North Dakota State Water Commission

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Meeting To Be Held At
Best Western Ramkota Hotel - Lamborn Room
Bismarck, North Dakota

December 7, 2012
9:00 A.M., CST

AGENDA

A. Roll Call

B. Consideration of Agenda *Information pertaining to the agenda items is available on the State Water Commission's website at http://www.swc.nd.gov*

C. State Water Commission Financial Updates:
   1) Agency Program Budget Expenditures
   2) 2011-2013 Biennium Resources Trust Fund and Water Development Trust Fund Revenues

D. Draft 2013-2015 North Dakota Water Development Report, Supplement to 2009 State Water Management Plan **

E. Consideration of Following Requests for Cost Share:
   1) Frenier Dam Improvements - Sargent County **
   2) Souris Valley Golf Course Bank Stabilization - Ward County **
   3) Minot to Burlington Snag and Clear Project - Ward County **
   4) Sheyenne River Snag and Clear, Reaches I, II, III - Cass Co. **
   5) Sheyenne River Snag and Clear Project - City of Valley City **
   6) Wild Rice River Snag and Clear Project - Cass County **
   7) Red River Basin Distributed Plan Study **
   8) Warwick Dam Repairs - Eddy County **
   9) Ward County Floodway Property Acquisition, Phases II & III **
   10) Cost Share Policy - Pre-Application Process Policy **

F. 2013 North Dakota Drinking Water State Revolving Loan Fund **

G. Fargo-Moorhead Metropolitan Area Flood Risk Management Project Update

H. 2013 Federal MR&I Water Supply:
   1) Southwest Pipeline Project **

I. Southwest Pipeline Project:
   1) Project Update
   2) Capital Repayment and REM Rates for 2013 **

J. Devils Lake:
   1) Hydrologic and Projects Update
   2) Devils Lake Mitigation Application **

K. Northwest Area Water Supply Project Update

L. Mouse River Enhanced Flood Protection Project Update

M. Legislative Update

N. Missouri River Update

O. Western Area Water Supply Project

P. Garrison Diversion Conservancy District Report

Q. Other Business

R. Adjournment

** ***BOLD, ITALICIZED ITEMS REQUIRE SWC ACTION***

To provide telephone accessibility to the State Water Commission meeting for those people who are deaf, hard of hearing, deaf and/or blind, and speech disabled, please contact Relay North Dakota, and reference ... TTY-Relay ND ... 1-800-366-6888, or 711.

MINUTES

North Dakota State Water Commission
Bismarck, North Dakota

December 7, 2012

The North Dakota State Water Commission held a meeting at the Best Western Ramkota Hotel, Bismarck, North Dakota, on December 7, 2012. Governor Jack Dalrymple, Chairman, called the meeting to order at 9:00 a.m., and requested Todd Sando, State Engineer, and Chief Engineer-Secretary to the State Water Commission, to call the roll. Governor Dalrymple announced a quorum was present.

STATE WATER COMMISSION MEMBERS PRESENT:
Governor Jack Dalrymple, Chairman
Arne Berg, Member from Starkweather
Maurice Foley, Member from Minot
Larry Hanson, Member from Williston
Jack Olin, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
Douglas Vosper, Member from Neche

STATE WATER COMMISSION MEMBER ABSENT:
Doug Goehring, Commissioner, North Dakota Department of Agriculture, Bismarck

OTHERS PRESENT:
Todd Sando, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck
State Water Commission Staff
Approximately 75 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

The agenda for the December 7, 2012 State Water Commission meeting was presented; there were no modifications.

It was moved by Commissioner Swenson, seconded by Commissioner Thompson, and unanimously carried, that the agenda be accepted as presented.

STATE WATER COMMISSION BUDGET EXPENDITURES, 2011-2013 BIENNIUM

In the 2011-2013 biennium, the State Water Commission has two line items - administrative and support services, and water and atmospheric resources expenditures. The allocated program expenditures for the period ending October 31, 2012, reflecting 67 percent of the 2011-2013 biennium, were presented and discussed by David Laschkewitsch, State Water Commission's Director of Administrative Services. The expenditures, in total, 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 general fund project dollars. The total amount allocated for projects is $381,194,634, leaving an unobligated balance of $22,801,948 available to commit to projects in the 2011-2013 biennium.

RESOURCES TRUST FUND AND WATER DEVELOPMENT TRUST FUND REVENUES, 2011-2013 BIENNIUM

Oil extraction tax deposits into the Resources Trust Fund total $227,255,892 through November, 2012 and are currently $97,547,584 or 75.2 percent above budgeted revenues.

Deposits into the Water Development Trust Fund (tobacco settlement) total $9,057,248 through November, 2012, and are currently $1,254,769 or 12.2 percent behind budgeted revenues.

APPROVAL OF DRAFT 2013-2015 NORTH DAKOTA WATER DEVELOPMENT REPORT, AN UPDATE TO THE 2009 STATE WATER MANAGEMENT PLAN (SWC Project No. 322)

In order to update the 2009 State Water Management Plan and to meet the requirements of 1999 Senate Bill 2188, the draft 2013-2015 North Dakota Water Development Report was presented for the State Water Commission's consideration. Section 10, Statewide Water Development Program-Legislative Intent, of ch. 535 of the 1999 Legislative Session Laws (Senate Bill 2188) states:

> "The state water commission shall develop a new comprehensive statewide water development program with priorities based upon expected funds available

from the water development trust fund for water development projects. It is the intent of the legislative assembly that the state water commission consider the delivery of water for usable purposes a priority for water development projects after the projects authorized in section 3 of this act are completed."

Section 57-51.1-07.1(2) of the North Dakota Century Code (NDCC) requires that "every legislative bill appropriating moneys from the Resources Trust Fund, pursuant to subsection one, must be accompanied by a State Water Commission report." Secretary Sando explained that the draft 2013-2015 North Dakota Water Development Report will serve as an update to the 2009 State Water Management Plan, and satisfy the requirements for funding from the Resources Trust Fund for the 2013-2015 biennium, and 1999 Senate Bill 2188 and 1999 House Bill 1475, codified in NDCC 61-02-14 and 61-02-26.

It was the recommendation of Secretary Sando that the State Water Commission approve the draft 2013-2015 North Dakota Water Development Report as an update to the 2009 State Water Management Plan, the formal request for funding from the Resources Trust Fund in the 2013-2015 biennium, and the record of water development needs and funding abilities to meet those needs in the 2013-2015 biennium.

It was moved by Commissioner Hanson and seconded by Commissioner Foley that the State Water Commission approve the draft 2013-2015 North Dakota Water Development Report:

1) to serve as the State Water Commission's update to the 2009 State Water Management Plan;

2) to serve as the State Water Commission's formal request for funding from the Resources Trust Fund in the 2013-2015 biennium; and

3) to serve as the State Water Commission's record of water development needs and funding abilities to meet those needs in the 2013-2015 biennium.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

FRENIER DAM IMPROVEMENTS PROJECT (SARGENT COUNTY) - APPROVAL OF STATE COST PARTICIPATION ($158,373) (SWC Project No. 1303)

A request from the Sargent County Water Resource District was presented for the State Water Commission's consideration for state cost participation for the Frenier Dam improvements project. The purpose of the proposed project is to provide erosion protection on the upstream face of the dam embankment which has eroded over time due to wind-generated wave action.

Frenier Dam is located on a tributary of the Wild Rice River in the SE1/4 of Section 8, Township 129 North, Range 54 West in Tewaukon township. The dam was originally built in 1965 and has served as flood protection for properties along the tributary and the Wild Rice River.

The project engineer's total cost estimate is $335,000, of which $243,650 is determined eligible for state cost participation as a dam safety project at 65 percent of the eligible costs ($158,373). The request before the State Water Commission is for a 65 percent state cost participation in the amount of $158,373.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a dam safety project at 65 percent of the eligible costs, not to exceed an allocation of $158,373 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Sargent County Water Resource District to support the Frenier Dam improvements project.

It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve state cost participation as a dam safety project at 65 percent of the eligible costs, not to exceed an allocation of $158,373 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Sargent County Water Resource District to support the Frenier Dam improvements project. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

SOURIS VALLEY GOLF COURSE BANK STABILIZATION PROJECT (WARD COUNTY) - APPROVAL OF STATE COST PARTICIPATION ($335,937) (SWC Project No. 2020)

A request from the Minot Park District was presented for the State Water Commission's consideration for state cost participation for the Souris Valley Golf Course bank stabilization project located in Section 22, Township 155 North, Range 83 West in Ward county.

The proposed project consists of repairs to the severely eroded bank lines along the Mouse River within the Souris Valley Golf Course. The work includes the repairs of major scour areas resulting from the 2011 flood event. The protective measures include a combination of rock riprap and geotextile fabric in the lower areas, and permanent turf reinforcement and seeding on the reshaped upper bank. The bank stabilization is necessary to restore and protect the golf course, reduce safety concerns, and protect the integrity of the access bridges. The District received a Section 404 permit from the Corps of Engineers, and a sovereign lands application is being processed in the Office of the State Engineer.

The project engineer's total cost estimate is $918,753, of which $559,895 is determined eligible for state cost participation as a bank stabilization project at 60 percent of the eligible costs ($335,937).

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a bank stabilization project at 60 percent of the eligible costs, not to exceed an allocation of $335,937 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020) to the Minot Park District to support the Souris Valley Golf Course bank stabilization project.

It was moved by Commissioner Foley and seconded by Commissioner Vosper that the State Water Commission approve state cost participation as a bank stabilization project at 60 percent of the eligible costs, not to exceed an allocation of $335,937 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Minot Park District to support the Souris Valley Golf Course bank stabilization project. This action is contingent upon the availability of funds, and satisfaction of the required sovereign land permit.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

SOURIS RIVER MINOT TO BURLINGTON SNAG AND CLEAR PROJECT (WARD COUNTY) - APPROVAL OF STATE COST PARTICIPATION ($109,000) (SWC Project No. 1523-01)

A request from the Ward County Water Resource District was presented for the State Water Commission's consideration for state cost participation for their project to snag and clear a reach of the Souris River downstream of Burlington involving Talbotts Nursery and King's Court.

The snag and clear work includes the removal of all fallen trees, standing trees in imminent danger of falling into the channel, driftwood, snags, loose stumps and trunks, and standing stumps which are encountered within the Souris River channel which are lodged and/or leaning on the immediate bank slopes between the upstream and downstream limits. All snagged material will be disposed of properly.

The project engineer's total cost estimate is $218,000, of which all is determined eligible for state cost participation as a snag and clear project at 50 percent of the eligible costs ($109,000). The request before the State Water Commission is for a 50 percent state cost participation in the amount of $109,000.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $109,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Ward County Water Resource District to support the Souris River Minot to Burlington snag and clear project.

It was moved by Commissioner Hanson and seconded by Commissioner Berg that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $109,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Ward County Water Resource District to support the Souris River Minot to Burlington snag and clear project. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

SHEYENNE RIVER SNAG AND CLEAR PROJECT (CASS COUNTY) - APPROVAL OF STATE COST PARTICIPATION ($288,750) (SWC Project No. 568)

A request from the Southeast Cass Water Resource District was presented for the State Water Commission's consideration for state cost participation for their project to snag and clear three reaches of the Sheyenne River. The removal of trees and woody debris will assist with the flow of the river and prevent damage to structures. Reach I will begin at State Highway 46 along the Cass County-Richland County line and proceed downstream to the Horace diversion inlet structure in Section 19 of Stanley township. Reach II will begin at the Horace diversion inlet structure in Section 19 of Stanley township and proceed downstream to the Sheyenne River closure structure located north of County Road 10. Reach III project will begin at the Sheyenne River closure structure located north of County Road 10 and proceed downstream to the Red River of the North.

The proposed work includes the removal of all fallen trees, standing trees in imminent danger of falling into the channel, driftwood, snags, loose stumps and trunks, and standing stumps that are encountered within the Sheyenne River channel and lodged and/or leaning on the immediate bank slopes between the upstream and downstream limits. All snagged material will be disposed of properly.

The project engineer's total cost estimate is $630,000, of which $577,500 is determined eligible for state cost participation as a snag and clear project at 50 percent of the eligible costs ($288,750). The request before the State Water Commission is for a 50 percent state cost participation in the amount of $288,750.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $288,750 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support the Sheyenne River snag and clear project, Reaches I, II, and III.

It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $288,750 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support the Sheyenne River snag and clear project, Reaches I, II, and III. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

CITY OF VALLEY CITY SHEYENNE RIVER SNAG AND CLEAR PROJECT - APPROVAL OF STATE COST PARTICIPATION ($75,000) (SWC Project No. 2019)

A request from the city of Valley City was presented for the State Water Commission's consideration for state cost participation for their project to snag and clear the Sheyenne River within the city limits of Valley City. The removal of trees and woody debris will assist with the flow of the river and prevent damage to structures.

The proposed work involves the removal of all fallen trees, standing trees in imminent danger of falling into the channel, driftwood, snags, loose stumps and trunks, and standing stumps which are encountered within the Sheyenne River channel that are lodged and/or leaning on the immediate bank slopes between the upstream and downstream limits. All snagged material will be disposed of properly.

The project engineer's total cost estimate is $150,000, all of which is determined eligible for state cost participation as a snag and clear project at 50 percent of the eligible costs ($75,000). The request before the State Water Commission is for a 50 percent state cost participation in the amount of $75,000.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $75,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the city of Valley City to support the Sheyenne River snag and clear project.

It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $75,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the city of Valley City to support the Sheyenne River snag and clear project. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

WILD RICE RIVER SNAG AND CLEAR PROJECT (CASS COUNTY) - APPROVAL OF STATE COST PARTICIPATION ($110,000) (SWC Project No. 1842)

A request from the Southeast Cass Water Resource District was presented for the State Water Commission's consideration for state cost participation for their project to snag and clear a reach of the Wild Rice River beginning at State Highway 46 downstream to the Red River of the North. The project will help to reduce flood damages by reducing the danger of log jams and increasing the channel capacity.

The snag and clear work includes the removal of all fallen trees, standing trees in imminent danger of falling into the channel, driftwood, snags, loose stumps and trunks, and standing stumps that are encountered within the Wild Rice River channel and are lodged/leaning on the immediate bank slopes between upstream and downstream limits. All snagged material will be disposed of properly.

The project engineer's total cost estimate is $240,000, of which $220,000 is determined eligible for state cost participation as a snag and clear project at 50 percent of the eligible costs ($110,000). The request before the State Water Commission is for a 50 percent state cost participation in the amount of $110,000.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $110,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support the Wild Rice River snag and clear project.

It was moved by Commissioner Thompson and seconded by Commissioner Vosper that the State Water Commission approve state cost participation as a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $110,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support the Wild Rice River snag and clear project. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

RED RIVER BASIN DISTRIBUTED DETENTION PLAN STUDY - APPROVAL OF STATE COST PARTICIPATION ($560,000) (SWC Project No. 1705)

On September 21, 2011, the State Water Commission approved a request from the Red River Joint Water Resource District for state cost participation as a feasibility study at 50 percent of the eligible costs not to exceed an allocation of $60,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020) to support the Red River Watershed Feasibility Study, Phase II. The feasibility study included HEC-HMS hydrology models for the following sub-watersheds, which are nearing completion: Pembina River; local sub-watershed located between the Park River and the Pembina River; Park River; Forest River; Turtle River; Cole Creek, Buffalo Coulee, English Coulee; and the Goose River.

The District intends to use the new models to develop a distributed detention plan for those previously listed sub-watersheds. Both on-channel and off-channel sites will be analyzed. The new hydrology models will be able to route flood flows through each site, determining the effectiveness of the downstream peak flow reduction at damage points within each sub-watershed and at the downstream end of it. Multiple sites will be analyzed to determine the best plan in order to meet the peak flow reduction goal for each sub-watershed.

A similar effort is underway for the sub-watersheds located further to the south in North Dakota. All of the sub-watersheds in the Red River watershed in North Dakota will have a similar type of analysis completed upon completion of this proposal. The information obtained may be critical in order to be eligible for possible federal funding that may become available through the efforts of the Red River Retention Authority.

The project engineer's total cost estimate for the study is $1,120,000, of which all is determined eligible for a 50 percent state cost participation of the eligible costs ($560,000). The request before the State Water Commission is for a 50 percent state cost participation in the amount of $560,000.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as an engineering study at 50 percent of the eligible costs, not to exceed an allocation of $560,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Red River Joint Water Resource District to support the Red River Basin Distributed Detention Plan Study.

It was moved by Commissioner Thompson and seconded by Commissioner Swenson that the State Water Commission approve state cost participation as an engineering study at 50 percent of the eligible costs, not to exceed an allocation of $560,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Red River Joint Water Resource District to support the Red River Basin Distributed Detention Plan Study. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

WARWICK DAM REPAIRS PROJECT (EDDY COUNTY) - APPROVAL OF STATE COST PARTICIPATION ($110,150) (SWC Project No. 240)

A request from the Eddy County Water Resource District was presented for the State Water Commission's consideration for state cost participation for their Warwick Dam repairs project. The dam was constructed in 1933, modified in 1952, and is regulated and inspected by the State Water Commission. Warwick Dam is located on the Sheyenne River south of the city of Warwick, and is classified as a low-hazard dam.

Severe erosion of the soil has occurred on the north and south abutments and the bank downstream. In a report prepared by Interstate Engineering, the preferred alternative included driving sheet piling, backfilling, and repairing the north and south abutments. Rock riprap would be placed in the river channel on the downstream side of the dam to help provide fish passage on the existing dam.

The project engineer's total estimate is $297,750, of which $258,500 is determined eligible for cost participation. The U.S. Fish and Wildlife Service has committed $27,500 to the project, leaving a balance of $231,000 for a 65 percent state cost participation as a dam safety project ($150,150). Of this amount ($150,150), the North Dakota Game and Fish Department has committed $40,000. The request before the State Water Commission is for a 65 percent state cost participation in the amount of $110,150 (eligible costs of $150,150 less State Game and Fish Department commitment - $40,000).

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a dam safety project at 65 percent of the eligible costs, not to exceed an allocation of $110,150 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Eddy County Water Resource District to support the Warwick Dam repairs project.

It was moved by Commissioner Hanson and seconded by Commissioner Berg that the State Water Commission approve state cost participation as a dam safety project at 65 percent of the eligible costs, not to exceed an allocation of $110,150 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Eddy County Water Resource District to support the Warwick Dam repairs project. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

WARD COUNTY FLOOD PROTECTION PROJECT, PHASES II AND III - APPROVAL OF ADDITIONAL STATE COST PARTICIPATION (2011 SENATE BILL 2371 - $6,785,205) ($6,620,000-PHASE II; $165,205-PHASE III) (SWC Project No. 1523-05)

On February 2, 2012, the State Water Commission approved a request from the Ward County Commission for state cost participation at 75 percent of the eligible costs not to exceed an allocation of $11,500,000 from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371 to support the county's flood protection project, Phase I. The county intended to acquire 56 properties in this phase of the acquisition program, at an estimated purchase price of $15,300,000.

On June 13, 2013, the State Water Commission approved the Ward County flood protection project, Phase II, and authorized that the allocation approved on February 2, 2012 ($11,500,000) be available to acquire the properties for either Phase I or Phase II. No additional state cost participation was approved at this meeting.

The Ward County Commission has proposed to acquire 27 properties for Phase II in their acquisition program for permanent flood control. The estimated purchase price for these properties is $8,820,000, all of which is determined eligible for state cost participation at 75 percent of the eligible costs ($6,620,000).

The Ward County Commission has also identified two residential properties which were impacted by the flooding of the Mouse River. The properties include an outlot to property 84 that is located on Highway 2 East, and a property that is needed for access in the Brooks Addition. The estimated purchase price to acquire both of these properties is $220,273, all of which is determined eligible for state cost participation at 75 percent of the eligible costs ($165,205), Phase III.

A request from the Ward County Commission was presented for the State Water Commission's consideration for state cost participation for an additional $6,785,205 ($6,620,000 for Phase II and $165,205 for Phase III). The city has provided the information required under the State Water Commission's floodway property acquisition cost share policy. The request before the State Water Commission is for a 75 percent state cost participation in the amount of $6,785,205 for Phases II and III.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation at 75 percent of the eligible costs, not to exceed an additional allocation of $6,785,205 ($6,620,000 - Phase II; $165,205 - Phase III) from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371, to the Ward County Commission to support the county's flood protection project, Phases II and III. The Commission's affirmative action would increase the total state cost allocation to $18,285,205.

It was moved by Commissioner Foley and seconded by Commissioner Berg that the State Water Commission approve state cost participation at 75 percent of the eligible costs, not to exceed an additional allocation of $6,785,205 ($6,620,000 - Phase II; $165,205 - Phase III) from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371, to the Ward County Commission to support the county's flood protection project. This action is contingent upon the availability of funds, and the criteria stipulated in the State Water Commission's floodway property acquisition cost share policy.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

This action increases the total State Water Commission's cost financial allocation to $18,285,205 for the Ward County flood protection project, Phases I, II and III.

STATE WATER COMMISSION COST SHARE POLICY APPROVAL RELATING TO PRE-APPLICATION PROCESS FOR CONDITIONAL APPROVALS (SWC Project No. 1753)

The State Water Commission's policy committee and others met on September 17, 2012. There were several items of discussion including the implementation of a process for cost share conditional approvals.

The current policy, approved by the State Water Commission on May 2, 2002, allows for the conditional approval of cost share requests for the construction of rural assessment drains. The specific policy states:

> *Allow conditional approval of drainage projects, subject to a six-month time limit, for receiving a positive local assessment vote; requests for time extensions could be granted at the State Water Commission's discretion.*

Allowing the Commission's conditional approval for rural assessment drains prior to final project development was intended to facilitate the water resource district in securing a positive assessment vote. The conditional approval is contingent upon the satisfaction of the required permits, receipt of the final engineering plans, and a positive assessment vote. Delays in completing these requirements have resulted in multiple reviews for the redesign of the project, increased project costs, and generally requires additional approval of funding from the Commission. These multiple reviews also result in time delays for reviewing funding requests for other projects, prolonged development of project agreements, and extending the processing time for cost share payment.

The development of a pre-application process would result in a shorter funding timeline from Commission approval to project payment. The proposed pre-application process was discussed, and policy changes were presented for the State Water Commission's consideration.

It was the recommendation of Secretary Sando that the State Water Commission approve the implementation of a pre-application process for state cost participation in the construction of rural assessment drains, effective December 7, 2012.

> ***It was moved by Commissioner Berg and seconded by Commissioner Olin that the State Water Commission approve the implementation of a pre-application process for state cost participation in the construction of rural assessment drains, effective December 7, 2012.***

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

SAFE DRINKING WATER ACT - APPROVAL OF PROJECT PRIORITY LIST IN FY 2013 INTENDED USE PLAN, DATED NOVEMBER 20, 2012 (SWC File AS-HEA)

The Drinking Water State Revolving Loan Fund was authorized by Congress in 1996 under the Safe Drinking Water Act with the intention of assisting public water systems in complying with the Act. Funding in North Dakota for public water systems is in the form of a loan program administered by the Environmental Protection Agency through the North Dakota Department of Health. North Dakota Century Code ch. 61-28.1, Safe Drinking Water Act, gives the Department the powers and duties to administer and enforce the Safe Drinking Water Act and to administer the program.

Section 1452(b) of the Safe Drinking Water Act requires each state to annually prepare an Intended Use Plan. The plan is to describe how the state intends to use the funds to meet the program objectives and further the goal of protecting public health. A public review period is required prior to submitting the annual plan to the Environmental Protection Agency as part of the capitalization grant application process. The North Dakota Department of Health held public hearings on the draft Intended Use Plan on November 13, 2012; no comments were received.

The State Water Commission's role in the program is defined in subsections 3 and 4 of ch. 61-28.1-12. Subsection 3 states that the Department shall administer and disburse funds with the approval of the State Water Commission. Subsection 4 states that the Department shall establish assistance priorities and expend grant funds pursuant to the priority list for the Drinking Water State Revolving Loan Fund after consulting with and obtaining the approval of the State Water Commission.

David Bruschwein, North Dakota Department of Health, presented the Fiscal Year 2013 Intended Use Plan for the North Dakota Drinking Water Revolving Loan Fund, dated November 20, 2012, for the State Water Commission's consideration. The 2013 Intended Use Plan is attached hereto as ***APPENDIX "C"***. The comprehensive project priority list includes 172 projects, with a cumulative total project cost of $690,000,000 for Fiscal Years 1997 through 2013. The fundable list for Fiscal Year 2013 is anticipated to be approximately $20,000,000.

It was the recommendation of Secretary Sando that the State Water Commission approve the project priority list for Fiscal Year 2013 as listed in the Intended Use Plan, dated November 20, 2012, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2013 program funds pursuant to the 2013 Intended Use Plan.

It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve the project priority list for Fiscal Year 2013 as listed in the Intended Use Plan, dated November 20, 2012, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2013 program funds pursuant to the 2013 Intended Use Plan.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

FARGO-MOORHEAD (FM) AREA DIVERSION PROJECT REPORT (SWC Project No. 1928)

Keith Berndt, Fargo, representing Cass county, provided a status report on the Fargo-Moorhead Area Diversion project. The U.S. Army Corps of Engineers posted its Final Feasibility Study and Environmental Impact Statement (FEIS) on September 28, 2011, with the 30-day public comment period ending in November, 2011.

