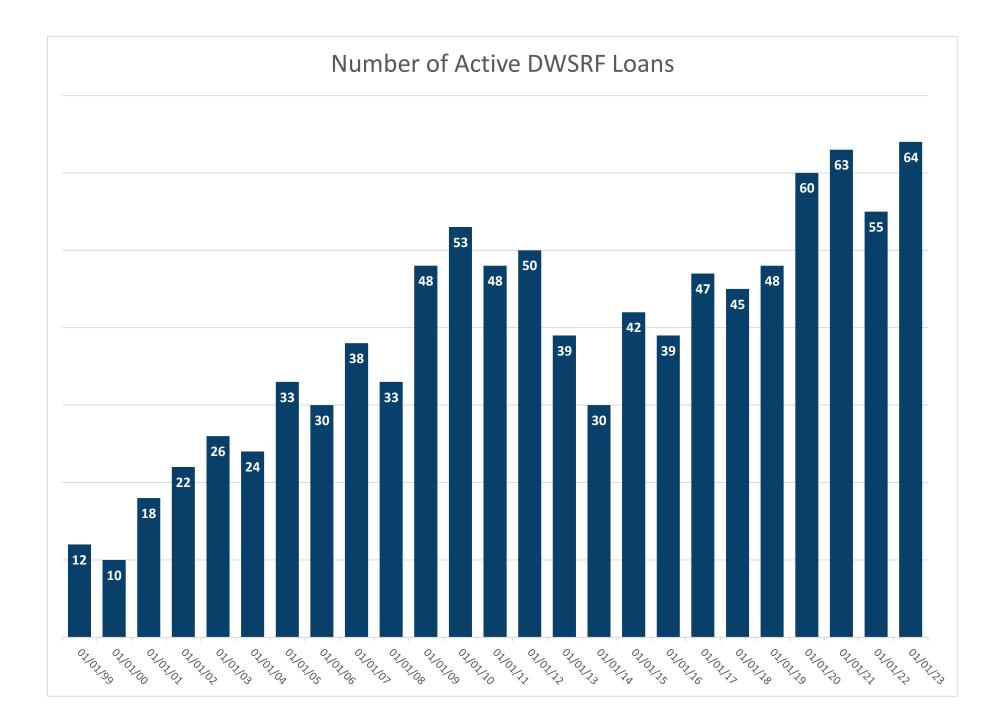
				Loan			
				Term	Interest	Loan	Cofunded with
System	Project	Approved	Loan	[years]	Rate	Forgiveness	DWR
Agassiz WUD	User and Transmission Expanson Phase II (Part I)	1/17/2023	\$1,530,000	30	2%	\$0	Yes
Barnes RWD	Reservoir Storage Capacity Improvements	10/28/2021	\$806,000	30	2%	\$0	Yes
Bismarck	Water Main & Lead Service Line Replacement	4/29/2022	\$1,500,000	15	2%	\$644,000	Yes
Bowbells	Water Main Replacement	4/25/2022	\$218,000	20	2%	\$0	Yes
Cass RW	2022 System Wide Distribution Improvements	4/29/2022	\$2,500,000	20	2%	\$0	Yes
Coleharbor	Pump House & Reservoir Improvements	7/20/2021	\$880,000	30	2%	\$480,000	No
Dakota RWD	WTP Expansion	10/13/2022	\$250,000	30	2%	\$750,000	Yes
Dickinson	Water Main Replacement (1st Ave SW & 1st Ave SE)	8/26/2022	\$2,400,000	20	2%	\$400,000	No
East Central RWD	Phase 4 System Expansion	7/27/2021	\$1,372,000	30	2%	\$0	Yes
East Central RWD	Service to Grandin, Hatton, and 16-in Expansion; WTP Improvements	4/29/2022	\$1,283,250	30	2%	\$3,849,750	Yes
Forman	Refinance of WTP Improvements	6/22/2022	\$871,000	19	2%	\$0	No
Glen Ullin	Water Main Replacement & Looping	10/13/2022	\$498,400	30	2%	\$1,401,600	No
Grand Forks	Lead Service Line Replacement	6/22/2022	\$37,500	5	2%	\$337,500	No
Grand Forks	Waterline Expansion	6/30/2022	\$1,778,000	30	2%	\$0	Yes
Hankinson	Water Main Extension	10/28/2021	\$42,000	10	2%	\$0	No
Horace	Distribution System Improvements & Connection to Cass RWD	7/27/2021	\$2,740,000	20	2%	\$0	Yes
Jamestown	2020 Water Main Improvements	7/27/2021	\$1,808,000	20	2%	\$0	No
Jamestown	2021 Water Main Improvements	8/24/2021	\$1,991,000	20	2%	\$0	No
Lincoln	Water Reservoir	12/13/2022	\$1,858,000	30	2%	\$0	Yes
McLean-Sheridan RWD	McClusky Water Tower	3/24/2022	\$1,015,000	30	2%	\$0	Yes
New Salem	Refinance of Water Main Replacement	7/27/2021	\$1,042,000	30	2%	\$0	No
Riverdale	Gate Valve & Raw Water Line Replacement	10/13/2022	\$600,000	30	2%	\$0	Yes
Stanley	Water Main Improvements	9/29/2021	\$2,253,000	30	2%	\$0	No
Tri-County RWD	Refinance of User Expansion Project	8/18/2022	\$1,090,000	19	2%	\$0	No
Upper Souris WUD	2022 Improvement/Expansion Project	4/29/2022	\$1,274,000	30	2%	\$0	Yes
Wahpeton	Loy Ave & 12th St N Reconstruction & Utility Replacement	8/24/2021	\$1,103,000	25	2%	\$0	No
Wilton	Water Main Improvements	6/30/2022	\$1,688,000	30	2%	\$0	Yes
Wing	Water System Improvements	1/21/2022	\$584,250	30	2%	\$1,752,750	No

Total Loan and Loan Forgiveness \$44,628,000

Total Projects 28

Total Projects Cofunded with DWR 15





Testimony of Duane DeKrey, General Manager Garrison Diversion Conservancy District SB2020 DWR/SWC Funding House Appropriations Committee – Education & Environment Division Bismarck, North Dakota – March 14, 2023

Representative Nathe and members of the House Education and Environment Division, thank you for the opportunity to testify in support of Senate Bill 2020, 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.

Garrison Diversion provides upfront investment for projects which determines irrigable soils, facility design and the bidding process. These projects are eligible for the Department of Water Resources 50 percent cost share on the Central Supply Works, which includes the pump station, power and main transmission lines. The irrigator is then responsible for the other 50 percent of the Central Supply Works and 100 percent of the on-farm items such as pivots, power for pivots and distribution lines to pivots. In total, the cost share actually represents approximately 30 percent of total on- and offfarm project costs for the irrigator. The bottom line is, irrigation is expensive and Garrison Diversion supports increasing irrigation funding to support a true 50 percent cost share for the irrigator.

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 irrigation funding in the Department of Water Resources budget.

Thank you for allowing my testimony to be heard today.

#24934

Prepared by the Legislative Council staff for Senate Appropraitions - EE January 23, 2023

SENATE BILL NO. 2020 LISTING OF PROPOSED CHANGES TO BILL

Department - Water Resources

Proposed funding items:

Propos	sed funding items:	FTE	General Fund	Special	
	Description		- Tunu	Funds	Total
1	Rural Water Systems Association - Various projects			\$91,000,000	\$91,000,000
2	Lower Heart River Water Resource District			\$12,300,000	\$12,300,000
3	Bismarck - Water treatment plant, Hay Creek lift station, Hay Creek interceptor, and treatment equalization basin			\$108,000,000	\$108,000,000
4	Valley City flood protection			\$13,200,000	\$13,200,000
5	Souris (Mouse) River plan			\$100,000,000	\$100,000,000
6	Red River Retention Authority - Pilot watershed planning program			\$12,000,000	80 M 1990 10
7	Northwest Area Water Supply (NAWS)			\$61,000,000	\$12,000,000
8	Red River Valley Water Supply Project			\$255,000,000	\$61,000,000
9	Southwest Water Authority - Southwest water treatment plant expansion, West Zone transmission facility improvements, strategic hydraulic improvements, and supplementary intake pump station			\$131,600,000	\$255,000,000 \$131,600,000
10	Wester Area Water Supply (WAWS)			\$46,008,750	\$46,008,750
11				¢10,000,100	\$0 \$0
12					
13					\$0 \$0
14					\$0
15					\$0
Tota	I proposed funding changes	<u>-</u>	¢0	\$204 500 000	\$0
	oposed changes:	=	\$0	\$324,500,000	\$324,500,000

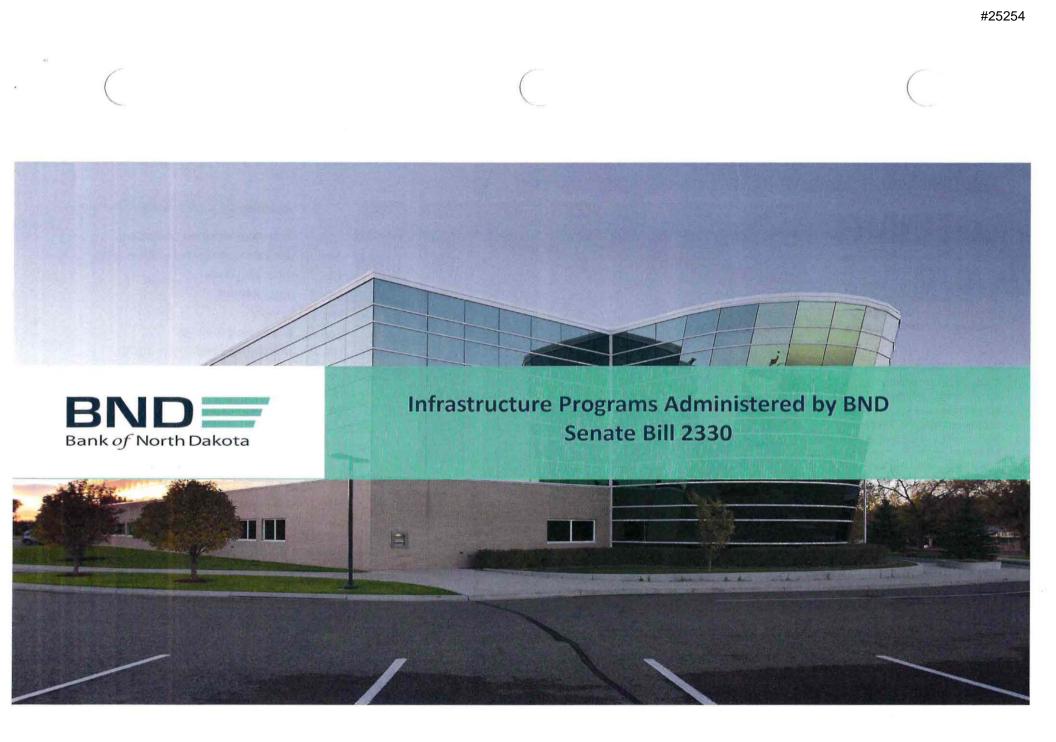
1 Garrison Diversion Conservancy District - Requested a true 50 percent cost share for McClusky Canal irrigators

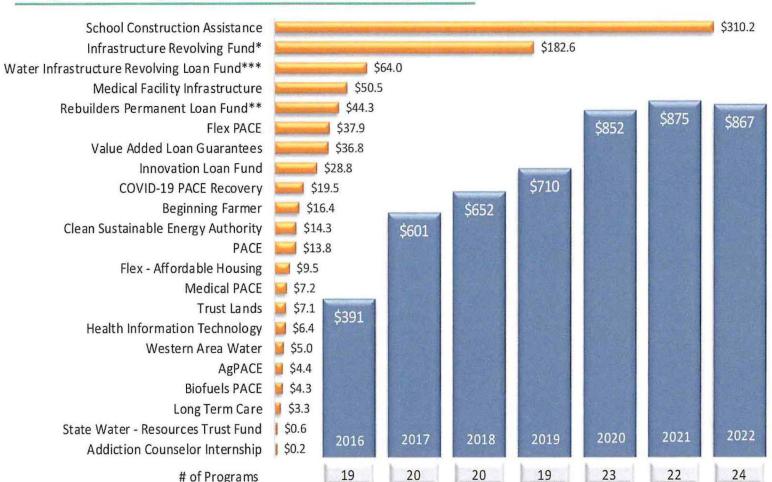
2 Individuals requested funding for landowners and townships negatively affected by the Red River Valley Water Supply Project.

3

ũ.

4





Legislatively Directed Loan Programs

- BND currently administers \$867 million in net assets for legislatively directed loan programs. These programs serve a wide range of purposes, including school construction, water projects, general and medical infrastructure, and disaster recovery.
- *Infrastructure Revolving Fund includes \$52 million to be transferred from BND's capital.
- ** HB 1187 created The Rebuilders Permanent Loan Fund (RPLF) during the 67th Legislative Session. This permanent revolving loan fund was established by transferring \$50 million in loans and cash from the Small Employer Loan Fund (SELF) created by BND during the Covid 19 pandemic to the RPLF.
- ***The Water Infrastructure Revolving Loan Fund was created by HB 1431. The Fund combined previously reported Community Water and State Water – Revolving Loan Fund.



2021 Legislative Session—HB1425 –Legacy Fund In-State Investments

HB1425—In State Investments

20% of Legacy Fund Principal Directed To In-State Investment

10% of the 20% is Directed to Fixed Income

- 60% to BND Match Program
- 40% to Legacy Infrastructure Loan Fund

10% of the 20% to Equity Investments

- 3% of 10% to Equity / V.C. / Alternative
- Gives Preference to In-State Investment Firms

Exempts Legacy Fund from Prudent Investor Rule Adds "Direct Benefit" to the State to the Mission Statement of the Legacy Fund.

Current Implementation

Legacy Fund Principal Balance	\$8,158,071,509			
20% of Principal	\$1,631,614,302			

Fixed Income

10% of 20% to Fixed Investment	\$815,807,151		
BND Match Program	\$489,484,291		
Legacy Infrastructure Loan Fund	\$326,322,860		

Equity Investments

10% of 20% to Equity Investment	\$815,807,151		
3% to Venture	\$244,742,145		
Pref to In-State	\$571,065,006		



SB2330—Changes To Legacy Fund Fixed Income Language

- The board shall determine the asset allocation for the investment of the principal of the legacy fund including:
 - A target allocation of tensix percent to fixed income investments within the state, of-which:
 - (1) Up to forty percent must be targeted for infrastructure loans to political subdivisions under section 6-09-49.1. The net return to the legacy fundunder this paragraph must be fixed at a target rate of one and one-halfpercent;
- (2) Up to sixty percent, with a minimum of four hundred million dollars, must be designated to the Bank of North Dakota's certificate of deposit match program with an interest rate fixed at the equivalent yield of United States treasury bonds having the same term, up to a maximum term of twenty years; and
- (3) Any with any remaining amounts must be designated for other qualified fixed income investments within the state.

