

MINUTES

North Dakota State Water Commission Bismarck, North Dakota

June 12, 2003

The North Dakota State Water Commission held a meeting at the State Office Building, Bismarck, North Dakota, on June 12, 2003. Governor-Chairman, John Hoeven, called the meeting to order at 1:30 PM, and requested State Engineer, and Chief Engineer-Secretary, Dale L. Frink, to call the roll. Governor Hoeven announced a quorum was present.

STATE WATER COMMISSION MEMBERS PRESENT:

Governor John Hoeven, Chairman
Roger Johnson, Commissioner, Department of Agriculture, Bismarck
Charles Halcrow, Member from Drayton
Larry Hanson, Member from Williston
Elmer Hillesland, Member from Grand Forks
Curtis Hofstad, Member from Starkweather
Jack Olin, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
Dale L. Frink, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck

OTHERS PRESENT:

State Water Commission Staff
Approximately 50 people interested in agenda items

The attendance register is on file with the official minutes.

The meeting was recorded to assist in compilation of the minutes.

CONSIDERATION OF AGENDA

agenda approved as presented.

There being no additional items for the agenda, Governor Hoeven announced the

**CONSIDERATION OF FINAL DRAFT
MINUTES OF MARCH 5, 2003 STATE
WATER COMMISSION MEETING -
APPROVED**

The final draft minutes of the March 5, 2003 State Water Commission meeting were approved by the following motion:

It was moved by Commissioner Hofstad, seconded by Commissioner Halcrow, and unanimously carried, that the final draft minutes of the March 5, 2003, State Water Commission meeting be approved as prepared.

**CONSIDERATION OF FINAL DRAFT
MINUTES OF APRIL 22, 2003
STATE WATER COMMISSION
TELEPHONE CONFERENCE CALL
MEETING - APPROVED**

The final draft minutes of the April 22, 2003 State Water Commission telephone conference call meeting were approved by the following motion:

It was moved by Commissioner Hofstad, seconded by Commissioner Halcrow, and unanimously carried, that the final draft minutes of the April 22, 2003, State Water Commission telephone conference call meeting be approved as prepared.

**FINANCIAL STATEMENT -
AGENCY PROGRAM
BUDGET EXPENDITURES**

David Laschkewitsch, accounting manager, State Water Commission's Administrative Services Division, presented and discussed the Program

Budget Expenditures for the period ending April 30, 2003, reflecting 92 percent of the 2001-2003 biennium. All expenditures are within the authorized budget amounts. **SEE APPENDIX "A"**

The Contract Fund spreadsheet, attached hereto as **APPENDIX "B"**, provides information on the committed and uncommitted funds from the Resources Trust Fund, the Water Development Trust Fund, and the potential bond proceeds. The total approved for projects is \$68,225,993, leaving a balance of \$30,698,616 available to commit to projects.

On October 23, 2001, the State Water Commission approved an allocation of up to \$15 million from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to enhance the following MR&I projects: Langdon Rural Water/Munich Expansion; McKenzie County Rural Water New System; Ramsey Rural Utilities Water Expansion; and Tri-County Rural Water Expansion. To date, payments of approximately \$2.66 million have been made to the project sponsors. The State Engineer and Commission staff were directed to explore the possibility of delaying the MR&I advances until the Garrison Diversion Conservancy District has expended all of its available funds.

**FINANCIAL STATEMENT -
2001-2003 RESOURCES TRUST
FUND REVENUES**

David Laschkewitsch stated the oil extraction tax deposits into the Resources Trust Fund are currently \$824,138, or 10.1 percent below the budgeted revenues. The May oil extraction revenue exceeded the budgeted revenue by \$105,848, and the revised projections prepared by Economy.com show the oil extraction deposits remaining above budget through the end of the 2001-2003 biennium. These revised projections could allow the recovery of some of the current shortfall, and completing the biennium \$674,876 below the budgeted oil extraction tax figures. Even with this expected shortfall, the total revenues into the Resources Trust Fund are projected to exceed the agency's spending authority by approximately \$3.7 million. This is primarily due to a larger biennium beginning balance than was anticipated.

**FINANCIAL STATEMENT -
2001-2003 WATER DEVELOPMENT
TRUST FUND REVENUES**

David Laschkewitsch reported that the April, 2003 tobacco receipts deposited into the Water Development Trust Fund totalled \$8,423,991. This brings the deposits for the 2001-2003 biennium to \$23,998,745, which is an increase of more than \$115,945, or 0.5 percent greater than the budgeted revenues. The 1999 Legislature placed a restriction on the funds the State Water Commission may obligate from the Water Development Trust Fund. That restriction allows the commitment of 75 percent of the appropriated amount prior to collections, and the remaining 25 percent may be obligated after it has been collected. The Water Development Fund collections, through April, 2003, totalled 100.9 percent of the appropriated amount, thus allowing utilization of the agency's full obligational authority of \$98,924,609.

**APPROVAL OF RESOLUTION
TO DECLARE OFFICIAL INTENT
TO REIMBURSE PROJECT EXPEND-
ITURES WITH PROCEEDS OF BONDS
(SWC File PER/BON)
(Resolution No. 2003-06-503)**

The State Water Commission proposes to issue tax-exempt bonds for the purpose of paying all or part of water related projects or works in the state, including those identified in the statewide water development plan, which are authorized and declared to

be in the public interest, plus the costs of issuance, capitalized interest, and required reserves.

David Laschkewitsch explained that it is anticipated the Commission will advance all, or a portion of the costs of the water related projects prior to the issuance of the bonds, and may elect to be repaid from the proceeds of the bonds upon issuance. Federal tax law specifies the regulations under which a reimbursement allocation may be treated as an expenditure of bond proceeds, which includes a provision whereby the bond issuer must declare its intent with specific action.

A draft resolution was presented for the State Water Commission's consideration which would allow the Commission to utilize available funds to pay for water projects and then reimburse the funds with bond proceeds after the bonds have been issued. Mr. Laschkewitsch explained that although the Commission may not seek reimbursement of these expenses from the bond proceeds, affirmative action of the resolution would provide for that option.

It was the recommendation of the State Engineer that the State Water Commission approve Resolution No. 2003-06-503 as its declaration of intent to reimburse project expenditures with the proceeds of bonds.

It was moved by Commissioner Johnson and seconded by Commissioner Halcrow that the State Water Commission approve Resolution No. 2003-06-503, which shall serve as the Commission's declaration of intent to reimburse project expenditures with the proceeds of bonds. SEE APPENDIX "C"

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**FINANCIAL STATEMENT -
APPROVAL OF 2001-2003
BIENNIUM CARRYOVER
PROJECTS INTO 2003-2005
BIENNIUM
(SWC File GEN)**

Secretary Frink stated that commonly water projects require several years to implement due to regulatory issues, funding needs, and contracting, bidding and construction delays. Project contracts that were previously obligated for cost share from the Contract Fund, but were not completed in the 2001-2003 biennium, were presented for the Commission's consideration for continuation in the 2003-2005 biennium, with the exception of the following nine projects that are unlikely to be completed in the foreseeable future:

Contract Fund, but were not completed in the 2001-2003 biennium, were presented for the Commission's consideration for continuation in the 2003-2005 biennium, with the exception of the following nine projects that are unlikely to be completed in the foreseeable future:

Project	Initial Approval	Amount Approved
Grand Forks Rural Ring Dikes #1	September 13, 1999	\$ 31,216
Grand Forks Rural Ring Dikes #2	December 10, 1999	25,000
Grand Forks/Drayton UNET	August 15, 2002	35,000
Nesson Valley Irrigation District	September 11, 1997	1,249,540
Elk/Charbon Irrigation District	December 10, 1999	1,000,000
Montana EIS for Cloud Seeding	April 10, 2000	70,000
Starkweather Coulee Analysis	July 22, 1997	1,000
Devils Lake/Twin Lake Outlet	September 11, 2000	75,000
Hydropower Contract-Tom Weaver	August 16, 2001	15,000

It was the recommendation of the State Engineer that the State Water Commission continue its cost share obligation from the Contract Fund for the incomplete projects to June 30, 2005, with the exception of the nine projects previously listed that are unlikely to be completed in the foreseeable future.

It was moved by Commissioner Johnson and seconded by Commissioner Thompson that the State Water Commission continue its cost share obligation from the Contract Fund for the incomplete projects to June 30, 2005, with the exception of the nine projects previously listed that are unlikely to be completed in the foreseeable future.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
CONTRACT AND CONSTRUCTION
STATUS; AND PROJECT UPDATE
(SWC Project No. 1736)**

James Lennington, project manager for the Southwest Pipeline Project, provided the following project status report:

Contract 7-7B/7-3C - Phase 2, Twin Buttes Service Area and West Rainy Butte Booster Area: Contract 7-7B/7-3C is for about 277 miles of rural distribution pipelines ranging in size from 1 1/2 inches to 8 inches in diameter. When completed, the contract will serve about 180 rural water users connections. The contract was awarded to Abbot, Arne & Schwindt on May 31, 2002 and has a substantial completion date of September 15, 2003. All but about 3 miles of pipeline have been installed, and about 140 miles have been pressure tested. There have been approximately 174 rural water services installed and 95 have been turned over to the Southwest Water Authority for service.