The Corps of Engineers has revised the diversion channel alignment and associated features since publishing its FEIS. The changes are intended to reduce overall project costs and impacts to Richland and Wilkin counties, reduce the number of homes impacted, and would allow for increased efficiency and operation of the diversion channel. A public meeting and comment period on the revised diversion channel alignment and associated features will be held in May, 2013, and the National Environmental Policy Act (NEPA) process is scheduled for completion in July, 2013.

2013 FISCAL YEAR FEDERAL MR&I WATER SUPPLY PROGRAM - SOUTHWEST PIPELINE PROJECT, APPROVAL OF ADDITIONAL GRANT ($850,000) (SWC Project No. 1736-05)

The 2013 proposed federal budget includes funding for the Garrison Diversion Unit, of which $1,095,000 is for funding projects under the North Dakota Municipal, Rural and Industrial (MR&I) Water Supply program for the following: Southwest Pipeline Project - $850,000; Administration - $245,000.

Federal Fiscal Year 2013 MR&I grant funds have been recommended in the amount of $850,000 for the Southwest Pipeline Project, Oliver-Mercer-North Dunn regional service area for Contract 5-17, Dunn Center water storage tank. The city of Killdeer would be served with installation of the main transmission pipeline to the storage tank. The tank would provide water for the communities of Dunn Center, Halliday, Dodge, and Golden Valley to come from the Zap water treatment plant which will ultimately free-up capacity at the Dickinson water treatment plant. The estimated project cost is $2,600,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a federal Fiscal Year 2013 MR&I grant, not to exceed an allocation of $850,000, to the Southwest Pipeline Project.

It was moved by Commissioner Vosper and seconded by Commissioner Foley that the State Water Commission approve a federal Fiscal Year 2013 MR&I Water Supply program grant, not to exceed an allocation of $850,000, to the Southwest Pipeline Project. This action is contingent upon the availability of funds, satisfaction of the federal MR&I Water Supply program requirements, and is subject to future revisions.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

SOUTHWEST PIPELINE PROJECT - PROJECTS REPORT (SWC Project No. 1736-05)

The Southwest Pipeline Project report was presented, which is detailed in the staff memorandum dated November 16, 2012, attached hereto as ***APPENDIX "D".***

SOUTHWEST PIPELINE PROJECT - APPROVAL OF CAPITAL REPAYMENT RATES, AND REPLACEMENT AND EXTRAORDINARY MAINTENANCE RATES FOR 2013 (SWC Project No. 1736)

Under the Agreement for the Transfer of Management, Operations, and Maintenance Responsibilities for the Southwest Pipeline Project, the Southwest Water Authority is required to submit a budget to the State Water Commission's secretary by December 15 of each year. The budget is deemed approved unless the Commission's secretary notifies the Authority of his disapproval by February 15. The Southwest Water Authority submitted its proposed budget in December, 2012.

On October 19, 1998, the State Water Commission approved an amendment to the Transfer of Operations Agreement, which changed the Consumer Price Index (CPI) date used for calculating the project's capital repayment rates from January 1 to September 1. This amendment was necessary to bring the transfer of operations into line with the water service contracts and streamline the budget process. The agreement specifies that the water rates for capital repayment be adjusted annually based on the Consumer Price Index; the September 1, 2012 CPI was 230.4 versus 226.5 on September 1, 2011. The State Water Commission has the responsibility of adjusting the capital repayment rates annually.

The rate for replacement and extra-ordinary maintenance (REM) was approved by the State Water Commission at its February 9, 1999 meeting at $0.35 per thousand gallons. The original rate of $0.30 per thousand gallons was approved in 1991. Based on a recent study conducted by Bartlett & West/AECOM to determine the REM rate, which included the entire present and future planned infrastructure for the Southwest Pipeline Project, it is proposed to increase the REM rate to $0.40 from $0.35 per thousand gallons.

At the June 22, 2005 meeting, the State Water Commission approved the 2005 capital repayment rate for rural users in Morton county receiving water through the Missouri West Water system transmission pipelines at $22.00 per month. Applying the Consumer Price Index adjustment to this figure results in a 2013 rate for these users of $26.76 per month.

In preparation of the budget for 2013, the Southwest Water Authority proposed an $18.25 per thousand gallons water rate for oil industry contracts, which is an increase from the $18.00 per thousand gallons rate approved for 2012. The capital repayment rate for oil industry contracts, other than the proposed Dickinson water depot built by the Southwest Water Authority, is proposed to increase to $6.11 from the $6.09 per thousand gallons, and increasing the REM rate to $1.00 from $0.85 per thousand gallons.

The capital repayment for the Dickinson water depot is proposed at $2.22 per thousand gallons with the REM rate at $1.00 per thousand gallons.

It was the recommendation of Secretary Sando that the State Water Commission concur with the proposed 2013 Southwest Pipeline Project capital repayment and replacement and extraordinary rates as presented. These proposed rates were approved by the Southwest Water Authority board of directors on December 4, 2012:

Capital repayment for contract and rural customers:

Contract users	$ 1.11 per thousand gallons
Morton county with water service from Missouri West Water System	$ 26.76 per month
Other rural users	$ 33.78 per month

Capital Repayment for oil industry contracts:

City of Dickinson water depot	$ 2.22 per thousand gallons
Other oil industry contracts	$ 6.11 per thousand gallons

Replacement and extraordinary maintenance (REM):
(Note: These REM proposed rates are subject to the Southwest Water Authority board of directors approval.)

Contract and rural users	$ 0.40 per thousand gallons
Oil industry contracts	$ 1.00 per thousand gallons

It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve the proposed 2013 capital repayment and replacement and extraordinary maintenance rates for the Southwest Pipeline Project as recommended.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

DEVILS LAKE HYDROLOGIC, AND PROJECTS UPDATES (SWC Project No. 416-10)

The Devils Lake hydrologic report, and project updates were provided, which are detailed in the staff memorandum, dated November 19, 2012, attached as ***APPENDIX "E".***

DEVILS LAKE WEST END OUTLET - DENNIS JOHNSON MITIGATION, APPROVAL OF STATE FUNDS ($59,184) FOR COMPENSATION OF DAMAGES TO CROPLAND (SWC Project No. 416-10)

During the summer of 2012, it was reported that ground water was impacting crops near the open channel of the Devils Lake west end outlet in Section 26, Township 152 North, Range 68 West. The State Water Commission staff conducted an investigation and determined that outlet water from the channel was contributing to moisture in the field, although the exact area involved could not be determined.

The Devils Lake mitigation application was submitted by Dennis Johnson to the State Water Commission in November, 2012 claiming that 80 acres of the cropland was impacted by standing water or the ground was saturated. It was determined that the average yield of the crop not affected by the water was 116.2 bushels per acre; the 80.0 acres impacted by the water averaged approximately 8 bushes per acre.

The mitigation claim submitted by Mr. Johnson was for 8,640 bushes at $6.85 per bushel. Negotiations between the State Water Commission staff and Dennis Johnson determined an offer of $59,184 would be an appropriate compensation for the crop damages.

It was the recommendation of Secretary Sando that the State Water Commission approve an allocation not to exceed $59,184 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), as compensation to Dennis Johnson for crop damages caused from the Devils Lake west end outlet.

It was moved by Commissioner Berg and seconded by Commissioner Foley that the State Water Commission approve an allocation not to exceed $59,184 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), as compensation to Dennis Johnson for crop damages caused from the Devils Lake west end outlet. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

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

The Northwest Area Water Supply (NAWS) project and construction status reports were provided, which are detailed in the staff memorandum dated November 20, 2012, and attached hereto as ***APPENDIX "F".***

MOUSE RIVER ENHANCED FLOOD PROTECTION PROJECT STATUS REPORT (SWC Project No. 1974-01)

The Mouse River Enhanced Flood Protection project status report was provided, which is detailed in the staff memorandum of November 20, 2012, attached hereto as ***APPENDIX "G"***.

PROPOSED LEGISLATION FOR CONSIDERATION DURING SIXTY-THIRD LEGISLATIVE ASSEMBLY OF NORTH DAKOTA (2013)

On November 27, 2012, the State Water Commission concurred with the following proposed agency bill drafts, attached hereto as ***APPENDIX "H"***, which were prefiled with the North Dakota Legislative Council on December 6, 2012 to be considered by the Sixty-third Legislative Assembly of North Dakota (2013):

1) A BILL for an Act to amend and reenact section 24-03-08 of the North Dakota Century Code, relating to liability of the state engineer for determinations of surface water flow and appropriate highway construction.

The proposed change will provide the state engineer with the same liability protection as the Department of Transportation, county, and township have when determining surface water flows for highway construction.

2) A BILL for an Act to amend and reenact section 61-02-01 of the North Dakota Century Code, relating to the term "unnavigable"; and to repeal sections 61-15-01, 61-15-02, and 61-15-08 of the North Dakota Century Code, relating to water conservation.

The amendment to 61-02-01 replaces the term "unnavigable" with the term "nonnavigable" because "nonnavigable" is the language used by courts.

3) A BILL for an Act to amend and reenact section 61-02-09 of the North Dakota Century Code, relating to the state water commission acting as a public corporation.

This amendment will officially make the State Water Commission a state agency instead of a public corporation.

4) A BILL for an Act to amend and reenact section 61-03-23 of the North Dakota Century Code, relating to penalties for violation of provisions for the appropriation of water, and to declare an emergency.

This amendment would increase the civil penalty the state engineer is allowed to fine for violations of North Dakota Century Code title 61 from $5,000 per day to $15,000 per day.

5) A BILL for an Act to amend and reenact section 61-16.1-38 of the North Dakota Century Code, relating to a permit to construct or modify a dam, dike or other device.

The proposed amendment clarifies that if the local water resource board fails to respond within the 45 days to permit applications for water storage, obstruction, or diversion, it shall be determined the board has no changes, conditions, or modifications.

6) A BILL for an Act to amend and reenact sections 61-16.1-53, 61-16.1-53.1, 61-32-07, and 61-32-08 of the North Dakota Century Code, relating to appeals of removal or closing of a noncomplying dam, dike, other device, and drains.

These amendments will clarify the appeals process for landowners with unauthorized dikes, dams, drains, etc., and will make the process consistent for all landowners regardless of when the structure was constructed.

7) A BILL for an Act to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the sale of property owned by the state water commission obtained for construction of the northwest area water supply project.

This proposed new section, which falls under the Northwest Area Water Supply Project chapter, would give the Commission the authority to sell, transfer, or exchange up to five acres of the unnecessary parcel to the current owner of the parent parcel from which the unnecessary parcel was taken.

8) A BILL for an Act to amend and reenact sections 61-36-01, 61-36-02, and 61-36-04 of the North Dakota Century Code, relating to the composition and duties of the Devils Lake outlets management advisory committee; and to repeal section 61-36-03 of the North Dakota Century Code, relating to the compensation and expenses of the Devils Lake outlet management advisory committee.

This bill will combine the two Devils Lake outlet advisory committees into a single advisory committee. It also removes the task of preparing an operating plan.

MISSOURI RIVER REPORT (SWC Project No. 1392)

The Missouri River report was provided, which is detailed in the staff memorandum dated November 20, 2012, and attached hereto as ***APPENDIX "I"***.

WESTERN AREA WATER SUPPLY (WAWS) REPORT (SWC Project No. 1973)

The Western Area Water Supply project report was provided, which is detailed in the staff memorandum dated November 21, 2012, and attached as ***APPENDIX "J".***

GARRISON DIVERSION CONSERVANCY DISTRICT (SWC Project No. 237)

Dave Koland, Garrison Diversion Conservancy District general manager, provided a status report relating to the efforts of the Red River Valley Water Supply project, and the District's ongoing activities.

There being no additional business to come before the State Water Commission, Governor Dalrymple adjourned the meeting at 11:20 a.m.

Jack Dalrymple, Governor
Chairman, State Water Commission

Todd Sando, P.E.
North Dakota State Engineer,
and Chief Engineer-Secretary
to the State Water Commission

APPENDIX "A"
December 7, 2012

STATE WATER COMMISSION
ALLOCATED PROGRAM EXPENDITURES
FOR THE PERIOD ENDED OCTOBER 31, 2012
BIENNIUM COMPLETE: 67%

PROGRAM	SALARIES/ BENEFITS	OPERATING EXPENSES	GRANTS & CONTRACTS	19-Nov-12 PROGRAM TOTALS
ADMINISTRATION				
Allocated	1,926,299	1,303,575		3,229,874
Expended	1,285,637	691,267		1,976,905
Percent	67%	53%		61%
			Funding Source:	
			General Fund:	1,868,693
			Federal Fund:	108,211
			Special Fund:	0
PLANNING AND EDUCATION				
Allocated	1,285,138	212,198	99,000	1,596,336
Expended	685,709	103,344	58,092	847,144
Percent	53%	49%	59%	53%
			Funding Source:	
			General Fund:	669,887
			Federal Fund:	107,658
			Special Fund:	69,600
WATER APPROPRIATION				
Allocated	3,949,169	446,511	1,130,000	5,525,680
Expended	2,570,941	371,796	560,932	3,503,668
Percent	65%	83%	50%	63%
			Funding Source:	
			General Fund:	3,243,387
			Federal Fund:	4,188
			Special Fund:	256,093
WATER DEVELOPMENT				
Allocated	5,634,922	9,772,937	265,000	15,672,859
Expended	3,374,902	5,812,575	309,580	9,497,057
Percent	60%	59%	117%	61%
			Funding Source:	
			General Fund:	3,890,151
			Federal Fund:	1,308,567
			Special Fund:	4,298,338
STATEWIDE WATER PROJECTS				
Allocated			375,881,750	375,881,750
Expended			179,531,071	179,531,071
Percent			48%	48%
			Funding Source:	
			General Fund:	0
			Federal Fund:	219,037
			Special Fund:	179,312,033
ATMOSPHERIC RESOURCE				
Allocated	901,205	712,307	4,694,692	6,308,204
Expended	600,535	229,772	1,180,264	2,010,570
Percent	67%	32%	25%	32%
			Funding Source:	
			General Fund:	746,509
			Federal Fund:	0
			Special Fund:	1,264,061
SOUTHWEST PIPELINE				
Allocated	437,264	6,201,500	38,744,857	45,383,621
Expended	335,583	2,092,930	23,590,903	26,019,416
Percent	77%	34%	61%	57%
			Funding Source:	
			General Fund:	0
			Federal Fund:	15,758,244
			Special Fund:	10,261,172
NORTHWEST AREA WATER SUPPLY				
Allocated	604,626	5,235,500	49,976,971	55,817,097
Expended	323,646	2,795,784	15,858,607	18,978,038
Percent	54%	53%	32%	34%
			Funding Source:	
			General Fund:	0
			Federal Fund:	2,208,640
			Special Fund:	16,769,398
PROGRAM TOTALS				
Allocated	14,738,623	23,884,528	470,792,270	509,415,421
Expended	9,176,953	12,097,468	221,089,448	242,363,869
Percent	62%	51%	47%	48%

FUNDING SOURCE:	ALLOCATION	EXPENDITURES	REVENUE	
GENERAL FUND	14,995,199	10,418,627	GENERAL FUND:	51,112
FEDERAL FUND	53,984,383	19,714,545	FEDERAL FUND:	20,505,382
SPECIAL FUND	440,435,838	212,230,696	SPECIAL FUND:	215,703,567
TOTAL	509,415,420	242,363,869	TOTAL:	236,260,062

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2011-2013 BIENNIUM

Oct-12

	BUDGET	SWC/SE APPROVED	OBLIGATIONS EXPENDITURES	REMAINING UNOBLIGATED	REMAINING UNPAID
CITY FLOOD CONTROL					
FARGO/RIDGEWOOD	50,941	50,941	0	0	50,941
FARGO	66,473,088	66,473,088	23,007,384	0	43,465,704
GRAFTON	7,175,000	7,175,000	0	0	7,175,000
MINOT	4,476,750	4,476,750	3,254,974	0	1,221,776
WAHPETON	1,013,000	1,013,000	0	0	1,013,000
FLOODWAY PROPERTY ACQUISITIONS					
MINOT	17,750,000	17,750,000	1,366,078	0	16,383,922
BURLINGTON	1,071,345	1,071,345	1,071,345	0	0
WARD COUNTY	11,500,000	11,500,000	1,213,813	0	10,286,187
VALLEY CITY	3,000,000	3,000,000	0	0	3,000,000
BURLEIGH COUNTY	1,425,000	1,425,000	0	0	1,425,000
SAWYER	184,260	184,260	0	0	184,260
LISBON	645,000	645,000	0	0	645,000
UNOBLIGATED SB 2371	9,310,245			9,310,245	0
				0	
FLOOD CONTROL					
BURLEIGH COUNTY	1,282,400	1,282,400	0	0	1,282,400
RICE LAKE RECREATION DISTRICT	2,842,200	2,842,200	0	0	2,842,200
RENWICK DAM	1,246,571	1,246,571	154,973	0	1,091,598
WATER SUPPLY					
REGIONAL & LOCAL WATER SYSTEMS	26,652,898	25,517,910	12,783,512	1,134,988	12,734,398
VALLEY CITY WATER TREATMENT PLANT	15,386,800	15,386,800	14,585,995	0	800,805
FARGO REVERSE OSMOSIS PILOT STUDY	15,000,000	15,000,000	285,348	0	14,714,652
RED RIVER WATER SUPPLY	62,224	62,224	0	0	62,224
WESTERN AREA WATER SUPPLY	25,000,000	25,000,000	25,000,000	0	0
SOUTHWEST PIPELINE PROJECT	24,019,199	24,019,199	10,261,172	0	13,758,027
NORTHWEST AREA WATER SUPPLY	19,432,008	19,432,008	9,887,231	0	9,544,777
IRRIGATION DEVELOPMENT	3,608,353	1,097,422	883,923	2,510,931	213,499
GENERAL WATER MANAGEMENT					
OBLIGATED	29,232,242	29,232,242	5,607,248	0	23,624,994
UNOBLIGATED	939,766			939,766	0
DEVILS LAKE					
BASIN DEVELOPMENT	92,340	92,340	19,362	0	72,978
DIKE	15,534,603	15,534,603	12,254,158	0	3,280,445
OUTLET	2,420,212	2,420,212	1,527,290	0	892,922
OUTLET OPERATIONS	6,215,627	6,215,627	4,211,754	0	2,003,873
DL TOLNA COULEE DIVIDE	4,366,720	4,366,720	4,261,738	0	104,982
DL EAST END OUTLET	71,848,290	62,942,273	57,205,956	8,906,017	5,736,317
DL GRAVITY OUTFLOW CHANNEL	13,720,185	13,720,185	33,346		13,686,839
DL JOHNSON FARMS STORAGE	125,000	125,000	0	0	125,000
WEATHER MODIFICATIONS	894,314	894,314	591,679	0	302,635
TOTALS	403,996,582	381,194,634	189,468,279	22,801,948	191,726,355

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2011-2013 Biennium

PROGRAM OBLIGATION

Approved By	SWC No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	*Oct-12* Balance
				City Flood Control:				
SWC	1927	5000	City of Fargo	Fargo/Ridgewood Flood Control Project	6/22/2005	50,941	0	50,941
SB 2020	1928	5000	City of Fargo	Fargo Flood Control Project	6/23/2009	66,473,088	23,007,384	43,465,704
SWC	1771	5000	City of Grafton	Grafton Flood Control Project	3/11/2010	7,175,000	0	7,175,000
SB 2371	1974-01	5000	Souris River Joint WRD	Mouse River Enhanced Flood Control Project Phase I	9/21/2011	2,500,000	2,499,988	12
SB 2371	1974-01	5000	Souris River Joint WRD	Mouse River Enhanced Flood Control Project Phase II	6/13/2012	1,828,000	680,596	1,147,404
SB 2371	1974-06	5000	Souris River Joint WRD	Mouse River Enhanced Flood Control	12/9/2011	50,000	33,743	16,257
SB 2371	1974-07	5000	Souris River Joint WRD	Mouse River Enhanced Flood Control Project Phase III	6/13/2012	98,750	40,648	58,102
SWC	518	5000	City of Wahpeton	Wahpeton Flood Control	7/1/2011	1,013,000	0	1,013,000
				Subtotal City Flood Control		***79,188,779***	***26,262,358***	***52,926,421***
				Floodway Property Acquisitions:				
SB 2371	1993-05	5000	City of Minot	Minot Phase 1 - Floodway Acquisitions	1/27/2012	17,750,000	1,366,078	16,383,922
SB 2371	1987-05	5000	City of Burlington	Burlington Phase 1 - Floodway Acquisitions	1/27/2012	1,071,345	1,071,345	0
SB 2371	1523-05	5000	Ward County	Ward County Phase 1 & 2 - Floodway Acquisitions	1/27/2012	11,500,000	1,213,813	10,286,187
SB 2371	1504-05	5000	ValleyCity	Valley City Phase 1 - Floodway Acquisitions	12/9/2011	3,000,000	0	3,000,000
SB 2371	1992-05	5000	Burleigh Co. WRD	Burleigh Co. Phase 1 - Floodway Acquisitions	3/7/2012	1,425,000	0	1,425,000
SB 2371	2000-05	5000	City of Sawyer	Sawyer Phase 1 - Floodway Acquisitions	6/13/2012	184,260	0	184,260
	1991-05	5000	City of Lisbon	Lisbon - Floodway Acquisition	3/7/2012	645,000	0	645,000
				Subtotal Floodway Property Acquisitions		***35,575,605***	***3,651,236***	***31,924,369***
				Flood Control:				
SB 2371	1992-01	5000	Burleigh Co. WRD	Burleigh County's Tavis Road Storm Water Pump Statio	6/13/2012	1,282,400	0	1,282,400
	1997	5000	Rice Lake Recreation D	Rice Lake Flood Control	6/13/2012	2,842,200	0	2,842,200
SWC	849	5000	Pembina Co. WRD	Renwick Dam Rehabilitation	5/17/2010	1,246,571	154,973	1,091,598
				Subtotal Flood Control		***5,371,171***	***154,973***	***5,216,198***
SWC				***Water Supply Advances:***				
	2373-09	5000	Garrison Diversion	South Central RWD (Phase II)	6/23/2008	160,069	160,069	0
	2373-31	5000	Garrison Diversion	North Central Rural Water Consortium (Anamoose/Ben	6/23/2008	3,295,000	2,784,779	510,221
	2373-24	5000	Garrison Diversion	Traill Regional Rural Water (Phase III)	8/18/2009	2,355,670	1,281,182	1,074,489
				Water Supply Grants:				
	2373-17	5000	City of Parshall	City of Parshall	6/23/2008	490,452	0	490,452
	2373-18	5000	R & T Water Supply	Ray & Tioga Water Supply Association	12/17/2008	1,868,153	1,868,153	0
	2373-25	5000	Garrison Diversion	McKenzie Phase II	6/23/2009	868,327	868,327	0
	2373-28	5000	Garrison Diversion	McKenzie Phase IV	3/11/2010	2,352,244	2,352,244	0
	2373-29	5000	City of Wildrose	City of Wilrose - Crosby Water Supply	7/28/2010	97,218	0	97,218
	2373-32	5000	North Central Rural Wat	North Central Rural Water Consortium (Berthold-Carpio	6/21/2011	3,150,000	43,888	3,106,112
	2373-33	5000	Stutsman Rural WRD	Stutsman Rural Water System	6/21/2011	6,800,000	2,909,315	3,890,685
	2373-35	5000	Grand Forks - Traill WR	Grand Forks - Traill County WRD	6/13/2012	3,700,000	221,625	3,478,375
				Subtotal Water Supply		***25,137,133***	***12,489,581***	***12,647,553***
				HB No. 1305 Permanent Oil Trust Fund				
	2373-21	5000	BDW Water Systems	Burke, Divide, Williams Water District	6/23/2009	189,415	102,569	86,846
	2373-22	5000	R & T Water Supply	Ray & Tioga Water Supply Association	6/23/2009	191,362	191,362	0
				Subtotal Permanent Oil Trust Fund		***380,777***	***293,931***	***86,846***
	2373-26	5000	Valley City	Valley City Water Treatment Plant	8/18/2009	15,386,800	14,585,995	800,805
	1984	5000	City of Fargo	Fargo Water Treatment Plant Reverse Osmosis Pilot St	6/13/2012	15,000,000	285,348	14,714,652
	1912	5000	Garrison Diversion	Red River Valley Water Supply Project	3/17/2008	62,224	0	62,224
HB 1206	1973	5000	Bank of ND	Western Area Water Supply	7/1/2011	25,000,000	25,000,000	0
	1736-05	8000	Mutiple	Southwest Pipeline Project	7/1/2011	24,019,199	10,261,172	13,758,027
	2374	9000	Mutiple	Northwest Area Water Supply	7/1/2011	19,432,008	9,887,231	9,544,777
				Subtotal Water Supply		***98,900,231***	***60,019,746***	***38,880,485***
				Irrigation Development:				
SWC	1389	5000	Bank of ND	BND AgPace Program	10/23/2001	98,907	36,289	62,618
SWC	AOC/IRA	5000	ND Irrigation Associatio	ND Irrigation Association	8/16/2011	100,000	50,000	50,000
SWC	1968	5000	Garrison Diversion	2009-11 McClusky Canal Mile Marker 7.5 Irrigation Proj	6/1/2010	898,515	797,634	100,881
				Subtotal Irrigation Development		***1,097,422***	***883,923***	***213,499***
				General Water Management				
				Hydrologic Investigations:		***900,000***		
SWC	1400/12	3000	Houston Engineering	Houston Engineering Water Permit Application Review	10/10/2010	8,500	6,441	2,059
SWC	1400/13	3000	Houston Engineering	Houston Engineering Water Permit Application Review	11/7/2011	17,000	12,778	4,222
	859	3000	Lori Bjorgen	Lori Bjorgen - Alternat Well Monitor	8/28/2012	0	0	0
	862/859	3000	Arletta Herman	Arletta Herman- Well Monitor	8/28/2012	3,556	3,556	0
	967	3000	Holly Messmer - McDan	Holly Messmer - McDaniel	4/19/2012	0	0	0
	1690	3000	Holly Messmer - McDan	Holly Messmer - McDaniel	4/19/2012	4,056	4,056	0
	1703	3000	Thor Brown	Thor Brown- Well Monitor	3/27/2012	4,676	4,676	0
	1707	3000	Thor Brown	Thor Brown- Well Monitor	4/26/2011	2,500	2,499	0
	1761	3000	Gloria Roth	Gloria Roth - Well Monitor	6/1/2011	1,035	1,035	0
	1761	3000	Fran Dobits	Fran Dobits - Well Monitor	6/1/2011	918	918	0
	1395A	3000	U. S. Geological Survey	US Geological Survey, US Dept. Of Interior Investigatio	10/18/2011	432,303	432,303	0
	1395D	3000	U. S. Geological Survey	Eaton Irrigation Project on the Souris River	7/13/2012	15,300	0	15,300
	1395	3000	U. S. Geological Survey	US Geological Survey, US Dept. Of Interior Upgrade of	4/14/2011	2,670	2,670	0
				Hydrologic Investigations Obligations Subtotal		***492,514***	***470,932***	***21,582***
				Remaining Hydrologic Investigations Authority		***407,487***		
				Hydrologic Investigations Authority Less Payments				