SB2330 removes the <u>Legacy</u> Infrastructure Loan Fund eliminating the ability to transfer loans into the Legacy Fund to create additional capital for the infrastructure and water infrastructure revolving loan funds.

SB2330 does maintain access to 6% of Legacy Fund For Match Program.

21-10-12. Legacy fund definitions.

For the purposes of section 26 of article X of the Constitution of North Dakota:

- "Earnings" means net income in accordance with generally accepted accountingprinciples, excluding any unrealized gains or losses<u>an amount equal to seven percent</u> of the five-year average value of the legacy fund assets as reported by the state investment board using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.
- "Principal" means all moneys in the legacy fund not included in earnings as defined under subsection 1.

SECTION 3. REPEAL. Section 6-09-49.1 of the North Dakota Century Code is repealed.



Match Program Purpose

- MATCH serves as the primary loan program to support large-scale economic diversification projects with investment rated companies.
- State Investment Board utilizes the "Legacy Fund" to purchase CDs at BND to provide funding for the loan.
- Goal is to provide bond type interest rates without going to the market.
- May be a fixed rate up to 20-years with a like term US Treasury + .25 basis points to BND and up to +.25 basis points for the Lead Financial Institution for servicing the loan.





Match Program Status

- HB1425 provided BND access to a minimum of \$400m or 60% of the fixed income investment amount for the Match Program.
- BND provided a \$150m Match loan to the ND Transmission Authority to assist in financing the High Voltage Line purchase as part of the Coal Creek Transaction with Rainbow Energy.

PROGRAM AVAILABILITY	
TOTAL AVAILABLE FUNDS AS OF 12/31/22	483,000,000
CURRENT BALANCE	187,916,666
CURRENT PENDING	280,000,000
REMAINING FUNDS	15,083,334



Essential Infrastructure Definitions – 2021 Session

Revised Definitions of Essential Infrastructure

- Eligible infrastructure projects under this subsection are capital projects to construct new infrastructure or to replace infrastructure and which provide the fixed installations necessary for the function of a political subdivision. Capital construction projects exclude routine maintenance and repair projects, but include:
- a. Water treatment plants;

Previous Definitions

- b. Wastewater treatment plants;
- c. Sewer lines and waterlines, including lift stations and pumping stations;
- · Water storage systems, including dams, water tanks, and water towers;
- e. Storm water infrastructure, including curb and gutter construction;
- f. Road and bridge infrastructure, including paved and unpaved roads and bridges;
- g. Airport infrastructure;
- h. Electricity transmission infrastructure;
- · i. Natural gas transmission infrastructure;
- j. Communications infrastructure;
- k. Emergency services facilities, excluding hospitals;
- I. Essential political subdivision building and infrastructure; and _____
- m. The Red River valley water supply project
- Flood control; Conveyance projects; Rural water supply; Water supply; and General water management.

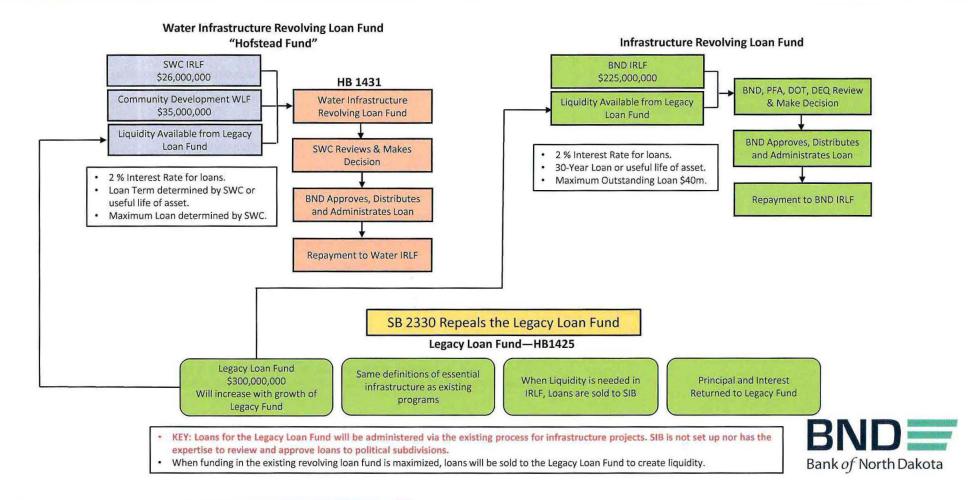
ND Department of Transportation will create program policy and guidelines and approve projects for transportation infrastructure

Essential buildings and infrastructure such as fire stations, municipal court facilities not including recreational facilities

ND Department of Water Resources will create program policy and guidelines and approve project for water related infrastructure



Legacy Infrastructure Loan Fund – HB1425



Infrastructure Revolving Loan Fund—Legacy Fund

Infrastructure Revolving Loan Fund

After Pending Legislation		(8,951,976.18)
WAWSA Refinance	SB 2196	42,723,429.00
Bond Proceeds Returned to DOT	HB 1012	35,000,000.00
Available for New Loans 2023-2025		68,771,452.82
2023 - 2025 Repayments		19,999,366.72
Current Available		48,772,086.10
Pending Applications	1	42,328,910.31
Approved Commitments		13,893,026.00
In Construction Commitments	and the second sec	30,820,197.83
Available Funds		135,814,220.24
BND Capital Remaining		52,000,000.00
Bond Proceeds Remaining		59,396,252.25
Cash Balance		24,417,967.99

Water Infrastructure Revolving Loan Fund

Cash Balance	27,137,971.57
In Construction Commitments	14,902,038.65
Pending Applications	1,700,000.00
Current Available	10,535,932.92

IRLF Loan Originations

	Number of Loans	Original Loan Amount
2016	8	\$28,269,550.00
2017	22	\$45,913,930.00
2018	6	\$29,726,896.00
2019	7	\$12,103,000.00
2020	7	\$12,112,889.00
2021	15	\$43,950,931.00
2022	11	\$19,414,800.00
YTD 2023	5	\$6,347,510.00

Water and Infrastructure Revolving Loan Fund

By Population of Borrower

	Infrasti	ructure Revolving Loar	n Fund	
Population	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
Under 1,000	\$36,076,400.00	\$29,350,171.31	25	18.93%
1,001 to 5,000	\$48,821,800.00	\$22,230,810.57	24	25.61%
5,001 to 10,000	\$7,079,931.00	\$4,900,750.84	9	3.71%
10,001 to 25,000	\$17,210,865.00	\$12,635,510.09	7	9.03%
Over 25,000	\$81,420,000.00	\$44,784,839.98	10	42.72%
	\$190,608,996.00	\$113,902,082.79	75	angen die eerste soort of the source of the
		astructure Revolving L		
Population	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
Under 1,000	\$8,231,600.00	\$4,057,539.11	19	12.27%
1,001 to 5,000	\$18,566,985.00	\$13,860,442.52	27	27.68%
5,001 to 10,000	\$12,054,114.00	\$8,479,009.04	6	17.97%
10,001 to 25,000	\$0.00	\$0.00	-	0.00%
Over 25,000	\$28,215,000.00	\$9,942,760.38	2	42.07%
	\$67,067,699.00	\$36,339,751.05	54	

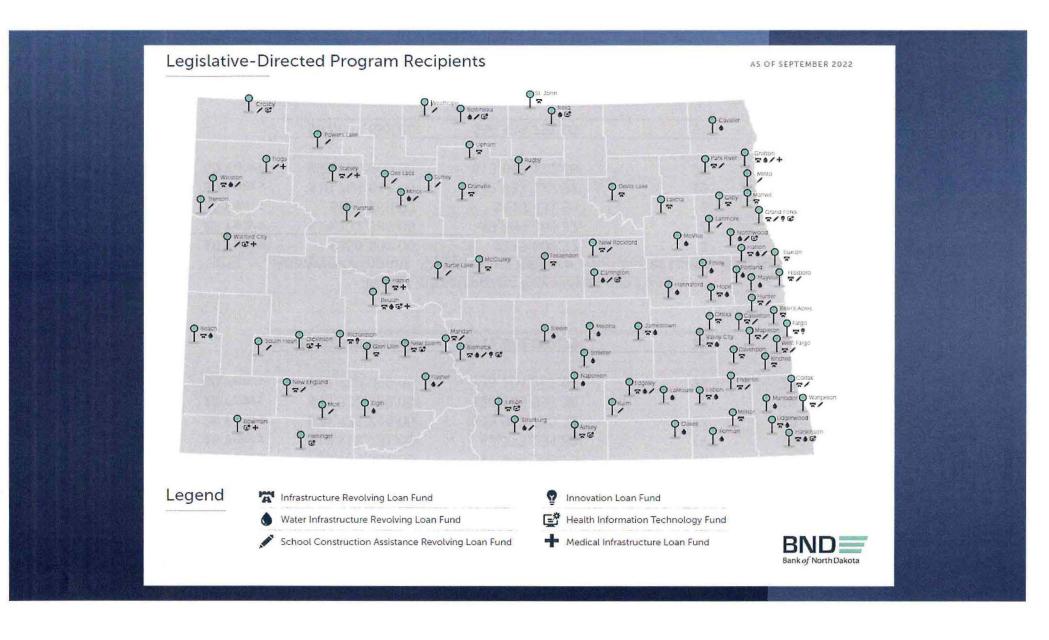


Water and Infrastructure Revolving Loan Fund

By Term For Borrower

11 m m m m m m m m m m m m m m m m m m	Infr	astructure Revolving L	oan Fund	A Construction of the second sec
Term	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
5 Years	\$1,775,000.00	\$459,345.70	2	0.93%
10 Years	\$5,704,381.00	\$1,406,068.75	8	2.99%
15 Years	\$19,118,731.00	\$8,773,239.82	14	10.03%
20 Years	\$76,476,714.00	\$39,952,730.32	23	40.12%
25 Years	\$35,332,120.00	\$28,105,935.30	7	18.54%
30 Years	\$52,202,050.00	\$35,204,762.90	21	27.39%
	\$190,608,996.00	\$113,902,082.79	75	
	Water	Infrastructure Revolvin	ng Loan Fund	
Term	Approved Amount	Outstanding Balance	Number of Loans	% of Approved
10 Years	the second s	and the second s	State of the party of the local day of the	70 OI Appioved
TO LEALS	\$350,000.00	\$315,600.27	1	and the second of the second s
20 Years	\$350,000.00 \$14,132,385.00	Figure 1 and the second s	and a second shall be a second s	0.52% 21.07%
20 Years	and the second se	\$9,889,368.27	and a second shall be a second s	0.52%
	\$14,132,385.00	\$9,889,368.27 \$410,431.94	8 1	0.52% 21.07%
20 Years 25 Years	\$14,132,385.00 \$600,000.00	\$9,889,368.27 \$410,431.94 \$12,627,177.91	8 1 16	0.52% 21.07% 0.89%





BND Infrastructure Loan Project Cost Comparison

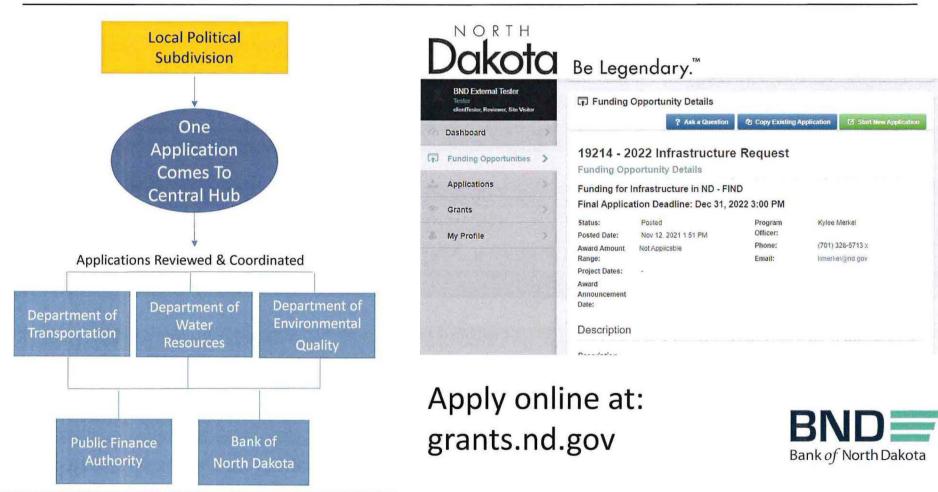
	30-Year Term Total Paid	Interest Paid
Market Rate Loan (4.50%)	\$9,010,000	\$4,010,000
BND Infrastructure Revolving Loan	\$6,630,000	\$1,630,000
515 Million Project - Total Savings: \$7,		
	135,000	
\$15 Million Project - Total Savings: \$7,	135,000 30-Year Term Total Paid	Interest Paid
	135,000	

\$40 Million Project -Total Savings: \$19,025,000		
	30-Year Term Total Paid	Interest Paid
Market Rate Loan (4.50%)	\$72,080,000	\$32,080,000
BND Infrastructure Revolving Loan	\$53,050,000	\$13,055,000



The Vision. One Application.

FIND—Funding for Infrastructure in North Dakota

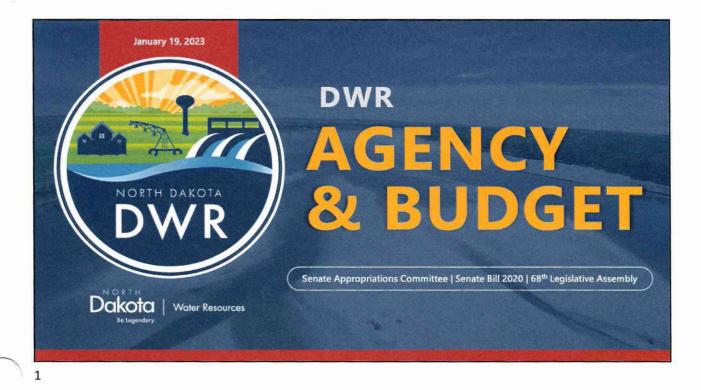




Questions?

#SCAN 1





SB 2020: DWR BUDGET SUMMARY

	2021–2023 Base Level	Increase/ (Decrease)	2023-2025 Executive Rec.
Salaries & Wages	\$20,537,867	\$3,272,011	\$23,809,878
Operating Expenses	\$43,366,550	\$16,112,518	\$59,479,068
Capital Assets	\$98,467,437	\$73,928,907	\$172,396,344
Water Supply Projects	\$125,000,000	\$145,000,000	\$270,000,000
Rural Water Supply	\$59,600,000	(\$24,600,000)	\$35,000,000
Flood Control Projects	\$48,000,000	\$67,000,000	\$115,000,000
General Water Projects	\$14,227,275	\$6,000	\$14,233,275
Discretionary Projects	-	\$5,000,000	\$5,000,000
TOTAL	\$409,199,129	\$285,719,436	\$694,918,565
Full Time Equivalents (FTE)	90	3	93

2

2	023-25 SALARIE	S AND WAGES	
2021-23 Salaries & Wages Base			\$20,537,867
Cost to continue adjustment			148,098
Salary and health insurance i	increase		1,795,562
3 FTE (Regulatory Division, V	Vater Appropriation	& PRESENS System Support)	751,742
1 Full Time Temp - NAWS			170,000
4 temporary employees to ir	stall PRESENS system	ms	345,000
Full Time Temp (Benefits)			61,609
023-25 Salaries & Wages Exec	utive Recommenda	tion	\$23,809,878
	Base	Request	Recommendation
Full Time Equivalents (FTE)	90	3	93

3

ADDRESSING SALARY CHALLENGES FOR OUR TEAM MEMBERS



Recommended To Address Internal Equity & External Market Factors That Affect Existing Team Members. This Would Assist With Reducing Turn-over & Would Support Competitive Pay & Compression Adjustments.

