

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	145.05	145.05	142.05	142.05	145.05	142.05	(3.00)	(2.07%)
Personal Services	8,858,376	9,186,234	9,285,562	9,296,870	18,044,610	18,582,432	537,822	2.98%
Operating Expenses	2,394,726	2,748,155	4,756,467	2,764,361	5,142,881	7,520,828	2,377,947	46.24%
Equipment & Intangible Assets	33,020	66,334	33,020	33,020	99,354	66,040	(33,314)	(33.53%)
Capital Outlay	0	3,000	0	0	3,000	0	(3,000)	(100.00%)
Transfers	7,500	0	7,500	7,500	7,500	15,000	7,500	100.00%
Debt Service	363,268	469,743	622,575	612,692	833,011	1,235,267	402,256	48.29%
Total Costs	\$11,656,890	\$12,473,466	\$14,705,124	\$12,714,443	\$24,130,356	\$27,419,567	\$3,289,211	13.63%
General Fund	8,025,094	8,476,974	8,586,944	8,601,223	16,502,068	17,188,167	686,099	4.16%
State Special	3,451,445	3,815,106	5,889,762	3,884,741	7,266,551	9,774,503	2,507,952	34.51%
Federal Special	180,351	181,386	228,418	228,479	361,737	456,897	95,160	26.31%
Total Funds	\$11,656,890	\$12,473,466	\$14,705,124	\$12,714,443	\$24,130,356	\$27,419,567	\$3,289,211	13.63%

Program Description

The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water.

Responsibilities of the division include:

- o Manages and maintains the state-owned dams, reservoirs, and canals
- o Develops and recommends in-state, interstate, and international water policy to the director, Governor, and Legislature
- o Administers the Dam Safety, Floodplain Management, and Water Management programs
- o Provides support to the Board of Water Well Contractors
- o Assists the Water Court with the adjudication of pre-July 1, 1973, water rights
- o Administers applications for new water rights, changes in historic water rights, and ownership updates
- o Maintains centralized water rights records

The division consists of an administration unit, a compact implementation unit and five bureaus:

- o Water Management Bureau
- o Water Rights Bureau
- o Water Adjudication Bureau
- o State Water Projects Bureau
- o Water Operations Bureau

The Compact Implementation unit will provide technical and legal support for implementation of approved water compacts for Indian tribes and federal agencies. In addition, the Flathead Basin Commission is administratively attached to the department.

Program Highlights

<p>Water Resources Division Major Budget Highlights</p>
<p>◆ The legislatively approved budget increased by 13.6% from the previous biennium primarily due to various adjustments related to state water projects, including a projects adjustment of \$2.6 million from state special revenue</p>

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Dept Of Natural Resources & Conservation Funding by Source of Authority 2015 Biennium Budget - Water Resources Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$17,188,167	\$0	\$0	\$17,188,167	62.7%		
State Special Total	\$9,774,503	\$0	\$0	\$9,774,503	35.6%		
02145 Broadwater O & M	\$981,191	\$0	\$0	\$981,191	3.6%		
02351 Water Project Lands Lease Acct	\$19,834	\$0	\$0	\$19,834	0.1%		
02404 Water Project Loans	\$616,410	\$0	\$0	\$616,410	2.2%		
02430 Water Right Appropriation	\$871,054	\$0	\$0	\$871,054	3.2%		
02431 Water Adjudication	\$3,850,462	\$0	\$0	\$3,850,462	14.0%		
02470 State Project Hydro Earnings	\$2,657,837	\$0	\$0	\$2,657,837	9.7%		
02576 Natural Resources Operations Ssr Fu	\$415,867	\$0	\$0	\$415,867	1.5%		
02694 Coal Bed Methane Protection	\$200,000	\$0	\$0	\$200,000	0.7%		
02825 Water Well Contractors	\$161,848	\$0	\$0	\$161,848	0.6%		
Federal Special Total	\$456,897	\$0	\$0	\$456,897	1.7%		
03034 Yellowstone Groundwater Nps	\$46,000	\$0	\$0	\$46,000	0.2%		
03094 Fema Federal Grants	\$410,897	\$0	\$0	\$410,897	1.5%		
Total All Funds	\$27,419,567	\$0	\$0	\$27,419,567	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The Water Resources Division is predominantly funded with general fund and state special revenue, with a minor amount of federal revenue. Sources and purposes of state special revenue include:

- o Water storage account funded by direct allocation of RIT interest and revenue from water purchase contracts for the purpose of construction, operation, maintenance, and rehabilitation of state water storage projects
- o Water rights fees derived from fees collected to record rights to support water rights management
- o Funds set aside for water adjudication
- o Income derived from state owned hydroelectric projects for repair and rehabilitation of state owned water projects
- o Fees from water well contractors that support the Board of Water Well Contractors