The contract includes two buried booster pump stations. One is for the West Rainy Buttes pocket serving 7 users, and the other one is between Bowman and Rhame which serves 66 users. Both of the booster pump stations have been installed, cleaning and flushing the lines and the pressure testing have been completed, and the contractor is commencing with cleanup and reclamation.

Contract 7-7B/7-3C includes a change order to construct about 4,400 feet of pipeline and a special meter vault to serve the Perkins County Rural Water System (PCRWS) in South Dakota. These items will be entirely reimbursed by PCRWS once installed and tested. The cost of this change order is approximately \$93,000. The contractor is on schedule with the work under the change order.

Contract 4-1B - Final Phase of Construction at Raw Water and Jung Lake Pumping Facilities: Contract 4-1B was awarded to PKG Contracting, Inc., Fargo, ND, on January 9, 2003. The contract will add pumps at the intake, Dodge, and the Richardton pump stations. At the intake, one 200 Hp pump will be added in the Basin Electric intake facility and a 600 Hp pump will be added to the intake booster pump station. At Dodge, one 700 Hp pump will be added and at Richardton one 900 Hp pump will be added. Pumping capacities will be increased from 7,850 gallons per minute (gpm) to 10,500 gpm at the intake and from 6,150 gpm to 8,950 gpm at Dodge and Richardton. The contract includes an additional 350 Hp pump for the Jung Lake pump station, bringing that facility from 1,900 gpm to 2,350 gpm. The completion date for contract 4-1B is November 1, 2003.

The CO₂ tank was installed the first week of May, 2003 and is now operational. The remaining items on the contract are still in the submittal and shop drawing phase.

**SOUTHWEST PIPELINE PROJECT -
MEDORA-BEACH PHASE,
CONSTRUCTION, AND FUNDING
(SWC Project No. 1736)**

Under the Southwest Pipeline Project phased development plan, the next area scheduled for construction is the Medora-Beach regional service area.

Included in this service area are the cities of Medora, Beach, Sentinel Butte, and Golva along with an estimated 260 rural water users. The estimated cost for this service area is approximately \$22.5 million, depending on the scope and extent of the rural water portions, and would be constructed in two bienniums.

In the first biennium, the main transmission pipeline would be extended from Belfield to Beach serving Medora, Sentinel Butte, and Beach. This would require the construction of three potable water reservoirs at Belfield, Fryburg, and Beach. A small rural water contract would also be constructed serving most of those users whose service lines require crossing the U.S. Forest Service (Service) property in the Little Missouri National Grasslands. The main transmission pipeline will also cross the Service's property and under the terms of the permit from the Service, it would be best to have only one year of impact to those properties.

In the second biennium, the rural water distribution systems would be constructed as well as the service to the city of Golva. Two areas of the Missouri West system in southern and northern Morton

county, which have previously been unfeasible, have been included in this phase. A number of high cost areas have been identified in the rural service areas and the extent of areas meeting the Commission's feasibility criteria remains to be determined. In previous experience in the Bowman-Scranton phase, it is likely that users will be added in the high cost areas between now and final design and bidding to ultimately meet the feasibility criteria.

The following tables show the facilities and schedule for development of the Medora-Beach phase of the Southwest Pipeline Project:

**Projected Construction Schedule and Estimated Cost
2003-2004 Construction**

Contract	Status	Facility	Description	Estimated Cost
2-5B	Bid	Medora-Beach Main	46.4 miles 12"-6"	\$5,065,000
		Transmission Pipeline		
5-9	Future	Belfield Reservoir	750,000 gallons	691,000
5-10	Future	Fryburg Standpipe	480,000 gallons	522,000
5-11	Future	Beach Standpipe	420,000 gallons	500,000
7-8A	Future	Fryburg SA	27 miles, 21 users	780,000
6	Future	Telemetry		176,000
Total				\$7,734,000

**Projected Construction Schedule and Estimated Cost
2005-2006 Construction**

Contract	Facility	Description	Estimated Cost
7-8B	Rural Water	455 miles, 260 users	\$ 8,950,000
	Distribution System		
5-13A	Second Davis Buttes	1,000,000 gallons	744,000
	Reservoir		
5-12	Golva Standpipe	150,000 gallons	388,000
-	Morton County		4,500,000
Total			\$14,582,000
Total - Medora Beach			\$22,316,000

The Southwest Pipeline Project revenue bonding program contains “additional bonds tests” which must be met before additional bonds can be issued. Calculations of the existing revenue stream indicates that another revenue bond of approximately \$1,540,000 could be supported in the first biennium of construction on the Medora-Beach phase. Median household incomes for the Medora-Beach phase would qualify the project for a 55 percent loan and a 45 percent grant share from USDA, Rural Development, resulting in a grant amount of \$1,260,000. The following table shows the funding proposal for the first biennium of construction on Medora-Beach:

Medora-Beach 2003-2005 Funding

State Grant	USDA Grant	USDA Loan	Total
\$5,000,000	\$1,260,000	\$1,540,000	\$7,800,000

An application for \$2.8 million in funding for Medora-Beach has been submitted to USDA, Rural Development. The Medora-Beach area lies in a Rural Economic Area Partnership (REAP) zone, which is a special designation for areas with stagnant or declining employment, low-density settlement patterns, geographic isolation and disconnection from markets and centers of finance. This qualifies the project for a different funding source than other rural development projects in North Dakota. Funding for REAP zone projects comes from a national pool of funds rather than from funds allocated specifically to North Dakota. All of the material must be submitted to USDA, Rural Development by June 19, 2003 in order to qualify for this funding. At this point, there is no assurance that the funding will be received.

**SOUTHWEST PIPELINE PROJECT -
AWARD OF CONTRACT 2-5B,
MEDORA-BEACH MAIN
TRANSMISSION PIPELINE, TO
NORTHERN IMPROVEMENT
COMPANY, BISMARCK, ND
(SWC Project No. 1736)**

On June 4, 2003, bids were opened for Southwest Pipeline Project contract 2-5B, Medora-Beach Main Transmission Pipeline. This is the first construction contract for the Medora-Beach phase of the Southwest Pipeline Project. There was one bid schedule included in the bid package.

The contract consists of 46.4 miles of 12-inch through 6-inch pipe and appurtenances, including two underground variable frequency drive booster pump stations, meter vaults for Beach, Medora, and Sentinel Butte, and three control vaults. This contract will include service to the cities of Beach, Medora, and Sentinel Butte and will also provide capacity for future rural water distributions systems in the area.

There were four bids received from the following for contract 5-2B: Northern Improvement Company, Bismarck, ND; Eatherly Constructors, Inc., Garden City, KS; S.J. Louis Construction, Inc., Waite Park, MN; and Western Municipal Construction of Wyoming, Inc., Gillette, WY. The apparent low bid received was \$4,189,999.50 from Northern Improvement Company, Bismarck, ND.

James Lennington explained the contract documents allow the Commission to select the most advantageous bid. The project engineer reviewed the bids received and recommended the award of contract 2-5B to Northern Improvement Company, Bismarck, ND. The award of the contract and notice to proceed is dependent on the completion of the contract documents and a legal review.

Funding for this contract will come from the \$6,149,000 allocated to the Southwest Pipeline Project (does not include State Water Commission Southwest Pipeline Project operations) out of the contract fund. Funding from USDA, Rural Development will not be needed for contract 2-5B, but their approval of the award is necessary for its inclusion in future funding.

The time for completion of contract 2-5B is 430 days after the award, but no later than September 4, 2004. The contract also includes an intermediate completion date of December 31, 2003 for those portions of the pipeline and related appurtenances located on the Little Missouri National Grasslands, and the portions of the pipeline located on private land within the Little Missouri National Grasslands area so that the completed pipeline is in one contiguous segment, including the service line to the city of Medora. This involves approximately 22.1 miles of pipeline. Mr. Lennington explained that the reason for the intermediate completion date is the anticipated complications in complying with the terms of the U.S. Forest Service's permit received for construction on the grasslands. No construction activity is allowed in some grasslands areas during specified periods of time because of sensitive animal species such as eagles, falcons, and other raptors, bighorn sheep, and prairie dogs.

It was the recommendation of the State Engineer that the State Water Commission approve the award of Southwest Pipeline Project contract 2-5B, Medora-Beach Main Transmission Pipeline, in the amount of \$4,189,999.50, to Northern Improvement Company, Bismarck, ND.

It was moved by Commissioner Olin and seconded by Commissioner Johnson that the State Water Commission approve the award of Southwest Pipeline Project contract 2-5B, Medora-Beach Main Transmission Pipeline, in the amount of \$4,189,999.50, to Northern Improvement Company, Bismarck, ND.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
APPROVAL OF REIMBURSEMENT
FROM RESERVE FUND FOR REPLACEMENT AND EXTRAORDINARY
MAINTENANCE FOR REPLACEMENT
OF ASPHALT SURFACE AT DICKINSON
WATER TREATMENT PLANT
(SWC Project No. 1736)**

The Southwest Water Authority collects and maintains a reserve fund for replacement and extraordinary maintenance. This fund exists because over the life of the project there will occur replacement and maintenance items that will exceed annually budgeted amounts. These items need to be prefunded. Expenditures from this

fund are required to be authorized by the State Water Commission.