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PROGRAM OBLIGATION

Approved By	SWC No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	*Oct-12* Balance
				General Projects Obligated		***25,931,023***	***2,735,097***	***23,195,926***
				General Projects Completed		***2,401,220***	***2,401,220***	***0***
				Subtotal General Water Management		***29,232,242***	***5,607,248***	***23,624,994***
				Devils Lake Basin Development:				
SWC	416-01	5000	DLJWRB	Devils Lake Basin Joint Water Resource Manager	6/15/2011	60,000	0	60,000
SWC	416-02	5000	City of Devils Lake	City of Devils Lake Levee System Extension & Raise	7/1/2011	15,534,603	12,254,158	3,280,445
SWC	416-05	2000	Joe Belford	Devils Lake Outlet Awareness Manager	6/16/2011	32,340	19,362	12,978
SWC	416-07	5000	Multiple	Devils Lake Outlet	7/1/2011	2,420,212	1,527,290	892,922
SWC	416-10	4700	Operations	Devils Lake Outlet Operations	7/1/2011	6,215,627	4,211,754	2,003,873
SWC	416-13	5000	Multiple	DL Tolna Coulee Divide	7/1/2011	4,366,720	4,261,738	104,982
SWC	416-15	5000	Multiple	DL East End Outlet	7/1/2011	62,942,273	57,205,956	5,736,317
SWC	416-17	5000	Multiple	DL Emergency Gravity Outflow Channel	9/21/2011	13,720,185	33,346	13,686,839
SWC	416-18	5000	ND Game & Fish	DL Johnson Farms Water Storage Site	6/10/2011	125,000	0	125,000
				Devils Lake Subtotal		***105,416,960***	***79,513,603***	***25,903,357***
SWC		7600		Weather Modification	7/1/2011	894,314	591,679	302,635
				TOTAL		***381,194,634***	***189,468,279***	***191,726,355***

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GENERAL PROJECT OBLIGATIONS

Approved By	SWC No	Dept	Approved Biennum	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-12 Balance
HB 1020	1932	5000	2005-07	Nelson Co. WRD	Michigan Spillway Rural Flood Assessment Drain	8/30/2005	500,000	0	500,000
HB 2305	1963	5000	2009-11	Emmons County WRD	Beaver Bay Embankment Feasibilitly Study	8/10/2009	258,406	14,535	243,871
SB 2020	1131	5000	2009-11	Nelson Co. WRD	Flood Related Water Projects	6/1/2011	250,000	86,260	163,740
SB 2020	1986	5000	2011-13	USDA-APHIS ND Wildlife Se	USDA-APHIS North Dakota Wildlife Services - anima	6/1/2011	250,000	119,087	130,913
SE	1667	5000	2011-13	Traill Co. WRD	Goose River Snagging & Clearing	11/2/2012	46,750	0	46,750
SE	1934	5000	2011-13	Traill Co. WRD	Elm River Snaggin & Clearing Project	11/2/2012	44,000	0	44,000
SE	2001	5000	2011-13	Traill Co. WRD	Elm River Diversion Project	10/31/2012	17,300	0	17,300
SE	985	5000	2011-13	Grand Forks Co. WRD	Turtle River Snagging & Clearing Project	10/9/2012	13,000	0	13,000
SE	1993	5000	2011-13	Houston Engineering	Minot 100-yr Floodplain Map and Profiles	10/9/2012	10,000	0	10,000
SE	AOC/RRBC	5000	2011-13	Red River Basin Commission	Stream Gaging & Precipitation Network Study in the I	9/14/2012	20,000	0	20,000
SE	1681	5000	2011-13	U.S. Geological Survey	Repair & stabilization of the Missouri River bank adja	9/6/2012	28,000	0	28,000
SE	1175-1933	5000	2011-13	Ward Co. WRD	DFIRM Project - Mouse River Hydrology	8/10/2012	42,034	0	42,034
SE	1732	5000	2011-13	City of Beulah	Beulah Dam Emergency Action Plan	7/26/2012	20,440	0	20,440
SE	2003	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee S	7/26/2012	45,879	0	45,879
SE	1303	5000	2011-13	Sargent Co WRD	Shortfoot Creek Preliminary Soils Analysis & Hydrauli	6/29/2012	47,500	0	47,500
SE	2002	5000	2011-13	Grand Forks Co. WRD	Trutle River Dam #4 2012 EAP	6/29/2012	10,000	0	10,000
SE	2003	5000	2011-13	Southeast Cass WRD	Re-Certification of the Horace to West Fargo Diversi	6/29/2012	42,835	0	42,835
SE	2005	5000	2011-13	Grand Forks Co. WRD	Turtle River Dam #8 2012 EAP	6/29/2012	10,000	0	10,000
SE	2008	5000	2011-13	City of Mapleton	Mapleton Flood Control Levee Project	6/29/2012	24,410	0	24,410
SE	1998	5000	2011-13	Grand Forks Co. WRD	Upper Turtle River Dam #1 2012 EAP	6/28/2012	10,000	0	10,000
SE	1577	5000	2011-13	Burleigh Co. WRD	Fox Island 2012 Flood Hazard Mitigation Evaluation S	5/22/2012	23,900	0	23,900
SE	1814	5000	2011-13	Richland Co. WRD	Sheyenne River Snagging & Clearing Project	5/4/2012	47,500	0	47,500
SE	1689	5000	2011-13	Bottineau Co. WRD	Brander Drain #7 Improvement Project	4/19/2012	48,720	0	48,720
SE	1296	5000	2011-13	Pembina Co. WRD	Pembina Co. WRD/ Bourbanis Dam 2012 EAP	2/6/2012	10,000	0	10,000
SE	1296	5000	2011-13	Pembina Co. WRD	Pembina Co. WRD/ Goschke Dam 2012 EAP	2/6/2012	10,000	0	10,000
SE	1296	5000	2011-13	Pembina Co. WRD	Pembina Co WRD/ Herzog Dam 2012 EAP	2/6/2012	10,000	0	10,000
SE	1296	5000	2011-13	Pembina Co. WRD	Pembina Co WRD/ Weiler Dam 2012 EAP	2/6/2012	10,000	0	10,000
SE	1403	5000	2011-13	ND Water Resource Researc	ND Water Resources Research Institute - Fellowship	2/1/2012	13,850	0	13,850
SE	1296	5000	2011-13	Pembina Co. WRD	PembinaCo. WRD/Willow Creek Dam 2012 EAP	1/27/2012	10,000	0	10,000
SE	1312	5000	2011-13	Walsh Co. WRD	Walsh Co. WRD/Bylin Dam 2011 EAP	12/15/2011	14,800	0	14,800
SE	1312	5000	2011-13	Walsh Co. WRD	Walsh Co. WRD/ Melstad Dam 2011 EAP	12/15/2011	9,088	0	9,088
SE	1312	5000	2011-13	Walsh Co. WRD	Walsh Co. WRD/ Skyrud Dam 2011 EAP	12/15/2011	10,000	0	10,000
SE	1312	5000	2011-13	Walsh Co. WRD	Walsh Co. WRD/ Union Dam 2011 EAP	12/15/2011	10,000	0	10,000
SE	1312	5000	2011-13	Walsh Co. WRD	Walsh Co. WRD / Matejcek Dam 2011 EAP	12/14/2011	5,360	0	5,360
SE	391	5000	2011-13	Sargent Co WRD	Sargent Co WRD, Silver Lake Dam Emergency Repa	10/12/2011	2,800	0	2,800
SE	1303	5000	2011-13	Sargent Co WRD	Shortfoot Creek Watershed Feasibility Study	9/15/2011	8,390	890	7,500
SE	1301	5000	2011-13	City of Wahpeton	City of Wahpeton Water Reuse Feasibility Study/Rich	9/8/2011	2,500	0	2,500
SE	PS/WRD/MR	5000	2011-13	Missouri River Joint Board	Missouri River Joint Water Board, (MRJWB) Start up	8/2/2011	20,000	4,437	15,563
SE	1965	5000	2011-13	Dept. of Emergency Services	ND Silver Jackets Team Charter & Action Plan	7/1/2011	6,799	6,799	0
SE	1607	5000	2011-13	Ward Co. WRD	Flood Inundation Mapping of Areas Along Souris & D	6/15/2011	13,011	0	13,011
SE	PS/WRD/USI	5000	2011-13	Upper Sheyenne River Joint \	Upper Sheyenne River WRB Administration (USRJW	6/15/2011	6,000	0	6,000
SE	1301	5000	2009-11	City of Lidgerwood	City of Lidgerwood Engineering & Feasibility Study fo	2/4/2011	15,850	0	15,850
SE	1967	5000	2009-11	Grand Forks Co. WRD	Grand Forks County Legal Drain No. 55 2010 Contru	11/30/2010	9,652	0	9,652
SE	1431	5000	2009-11	NDDOT	NDDOT Aerial Photography - MUTIPLE	11/19/2010	39,279	39,279	0
SE	1291	5000	2009-11	Mercer Co. WRD	Mercer County WRD Knife River Snagging & Clearin	11/1/2010	20,000	0	20,000
SE	AOC/RRC	5000	2009-11	Red River Basin Commission	Red River Basin "A River Runs North"	6/30/2010	5,000	0	5,000
SE	642	5000	2009-11	Morton Co. WRD	Sweetbriar Dam Emergency Action Plan	5/17/2010	15,200	0	15,200
SE	269	5000	2009-11	Grand Forks Co. WRD	Fordville Dam Emergency Action Plan/GF CO.	3/3/2010	9,600	0	9,600
SE	PBS	5000	2009-11	Lake Agassiz RC & D	PBS Documentary on Soil Salinity/Lake Agassiz RC a	1/29/2010	1,000	0	1,000
SE	847	5000	2009-11	Maple River WRD	Absaraka Dam Safety Analysis	8/31/2009	5,719	0	5,719
SE	1842	5000	2009-11	Southeast Cass WRD	SCWRD Wild Rice River Snagging & Clearing	5/28/2009	4,331	0	4,331
SWC	1069	5000	2011-13	North Cass - Rush River JWI	Drain #13 Channel Improvements	9/27/2012	217,000	0	217,000
SWC	1401	5000	2009-11	Pembina Co. WRD	International Boundary Roadway Dike Pembina	9/27/2012	427,431	24,592	402,839
SWC	1300	5000	2011-13	US Army Corp of Engineers	Renville Co. LiDar Collect for the Mouse River	9/17/2012	100,000	0	100,000
SWC	1392	5000	2011-13	Invitation for Bid	South Bismarck Flood Risk Reduction - Heart River	9/17/2012	225,000	0	225,000
SWC	1392	5000	2011-13	U.S. Geological Survey	Additional USGS gage Missouri River	9/17/2012	8,000	0	8,000
SWC	1992	5000	2011-13	Burleigh Co. WRD	Bismarck Flood Control Channel Project	9/17/2012	187,500	0	187,500
SWC	1996	5000	2011-13	Traill Co. WRD	Drain #62 - Wold Drain Project	9/17/2012	112,400	0	112,400
SWC	2003-02	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee S	9/17/2012	91,400	0	91,400
SWC	2009-02	5000	2011-13	Southeast Cass WRD	Recertification of the Horace to West Fargo Diversio	9/17/2012	72,600	0	72,600
SWC	2012	5000	2011-13	Southeast Cass WRD	Lower Sheyenne River Watershed Retention Plan	9/17/2012	80,000	0	80,000
SWC	2013	5000	2011-13	Richland-Cass Joint WRD	Wild Rice River Watershed Retention Plan	9/17/2012	90,000	0	90,000
SWC	2014	5000	2011-13	Traill Co. WRD	Elm River Watershed Retention Plan	9/17/2012	75,000	0	75,000
SWC	XXXX	5000	2011-13	KPMG LLP	Performance Audit - Appropriations Division	9/17/2012	99,700	0	99,700
SWC	227	5000	2011-13	Eaton Flood Irrigation District	District's Mouse River Riverbank Stabilization Project	6/13/2012	120,615	0	120,615
SWC	228	5000	2011-13	City of Bismarck	Bismarck City's Storm Water Outfall Construction Prc	6/13/2012	186,000	0	186,000
SWC	829	5000	2011-13	Rush River WRD	Rush River Watershed Retention Plan	6/13/2012	67,500	0	67,500
SWC	1063	5000	2011-13	Rush River WRD	Amenia Township Improvement District Drain No. 74	6/13/2012	459,350	0	459,350
SWC	1344	5000	2009-11	Southeast Cass WRD	Horace Diversion Channel Site A (Section 7 - Phase	6/13/2012	1,812,822	0	1,812,822
SWC	1344	5000	2009-11	Southeast Cass WRD	Sheyenne Diversion Exterior Pump Station	6/13/2012	84,090	47,426	36,664
SWC	1344	5000	2011-13	Southeast Cass WRD	Sheyenne Diversion Phase VI - Weir Improvements	6/13/2012	225,050	0	225,050
SWC	1523	5000	2011-13	Ward Co. WRD	Countryside Villas/Whispering Meadows Drainage Im	6/13/2012	157,211	0	157,211
SWC	1806-02	5000	2011-13	City of Argusville	Re-Certification of the City of Argusville Flood Contro	6/13/2012	216,200	0	216,200
SWC	1979	5000	2011-13	Southeast Cass WRD	Wild Rice River Riverbank Stabilization Project	6/13/2012	41,632	0	41,632
SWC	2007	5000	2011-13	Maple River WRD	Pontiac Township Improvement District No. 73 Proje	6/13/2012	500,000	0	500,000
SWC	2010	5000	2011-13	Barnes Co WRD	Meadow Lake Outlet	6/13/2012	500,000	0	500,000
SWC	1878-02	5000	2011-13	Maple River WRD	Upper Maple River Dam Environmental Assessment	6/13/2012	112,500	0	112,500
SWC	1138	5000	2011-13	Pembina Co. WRD	Drain No. 8 Reconstruction Project	3/7/2012	123,725	0	123,725
SWC	1227	5000	2011-13	Traill Co. WRD	Mergenthal Drain No. 5 Reconstruction	3/7/2012	84,670	0	84,670
SWC	1396	5000	2011-13	U.S. Geological Survey	(USGS) Missouri River Geomorphic Assessment	3/7/2012	140,000	20,000	120,000
SWC	1444	5000	2011-13	City of Pembina	US Army Corps of Eng Section 408 Review City Floo	3/7/2012	108,000	0	108,000
SWC	1504	5000	2011-13	Valley City	Valley City Flood Risk Management Feasibilitly Study	3/7/2012	115,244	0	115,244
SWC	1989	5000	2011-13	Barnes Co WRD	Hobart Lake Outlet Project	3/7/2012	266,100	0	266,100
SWC	1990	5000	2011-13	Mercer Co. WRD	Lake Shore Estates High Flow Diverstion Project	3/7/2012	43,821	0	43,821
SWC	PS/WRD/JAI	5000	2011-13	James River Joint WRD	James River Engineering Feasibility Study Phase 1	3/7/2012	160,482	44,060	116,422

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GENERAL PROJECT OBLIGATIONS

Approved By	SWC No	Dept	Approved Biennum	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	*Oct-12* Balance
SWC	1968	5000	2011-13	Garrison Diversion	McClusky Canal Mile Marker 7.5 Irrigation Project Ph	12/14/2011	898,515	0	898,515
SWC	1918	5000	2001-13	Maple River WRD	Normanna Township Improvement District No. 71	12/9/2011	287,900	0	287,900
SWC	1983	5000	2001-13	City of Harwood	City of Harwood Engineering Feasibility Study	12/9/2011	62,500	0	62,500
SWC	1296	5000	2011-13	Pembina Co. WRD	Cook Bridge Riverbank Stabilization	10/21/2011	36,649	0	36,649
SWC	1979	5000	2011-13	Southeast Cass WRD	Southeast Cass WRD Wild Rice Riverbank Stabilizat	10/21/2011	149,568	0	149,568
SWC	275	5000	2011-13	City of Fort Ransom	City of Fort Ransom Engineering Feasibilitly Study	10/19/2011	40,000	0	40,000
SWC	829	5000	2011-13	Rush River WRD	Rush River WRD Berlin's Township Improvement Dis	10/19/2011	500,000	0	500,000
SWC	1224	5000	2011-13	Traill Co. WRD	Preston Floodway Reconstruction Project	10/19/2011	208,570	0	208,570
SWC	1978	5000	2011-13	Richland & Sargent Joint WR	Richland & Sargent WRD RS Legal Drain No. 1 Exte	10/19/2011	245,250	0	245,250
SWC	CON/WILL-C.	5000	2011-13	Garrison Diversion	Will/Carlson Project	10/17/2011	70,000	26,583	43,417
SWC	829	5000	2011-13	Rush River WRD	Rush River Dam Prelminary Soils & Hydraulic Stuc	9/21/2011	57,500	0	57,500
SWC	980	5000	2011-13	Maple River WRD	Maple River Watershed Food Water Retention Study	9/21/2011	82,500	0	82,500
SWC	1070	5000	2011-13	Maple River WRD	Cass County Drain No. 14 Improvement Recon	9/21/2011	415,610	55,665	359,945
SWC	1101	5000	2011-13	Dickey Co. WRD	Yorktown-Maple Drainage Improvement Dist No. 3	9/21/2011	354,500	0	354,500
SWC	1101	5000	2011-13	Traill Co. WRD	Brokke Drain No. 30, Ervin Township	9/21/2011	31,455	0	31,455
SWC	1101	5000	2011-13	Dickey-Sargent Co WRD	Riverdale Township Improvement District #2 - Dickey	9/21/2011	500,000	0	500,000
SWC	1219	5000	2011-13	Sargent Co WRD	District Drain No. 4 Reconstruction Project	9/21/2011	125,500	0	125,500
SWC	1219	5000	2011-13	Sargent Co WRD	City of Forman Floodwater Outlet	9/21/2011	348,070	316,598	31,472
SWC	1252	5000	2011-13	Walsh Co. WRD	Walsh Co. Reconstruction Drain No. 97	9/21/2011	50,551	25,618	24,933
SWC	1705	5000	2011-13	Red River Joint Water Resou	Red River Joint WRD Watershed Feasibility Study - F	9/21/2011	60,000	0	60,000
SWC	1859	5000	2011-13	ND Dept of Health	ND Dept of Health Non-Point Source EPA Pollution P	9/21/2011	200,000	38,656	161,344
SWC	1975	5000	2011-13	Walsh Co. WRD	Walsh Co. Drain No. 31 Reconstruction Project	9/21/2011	111,116	0	111,116
SWC	1977	5000	2011-13	Dickey-Sargent Co WRD	Jackson Township Improvement Dist. #1	9/21/2011	500,000	0	500,000
SWC	1968	5000	2011-13	Maple River WRD	Absaraka Dam Improvement Rehabilitation Project	8/12/2011	114,783	0	114,783
SWC	AOC/RRBC	5000	2011-13	Red River Basin Commission	Red River Basin Commission Contractor	8/2/2011	200,000	100,000	100,000
SWC	PS/WRD/MR.	5000	2011-13	Missouri River Joint Board	Missouri River Joint Water Board (MRRIC) T. FLECK	8/2/2011	40,000	18,229	21,771
SWC	1878-02	5000	2011-13	Maple River WRD	Upper Maple River Dam Project Development & Prel	7/19/2011	187,710	0	187,710
SWC	1392	5000	2011-13	U.S. Geological Survey	U. S. Geological Hydrographic Survey of the Missour	6/15/2011	55,000	53,000	2,000
SWC	1344	5000	2011-13	Southeast Cass WRD	Southeast Cass Sheyenne River Diversion Low-Flow	6/14/2011	2,802,000	0	2,802,000
SWC	1671	5000	2011-13	Ransom Co. WRD	Dead Cold Creek Dam 2011 Emergency Action Plan	6/14/2011	22,800	0	22,800
SWC	1705	5000	2011-13	Red River Joint Water Resou	Red River Basin Flood Control Coordinator Position	6/10/2011	36,000	0	36,000
SWC	AOC/WEF	5000	2011-13	ND Water Education Foundat	North Dakota Water Magazine	6/10/2011	36,000	18,000	18,000
SWC	347	5000	2009-11	City of Velva	City of Velva's Flood Control Levee System Certificat	3/28/2011	102,000	0	102,000
SWC	1161	5000	2009-11	Pembina Co. WRD	Drain 55 Improvement Reconstruction	3/28/2011	88,868	66,456	22,412
SWC	1245	5000	2009-11	Traill Co. WRD	Traill Co. Drain No. 28 Extenstion & Improvement Pr	3/28/2011	336,007	0	336,007
SWC	1969	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain #	3/28/2011	304,141	0	304,141
SWC	1970	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain #	3/28/2011	144,807	105,692	39,115
SWC	PS/IRR/NES	5000	2009-11	NDSU	NDSU Williston Research Extension Center - purcha:	3/28/2011	60,050	23,335	36,715
SWC	568	5000	2009-11	Southeast Cass WRD	SCWRD Sheyenne River Snagging & Clearing Proje	12/10/2010	362,250	184,467	177,783
SWC	1164	5000	2009-11	Pembina Co. WRD	Pembina County Drain No. 64 Outlet Area Improvem	12/10/2010	41,480	30,517	10,963
SWC	1842	5000	2009-11	Southeast Cass WRD	SCWRD Wild Rice River Snagging & Clearing	12/10/2010	100,625	71,680	28,945
SWC	1878-02	5000	2009-11	Maple-Steele Joint WRD	Maple-Steele Upper Maple River Dam PE & PD	12/10/2010	187,710	184,534	3,176
SWC	281	5000	2009-11	Three Affiliated Tribes	Three Affiliated Tribes/Fort Berthold Irrigation Study	10/26/2010	37,500	0	37,500
SWC	646	5000	2009-11	City of Fargo	Christine Dam Recreation Retrofit Project	10/26/2010	184,950	0	184,950
SWC	646	5000	2009-11	City of Fargo	Hickson Dam Recreation Retrofit Project	10/26/2010	44,280	0	44,280
SWC	1667	5000	2009-11	Traill Co. WRD	Goose River Snagging & Clearing	9/1/2010	12,890	0	12,890
SWC	1882-07	5000	2009-11	NDSU	NDSU Development of SEBAL	9/1/2010	15,244	0	15,244
SWC	847	5000	2009-11	Maple River WRD	Swan-Buffalo Detention Dam No. 12 Flood Control D.	7/28/2010	114,783	0	114,783
SWC	1966	5000	2009-11	City of Oxbow	City of Oxbow Emergency Flood Fighting Barrier Sys	6/1/2010	188,400	0	188,400
SWC	1244	5000	2009-11	Traill Co. WRD	Traill Co. Drain No. 27 (Moen) Reconstruction & Exte	3/11/2010	678,485	330,367	348,118
SWC	1577	5000	2009-11	Mercer Co. WRD & City of Ha	Hazen Flood Control Levee (1517) & FEMA Accredit:	3/11/2010	449,500	264,516	184,984
SWC	322	5000	2009-11	ND Water Education Foundat	ND Water: A Century of Challenge	2/22/2010	36,800	0	36,800
SWC	847	5000	2009-11	Maple River-Rush River Joint	Swan Creek Diversion Channel Improvement Recons	12/11/2009	76,528	0	76,528
SWC	1792	5000	2009-11	Southeast Cass WRD	SE Cass Wild Rice River Dam Study Phase II	12/11/2009	130,000	0	130,000
SWC	1964	5000	2009-11	UND	Hydraulic Effects of Rock Wedges Study- UND	11/12/2009	11,651	11,457	194
SWC	1069	5000	2009-11	North Cass Co. WRD	Cass County Drain No. 13 Improvement Reconstruct	8/18/2009	122,224	0	122,224
SWC	1088	5000	2009-11	Maple River WRD	Cass County Drain No. 37 Improvement Recon	8/18/2009	92,668	0	92,668
SWC	1232	5000	2009-11	Traill Co. WRD	Traill Co. Drain No. 13 Channel Extension Project	8/18/2009	23,575	0	23,575
SWC	1785	5000	2009-11	Maple River WRD	Maple River Dam EAP	8/18/2009	25,000	0	25,000
SWC	1960	5000	2009-11	Ward Co. WRD	Puppy Dog Coulee Flood Control Diversion Ditch Cor	8/18/2009	796,976	0	796,976
SWC	1882-01	5000	2009-11	Devils Lake Basin Joint WRB	(ESAP) Extended Storeage Acreage Program	8/18/2009	63,554	0	63,554
SWC	528	5000	2009-11	Williams Co. WRD	McGregor Dam Emergency Action Plan	6/23/2009	25,000	0	25,000
SWC	1638	5000	2009-11	Mutiple	Red River Basin Non-NRCS Rural/Farmstead Ring D	6/23/2009	624,262	341,670	282,592
SWC	1921	5000	2007-09	Morton Co. WRD	Square Butte Dam No. 6/(Harmon Lake) Recreation	3/23/2009	852,251	0	852,251
SWC	642-05	5000	2007-09	Mutiple	Sweetbriair Creek Dam Project	3/6/2009	148,956	60,691	88,265
SWC	620	5000	2007-09	Lower Heart WRD	Mandan Flood Control Protective Works (Levee)	9/29/2008	125,396	0	125,396
SWC	928/988/1508	5000	2007-09	Southeast Cass WRD	Southeast Cass WRD Bois, Wild Rice, & Antelope	6/23/2008	60,000	0	60,000
SWC	1932	5000	2005-07	Nelson Co. WRD	Michigan Spillway Rural Flood Assessment	8/30/2005	1,012,219	0	1,012,219
					TOTAL		25,931,023	2,735,096	23,195,926

