

STATUTORY AUTHORITY

North Dakota Century Code Chapters 61-01 through 61-32.

AGENCY DESCRIPTION

The State Water Commission consists of the Governor as chairman, the Commissioner of Agriculture as an ex-officio member, and seven members appointed by the Governor. The Commission appoints a Secretary/State Engineer, to employ staff to carry out the goals of the Commission. The agency budget is comprised of two major program areas: administrative and support services and water and atmospheric resources.

The Commission has three primary functions: regulation, development, and education. Regulatory functions include water rights, drainage, floodplain management, and dam safety. Water development functions include large state projects, such as the southwest pipeline project, the northwest area water supply, and Devils Lake flood control; and several types of medium and small projects, including dams and drains. The Commission promotes water development by providing cost share assistance for many local projects such as dams, dikes, drains, and water supply and by conducting studies of potential projects. The third primary function of the Commission involves educating the public regarding the nature and occurrence of the State's water resources.

AGENCY MISSION

The mission of the State Water Commission and the State Engineer is to enhance the quality of life and strengthen the economy of North Dakota by managing the water resources of the State for the benefit of its people.

AGENCY PERFORMANCE MEASURES

- Manage North Dakota's water resources by overseeing water permitting, flood plain mapping and drought preparedness.
- Manage the resources of the State Water Commission to provide for the projects identified in the State Water Management Plan.
- Actively pursue resolution to the many legal actions effecting North Dakota water projects.
- Continue to pursue a satisfactory solution to secure North Dakota's share of the Missouri River water
- Operate and maintain the Devils Lake outlet in an environmentally sound manner.

MAJOR ACCOMPLISHMENTS

- Completed construction on the state's emergency Devils Lake Outlet.
- Continued construction of the Northwest Area Water Supply project's main transmission pipeline between the Minot Water Treatment Plant and the Missouri River.
- Began construction on the Medora-Beach phase of the original Southwest Pipeline Project.

- Completed a biennial update of the State Water Management Plan.
- Began development of North Dakota's first Sovereign Land Management Plan.
- Continued to provide assistance toward the completion of the Red River Valley Water Supply Needs Assessment and Environmental Impact Statement.
- Contributed technical support in North Dakota's lawsuits related to protecting the state's interests in management of the Missouri River system.
- Provided MR&I program funds for 16 design and/or construction projects, and two studies.
- Continued to promote economic development through industrial and agricultural incentives and water supply initiatives.
- Contributed to numerous rural flood control projects in the Red River basin.
- Operated weather modification programs in six counties in western North Dakota with great success.
- Completed a water supply study for Traill Country Rural Water Users.

FUTURE CRITICAL ISSUES

Contained in the Agency's Cost to Continue field is a reduction of \$26,000 in equipment over \$5000 and a reduction of \$43,999,560 in the Agency's capital assets, as instructed by OMB.

REQUEST SUMMARY

770 WATER COMMISSION

Biennium: 2007-2009

Bill#: SB 2020

Date: 12/13/2006

Time: 05:10:00

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
ADMINISTRATIVE AND SUPPORT SERVICES	1,984,884	2,180,445	226,061	2,406,506	72,647
WATER AND ATMOSPHERIC RESOURCES	93,922,277	123,890,493	47,158,719	171,049,212	213,210
TOTAL MAJOR PROGRAMS	95,907,161	126,070,938	47,384,780	173,455,718	285,857
BY LINE ITEM					
ADMINISTRATIVE AND SUPPORT SERVICES	1,984,884	2,180,445	226,061	2,406,506	72,647
WATER AND ATMOSPHERIC RESOURCES	93,922,277	123,890,493	47,158,719	171,049,212	213,210
TOTAL LINE ITEMS	95,907,161	126,070,938	47,384,780	173,455,718	285,857
BY FUNDING SOURCE					
GENERAL FUND	9,158,591	1,011,220	22,922	1,034,142	169,725
FEDERAL FUNDS	13,297,623	17,682,166	9,810,461	27,492,627	0
SPECIAL FUNDS	73,450,947	107,377,552	37,551,397	144,928,949	116,132
TOTAL FUNDING SOURCE	95,907,161	126,070,938	47,384,780	173,455,718	285,857
TOTAL FTE	82.00	84.00	.00	84.00	1.00