It is known that there will be maintenance costs each year, and an amount sufficient to cover the expected maintenance with some allowance for the unexpected is included in each year's operating budget. If an extremely unlikely event occurs, but its cost is low, it should be considered as ordinary maintenance since a certain number of unlikely events are bound to happen each year. The reserve fund is intended for use on extremely costly events which are too costly to be included in any year's operating budget.

In considering authorization to use the fund for the replacement of air vacuum/air release valves at its June 19, 1996 meeting, the State Water Commission adopted a criterion based on the cost of the event. The Southwest Water Authority calculates the maintenance, or replacement cost of an event and, based upon the State Engineer's review, if the eligible items exceed \$10,000, the Commission will authorize the maintenance or replacement. Lost water and vehicle replacement are not considered eligible for reimbursement.

James Lennington presented a request from the Southwest Water Authority for the Commission's consideration for the expenditure of funds from the reserve fund for replacement and extraordinary maintenance (REM) for replacing the asphalt surface of the Dickinson water treatment plant parking lot. The proposed work at the parking lot has been estimated to cost about \$105,000.

Under the agreement which transferred management, operations and maintenance responsibilities for the treatment plant to the Authority, approved by the State Water Commission in March, 2000, the Authority makes an initial determination whether a proposed

project qualifies for payment from the REM fund and then forwards its determination to the Commission for concurrence. Also under the agreement, the Authority will obtain approval of the Commission before awarding a contract and for determining final completion of the work. The Authority must also notify the city before making any improvements that cost more than \$100,000.

The REM reserve fund is currently ahead of the projection calculated in 1998, but the projection did not include an item for replacing the asphalt surface at the Dickinson water treatment plant. Mr. Lennington explained that this request is a legitimate use of the funds, but the projection should be updated to include those items which may not have been included.

It was the recommendation of the State Engineer that the State Water Commission concur in the determination that the replacement of the asphalt surface at the Dickinson water treatment plant is eligible for reimbursement from the reserve fund for replacement and extraordinary maintenance; and that the State Engineer be authorized to approve the award of the paving contract and determine the final completion of the work.

It was moved by Commissioner Swenson and seconded by Commissioner Johnson that the State Water Commission concur in the determination that the replacement of the asphalt surface at the Dickinson water treatment plant is eligible for reimbursement from the reserve fund for replacement and extraordinary maintenance; and that the State Engineer shall hereby be authorized to approve the award of the paving contract and determine the final completion of the work.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**NORTHWEST AREA WATER
SUPPLY (NAWS) PROJECT
(SWC Project No. 237-04)**

James Lennington, project manager for the Northwest Area Water Supply (NAWS) project, provided the following status report:

Contract 2-1A - First Main Transmission Line: The contractor, S.J. Louis Construction, Waite Park, Minnesota, has been actively working on contract 2-1A, which consists of punch list items from the pipe that was installed last fall and correction of the alignment problems with the bored and cased crossing of U.S. Highway 83. Some preparation work has

been underway on the east side of U.S. Highway 83 just to the south of this crossing where the contractor has approximately two miles of pipe yet to install.

A draft sewer study, undertaken to determine the impact of the NAWS pipeline on future sewer development in southwest Minot, has been received. The draft study indicates that the NAWS pipeline will have no adverse impacts on sewer development in southwest Minot. This study will be shared with concerned landowners in the area, and provide information relative to possible future condemnation appeals.

Contract 2-1B - Pretreated Water Pipeline: On April 22, 2003, the State Water Commission authorized the award of contract 2-1B to Coughlin Construction, Minot, ND. The contract was executed by the Commission's Chief Engineer and Secretary on May 22, 2003. The contract is for approximately 9.5 miles of 30-inch and 36-inch ductile iron pipe, extending from the end of contract 2-1A to a point across N.D. Highway 23. The contract includes an above ground pressure reducing valve vault, which will be located adjacent to U.S. Highway 83 just south of the bored and cased highway crossing. The pipe has been delivered and the contractor anticipates construction will begin the week of June 16, 2003. The contract amount is \$4,711,424.98, with a completion date of October 31, 2003. All of the right-of-way easements have been obtained for contract 2-1B.

Secretary Frink stated an authorization was executed to complete the design for the pipeline between Minot and the intake structure. Having the plans and specifications in place and the land acquired will allow this phase of the project to move forward should funding become available.

Governor Hoeven briefed the Commission members on meetings held on June 9-10, 2003 in Washington, DC with representatives of the Administration to discuss federal funding for fiscal year 2004 for North Dakota water projects. Governor Hoeven stressed the importance that North Dakota water leaders must continue to pursue their contacts with the federal officials on this issue. He said the cost benefit ratios will be a key factor in the funding reallocation decision.

**RURAL FLOOD CONTROL
POLICY COMMITTEE REPORT
(SWC Project No. 1753)**

On December 6, 2002, the State Water Commission considered the following recommendations from the Commission's rural flood control committee and

adopted the rural flood control cost share policy statement relating to downstream impact analysis requirements:

State Water Commission's rural flood control committee recommendations: Because funding for a rural flood control project may be granted prior to the issuance of an associated drain permit, the Commission's rural flood control committee determined that it would be more appropriate to analyze any potential downstream impacts during the regulatory process, rather than during the cost share process. The committee additionally concluded that for projects located in the Red River valley, input from the Red River Basin Joint Water Resource Board should be solicited in order to bring a more regional perspective to the local water resource district's review of the drain permit application.

Rural flood control cost share policy statement: It is the policy of the State Water Commission to provide financial support, contingent upon the availability of funds, for rural flood control projects. In order to provide a basinwide perspective to the regulatory review of proposed drainage projects, the State Engineer shall solicit, at his discretion, comments from the applicable joint powers board. It is anticipated that this additional basinwide perspective, in concert with the State Engineer's judgement, will help ensure that the issue of potential downstream impacts is properly addressed.

To address the questions and concerns expressed by the Commission members at its March 5, 2003 meeting relative to the intent of the current policy for the downstream impact analysis requirements, Governor Hoeven directed the State Water Commission's rural flood control committee and others to revisit the policy. Per Governor Hoeven's directive, a meeting was held on April 15, 2003 in West Fargo.

Todd Sando, Assistant State Engineer, provided a summary of the rural flood control committee's meeting, which is attached hereto as **APPENDIX "D"**. It was concluded by those present at the meeting that no change in the policy would be recommended at this time for the Commission's consideration.

APPROVAL OF RURAL FLOOD CONTROL PROJECTS COST SHARE LIMITATION OF \$250,000 FOR 2003-2005 BIENNIUM (SWC Project No. 1753)

On August 13, 1998, the State Water Commission approved several cost share policy changes including a limitation on the amount of money that can be provided in a single biennium for a rural flood control project to

no more than 5 percent of new funding available for general projects. This limitation has been in effect for rural flood control projects since that time, although the dollar amount of the limitation has varied each biennium.

Secretary Frink explained that the budgeting process has changed since that policy was adopted. The agency's budget proposal for the 2001-2003 biennium included \$5,000,000 for general water projects and, thus, the funding limitation for the 2001-2003 biennium was set at 5 percent of \$5,000,000, or \$250,000. He said the \$250,000 limitation per rural flood control project would be appropriate for the 2003-2005 biennium.

It was the recommendation of the State Engineer that the State Water Commission approve the policy of limiting funding for rural flood control projects to \$250,000 per project for the 2003-2005 biennium.

It was moved by Commissioner Hofstad and seconded by Commissioner Olin that the State Water Commission approve the policy of funding limitation for individual rural flood control projects to \$250,000 per project for the 2003-2005 biennium.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

APPROVAL OF REQUEST FROM NORTH CASS WATER RESOURCE DISTRICT FOR ADDITIONAL COST SHARE IN CASS COUNTY DRAIN NO. 13 RECONSTRUCTION, PHASE 5 (SWC Project No. 1069)

A request from the North Cass Water Resource District was presented for the Commission's consideration for an additional cost share on the reconstruction of Cass County Drain No. 13, Phase 5.

Todd Sando presented the project, which consists of reconstructing the lower five miles of channel in Wisner Township (Phases 1-5). The reconstruction included flattening the side slopes, creating a uniform bottom gradient, replacing a bridge with corrugated metal pipe, and some realignment. Phase 5 will include reconstruction in Sections 4, 8,

and 9 in Harwood township, where the channel will be reconstructed with a new bottom grade with a uniform slope including reconstructing the side slopes to 4:1. The bridge on County Road No. 4 will be removed and replaced with a new spiral arch and the culvert structures on Highway No. 81 will be removed and replaced with the same. Backfill, replacing the concrete on Highway No. 81, aggregate surface course, removing and reinstalling culverts, riprap, seeding, and materials testing will complete Phase 5. The improvement reconstruction of the last 2.5 miles of Cass County Drain No. 13 will begin this summer and will conclude in the fall of 2004.