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2011-2013 Biennium
Resources Trust Fund

COMPLETED GENERAL PROJECTS

Approved By	SWC No	Dept	Approved Biennum	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	*Oct-12* Balance
HB 1020	322	5000	2009-11	Red River Basin Commis	Long-Term Red River Flood Control Solutions Study (A	6/23/2009	7,720	7,720	0
SE	AOC/WEF/TO	5000	2011-13	ND Water Education Fou	2012 Summer Water Tours Sponsorship	10/21/2012	2,500	2,500	0
SE	867-01	5000	2011-13	NDSU	NDSU Soil & Water Sampling for Assessment of Effect	5/12/2012	7,225	7,225	0
SE	1814	5000	2011-13	Richland Co. WRD	Sheyenne River Snagging & Clearing Project/Logjam b	4/19/2012	15,000	13,860	1,140
SE	1988	5000	2011-13	Barnes Co WRD	Sheyenne Riverbank Encroachment Study Project	3/16/2012	22,875	18,405	4,470
SE	AOC/ARB/ND	5000	2011-13	NDSU	NDSU Dept of Soil Science - NDAWN Center	2/27/2012	3,200	3,200	0
SE	1312/1933	5000	2001-13	Ulteig Engineers	Walsch Co. WRD/Digital Flood Insurance Rate Map Pr	2/16/2012	8,356	8,356	0
SE	AOC/BSC	5000	2011-13	Bismarck State College	Bismarck State College - ND Water Quality Monitoring	2/7/2012	2,000	2,000	0
SE	1312/929	5000	2011-13	Fischer Land Surveying	Fischer Land Surveying & Engineering/Harriston Towns	12/12/2011	6,000	6,000	0
SE	1313	5000	2011-13	Ward Co. WRD	Ward Co. 2011 LIDAR Review & Data Creation Produc	10/11/2011	16,311	16,311	0
SE	266	5000	2011-13	Nelson Co. WRD	Tolna Dam 2011 EAP, Nelson County WRD	8/23/2011	9,600	8,540	1,060
SE	1378	5000	2011-13	Barnes Co. WRD	Clausen Springs Dam Emergency Action Plan /Barnes	8/23/2011	20,000	0	20,000
SE	1971	5000	2011-13	U.S. Geological Survey	DES Purchase of Mobile Stream Gages (2 temporary st	7/19/2011	8,000	8,000	0
SE	929	5000	2009-11	Walsh Co. WRD	Walsch Co. -Chyle Dam EAP	5/6/2011	10,000	7,546	2,454
SE	501	5000	2009-11	Dickey Co WRD	Pheasant Lake Dam Emergency Action Plan	4/20/2011	9,600	8,615	985
SE	1433	5000	2009-11	Walsh Co. WRD	Whitman Dam Emergency Action Plan	4/14/2011	10,000	8,348	1,652
SE	1289	5000	2009-11	McKenzie Co Weed Cont	McKenzie Co. Weed Control on Sovereign Lands	3/4/2011	11,705	11,705	0
SE	929	5000	2009-11	Walsh Co. WRD	Walsch Co. -Soukop Dam EAP	3/2/2011	10,000	7,760	2,240
SE	1842	5000	2009-11	Richland Co. WRD	Richland Co. - Ph 2- Wild Rice River Snagging & Cleari	2/1/2011	15,000	11,603	3,397
SE	571	5000	2009-11	Oak Creek WRD	Oak Creek Snagging & Clearing Project	1/28/2011	5,000	5,000	0
SE	839	5000	2009-11	Traill Co. & Steele Co. W	Elm River Detention Dam No. 1 EAP	1/10/2011	12,160	8,440	3,720
SE	839	5000	2009-11	Traill Co. WRD	Elm River Detention Dam No. 3 EAP	12/6/2010	12,160	7,162	4,998
SE	1131	5000	2009-11	Traill Co. WRD	Elm River Detention Dam No. 2 Emergency Action Plar	12/6/2010	12,160	8,310	3,850
SE	1396	5000	2009-11	Dale Frink	Dale Frink Consultant Services Agreement	10/26/2010	18,600	0	18,600
SE	1577	5000	2009-11	Burleigh Co. WRD	Burleigh Co - Fox Island 2010 Flood Hazard Mitigation I	8/9/2010	11,175	0	11,175
SE	AOC/ARB/ND	5000	2009-11	NDSU	NDSU Dept of Soil Science - NDAWN Center	3/8/2010	3,000	3,000	0
SE	1625	5000	2009-11	ND Game & Fish	Sovereign Lands Rules - ND Game & Fish	2/23/2010	6,788	0	6,788
SE	985	5000	2009-11	Grand Forks Co. WRD	Kolding Dam Emergency Action Plan	5/29/2009	9,600	5,960	3,640
SE	568	5000	2007-09	Barnes Co. WRD	Barnes Co/Sheyenne River Snagging & Clearing Projec	4/11/2008	5,000	0	5,000
SWC	1444	5000	2011-13	City of Pembina	City of Pembina's Flood Control FEMA Levee Certificati	3/20/2012	21,344	21,344	0
SWC	1941	5000	2011-13	Walsh Co. WRD	Walsh County Drain No. 4a Cost Overrun	12/9/2011	9,759	9,759	0
SWC	1267	5000	2011-13	U.S. Army Corps of Eng.	Bottineau County LiDAR Collect/ Mike Hall	10/19/2011	97,000	97,000	0
SWC	568	5000	2011-13	Southeast Cass WRD	Sheyenne River Snagging & Clearing Reaches 1-3	9/21/2011	262,770	262,770	0
SWC	1413	5000	2011-13	Traill Co. WRD	Traill Co/Buffalo Coulee Snagging & Clearing	9/21/2011	25,000	14,960	10,040
SWC	1603	5000	2011-13	Cass Co. WRD	Rush River Drain No. 69, Armenia Township, Cass Co.	9/21/2011	313,500	0	313,500
SWC	1667	5000	2011-13	Traill Co. WRD	Traill Co./Goose River Snagging & Clearing	9/21/2011	48,000	48,000	0
SWC	1842	5000	2011-13	Southeast Cass WRD	SCWRD Wild Rice River Snagging & Clearing	9/21/2011	99,000	96,312	2,688
SWC	1806-01	5000	2011-13	City of Argusville	City of Argusville Flood Control Levee Project	9/21/2011	25,432	25,375	57
SWC	1438	5000	2009-11	Cavalier Co. WRD	Mulberry Creek Drain Partial Improv Phase III	3/28/2011	226,118	209,875	16,243
SWC	1842	5000	2009-11	Richland Co. WRD	Richland Co. Wild Rice River Snagging & Clearing Proj	3/28/2011	47,500	47,466	34
SWC	1971	5000	2009-11	U.S. Geological Survey	DES Purchase of Mobile Stream Gages	3/28/2011	16,457	16,457	0
SWC	846	5000	2009-11	Morton Co. WRD	Morton Co.Square Butte Dam No. 5 EAP	12/10/2010	24,000	20,930	3,070
SWC	1378	5000	2009-11	Barnes Co. WRD	Clausen Springs Dam Emergency Spillway Repair	10/26/2010	790,975	770,746	20,229
SWC	1299	5000	2009-11	City of Fort Ransom	City of Fort Ransom Riverbank Stabilization	9/1/2010	60,803	47,205	13,598
SWC	1413	5000	2009-11	Traill Co. WRD	Traill Co/Buffalo Coulee Snagging & Clearing	9/1/2010	26,000	19,659	6,341
SWC	1932	5000	2009-11	Nelson Co. WRD	Peterson Slough into Dry Run Emergency	5/28/2010	32,150	32,150	0
SWC	1180	5000	2009-11	Richland Co. WRD	Richland Co. Drain No. 7 Improvement Reconstruction	3/11/2010	71,933	11,389	60,544
SWC	1313	5000	2009-11	Ward Co. WRD	City of Minot/Ward Co. Aerial Photo & LiDAR	3/11/2010	186,780	143,407	43,373
SWC	1331	5000	2009-11	Richland Co. WRD	Richland Co. Drain No. 14 Improvement Reconstructio	3/11/2010	116,988	16,549	100,439
SWC	1942	5000	2009-11	Walsh Co. WRD	Walsh County Assessment Drain 10, 10-1, 10-2	9/21/2009	37,267	13,544	23,723
SWC	327	5000	2009-11	Mountrail Co. WRD	White Earth Dam EAP	8/18/2009	25,000	25,000	0
SWC	1068	5000	2009-11	Rush River WRD	Cass County Drain No. 12 Improvement Reconstructior	8/18/2009	741,600	0	741,600
SWC	1953	5000	2009-11	Walsh Co. WRD	Walsh County Drain No. 73 Construction Project	8/18/2009	109,919	109,919	0
SWC	AOC/RRBC	5000	2009-11	Red River Basin Commis	Red River Basin Commission Contractor	7/1/2009	100,000	100,000	0
SWC	PS/WRD/MRJ	5000	2011-13	Missouri River Joint WRB	Missouri River Joint Water Board (MRRIC) T. FLECK	6/30/2009	6,470	6,470	0
SWC	PS/WRD/MRJ	5000	2007-09	Missouri River Joint WRB	Missouri River Joint Water Board, (MRJWB) Start up	12/5/2008	14,829	10,857	3,972
SWC	1093	5000	2007-09	Southeast Cass WRD	Cass Co. Drain No. 45 Extension Project	3/17/2008	124,757	28,511	96,246
					TOTAL		3,952,085	2,401,220	1,550,865

APPENDIX "C"
December 7, 2012

2013 INTENDED USE PLAN
FOR THE
NORTH DAKOTA DRINKING WATER STATE REVOLVING LOAN FUND

PREPARED BY THE
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM
MUNICIPAL FACILITIES DIVISION
ENVIRONMENTAL HEALTH SECTION
NORTH DAKOTA DEPARTMENT OF HEALTH

November 20, 2012

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ATTACHMENTS

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Attachment 2- Comprehensive Project Priority List And Fundable List

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Attachment 5- Amounts Available to Transfer Between State Revolving Fund Programs

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A. Introduction

On August 6, 1996, President Clinton signed into law the Safe Drinking Water Act (SDWA) Amendments of 1996 (P.L. 104-182). Section 1452 of the SDWA authorizes a Drinking Water State Revolving Loan Fund (DWSRF) program. It further requires the U.S. Environmental Protection Agency (EPA) to enter into agreements with and make capitalization grants to eligible states to assist public water systems (PWSs) in financing the costs of infrastructure needed to achieve or maintain compliance with the SDWA and to protect public health.

North Dakota's DWSRF federal allotments for fiscal years (FY) 1997 through 2012 totaled $153,817,767 and the anticipated 2013 allotment is $9,000,000. Allotted funds are provided by the EPA through capitalization grants and matched 20% by North Dakota.

DWSRF funds may be used for: loans, loan guarantees, as a source of reserve and security for leveraged loans (the proceeds of which must be placed in the DWSRF), to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993, and to earn interest prior to disbursement of assistance. To the extent that there are a sufficient number of eligible projects, at least 15 percent of the funds available for construction must be annually used to provide loan assistance to PWSs that serve fewer than 10,000 persons. Up to 30 percent of the funds available for construction may also be used to provide subsidized loans to disadvantaged communities. A portion of the DWSRF allotments may also be used for nonproject set-aside activities such as: administration (up to 4 percent), state program assistance (up to 10 percent), small system technical assistance (up to 2 percent), and local assistance and state programs including the delineation and assessment of source water protection areas (up to 10 percent for any one activity with a maximum of 15 percent for all activities combined).

PWSs eligible for DWSRF assistance include community water systems, both publicly- and privately-owned, and nonprofit noncommunity water systems. Federally-owned PWSs are not eligible to receive DWSRF assistance. Attachment 1 depicts the types of projects and project-related costs that are eligible and ineligible for DWSRF assistance.

Section 1452(b) of the SDWA requires each state to annually prepare an Intended Use Plan (IUP). The IUP must describe how the state intends to use the DWSRF funds to meet the objectives of the SDWA and further the goal of protecting public health. The IUP must be made available to the public for review and comment prior to submitting it to the EPA as part of the capitalization grant application. Specifically, the IUP must include:

1. A priority list of projects, including a description of the projects and the present size of the PWSs served.

2. A description of the criteria and methods to be used for the distribution of funds.

3. A description of the financial status of the DWSRF program, including the use of set-asides along with funds reserved, and the amount of funds that will be used to assist disadvantaged communities; and,

4. A description of the short and long-term goals of the DWSRF program, including how the capitalization grant funds will be used to ensure compliance and protect public health.

This document is intended to serve as the state of North Dakota's IUP for 2013 and will stay in effect until superseded by a subsequent IUP. As per the authority granted to the North Dakota Department of Health (NDDH) under NDCC Chapter 61-28.1, this document, as amended based on comments received from the public, will be incorporated into a capitalization grant application and submitted to the EPA to further capitalize the state's DWSRF program in the amount of $9,000,000 (anticipated amount). State match bonds were issued in 2011 to provide the 20 percent match for capitalization grants from FY 2012-FY 2017.

B. Priority List of Projects

Background

States are required to develop and maintain a comprehensive priority list of eligible projects for funding and identify projects that will receive funding in the first year after the capitalization grant award. In determining funding priority, states must ensure, to the maximum extent practicable, that priority for the use of funds be given to projects that: 1) address the most serious risks to human health, 2) are necessary to ensure compliance under the SDWA, and 3) assist systems most in need on a per household basis (i.e., affordability).

Development Process

As part of the IUP development process, all potential DWSRF loan recipients were requested to notify the NDDH if they had a drinking water project not presently on the list for which they were interested in pursuing DWSRF financial assistance. Systems with already ranked and listed projects were requested to provide the NDDH with a written update for each project either not yet under construction, or under construction using other than DWSRF funds. The updates were to include a detailed project description and cost estimate, the amount of DWSRF funds needed, and, as applicable, the anticipated construction start date. In lieu of this information, systems were asked to inform the NDDH if they no longer intended to complete a project, or no longer intended to complete a project using DWSRF assistance. Systems requesting

ranking of new projects were provided ranking questionnaires. Requests for project reranking or deletion were evaluated on a case-by-case basis, with ranking questionnaires provided as needed. Several projects were deleted due to completion (with or without DWSRF assistance) or the acquisition of other funding sources.

Finalized Project Priority Lists may be amended to include new non-emergency projects. Amendments are subject to public review and comment and may require State Water Commission approval.

Comprehensive Project Priority List

See Attachment 2.

Fundable List

The fundable list represents those projects from the comprehensive project priority list anticipated to receive loan assistance this year. The list of projects is based on anticipated start dates, projected funding needs, and expected available loan funds (see Section E). The list will change if such information or assumptions vary, if higher ranked projects not on the list become ready to proceed, or if projects on the list are bypassed (see Section C).

C. Criteria and Methods for the Distribution of Funds

Background

A DWSRF may provide assistance only for expenditures (excluding operation, maintenance, and monitoring) of a type or category which will facilitate compliance or otherwise significantly further health protection under the SDWA. Projects eligible for DWSRF financial assistance include investments to: address present SDWA exceedances, prevent future SDWA exceedances (of regulations presently in effect), replace aging infrastructure, restructure or consolidate water supplies, and buy or refinance existing debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993. Attachment 1 provides additional information concerning the types of projects and project-related costs that are eligible for DWSRF financial assistance.

To the maximum extent possible, states are required to prioritize projects needed for SDWA compliance, projects that provide the greatest public health protection, and those projects that assist systems most in need based on affordability. The information below describes the process used by the NDDH to select projects for potential DWSRF assistance.

Priority Ranking System

The priority ranking system was developed by the NDDH, the state agency with primary enforcement authority for the SDWA. The priority ranking system is designed to ensure that DWSRF funds are focused on projects that address the most serious risks to human health, rectify SDWA compliance problems, and assist those systems most in need based on affordability considerations. The priority ranking system has received both EPA Region VIII and Headquarter concurrence. The priority ranking system will be amended as needed to reflect the changing nature of the SDWA and the DWSRF Program. Any significant amendments will be presented for public review and comment in an IUP.

Ranking and Project Bypass Considerations

It is the intent of the NDDH that DWSRF funds are directed towards North Dakota's most pressing SDWA compliance problems and public health protection needs. To this end, the NDDH reserves the right to require the separation, if feasible, of project components into separate projects if necessary to focus on critical water supply problems. Project components which are separated will be ranked independently. Projects for existing PWSs, including refinancing projects, will be given preference over projects for the development of new water systems.

Under the SDWA, DWSRF funds may be used to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements. In the event of a tie in project rankings, new projects for existing systems will be given preference over refinancing projects.

The NDDH reserves the right to fund lower-ranked projects ahead of higher-ranked projects based on the considerations below. To the maximum extent possible, the NDDH will work with bypassed projects to ensure that they will be eligible for funding in the following fiscal year. Criteria reviewed in bypassing a project included:

1. Readiness to proceed

2. Willingness to proceed (i.e., applicant withdraws project from consideration, obtains other funding sources, or is nonresponsive)

3. Emergency conditions (i.e., an unanticipated failure occurs requiring immediate attention to protect public health)

4. Financial (includes inability to pay and loan repayment issues), technical, or managerial capability

5. Meet the 15 percent requirement (i.e., funding lower-ranked project would satisfy the requirement that at least 15 percent of the funds available for construction be annually used to provide loan assistance to PWSs that serve fewer than 10,000 persons)

6. Meet the Green Project Reserve requirement

7. Initial ranking score cannot be verified

The NDDH, without going through a public review process, reserves the right to fund unanticipated, non-ranked emergency projects determined to require immediate attention to protect public health. Such assistance will be limited to eligible PWS types and project features, and to situations involving acute contaminants, loss or potential loss of a water supply in the near future, or that otherwise represent an unreasonable risk to health.

Capacity

Section 1452 of the 1996 SDWA Amendments precludes states from providing DWSRF assistance to any eligible PWS that lacks the capacity to maintain SDWA compliance unless the PWS owner or operator agrees to undertake feasible and appropriate changes to ensure compliance over the long term. States are also precluded from providing DWSRF assistance to any eligible PWS that is in significant noncompliance with any requirement of a National Primary Drinking Water Regulation (NPDWR) or variance unless such assistance will ensure compliance. PWS capacity, in the context of the SDWA, refers to the overall technical, managerial, and financial capability of a PWS to consistently produce and deliver drinking water meeting all NPDWRs. The NDDH has the legal authority and responsibility under NDCC Chapter 61-28.1 to ensure PWS capacity.

The NDDH will use the DWSRF loan application as the principal control point for capacity assessment. Information from the loan application, and other available and relevant information (such as SDWA compliance data, sanitary survey reports, and operator certification status), will be evaluated to assess capacity at present and for the foreseeable future. The North Dakota Public Finance Authority (PFA), as financial agent for the DWSRF Program through formal agreement, will evaluate the financial information requested in the loan application. Based upon input provided by the DWSRF Program regarding technical and managerial capability, the PFA will make recommendations to the DWSRF Program concerning financial capability. The final decision regarding overall capacity will made by the DWSRF Program.

As required by the SDWA, DWSRF assistance will be denied to applicants that are considered a Priority System because they score eleven or higher in the Enforcement

Tracking Tool if it is determined that the project will not ensure compliance. Likewise, DWSRF assistance will be denied to applicants that lack capacity if they are unwilling or unable to undertake feasible and appropriate changes to ensure capacity over the long term. The lack of capacity at the time of loan application will not preclude DWSRF assistance if the project will ensure compliance, or the applicant agrees to implement changes that will rectify capacity problems. On a case-by-case basis, special conditions may be included in loan agreements to rectify compliance and/or capacity problems. As needed and appropriate, the NDDH will utilize other specific legal authorities as control points to ensure capacity. This includes the review and approval of plans and specifications. Under North Dakota Century Code Chapter 61-28.1 and North Dakota Administrative Code Chapters 33-03-08 and 33-18-01, the NDDH is both empowered and required to review and approve plans and specifications for all new or modified drinking water facilities prior to construction.

D. Set-Aside and Fee Activities

Background

Under the SDWA, states are required to set aside a certain percentage of their available DWSRF loan funds to provide financial assistance to small systems. States at their option may also set aside a portion of their federal DWSRF allotment for certain other project and nonproject activities, and assess fees on loans to help support administration costs. A description of the different set-asides and past/proposed activities related to both set-asides and fees follows.

Mandatory Small System Project Set-Aside

States must annually use at least 15 percent of all funds credited to the DWSRF loan fund to provide loan assistance to PWSs that serve fewer than 10,000 people to the extent that there are a sufficient number of eligible projects to fund. States that exceed the 15 percent requirement in any one year are permitted to bank the excess toward future years.

One hundred sixty four (164) loans totaling $320,155,292 have been approved to date. One hundred forty four (144) of these loans (totaling $177,002,578 or 55 percent of loan total) represent PWSs that serve fewer than 10,000 people. The NDDH envisions that additional loans will be made to small PWSs based on the comprehensive project list and fundable list (See Attachment 2).

Mandatory Additional Subsidization Set-Aside

Congress has mandated in several previous appropriations bills that 20 to 30 percent of assistance provided from DWSRF capitalization grants be in the form of additional subsidies. The DWSRF program provides these additional subsidies as loan

forgiveness. The NDDH has the authority under state law, N.D.C.C. Chapter 61-28.1, to provide financial assistance through the DWSRF as authorized by federal law and the USEPA.

Criteria for determining the amount of loan forgiveness is on a project specific basis. Loan forgiveness will be based on the relative future water cost index (RFWCI). The RFWCI is defined as the ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local median household income (based on 2006-2010 American Communities Survey (ACS) 5-Year Estimate).

Projects with a RFWCI of 2.0 percent or greater will qualify for 60 percent loan forgiveness. Projects with a RFWCI of 1.5 percent to 1.9 percent will qualify for 30 percent loan forgiveness. Projects with a RFWCI less than 1.5 percent will not qualify for any loan forgiveness. Projects that do not qualify for loan forgiveness still qualify for a traditional DWSRF loan. The loan forgiveness cap for any one project is $1.0 million.

Timely progression of additional subsidization projects is required. To ensure this, there will be an application deadline and a binding commitment deadline. If projects identified as receiving additional subsidization do not meet these deadlines the additional subsidization set-aside will be used to fund lower ranked projects on the project priority list.

It is unknown at this time if mandatory additional subsidization will apply to the FY2013 DWSRF allotment. To address this potential requirement, the fundable portion of the 2013 comprehensive project priority list depicts at least 20 percent ($1,800,000) additional subsidization through loan forgiveness. Adjustments will be made, as necessary, based on the actual required subsidization level and capitalization grant amount.

Mandatory Green Project Reserve (GPR) Set-Aside

Congress has mandated in several previous appropriations bills that 10 to 20 percent of assistance provided from DWSRF capitalization grants, to the extent there are sufficient eligible project applications, be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Where it is not clear that a project or component qualifies to be included as counting towards the requirement, the files for such projects will contain documentation of the business case on which the project was judged to qualify, as described in the 2013 DWSRF capitalization grant requirements. Projects on the PPL meeting one or more objectives are designated as GPR.

It is unknown at this time if mandatory GPR will apply to the FY2013 allotment. One project on the fundable portion of the 2013 comprehensive project priority list contains

$3.3 million of GPR-qualified components. This exceeds any anticipated GPR requirement. Adjustments will be made, as necessary, based on the actual GPR requirement and capitalization grant amount.

Optional Project Set-Asides

States may provide additional loan subsidies (i.e., reduced interest or negative interest rate loans, principal forgiveness) to benefit communities meeting the definition of disadvantaged or which the state expects to become disadvantaged as the result of the project. A disadvantaged community is one in which the entire service area of a PWS meets affordability criteria established by the state following public review and comment. The value of the subsidies cannot exceed 30 percent of the amount of the federal capitalization grant for any fiscal year. The EPA is required to provide guidance to assist states in developing affordability criteria.