REQUEST DETAIL

Date: 12/13/2006

770 WATER COMMISSION

Bill#: SB 2020

Time: 05:10:00

Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
SPECIAL LINES					
ADMINISTRATIVE AND SUPPORT SERVICES	1,984,884	2,180,445	226,061	2,406,506	72,647
WATER AND ATMOSPHERIC RESOURCES	93,922,277	123,890,493	47,158,719	171,049,212	213,210
TOTAL	95,907,161	126,070,938	41,254,465	173,455,718	285,857
SPECIAL LINES					
GENERAL FUND	9,158,591	1,011,220	22,922	1,034,142	169,725
FEDERAL FUNDS	13,297,623	17,682,166	9,810,461	27,492,627	0
SPECIAL FUNDS	73,450,947	107,377,552	37,551,397	144,928,949	116,132
TOTAL	95,907,161	126,070,938	47,384,780	173,455,718	285,857
FUNDING SOURCES					
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SPECIAL FUNDS	73,450,947	107,377,552	37,551,397	144,928,949	116,132
TOTAL FUNDING SOURCES	95,907,161	126,070,938	47,384,780	173,455,718	285,857

CHANGE PACKAGE SUMMARY

770 WATER COMMISSION

Biennium: 2007-2009

Bill#: SB 2020

Date: 12/13/2006

Time: 05:10:00

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	.00	14,518	-14,657,256	-28,989,083	-43,631,821
1 Operations	.00	8,404	3,618,707	2,533,204	6,160,315
2 Capital Assets	.00	0	20,849,000	32,654,936	53,503,936
3 Grants	.00	0	10	30,952,340	30,952,350
7 Salary Adjustments	.00	0	0	400,000	400,000
Agency Total	.00	22,922	9,810,461	37,551,397	47,384,780
OPTIONAL REQUEST					
5 Travel Increase	.00	101,578	0	0	101,578
6 Information Technology Increase	.00	68,147	0	0	68,147
8 Water Appropriations FTE	1.00	0	0	116,132	116,132
Optional Total	1.00	169,725	0	116,132	285,857

BUDGET CHANGES NARRATIVE

770 WATER COMMISSION

Date: 12/13/2006

Time: 05:10:00

Change Group: A	Change Type: A	Change No: 1	Priority:
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Operations -

This change package contains the agency's operations adjustments. This largest adjustment is a result of a \$5,767,479 increase in professional services. This line includes payments to consultant engineers and is showing a large increase because we have included \$3.2 million of funding that is fully reimbursed by the Federal Government for updating North Dakota's flood plain maps. Remaining increases in the professional services line are primarily attributable to continuing the Northwest Area Water Supply project. Other substantive increases include \$122,000 in travel and \$201,000 in professional supplies. The professional supplies increase is for the chemicals needed for the weather modification project.

Change Group: A	Change Type: A	Change No: 2	Priority:
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Capital Assets -

This is the agency's Capital Assets adjustments. This line is increased by \$9,508,376 and is a result of additional construction on the Northwest Area Water Supply project and the Southwest Pipeline water supply project.

Change Group: A	Change Type: A	Change No: 3	Priority:
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Grants -

This is the change package for grants. An increase in the projected receipts of the Resources Trust Fund has enabled the agency to increase the funding available to projects by \$30,802,350. This will enable us to construct additional water projects that have been waiting for funding.

Change Group: A	Change Type: A	Change No: 7	Priority:
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Salary Adjustments -

The agency has been experiencing difficulty getting qualified applicants to apply for vacant positions. It is our understanding the Department of Transportation had been experiencing the same problem, but had somewhat alleviated it by providing pay increases to their employees in difficult to fill positions. The agency would like to have funding provided to enable us to give both performance and market pay adjustments.