The engineer's estimate of the project costs for Phases 1-5 are estimated at \$2,192,314, of which \$1,828,598 is considered eligible for 35 percent cost share participation, totalling \$640,010. The State Water Commission approved \$150,000 on December 21, 1998; \$136,000 on April 10, 2000; and \$90,131 on August 16, 2001, for a total state cost share contribution of \$376,131. An additional amount of \$263,879 remains unfunded to complete Phase 5 of the project.

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 35 percent of the eligible items, not to exceed an additional \$159,869 from the funds appropriated to the State Water Commission in the 2001-2003 biennium; and an additional \$104,010 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Cass County Drain No. 13 improvement reconstruction project, Phase 5. Affirmative action by the State Water Commission will increase the total state contribution to \$640,010 for Cass County Drain No. 13.

It was moved by Commissioner Thompson and seconded by Commissioner Halcrow that the State Water Commission approve the following state cost share participation of 35 percent of the eligible items for the Cass County Drain No. 13 improvement reconstruction project, Phase 5:

1) an additional \$159,869 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, contingent upon the availability of funds; and

2) an additional \$104,010 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, contingent upon the availability of funds.

This action increases the State Water Commission's total cost share contribution to \$640,010 for the Cass County Drain No. 13 improvement reconstruction project, Phases 1-5.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
NORTH CASS WATER RESOURCE
DISTRICT FOR STATE COST
PARTICIPATION IN CASS COUNTY
DRAIN NO. 23 IMPROVEMENT
RECONSTRUCTION PROJECT
(SWC Project No. 1328)**

A request from the North Cass Water Resource District was presented for the Commission's consideration for state cost participation in Cass County Drain No. 23 improvement reconstruction project.

The focus will be primarily on the road side of the drain's channel for two miles, which is proposed in two parts. Part 1 is the improvement of one mile of channel between Sections 3 and 10, Township 142 North, Range 49 West (Wiser Township). Part 2 is the improvement of the one mile of channel between Sections 4 and 9, Township 142 North, Range 49 West (Wiser Township). The District is receiving a grant in the amount of \$67,328 from the Federal Emergency Management Agency (FEMA) to complete Part 1.

There is an existing assessment district established for Cass County Drain No. 23. Maintenance funds will be used to fund a portion of the project. The permit application for the drain has been submitted and forwarded to the Red River Joint Water Resource District for comments regarding the determination of statewide significance. A sediment analysis has been provided.

The estimated total project cost is \$325,000, less the \$67,328 FEMA grant leaves a local balance of \$257,672. Of the \$257,672, the eligible cost is \$160,570. Under the current State Water Commission's cost share guidelines, \$160,570 is eligible for a 35 percent cost share (\$56,199).

It was the recommendation of the State Engineer that the State Water Commission conditionally approve state cost share participation of 35 percent of the eligible costs, not to exceed \$56,199 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Cass County Drain No. 23 improvement reconstruction project.

It was moved by Commissioner Hofstad and seconded by Commissioner Hillesland that the State Water Commission conditionally approve state cost share participation of 35 percent of the eligible costs, not to exceed \$56,199 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Cass County Drain No. 23 improvement reconstruction project. This motion is contingent upon the availability of funds, approval of the final plans and specifications, and the issuance of a drain permit.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
SOUTHEAST CASS WATER
RESOURCE DISTRICT FOR STATE
COST PARTICIPATION IN CASS
COUNTY DRAIN NO. 40 IMPROVE-
MENT RECONSTRUCTION PROJECT
(SWC Project No. 1090)**

A request from the Southeast Cass Water Resource District was presented for the Commission's consideration for state cost participation in the Cass County Drain No. 40 improvement reconstruction project. The project is located in Sections 4, 9, 10, 15, 22, and 27 of Tier 140 North, Range 49 West (Reed Township), Cass County.

Approximately five miles of Drain No. 40, between 19th Avenue North in Fargo and the downstream Interstate 29 road crossing, will be reconstructed. This work is necessary because the drain has degraded substantially since its last reconstruction in 1986 and is below design grade at all locations. The proposed project will modify the existing drain by establishing a new channel bottom elevation of approximately 4 to 4.5 feet below the previous design elevation. All side slopes will be flattened to a uniform 4:1 slope, and new concrete box culverts will be installed through Cass County Highway No. 20 and through an approach to a communications tower.

A drain permit application for the proposed work is required. Upon receipt of the application, the Red River Joint Water Resource District will review and provide comments regarding the determination of statewide significance. The local assessment vote will be held following the State Water Commission's cost share consideration. The project engineer has provided a sediment analysis indicating that no accumulated sediment is present in the existing drain.

The total estimated cost of the project is \$1,200,000, of which \$1,070,000 is considered eligible for a 35 percent state cost share participation in the amount of \$374,500. Under the current State Water Commission guidelines, rural flood control projects are limited to a \$250,000 cost share approval per biennium. The request before the State Water Commission is to cost share in the amount of \$250,000.

It was the recommendation of the State Engineer that the State Water Commission conditionally approve a state cost share participation of 35 percent of the eligible costs, not to exceed \$250,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium for the Cass County Drain No. 40 improvement reconstruction project.

It was moved by Commissioner Halcrow and seconded by Commissioner Hillesland that the State Water Commission conditionally approve a state cost share participation of 35 percent of the eligible costs, not to exceed \$250,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Cass County Drain No. 40 improvement reconstruction project. This motion is contingent upon the availability of funds, a positive assessment vote, approval of the final plans and specifications, and the issuance of a drain permit.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
RICHLAND COUNTY WATER
RESOURCE DISTRICT FOR
STATE COST SHARE PARTICI-
PATION IN RICHLAND COUNTY
DRAIN NO. 39
(SWC Project No. 1197)**

A request from the Richland County Water Resource District was presented for the Commission's consideration for state cost share participation for improvements to a natural channel upstream of Richland County Drain No. 39.

The project consists of installing filter strips along the channel, restoration of the channel, re-sizing upstream culverts, and installing drop structures within a steep section of a man-made ditch. The project is a cooperative effort of the NRCS, Richland County Water Resource District, Richland County Soil Conservation District, Red River Riparian Advisory Board, Lake Agassiz RC&D Council, and the Red River Joint Water Resource District. The purpose of the project is to reduce heavy sediment loads into Richland County Drain No. 39, which have contributed to more frequent cleanouts of the assessment drain.

The project has been submitted to the Corps of Engineers for permit review and it is anticipated that the project will be covered under the Red River Riparian Advisory Board's regional permit. The project will also require a permit to drain.

The establishment of filter strips along the waterway will be funded by the NRCS through agreements with the private landowners. These agreements will provide \$77,565 over a 15-year period to those landowners for maintenance of the filter strips.

The project proposes the re-establishment of channel meanders, which have been lost through the years. This component of the project has been estimated to cost \$88,000, and 60 percent of that cost (\$52,800) is being provided by the Red River Riparian Advisory Board through Section 319 funding.

Other components of the project include \$18,100 for a culvert size study and \$70,000 for actual culvert re-sizing. Many of the stream crossings along the natural waterway will be re-sized with most being reduced to the minimum size required to meet the stream crossing standards in order to reduce downstream peak discharge. Crossings are typically considered eligible when installed for the purposes of constructing an assessment drain. This project is not an assessment drain. The proposed systematic culvert re-sizing, with the goal of complying with the minimum requirements of the current stream crossings standards, is very different from the typical construction of a drain and, therefore, should not be considered eligible for cost share assistance.

The total estimated project cost, not including the landowner agreements for the filter strips, is \$264,800. The Red River Joint Water Resource District has agreed to provide 50 percent of the non-federal, non-state cost. The eligible costs total \$104,200. Under the State Water Commission's policy and guidelines, the project is eligible for a 35 percent state cost share participation in the amount of \$36,470. The request before the State Water Commission is for a 35 percent state cost share participation in the amount of \$36,470.

It was the recommendation of the State Engineer that the State Water Commission conditionally approve a state cost share participation of 35 percent of the eligible costs, not to exceed \$36,470 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Richland County Drain No. 39 upstream channel improvements.

The State Water Commission members discussed cost share participation in the re-sizing of culverts as they relate to water management and downstream impacts. Todd Sando explained the cost

share policy for drainage projects, which was adopted by the State Water Commission on August 13, 1998, and the requirements of the current stream crossing standards to reduce downstream peak discharge. The Commission directed the State Engineer and staff to re-visit the drainage cost share policy as it relates to culverts for the Commission's consideration at a future meeting.

It was moved by Commissioner Johnson and seconded by Commissioner Swenson that the State Water Commission conditionally approve a state cost share participation of 35 percent of the eligible costs, not to exceed \$36,470 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Richland County Drain No. 39 upstream channel improvements. This motion is contingent upon the availability of funds, and the issuance of the required federal and state permits.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

Governor Hoeven left the State Water Commission meeting at 2:45 PM, and the chair was assumed by Vice Chairman, Commissioner Olin.