The NDDH has not developed a disadvantaged community program, and is not proposing to do so in this IUP. This decision is based primarily upon majority opinions obtained during initial development of the DWSRF Program, and the NDDH's desire to maximize the long-term availability of funds for construction purposes.

Optional Nonproject Set-Asides

States may use a portion of their federal DWSRF allotment (up to specified ceilings) for the following nonproject set-aside activities:

- DWSRF Administration - up to 4 percent
- State Program Administration - up to 10 percent
- Public Water Supply Supervision (PWSS) Program, source water protection program(s), capacity development program, and operator certification program
- Small System Technical Assistance (serving 10,000 or fewer people) - up to 2 percent
- Local Assistance and Other State Programs - up to 10 percent for any one activity with a maximum of 15 percent for all activities combined
- Loans to PWSs to acquire land or conservation easements for source water protection programs
- Loans to community water systems to implement source water protection measures, or to implement recommendations in source water petitions
- Assist PWSs in capacity development
- Assist states in developing/implementing an EPA-approved wellhead protection program

States may transfer funds among the nonproject set-aside categories, or between the loan fund and such set-aside categories, provided that the statutory set-aside ceilings are not exceeded. Nonproject set-aside funds may be transferred at any time to the

loan fund. However, loan commitments must be made for the transferred funds within one year of the transfer if payments have already been taken for the set-aside funds. Monies intended for the loan fund may be transferred to nonproject set-asides only if no payments have yet been taken for the monies to be transferred. Otherwise, funds in or transferred to the loan fund must remain in the loan fund. Transfers may be done only if described in an IUP and approved by the EPA as part of a capitalization grant agreement or amendment.

Nonproject Set-Aside and Fee Activity

Attachment 4 depicts nonproject set-aside and fee activity through 2013. The anticipated FY 2013 federal DWSRF allotment for North Dakota is $9,000,000. The NDDH intends to set aside $1,040,000 of the allotment for non-project activities. The state program administration (PWSS Program) set-aside is $500,000. The 2 percent set-aside is for small system technical assistance is $180,000. The 4 percent set-aside for DWSRF administration is $360,000. The 4 percent set-aside will be held for ongoing and future DWSRF program administration. The 10 percent set-aside will also be held for ongoing and future PWSS administration. The 2 percent set-aside will be held for ongoing and future small system technical assistance. Should the FY2013 capitalization grant be different from $9,000,000, the set-aside for DWSRF program administration and small system technical assistance will be adjusted to 4 percent and 2 percent, respectively, of the actual capitalization grant awarded.

The NDDH has limited and will continue to limit the usage of set-asides to maximize funds available for construction. Set-aside usage has been restricted to that necessary to administer the program (4 percent set-aside), provide technical assistance to small PWSs (2 percent set-aside), to provide state program administration (10 percent set-aside), and to complete source water assessments mandated under the SDWA (15 percent set-aside).

The 4 percent set-aside is inadequate to cover the cost of administering the DWSRF Program. Also, Congress will choose at some point to no longer capitalize the program, at which time no new funds will be available for program administration. Based on these considerations, the NDDH considers it both prudent and necessary to set-aside and hold the full 4 percent from each grant, and to hold accumulated loan administration fees to enable ongoing and future administration of the program.

Funds from the 2 percent set-aside have been used to assist small PWSs in capacity development, financial capacity, operator certification, managerial capacity and source water protection. Funds from this set-aside will continue to be used for these purposes and for new initiatives such as assisting these communities in setting user charges, provide them with an O&M manual, and safety training. The NDDH closely monitors demand and need for this set-aside to avert over-accumulation of funds.

The 10 percent state program administration set-aside will be used to help fund administration of the PWSS program in pursuit of its mission. This set-aside requires 1:1 match by the state. One of the sources of funds for this 1:1 match is the 0.5 percent loan administration fee. Another source of funding for the 1:1 match is credit for state match funds spent in 1993 on administration of the PWSS program. This credit is good for up to half of the 1:1 match with a maximum credit of $167,240 per year. This match credit does not represent spendable funds.

Under the SDWA, states are permitted to assess fees on loans to support DWSRF administration costs. North Dakota DWSRF loan recipients are required to pay an annual loan administration fee presently set at 0.5 percent of the outstanding loan principal balance. This loan administration fee is payable semiannually on each loan payment date. The fees are held under the master trust indenture and are available to pay DWSRF program administration costs allowable under the SDWA. To enable continued management of the DWSRF once it is no longer annually capitalized through federal grants, loan administration fees will be held and used for loan-bond servicing and DWSRF Program administration as allowed under the SDWA. Also, starting in 2008 the loan administration fees are used as a source of 1:1 match that is required when using the state program administration set-aside to administer the PWSS program.

E. **Financial Status**

Background

States are required to provide a description of the financial status of their DWSRF Program. The information presented below describes the financial structure of the North Dakota DWSRF, the method used to generate the required state match, transfers between SRF's (State Revolving Loan Funds), the basis for approving loans, loan assistance terms including a discussion concerning market interest rates in North Dakota, sources and intended use of funds, and special considerations for State and Tribal Assistance Grants.

Financial Structure

Bonds for the 20 percent state match are issued by the PFA under a master trust indenture adopted by the Industrial Commission of North Dakota. The PFA may also issue leveraged bonds under the master trust indenture, the proceeds of which can be used to fund loans.

The current demand for DWSRF loan assistance in North Dakota exceeds authorized federal DWSRF allotments and the required state match for those allotments. Under the financial structure initially established for the DWSRF, excess leveraging and higher loan interest rates would be needed to satisfy this excess demand.

A modified financial structure within the existing master trust indenture has been implemented to better satisfy the continuing high demand for DWSRF financial assistance, yet avert excessive leveraging and higher loan interest rates. Under the modified structure, DWSRF allotments and state match bond proceeds will be used first to fund loans. Leveraged bonds will be issued only if loan demand exceeds the amount of DWSRF allotments and state match available for loans or if deemed in the best interest of the program. If leveraged bonds are issued, they will be sized, together with DWSRF allotments and state match, to satisfy current cash flow needs as represented by the projected annual construction costs of eligible projects. This funding approach will expedite loan assistance to more projects that are ready to proceed to construction, avert premature or unnecessary bond issuances, and ensure a more reliable loan repayment stream to satisfy both bond debt service requirements and future loan demand.

The master trust indenture for the DWSRF provides that, in the event there are insufficient amounts available to make scheduled principal and interest payments on outstanding DWSRF bonds when payments are due, the trustee may transfer available excess revenues from the Clean Water State Revolving Fund (CWSRF) to the DWSRF bond fund to meet the deficiency. Following such a transfer, the DWSRF has an obligation to reimburse the CWSRF with future available DWSRF excess revenues.

State 20 Percent Match Requirement

Under the SDWA, states are required to match their DWSRF allotment at an amount at least equal to 20 percent. North Dakota has issued state match bonds to satisfy the FY 1997 through 2017 match requirements.

Anticipated Proportionality Ratio

Bonds were sold in late 2011 to provide the required 20 percent state match for 2012 through 2017. Payments were made using 100 percent state match funds until all of the match funds were disbursed. The program is in an over-matched condition at this time. Funds will be disbursed at a rate of 100 percent federal, leveraged, or FCLA funds because of this over-match condition.

Disbursement of Funds

Funds will be dispersed in the following order: federal, state match, leveraged bond proceeds, and FCLA. To increase the rate of draw for both capitalization grant and leveraged funds, leveraged bonds proceeds will be used to fund loan payment requests. Capitalization grant funds will be immediately requested to replace the disbursed leveraged bond proceeds and deposited into the FCLA account.

The DWSRF is currently over-matched with no state match funds available for disbursement. Set-asides are closely monitored and disbursed quickly when requests are made to ensure timely expenditure and over-accumulation. All feceral funds are disbursed in a first-in, first-out manner.

Transfer of Funds Between DWSRF and CWSRF

At the governor's discretion, a state may transfer up to 33 percent of its DWSRF capitalization grant to the CWSRF or an equal amount from the CWSRF to the DWSRF. Transfers could not occur until at least one year after receipt of the first capitalization grant, which was August 24, 1998. This transfer authority was effective through fiscal year 2001. One-year extensions of this transfer authority were granted through the Veterans Administration, Housing and Urban Development, and Independent Agencies Appropriation Bill for fiscal years 2002 - 2005. This provision was made permanent in the FY06 appropriation bill. In addition to transferring grant funds, states can also transfer state match, investment earnings, or principal and interest repayments between SRF programs. These types of transfers were authorized by the Governor in 2002 and 2004. A combined total of $14.0 million was transferred from the CWSRF to the DWSRF and $10.0 million was transferred back from the DWSRF to the CWSRF.

Due to strong drinking water project demand, NDDH received authorization to transfer up to an additional $20.0 million from its CWSRF to its DWSRF in 2007. These funds will be transferred to the DWSRF program on an as needed basis. A total of $8,577,672 of this $20.0 million authorization has been transferred into the DWSRF program as of December 31, 2010. The source of CWSRF funds to be transferred will be unrestricted cumulative excess, restricted cumulative excess, FCLA, and grant funds. Since prior transfers have occurred between the two SRFs, NDDH will transfer funds on a net basis, as described by the table below. With this transfer, the DWSRF Program will be able to fund additional drinking water projects during 2013. Transferring funds will not impact DWSRF set-aside funding. The long-term impact to the DWSRF with a $20.0 million transfer from the CWSRF authorized in 2007 is estimated to be an average revolving level increase of $2 million/year (from $19 million/year to $21 million/year) over the next 20 years. Attachment 5 itemizes the amount of funds transferred to and from the DWSRF program.

Funding Process

Projects may be submitted to the NDDH each year for consideration and inclusion into an IUP. A new IUP is developed for public review and comment in the fall of each year. New and eligible projects for which ranking questionnaires are submitted are evaluated, ranked (if possible), and included on the comprehensive project priority list. Requests for reranking of already-listed and ranked projects are evaluated on a case-by case basis, and may require the completion of an updated ranking questionnaire.

Loan approvals are based on project ranking, readiness to proceed, and availability of funds based on cash flow considerations including projected disbursements under already approved and potential new loans. The NDDH is prepared to issue leveraged bonds if the loan demand exceeds the amount of available DWSRF allotments and state match or if it is in the best interest of the program.

Loan Assistance Terms

The maximum repayment period for DWSRF loans under the SDWA is 20 years following project completion. The NDDH may utilize shorter repayment periods on a project-by-project basis. Candidate projects include low-cost projects for which minimal water rate increases will be required to retire the loan debt. The present loan interest rate is 2.0 percent for PWSs that qualify for tax-exempt financing and 3.0 percent for those that do not qualify for tax-exempt financing, with the exception of projects that use leveraged bond proceeds. Leveraged bonds will be discussed later in this section. As discussed under Section D, an annual loan fee of 0.5 percent is assessed on all loans to support DWSRF administration.

The SDWA requires that the interest rate for a loan be less than or equal to the market interest rate. The NDDH will monitor compliance with this requirement by establishing as the market interest rate the average interest rate received by the North Dakota political subdivisions on bond issues with twenty-year maturity sold on a competitive or negotiated basis during the prior quarter. This rate will be calculated and updated quarterly based upon the prior quarter bond sales. If there are no qualified bond sales, the market rate for that quarter will be calculated using comparable regional bond issues. Based upon fourth quarter 2012 North Dakota twenty-year competitive bond sales, the current market interest rate is 2.93 percent

Leveraging the fund is appropriate where financing needs significantly exceed available funds; however, it impacts the DWSRF by reducing the interest rate subsidy provided or reducing future loan capacity. By continuing to leverage, the program will be able to assist more communities currently on the priority list and help those communities achieve or remain in compliance with the SDWA. Loans necessitating leveraging will be subject to a loan interest rate (including the 0.5 percent administration fee) of 75 percent of the current market interest rate if needed to maintain program viability. The interest rate on these loans will be more than regular DWSRF interest rate, which currently is 2.5 percent (which includes the 0.5 percent administration fee).

Sources and Uses of Funds

Attachment 6 depicts a detailed breakdown of sources and uses of funds from FY1997 through FY2013. Sources of funds include $-8,160,074 in funds available from prior years. An additional $27,960,000 of new funds are anticipated to become available in

2013. Thus $19,799,926 of funds are available for projects. All of the funds are allocated to projects as shown in the Comprehensive Project Priority List and Fundable List (Attachment 2). This amount includes $20,000,000 in leveraged bonds that the NDDH is prepared to issue if the near-term loan demand exceeds available funds.

The figure of -$8,160,074 for funds available from prior years reflects a $66,352,000 loan approved for the city of Fargo in September of 2012. In considering this figure, it is important to note the Fargo loan will not be dispersed in one year but over the course of five years.

State and Tribal Assistance Grants

State and Tribal Assistance Grants (STAG grants) are grants that pass through EPA and go straight to drinking water systems. These grants are for 55 percent of the project. The system must provide the remaining 45 percent of the project as a local match. To avoid the higher cost of issuing municipal bonds, most systems wish to utilize DWSRF loan funds to satisfy the match requirement for these grants. By EPA policy, only non-federal DWSRF funds may be used toward the match. Non-federal funds are limited to loan repayments, earnings, bond proceeds in excess of the capitalization grants, and other state contributions in excess of the required 20 percent state match. Initially the North Dakota DWSRF had insufficient non-federal funds to satisfy match requirements for these grants. Consequently, the NDDH in the past has transferred $14.0 million from the CWSRF to the DWSRF to acquire sufficient non-federal funds to assist systems in this matter. The DWSRF has transferred back $10 million in federal funds to the CWSRF.

Currently Grafton, BDW, and Stutsman Rural Water have open STAG grants and must provide a 45 percent local match. Systems in North Dakota have received a combined $28.7 million in STAG grants since 1999 and must provide a combined $20.6 million in matching funds. The NDDH will fund loans to these and other systems that are awarded STAG grants as long as the program has non-federal funds available. Should the program not have non-federal funds to make loans, loans will be made in future years as these funds become available.

F. Short- and Long-Term Goals

Background

The 1996 SDWA Amendments authorize a DWSRF Program to assist PWSs finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. The objectives of the NDDH's DWSRF Program include addressing public problems and priorities, ensuring compliance with the SDWA, assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the fund. To address these objectives, the DWSRF Program will

help ensure that North Dakota's public water supplies remain safe and affordable through prioritized financial assistance, enhanced source water protection activities, and increased technical assistance to small systems. The short and long-term goals set forth below are established to accomplish these objectives.

Short-Term Goals

1. On December 7, obtain North Dakota State Water Commission approval of this IUP.

2. Continue to implement the DWSRF program for the state of North Dakota by funding projects for systems that are having problems maintaining compliance with the total coliform rule, ground water treatment rule, the arsenic rule, the disinfection byproduct rule series and the surface water treatment rule series.

Long-Term Goals

1. Help North Dakota PWSs achieve and maintain compliance with the SDWA. This is accomplished by coordinating with the PWSS Program and targeting those rules that systems in the state are having problems maintaining in compliance. These include total coliform rule, ground water treatment rule, arsenic, disinfection byproduct rule series and the surface water treatment rule series.

2. Assist the PWSS Program meet their goals. The DWSRF program assistance includes providing technical support on infrastructure issues, capacity reviews and small system technical assistance. Through the small system technical assistance set-aside the DWSRF Program helps operators become certified, systems return to compliance, ensure wellhead protection plans are updated and systems maintain capacity.

3. Administer the DWSRF Program in a manner that will maximize the long-term availability of funds for eligible and needed drinking water infrastructure improvements.

4. Assist North Dakota PWSs in improving drinking water quality, quantity, and dependability by providing reduced interest rate, long-term financial assistance for eligible and needed drinking water infrastructure improvements. This infrastructure assistance helps with compliance of drinking water rules, regionalization/consolidation and replacement of aging infrastructure.

5. Continue to integrate to the maximum extent possible DWSRF funding with other available funding to maximize the benefits to public water systems and needed drinking water projects statewide. The cooperating agencies include the United

States Department of Agriculture, Community Development Block Grant Program, and the North Dakota State Water Commission.

Environmental Results

3. Loan Fund
   a. Through 9/30/12, the fund utilization rate, as measured by the ratio of executed loans to funds available for projects, was 85 percent, which is below the national average of 90 percent. For 2013, the goal of the DWSRF program is to return the fund utilization rate to 90 percent or above.
   b. Through 9/30/12, the rate at which projects progressed as measured by disbursements as a percentage of assistance provided was 86 percent. This is above the national average of 80 percent. The FY 2013 goal is to maintain to this construction pace.
   c. The DWSRF program funded 9 projects, including 1 loan increase, in 2012 totaling $17.8 million and serving a population of 27,335. For 2013, the goal of the DWSRF program is to fund 9 loans, totaling $19.8 million and serving a population of 9,500.

4. Set asides, Small System Technical Assistance
   a. In 2012, 181 systems received training. For 2012, the goal is 120.
   b. In 2012, 60 systems received on-site technical assistance. The goal for 2012 is 75.

G. Public Participation

Background

States are required to make their annual IUP available to the public for review and comment prior to submitting it to the EPA as part of its capitalization grant application. States are also required to describe the public review process used and how it responded to major comments and concerns that were received.

Process

The public was invited to comment on the draft 2013 IUP at a public hearing held in Bismarck on November 13, 2012. Written comments were also accepted until November 19, 2012. No comments were received at the November 13 hearing. Four written comments were received which requested additional projects be listed in the Comprehensive Project Priority List. These projects were for New Salem, Arnegard, and two for Grafton. These projects were added to the Comprehensive Project Priority List.

ATTACHMENT 1

ELIGIBLE AND INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS UNDER THE DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM

EXAMPLES OF ELIGIBLE PROJECTS AND PROJECT-RELATED COSTS

- Projects that address present Safe Drinking Water Act (SDWA) exceedances
- Projects that prevent future SDWA exceedances (applies only to regulations in effect)
- Projects to replace aging infrastructure
  -rehabilitate or develop drinking water sources (excluding reservoirs, dams, dam rehabilitation and water rights) to replace contaminated sources
  -install or upgrade drinking water treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary SDWA standards
  -install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system
  -install or replace transmission and distribution piping to prevent contamination caused by leaks or breaks, or to improve water pressure to safe levels
- Projects to restructure and consolidate water supplies to rectify a contamination problem, or to assist systems unable to maintain SDWA compliance for financial or managerial reasons (assistance must ensure compliance)
- Projects that purchase a portion of another system's capacity, if such purchase will cost-effectively rectify a SDWA compliance problem
- Land acquisition
  -land must be integral to the project (i.e., needed to meet or maintain compliance and further public health protection such as land needed to locate eligible treatment or distribution facilities)
  -acquisition must be from a willing seller
  Note: The cost of complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) is an eligible cost.
- Planning (including required environmental assessment reports) , design, and construction inspection costs associated with eligible projects

EXAMPLES OF INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS

- Dams, or rehabilitation of dams
- Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy
- Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located
- Drinking water monitoring costs
- Operation and maintenance costs
- Projects needed mainly for fire protection
- Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance
- Projects for priority systems in the Enforcement Tracking Tool, unless funding will ensure compliance
- Projects primarily intended to serve future growth

Attachment 2
State of North Dakota
Drinking Water State Revolving Loan Fund Program
Comprehensive Project Priority List and Fundable List for 2013[1]

Shaded projects are on the fundable list

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project	
							Project	Cumulative	Type	Cost($1000)
1	31	0901530-01	*Leonard*	255	Consolidation of existing users to regional water system (arsenic)	2014	3,500	3,500		
2	28	5300809-04	*Ray* [2]	1,600	New treated water storage reservoir and transmission main	2013	3,334	6,834	B/C, wtr & nrg effcy	3,334
3	27	2600556-01	*Lehr* [2]	114	Well and watermain replacement	2013	360	7,194		
4	25	0700198-02	*Columbus*	125	Watermain replacement, smart meters, treated water storage reservoir	2013	525	7,719		
5	25	1200211-02	*Crosby* [3]	1,070	New water tower	2013	2,000	9,719		
6	24	4100428-01	*Gwinner*	717	FE/MN removal equipment, membrane treatment and WTP renovation	2013	2,086	11,805		
7	23	1000543-06	*Langdon*	2,101	New well field	2015	6,000	17,805		
8	23	4800152-01	*Cando*	1,450	Replacement well and interconnection to raw water transmission; WTP modifications	2013	446	18,251		
9	23	4000854-02	*St. John*	341	Well rehabilitation and transmission main replacement	2013	250	18,501		
10	22	2000203-06	*Cooperstown*	984	WTP rehabilitation	2013	210	18,711		
11	21	1000543-04	*Langdon*	4,300	Intake structure and raw water transmission line improvements	2014	3,100	21,811		
12	21	4701303-04	*SRWD*	3,048	Treated water reservoir, booster station, watermain and WTP improvements	2013	18,000	39,811		
13	21	4000834-02	*Rolla*	1,417	WTP upgrade	2013	2,500	42,311		
14	20	1001380-01	*Langdon RWD*	2,350	Replace or renovate transmission and water mains, reservoir and booster station	2013	4,898	47,209		
15	20	2701506-01	*Arnegard*	700	New distribution system	2013	4,057	51,266		
16	20	3000736-01	*New Salem*	937	Watermain replacement and booster station	2013	4,345	55,611		
17	20	2900789-03	*Pick City*	166	Replace undersized watermains, eliminate dead ends, and install additional hydrants	2013	107	55,718		
18	20	2300535-02	*Kulm*	422	Water tower replacement	2013	700	56,418		
19	20	4000834-01	*Rolla*	1,417	Watermain replacement & looping	2013	4,200	60,618		
20	20	0201032-02	*Wimbledon*	216	Water tower replacement	2013	775	61,393		
21	19	5201309-02	*CPWD*	2,607	Booster station improvements and back up generation	2014	1,270	62,663		
22	19	5000408-03	*Grafton*	5,116	Filtration, backwash recycle, and misc WTP improvements	2013	7,230	69,893		
23	19	3200536-02	*Lakota*	781	WTP renovation and new water tower	2013	2,035	71,928		
24	19	4700922-01	*Streeter*	170	Watermain replacement	2013	1,000	72,928		
25	19	1900162-01	*Carson*	320	Watermain replacement	2013	4,050	76,978		
26	18	0501001-01	*Westhope*	533	Water tower replacement	2013	850	77,828		
27	18	0400638-01	*Medora*	112	Water reservoir replacement	2013	600	78,428		
28	18	5200338-01	*Fessenden*	479	Watermain and pump house replacement	2013	1,240	79,668		
29	18	0201058-03	*BRWD*	4,020	WTP rehabilitation and expansion	2016	4,000	83,668		
30	18	5201309-03	*CPWD*	2,607	WTP improvements and membrane softening	2014	5,000	88,668		
31	18	1500571-03	*Linton*	1,321	Watermain replacement	2013	2,785	91,453		
32	18	4000833-01	*Rolette*	538	Watermain replacement	2013	4,214	95,667		
33	18	3700314-06	*Enderlin*	1,082	New lime softening WTP & storage	2013	7,830	103,497		
34	17	0900217-01	*Davenport*	261	New transmission main, increased storage and control replacement	2013	396	103,893		
35	17	2300969-01	*Verona*	108	Watermain and water meter replacement	2013	500	104,393		