To determine where our employee's fell in relation to all other State employee's we requested and received a report from North Dakota Human Resource Management Services identifying and comparing salary averages of all classified employees with those of the State Water Commission. This report showed that this agency has fallen behind the State's averages in several areas, these would be market adjustments. In addition we would like to be able to provide adjustments for performance. Because of this the State Water Commission is including an additional \$400,000 in salary adjustments.

Change Group: A	Change Type: A	Change No: 100	Priority:
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OMB SWC Administration Funding Source Change -

The executive budget changes the funding source for \$10,000,000 of the State Water Commission administrative expenses from the water development fund to the general fund. Total SWC administrative expenses are \$11,155,902.

Change Group: A	Change Type: A	Change No: 101	Priority:
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OMB Red River Valley Water Supply Project -

The executive budget dedicates \$3,000,000 in general funds to the Red River Valley Water Supply Project.

Change Group: A	Change Type: A	Change No: 102	Priority:
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OMB Adjust Water Projects to Revenue Forecast -

The executive recommendation adjusts the budget for water projects as a result of decreased revenues within the resources trust fund.

Change Group: A	Change Type: A	Change No: 103	Priority:
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OMB Salary Equity Adjustments -

The executive budget includes a salary equity pool, in which the State Water Commission will participate. This adjustment removes \$400,000 in salary equity adjustments that SWC had submitted within the budget request.

Change Group: A	Change Type: A	Change No: 104	Priority:
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OMB Adjust Projects for Admin. Funding Change -

The executive budget changes the funding source for SWC's administration costs to the general fund from the water development trust fund. As a result, \$10,000,000 additional special funds from this fund are now available to fund water projects.

Change Group: O	Change Type: A	Change No: 4	Priority: 4
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Funding Change Request -

The State Water Commission has used the Resources Trust Fund projections provided by the Tax Department and the Office of Management and Budget. The agency has in the past requested our operations costs be funded with General Fund dollars. Because the Resources Trust Fund projections were so strong, we have not requested additional General Fund dollars in our base budget. Although we have only received 3 payments it appears that the projections may be high. In order to maintain the funding this budget provides for water projects, we request that any future decreases in Resources Trust Fund projections be offset by a corresponding increase in General Fund dollars.

Change Group: O	Change Type: A	Change No: 5	Priority: 2
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Travel Increase -

Although the agency did shift as many dollars as we could, travel costs have increased beyond our ability to shift funding; because of this we will request an optional adjustment for travel of \$97,078 in Water and Atmospheric Resources and \$4,500 in Administrative and Support Services.

Change Group: O	Change Type: A	Change No: 6	Priority: 3
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Information Technology Increase -

We have requested as an optional adjustment a \$68,147 increase in our IT data processing line. This increase is necessary to complete the upgrade of our network to gigabit infrastructure for purposes of accommodating increasing demands for GIS data development, management and analysis.

Change Group: O	Change Type: A	Change No: 8	Priority: 1
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Water Appropriations FTE -

Currently the Water Appropriation Division has two Water Resource Engineers to manage the state's surface water resources. One engineer manages the surface water resources in the Missouri River Basin and the other engineer manages the surface water resources in the Hudson Bay Basin. The workload of the surface water engineers has grown considerably, and we now have a significant backlog of water permits. This is due in part to an increased interest in irrigation and fish and wildlife projects. This has resulted in an increase in the number of water permit applications this office has received the last few years. The recent drought over much of the state has resulted in the need to process more temporary water permits and resolve numerous conflicts regarding water shortages. In addition one of the existing positions has been recently appointed to be the United States Section Secretary to the International Souris River Board (ISRB). This is a five-year position that entails a considerable amount of work including organizing meetings, taking minutes, and preparing the ISRB's annual report to the International Joint Commission.