**APPROVAL OF REQUEST FROM
MORTON COUNTY WATER
RESOURCE DISTRICT FOR STATE
COST PARTICIPATION IN SQUARE
BUTTE DAM NO. 6 (HARMON LAKE
RECREATION AREA)
(SWC Project No. 1921)**

A request from the Morton County Water Resource District was presented for the Commission's consideration for state cost participation in the construction of Square Butte Dam No. 6 in Morton county. The project is also known as the Harmon Lake Recreation Area. Initially, in 1969, the

single proposed purpose of the dam was floodwater retention, but the purpose has since been expanded to a multiple purpose dam for flood prevention and recreation. The dam will be constructed in two phases, beginning in 2003 and completed by 2006. The Harmon Lake recreation area will be constructed in five phases, beginning in 2004 and completed by 2007 or 2008. The cost share request at this time is only for the construction of the dam, although some recreation aspects will be prepared simultaneously with the construction of the dam.

The site is located in Morton county along State Highway 1806, approximately nine miles north of Mandan, ND, and just south of County Road 140. The impoundment will be located in Sections 13,

14, and 24 in Tier 140 North, Range 82 West, and in parts of Sections 18 and 19 in Tier 140 North, Range 81 West. The dam and recreation area will be located at the lower end of Otter Creek, a major tributary to Square Butte Creek. Construction permit No. 1092 (currently being amended) and water permit No. 4651 authorize the project.

The project will benefit people within the watershed and in adjacent areas. Land treatment and structural measures will improve the water quality and wildlife habitat, and reduce annual flood damages. Floodwater damages will be reduced to roads and bridges, crops and pasture, and other flood related agriculture damages.

An evaluation of the Bismarck-Mandan area recreation facilities was completed to identify key recreational needs and uses to create the Harmon Lake recreation area (2004-2008). Key elements include both day use and overnight facilities; water access for fishing, boats, canoes, and swimming; park manager and maintenance facilities; horseback riding facilities and cross-country ski access; trail system; interpretative signage and sites; and development of a nursery for the use of the site. The Harmon Lake recreation area cost (\$4,383,075) will be split 50/50 federal and local funding. All of the land for the project has been acquired.

The total estimated cost of this project, to include both Square Butte Dam No. 6 and the Harmon Lake recreation area is \$10,648,892, of which \$6,265,816 is attributed to the cost of the dam and \$4,383,075 is the cost to develop the recreation area. Of the \$6,265,816 required to construct the dam, \$1,273,211 is eligible for a 50 percent state cost share participation. The Morton County Water Resource District's state cost share request is for \$500,000 to be used towards the cost of constructing the dam.

Andy Mork, Morton County Water Resource District chairman, and Ronald Sando, water resource consultant, provided technical information relative to the proposed project, and requested the State Water Commission's favorable consideration of the cost share request.

It was the recommendation of the State Engineer that the State Water Commission approve a state cost share participation of 50 percent of the eligible costs, not to exceed \$500,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the construction of Square Butte Dam No. 6.

It was moved by Commissioner Johnson and seconded by Commissioner Hanson that the State Water Commission approve a state cost share participation of 50 percent of the eligible costs not to exceed \$500,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the construction of Square Butte Dam No. 6. This motion is contingent upon the availability of funds, and the issuance of amended construction permit No. 1092.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Swenson, Thompson, and Chairman Olin voted aye. There were no nay votes. Chairman Olin announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
TRAILL COUNTY WATER RESOURCE
DISTRICT FOR STATE COST SHARE
PARTICIPATION IN TRAILL
COUNTY DRAIN NO. 59
(GARFIELD-VIKING DRAIN)
(SWC Project No. 1224)**

A request from the Traill County Water Resource District was presented for the Commission's consideration for state cost participation for the construction of Traill County Drain No. 59, also known as the Garfield-Viking Drain.

The proposed project involves the new construction of two parallel ditches one mile apart, with one ditch located along the southern boundary of Garfield township and the other located one mile south of Viking township, southeast of the city of Hatton. Each ditch is approximately four miles long, and both discharge to the north branch of the Goose River. The proposed channel will have a 10-foot bottom width with 4:1 side slopes. Outfall structures will be included to minimize erosional damage. The design is based on a 10-year event.

The area landowners have petitioned the formation of an assessment district and development of a project. Upon receipt of the drain permit application, it will be forwarded to the Red River Joint Water Resource board for their review and comments relative to the State Engineer's determination of statewide or interdistrict significance.

The total project cost has been estimated at \$855,000, with the eligible costs estimated at \$740,000. As a newly constructed drain, the project is eligible for a 35 percent state cost share (\$259,000). Ineligible costs include, but are not necessarily limited to, right-of-way, administration, legal, and financial costs as well as the costs associated with crossing the railroad. Funding for drain projects is limited to \$250,000 for the 2003-2005 biennium; the remaining eligible costs may be considered by the Commission in the next biennium.

It was the recommendation of the State Engineer that the State Water Commission conditionally approve a state cost share participation of 35 percent of the eligible costs, not to exceed \$250,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the construction of Traill County Drain No. 59 (Garfield-Viking Drain).

It was moved by Commissioner Swenson and seconded by Commissioner Halcrow that the State Water Commission conditionally approve a state cost share participation of 35 percent of the eligible costs, not to exceed \$250,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the construction of Traill County Drain No. 59 (Garfield-Viking Drain). This motion is contingent upon the availability of funds, attainment of a positive local assessment vote within six months of the State Water Commission's funding approval, satisfying all permit requirements, and approval of the project's final design.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Swenson, Thompson, and Chairman Olin voted aye. There were no nay votes. Chairman Olin announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
WALSH COUNTY WATER RESOURCE
DISTRICT FOR STATE COST SHARE
PARTICIPATION IN RECONSTRUCT-
ION OF WALSH COUNTY DRAIN NO. 31
(HARRISTON-PULASKI DRAIN)
(SWC Project No. 1252)**

A request from the Walsh County Water Resource District was presented for the Commission's consideration for state cost participation in the reconstruction of Walsh County Drain No. 31, also known as the Harriston-Pulaski Drain.

Some of the channel is existing and was constructed on a piece-meal basis by the landowners. The proposed project will construct/reconstruct 9.3 miles of channel outletting to an unnamed tributary to the Forest River, with a bottom width varying between 4 and 16 feet, 3.5:1 side slopes, and a maximum cut of 1.5 feet. The design discharge is 134.5 cubic feet per second. The project is located in Harriston and Pulaski townships in Walsh county, north and east of the city of Minto, ND.

A positive local assessment vote was recently obtained for the project. A drain permit application was filed for this project and forwarded to the Red River Joint Water Resource District for their review and comments. The Board indicated the project should not be considered of either statewide or interdistrict significance. The drain permit application was

forwarded to the Walsh County Water Resource District and was approved on May 20, 2003. Because the project is a combination of construction and reconstruction, no sediment analysis was provided.

The total estimated cost of the project is \$156,569, of which \$118,530 is considered eligible for a 30 percent state cost share participation (\$35,559). Ineligible costs include, but are not limited to, all legal, land rights, and administrative costs. The request before the State Water Commission is for a 30 percent cost share in the amount of \$35,559.

It was the recommendation of the State Engineer that the State Water Commission approve a state cost share participation of 30 percent of the eligible costs, not to exceed \$35,559 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the construction/reconstruction of Walsh County Drain No. 31 (Harriston-Pulaski Drain).

Larry Tanke, Walsh County Water Resource District chairman, provided additional information relative to the proposed project, and requested the Commission's favorable consideration of the request for funding.

It was moved by Commissioner Halcrow and seconded by Commissioner Hillesland that the State Water Commission approve a state cost share participation of 30 percent of the eligible costs, not to exceed \$35,559 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the construction/reconstruction of Walsh County Drain No. 31 (Harriston-Pulaski Drain). This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Swenson, Thompson, and Chairman Olin voted aye. There were no nay votes. Chairman Olin announced the motion unanimously carried.

**APPROVAL OF REQUEST FROM
SOUTHEAST CASS WATER RESOURCE
DISTRICT FOR ADDITIONAL
STATE COST PARTICIPATION
IN SHEYENNE RIVER SNAGGING
AND CLEARING PROJECT
(SWC Project No. 568)**

A request from the Southeast Cass Water Resource District was presented for the Commission's consideration for an additional cost share participation in their snagging and clearing project on the Sheyenne River. The river requires regular snagging and clearing projects to maintain the channel capacity during floods.

The completed snagging and clearing work consisted of the removal and disposal of tagged standing and fallen trees, snags, driftwood, stumps and debris occurring in the Sheyenne River channel in Reed, Stanley, and Barnes townships in Cass county. The contractor removed all items as shown in the specifications regardless of the number or locations of set-ups and approaches to the river required. All items which, in the opinion of the project engineer, are beneficial or helpful in reducing river bank erosion and which do not interfere with streamflow, were allowed to remain.