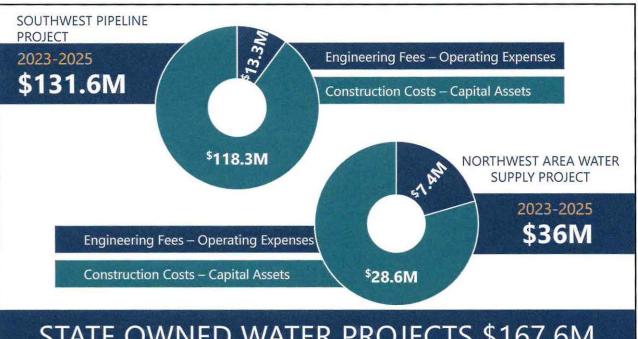
DWR SUPPORTS SENATE BILL 2015

Example: Hydrologist Positions Are Well Below Private Sector.



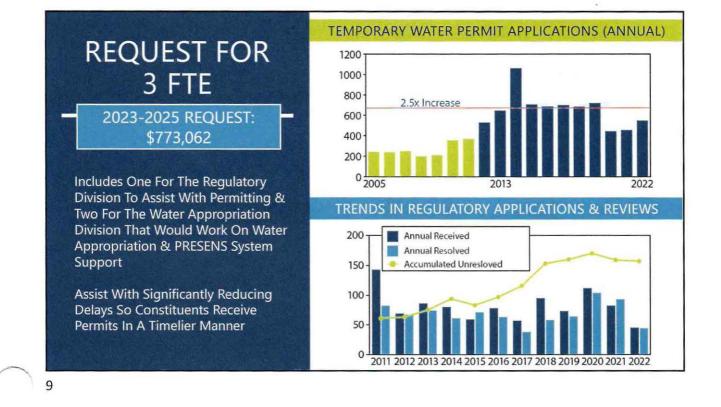
2023-25 OPERATING EXPENSES	
2021-23 Operating Expenses Base	\$43,366,550
Shifted Funding From Capital Assets Primarily For Engineering Fees & Utilities	7,744,789
IT Standardization, Applications, & Security (\$1,532,980 one-time)	5,615,764
PRESENS Installations	1,227,800
Professional Development	80,000
Groundwater Modeling/Analysis Software (\$72,665 one-time)	94,665
Computers for 3 New FTE (\$19,320 one-time) & Travel Expense Increase (\$2,000)	21,320
AEM Survey Technology (All one-time)	750,000
Motor Pool Rate Increase (All one-time)	118,180
Drilling Supply Cost Increases (All one-time)	180,000
Navigability Study (All one-time)	180,000
RiskMAP - *Federal Funding Spending Authority	100,000
023-25 Operating Expenses Executive Recommendation	\$59,479,068





),789)
9,696
0,000
0,000
,000
96,344
,00

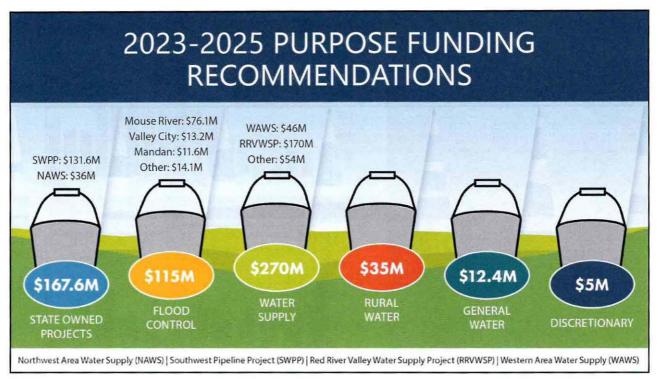
	100	3 FTE	No.	\$773,062
DWR	1.1	1 Full Time Temp - NAWS		\$170,000
		Motor Pool Rate Increase	ZO	\$118,180
BUDGET:	S	IT Standardization, Applications, & Security	Ē	\$5,615,764
OPTIONAL		PRESENS Installations & Temp Salaries	DA	\$1,572,800
	U.E.	Drilling Supply Cost Increases	ENDATION	\$180,000
REQUESTS	REQUEST	Navigability Study	Z	\$180,000
SUMMARY	R	AEM Survey Technology	RECOMM	\$750,000
	AL	Groundwater Modeling/Analysis Software	Ű	\$94,665
	Z	Professional Development	RI	\$80,000
	E	Full Time Temp (Benefits)	< E	\$61,609
	NOITION	Bowman Radar Replacement	E	\$1,800,000
	-	New Drilling Rig	J	\$1,800,000
		Office Modifications	EXECUTIVE	\$200,000
	1342	RiskMAP - *Federal Funding Spending Authority	ш	\$100,000*
	1	TOTAL OPTIONAL REQUESTS		\$13,496,080



To Consolidate & Standardize IT Services Under One Umbrella Through NDIT:

- 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 NDIT
- Business Analysis
- Project Management
- Project Oversight

2023-2025 Request: \$5,615,764



11

SB 2020: DWR BUDGET SUMMARY other sections in SB 2020

The following sections were included in the executive recommended version of SB 2020:

- A section appropriating any additional amounts in the resources trust fund to the DWR.
- A section authorizing 2021-23 biennium appropriations for water projects to be carried over into the 2023-25 biennium.
- A section appropriating \$30 million from the Water Project Stabilization Fund to the DWR for the purpose of repayment of loans issued by BND to WAWS.
- A section identifying the allowable uses of discretionary funding.
- A section authorizing line item transfers.

SB 2020: DWR BUDGET SUMMARY

EMERGENCY CLAUSE

HB 1020 from the 2021 legislative session included an emergency clause, which allowed project sponsors to bring forward projects for the State Water Commission to approve.

- This allowed projects the possibility of beginning construction in the early part of the 2021-23 biennium.
- Had the emergency clause not been included, construction could not have occurred until the spring of calendar year 2022.



Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

5 5	E	Executive Budge	et Recommendati	on	Senate Version					
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total		
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129		
2023-25 Ongoing Funding Changes										
Base payroll changes			\$148,098	\$148,098				\$0		
Salary increase			1,404,288	1,404,288				0		
Health insurance increase			449,618	449,618				0		
Adds FTE positions	3.00		703,398	703,398				0		
Adds funding for travel costs for new FTE positions			2,000	2,000				0		
Adds a temporary employee for the Northwest Area Water Supply Project			170,000	170,000				0		
Adds funding to fund a temporary employee at the same level as an FTE position			61,609	61,609				0		
Adds funding for staff training and professional development			80,000	80,000				0		
Adds funding for IT unification			4,082,784	4,082,784				0		
Adds funding for PRESENS installations			1,572,800	1,572,800				0		
Adds funding for maintenance of ground water modeling and related hydrologic analysis software			22,000	22,000				0		
Adds funding from federal funds for RiskMAP			100,000	100,000				0		
Adjusts funding among line items, including an increase of \$5.9 million in professional fees				0				0		
and services, a \$1.8 million increase in other operating expenses, and a \$7.7 million										
decrease in capital assets Adjusts funding for the Northwest Area Water				0				0		
Supply (NAWS), including a \$5.16 million reduction in federal funds and a corresponding			,	0				0		
increase in other funds										
Transfers \$24.6 million from the rural water supply grants line item to the water supply grants line item				0				0		
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	0.00	\$0	\$0	\$0		
One-Time Funding Items										
Adds one-time funding for new FTE positions equipment			\$19,320	\$19,320				\$0		
Adds one-time funding for IT unification			1,532,980	1,532,980				0		
Adds one-time funding for increased motor pool rates			118,180	118,180				0		
Adds one-time funding for drilling supplies			180,000	180,000				0		
Adds one-time funding for a navigability study			180,000	180,000				0		

Adds one-time funding for airborne electromagnetic survey (AEM) data collection			750,000	750,000				0
Adds one-time funding for ground water modeling and related hydrologic analysis software			72,665	72,665				0
Adds one-time funding for the potential relocation of the agency			200,000	200,000				0
Adds one-time funding for the Bowman radar system			1,800,000	1,800,000				0
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000				0
Adds one-time funding for flood control projects			67,000,000	67,000,000				0
Adds one-time funding for water supply grants			120,400,000	120,400,000				0
Adds one-time funding for capital improvements			77,869,696	77,869,696				0
Adds one-time funding for discretionary water project grants			5,000,000	5,000,000				0
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436	0.00	\$0	\$0	\$0
2023-25 Total Funding Federal funds included in other funds	93.00	\$0	\$694,918,565 \$36,053,261	\$694,918,565	90.00	\$0	\$409,199,129 \$41,066,031	\$409,199,129
Total ongoing changes as a percentage of base level Total changes as a percentage of base level	3.3% 3.3%		2.1% 69.8%	2.1% 69.8%	0.0% 0.0%		0.0% 0.0%	0.0% 0.0%

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

	Executive Budget Recommendation	Senate Version
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.	ν.
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the Western Area Water Supply Authority. This amount is not included in the executive budget appropriation.	
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.	
Line item transfers	Section 7 would provide authority for the director of the Department of Water Resources to transfer funding between line items.	

25

#26502

FM Area Diversion Q1 Project Update



On behalf of the Metro Flood Diversion Authority and our partners in designing, building, operating and maintaining the FM Area Diversion project, I'm providing this update. If you have questions or would like any materials on the project for your use, please reach out to me at any time. We all remain grateful for your ongoing support of this history-making infrastructure project that will protect 235,000 from significant flood events.

Sincerely,

Joel Paulsen, PE, CFM

Executive Director Metro Flood Diversion Authority Cell: 701-781-4758 Email: paulsenj@fmdiversion.gov

PROGRESS UPDATE



Watch our latest construction update here. For additional monthly updates, see our playlist.

KEY MESSAGES

The scale of this project can make it challenging to talk about. Here are some key points that may be beneficial when speaking with constituents.

The project is being watched by groups around the world since it is the first flood management project across all North America that's being completed with a public-private partnership. It's also the first P3 done in conjunction with the U.S. Army Corps of Engineers.

Construction is happening 24/7 to get permanent flood protection as quickly as possible. Plus, by using a P3, the diversion will be completed about 10 years sooner than with traditional government design-and-build projects.

The project's innovative funding and financing plan was recognized with 10 national and international awards in 2022 alone. That's added assurances that not only is the world watching, but they are taking notes on the financial stewardship demonstrated by the project's leadership.

EVENT CALENDAR

MFDA leadership takes part in periodic public events regarding the FM Area Diversion. If you would be interested in learning more or attending, please contact <u>info@fmdiversion.gov</u>.

EVENT	DATE	LOCATION	DESCRIPTION
FM Area Diversion	May 8-12, 2023	Fargo-	The MFDA Board members and U.S. Army
Leadership Project	(specific date	Moorhead	Corps of Engineers leadership will gather
Tour	TBD)		for a tour of major diversion components.

A schedule of board and committee meetings, as well as agendas and minutes, is available at <u>https://fmdiversion.gov/minutes-agendas/</u>

Resources trust fund	
2023-25 oil and gas tax revenue ¹	\$449,860,000
Less: Transfers to renewable energy development and energy ²	(4,200,000)
conservation grant funds	
2021-23 excess oil and gas tax revenue ¹	37,686,473
Other income ³	12,526,000
Water Commission fund ⁴	12,446,000
Water projects stabilization fund ⁵	
Excess oil and gas tax revenue	151,784,727
Interest income	1,500,000
Bank of North Dakota line of credit	100,000,000
Northwest area water supply (NAWS) funds ⁶	4,966,198
Federal funds ⁷	89,053,261
Total funds available	\$855,622,659

¹Section 57-51.1-07 of North Dakota Century Code, provides for an allocation of 20.5% of oil extraction tax revenue to be deposited in the resources trust fund.

²Three percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the renewable energy development fund, not to exceed \$3 million dollars per biennium, which is appropriated to the Industrial Commission for funding of programs for development of renewable energy sources. One-half of one percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the energy conservation grant fund not to exceed \$1.2 million per biennium, which is appropriated to the Department of Commerce for funding of programs for development of energy conservation.

³Other income of the RTF includes investment income and capital payments from SWPP. ⁴Water commission fund income includes reimbursements from Minot and transfers of funds from the RTF.

⁵Water project stabilization fund was established in SB 2345 during the 2021 special session and required transfers of oil extraction tax revenues deposited in the RTF more than the 2021 legislative forecast from August 1, 2021, through February 28, 2023. Investment income is anticipated to be from up to one-year CDs invested in the Bank of North Dakota.

⁶NAWS funds are from the NAWS reserve fund and NAWS operations and maintenance fund which are established in North Dakota Century Code and require water rates include fees which will cover the operations and maintenance of NAWS and fees to maintain a reserve fund to assist with the cost of extraordinary repairs and other infrastructure replacement.

⁷Federal funds are primarily for NAWS construction and programs related to emergency management and dam safety.