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project	
							Project	Cumulative	Type	Cost($1000)
36	17	2000446-02	*Hannaford*	181	Water tower replacement	2013	650	105,043		
37	17	4700922-02	*Streeter*	172	Watermain replacement	2013	2,975	108,018		
38	17	1500469-02	*Hazelton*	237	Water main replacement	2013	2,585	110,603		
39	16	3201072-02	*TCWD*	2,475	WTP rehabilitation and expansion	2013	1,040	111,643		
40	16	2900074-01	*Beulah*	3,500	WTP improvements and water storage	2013	1,657	113,300		
41	16	5100138-01	*Burlington*	1,060	New water tower, transmission main and pump station	2013	3,450	116,750		
42	16	2300537-01	*LaMoure*	944	Water tower replacement, reservoir upgrade and pumping upgrade	2013	1,000	117,750		
43	16	1200211-03	*Crosby*	4,200	New transmission main	2013	1,046	118,796		
44	16	5000773-04	*Park River*	1,535	Water tower replacement	2014	2,706	121,502		
45	16	5200458-04	*Harvey*	1,783	Water reservoir replacement	2014	1,200	122,702		
46	16	0200958-03	*Valley City*	6,585	Watermain replacement	2014	17,000	139,702		
47	16	2200913-01	*Steele*	780	Water tower repair, chemical feed replacement	2013	100	139,802		
48	15	3901068-11	*SEWUD*	4,080	New reservoir, pump station and watermain (arsenic)	2013	100	139,902		
49	15	5101189-02	*NPRWD*	2,327	Water storage rehabilitation	2013	1,820	141,722		
50	15	0900999-05	*West Fargo*	24,000	New SW/GW WTP	2014	52,685	194,407		
51	15	5101189-04	*NPRWD*	5,478	Regionalization with city of Plaza	2013	500	194,907		
52	15	5000408-07	*Grafton*	5,116	Pretreatment and advanced oxidation WTP improvements	2019	5,000	199,907		
53	15	3900567-01	*Lidgerwood*	652	Transmission main replacement	2013	510	200,417		
54	14	3900183-02	*Christine*	153	Watermain replacement and looping	2013	535	200,952		
55	14	3400170-01	*Cavalier*	1,537	Water tower rehabilitation	2013	1,867	202,819		
56	14	1801062-03	*GF-Traill RWD*	6,277	Transmission main, membrane softening, and SCADA improvements	2013	5,785	208,604		
57	14	0900134-02	*Buffalo*	225	Replace existing watermains, gate valves and	2013	1,250	209,854		
58	14	2500415-02	*Granville*	278	Water main replacement	2013	336	210,190		
59	14	3700314-07	*Enderlin*	1,082	Water tower replacement	2014	1,900	212,090		
60	14	1100758-03	*Oakes*	1,979	Water tower replacement	2014	1,030	213,120		
61	14	1100758-04	*Oakes*	1,979	WTP expansion	2013	1,545	214,665		
62	14	3601424-02	*GRWD*	3,508	Water system expansion	2014	4,000	218,665		
63	13	3100898-01	*Stanley*	2,500	Watermain, water tower and pump replacement	2013	1,910	220,575		
64	13	3900333-01	*Fairmount*	406	Water tower and controls replacement	2013	900	221,475		
65	13	0900524-01	*Kindred*	641	Water tower and watermain replacement	2014	1,030	222,505		
66	13	3400269-02	*Drayton*	913	Replace clearwell, replace chemical feed and rehab water tower	2015	1,580	224,085		
67	13	5300936-03	*Tioga*	1,300	Reservoir, transmission main and watermain replacement	2013	7,800	231,885		
68	13	3700574-08	*Lisbon*	2,292	Upgrade to well #1	2013	140	232,025		
69	13	5301079-02	*WRWD*	4,525	Distribution and transmission capacity improvements	2013	18,000	250,025		
70	13	1600159-02	*Carrington*	2,600	Watermain replacement	2015	3,016	253,041		
71	13	3700314-05	*Enderlin*	1,082	Watermain replacement (first loan in 2002)	2013	750	253,791		
72	13	1100758-05	*Oakes*	1,979	Well and well house replacement	2013	375	254,166		
73	13	0501057-03	*ASWUD*	754	Water system expansion	2015	27,919	282,085		
74	12	5100923-01	*Surrey*	5,000	New water tower & transmission main	2014	3,001	285,086		
75	12	3900443-03	*Hankinson*	919	Watermain looping	2013	545	285,631		
76	12	3700876-01	*Sheldon*	120	Pump and control replacement	2013	165	285,796		
77	12	0900387-01	*Gardner*	80	Watermain replacement and looping	2013	310	286,106		
78	12	0900336-05	*Fargo*	105,549	Distribution flow control improvements	2013	550	286,656		
79	12	0900336-08	*Fargo*	105,549	Raw water intake and pump station	2014	12,500	299,156		
80	12	0900336-15	*Fargo*	105,549	Ground storage reservoir #2 and pump station	2029	13,600	312,756		
81	12	2500946-01	*Towner*	533	WTP upgrade - membrane softening	2013	775	313,531		
82	12	5000408-06	*Grafton*	5,116	Park River water intake improvements	2016	750	314,281		

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project	
							Project	Cumulative	Type	Cost($1000)
83	12	5000408-04	*Grafton*	4,284	Water tower replacement	2013	900	315,181		
84	12	1800410-04	*Grand Forks*	55,158	WTP, facility plan, and design	2015	130,450	445,631		
85	12	4600487-02	*Hope*	304	Service to west side of railroad tracks	2014	165	445,796		
86	12	2400715-01	*Napoleon*	857	Water meter replacement	2013	554	446,350		
87	12	1100758-06	*Oakes*	1,979	Water tower rehabilitation	2014	260	446,610		
88	12	3900567-02	*Lidgerwood*	652	Water reservoir demolition	2013	65	446,675		
89	11	0900035-01	*Arthur*	402	Water tower replacement	2013	700	447,375		
90	11	3901043-01	*Wyndmere*	429	Watermain looping	2013	320	447,695		
91	11	1000543-05	*Langdon*	2,101	WTP rehabilitation and equalization basin upgrade	2014	7,000	454,695		
92	11	2800389-02	*Garrison*	3,900	New water tower	2014	900	455,595		
93	11	2801400-02	*McLean-S RWD*	1,199	Blue Lake and Brush Lake area improvements	2013	2,260	457,855		
94	11	3401128-03	*NVWD*	7,837	Transmission main capacity improvements and meter replacement	2013	2,750	460,605		
95	11	0801154-04	*SCRWD*	15,400	Distribution to Braddock, Kyntire & Wishek	2013	10,300	470,905		
96	11	0900945-02	*Tower City*	252	Watermain replacement	2014	1,600	472,505		
97	11	0900492-01	*Hunter*	326	Watermain replacement	2013	420	472,925		
98	11	4600341-02	*Finley*	515	Water tower replacement	2013	670	473,595		
99	11	2300537-02	*LaMoure*	944	Chemical feed replacement	2014	200	473,795		
100	11	5000408-05	*Grafton*	4,284	Distribution system appurantence replacemnt	2014	500	474,295		
101	11	3700314-04	*Enderlin*	1,082	New wells & transmission line	2013	1,600	475,895		
102	10	2700990-05	*Watford City*	2,556	New water tower (NW)	2013	3,290	479,185		
103	10	0901060-01	*CRW*	7,750	Reservoir expansion, watermain upgrade and expansion (refinance)	2013	1,981	481,166		
104	10	4700498-06	*Jamestown*	16,000	Phase 3 - Transmission line	2016	3,451	484,617		
105	10	3000596-07	*Mandan*	23,827	WTP optimization	2013	1,200	485,817		
106	10	0900999-01	*West Fargo*	24,000	Transmission main from new WTP	2013	28,325	514,142		
107	10	3900196-01	*Colfax*	121	Watermain replacement and looping	2013	425	514,567		
108	10	0200763-01	*Oriska*	128	Pump house and reservoir replacement	2013	530	515,097		
109	10	5001075-03	*Walsh RWD*	2,800	Reservoir expansion	2013	1,368	516,465		
110	10	0900336-07	*Fargo*	105,549	Water tower level controls	2014	360	516,825		
111	10	0801031-01	*Wilton*	807	Watermain replacement	2013	18,925	535,750		
112	10	1100758-07	*Oakes*	1,979	New reservoir, pump station and transmission main	2013	720	536,470		
113	9	3900703-01	*Mooreton*	204	Replace gate valves and add bladder tank	2013	165	536,635		
114	9	5301012-05	*Williston*	22,000	New water tower, pumping station and transmission main	2013	8,067	544,702		
115	9	0800080-02	*Bismarck*	71,600	West End Reservoirs expansion for SWTR and DBP rule compliance & clearwell expansion	2013	10,580	555,282		
116	9	0900030-03	*Argusville*	300	Watermain replacement and looping	2014	945	556,227		
117	9	2800989-05	*Washburn*	1,345	Horizontal collector well	2016	3,700	559,927		
118	9	4900465-01	*Hatton*	707	Water tower replacement	2013	700	560,627		
119	9	1400732-03	*New Rockford*	1,391	Watermain replacement	2013	320	560,947		
120	9	0900166-02	*Casselton*	2,044	Water tower replacement	2015	1,800	562,747		
121	9	3700574-09	*Lisbon*	2,292	New well field and raw water transmission main	2014	530	563,277		
122	9	3700574-10	*Lisbon*	2,292	Watermain replacement	2014	2,300	565,577		
123	8	1000768-01	*Osnabrock*	160	Watermain rehabilitation	2013	200	565,777		
124	8	3000596-06	*Mandan*	23,827	Transmission main replacement	2013	5,000	570,777		
125	8	0901060-04	*CRW*	7,750	System elevated tower	2014	3,584	574,361		
126	8	4700498-04	*Jamestown*	16,000	New water tower and transmission main	2013	3,598	577,959		
127	8	0900613-03	*Mapleton*	743	Watermain replacement	2015	1,575	579,534		
128	8	2800989-03	*Washburn*	1,245	Water tower rehabilitation	2013	400	579,934		
129	8	1400732-02	*New Rockford*	1,391	Water tower rehabilitation	2013	170	580,104		
130	8	5101189-03	*NPRWD*	2,327	Distribution, storage & pumping improvements	2013	1,600	581,704		
131	8	1000543-02	*Langdon*	4,300	Water main replacement	2014	650	582,354		

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project	
							Project	Cumulative	Type	Cost($1000)
132	8	1000543-03	*Langdon*	4,300	Water tower rehabilitation	2014	425	582,779		
133	8	0900336-06	*Fargo*	105,539	Water tower rehabilitation 1 & 2	2014	2,100	584,879		
134	8	0900336-09	*Fargo*	105,539	Water tower rehabilitation 4 & 5	2015	2,900	587,779		
135	8	0900336-11	*Fargo*	105,539	Low lift transfer pump station	2016	8,200	595,979		
136	8	0900336-12	*Fargo*	105,539	WTP residuals facility	2016	21,700	617,679		
137	8	0900336-13	*Fargo*	105,539	Water tower rehabilitation 6 & 7	2017	2,200	619,879		
138	8	0900336-14	*Fargo*	105,539	Water tower rehabilitation 8 & 9	2021	2,300	622,179		
139	8	0900336-04	*Fargo*	105,549	Water tower (#3) rehabilitation 2012	2013	1,625	623,804		
140	8	0900336-10	*Fargo*	105,549	Radio read water metering improvements	2015	8,600	632,404		
141	7	3900333-02	*Fairmount*	406	Watermain replacement and looping	2013	620	633,024		
142	7	5101447-01	*West River WD*	400	Service line replacement (from water main to curb stop)	2013	399	633,423		
143	7	3000596-08	*Mandan*	23,827	New raw water intake	2015	16,578	650,001		
144	7	4100357-01	*Forman*	506	Water tower replacement	2013	750	650,751		
145	7	1800410-03	*Grand Forks*	55,158	Water distribution improvements-24th Ave. S. (S. 12th St. to Cherry St.)	2013	1,050	651,801		
146	7	3200653-01	*Michigan*	249	Water meter replacement and WTP upgrades	2013	78	651,879		
147	7	0900945-01	*Tower City*	252	Water tower rehabilitation	2013	140	652,019		
148	6	2901054-01	*Zap*	231	Water storage rehabilitation	2013	134	652,153		
149	6	2700990-03	*Watford City*	1,744	Looping project	2013	730	652,883		
150	6	2700990-04	*Watford City*	2,566	New water tower (SW)	2013	1,890	654,773		
151	6	0900999-02	*West Fargo*	24,000	Underground storage reservoir	2013	2,493	657,266		
152	6	0900999-04	*West Fargo*	24,000	Additional new well	2013	500	657,766		
153	6	2800989-04	*Washburn*	1,245	Watermain replacement	2013	1,370	659,136		
154	6	4700498-05	*Jamestown*	16,000	Water meter replacement	2015	1,399	660,535		
155	6	3001431-01	*Missouri-West*	3,746	Refinance of regionalization project to Flasher and Fort Rice	2013	4,233	664,768		
156	5	3900973-04	*Wahpeton*	8,600	Well upgrades, new well and raw water transmission main	2013	1,062	665,830		
157	5	3900973-05	*Wahpeton*	8,600	Watermain replacement and looping	2014	385	666,215		
158	5	3800877-02	*Sherwood*	255	Watermain replacement	2013	336	666,551		
159	5	0600119-01	*Bowman*	1,600	Watermain replacement	2013	530	667,081		
160	5	0901060-05	*CRW*	7,750	Increased capacity to Casselton Area - wellfield, WTP, reservoir, and transmission main improvements	2014	6,220	673,301		
161	4	3900973-03	*Wahpeton*	8,600	Lime storage, slaker additions & misc WTP improvements	2013	1,129	674,430		
162	4	4900803-01	*Portland*	550	Water tower replacement	2013	700	675,130		
163	4	2700990-02	*Watford City*	1,435	Watermain replacement	2013	465	675,595		
164	4	0900999-06	*West Fargo*	24,000	Surface water intake structure	2014	3,900	679,495		
165	4	2801430-02	*Garrison RWD*	1,227	Water system expansion (SW)	2013	956	680,451		
166	3	5100868-03	*Sawyer*	377	Transmission line replacement	2013	557	681,008		
167	3	3000596-05	*Mandan*	23,827	Water meter/MXU replacement	2013	1,800	682,808		
168	3	2801430-03	*Garrison RWD*	1,229	New reservoir and pump station	2013	1,841	684,649		
169	2	2601055-01	*Zeeland*	141	Water meter replacement	2013	200	684,849		
170	2	2800953-01	*Underwood*	812	Water tower rehabilitation	2013	813	685,662		
171	1	0900999-03	*West Fargo*	24,000	South side water tower	2013	2,266	687,928		
172	1	0900999-07	*West Fargo*	24,000	North side water tower	2015	2,266	690,194		

(1) - It is unknown at this time if mandatory additional subsidization and GPR will apply to the 2013 DWSRF allotment. To address these potential requirements, funding levels of $1,800,000 and $900,000 have been assumed for additional subsidization (as loan forgiveness) and GPR, respectively. Adjustments will be made, as necessary, based on the actual requirements and capitalization grant amount.

(2) - These projects are eligible for 60% loan forgiveness with a cap of $1,000,000 of loan forgiveness. The actual loan forgiveness amount is dependant upon available funds.

(3) - This project is eligible for 30% loan forgiveness with a cap of $1,000,000 of loan forgiveness. The actual loan forgiveness amount is dependant upon available funds.

Priority Ranking	Priority Points	Project No.	*System Name*	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project	
							Project	Cumulative	Type	Cost($1000)

Abbreviations

B/C = Business Case for Green Project Reserve Required
Cat = Categorically Approved Green Project Reserve Project
DBP = Disinfectants/Disinfection Byproducts Rule
FE/MN = Iron and Manganese
GPR = Green Project Reserve
GW = Groundwater
MG = Million Gallons
MXU = Meter Transceiver Unit
nrg effcy = Energy Efficiency
SCADA = Supervisory Control and Data Acquisition
SW = Surface Water
SWTR = Surface Water Treatment Rule
WTP = Water Treatment Plant
wtr effcy = Water Efficiency

ASWUD = All Seasons Water User District
BRWD = Barnes Rural Water District
CPWD = Central Plains Water District
CRW = Cass Rural Water
GRWD = Greater Ramsey Water District
NPRWD = North Prairie Rural Water District
NVWD = North Valley Water District
SCRWD = South Central Regional Water District
SEWUD = Southeast Water Users District
SRWD = Stutsman Rural Water District
TCWD = Tri-County Water District
WRWD = Williams Rural Water District
RWD = Rural Water District

Attachment 3

STATE OF NORTH DAKOTA

PRIORITY RANKING SYSTEM FOR FINANCIAL ASSISTANCE THROUGH THE DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM

DWSRF PROGRAM
DIVISION OF MUNICIPAL FACILITIES
ENVIRONMENTAL HEALTH SECTION
NORTH DAKOTA DEPARTMENT OF HEALTH

OCTOBER, 2012

The following criteria and point system is utilized by the DWSRF Program to rank eligible projects for potential financial assistance through the DWSRF Program:

1. Water Quality (Maximum Points Limited to 35)
2. Water Quantity (Maximum Points = 20)
3. Affordability (Maximum Points = 15)
4. Infrastructure Adequacy (Maximum Points Limited to 15)
5. Consolidation or Regionalization of Water Supplies (Maximum Points = 10)
6. Operator Safety (Maximum Points = 5)

Maximum Total Points = 100

DWSRF funds may be used to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and the construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements.

Creation of New Systems - Eligible projects are those that, upon completion, will create a community water system (CWS) to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources. Eligible projects are also those that create a new regional CWS by consolidating existing systems that have technical, financial, or managerial difficulties. Projects to address existing public health problems associated with individual wells or surface water sources must be limited in scope to the specific geographic area affected by contamination. Projects that create new regional CWSs by consolidation existing systems must be limited in scope to the service area of the systems being consolidated. A project must be a cost-effective solution to addressing the problem. Applicants must ensure that sufficient public notice has been given to potentially affected parties and consider alternative solutions to addressing the problem. Capacity to serve future population growth cannot be a substantial portion of the project.

	CATEGORY	POINTS
1.	Water Quality - Select All That Apply (Maximum Points Limited to 35)[1,3]	
	A. Documented waterborne disease outbreak(s) within last 2 years	20
	B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s), OR acute microbiological MCL exceedance(s) within last 12 months	15
	C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite)	10
	D. Disinfection treatment inadequate to satisfy the Surface Water Treatment Rule (SWTR), the enhanced SWTR or ESWTR, or the groundwater disinfection rule (GWDR) once finalized, OR groundwater source(s) deemed by the DWP to be under the direct influence of surface water, OR multiple turbidity treatment technique requirement (TTR) violations within last 2 years (includes at least one event where the maximum allowed turbidity was exceeded)	8
	E. Multiple turbidity TTR violations within last 2 years (no events where the maximum allowed turbidity was exceeded), OR 3 or more non-acute microbiological MCL violations within last 12 months	7
	F. MCL or TTR exceedance(s) (no URTH level exceedances) within last 4 years (excludes microbiological contaminants, nitrate, nitrite, and turbidity)	6
	G. Potential MCL or TTR compliance problems based on most recent 4 year period (excludes microbiological contaminants and turbidity)	
	75% to 100% of MCL or TTR	5
	50% to 74% of MCL or TTR	4
	H. General water quality problem (see page 7)	
	significant general water quality problem	4
	moderate general water quality problem	3
	minor general water quality problem	2

2. Water Quantity - Select One If Applicable (Maximum Points = 20)[2,3]

A. Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future	20
B. Correction of an extreme water supply problem Maximum water available <150 gallons per capita per day (gpcd) (community water systems only), OR continuous water shortages during all periods of operation (nonprofit noncommunity water systems only)	10
C. Correction of a serious water supply problem Maximum water available <200 gpcd (community water systems only), OR daily water shortages, or inability to meet peak daily water demand, at a frequency of at least once per week during all periods of operation (nonprofit noncommunity water systems only)	7
D. Correction of a moderate water supply problem Maximum water available <250 gpcd (community water systems only), OR occasional daily water shortages, or occasional inability to meet peak daily water demands, on a seasonal basis (nonprofit noncommunity water systems only)	4
E. Correction of a minor water supply problem Maximum water available <300 gpcd (community water systems only), OR sporadic water shortages or occasional inability to meet peak water demands (nonprofit noncommunity water systems only)	2

3. Affordability - For the Applicable Sub-Category, Select One For Each Item (Maximum Points = 15)

A. Community Water Systems

1. Relative income index - ratio of local or service area annual median household income (AMHI) to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates)

< 60%	8
61% to 70%	7
71% to 80%	5
81% to 90%	3
91% to 100%	1

2. Relative future water cost index - ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local AMHI (based on 2006-2010 ACS 5-Year Estimates)

>2.5%	7
2.0% to 2.5%	6
1.5% to 1.9%	5
1.0% to 1.4%	3
0.5% to 0.9%	1

B. Nonprofit Noncommunity Water Systems

1. Relative income index - ratio of local or service area AMHI to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates)

≤ 60%	8
61% to 70%	7
71% to 80%	5
81% to 90%	3
91% to 100%	1

2. Relative future water cost index - ratio of expected annual water service expenditures resulting from the project to total annual operating expenses

>20%	7
15% to 20%	6
10% to 14%	5
5% to 9%	3
2% to 4%	1

4. Infrastructure Adequacy - Select All That Apply (Maximum Points Limited to 15)

A. Correction of general disinfection treatment deficiencies - excludes improvements necessary to directly comply with the SWTR, the ESWTR, or the GWDR (once finalized)	3
B. Correction of well construction or operating deficiencies	3
C. Correction of distribution system pressure problems (dynamic pressure <20 psi)	3
D. Replacement of deteriorated water mains	3

E. Replacement of deteriorated finished water storage structures	3
F. Replacement of distribution system piping/materials shown via DWP-approved testing to contribute unacceptable levels of lead or asbestos	3
G. Water treatment plant operating at or above design capacity	3
H. Water treatment plant operating at or beyond useful or design life	3
I. Correction of specific design or operating deficiencies associated with water treatment plant unit processes (excludes disinfection treatment)	2
J. Correction of specific design or operating deficiencies associated with surface water intake facilities	2
K. Correction of specific or design or operating deficiencies associated with finished water storage facilities	2
L. Correction of specific design or operating deficiencies associated with raw or finished water pumping facilities	2
M. Correction of specific design or operating deficiencies associated with raw or finished water distribution system piping	2
N. Correction of specific design or operating deficiencies associated with chemical feed installations (excludes disinfection)	2
O. For systems relying solely on their own groundwater supply, provision of a second well where only one functional well exists	2
P. Replacement of inoperative, obsolete, or inadequate instrumentation or controls	2

5. Consolidation or Regionalization of Water Supplies - Select All That Apply (Maximum Points = 10)

A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s), or extreme to critical water supply problem(s), for 1 or more PWS through consolidation with or regionalized service by another PWS	4
B. Correction of contamination problems (regulated contaminants), or extreme water quantity problems (no water, imminent loss of water supply, or continuous/ frequent daily water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS	3
C. Correction of potential MCL or TTR compliance problems, general water quality problems, or moderate to serious water quantity problems for 1 or more PWSs through consolidation with or regionalized service by another PWS	2
D. Correction of general water quality problems, or moderate water quantity problems (occasional daily or seasonal water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS	1

6. Operator Safety - Select One If Applicable (Maximum Points = 5)[2]

A. Correction of a problem that poses a critical and chronic safety hazard for operators	5
B. Correction of a problem that poses an intermittent safety hazard for operators	3
C. Correction of a potential significant safety hazard for operators	1

[1] Applies to community and nonprofit noncommunity public water systems only. Water quality problems must be ongoing and unresolved under the present system configuration. Analysis applies to finished water after all treatment (raw water if no treatment is provided).

[2] Applies to community and nonprofit noncommunity public water systems only. Projects intended mainly to increase water availability for or to improve fire protection are not eligible for DWSRF assistance. Fire protection features, in order to be eligible, must represent an ancillary project benefit or secondary project purpose.

[3] Projects intended to address multiple community and/or nonprofit noncommunity public water system water quality and/or quantity problems will be ranked based on the highest level problem to be solved.

GENERAL WATER QUALITY

DEFINITIONS

Significant General Water Quality Problem (4 points) = Score of 6 or greater
Moderate General Water Quality Problem (3 points) = Score of 4 or 5
Minor General Water Quality Problem (2 points) = Score of 3 or less
All values expressed in milligrams per liter

Total Dissolved Solids (TDS)

500 - 999	Score of 1
1,000 - 1,499	Score of 2
≥1,500	Score of 3

Total Hardness as Calcium Carbonate (TH)

200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3

Iron (FE)

0.3 - 0.89	Score of 1
0.9 - 2.0	Score of 2
>2.0	Score of 3

Manganese (MN)

0.05 - 0.25	Score of 1
0.26 - 1.00	Score of 2
>1.00	Score of 3

Sodium (NA)

200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3

Sulfate (SO_4)

250 - 499	Score of 1
500 - 750	Score of 2
>750	Score of 3

Attachment 4
Nonproject Set-Aside and Fee Activity (1)
North Dakota Drinking Water State Revolving Loan Fund Program

Set-Aside	Set Aside Through 9/30/2012	Transferred To Loan Fund	Expended Through 9/30/2012	Balance Available	Planned Set-Asides For 2013	Total Set-Aside Funds Available 2013	Reserved Through 2012	Reserved From 2013 Allotment	Total Reserved Through 2013
4% Administration	6,382,044	0	5,712,149	669,895	360,000	1,029,895	0	0	0
10% State Program Assistance									
PWSS Supervision	1,370,000	0	743,370	626,630	500,000	1,126,630			
Source Water Protection									
Capacity Development									
Operator Certification									
2% Small System Technical Assistance	2,405,332	0	2,050,800	354,532	180,000	534,532	0	0	0
15% Local Assistance (2)									
Land Acquisition									
Capacity Development									
Wellhead Protection									
Source Water Petition Programs									
Source Water Protection (3)	1,255,880	820,612	435,268	0	NA	0	0	NA	0
Totals	11,413,256	820,612	8,941,587	1,651,057	1,040,000	2,691,057	0	0	0

Fee Type	Collected Through 9/30/12	Transferred to Loan Fund	Expended Through 09/30/12	Balance Available 09/30/12	Projected Funds 01/01/13 - 12/31/13	Total Funds Available Through 12/31/13	Total Funds Held Through 12/31/13
Loan Fee	5,438,357	0	406,906	5,031,451	871,944	6,310,301	5,903,395

(1) The set-aside amounts are based on percentages (4%, 2%, or 10%) of the respective federal DWSRF allotments. The FY 1997 through 2012 allotments have been awarded. The anticipated allotment for FY 2013 is $9,000,000. The FY 2013 allotment will be applied for by July 1, 2013. The funds expended and the balance available are as of September 30, 2012. The loan fee amounts reflect loans approved up to September 30, 2012. The amounts may increase based upon repayments due (if any) under loans approved after this date. (2) No more than 10% may be used for any one activity with a maximum of 15% for all activities combined. (3) Only the FY 1997 allotment may be used to complete the mandatory source water assessments. All funds not used by April 25, 2003, from this set aside were transferred to the Loan Fund.