The total project was estimated to cost \$100,000, all of which was determined to be eligible for 25 percent state cost share assistance, in the amount of \$25,000. The State Water Commission passed a motion at its March 5, 2003 meeting approving a 25 percent state cost share participation in the amount of \$25,000.

The total project cost is \$155,000, all of which is eligible for a 25 percent state cost share participation, in the amount of \$38,750. Less the State Water Commission's previous cost share approval of \$25,000, the request before the State Water Commission is for a 25 percent state cost share participation, in the amount of an additional \$13,750. Affirmative action by the State Water Commission will increase the total state contribution to \$38,750.

It was the recommendation of the State Engineer that the State Water Commission approve a 25 percent state cost share participation, not to exceed an additional \$13,750 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Sheyenne River snagging and clearing project.

It was moved by Commissioner Hanson and seconded by Commissioner Swenson that the State Water Commission approve a 25 percent state cost share participation of the eligible costs, in an amount not to exceed an additional \$13,750 from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Sheyenne River snagging and clearing project. This motion is contingent upon the availability of funds.

This action increases the State Water Commission's cost share contribution to \$38,750.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Swenson, Thompson, and Chairman Olin voted aye. There were no nay votes. Chairman Olin announced the motion unanimously carried.

**CONSIDERATION OF REQUEST
FROM NORTH DAKOTA NONPOINT
SOURCE POLLUTION TASK FORCE
FOR SECTION 319 FUNDING
(SWC Project No. 1859)**

A request from the North Dakota Nonpoint Source Pollution Task Force was presented for the Commission's consideration for cost share assistance in the amount of \$200,000 for the 2003-2005 biennium for projects authorized under Section 319 of the federal Water Pollution Act.

One of the greatest challenges for current water quality management in North Dakota is meeting the new Environmental Protection Agency's (EPA) regulations limiting runoff from concentrated animal feeding operations (CAFO). Failure to meet the requirements not only affects the water quality, but also incurs the risk of large fines and even the possible loss of economic viability for some livestock operations. A large portion of the state-apportioned EPA Section 319 funding has, in recent years, been allocated for engineering assistance and cost share to help livestock producers comply with federal regulations. The updating of the state's CAFO animal waste facilities is a major undertaking which will be ongoing for several years.

The most critical need at the present time is for engineering assistance. The demand for design assistance is too high to be met by currently available programs funded by Section 319 and other sources. Assistance is particularly needed with medium and small size CAFOs, which are often insufficiently capitalized to afford the full cost of design and construction.

During the 2001-2003 biennium, \$200,000 of funding was specifically appropriated to the State Water Commission for distribution to the North Dakota Nonpoint Source Pollution task force for a Section 319 match. Secretary Frink explained that no funding was specifically appropriated for this purpose for the 2003-2005 biennium, but the same level of funding has been requested as a general cost share for augmentation of current engineering assistance programs. Since funding was not specifically appropriated for the 2003-2005 biennium, the task force will identify project-specific allocations once funding has been committed.

It was the recommendation of the State Engineer that the State Water Commission provide \$200,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, to the North Dakota Nonpoint Source Pollution Management Program of the North Dakota Department of Health for a state match in the Section 319 program. Secretary Frink stated that funds allocated for this use will provide a maximum benefit for the improvement of water quality, and also for ensuring the economic viability of many North Dakota animal feeding operations, while complying with new federal regulations.

Dennis Fewless, Nonpoint Pollution Source task force co-chair, appeared before the State Water Commission to explain the program criteria, and to request the Commission's favorable consideration to provide \$200,000 for the 2003-2005 biennium to support the local sponsorships increase their availability of time and affordable engineering assistance, and achieve their water quality goals.

It was moved by Commissioner Johnson and seconded by Commissioner Hanson that the State Water Commission provide \$200,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium, to the North Dakota Nonpoint Source Pollution Management program of the North Dakota Department of Health for a state match in the Section 319 program. This motion is contingent upon the availability of funds.

In discussion of the motion, the State Water Commission members expressed their support of the program, but because the 2003 legislative intent is unclear, and the fact that the State Health Department was not successful in securing funding for the 2003-2005 biennium, the Commission members questioned whether the State Water Commission is the appropriate agency to provide funds for a state match in the Section 319 program. Secretary Frink explained that the Commission does have the legal authority to fund the program under North Dakota Century Code section 61-02-14, powers

and duties of the Commission. He also explained the correlation between the Commission and the Department in developing the water quality standards as they relate to minimum flows in the rivers and streams in the state.

Commissioners Hanson, Hillesland, Johnson, and Chairman Olin voted aye. Commissioners Halcrow, Hofstad, Swenson, and Thompson voted nay. Recorded vote was 4 ayes; 4 nays. Chairman Olin announced the motion failed because of a tie vote.

**APPROVAL OF REQUEST FROM
RED RIVER JOINT WATER RESOURCE
DISTRICT FOR STATE COST SHARE
ASSISTANCE FOR PUBLIC RELATIONS
COORDINATOR FROM JULY 1, 2003
THROUGH DECEMBER 31, 2003
(SWC Project No. 1705)**

A request from the Red River Joint Water Resource District was presented for the Commission's consideration for state cost share assistance for a public relations coordinator. The position was filled through the hiring of a private contractor by the Red River Joint Water Resource District

and the expenses are being shared by the District, the State Water Commission, and the Garrison Diversion Conservancy District. The position was initiated on January 1, 2003.

The Red River basin is subject to severe and repeated flooding, which has a dramatic impact on the lives, health, property, and well being of its citizens. Success in developing and implementing a comprehensive and workable plan to reduce these impacts will require that the various political subdivisions in the Red River basin and other interested groups understand the various options and its impacts, and are able to work together on common strategies to reduce flooding. The public relations coordinator will implement an information program associated with these efforts.

The proposed cost of the public relations coordinator includes \$50,000 annually in salary plus expenses of up to \$10,000. The Red River Joint Water Resource District has requested the State Water Commission and the Garrison Diversion Conservancy District to each provide 30 percent of the cost of \$18,000 (\$15,000 of salary and \$3,000 of expenses) annually. On December 6, 2002, the State Water Commission approved cost share assistance for the period of January 1, 2003 through June 30, 2003 of up to \$9,000 (\$7,500 of salary and \$1,500 of expenses) from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Red River Joint Water Resource District Public Relations Coordinator.

The flooding problems in the Red River basin are real and well documented. The Coordinator will benefit efforts to reduce the flooding impacts. The cost share assistance requested of the State Water Commission for the period of July 1, 2003 through December 31, 2003 is up

to \$9,000 (\$7,500 of salary and \$1,500 of expenses) from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Red River Joint Water Resource District Public Relations Coordinator.

It was the recommendation of the State Engineer that the State Water Commission approve cost share assistance for the period of July 1, 2003 through December 31, 2003 of up to \$9,000 (\$7,500 of salary and \$1,500 of expenses) from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Red River Joint Water Resource District Public Relations Coordinator.

It was moved by Commissioner Halcrow and seconded by Commissioner Hillesland that the State Water Commission approve state cost share assistance for the period of July 1, 2003 through December 31, 2003 of up to \$9,000 (\$7,500 of salary and \$1,500 of expenses) from the funds appropriated to the State Water Commission in the 2003-2005 biennium, for the Red River Joint Water Resource District Public Relations Coordinator. This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Swenson, Thompson, and Chairman Olin voted aye. There were no nay votes. Chairman Olin announced the motion unanimously carried.

**FARGO-MOORHEAD AND
UPSTREAM FEASIBILITY
STUDY PROJECT UPDATE
(SWC Project No. 305)**

On August 15, 2002, the State Water Commission passed a motion to sponsor the Fargo-Moorhead and upstream feasibility study and approved a cost share of 50 percent of the non-federal eligible costs, in the amount of

\$267,430 from the funds appropriated to the State Water Commission in the 2001-2003 biennium. The Commission agreed to take the lead role as the North Dakota non-federal sponsor with the assumption that the State of Minnesota would co-sign the agreement as the study's non-federal sponsor. This would be consistent with conducting a comprehensive, watershed approach to planning flood damage reduction in the Red River basin.

The proposed feasibility study is to be a comprehensive watershed approach to analyzing potential flood damage reduction/environmental enhancement projects. Work was organized into two phases. Phase I includes the development of tools to analyze potential sites that are expected to provide flood damage reduction. Phase II is to conduct a detailed analysis of specific flood detention and environmental enhancement sites.

The estimated total cost of the Fargo-Moorhead and upstream feasibility study is \$3,511,649, of which \$1,092,422 are Phase I costs and \$2,419,227 are Phase II costs. Of the Phase I costs, the State of Minnesota had agreed to fund \$557,563, and the remaining balance of \$534,859 was North Dakota's share. The Corps of Engineers agreed to fund 50 percent of North Dakota's cost (\$267,430).