Senate Bill No. 2020 - Department of Water Resources - Senate Version

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and Wages	20,537,867	2,927,459	23,465,326
Base budget			,,
Salaries and fringe benefits for all emp NAWS, SWPP, and the Devils Lake outle		employees that prov	ide services for
Changes include:			
Cost to continue current biennium sala Annual 4% salary increases (\$1,049,39 Health insurance increase (\$459,961) 3 new FTE positions (2 of these FTE pos commission and budget section approv added as a temporary position through	3) itions were prev val. The third FTI	iously added through E position request wa	s previously
(\$703,398)	J ,		,
1 new NAWS temporary employee (\$1) Fringe benefits for a current temporary Temporary salaries funding for PRESEN	employee (\$61,		
Operating expenses	43,366,550	16,112,518	59,479,068
Base budget Agency general operating costs and op This included funding of \$19 million for engineering dollars, and \$8.7 million for outlets and NAWS. Changes include: Operating expenses and equipment for Staff training and professional develop IT unification (\$5.6 million) PRESENS installations (\$1.2 million) Ground water modeling and related hy RiskMAP (\$100,000) Contracted engineering and other proj Increased motor pool rates (\$118,180) Drilling supplies (\$180,000) Navigability study (\$180,000) Airborne electromagnetic survey data	professional ser or utility costs, pr new FTE positio ment (\$80,000) vdrologic analysis	rvices, which are prim rimarily to operate th ons (\$21,320) s software (\$94,665) d services (\$5.9 millio	narily consultant e Devils Lake
Capital assets	98,467,437	201,916,513	300,383,950
Appropriation includes: Potential relocation of the agency (\$20 Bowman radar system replacement (\$ Drilling rig replacement (\$1.8 million) Line of credit for SWPP and NAWS (\$50 NAWS federal funds (\$78 million) State funds for NAWS (\$36 million), SV million)	1.8 million) 0 million each)), and the Devils Lake	outlet (\$2

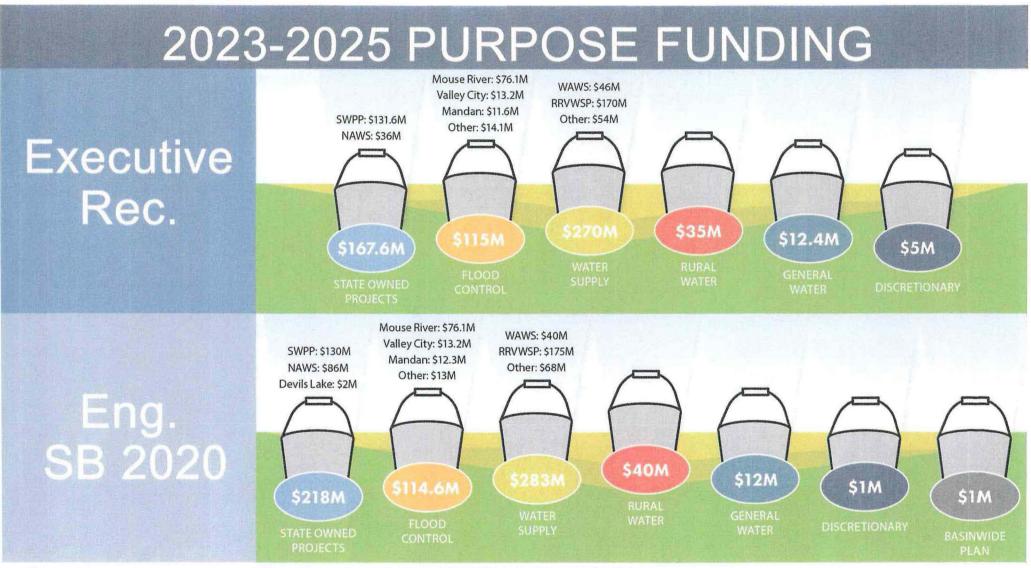
12

Water supply - grants Appropriation includes: Red River Valley Water Supply Proje Western area water supply (\$40 mil Bismarck municipal (\$30 million) Other municipal (\$38 million)	US608	158,000,000	283,000,000
Rural water supply - grants Appropriation includes: Various rural water grants (\$40 mili	59,600,000 lion)	(19,600,000)	40,000,000
Flood control projects Appropriation includes: Valley City (\$13.2 million) Mouse River (Minot) (\$76.1 million) Lower Heart River (Mandan) (\$12.3 Other flood control (\$5 million) Water conveyance (\$8 million)		66,600,000	114,600,000
Discretionary funding	-	1,000,000	1,000,000
General water grants Appropriation includes: Dam repairs and rehabilitations, fea general water management efforts	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(2,227,275) tion projects, as wel	12,000,000 I as other
Basinwide plan implementation Appropriation includes: Red River watershed basinwide plan	- n implementation.	1,000,000	1,000,000

*

1

×



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



Be Legendary.

At the request of the House Appropriations Education and Environment committee, the following table is provided to help develop the House's version of purpose funding for SB 2020.

	Amounts in Millions									
	Executive	Senate	Proposed	Final						
Bucket	Recommendation	Version	House Version	House Version						
State Owned										
(Operating/Capital Assets)										
SWPP	\$131.6	\$130.0								
NAWS	36.0	86.0								
DL		2.0								
Total State Owned	\$167.6	\$218.0								
Water Supply										
(Municipal/Regional)										
RRVWSP	\$170.0	\$175.0								
WAWS	46.0	40.0								
Other	54.0	68.0								
Total Water Supply	\$270.0	\$283.0								
Rural Water	\$35.0	\$40.0								
Flood Control										
Mouse River	\$76.1	\$76.1								
Valley City	13.2	13.2								
Mandan	11.6	12.3								
Other	14.1	13.0								
Total Flood Control	\$115.0	\$114.6								
Discretionary	\$5.0	\$1.0								
General Water*	\$12.4	\$12.0								
Basinwide Plan	\$0.0	\$1.0								
Total Funding Provided	\$605.0	\$669.6								

*General water provides funding for various items including, dam rehabilitation, studies, and irrigation.

Department of Water Resources - Budget No. 770 Senate Bill No. 2020

Base Level Funding Changes

Dase Level I unung onunges		Executive Budge	et Recommendati	on	Senate Version			House Version				
	FTE	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129
2023-25 Ongoing Funding Changes												
Base payroll changes			\$148,098	\$148,098			\$148,098	\$148,098			\$148.098	\$148,098
Salary increase			1,404,288	1,404,288	***************************************		1,049,393	1.049.393			1,404,288	1,404,288
Health insurance increase			449,618	449,618			459,961	459,961	•••••••••••••••••••••••••••••••••••••••		449,618	449,618
Adds FTE positions	3.00		703.398	703,398	3.00		703,398	703,398	3.00		703,398	703,398
Adds funding for travel costs for new FTE positions			2,000	2,000			2,000	2,000			2,000	2,000
Adds a temporary employee for the NAWS Project			170,000	170,000			170,000	170,000			170,000	170,000
Add s fundi ng to fund a temporary employee at the same level as an FTE position			61,609	61,609			61,609	61,609			61,609	61,609
Adds funding for staff training and professional development			80,000	80,000			80,000	80,000			80,000	80,000
Adds funding for IT unification			4,082,784	4,082,784			4,082,784	4,082,784			4,082,784	4,082,784
Adds funding for PRESENS installations			1,572,800	1,572,800			1,572,800	1,572,800			1,572,800	1,572,800
Adds funding for maintenance of ground water modeling and related hydrologic analysis software			22,000	22,000			22,000	22,000			22,000	22,000
Adds funding from federal funds for RiskMAP			100,000	100,000			100,000	100,000		***************************************	100.000	100,000
Adjusts funding among line items, including an increase of \$5.9 million in professional fees and services, a \$1.8 million increase in other operating expenses, and a \$7.7 million decrease in capital assets				0				0				C
Adjusts funding for NAWS, including a \$5.16 million reduction in federal funds and a corresponding increase in other funds				0		*****		0				C
Transfers \$24.6 million from the rural water supply grants line item to the water supply grants line item				0				0				C
Reduces funding for rural water supply grants				0			(19,600,000)	(19,600,000)			(19,600,000)	(19,600,000
Reduces funding for general water grants				0			(2,233,275)	(2,233,275)			(2,233,275)	(2,233,275
Adds funding for water supply grants				0			158,000,000	158,000,000			158,000,000	158,000,000
Adds funding for flood control projects				0			66,600,000	66,600,000			66,600,000	66,600,000
Adds funding for capital assets				0			58,010,064	58,010,064			58,010,064	58,010,064
Total ongoing funding changes	3.00	\$0	\$8,796,595	\$8,796,595	3.00	\$0	\$269,228,832	\$269,228,832	3.00	\$0	\$269,573,384	\$269,573,384
One-Time Funding Items												
Adds funding for new FTE positions equipment			\$19,320	\$19,320			\$19,320	\$19,320			\$19,320	\$19,320
Adds funding for IT unification			1,532,980	1,532,980			1,532,980	1,532,980			1,532,980	1,532,980
Adds funding for increased motor pool rates			118,180	118,180			118,180	118,180			118,180	118,180
Adds funding for drilling supplies inflation			180,000	180,000			180,000	180,000			180,000	180,000
Adds funding for a navigability study			180,000	180,000		~~~~~~	180,000	180,000			180,000	180,000

Adds funding for airborne electromagnetic survey data collection			750,000	750,000			750,000	750,000			750,000	750,000
Adds funding for ground water modeling and related hydrologic analysis software			72,665	72,665			72,665	72,665			72,665	72,665
Adds funding for the potential relocation of the agency			200,000	200,000			200,000	200,000			200,000	200,000
Adds funding for the Bowman radar system			1,800,000	1,800,000			1,800,000	1,800,000			1,800,000	1,800,000
Adds one-time funding to replace the drilling rig			1,800,000	1,800,000			1,800,000	1,800,000			1,800,000	1,800,000
Adds one-time funding for flood control projects			67,000,000	67,000,000				0				0
Adds one-time funding for water supply grants			120,400,000	120,400,000				0				0
Adds one-time funding for capital improvements			77,869,696	77,869,696				0				0
Adds one-time funding for discretionary funds			5,000,000	5,000,000			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for basinwide plan implementation				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding from a line of credit			-	0			100,000,000	100,000,000			100,000,000	100,000,000
Adds federal funds for NAWS				0			47,847,238	47,847,238			47,847,238	47,847,238
Total one-time funding changes	0.00	\$0	\$276,922,841	\$276,922,841	0.00	\$0	\$156,500,383	\$156,500,383	0.00	\$0	\$156,500,383	\$156,500,383
Total Changes to Base Level Funding	3.00	\$0	\$285,719,436	\$285,719,436	3.00	\$0	\$425,729,215	\$425,729,215	3.00	\$0	\$426,073,767	\$426,073,767
2023-25 Total Funding	93.00	\$0	\$694,918,565	\$694,918,565	93.00	\$0	\$834,928,344	\$834,928,344	93.00	\$0	\$835,272,896	\$835,272,896
Federal funds included in other funds			\$36,053,261	1			\$89,053,261	1		* -	\$89,060,936	
Total ongoing changes as a percentage of base level	3.3%		2.1%	2.1%	3.3%		65.8%	65.8%	3.3%		65.9%	65.9%
Total changes as a percentage of base level	3.3%		69.8%	69.8%	3.3%		104.0%	104.0%	3.3%		104.1%	104.1%
Other Costiens in Department of Water Department	Dudant Na 770											

Other Sections in Department of Water Resource	es - Budget No. 770
--	---------------------

	Executive Budget Recommendation	Senate Version	House Version
Additional income	Section 3 would appropriate any additional funds in the resources trust fund available to the Department of Water Resources during the 2023-25 biennium.	Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.	Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages.
Loan repayment - Appropriation	Section 5 would appropriate \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.	Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.	
Discretionary funding	Section 6 would provide that the discretionary water project grants line item in Section 1 is for providing discretionary funds for water projects and capital assets.	Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.	Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and wages.
Basinwide water plan implementation		Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.	Section 6 provides that \$1 million appropriated for basinwide plan implementation is for a pilot project to provide grants for water conveyance, flood control, and other water projects.
Water projects stabilization fund		Section 7 identifies \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.	Section 7 identifies \$120 million of the amount appropriated in Section 1 is from the water projects stabilization fund.
Line of credit		Section 8 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for NAWS and \$50 million may be used for the Southwest Pipeline Project.	Section 8 provides for the Bank of North Dakota to extend a \$100 million line of credit to the Department of Water Resources, of which \$50 million may be used for NAWS and \$50 million may be used for the Southwest Pipeline Project.
2021-23 biennium discretionary funding		Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.	Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.

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

	Executive Budget Recommendation	Senate Version	House Version	
Red River Valley Water Supply Project		Section 10 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.	Section 10 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.	
Mouse River flood control		Section 11 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.	Section 11 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.	
Southwest Pipeline Project		Section 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.	Section 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.	
Line item transfers	Section 7 would provide authority for the Director of the Department of Water Resources to transfer funding between line items.	Section 13 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.	Section 13 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.	
Exemption - Water-related projects	Section 4 would provide that any unexpended 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 14 provides that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 14 provides that any unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	
Emergency		Section 15 declares the bill to be an emergency measure.	Section 15 declares the bill to be an emergency measure.	

The following table is provided to help develop the House's version of purpose funding for SB 2020. In addition to the funding provided in the buckets, \$30 million from the water project stabilization fund is being transferred to the water infrastructure revolving loan fund.

	Amounts in Millions						
Bucket	19-21 Biennium	21-23 Biennium	Executive Recommendation	Senate Version	Proposed House Version	Final House Version	
State Owned (Operating/Capital	Assets)		-				
SWPP			\$131.6	\$130	\$130		
NAWS			\$36	\$86	\$86		
DL				\$2	\$2		
Total State Owned	\$142.6	\$91.7	\$167.6	\$218	\$218		
Water Supply (Municipal/Region	nal)			J			
RRVWSP			\$170	\$175	\$180		
WAWS			\$46	\$40	\$46		
Bismarck			\$30	\$30	\$55		
Medora					\$3		
Sovereign Lands					\$3.2		
Other			\$24	\$38	\$31		
Total Water Supply	\$128	\$125	\$270	\$283	\$318.2		
Rural Water	\$37.2	\$59.6	\$35	\$40	\$50		
Flood Control		II					
Mouse River	\$82.5	\$74.5	\$76.1	\$76.1	\$76.1		
Valley City			\$13.2	\$13.2	\$13.2		
Mandan			\$11.6	\$12.3	\$12.3		
Other	\$114.5	\$48	\$14.1	\$13	\$14.1		
Total Flood control	\$197	\$122.5	\$115	\$114.6	\$115.7		
Discretionary*		\$6	\$5	\$1	\$9		
General Water*	\$27	\$14.2	\$12.4	\$12	\$12		
Basinwide Plan	-	\$1.1		\$1	-		
State Fiscal Recovery Fund	-	\$75		-	-		
Total Funding Provided	\$531.8	\$495.1	\$605	\$669.6	\$722.9		

*Discretionary provides funding for drought disaster livestock program, flooding events, and potential litigation.

** General Water provides funding for various items including dam rehabilitation, studies and irrigation.



Prepared at the request of Representative Swiontek.

SECTION X. TRANSFER - WATER PROJECT STABILIZATION FUND TO WATER INFRASTRUCTURE REVOLVING LOAN FUND. The office of management and budget shall transfer up to \$30,000,000, from the water project stabilization fund to the water infrastructure revolving loan fund established under section 6-09-49.2, during the biennium beginning July 1, 2023, and ending June 30, 2025.



Prepared at the request of Representative Swiontek.

SECTION X. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER UTILITY PROJECTS. Excluding the funding provided for Bismarck water utility projects prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$55,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for city of Bismarck water utility projects. It is further the intent of the sixty-eighth legislative assembly that of the funding made available for city of Bismarck water projects, \$5,000,000 be used for water supply projects for a higher education institution located south of the city serving as an emergency evacuation and command site.



Prepared at the request of Representative Swiontek.

SECTION X. SOVEREIGN LANDS RECREATION USE GRANT. The water supply - grants line item in section 1 of this Act includes \$3,000,000 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, 2025.