Attachment 5
Amounts Available to Transfer Between State Revolving Fund Programs
North Dakota Drinking Water State Revolving Loan Fund Program

Year	Transaction Description	Banked Transfer Ceiling	Transferred from DWSRF to CWSRF	Transferred from CWSRF to DWSRF	DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
1998	DW Grant	4.1			4.1	4.1
1998	DW Grant	6.5			6.5	6.5
2000	DW Grant	9			9	9
2000	DW Grant	11.5			11.5	11.5
2001	DW Grant	14.1			14.1	14.1
2002	DW Grant	16.7			16.7	16.7
2002	Transfer		10	3	9.7	23.7
2003	DW Grant	19.4			12.4	26.4
2003	Transfer		0	5.9	18.3	20.5
2004	DW Grant	22.1			21	23.2
2004	Transfer		0	2.6	23.6	20.6
2005	DW Grant	24.8			26.3	23.3
2005	Transfer		0	0.1	26.4	23.2
2006	DW Grant	27.5			29.1	25.9
2006	Transfer		0	1.5	30.6	24.4
2007	DW Grant	30.3			33.4	27.2
2007	Transfer		0	4.9	38.3	22.3
2008	DW Grant	33			41	25
2008	Transfer		0	3	44	22
2009	DW Grant	35.7			46.7	24.7
2009	Transfer		0	0.7	47.7	24
2010	DW Grant	40.1			52.1	28.8
2010	Transfer		0	0.8	52.9	28
2011	DW Grant	43.2			56	31.1
2012	DW Grant	46.1			59.9	34
2013	DW Grant	48.8			62.6	36.7
2013	Transfer		**0**	**0**	62.6	36.7

Attachment 6
Sources and Uses Table
North Dakota Drinking Water State Revolving Loan Fund Program
Cumulative Amounts as of September 30, 2012

	SOURCES
Federal Capitalization Grants	153,817,767.00
State Match	36,320,737.00
Transfers from CWSRF	22,577,672.00
Net Leveraged Bonds	107,828,128.00
Investment Earnings	31,368,470.00
Interest Payments	27,715,860.00
Principal Repayments	76,085,371.00
TOTAL SOURCES OF FUNDS	$455,714,005

	USES
4% Administration	6,382,044.00
2% SSTA	2,405,332.00
10% DW Program Set-Aside	1,370,000.00
15% Local Asst. Set-Aside	435,268.00
Transfers to CWSRF	10,000,000.00
Reserves	7,084,454.00
Bond Principal Repayments	22,194,613.00
Bond Interest Expense	28,752,057.00
Arbitrage	755,617.00
Closed Agreements	313,013,544.00
Loans Approved by Industrial Commission	71,481,150.00
TOTAL USES OF FUNDS	$463,874,079

DWSRF Funds Available for Projects in 2013*	-$8,160,074

	ANNUAL SOURCES FOR 2013
FY13 Capitalization Grant	9,000,000.00
Set-asides taken from FY13 Capitalization Grant	(1,040,000.00)
State Match (if applicable)	-
Leveraged Bonds (if applicable)	20,000,000.00
Transfers with CW +/- (if applicable)	-
Total New 2013 Funds	$27,960,000
TOTAL DWSRF FUNDS AVAILABLE FOR 2013	$19,799,926
TOTAL DWSRF PROJECTS ON FUNDABLE LIST	$19,799,926
AVAILABLE FUNDS	$0

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd S. Sando, P.E., Chief Engineer - Secretary
SUBJECT: SWPP Project Update
DATE: November 16, 2012

Oliver, Mercer, North Dunn (OMND) Regional Service Area

Contract 3-1D OMND Water Treatment Plant Building and Membrane Equipment Installation: Construction is complete. Final change orders for the general and mechanical contractor are approved. Final change order for the electrical contract is being prepared. Contractors are working on final punch list items and administrative items.

Contract 3-1C Membrane Procurement: The membranes are performing as expected.

Contract 3-1E OMND Water Treatment Plant Concentrate Disposal Facility: The contractor, Carstensen Contracting Inc., is working on final punch list items and administrative items.

Contract 2-8A Main Transmission Line from WTP to Zap and Hazen: Final close out of the contract is still pending since the contractor, Titus Excavating does not agree with the final contract quantities despite having signed the final change order.

Contract 5-15A Zap Potable Reservoir: The contract will be closed out after the contractor completes pending administrative items.

Contract 2-8B Main Transmission Line from Hazen to Stanton and Beulah to Center Elevated Tank: Contract has been closed out.

Contract 5-16 Center Elevated Tank: Punch list items and administrative items remain before contract can be closed out.

Contract 2-8C/D Main Transmission Line from Center Elevated Tank to Center: The City of Center and the Missouri River Water System (MWWS) are served with SWPP water. Inspection and administrative items remain on the contract.

Contract 7-9C Zap Service Area (SA) Rural Distribution Line Phase I: This project was bid August 4, 2011. The Commission approved award of the contract to Northern Improvement Co. at its August 17, 2011 conference call meeting. The preconstruction conference for this contract was held on June 15, 2012. The contractor began work on the 6" pipeline in the Stanton area on August 6, 2012. The contractor plow train started installing pipeline North of Hazen on August 22, 2012. The project has a substantial completion date of October 1, 2012 for the initial 301 users. All parties have executed Change Orders (CO) 1 and 2, which add total of 22 users. CO 2 also extends the completion date by 30 days for the users added by CO 1 and 2.

As of November 16th, about 100 miles out of 137.7 miles have been installed and 83 of 323 service connections installed. A letter was sent to the contractor end of September requesting a schedule showing how they expect to complete the project. The letter also pointed out liquidated damages provisions on the contract agreement. Communications between the engineer and the contractor has been ongoing and the contractor has been informed that the priority is to provide water to as many users as possible. The contractor has a new sub contractor on board and as of November 16th, 6 users were turned over to the Southwest Water Authority (SWA) and ready for service. Higher retainage is being with held to account for the liquidated damages that will be assessed.

Contract 7-9D Zap Service Area Rural Distribution Line Phase II: This contract was bid on April 27, 2012 and was awarded to Swanberg Construction Inc. of Valley City on June 13th 2012. The preconstruction conference for this contract was held on August 23, 2012 and construction began the first week of September. This contract has an intermediate completion date of November 1, 2012 for a portion of the service area encompassing the 10" diameter piping and branch lines serving 120 users. The substantial completion date for this contract is August 1, 2013.

As of November 16th, about 26 miles out of the total 136.5 miles have been installed and 65 out of 215 service connections installed. The contractor requested a 20 day extension period on the intermediate completion date on October 29, 2012. Since the contractor is showing good progress and performing well, the 20 day extension has been granted. As of November 16th, 56 users have been turned over to SWA. This contract has two high cost users who do not meet the feasibility criteria. It appears that the two affected users would meet the project feasibility criteria by each signing up for one additional service unit or by adding one pasture tap.

Contract 7-9F (East) Center SA Rural Distribution System: Preliminary pipeline routes have been forwarded to the cultural resources sub-consultant. Cultural resources report is expected by the end of November and submittal set of plans is expected to be completed by mid-december.

Contract 2-8E/2-8F Main Transmission Line (MTL) from OMND Water Treatment Plant (WTP) to West of Killdeer: Contract 2-8E will be the MTL from the OMND WTP to a combination reservoir and booster station north of Halliday (Dunn Center booster station). Contract 2-8F will be the second segment west of Halliday to west of Killdeer.

Submittal set of plans for Contract 2-8E has been received from the engineer. Work on gathering parcel information to enable easement acquisition has begun. Water from the OMND WTP will be pumped to the Dunn Center booster station. From the Dunn Center booster station water will be again pumped to the elevated Dunn center tank. The pumps inside the OMND WTP will need to be installed before the Phase II expansion of the OMND WTP in order to facilitate pigging, pressure testing and flushing of the 2-8E lines. So it is planned to bid out the pumps as a small separate contract.

Contract 5-17 Dunn Center Elevated Tank: Possible sites for the reservoir has been identified and the SWC realty officer is contacting landowners to purchase the site.

Contract 8-6 Killdeer Mountain Elevated Tank: Possible site for the reservoir has been identified and the SWC realty officer will be contacting landowners to purchase the site.

Other Contracts

Contract 7-1C/7-8H Hydraulic Improvements in the Davis Buttes, New Hradec and South Fryburg SA: Contract 7-1C includes furnishing and installing 8.5 miles of 8" PVC gasketed joint pipe, a prefabricated steel Control/PRV vault, and a prefabricated concrete tank control vault north of Dickinson, to increase the capacity in the New Hradec and Davis Buttes service area.

Contract 7-8H includes furnishing and installing approximately 5 miles of 8" PVC gasketed joint pipe.

Bids for contract 7-1C/7-8H were opened on October 10, 2012. The State Water Commission at its September 17, 2012 meeting, authorized the Chief Engineer-Secretary to award Contract 7-1C/7-8H to the lowest responsible bidder. Six bid packages were received. The apparent low bidder was Manitou Construction, Inc. of Dickinson, ND. Their bid was $1,143,138.50, which was approximately 5.5% lower than the engineer's estimate. Manitou Construction, Inc. is a new contractor to the SWPP and to Bartlett & West/AECOM (BW/AECOM). References for the contractor gave favorable recommendation for the contractor. USDA Rural Development concurred with the award of the contract and the notice of award was issued on October 24, 2012. All parties executed contract documents and the notice to proceed was issued on November 7, 2012. Pre-construction conference for the contract was held on November 8, 2012 and the contractor started installing pipe on November 14, 2012.

Contract 7-1C has a substantial completion date of May 1, 2013 with final completion on or before July 15,2013. Contract 7-8H has a substantial completion date of June 15, 2013 and final completion date of July 15, 2013.

Contract 8-1A New Hradec Tank: This contract includes furnishing and installing a single 296,000-gallon welded steel or glass coated bolted steel water storage reservoir. The tank is 25 ft in diameter and 81 ft to the overflow. We have an option agreement in place for the tank site. Geotechnical investigation has indicated that the site is suitable for tank site. Abstract and title work is underway. Submittal set of plans and specifications has been received and we hope to advertise this contract this winter.

Contract 4-3A/4-4A Jung Lake and Ray Christensen Pump Station Upgrades: This contract was split into general and electrical contracts. The general contract is complete. The electrical contract is substantially complete with some administrative items remaining. The short circuit analysis conducted for the Ray Christensen Pump Station noted three breakers in the south zone motor control center (MCC) installed with the original construction, are insufficient to withstand a short circuit without damage.

BW/AECOM investigated possible solutions for resolving the situation. Two viable solutions were found. One solution required adding a current limiting fuse upstream of the MCC at an estimated cost of $25,000 and the other required replacing the starters and associated breakers at an estimated cost of $120,000. We have directed BW/AECOM to proceed with a change order to install the current limiting fuse to avoid any injury caused by short circuit damage.

Project Update

Existing Intake Air Handling Units (AHU): At the existing intake location, the HVAC equipment was not upgraded when pumps were upgraded. The higher demand on the system require longer pump run times. This has generated excessive heat, which the existing HVAC system is not able to handle. The intake currently has a 25-ton AHU. Analysis indicates another 20-ton AHU is needed. Preliminary verbal cost estimates for the additional equipment are about $50,000. Since it is under $100,000 the equipment need not be advertised for bids. Preliminary drawings have been prepared and we hope to get quotes for this work soon.

Secondary Raw Water Intake: BW/AECOM is working on the design of the secondary raw water intake. The intake is being designed for 7000 gpm capacity. The initial design located the intake adjacent to the existing Basin Electric Power Cooperative (BEPC) Intake and the SWPP booster pump station within the BEPC's existing pipeline easement. The Corps of Engineers directed us to put the caisson and pump building within BEPC's easement. BEPC has justifiable concerns over having infrastructure over their easement. The proposed intake location was revised and caisson and pump building was placed mostly within existing SWPP easement. However, because of the necessary size of the building, it is still encroaching BEPC's easement by 10 ft. BEPC agreed to our new proposal. A meeting with the Corps of Engineers and Bureau of Reclamation officials was held on September 24, 2012. The Corps was agreeable to our proposal. An easement application for a construction easement was prepared and sent along with Bureau of Reclamation's cover letter. Since the ND Game and Fish Department manage the Corps land, a meeting with them to discuss the project is currently being scheduled. The planned schedule for the design and construction is as follows: design completed by spring 2013, followed by caisson construction in summer 2013, intake construction fall 2013 through spring 2014 and pump building construction in summer/fall 2014.

Dickinson WTP Study: Work on the capital improvements study for the Dickinson WTP is ongoing with a draft report nearing completion. The report also includes treatment processes to address taste and odor issues for the Dickinson facility and the OMND WTP. The SWPP experienced a taste and odor event in the Fall of 2012. Water samples analyzed found levels of Geosmin (a compound produced by several classes of microbes including blue-green algae when they die and decay) ranging from 2 to 24 nano-grams/liter.

City of South Heart: The SWA received a letter from the City of South Heart's consulting engineer requesting additional 74 gpm from the project in February 2012. Design capacity in the Belfield service area is fully allocated to existing contract and rural customers, so at this time it is not possible to contractually increase the flow rate to the City of South Heart. The CEO/Manager of the SWA responded to the City of South Heart, indicating that some additional capacity may be available to the City on an interim basis. The Belfield Reservoir's levels will be monitored

and if the pumps are not able to keep up with the demands, the additional flow would have to be curtailed and the City would have to implement other measures such as blending. Need for additional storage to meet the peak demands of the anticipated growth were also stressed to the city. The City was also informed that additional capacity would be available west of Dickinson when the OMND WTP serves the Fairfield service area, which is currently served by the Dickinson WTP.

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, P.E., Chief Engineer/Secretary
SUBJECT: Devils Lake – Projects and Hydrologic Update
DATE: November 19, 2012

Hydrologic Update

At this time the Devils Lake water surface elevation is at the level of a month ago.

	CURRENT	1 MONTH AGO		1 YEAR AGO	
		VALUE	CHANGE	VALUE	CHANGE
Elevation (ft-msl)	1451.4	1451.4	0.0	1453.4	-2.0
Area (acres)	176,000	176,000	0.0	198,000	-22,000
Volume (acre-feet)	3.62 million	3.62 million	0.0	3.99 million	-370,000

The volumes and areas above were obtained from the area-capacity table found on the Commission's website, and includes area and volume values from Stump Lake.

West End Outlet

This outlet has operated at near the maximum flow throughout the month of October and into November. The outlet was shut down for winter the second week of November. Winterizing activities have been completed.

The water volume released from the West End Outlet, April thru November was 85,196 ac-ft.

East End Outlet

The outlet was also shut down on the second week of November for the winter. Winterizing activities have been completed. The outlet was not running during much of October after a leak in the pipeline near the terminal structure. The repair was completed by the contractor, and the outlet was once again operated near the maximum discharge in November.

The water volume released from East End Outlet, June thru November was 72,346 ac-ft.

The total volume released from April thru November from **both** outlets is **157,542 ac-ft** or just under one foot off the lake. This is more than all previous annual discharge totals combined from the Devils Lake Outlets, as shown in the attached table.

The latest sulfate level below Baldhill dam was 787 mg/L on October 31st. Near Cooperstown, the sulfate level in the Sheyenne was 734 mg/L on October 31st.

TS:JK:EGC /416-10

Devils Lake East and West Outlet Annual Discharge Summary

			East End and West End Outlets			West End Outlet			East End Outlet		
Year	Peak Lake Elevation for Year (ft NGVD29)	Area at Lake Peak Elevation (ac)	Annual Total Discharge (ac-ft)	Drop in Lake at El 1450 ft NGVD29 (inches)	Drop in Lake at Peak Elevation for Year (inches)	Annual Total Discharge (ac-ft)	Drop in Lake at El 1450 ft NGVD29 (inches)	Drop in Lake at Peak Elevation for Year (inches)	Annual Total Discharge (ac-ft)	Drop in Lake at El 1450 ft NGVD29 (inches)	Drop in Lake at Peak Elevation for Year (inches)
2005	1448.9	153,417	38	0.00	0.00	38	0.00	0.00	--	--	--
2006	1449.2	155,907	--	--	--	--	--	--	--	--	--
2007	1448.0	145,543	298	0.02	0.02	298	0.02	0.02	--	--	--
2008	1447.1	138,985	1,241	0.09	0.11	1,241	0.09	0.11	--	--	--
2009	1450.7	169,292	27,653	2.04	1.96	27,653	2.04	1.96	--	--	--
2010	1452.1	182,244	62,977	4.64	4.15	62,977	4.64	4.15	--	--	--
2011	1454.4	209,790	46,911	3.46	2.68	46,911	3.46	2.68	--	--	--
2012	1453.5	198,881	157,542	11.61	9.51	85,196	6.28	5.14	72,346	5.33	4.37
Total	**1454.4**	**209,790**	**296,661**	**21.86**	**16.97**	**224,315**	**16.53**	**12.83**	**72,346**	**5.33**	**4.14**

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, P.E., Chief Engineer-Secretary
SUBJECT: NAWS – Project Update
DATE: November 20, 2012

Supplemental EIS

Reclamation held a cooperating agency meeting July 18 for the NAWS Supplemental EIS. Agenda items included transbasin effects analysis, Missouri river depletion analysis, and alternatives analysis. The needs assessment and Chapter 1 of the SEIS have been provided for Cooperating Agency Team review, as has the Transbasin Effects Report. The Transbasin Effects Report has also gone out for contracted peer review analysis. When the Supplemental EIS is completed, the report will be provided to the federal court. Reclamation is assuming a draft version will be completed this winter and the final EIS next summer.

Manitoba & Missouri Lawsuit

The Federal Court issued an order on March 5, 2010, requiring Reclamation to take a hard look at (1) the cumulative impacts of water withdrawal on the water levels of Lake Sakakawea and the Missouri River, and (2) the consequences of biota transfer into the Hudson Bay Basin, including Canada. The most recent order dated October 25, 2010, allows construction on the improvements in the Minot Water Treatment Plant to proceed, however it does not allow design work to continue on the intake. The court ordered a conference call on November 15th. The court expressed concerns about construction taking place under the previously approved and unopposed injunction modifications possibly affecting the outcome of the SEIS. A briefing explaining the additional construction on the north tier, justifying the need and explaining the independence from supply or biota treatment alternatives will be filed by December 6th.

Current Construction

Contract 2-2D - This contract includes 62 miles of pipeline for the Mohall/Sherwood/All Seasons pipeline. The contract was awarded to American Infrastructure, Colorado. The Contract Surety, EMC took over the contract and hired S.J. Louis Construction to complete the remaining work. This project was substantially complete October 27, 2011 350 days after the substantial completion date. The punch list items are complete with only landowner releases necessary before contract closeout. A final change order including liquidated damages has been sent to the surety.

Contract 2-3A – This contract includes 13 miles of 24" ductile iron pipeline between the north side of Minot and the Minot Air Force Base and 2000 feet of PVC pipe connecting to Minot's North Hill Reservoir. Work began in early September 2011. All pipeline has been installed,

pressure tested, disinfected, flushed and is in service. The City of Minot's North Hill reservoir began receiving water in July, and the Minot Air Force Base and Contract 2-3B users began receiving water in November. A punchlist has been generated and sent to the contractor.

Contract 2-3B – This contract covers 17 miles of pipeline north of the Minot Air Force Base along Highway 83 to provide service to Upper Souris Water District at their treatment plant and at Glenburn and North Prairie Rural Water near the Minot Air Force Base. This pipeline was put in service in November and is substantially complete. A few punchlist items remain.

Contract 7-1A – The Federal Court on October 25, 2010, approved construction in the Minot Water Treatment Plant with the piping and filters. The SCADA telemetry system for the Northern Tier has been incorporated into this contract, as well as the design and programming for the SCADA for the entire project. The contract was awarded to PKG Contractors, and Main Electric. The work on the 1960's filter bay is complete and they are in service. The 1950's filter bay is nearing completion and should be operational in December. The SCADA towers at the existing sites across the Northern Tier and all but three radios and panels have been installed. Witness testing and installation of the telemetry system was conducted the third week in November. The overall contract should be substantially complete in January.

Contract 2-4A – This contract will cover the 17 miles between Renville Corner at the intersection of Highway 83 and Highway 5 and the City of Westhope. This pipeline will serve multiple connections to All Seasons Rural Water including the City of Westhope. We have received concurrence from the Bureau of Reclamation and are planning to bid this contract this winter.

Contract 2-3C – This contract will cover 18 miles between Forfar and Renville Corner including a pipeline to the City of Lansford and will complete the looped portion of the Northern Tier of the NAWS system. This pipeline will provide additional service to areas of growth on the system and add operation flexibility and redundancy to the system in the interim and will be necessary to address growth in the project area and to provide peak day flows once water is available from Lake Sakakawea. We plan to award this contract next summer.

Remaining Northern Tier Contracts – We have initiated design work on the remaining pipeline, pumping station, and reservoir contracts for the rest of the distribution system. We will be able to design all remaining facilities using the 2011-2013 biennium funding. This will allow our focus to shift to the water supply facilities once the environmental review and related litigation is completed without causing undue delay for construction of either the supply facilities or the distribution facilities.

Design and Construction Update

Table 1 - NAWS Contracts under Construction				
Contract	Contract Award	Contractor	Contract Amount	Remaining Obligations
2-2D Mohall	7/24/09	American Infrastructure, CO **In Default – Being taken on by the Bonding Co - EMC**	$5,196,586.13	$441,799.57
2-3A Minot AFB	1/4/11	S.J. Louis Construction	$6,251,108.09	$463,286.76
2-3B Upper Souris/Glenburn	1/4/11	S.J. Louis Construction	$3,869,311.61	$138,254.79
7-1A Minot WTP Filter Rehab and SCADA	11/30/11	PKG Contracting, Inc. Main Electric, Inc.	$8,118,911.17	$1,864,643.95
Total Remaining Construction Contract Obligations				**$2,907,985.07**

TSS:TJF/237-4

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, Chief Engineer and Secretary
SUBJECT: Mouse River Enhanced Flood Protection Project
DATE: November 20, 2012

The Souris River Joint Water Resource Board has formed a Steering Committee to work with the project engineering team. After the formative meeting, the Committee has been meeting with the engineering team weekly by conference call to discuss project progress and implementation questions. The Committee requested the engineering team examine the effect on project cost of modifications in scaling (reduced size) and phasing (construction sequencing) issues, assuming the adopted project alignments. The scaling report is attached and the phasing report will be available near the end of the year.

Preliminary engineering is proceeding in the rural reaches of the Mouse River loop. An unsteady flow hydraulic model was developed for the Sherwood to Lake Darling reach, and the same type of model is under development for the Velva to Sawyer reach. The LiDAR data for Bottineau and McHenry Counties, which was acquired last year, has been made available in preliminary form, and is working well to define the topography for the model. The more recently approved Renville County LiDAR is being acquired now.

Hydrologic (rainfall-runoff) models for the various subbasins are also under development. These will enable us to evaluate various combinations of flows from different parts of the basin.

On behalf of Minot and Ward County, we have also been investigating the advantages and disadvantages of adopting an Advisory Base Flood Elevation. This is a FEMA process to adopt the best available data as an interim flood plain management tool. This tool, in the form of a flood plain map, can be used to regulate reconstruction. It does not affect insurance rates. Since Ward County's flood plain map was in the process of updating before the flood occurred, enough preliminary data is available to redefine the flood plain. A new map was prepared for Minot based on this data and it is under consideration. This map would also have an effect on feasibility of homes for HMGP acquisition. During the discussions with Minot, Ward County expressed an interest in developing such a map for the remainder of the county. This would be used to regulate new development in the flood-damaged zone after the County's moratorium expires in February.

TS:TF:1974
Attachment

Summary:
Preliminary project scaling assessment

BARR

Scaling assessment purpose

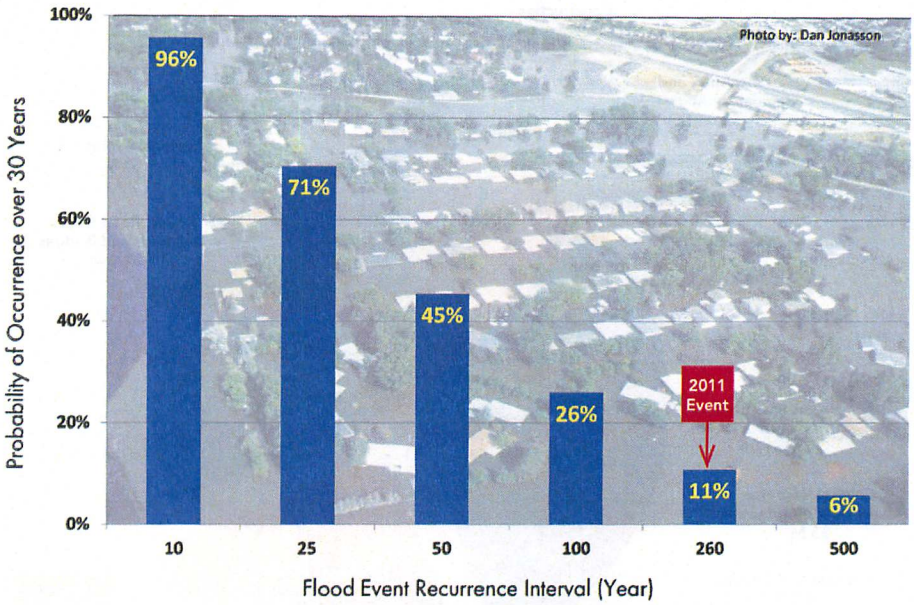
In the aftermath of the destructive 2011 flood, the North Dakota State Water Commission retained an engineering team to develop a plan that could better protect the Mouse River community from future flooding events of similar magnitude (27,400 cfs). The resulting preliminary engineering report (PER) outlined a preliminary alignment for levees and floodwalls, as well as engineering, environmental, and cost considerations for implementation (Barr 2012).