Because of budget constraints, the State of Minnesota has withdrawn from its active and financial participation, although the city of Moorhead and the Buffalo River Watershed Board remain interested and willing to proceed. The work plan has been revised and the work originally planned for Minnesota is not included in the revised feasibility cost share agreement. As a result, the total study cost has decreased from \$3.5 million to about \$2.5 million. North Dakota's share has increased to approximately \$2.4 million for Phases I and II, to be cost shared 50 percent with the Corps of Engineers and 50 percent from the State Water Commission and local sponsors. In revising the work plan, the Corps has increased the cost estimate for North Dakota's portion of Phase I from a cash in-kind contribution of \$267,430 to \$295,468.

Much of the investigation on flood damage reduction potentials on the Minnesota side of the river was dropped from the study work plan when the State of Minnesota withdrew its participation. Secretary Frink explained his concerns relative to the additional costs and the fact that the study does not include flood retention in Minnesota. Although discussions on how to proceed continue, Secretary Frink said the State of Minnesota's involvement is essential for North Dakota to pursue the study.

**DEVILS LAKE
HYDROLOGIC UPDATE
(SWC Project No. 416-01)**

Devils Lake is currently at elevation 1447.40 feet msl. At this elevation, the lake has a surface area of 127,000 acres and storage of 2.48 million acre-feet of water.

For most of the spring, Devils Lake received near normal precipitation. In April, a meteorological pattern developed and the Devils Lake basin began receiving several large rainfall events. Over the past four weeks, the basin received between four and six inches of rain, which is two to three times the above average for the month of May, therefore, making the basin once again primed for large runoff events. A majority of the storage in the upper basin is filled and evaporation is minimal. This combination can produce large runoff volumes if the weather patterns were to continue. If the Devils Lake basin receives below normal precipitation for the remainder of the spring and into the summer, the lake could stabilize, or decline, throughout the summer months.

On May 20, 2003, the National Weather Service released its 90-day long-range probabilistic forecast for Devils Lake. The current 50 percent maximum daily elevation for Devils Lake is elevation 1447.60 feet msl.

The elevation of Stump Lake is 1414.1 feet msl. At this elevation, Stump Lake covers 8,050 acres and is storing 142,000 acre-feet of water. The flows in the Jerusalem channel between Stump Lake and Devils Lake have been approximately 30 cubic feet per second.

DEVILS LAKE OUTLET PROJECTS (SWC Project No. 416-01)

NORTH DAKOTA DEVILS LAKE OUTLET PROJECT:

The State of North Dakota is pursuing a temporary emergency phased outlet project from West Bay to the Sheyenne River. The project is based on a two-year construction timeline, with construction commencing in the spring of 2003 and operational by the spring of 2005:

Phase 1(a) - 300 cfs Open Channel Construction

The first phase includes the construction of approximately 4.2 miles of a 300 cubic feet per second (cfs) open channel from the termination point of the pipeline from the Round Lake pump station, to the Josephine pump station, and from the termination of the second pipeline to near the transition point with the 500 cfs channel.

Landowners on 1.7 miles of the Phase 1(a) open channel have signed the easement option. The quick-take authority that was previously approved by the State Water Commission for this project may be necessary to acquire some of the land needed for construction of this phase.

The total cost for the 300 cfs open channel construction of Phase 1(a) is approximately \$5 million.

Phase 1(b) - Power Supply

Phase 1(b) includes contracting with the local Rural Electric Cooperative (REC) for the electrical power supply to the two pump stations that would consist of 115 kV lines and a substation. Completion of the surveying, mapping, and design work of the power facilities would allow for construction to begin in the summer of 2003 and completion by the summer of 2004. The total cost for the power supply portion of Phase 1(b) is approximately \$2.5 million.

On March 5, 2003, the State Water Commission approved the continued construction of North Dakota's Devils Lake outlet project, and allocated the expenditure of \$7.5 million from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for Phase 1(a) (300 cfs open channel construction - \$5.0 million) and Phase 1(b) (power supply - \$2.5 million).

The State Water Commission has applied for, and received a draft permit of the North Dakota Department of Health's 402 Discharge Permit. The draft permit allows the discharge of up to 100 cfs into the Sheyenne River as long as Devils Lake is above elevation 1445, and that the sulfate level in the Sheyenne River does not exceed 300 mg/L after mixing. Because there will not be a discharge of fill material into any waters of the United States during the construction of this project, it appears that a 404 permit will not be necessary. The State Health Department held public hearings on the 402 Discharge Permit in Devils Lake on May 20, 2003 and in Valley City on May 21, 2003 to accept comments. It is anticipated that the State Health Department will make its final decision on the 402 Discharge Permit in July, 2003.

A public hearing was held on May 20, 2003 in Devils Lake to receive comments relative to the State Engineer's Drain Permit, which would allow the State Water Commission to drain Devils Lake water into the Sheyenne River. If the Ramsey and Towner County Water Resource Boards approve the permit, because the project is deemed of statewide significance, it will be forwarded to the State Engineer for final approval.

The next phase of the project includes construction of a portion of the original 300 cfs portion of the open channel and the acquisition of electrical power for the two pump stations. The portion of the 300 cfs channel planned for construction this summer and fall is approximately 17,000 feet, or 3.2 miles long. It will require 163,000 cubic yards of earthwork and will cost approximately \$1.5 million. The construction will not include any concrete structures, road crossings, or siphons, which will be included in separate contracts. Acquiring the electrical power for the two pump stations (contract negotiations, survey work, and facility design) will also begin this summer and will be ongoing throughout the winter and into 2004. Most of the power supply construction will be done in 2004.

In discussion of the construction schedule, Secretary Frink stated Phase 1(a) (300 cfs open channel construction) and Phase 1(b) (power supply) are ready to advertise for bids. This would allow the bids to be opened and awarded in July, 2003, and construction to begin in August, 2003.

It was moved by Commissioner Thompson and seconded by Commissioner Halcrow that:

- 1) the State Water Commission proceed to advertise for bids for Phase 1(a) (300 cfs open channel construction) and Phase 1(b) (power supply) for the State of North Dakota's Devils Lake outlet project; and***
- 2) a provision shall be included in the contract documents that the contract award shall be contingent upon the North Dakota Department of Health 402 Discharge Permit.***

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Swenson, Thompson, and Chairman Olin voted aye. There were no nay votes. Chairman Olin announced the motion unanimously carried.

CORPS OF ENGINEERS PROJECT

On February 26, 2003, the Corps of Engineers announced that a 300 cfs outlet from Pelican Lake to the Sheyenne River had been identified as the preferred alternative to alleviate flood damages at Devils Lake if the lake continues to rise. The Corps released the final Environmental Impact Statement (EIS) for public review in April, 2003; comments will be accepted until June 19, 2003. Following the review of the EIS, the Corps will prepare a Record of Decision (ROD) that will describe the Corps's final recommendation on a Devils Lake outlet. It is estimated that the ROD will be released in the fall of 2003.

The total estimated cost for the Pelican Lake outlet project, indexed for inflation, is \$208.2 million. A Project Cooperative Agreement (PCA) must be executed by the local sponsor and the Corps in order for the Corps to proceed with construction of the outlet project. Federal law requires the local sponsor to agree to cost share on the project at 35 percent, or \$73 million, and to indemnify the Corps. The cost estimate includes features that have been added since the draft EIS was released on February 26, 2002 that are intended to alleviate environmental concerns.

The State Water Commission has applied for the water quality certification from the North Dakota Department of Health. Issuance of the necessary permits generally require between three to six months. An amendment to Senate Bill 2022, the State Water Commission's appropriation bill, was passed and signed into law that would enable the State Water Commission

to appropriate the funds for the non-federal cost share and to accept the liability of indemnifying the Corps. Construction could begin in 2004-2005, contingent upon the execution of the PCA and negotiations with the International Joint Commission.

**GARRISON DIVERSION
CONSERVANCY DISTRICT
REPORT
(SWC Project No. 237)**

The Dakota Water Resources Act of 2000 authorized the Secretary of the Interior to conduct a comprehensive study of the water quantity and quality needs of the Red River valley in

North Dakota and possible options for meeting those needs. The Act identified two project-related studies which need to be completed: the *Report on Red River Valley Water Needs and Options*, and the *Red River Valley Water Supply Project Environmental Impact Statement (EIS)*. The Bureau of Reclamation will be the sole preparer of the Needs and Options report, while the State of North Dakota (Governor Hoeven designated the Garrison Diversion Conservancy District to represent the state in this endeavor) and the Bureau will jointly prepare the EIS.

The Red River Valley Water Supply Study will result in the completion of the Needs and Options Report and a draft EIS. These reports will consider and study needs assessment, hydrology, engineering, environmental, financial, and biota transfer issues. The preparation of these reports essentially began in January, 2003, and are scheduled for completion by December, 2005.

Dave Koland, Manager, Garrison Diversion Conservancy District, provided a status report on the efforts of the Red River Valley Water Supply Study, which is attached hereto as **APPENDIX "E"**.

Mr. Koland reported that the Bureau of Reclamation has finalized its Fiscal Year 2003 budget with \$4.106 million allocated to the state and tribal Municipal, Rural and Industrial (MR&I) programs, with each entity receiving 50 percent of the total allocation (\$2.053 million).