SECTION X. APPROPRIATION - RESOURCES TRUST FUND – PARKS AND RECREATION DEPARTMENT – SOVEREIGN LANDS RECREATION USE GRANT. There is appropriated from a grant from the state water commission out of moneys from the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, 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, 2025. 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. 23.0274.02004 Title.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 5, after line 16, insert:

"SECTION 13. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY FUNDING - CONTINGENCY. It is the intent of the sixty-eighth legislative assembly that up to \$3,200,000 of the funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for water storage, water main replacement, and water supply expansion projects sponsored by the city of Medora. It is further the intent of the sixty-eighth legislative assembly that funding under this section only be made available after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, the city of Medora, and Billings County."

Renumber accordingly

Sixty-eighth Legislative Assembly

1	7.	"Loa	n" means an amount of money lent to a sponsor of a project approved by the
2		com	nission to assist with funding approved project components. A loan may be
3		stand	d-alone financial assistance.
4	8.	"Owi	ner" includes all individuals, associations, corporations, limited liability companies,
5		distri	icts, municipalities, and other political subdivisions of this state having any title or
6		inter	est in any properties, rights, water rights, easements, or franchises to be acquired.
7	9.	"Pro	ject" means <u>a water conveyance project or</u> any one of the works defined in
8		subs	section 1011 , or any combination of such works, which are physically connected or
9		joint	ly managed and operated as a single unit.
10	10.	"Wa	ter conveyance project" means any assessment drain, streambank stabilization, or
11		sna	gging and clearing of water courses.
12	11.	"Wo	rks" includes:
13		a.	All property rights, easements, and franchises relating to and deemed necessary
14			or convenient for their operation;
15		b.	All water rights acquired and exercised by the commission in connection with
16			such works;
17		c.	All means of conserving and distributing water, including reservoirs, dams,
18			diversion canals, distributing canals, channels, lateral ditches, pumping units,
19			mains, pipelines, treatment plants, and waterworks systems; and
20		d.	All works for the conservation, control, development, storage, treatment,
21			distribution, and utilization of water, including works for the purpose of irrigation,
22			flood control, watering stock, supplying water for public, domestic, industrial, and
23			recreational use, fire protection, and the draining of lands injured or in danger of
24			injury as a result of such water utilization.
25	SE	стю	N 3. AMENDMENT. Section 61-03-21.4 of the North Dakota Century Code is
26	amend	ed an	d reenacted as follows:
27	61	-03-21	1.4. Economic analysis process required for certain projects.
28	Th	e dep	artment of water resources shall develop an economic analysis process for water
29			projects and flood-related projects expected to cost more than one millionfive
30			usand dollars, and a life cycle analysis process for municipal water supply projects.
31	When	the st	ate water commission is considering whether to fund a water conveyance project,

23.0545.03001

Sixty-eighth Legislative Assembly

- 1 flood-related project, or water supply project, the department of water resources shall review the
- 2 economic analysis or life cycle analysis, and inform the state water commission of the findings
- 3 from the analysis and review.

23.0274.02014 Title.

Š.

Prepared by the Legislative Council staff for Representative Swiontek April 11, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 5, after line 16, insert:

"SECTION 13. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment provides legislative intent for the State Water Commission to award \$50 million to the City of Bismarck for a water treatment plant project.

23.0274.02015 Title.

τ.

Prepared by the Legislative Council staff for Representative Swiontek April 11, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 5, line 15, after "project" insert "water treatment plant"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment clarifies legislative intent that the 69th Legislative Assembly appropriate funding for the Southwest Pipeline Project water treatment plant.

23.0274.02016 Title.

~

Prepared by the Legislative Council staff for Representative Swiontek April 11, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 5, after line 16, insert:

"SECTION 13. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY

PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, the city of Medora, and Billings County."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides legislative intent for the City of Medora to request funding from the State Water Commission after all agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between the library, the library foundation, the City of Medora, and Billings County.

23.0274.02017 Title. Prepared by the Legislative Council staff for Representative Swiontek April 11, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 5, after line 16, insert:

"SECTION 13. MISSOURI RIVER EDUCATE, ADVOCATE, AND ENGAGE PROGRAM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that:

- 1. Support be provided for the Missouri River educate, advocate, and engage effort conducted by the Missouri River joint water resource board;
- The effort is needed to secure the state's rights to Missouri River water; and
- 3. The state water commission and the department of water resources work in cooperation with the Missouri River joint water resource board to provide financial and technical assistance as the commission deems appropriate."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment expresses legislative support for the Missouri River educate, advocate, and engage program.

23.0274.02018 Title.

8

Prepared by the Legislative Council staff for Representative Swiontek April 12, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 1, line 4, after the first semicolon insert "to provide for a transfer;"

Page 4, after line 6, insert:

"SECTION 8. TRANSFER - BANK OF NORTH DAKOTA PROFITS- WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost share loans for projects approved by the state water commission pursuant to section 6-09-49.2."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT

This amendment provides for the transfer of up to \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund.

23.0274.02023 Title.

Prepared by the Legislative Council staff for Representative Swiontek April 12, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 1, line 4, after the first semicolon insert "to provide for a report;"

Page 5, after line 16, insert:

"SECTION 13. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison diversion conservancy district, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides legislative intent for the Department of Water Resources to research alternative uses of a Missouri River intake near Washburn, originally constructed for the Red River Valley Water Supply Project.

23.0274.02022 Title. Prepared by the Legislative Council staff for Representative Lefor April 12, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

- Page 1, line 2, after "reenact" insert "subsection 1 of section 57-51.1-07 and"
- Page 1, line 3, after "to" insert "investment of funds in the resources trust fund,"
- Page 1, line 4, after "credit" insert a comma

Page 4, after line 6, insert:

"SECTION 8. AMENDMENT. Subsection 1 of section 57-51.1-07 of the North Dakota Century Code is amended and reenacted as follows:

- 1. Twenty percent must be allocated to the sinking fund established for payment of the state of North Dakota water development bonds, southwest pipeline series, and any moneys in excess of the sum necessary to maintain the accounts within the sinking fund and for the payment of principal and interest on the bonds must be credited to a special trust fund, to be known as the resources trust fund. The resources trust fund must be established in the state treasury and the funds therein must be deposited and invested as arein the manner in which other state funds to earn themaximum amount permitted by law which incomeare invested, or invested under the supervision of the state investment board. All investment income must be deposited in the resources trust fund. Three percent of the amount credited to the resources trust fund must be transferred no less than guarterly into the renewable energy development fund, not to exceed three million dollars per biennium. One-half of one percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the energy conservation grant fund not to exceed one million two hundred thousand dollars per biennium. The principal and income of the resources trust fund may be expended only pursuant to legislative appropriation and are available to:
 - a. The state water commission for planning for and construction of water-related projects, including rural water systems. These water-related projects must be those which the state water commission has the authority to undertake and construct pursuant to chapter 61-02; and
 - b. The industrial commission for the funding of programs for development of renewable energy sources; for studies for development of cogeneration systems that increase the capacity of a system to produce more than one kind of energy from the same fuel; for studies for development of waste products utilization; and for the making of grants and loans in connection therewith.
 - c. The department of commerce for the funding of programs for development of energy conservation and for the making of grants and loans relating to energy conservation."

Renumber accordingly

The following table is provided to help develop the House's version of purpose funding for SB 2020. In addition to the funding provided in the buckets, \$30 million from the water project stabilization fund is being transferred to the water infrastructure revolving loan fund.

	Amounts in Millions						
Bucket	19-21 Biennium 21-23 Biennium Executive Recommendation Senate Version Proposed House Version		Final House Version				
State Owned (Operating/Capito	al Assets)						
SWPP			\$131.6	\$130	\$130		
NAWS			\$36	\$86	\$86		
DL);	\$2	\$2		
Total State Owned	\$142.6	\$91.7	\$167.6	\$218	\$218		
Water Supply (Municipal/Regio	nal)			5			
RRVWSP			\$170	\$175	\$180		
WAWS			\$46	\$40	\$46		
Bismarck			\$30	\$30	\$50		
Sovereign Lands					\$3	A CONTRACTOR OF	
Other			\$24	\$38	\$37.2		
Total Water Supply	\$128	\$125	\$270	\$283	\$316.2		
Rural Water	\$37.2	\$59.6	\$35	\$40	\$52		
Flood Control)				
Mouse River	\$82.5	\$74.5	\$76.1	\$76.1	\$76.1		
Valley City			\$13.2	\$13.2	\$13.2		
Mandan			\$11.6	\$12.3	\$12.3		
Other	\$114.5	\$48	\$14.1	\$13	\$14.1		
Total Flood control	\$197	\$122.5	\$115	\$114.6	\$115.7		
Discretionary*		\$6	\$5	\$1	\$9		
General Water*	\$27	\$14.2	\$12.4	\$12	\$12		
Basinwide Plan	-	\$1.1		\$1			
State Fiscal Recovery Fund		\$75					
Total Funding Provided	\$531.8	\$495.1	\$605	\$669.6	\$722.9		

*Discretionary provides funding for drought disaster livestock program, flooding events, and potential litigation.

** General Water provides funding for various items including dam rehabilitation, studies and irrigation.

23.0274.02024 Title. Prepared by the Legislative Council staff for the House Appropriations - Education and Environment Division Committee April 14, 2023

Fiscal No. 2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"

Page 1, line 2, replace "section" with "sections 61-02-01.3,"

Page 1, line 2, after "61-02-79" insert ", and 61-03-21.4"

Page 1, line 4, after "credit" insert ", water project economic analyses requirements,"

Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages	\$20,537,867	\$1,656,382	\$22,194,249
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	177,316,513	275,783,950
Water supply - grants	125,000,000	191,200,000	316,200,000
Rural water supply - grants	59,600,000	(7,600,000)	52,000,000
Flood control projects	48,000,000	67,700,000	115,700,000
Discretionary funding General water - grants Total special funds Full-time equivalent positions Page 2, replace lines 7 and 8 with:	0 <u>14,227,275</u> \$409,199,129 90.00	9,000,000 <u>(2,227,275)</u> \$453,158,138 3.00	9,000,000 <u>12,000,000</u> \$862,357,267 93.00"
"Basinwide plan implementation		1,100,000	0
Discretionary funding		0	9,000,000"
Page 2, replace line 23 with: "Total special funds		\$206,600,000	\$163,500,383"

Page 3, replace lines 3 through 9 with:

"SECTION 4. TRANSFER - WATER PROJECT STABILIZATION FUND TO WATER INFRASTRUCTURE REVOLVING LOAN FUND. The office of management and budget shall transfer \$30,000,000, from the water project stabilization fund to the water infrastructure revolving loan fund established under section 6-09-49.2, during the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS- WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. **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 \$3,000,000, 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, 2025. 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 water supply - grants line item in section 1 of this Act includes \$3,000,000 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, 2025."

- Page 3, remove lines 14 through 30
- Page 4, remove lines 1 and 2
- Page 4, line 4, replace "\$120,000,000" with "\$123,380,315"
- Page 4, after line 6, insert:

"SECTION 10. AMENDMENT. Section 61-02-01.3 of the North Dakota Century Code is amended and reenacted as follows:

61-02-01.3. Comprehensive water development plan.

- <u>1.</u> Biennially, the commission shall develop and maintain a comprehensive water development plan organized on a river basin perspective, including an inventory of future water projects for budgeting and planning purposes.
- 2. As part of the commission's planning process, to facilitate local project sponsor participation and project prioritization and to assist in education regarding life cycle analyses for municipal water supply projects, and economic analyses for flood control and water conveyance projects <u>only</u> for those expected to cost more than one millionfive hundred thousand dollars, the commission shall develop a policy that outlinespolicies and procedures for commissioner-hosted meetings within the upper Missouri River, lower Missouri River, James River, upper Red River, lower Red River, Devils Lake, Little Missouri River, upper Heart River, and upper Cannonball River drainage basins."

Page 4, after line 19, insert:

"SECTION 12. AMENDMENT. Section 61-03-21.4 of the North Dakota Century Code is amended and reenacted as follows:

61-03-21.4. Economic analysis process required for certain projects.

The department of water resources shall develop an economic analysis process for water conveyance projects and flood-related projects expected to cost more than one millionfive hundred thousand dollars, and a life cycle analysis process for municipal water supply projects. When the state water commission is considering whether to fund a water conveyance project, flood-related project, or water supply project, the department of water resources shall review the economic analysis or life cycle analysis, and inform the state water commission of the findings from the analysis and review."

Page 5, line 15, after "project" insert "water treatment plant"

Page 5, after line 16, insert:

"SECTION 17. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 18. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, the city of Medora, and Billings County.

SECTION 19. MISSOURI RIVER EDUCATE, ADVOCATE, AND ENGAGE PROGRAM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that:

- 1. Support be provided for the Missouri River educate, advocate, and engage effort conducted by the Missouri River joint water resource board;
- 2. The effort is needed to secure the state's rights to Missouri River water; and
- 3. The state water commission and the department of water resources work in cooperation with the Missouri River joint water resource board to provide financial and technical assistance as the commission deems appropriate.