General fund is utilized for personal services, general operating costs, and specific activities such as preparing for water litigation and map modernization. Federal funds are from Federal Emergency Management Agency (FEMA) grants and the Bureau of Reclamation.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	8,025,094	8,025,094	16,050,188	93.38%	11,656,890	11,656,890	23,313,780	85.03%
Statewide PL Adjustments	483,416	491,101	974,517	5.67%	631,650	640,770	1,272,420	4.64%
Other PL Adjustments	78,434	85,028	163,462	0.95%	2,416,584	416,783	2,833,367	10.33%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$8,586,944	\$8,601,223	\$17,188,167		\$14,705,124	\$12,714,443	\$27,419,567	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					960,358					971,923
Vacancy Savings					(392,143)					(392,609)
Inflation/Deflation					(6,363)					(2,161)
Fixed Costs					69,798					63,617
Total Statewide Present Law Adjustments		\$483,416	\$150,167	(\$1,933)	\$631,650		\$491,101	\$151,541	(\$1,872)	\$640,770
DP 50 - Initial Motion to FY 2012 Base	0.00	(483,416)	(150,167)	1,933	(631,650)	0.00	(491,101)	(151,541)	1,872	(640,770)
DP 51 - Adjustment for Statewide Personal Services	0.00	407,111	163,136	(2,032)	568,215	0.00	413,949	167,365	(2,000)	579,314
DP 52 - Adjustment for Statewide Operations	0.00	76,305	(12,969)	99	63,435	0.00	77,152	(15,824)	128	61,456
DP 2402 - WRD Stream Gaging Stations (OTO/RST)	0.00	28,726	0	0	28,726	0.00	29,700	0	0	29,700
DP 2403 - WRD Operating Adjustment	0.00	49,708	20,872	0	70,580	0.00	55,328	24,151	0	79,479
DP 2404 - WRD State Water Projects Adjustments	0.00	0	2,298,307	0	2,298,307	0.00	0	288,424	0	288,424
DP 2405 - WRD FEMA CAP Spending Authority	0.00	0	0	50,000	50,000	0.00	0	0	50,000	50,000
DP 2406 - WRD Floodplain Mapping (OTO)	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 2407 - WRD Board Of Water Well Contractors Adjustment	0.00	0	16,000	0	16,000	0.00	0	16,000	0	16,000
DP 2408 - WRD Adjudication FTE Reduction	(3.00)	0	(147,029)	0	(147,029)	(3.00)	0	(146,820)	0	(146,820)
Total Other Present Law Adjustments	(3.00)	\$78,434	\$2,288,150	\$50,000	\$2,416,584	(3.00)	\$85,028	\$281,755	\$50,000	\$416,783
Grand Total All Present Law Adjustments	(3.00)	\$561,850	\$2,438,317	\$48,067	\$3,048,234	(3.00)	\$576,129	\$433,296	\$48,128	\$1,057,553

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - The adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 2402 - WRD Stream Gaging Stations OTO/RST - The legislature approved a one-time-only request from general fund for the Water Management Bureau (WMB) operating budget to cover increases in Montana's share of the cost to jointly operate and maintain 43 US Geological Services (USGS) stream gages in Montana. The funding agreement is managed through the WMB and the funding represents 67 percent of the WMB operating budget.

DNRC supported gages serve the following functions: a) 1 related to international apportionment on Poplar River; b) 1 related to FERC licensed hydropower site on Missouri River at Toston; c) 5 related to Yellowstone River Compact; d) 16 related to state owned water projects; and e) 20 related to special projects or to support local water management initiatives.

DP 2403 - WRD Operating Adjustment - The legislature approved state special and general fund at the level appropriated by the 2011 Legislature and to cover projected increases in contracted services and rent expense as well as scheduled computer replacement.

DP 2404 - WRD State Water Projects Adjustments - The legislature approved funding from the Broadwater operations and maintenance, water projects loans, and state project hydro earnings account for overtime at the Broadwater hydropower facility, fisheries mitigation work required by the Federal Energy Regulatory Commission (FERC) licenses, continued rehabilitation on the Ruby Dam and other state water projects, and debt service for repayment of a federal loan for rehabilitation on the Middle Creek Dam.

DP 2405 - WRD FEMA CAP Spending Authority - The legislature approved federal special revenue authority for the Community Assistance Program of the National Flood Insurance Program. The department receives an annual grant from the Federal Emergency Management Agency (FEMA) for the Community Assistance Program. The primary purpose of the award is to reduce the damage claims to the National Flood Insurance program by providing education and technical and administrative support to county and city planning staff involved in administering local floodplain management programs.

DP 2406 - WRD Floodplain Mapping OTO - The legislature approved funding from the coal bed methane account for contracted engineering and mapping services to continue with the process of preparing floodplain maps in the state. After the 2011 flooding, numerous elected officials reported that residents complained that they were unaware they were living in an area subject to flood hazards. The funding is to prioritize the need and provide state funds for contracting engineering and mapping services to prepare floodplain mapping in the state.

DP 2407 - WRD Board Of Water Well Contractors Adjustment - The legislature approved funding from the water well contractors account in the 2015 biennium for contracted legal and other litigation costs for the Board of Water Well Contractors. No litigation related expenses were incurred in the base year.

DP 2408 - WRD Adjudication FTE Reduction - The legislature approved a reduction from the water adjudication account and 3.00 FTE. The reduction is in accordance with the transition plan the division has in place for the sunset of the HB 22 Water Right Adjudication Program in 2020. These FTE are transferred to the Water Court in the Judicial Branch.

Language and Statutory Authority

The legislature included the following language in HB 2.

"During the 2015 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility."

"During the 2015 biennium, up to \$100,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project."

"During the 2015 biennium, up to \$2,200,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated for the purpose of repairing, improving, or rehabilitating department state water projects."

"The department is appropriated up to \$200,000 for the 2015 biennium from the coal bed methane protection account established in 76-15-904 for potential landowner or water right holder claims for emergency loss of water related to coal bed methane development."

"The department is authorized to decrease federal special revenue in the pollution control and/or drinking water revolving fund loan programs and increase state special revenue by a like amount within administration accounts when

the amount of federal EPA CAP grant funds allocated for administration of the grant have been expended or federal funds and bond proceeds will be used for other program purposes as authorized in law providing for the distribution of funds."