**MISSOURI RIVER UPDATE
(SWC Project No. 1392)**

Todd Sando reported that the drought conditions continue to persist in the Missouri River basin. As of May 27,

2003, system storage in the six mainstem reservoirs was 43.9 million acre-feet (MAF), 15.4 MAF below the average system storage for the end of May and 4.0 MAF less than last year. Lake Sakakawea was at an elevation of 1822.2 feet msl, 5.8 feet lower than a year ago and 15.1 feet below its average May elevation. The elevation of Lake Oahe was 1588.8 feet msl on May 27, 2003, 7.2 feet lower than last year and 19.3 feet lower than its average May elevation.

The Corps of Engineers and the U.S. Fish and Wildlife Service concluded their consultations on April 21, 2003 on the system operation during this year's nesting season of the piping plover and the least tern. The operations planned, as a result of the consultations, consists of minimum releases from Gavins Point of 26,000 cfs during the nesting season. Increases throughout the summer will be allowed to support downstream navigation flow targets as tributaries dry up. As a result, the releases from Gavins Point are currently at 26,000 cfs even though the navigation targets are being exceeded by 4,370 cfs at Sioux City to 11,670 cfs at Kansas City.

Mr. Sando stated that there are several lawsuits ongoing regarding the operation of the Missouri River. The Commission staff is assisting the Attorney General's office with four of the lawsuits.

The first lawsuit is a continuation of the suit filed last spring that resulted in the temporary restraining order requiring the Corps to prevent Lake Sakakawea from falling during the spawn. The lawsuit has been amended to request that the Corps be required to complete the Master Manual revision in a timely manner and treat all uses equally instead of providing preferential treatment to navigation.

The second lawsuit alleges that the Corps's operations of the Missouri River mainstem system will result in water quality violations on Lake Sakakawea and asks the court to restrain the Corps from causing these violations. This suit was filed in the McLean County District Court, which issued a temporary restraining order on April 29, 2003 enjoining the Corps from releasing water in excess of an average of 17,450 cfs from the Garrison Dam and from drawing down Lake Oahe. The Corps transferred this suit to the Federal District Court, and South Dakota and Nebraska intervened. On May 16, 2003, with the agreement of all parties, the temporary restraining order was modified to allow the Corps to release a maximum daily discharge average of 21,500 cfs from the Garrison Dam for the remainder of May, 2003. A hearing on the motion for a preliminary injunction was held on June 4, 2003 in Bismarck, ND.

A third lawsuit was filed in the Federal District Court in Washington, DC by American Rivers and other environmental organizations. This lawsuit alleges that the Corps is in violation of the Endangered Species Act and asks the Court to order the Corps to implement the low summer flows described in the November, 2000 biological opinion. The biological opinion called for summer releases as low as 21,000 cfs from Gavins Point Dam during the summer, resulting in over 600,000 acre-feet less of water being released from the system compared to the Corps's planned operations.

A fourth lawsuit has been filed by various navigation groups alleging, among other things, that the Corps's operations of the Missouri River will damage navigation interests and that the introduction of non-native fish species has impacted the pallid sturgeon.

On June 4, 2003, the United States Court of Appeals for the Eighth Circuit of Appeals ruled that flood control and downstream navigation uses have priority over other uses. Secretary Frink explained that this was a major setback and that an appeal to the United States Supreme Court should be considered.

**MOUNT CARMEL DAM
SPILLWAY FAILURE
IN CAVALIER COUNTY
(SWC Project No. 1346)**

On April 22, 2003, the State Water Commission passed a motion to approve a 75 percent state cost share participation of the initial costs, not to exceed \$300,000 from the funds appro-

priated to the State Water Commission in the 2001-2003 biennium, associated with the emergency repairs and consulting engineering services at Mount Dam in Cavalier County.

The State Water Commission advertised for engineering services to perform a forensic analysis of the spillway failure at Mount Carmel Dam, and to assess the emergency actions taken to stabilize the embankment. The Commission requested assistance in the design of a new spillway, or possibly have the selected firm design a new spillway system. The Commission requested the firm have experience in the assessment of dam failures, embankment design and construction in cold climates, and have experience in geotechnical issues which included the principles of seepage and the design of filters and drains.

Based on the information provided in the proposals, the following four firms were selected to be interviewed: Barr Engineering Company, Minneapolis, MN; Bartlett & West Engineers, Inc./Boyle Engineering Corporation, Bismarck, ND; GEI Consultants, Inc., Engelwood, CO; and Hanson Professional Services, Inc./Lightowler Johnson Associates, Springfield, IL.

The interviews were conducted by a selection committee comprised of three Commission staff members and the chairman of the Cavalier County Water Resource District. Based on the interviews and criteria established by North Dakota state law, the selection committee selected the firm of GEI Consultants, Inc., Engelwood, CO.

**DROUGHT DISASTER LIVESTOCK
WATER ASSISTANCE PROGRAM
(SWC Project No. 1851)**

The Drought Disaster Livestock Water Assistance program, established by statute in 1991, is a state cost share assistance program administered by the State Water Commission that provides financial assistance to existing livestock producers with water supply problems caused by drought. North Dakota Administrative Code Article 89-11 was adopted by the Commission on June 24, 1991 for management of this program.

Only water supply projects located in counties included in a drought disaster declaration and counties adjacent to those counties included in a drought disaster declaration are considered eligible for state cost participation. Types of projects that may be funded by the program include the construction of new wells, dugouts and stock dams that are spring-fed or have a high water table, pipeline installations, rural water system connections, and spring development. North Dakota Century Code chapter 61-34 limits assistance to individual producers of 50 percent of project costs, not to exceed \$3,500, and requires the State Engineer to provide the funds for the program.

The State Water Commission approved \$250,000 for the program on June 24, 1991, and an additional \$50,000 was approved by the Commission on July 1, 1992, for a total state contribution of \$300,000. Between the program's active dates of July 1, 1991 and June 30, 1993, 215 applications for cost share were received by the State Engineer, with 179 applications approved and 165 projects completed. Total project costs for this activity period were \$744,657, and payments totalling \$260,918 were made to the producers. The remaining undispersed funds were returned to the Resources Trust Fund in 1993.

On July 1, 2002, Governor Hoeven issued North Dakota Drought Emergency Proclamation, Executive Order No. 2002-04, which indicated that a drought emergency existed within 20 counties within the State of North Dakota. The State Water Commission passed a motion allocating \$200,000 for the Drought Disaster Livestock Water Assistance program for those counties included in the Governor's Proclamation and adjacent counties.

Several hundred inquiries have been made regarding the program. Since July 1, 2002, \$58,781 has been reimbursed to 33 North Dakota livestock producers to assist in developing emergency livestock water supplies. Funds remaining for cost share assistance from the program total \$141,219. Approximately 35 applications for assistance are pending due to a variety of reasons including failure to submit complete applications, contractor scheduling, and weather conditions.

**RESOLUTION OF APPRECIATION
TO GARVIN O. MURI, STATE
WATER COMMISSION EMPLOYEE
(SWC Resolution No. 2003-06-504)**

A resolution of appreciation to Garvin O. Muri was presented for the Commission's consideration.

Mr. Muri has admirably served the State of North Dakota and the State Water Commission since 1967 as a chemist. Mr. Muri announced his retirement from the State Water Commission, effective June 30, 2003.

It was moved by Commissioner Olin, seconded by Commissioner Johnson, and unanimously carried, that the State Water Commission approve Resolution No. 2003-06-504, In Appreciation to Garvin O. Muri, State Water Commission employee. SEE APPENDIX "F"

**RESOLUTION OF APPRECIATION
TO MARY BETH OSBORN, STATE
WATER COMMISSION EMPLOYEE
(SWC Resolution No. 2003-06-505)**

A resolution of appreciation to Mary Beth Osborn was presented for the Commission's consideration.

Ms. Osborn has admirably served the State of North Dakota and the State Water Commission since 1982 as a laboratory technician. Ms. Osborn is transferring her employment to the North Dakota Department of Health, effective June 30, 2003.

It was moved by Commissioner Olin, seconded by Commissioner Johnson, and unanimously carried, that the State Water Commission approve Resolution No. 2003-06-505, In Appreciation to Mary Beth Osborn, State Water Commission employee. SEE APPENDIX "G"

**REAPPOINTMENT OF STATE
WATER COMMISSION MEMBERS,
JACK OLIN, DICKINSON, ND,
AND HARLEY SWENSON,
BISMARCK, ND**

Jack Olin, Dickinson, ND, and Harley Swenson, Bismarck, ND, were reappointed by Governor Hoeven to serve six-year terms as members of the State Water Commission. Their terms are effective on July 1, 2003 and will expire on June 30, 2009.

**NEXT STATE WATER
COMMISSION MEETING**

ND, at the discretion of Governor Hoeven's schedule.

It was the consensus of the State Water Commission members that its next meeting be held in Grand Forks,

There being no further business to come before the State Water Commission, Chairman Olin adjourned the meeting at 4:30 PM.

John Hoeven, Governor
Chairman, State Water Commission

SEAL

Dale L. Frink
North Dakota State Engineer, and
Chief Engineer-Secretary to the
State Water Commission