SECTION 20. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Page 5, line 18, after "operating" insert "expenses"

Page 5, line 24, replace "\$405,000,000" with "\$367,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of House Action



Page No. 3

Parks and Recreation Department Total all funds Less estimated income General fund	\$0 	\$0 0 \$0	\$3,000,000 3,000,000 \$0	\$3,000,000 <u>3,000,000</u> \$0
FTE	0.00	0.00	0.00	0.00
State Water Commission Total all funds Less estimated income General fund FTE	\$409,199,129 409,199,129 \$0 90.00	\$864,928,344 <u>864,928,344</u> \$0 93.00	(\$2,571,077) (2,571,077) \$0 0.00	\$862,357,267 862,357,267 \$0 93.00
Bill total Total all funds Less estimated income General fund FTE	\$409,199,129 409,199,129 \$0 90.00	\$864,928,344 864,928,344 \$0 93.00	\$428,923 428,923 \$0 0.00	\$865,357,267 865,357,267 \$0 93.00

Senate Bill No. 2020 - Parks and Recreation Department - House Action

Sovereign lands recreation use grants	Base Budget	Senate Version	House Changes \$3,000,000	House Version \$3,000,000
Total all funds Less estimated income General fund	\$0 0 \$0	\$0 0 \$0	\$3,000,000 3,000,000 \$0	\$3,000,000 <u>3,000,000</u> \$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

Sovereign lands recreation use grants	Adds Funding for Recreation Use Grants ¹ \$3,000,000	Total House Changes \$3,000,000
Total all funds Less estimated income General fund	\$3,000,000 <u>3,000,000</u> \$0	\$3,000,000 3,000,000 \$0
FTE	0.00	0.00

¹ One-time funding of \$3 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The appropriated amount includes \$800,000 for the Mandan parks and recreation department and \$750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. Grant recipients must provide \$1 of matching funds for each \$1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$20,537,867	\$23,465,326	(\$1,271,077)	\$22,194,249
Operating expenses	43,366,550	59,479,068		59,479,068
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000
General water - Grants	14,227,275	12,000,000		12,000,000
Basinwide plan implementation		1,000,000	(1,000,000)	
Discretionary funding		1,000,000	8,000,000	9,000,000
Loan repayment		30,000,000	(30,000,000)	
Total all funds	\$409,199,129	\$864,928,344	(\$2,571,077)	\$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00

Department 770 - State Water Commission - Detail of House Changes

Salaries and wages Operating expenses	Adjusts Funding for Salary and Benefit Increases ¹ \$344,552	Removes Salary Funding for Funding Pool ² (\$1,615,629)	Adjusts Funding for Water Projects ³	Total House Changes (\$1,271,077)
Capital assets Water supply - Grants Rural water supply - Grants Flood control projects General water - Grants			(\$24,600,000) 33,200,000 12,000,000 1,100,000	(24,600,000) 33,200,000 12,000,000 1,100,000
Basinwide plan implementation Discretionary funding Loan repayment			(1,000,000) 8,000,000 (30,000,000)	(1,000,000) 8,000,000 (30,000,000)
Total all funds Less estimated income General fund	\$344,552 <u>344,552</u> \$0	(\$1,615,629) (1,615,629) \$0	(\$1,300,000) (1,300,000) \$0	(\$2,571,077) (2,571,077) \$0
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Other <u>Funds</u>
Salary increase	\$354,895
Health insurance adjustment	<u>(10,343)</u>
Total	\$344,552

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other
	<u>Funds</u>
New FTE positions	(\$703,398)
Vacant FTE positions	<u>(912,231)</u>
Total	(\$1,615,629)

³ Funding for water projects is adjusted as follows:

	Total <u>Funds</u>
Reduce funding for capital assets	(\$24,600,000)
Increase funding for water supply grants	33,200,000
Increase funding for rural water supply grants	12,000,000
Increase funding for flood control projects	1,100,000
Remove one-time funding for basinwide plan implementation	(1,000,000)
Remove one-time funding for Western Area Water Supply Authority loan repayment	(30,000,000)
Increase one-time funding for discretionary water projects	<u>8,000,000</u>
Total	(\$1,300,000)

This amendment also:

- Removes a section added by the Senate identifying \$30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Transfers \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund.
- Designates \$3 million for a grant to the Parks and Recreation Department for developing recreation
 opportunities on sovereign lands in the state.
- Removes a section providing for a basinwide plan implementation pilot project.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from \$120 million to \$123.4 million.
- Amends North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of \$500,000.
- Provides legislative intent for \$50 million to be granted for a City of Bismarck water treatment plant project.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all
 agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between
 the library, library foundation, City of Medora, and Billings County.
- Provides legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use
 of the Missouri River intake constructed near Washburn.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by \$38 million, to provide total carryover authority of \$367 million.

#27618

Any increase revenue in the resources trust fund due to oil Fluctuation from 2023 the Mosch Forecart will be evenly Divided between producter and municipal funds.

Page No. 1

23.0274.02025

The following table is provided to help develop the House's version of purpose funding for SB 2020. In addition to the funding provided in the buckets, \$30 million from the water project stabilization fund is being transferred to the water infrastructure revolving loan fund.

Bucket	Amounts in Millions						
	19-21 Biennium 21-23 Biennium		Executive Recommendation	Senate Version	Proposed House Version	Final House Version	
State Owned (Operating/Capita	al Assets)						
SWPP			\$131.6	\$130	\$130		
NAWS			\$36	\$86	\$86		
DL				\$2	\$2		
Total State Owned	\$142.6	\$91.7	\$167.6	\$218	\$218		
Water Supply (Municipal/Regio							
RRVWSP							
WAWS			\$170	\$175	\$180		
			\$46	\$40	\$46		
Bismarck			\$30	\$30	\$50	200 - 1 00 - 100	
Sovereign Lands					\$3	and the second	
Other			\$24	\$38	\$37.2		
Total Water Supply	\$128	\$125	\$270	\$283	\$316.2		
D							
Rural Water	\$37.2	\$59.6	\$35	\$40	\$52		
Flood Control							
Mouse River	\$82.5	\$74.5	\$76.1	4-4-4			
Valley City		\$14.5		\$76.1	\$76.1		
Mandan			\$13.2	\$13.2	\$13.2		
Other	\$114.5	\$48	\$11.6	\$12.3	\$12.3		
Total Flood control	\$197	the second se	\$14.1	\$13	\$14.1		
	\$157	\$122.5	\$115	\$114.6	\$115.7		
Discretionary*		\$6	\$5	\$1	<u> </u>		
					\$9		
General Water*	\$27	\$14.2	\$12.4	\$12	\$12		
Basinwide Plan		\$1.1		\$1			
itate Fiscal Recovery Fund		\$75					
otal Funding Provided	\$531.8	C405.4					
Discretionary provides funding fo	\$331.8	\$495.1	\$605	\$669.6	\$722.9		

*Discretionary provides funding for drought disaster livestock program, flooding events, and potential litigation.

** General Water provides funding for various items including dam rehabilitation, studies and irrigation.

23.0274.02026 Title.03000 Prepared by the Legislative Council staff for the House Appropriations - Education and Environment Division Committee April 17, 2023

Fiscal No. 2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

In lieu of the amendments adopted as printed on pages 2080-2085 of the House Journal, Engrossed Senate Bill No. 2020 is amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"

Page 1, line 2, replace "section" with "sections 61-02-01.3,"

Page 1, line 2, after "61-02-79" insert ", and 61-03-21.4"

Page 1, line 4, after "credit" insert ", water project economic analyses requirements,"

Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages Operating expenses Capital assets Water supply - grants Rural water supply - grants Flood control projects Discretionary funding General water - grants Total special funds Full-time equivalent positions	\$20,537,867 43,366,550 98,467,437 125,000,000 59,600,000 48,000,000 0 <u>14,227,275</u> \$409,199,129 90.00	\$1,656,382 16,112,518 177,316,513 191,200,000 (7,600,000) 67,700,000 9,000,000 (2,227,275) \$453,158,138 3.00	\$22,194,249 59,479,068 275,783,950 316,200,000 52,000,000 115,700,000 9,000,000 <u>12,000,000</u> \$862,357,267 93.00"
Page 2, replace lines 7 and 8 with:			
"Basinwide plan implementation Discretionary funding		1,100,000 0	0 9,000,000"
Page 2, replace line 23 with:			
"Total special funds		\$206,600,000	\$163,500,383"

Page 2, line 31, remove "defraying the expenses of that agency, excluding operating"

Page 3, line 1, replace "expenses and salaries and wages" with "providing water supply grants and rural water supply grants"

Page 3, line 2 after the period insert: "<u>Any additional amounts must be allocated equally</u> between water supply grants and rural water supply grants."

Page 3, replace lines 3 through 9 with:

"SECTION 4. TRANSFER - WATER PROJECT STABILIZATION FUND TO WATER INFRASTRUCTURE REVOLVING LOAN FUND. The office of management and budget shall transfer \$30,000,000 from the water project stabilization fund to the water infrastructure revolving loan fund established under section 6-09-49.2, during the period beginning with the effective date of this Act, and ending June 30, 2025.

SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

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 \$3,000,000, 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, 2025. 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 water supply - grants line item in section 1 of this Act includes \$3,000,000 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, 2025."

- Page 3, remove lines 14 through 30
- Page 4, remove lines 1 and 2
- Page 4, line 4, replace "\$120,000,000" with "\$123,380,315"

Page 4, after line 6, insert:

"SECTION 10. AMENDMENT. Section 61-02-01.3 of the North Dakota Century Code is amended and reenacted as follows:

61-02-01.3. Comprehensive water development plan.

- Biennially, the commission shall develop and maintain a comprehensive water development plan organized on a river basin perspective, including an inventory of future water projects for budgeting and planning purposes.
- 2. As part of the commission's planning process, to facilitate local project sponsor participation and project prioritization and to assist in education regarding life cycle analyses for municipal water supply projects, and economic analyses for flood control and water conveyance projects <u>only for those</u> expected to cost more than one millionfive hundred thousand dollars, the commission shall develop a policy that outlinespolicies and procedures for commissioner-hosted meetings within the upper Missouri River, lower Missouri River, James River, upper Red River, lower Red River, Devils Lake, Little Missouri River, upper Heart River, and upper Cannonball River drainage basins."

Page 4, after line 19, insert:

"SECTION 12. AMENDMENT. Section 61-03-21.4 of the North Dakota Century Code is amended and reenacted as follows:

61-03-21.4. Economic analysis process required for certain projects.

The department of water resources shall develop an economic analysis process for water conveyance projects and flood-related projects expected to cost more than one millionfive hundred thousand dollars, and a life cycle analysis process for municipal water supply projects. When the state water commission is considering whether to fund a water conveyance project, flood-related project, or water supply project, the department of water resources shall review the economic analysis or life cycle analysis, and inform the state water commission of the findings from the analysis and review."

Page 5, line 4, replace "\$175,000,000" with "\$180,000,000"

Page 5, line 15, after "project" insert "water treatment plant"

Page 5, after line 16, insert:

"SECTION 17. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 18. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, the city of Medora, and Billings County.

SECTION 19. MISSOURI RIVER EDUCATE, ADVOCATE, AND ENGAGE PROGRAM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that:

- 1. Support be provided for the Missouri River educate, advocate, and engage effort conducted by the Missouri River joint water resource board;
- 2. The effort is needed to secure the state's rights to Missouri River water; and
- 3. The state water commission and the department of water resources work in cooperation with the Missouri River joint water resource board to provide financial and technical assistance as the commission deems appropriate.

SECTION 20. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Page 5, line 18, after "operating" insert "expenses"

Page 5, line 24, replace "\$405,000,000" with "\$367,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Parks and Recreation	Constante Const			TOTOTOTOTI
Department				
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
State Water Commission		et e		
Total all funds	\$409,199,129	\$864,928,344	(\$2,571,077)	\$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00
Bill total				
Total all funds	\$409,199,129	\$864,928,344	\$428,923	\$865,357,267
Less estimated income	409,199,129	864,928,344	428,923	865,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00

Senate Bill No. 2020 - Parks and Recreation Department - House Action

Sovereign lands recreation use grants	Base Budget	Senate Version	House Changes \$3,000,000	House Version \$3,000,000
Total all funds	\$0	\$0	\$3,000,000	\$3,000,000
Less estimated income General fund	<u> </u>	<u>0</u> \$0	3,000,000	3,000,000
	φυ	\$U	\$U	\$0
FTE	0.00	0.00	0.00	0.00

Department 750 - Parks and Recreation Department - Detail of House Changes

Sovereign lands recreation use grants	Adds Funding for Recreation Use Grants ¹ \$3,000,000	Total House Changes \$3,000,000
Total all funds	\$3,000,000	\$3,000,000
Less estimated income	3,000,000	3,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ One-time funding of \$3 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The appropriated amount includes \$800,000 for the Mandan parks and recreation department and \$750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. Grant recipients must provide \$1 of matching funds for

с. 1_{Ме}

each \$1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$20,537,867	\$23,465,326	(\$1,271,077)	\$22,194,249
Operating expenses	43,366,550	59,479,068	Allowing the second	59,479,068
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000
General water - Grants	14,227,275	12,000,000		12,000,000
Basinwide plan implementation		1,000,000	(1,000,000)	281 8
Discretionary funding		1,000,000	8,000,000	9,000,000
Loan repayment	······	30,000,000	(30,000,000)	
Total all funds	\$409,199,129	\$864,928,344	(\$2,571,077)	\$862,357,267
Less estimated income	409,199,129	864,928,344	(2,571,077)	862,357,267
General fund	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00

Department 770 - State Water Commission - Detail of House Changes

Salaries and wages Operating expenses Capital assets Water supply - Grants Rural water supply - Grants	Adjusts Funding for Salary and Benefit Increases ¹ \$344,552	Removes Salary Funding for Funding Pool ² (\$1,615,629)	Adjusts Funding for Water Projects ³ (\$24,600,000) 33,200,000 12,000,000	Total House Changes (\$1,271,077) (24,600,000) 33,200,000 12,000,000
Flood control projects			1,100,000	1,100,000
General water - Grants Basinwide plan implementation Discretionary funding Loan repayment		5. <u></u>	(1,000,000) 8,000,000 (30,000,000)	(1,000,000) 8,000,000 (30,000,000)
Total all funds	\$344,552	(\$1,615,629)	(\$1,300,000)	(\$2,571,077)
Less estimated income	344,552	(1,615,629)	(1,300,000)	(2,571,077)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Other Funds
Salary increase	\$354,895
Health insurance adjustment	(10,343)
Total	\$344,552

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other
	Funds
New FTE positions	(\$703,398)
Vacant FTE positions	(912,231)
Total	(\$1,615,629)

³ Funding for water projects is adjusted as follows:

	Total Funds
Reduce funding for capital assets	(\$24,600,000)
Increase funding for water supply grants	33,200,000
Increase funding for rural water supply grants	12,000,000
Increase funding for flood control projects	1,100,000
Remove one-time funding for basinwide plan implementation	(1,000,000)
Remove one-time funding for Western Area Water Supply Authority Ioan repayment	(30,000,000)
Increase one-time funding for discretionary water projects	<u>8,000,000</u>
Total	(\$1,300,000)

This amendment also:

- Removes a section added by the Senate identifying \$30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Transfers \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund.
- Designates \$3 million for a grant to the Parks and Recreation Department for developing recreation
 opportunities on sovereign lands in the state.
- · Removes a section providing for a basinwide plan implementation pilot project.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from \$120 million to \$123.4 million.
- Amends North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of \$500,000.
- Provides legislative intent for \$50 million to be granted for a City of Bismarck water treatment plant project.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all
 agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between
 the library, library foundation, City of Medora, and Billings County.
- · Provides legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use
 of the Missouri River intake constructed near Washburn.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by \$38 million, to provide total carryover authority of \$367 million.
- · Designates the use of excess revenue in the resources trust fund.

Department of Water Resources - Budget No. 770 Senate Bill No. 2020 Base Level Funding Changes

10 -2 0 2

Base Level Funding Changes		•	- Manalas		г				1			
		Senate	e Version			House	e Version				to Senate Version	
	FTE	General	Other		FTE	General	Other		FTE	Increase (Decreas General	Other	UII
	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total	Positions	Fund	Funds	Total
2023-25 Biennium Base Level	90.00	\$0	\$409,199,129	\$409,199,129	90.00	\$0	\$409,199,129	\$409,199,129	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Base payroll changes			\$148,098	\$148,098			\$148,098	\$148,098				\$0
Salary increase			1,049,393	1,049,393			1,404,288	1,404,288			354,895	354,895
Health insurance increase			459,961	459,961			449,618	449,618			(10,343)	(10,343)
Adds FTE positions	3.00		703,398	703,398	3.00		703,398	703,398				0
Adds funding for travel costs for new FTE			2,000	2,000			2,000	2,000				0
positions												
Adds a temporary employee for the NAWS			170,000	170,000			170,000	170,000				0
Project												
Adds funding to fund a temporary employee at			61,609	61,609			61,609	61,609				0
the same level as an FTE position												
Adds funding for staff training and professional			80,000	80,000			80,000	80,000				0
development												
Adds funding for IT unification			4,082,784	4,082,784			4,082,784	4,082,784				0
Adds funding for PRESENS installations			1,572,800	1,572,800			1,572,800	1,572,800				0
Adds funding for maintenance of ground water			22,000	22,000			22,000	22,000				0
modeling and related hydrologic analysis				,								Ŭ
software												
Adds funding from federal funds for RiskMAP			100,000	100,000			100,000	100,000		••••••		0
Adjusts funding among line items, including an				0				0				0
increase of \$5.9 million in professional fees				-				·				v
and services, a \$1.8 million increase in other												
operating expenses, and a \$7.7 million												
decrease in capital assets												
•			(19,600,000)	(19,600,000)			(7 600 000)	(7,600,000)			40.000.000	10.000.000
Reduces funding for rural water supply grants			***************************************	***************************************			(7,600,000)	(7,600,000)			12,000,000	12,000,000
Reduces funding for general water grants			(2,233,275)	(2,233,275)			(2,233,275)	(2,233,275)				0
Adds funding for water supply grants			158,000,000	158,000,000			191,200,000	191,200,000			33,200,000	33,200,000
Adds funding for flood control projects			66,600,000	66,600,000			67,700,000	67,700,000			1,100,000	1,100,000
Adds funding for capital assets			58,010,064	58,010,064			33,410,064	33,410,064			(24,600,000)	(24,600,000)
Removes salary funding for funding pool				0			(1,615,629)	(1,615,629)			(1,615,629)	(1,615,629)
Total ongoing funding changes	3.00	\$0	\$269,228,832	\$269,228,832	3.00	\$0	\$289,657,755	\$289,657,755	0.00	\$0	\$20,428,923	\$20,428,923
One-Time Funding Items												
Adds funding for new FTE positions equipment			\$19,320	\$19,320			\$19,320	\$19,320				\$0
Adds funding for IT unification			1,532,980	1,532,980			1,532,980	1,532,980				0
Adds funding for increased motor pool rates			118,180	118,180			118,180	118,180				0
Adds funding for drilling supplies inflation			180,000	180,000			180,000	180,000				0
Adds funding for a navigability study			180,000	180,000			180,000	180,000				0
Adds funding for airborne electromagnetic			750,000	750,000			750,000	750,000				0
survey data collection							,	,				Ũ
Adds funding for ground water modeling and			72,665	72,665			72,665	72,665				0
related hydrologic analysis software			,	,			,					0
		••••••		I								

Adds funding for basinwide plan implementation 1000.000 1000.000 0 0 0 0 Adds funding for basinwide plan implementation 1000.000 100.000.00	8,000,000 8,000, (1,000,000) (1,000, \$7,000,000 \$7,000, \$27,428,923 \$27,428, \$27,428,923 \$27,428, (\$12,877) \$27,428,
Add one-time funding to replace the drilling in 1800,000 1.8	(1,000,000) (1,000, \$7,000,000 \$7,000, \$27,428,923 \$27,428, \$27,428,923 \$27,428,
under some time funding for discretionary funds 1.000.000 9.000.000 9.000.000 under some time funding for a line of credit 1000.000 1.000.000 0 <t< td=""><td>(1,000,000) (1,000, \$7,000,000 \$7,000, \$27,428,923 \$27,428, \$27,428,923 \$27,428,</td></t<>	(1,000,000) (1,000, \$7,000,000 \$7,000, \$27,428,923 \$27,428, \$27,428,923 \$27,428,
Vade funding for basinvide plan implementation 1.000,000 0.00,000 0.00	(1,000,000) (1,000, \$7,000,000 \$7,000, \$27,428,923 \$27,428, \$27,428,923 \$27,428,
Value Standing from a line of roadi 100,000,000 100,000,000 100,000,000 100,000,000 100,000,000 Value Standing changes 0.00 \$0 \$156,500,383 \$156,500,383 \$156,500,383 \$156,500,383 \$156,500,383 \$156,500,383 \$156,500,383 \$0.00 \$0 \$453,158,138 0.00 \$0 \$50,257,267 \$862,357,267 \$862,357,267 \$862,357,267 \$862,40,384 \$82,92,344 \$834,928,344 \$836,923,37,267 \$862,357,267 \$862,357,267 \$862,357,267 \$862,357,267 \$862,357,267 \$862,357,267 \$862,3	\$7,000,000 \$7,000, 27,428,923 \$27,428, 27,428,923 \$27,428,
Value 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 47,847,238 0.00 \$50 </td <td>27,428,923 \$27,428, 27,428,923 \$27,428,</td>	27,428,923 \$27,428, 27,428,923 \$27,428,
Total one-time funding changes 0.00 \$0 \$156,500,383 \$156,500,383 \$156,500,383 \$163,500,383 <td< td=""><td>27,428,923 \$27,428, 27,428,923 \$27,428,</td></td<>	27,428,923 \$27,428, 27,428,923 \$27,428,
Outcome time to tit to tit to time to time to time to time to time to t	27,428,923 \$27,428, 27,428,923 \$27,428,
Lat Onlinges to Large Lover Luthing 0.00 00 0.00 00 0.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00 00 00.00	27,428,923 \$27,428,
Construction Construction <thconstruction< th=""> Construction <thc< td=""><td>, , , , , , , , , , , , , , , , , , , ,</td></thc<></thconstruction<>	, , , , , , , , , , , , , , , , , , , ,
Cold or doing changes as a percentage of base level 3.3% 58.% 65.8% 3.3% 70.8% 70.8% forla changes as a percentage of base level 3.3% 104.0% 104.0% 3.3% 110.7% 110.7% her Sections in Department of Water Resources - Budget No.770 Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. Section 3 appropriates any additional funds available in the resources trust fund to the Department, excluding operating expenses and salaries and wages. Section 3 appropriates any additional funds available in the resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. Section 1 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. Section 1 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses and salaries and wages. Transfers to water infrastructure revolving loan und Section 1 appropriates \$30 million from the water project stabilization fund. Section 4 propriates Section 4 appropriates \$30 million from the water project stabilization fund. Section 5 provide \$3 million from the water project grants for developing recreation opportunities on sovereign lands in the st	(\$12,877)
Detail changes as a percentage of base level 3.3% 104.0% 104.0% 3.3% 110.7% 110.7% her Sections in Department of Water Resources - Eudget No. 770 Sente Version Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. House Version Section 3 appropriates any additional funds available in the resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. ransfers to water infrastructure revolving loan und Section 4 transfers \$30 million from the water projects stabilization fund and Section 5 transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund. Section 6 and 7 provide \$3 million from the resources trust fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAS Authority. oan repayment - Appropriation Section 4 appropriates \$30 million from the water project grants in the discretionary water project grants in the in Section 1 may be used as necessary, except for salaries and item in Section 1 may be used as necessary. Section 6 and 7 may be used as necessary.	
Otal changes as a percentage of base level 3.3% 104.0% 104.0% 3.3% 110.7% 110.7% her Sections in Department of Water Resources - Budget No. 770 Senate Version Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. House Version Section 3 appropriates any additional funds available in the resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. Section 3 appropriates any additional funds available in the resources for the 2023-25 biennium for water supply grants and rural water supply grants. transfers to water infrastructure revolving loan und Section 4 transfers \$30 million from the water projects stabilization fund and Section 5 transfers \$100 million from Bank of North Dakota profit to the water infrastructure revolving loan fund. sovereign lands recreation use grants Section 4 appropriates \$30 million from the water project stabilization fund to the Department of Water Resources to repara Bank of North Dakota loans for the WAWS Authority. Section 8 and 7 provide \$3 million from the resources trust fund to the Parks and Recreation Department for grants for developing recreation opportunities on sovereign lands in the state. coan repayment - Appropriation Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and Section 8 provides that the discretionary water project grants line item in Section 1 may	
Her Sections in Department of Water Resources - Budget No. 770 Senate Version House Version dditional income Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. Section 1 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. Section 1 transfers \$30 million from the water supply grants and rural water supply grants. overeign lands recreation use grants Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources trust fund to the Department of Water Resources trust fund to the Parks and Recreation Department for grants for developing recreation use grants. oan repayment - Appropriation Section 4 appropriates \$30 million from the water project grants line true in Section 5 provides that the discretionary water project grants line true in Section 1 may be used as necessary, except for salaries and rural be used as necessary, except for salaries and rural water project grants line true in Section 1 may be used as necessary.	
Senate Version House Version dditional income Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding and usges. Section 3 appropriates any additional funds available in the resources for the 2023-25 biennium for expenses of the department, excluding and usges. ransfers to water infrastructure revolving loan and use grants Section 4 appropriates 30 million from the water projects stabilization fund and Section 5 transfers \$100 million from the resources trust fund to the Department of Water Resources for the vater infrastructure revolving loan fund. sovereign lands recreation use grants Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority. biscretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and Section 8 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and	
dditional income Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. Section 3 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. ransfers to water infrastructure revolving loan und Section 4 transfers \$30 million from the water projects stabilization fund and Section 5 transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund. sovereign lands recreation use grants Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repark sand Recreation Department for grants for developing recreation opportunities on sovereign lands in the state. oan repayment - Appropriation Section 4 appropriates \$30 million from the water project grants line item in Section 1 may be used as necessary, except for salaries and Section 8 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and	
resources trust fund to the Department of Water Resources for the 2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. ransfers to water infrastructure revolving loan and sovereign lands recreation use grants coan repayment - Appropriation stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority. biscretionary funding section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and	
2023-25 biennium for expenses of the department, excluding operating expenses and salaries and wages. 2023-25 biennium for water supply grants and rural water supply grants. ransfers to water infrastructure revolving loan und Section 4 transfers \$30 million from the water projects stabilization fund and Section 5 transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund. Section 6 and 7 provide \$3 million from the resources trust fund to the Parks and Recreation Department for grants for developing recreation opportunities on sovereign lands in the state. oan repayment - Appropriation Section 4 appropriates \$30 million from the water projects to repay Bank of North Dakota loans for the WAWS Authority. The House removed this section. Discretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and Section 1 may be used as necessary, except for salaries and	
operating expenses and salaries and wages.grants.rransfers to water infrastructure revolving loan undSection 4 transfers \$30 million from the water projects stabilization fund and Section 5 transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund.Sovereign lands recreation use grantsSection 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.Discretionary fundingSection 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and	
Transfers to water infrastructure revolving loan und Section 4 transfers \$30 million from the water projects stabilization fund and Section 5 transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund. Sovereign lands recreation use grants Section 4 appropriates \$30 million from the water projects stabilization fund and Section 5 transfers \$100 million from the resources trust fund to the Parks and Recreation Department for grants for developing recreation opportunities on sovereign lands in the state. Noan repayment - Appropriation Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority. The House removed this section. Discretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and Section 8 provides that the discretionary water project grants line item in Section 1 may be used as necessary.	
ind fund and Section 5 transfers \$100 million from Bank of North Dakota iovereign lands recreation use grants fund and Section 5 transfers \$100 million from Bank of North Dakota iovereign lands recreation use grants Sections 6 and 7 provide \$3 million from the resources trust fund to iovereign lands recreation use grants Section 4 appropriates \$30 million from the water projects iovereign lands recreation use grants Section 4 appropriates \$30 million from the water projects iscretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and Section 1 may be used as necessary, except for salaries and	
Instructionprofits to the water infrastructure revolving loan fund.sovereign lands recreation use grantsSection 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.Section 8 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries andSection 8 provides that the discretionary sum profits to the water project grants line item in Section 1 may be used as necessary, except for salaries and	
Sovereign lands recreation use grantsSections 6 and 7 provide \$3 million from the resources trust fund to the Parks and Recreation Department for grants for developing recreation opportunities on sovereign lands in the state.coan repayment - AppropriationSection 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.The House removed this section.Discretionary fundingSection 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries andSection 1 may be used as necessary, except for salaries and	
Loan repayment - Appropriation Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority. Discretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and the Parks and Recreation Department for grants for developing recreation opportunities on sovereign lands in the state. The House removed this section. Section 8 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and	
Sociologication consistence repayment - AppropriationSection 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.the Parks and Recreation Department for grants for developing recreation opportunities on sovereign lands in the state.Discretionary fundingSection 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries andSection 8 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and	
Loan repayment - Appropriation Loan repayment - Appropriation Section 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority. Discretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and Section 1 may be used as necessary, except for salaries and	
Loan repayment - AppropriationSection 4 appropriates \$30 million from the water projects stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority.The House removed this section.Discretionary fundingSection 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries andSection 8 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and	
Stabilization fund to the Department of Water Resources to repay Bank of North Dakota loans for the WAWS Authority. Discretionary funding Discretionary funding Discretionary funding Discretionary funding Discretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and Discretionary funding	
Bank of North Dakota loans for the WAWS Authority. Discretionary funding item in Section 1 may be used as necessary, except for salaries and Section 1 may be used as necessary, except for salaries and	
Discretionary funding Section 5 provides that the discretionary water project grants line item in Section 1 may be used as necessary, except for salaries and item in Section 1 may be used as necessary, except for salaries and	
item in Section 1 may be used as necessary, except for salaries and item in Section 1 may be used as necessary, except for salaries and	
WORDS	
wages. wages.	
Basinwide water plan implementation Section 6 provides that \$1 million appropriated for basinwide plan The House removed this section.	
implementation is for a pilot provide grants for water	
conveyance, flood control, and other water projects.	
Section 1 is from the water projects stabilization fund. Section 1 is from the water projects stabilization fund.	
Economic analyses	
analyses must be completed for a water project from \$1 million to	
\$500,000.	
ine of credit Section 8 provides for the Bank of North Dakota to extend a Section 11 provides for the Bank of North Dakota to extend a	
\$100 million line of credit to the Department of Water Resources, of \$100 million line of credit to the Department of Water Resources, of	
which \$50 million may be used for NAWS and \$50 million may be which \$50 million may be used for NAWS and \$50 million may be	
used for the Southwest Pipeline Project. used for the Southwest Pipeline Project.	

10. XI PI

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

 (z_{i}, \ldots, z_{i}) . \mathbf{Y}^{i}

	Senate Version	House Version
2021-23 biennium discretionary funding	Section 9 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.	Section 13 amends 2021 Session Laws to allow the Department of Water Resources to use its discretionary funding as necessary, except for salaries and wages.
Red River Valley Water Supply Project	Section 10 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$175 million is provided during the 2023-25 biennium.	Section 14 provides legislative intent for a total of \$953 million for the Red River Valley Water Supply Project, of which \$180 million is provided during the 2023-25 biennium.
Mouse River flood control	Section 11 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.	Section 15 provides legislative intent for a total of \$380.5 million for the Mouse River flood control project, of which \$76.1 million is provided during the 2023-25 biennium.
Southwest Pipeline Project	Section 12 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project.	Section 16 provides legislative intent that the 69th Legislative Assembly appropriate \$40 million for the Southwest Pipeline Project water treatment plant.
City of Bismarck water utility projects		Section 17 provides legislative intent for a total of \$50 million to be provided during the 2023-25 biennium for a city of Bismarck water treatment plant project.
City of Medora water supply funding		Section 18 provides legislative intent for the city of Medora to request funding from the state water commission after all agreeents are completed for the construction of the Theodore Roosevelt Presidential Library.
Missouri River water rights		Section 19 provides legislative intent in support of the Missouri River educate, advocate, and engage program.
Missouri River water intake		Section 20 provides legislative intent that the Department of Water Resources research and identify options for the use of the Missouri River water intake constructed near Washburn.
Line item transfers	Section 13 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.	Section 21 provides authority for the Director of the Department of Water Resources to transfer a sum equal to up to \$13.3 million between the operating expenses and capital assets line items.
Exemption - Water-related projects	Section 14 provides that up to \$405 million of unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.	Section 22 provides that up to \$367 million of unexpended obligated and unobligated 2021-23 biennium appropriation authority for grants or water-related projects may be continued and expended during the 2023-25 biennium.
Emergency	Section 15 declares the bill to be an emergency measure.	Section 23 declares the bill to be an emergency measure.

4/25

The following table is provided to help develop the House's version of purpose funding for SB 2020. In addition to the funding provided in the buckets, \$30 million from the water project stabilization fund is being transferred to the water infrastructure revolving loan fund.

	Amounts in Millions							
Bucket	19-21 Biennium	21-23 Biennium	Executive Recommendation	Senate Version	Proposed House Version	Final House Version		
sucket State Owned (Operating/Capital								
			\$131.6	\$130	\$130			
SWPP	_		\$36	\$86	\$86			
NAWS	-			\$2	\$2			
DL	4440.0	\$91.7	\$167.6	\$218	\$218			
Total State Owned	\$142.6	\$91.7	<i><i></i><i></i><i></i></i>					
Water Supply (Municipal/Region	nal)				<u> </u>			
RRVWSP	1		\$170	\$175	\$180			
WAWS			\$46	\$40	\$46			
Bismarck	-		\$30	\$30	\$50			
					\$3			
Sovereign Lands			\$24	\$38	\$37.2			
Other	\$128	\$125	\$270	\$283	\$316.2			
Total Water Supply	\$120	, vilo						
	\$37.2	\$59.6	\$35	\$40	\$52			
Rural Water	\$37.2	\$55.0						
Flood Control			470.4	\$76.1	\$76.1			
Mouse River	\$82.5	\$74.5	\$76.1	and the second se	\$13.2			
Valley City			\$13.2	\$13.2	\$13.2			
Mandan			\$11.6	\$12.3	\$12.5			
Other	\$114.5	\$48	\$14.1	\$13	the second se			
Total Flood control	\$197	\$122.5	\$115	\$114.6	\$115.7			
				<i>t</i> 1	\$9			
Discretionary*		\$6	\$5	\$1	35			
				410	\$12			
General Water*	\$27	\$14.2	\$12.4	\$12	\$12			
Basinwide Plan		\$1.1	(***	\$1	••			
Desitivite Fian								
State Fiscal Recovery Fund		\$75						
State i Stat Recovery . una								
Total Funding Provided	\$531.8	\$495.1	\$605	\$669.6	\$722.9			

*Discretionary provides funding for drought disaster livestock program, flooding events, and potential litigation.

** General Water provides funding for various items including dam rehabilitation, studies and irrigation.

23.0274.02027 Title.

Prepared by the Legislative Council staff for Representative Swiontek April 25, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 3, line 1, replace "period beginning with the effective date of this Act" with "biennium beginning July 1, 2023"

Page 3, after line 2, insert:

"SECTION 4. ADDITIONAL 2021-23 BIENNIUM 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, 2023, in excess of the March 2023 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing water supply grants and rural water supply grants, for the period beginning with the effective date of this Act, and ending June 30, 2025. Any additional amounts must be allocated equally between water supply grants and rural water supply grants."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides that excess 2021-23 biennium revenue in the resources trust fund must be allocated equally between water supply grants and rural water supply grants. Excess 2023-25 biennium revenue would continue to be appropriated for defraying the expenses of the Department of Water Resources, excluding operating expenses and salaries and wages, the same as the Senate version.

23.0274.02028 Title. Fiscal No. 1

15

Prepared by the Legislative Council staff for Conference Committee April 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

That the House recede from its amendments as printed on pages 1843-1848 of the Senate Journal and pages 2173-2178 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the parks and recreation department;"

Page 1, line 4, after the first semicolon insert "to provide for a transfer; to provide for a report;"

Page 1, replace lines 14 through 24 with:

"Salaries and wages Operating expenses Capital assets Water supply - grants Rural water supply - grants Flood control projects Discretionary funding General water - grants Total special funds Full-time equivalent positions	\$20,537,867 43,366,550 98,467,437 125,000,000 59,600,000 48,000,000 0 <u>14,227,275</u> \$409,199,129 90.00	\$1,656,382 16,112,518 177,316,513 191,200,000 (7,600,000) 67,700,000 <u>9,000,000</u> (2,227,275) \$453,158,138 3.00	\$22,194,249 59,479,068 275,783,950 316,200,000 52,000,000 115,700,000 9,000,000 <u>12,000,000</u> \$862,357,267 93.00"
Page 2, replace lines 7 and 8 with:			0
"Basinwide plan implementation Discretionary funding		1,100,000 0	0 9,000,000''
Page 2, replace line 23 with:			
"Total special funds		\$206,600,000	\$163,500,383"

Page 2, line 28, after "ADDITIONAL" insert "2021-23 BIENNIUM"

Page 2, line 28, remove "In addition to the amounts"

- Page 2, remove lines 29 through 31
- Page 3, replace lines 1 and 2 with "Any revenue deposited in the resources trust fund during the period beginning with the effective date of this Act, and ending June 30, 2023, in excess of the March 2023 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing water supply grants and rural water supply grants, for the period beginning with the effective date of this Act, and ending June 30, 2025. Any additional amounts must be allocated equally between water supply grants and rural water supply grants."

Page 3, after line 9, insert:

"SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

SECTION 6. WATER PROJECTS STABILIZATION FUND - TRANSFERS. 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 2023 legislative revenue forecast during the period beginning July 1, 2023, and ending June 30, 2025, 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, 2025.

SECTION 7. 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 \$2,000,000, 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, 2025. 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 8. SOVEREIGN LANDS RECREATION USE GRANT. The water supply - grants line item in section 1 of this Act includes \$2,000,000 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, 2025."

Page 3, remove lines 14 through 30

Page 4, remove lines 1 and 2

Page 4, line 4, replace "\$120,000,000" with "\$123,380,315"

Page 5, line 4, replace "\$175,000,000" with "\$180,000,000"

Page 5, line 15, after "project" insert "water treatment plant"

Page 5, after line 16, insert:

"SECTION 16. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT. Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

SECTION 17. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT. It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, and the city of Medora. SECTION 18. MISSOURI RIVER SYSTEM - LEGISLATIVE INTENT. It is the intent of the sixty-eighth legislative assembly that the department of water resources support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 19. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT. It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024."

Page 5, line 17, replace "The" with "Notwithstanding section 54-16-04, the"

Page 5, line 18, replace "\$13,292,362" with "\$9,900,000"

Page 5, line 18, after "operating" insert "expenses"

Page 5, line 24, replace "\$405,000,000" with "\$367,000,000"

Page 6, line 4, replace "is" with "and Senate Bill No. 2196 are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Parks and Recreation						
Department	120-27					
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$3,000,000	(\$1,000,000)
Less estimated income	0	0	2,000,000	2,000,000	3,000,000	(1,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
State Water Commission						
Total all funds	\$409,199,129	\$864,928,344	\$27,428,923	\$892,357,267	\$862,357,267	\$30,000,000
Less estimated income	409,199,129	864,928,344	27,428,923	892,357,267	862,357,267	30,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00
Bill total						
Total all funds	\$409,199,129	\$864,928,344	\$29,428,923	\$894,357,267	\$865,357,267	\$29,000,000
Less estimated income	409,199,129	864,928,344	29,428,923	894,357,267	865,357,267	29,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Senate Bill No. 2020 - Parks and Recreation Department - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Sovereign lands recreation use grants			\$2,000,000	\$2,000,000	\$3,000,000	(\$1,000,000)
Total all funds Less estimated income General fund	\$0 0 \$0	\$0 0 \$0	\$2,000,000 2,000,000 \$0	\$2,000,000 2,000,000 \$0	\$3,000,000 3,000,000 \$0	(\$1,000,000) (1,000,000) \$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

	Adds Funding for Recreation Use Grants ¹	Total Conference Committee Changes
Sovereign lands recreation use grants	\$2,000,000	\$2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income	2,000,000	2,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ One-time funding of \$2 million from a grant received from the State Water Commission is added for the Parks and Recreation Department to provide grants for developing recreation opportunities on sovereign lands in the state. The House appropriated \$3 million for grants for developing recreation opportunities on sovereign lands, including \$800,000 for the Mandan parks and recreation department and \$750,000 for the Northern Plains Heritage Foundation for the port of Bismarck. The Senate did not include funding for sovereign lands recreation use grants. Grant recipients must provide \$1 of matching funds for each \$1 of grant funds received under this program.

Senate Bill No. 2020 - State Water Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$20,537,867	\$23,465,326	(\$1,271,077)	\$22,194,249	\$22,194,249	
Operating expenses	43,366,550	59,479,068		59,479,068	59,479,068	
Capital assets	98,467,437	300,383,950	(24,600,000)	275,783,950	275,783,950	
Water supply - Grants	125,000,000	283,000,000	33,200,000	316,200,000	316,200,000	
Rural water supply - Grants	59,600,000	40,000,000	12,000,000	52,000,000	52,000,000	
Flood control projects	48,000,000	114,600,000	1,100,000	115,700,000	115,700,000	
General water - Grants	14,227,275	12,000,000		12,000,000	12,000,000	
Basinwide plan implementation		1,000,000	(1,000,000)			
Discretionary funding		1,000,000	8,000,000	9,000,000	9,000,000	
Loan repayment		30,000,000		30,000,000		\$30,000,000
Total all funds	\$409,199,129	\$864,928,344	\$27,428,923	\$892,357,267	\$862,357,267	\$30,000,000
Less estimated income	409,199,129	864,928,344	27,428,923	892,357,267	862,357,267	30,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	90.00	93.00	0.00	93.00	93.00	0.00

Department 770 - State Water Commission - Detail of Conference Committee Changes

Salaries and wages	Adjusts Funding for Salary and Benefit Increases ¹ \$344,552	Removes Salary Funding for Funding Pool ² (\$1,615,629)	Adjusts Funding for Water Projects ³	Total Conference Committee Changes (\$1,271,077)
Operating expenses Capital assets Water supply - Grants Rural water supply - Grants Flood control projects			(\$24,600,000) 33,200,000 12,000,000 1,100,000	(24,600,000) 33,200,000 12,000,000 1,100,000
General water - Grants Basinwide plan implementation Discretionary funding Loan repayment			(1,000,000) 8,000,000	(1,000,000) 8,000,000
Total all funds Less estimated income General fund	\$344,552 <u>344,552</u> \$0	(\$1,615,629) (1,615,629) \$0	\$28,700,000 	\$27,428,923 27,428,923 \$0
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates, the same as the House, as follows:

	Other
	Funds
Salary increase	\$354,895
Health insurance adjustment	(10,343)
Total	\$344,552

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below, the same as the House. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other
	Funds
New FTE positions	(\$703,398)
Vacant FTE positions	(912,231)
Total	(\$1,615,629)

³ Funding for water projects is adjusted as follows:

	Total
	<u>Funds</u>
Reduce funding for capital assets	(\$24,600,000)
Increase funding for water supply grants	33,200,000
Increase funding for rural water supply grants	12,000,000
Increase funding for flood control projects	1,100,000
Remove one-time funding for basinwide plan implementation	(1,000,000)
Increase one-time funding for discretionary water projects	<u>8,000,000</u>
Total	\$28,700,000

The Conference Committee made the changes approved by the House except the Conference Committee did not remove \$30 million for the Western Area Water Supply Authority loan repayment and provide for a transfer of \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund, which the House had done.

This amendment also:

- Designates the use of excess 2021-23 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The House designated the use of excess 2021-23 biennium and 2023-25 biennium revenue in the resources trust fund for water supply grants and rural water supply grants. The Senate restricted excess funds from being used for salaries and wages and operating expenses.
- Provides for the transfer of excess 2023-25 biennium revenue in the resources trust fund to the water projects stabilization fund. Neither the House nor the Senate included this section.
- Retains a section added by the Senate and removed by the House appropriating \$30 million from the water projects stabilization fund to repay loans issued to the Western Area Water Supply Authority.
- Does not include a section added by the House to transfer \$30 million from the water projects stabilization fund to the water infrastructure revolving loan fund.
- Transfers \$100 million from Bank of North Dakota profits to the water infrastructure revolving loan fund, the same as the House.
- Designates \$2 million for a grant to the Parks and Recreation Department for developing recreation
 opportunities on sovereign lands in the state. The House designated \$3 million for this purpose.
- · Removes a section providing for a basinwide plan implementation pilot project, the same as the House.
- Increases funding appropriated for water supply grants from the water projects stabilization fund from \$120 million to \$123.4 million, the same as the House.
- Does not include sections added by the House to amend North Dakota Century Code Sections 61-02-01.3 and 61-03-21.4 to require economic analyses for water projects in excess of \$500,000.
- Provides legislative intent for \$50 million to be granted for a City of Bismarck water treatment plant project, the same as the House.
- Provides legislative intent for the City of Medora to request funding from the State Water Commission after all
 agreements for the construction of the Theodore Roosevelt Presidential Library have been finalized between
 the library, library foundation, and City of Medora. The House version also required agreements with Billings
 County to be finalized.
- Provides legislative intent that the Department of Water Resources support efforts that protect and develop beneficial use of Missouri River system water. The House provided legislative intent expressing support for the Missouri River educate, advocate, and engage program.
- Provides legislative intent for the Department of Water Resources to research and identify options for the use
 of the Missouri River intake constructed near Washburn, the same as the House.
- Reduces the department's line item transfer authority from \$13.3 million to \$9.9 million. The House and Senate
 allowed for \$13.3 million of line item transfer authority.
- Reduces the amount of appropriation authority the Department of Water Resources may continue into the next biennium by \$38 million, to provide total carryover authority of \$367 million, the same as the House.
- Declares Senate Bill No. 2196 to be an emergency measure.