Following the PER development, the Minot City Council passed a resolution adopting the PER project footprint and raised questions about the cost-saving potential of designing to a lesser flow. The purpose of this project scaling assessment is to evaluate the feasibility of decreasing project costs by reducing the design flows to 10,000, 15,000, and 20,000 cfs. In addition to costs, flood risk must also be considered when designing flood risk reduction measures to lower design flows (Figure 1).

PER alignment

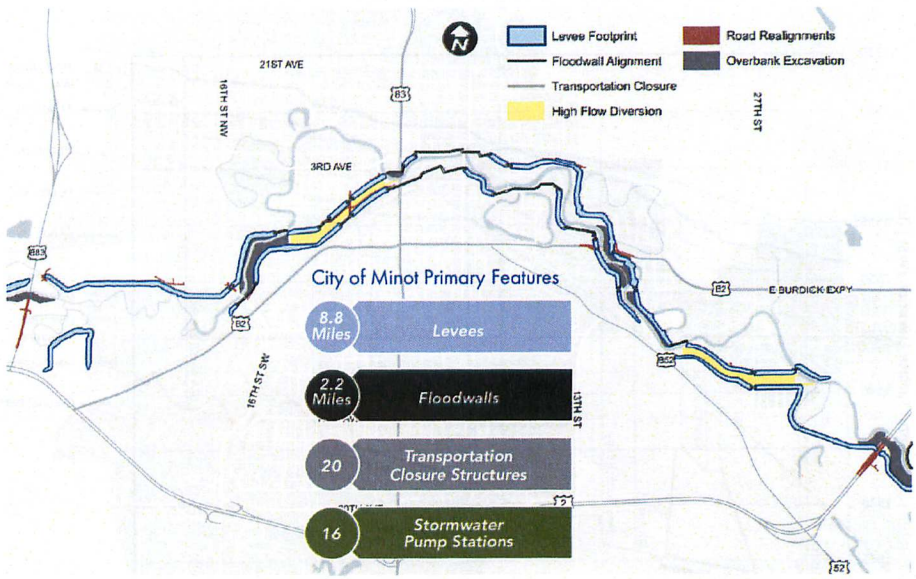
The preliminary alignment extends from Burlington to Velva, including Mouse River Park. Levees comprise almost 90 percent of the alignment, totaling 21.6 miles. The remainder of the alignment consists of 2.8 miles of floodwalls and 30 transportation closure structures. In addition, the project would require 33 stormwater pump stations. The alignment of the project through the City of Minot and corresponding flood reduction features are shown in Figure 2.

Figure 1:
Likelihood of a given flood event occuring over a 30-year average mortgage



There is a 26% chance that the 5,000 cfs (FEMA's effective 1% annual chance event) flow will occur over the standard 30-year mortgage timeframe. FEMA has classified the 2011 Mouse River flood event as a 260-year event in Minot. The annual exceedance probability for this event is 1/260, or 0.38%. Since the probabilities of annual occurrence accumulate over time, the probability of the 260-year event occurring over a 30-year timespan (the average length of a home mortgage) is about 11 percent.

Figure 2: PER alignment and features through the City of Minot



The design water surface elevation used in the PER to define the required height for levees and floodwalls was based on the record flow of 27,400 cfs. In addition, 3 feet of freeboard was incorporated into the PER design.

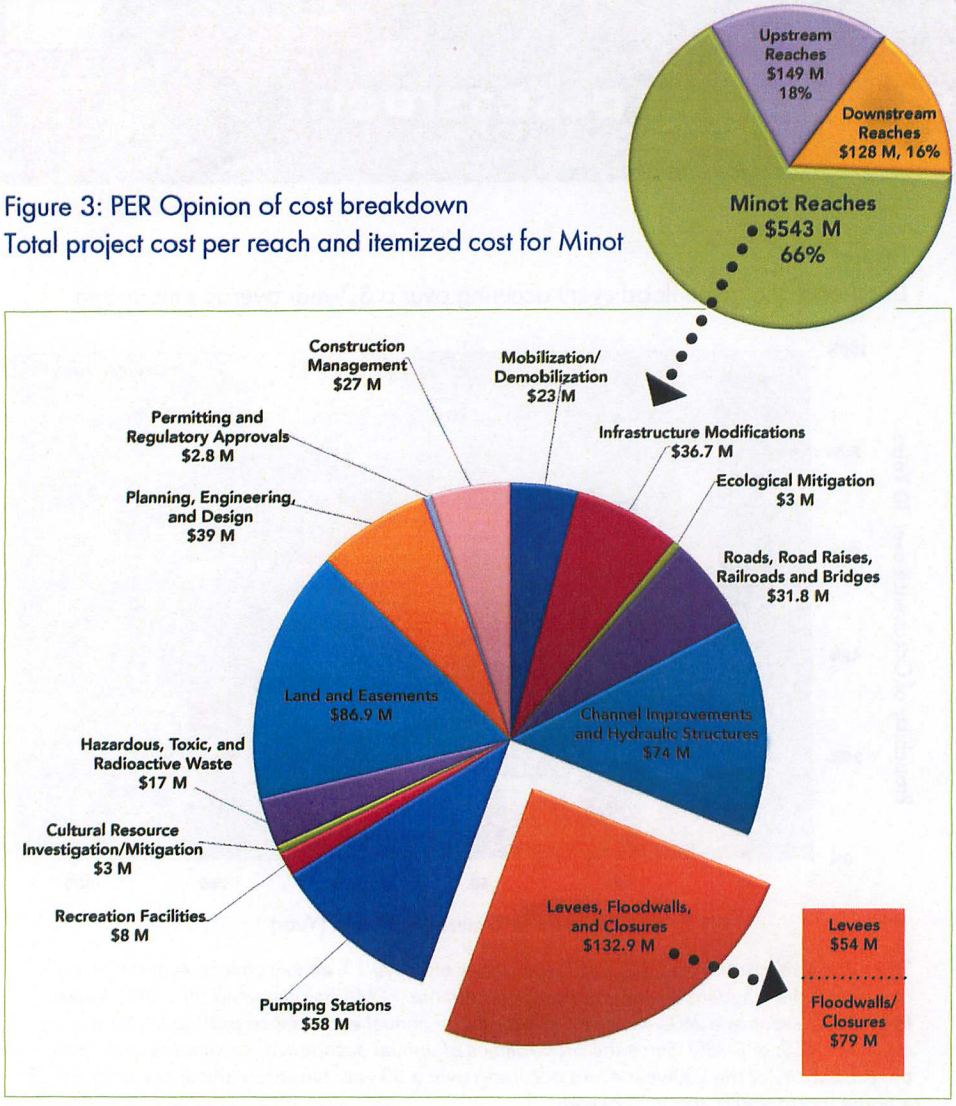


Figure 3: PER Opinion of cost breakdown
Total project cost per reach and itemized cost for Minot

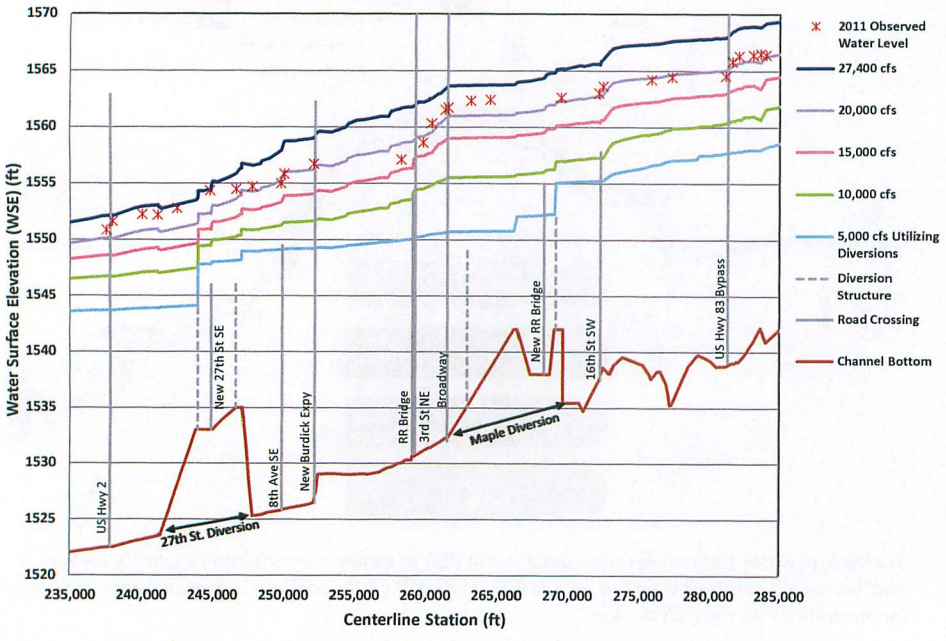


Figure 4: Water surface profile through Minot with PER alignment

Costs

The engineer's opinion of probable cost (OPC) for the PER alignment and associated features is $820 million, based on February 2012 price levels. The portion of the project that is within the City of Minot accounts for $543 million, or 66% of the overall cost (Figure 3). Approximately $133 million (24%) is for construction of levees, floodwalls, and transportation closures. Floodwalls and closures account for $79 million; $54 million is for levees. These costs can be expected to decrease with a reduction in design flow.

Costs related to planning, engineering, and design ($39 million) and construction management ($27 million) would also be affected by a change in levee height, but not in direct proportion to the reduced height or construction quantities. Combined with levees, floodwalls, and closures, these costs account for approximately $199 million, or 27% of the Minot reaches. The remaining 63% of costs related to Minot reaches would not be directly affected by lowering the design elevations of the flood risk reduction features.

Design elevations of flood risk reduction features

The calibrated HEC-RAS model developed for the PER was used to estimate the water surface profiles for the reduced design flows and resulting top-of-feature elevations through Minot (see Figure 4). Water surface profiles were developed for the following flows:

Design Flow (CFS)	Average Feature Height	Average Height Reduction
10,000	7 feet	7 feet
15,000	9 feet	5 feet
20,000	11 feet	3 feet
27,400	14 feet	N/A

Three feet of freeboard was assumed.

Flood risk reduction corridor

In April 2012 the Minot City Council passed a resolution to adopt the alignment/footprint developed for the PER. This project scaling assessment assumes that the project corridor would not change from the PER footprint, including the clear zone area between the levees and the outside limits of land acquisition.

It is also assumed that the extents and costs of property acquisition through Minot will be those presented in the PER. It's important to note that a reduction in the levee footprint would not, necessarily, result in significantly fewer acquisitions (and subsequent cost savings). Because the project needs to provide the ability to fight flood flows up to 27,400 cfs, a reduced footprint for the permanent features would still need to be supplemented with adequate space for constructing emergency flood-fighting measures.

Scaling scenarios

Two reduced levee geometry scenarios and one reduced floodwall scenario were considered for this assessment. The first scenario assumes that only the permanent levee top elevation would be reduced (Figure 5). For this scenario, emergency flood fighting would require building up the cross section atop the permanent levee section.

The second scenario assumes the top-of-permanent-levee elevation and the cross section on the dry side are changed (Figure 6). For this scenario, emergency flood fighting would require building up the cross section atop the permanent levee section and along the dry side of the section.

In both scenarios, the top elevation assumed is based on the water surface elevation modeled for the revised design flow, plus 3 feet of freeboard.

Figures 7 and 8 show costs for both scenarios, with and without reductions in floodwall elevations.

Figure 5: Scenario 1 levee geometry

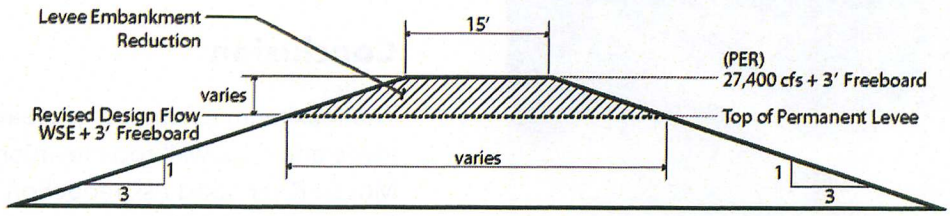


Figure 6: Scenario 2 levee geometry

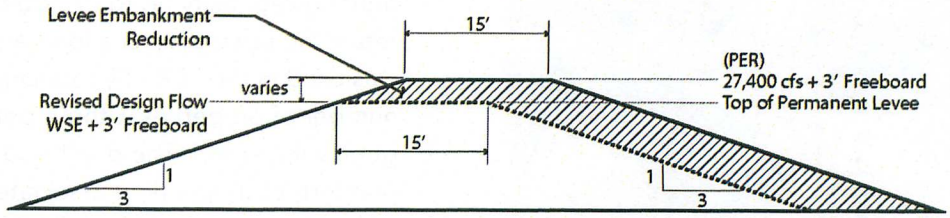
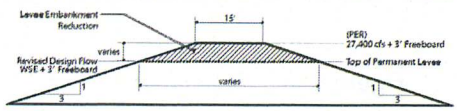
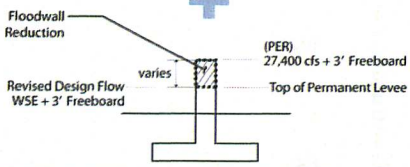


Figure 7: Scenario 1 costs



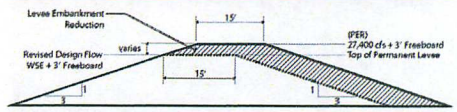
Levee Scaling Only		
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	534.6	-1.6%
15,000	538.7	-0.8%
20,000	541.0	-0.4%



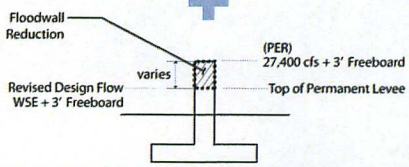
Floodwall Scaling Only		
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	528.3	-2.7%
15,000	535.8	-1.3%
20,000	538.8	-0.8%

Levee and Floodwall Scaling		
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	519.8	-4.3%
15,000	531.4	-2.1%
20,000	536.9	-1.1%

Figure 8: Scenario 2 costs



Levee Scaling Only		
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	527.1	-2.9%
15,000	531.5	-2.1%
20,000	535.9	-1.3%



Floodwall Scaling Only		
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	528.3	-2.7%
15,000	535.8	-1.3%
20,000	538.8	-0.8%

Levee and Floodwall Scaling		
Design Flow (CFS)	Cost ($) Millions	Reduction from PER
10,000	512.3	-5.6%
15,000	524.3	-3.4%
20,000	531.7	-2.1%

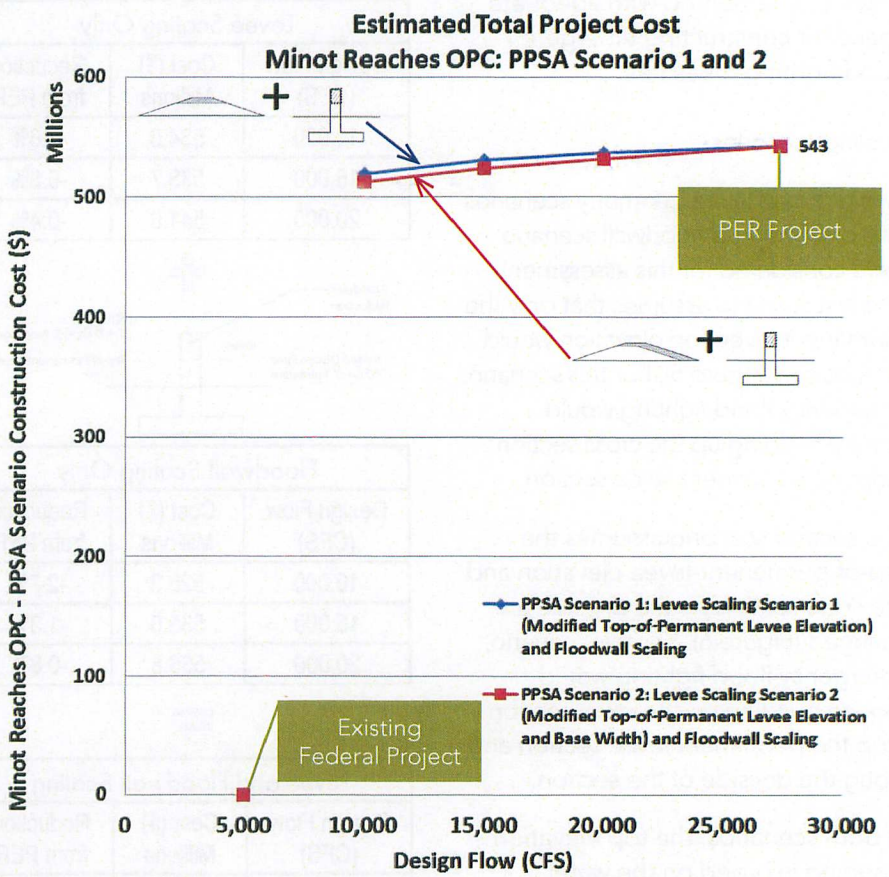
As shown in Figure 7 and 8 above, the reduction in costs for Scenario 1 and Scenario 2 levee and floodwall scaling are estimated to be less than 6 percent of the project cost for PER Minot reaches (OPC of $534 million).

Photo: 2011 Flooding
Gemar Photography, Minot

Conclusion

The maximum estimated cost savings from reducing the permanent levee and floodwall top elevation for the Minot portion of the Mouse River flood risk reduction project from a design flow of 27,400 cfs to 10,000 cfs is less than 6 percent ($30.7M). The assumptions for this assessment include the provision to allow flood fighting capability up to 27,400 cfs. Therefore, it is necessary to retain the same project alignment and right-of-way acquisition that was used in the PER. By reducing the design flow, the area and number of properties without permanent flood risk reduction is greatly increased. There will also be significantly increased levels of effort, cost, and time associated with emergency efforts to raise these levees during a flood fight. Figure 9, below, illustrates the relatively small proportion of cost savings associated with the reduced top elevations of flood risk reduction features.

Figure 9



References:

Barr Engineering Co. 2012. Mouse River Enhanced Flood Protection Preliminary Engineering Report .
Barr Engineeringn Co. 2012. Preliminary Project Scaling Assessment.

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

Office of the State Engineer

A BILL for an Act to amend and reenact section 24-03-08 of the North Dakota Century Code, relating to liability of the state engineer for determinations of surface water flow and appropriate highway construction.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 24-03-08 of the North Dakota Century Code is amended and reenacted as follows:

24-03-08. Determinations of surface water flow and appropriate highway construction.

Whenever and wherever a highway under the supervision, control, and jurisdiction of the department or under the supervision, control, and jurisdiction of the board of county commissioners of any county or the board of township supervisors has been or will be constructed over a watercourse or draw into which flow surface waters from farmlands, the state engineer, upon petition of the majority of landowners of the area affected or at the request of the board of county commissioners, township supervisors, or a water resource board, shall determine as nearly as practicable the design discharge that the crossing is required to carry to meet the stream crossing standards prepared by the department and the state engineer. When the determination has been made by the state engineer, the department, the board of county

commissioners, or the board of township supervisors, as the case may be, upon notification of the determination, shall install a culvert or bridge of sufficient capacity to permit the water to flow freely and unimpeded through the culvert or under the bridge. The state engineer, department, county, and township are not liable for any damage to any structure or property caused by water detained by the highway at the crossing if the highway crossing has been constructed in accordance with the stream crossing standards prepared by the department and the state engineer.

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

Office of the State Engineer

A BILL for an Act to amend and reenact section 61-02-01 of the North Dakota Century Code, relating to the term "unnavigable"; and to repeal sections 61-15-01, 61-15-02, and 61-15-08 of the North Dakota Century Code, relating to water conservation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-02-01 of the North Dakota Century Code is amended and reenacted as follows:

61-02-01. Water conservation, flood control, management, and development declared a public purpose.

It is hereby declared that the general welfare and the protection of the lives, health, property, and the rights of all the people of this state require that the conservation, management, development, and control of waters in this state, public or private, navigable or ~~unnavigable~~ nonnavigable, surface or subsurface, the control of floods, and the management of the atmospheric resources, involve and necessitate the exercise of the sovereign powers of this state and are affected with and concern a public purpose. It is declared further that any and all exercise of sovereign powers of this state in investigating, constructing, maintaining, regulating, supervising, and controlling any system of works involving such subject matter embraces and concerns a single object, and that the state water commission in the exercise of its powers, and in

the performance of all its official duties, shall be considered and construed to be performing a governmental function for the benefit, welfare, and prosperity of all the people of this state.

SECTION 2. REPEAL. Sections 61-15-01, 61-15-02, and 61-15-08 of the North Dakota Century Code are repealed.

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

State Water Commission

A BILL for an Act to amend and reenact section 61-02-09 of the North Dakota Century Code, relating to the state water commission acting as a public corporation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-02-09 of the North Dakota Century Code is amended and reenacted as follows:

61-02-09. Commission a ~~public corporation~~ state agency – Function as state.

The commission shall be a ~~public corporation~~ state agency with all of the powers and authority possessed by such a ~~corporation~~ state agency in the performance of its duties. The commission may sue and be sued, plead and be impleaded, and contract and be contracted with~~, in its corporate name~~. The commission in the exercise of all its powers and in the performance of all its duties shall be the state of North Dakota functioning in its sovereign and governmental capacity.

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

Office of the State Engineer

A BILL for an Act to amend and reenact section 61-03-23 of the North Dakota Century Code, relating to penalties for violation of provisions for the appropriation of water; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-03-23 of the North Dakota Century Code is amended and reenacted as follows:

61-03-23. Penalties – Civil.

In addition to criminal sanctions that may be imposed pursuant to law, a person who knowingly violates any provision of this title or any rules adopted under this title may be assessed a civil penalty not to exceed ~~five~~ fifteen thousand dollars for each day the violation occurred and continues to occur and may be required by the state engineer to forfeit any right to the use of water. The civil penalty or forfeiture of a right to use water may be adjudicated by the courts or by the state engineer through an administrative hearing under chapter 28-32.

If a civil penalty levied by the state engineer after an administrative hearing is not paid within thirty days after a final determination that the civil penalty is owed, the civil penalty may be assessed against the property of the landowner responsible for the violation leading to the assessment of the penalty. The assessment must be collected

as other assessments made under this title are collected. Notwithstanding the provisions of section 57-20-22, all interest and penalties due on the assessment must be paid to the state. Any civil penalty assessed under this section must be in addition to any costs incurred by the state engineer for enforcement of the order.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

Office of the State Engineer

A BILL for an Act to amend and reenact section 61-16.1-38 of the North Dakota Century Code, relating to a permit to construct or modify a dam, dike, or other device.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-16.1-38 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-38. Permit to construct or modify dam, dike, or other device required - Penalty - Emergency.

No dikes, dams, or other devices for water conservation, flood control regulation, watershed improvement, or storage of water which are capable of retaining, obstructing, or diverting more than fifty acre-feet [61674.08 cubic meters] of water or twenty-five acre-feet [30837.04 cubic meters] of water for a medium-hazard or high-hazard dam, may be constructed within any district except in accordance with the provisions of this chapter. An application for the construction of any dike, dam, or other device, along with complete plans and specifications, must be presented first to the state engineer. Except for low-hazard dams less than ten feet [3.05 meters] in height, the plans and specifications must be completed by a professional engineer registered in this state. After receipt, the state engineer shall consider the application in such detail as the state engineer deems necessary and proper. The state engineer shall refuse to allow the

construction of any unsafe or improper dike, dam, or other device which would interfere with the orderly control of the water resources of the district, or may order such changes, conditions, or modifications as in the judgment of the state engineer may be necessary for safety or the protection of property. Within forty-five days after receipt of the application, except in unique or complex situations, the state engineer shall complete the state engineer's initial review of the application and forward the application, along with any changes, conditions, or modifications, to the water resource board of the district within which the contemplated project is located. The board thereupon shall consider, within forty-five days, the application, and suggest any changes, conditions, or modifications to the state engineer. If the application meets with the board's approval, the board shall forward the approved application to the state engineer. If the board fails to respond within forty-five days, it shall be determined the board has no changes, conditions, or modifications. The state engineer shall make the final decision on the application and forward that decision to the applicant and the local water resource board. The state engineer may issue temporary permits for dikes, dams, or other devices in cases of an emergency. Any person constructing a dam, dike, or other device, which is capable of retaining, obstructing, or diverting more than fifty acre-feet [61674.08 cubic meters] of water or twenty-five acre-feet [30837.04 cubic meters] of water for a medium-hazard or high-hazard dam, without first securing a permit to do so, as required by this section, is liable for all damages proximately caused by the dam, dike, or other device, and is guilty of a class B misdemeanor.

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

Office of the State Engineer

A BILL for an Act to amend and reenact sections 61-16.1-53, 61-16.1-53.1, 61-32-07, and 61-32-08 of the North Dakota Century Code, relating to appeals of removal or closing of a noncomplying dam, dike, or other device, and drains.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-16.1-53 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-53. Removal of a noncomplying dike ~~or,~~ dam, or other device - Notice and hearing - Appeal - Injunction.

Upon receipt of a complaint of unauthorized construction of a dike, dam, or other device for water conservation, flood control, regulation, watershed improvement, or storage of water, the water resource board shall promptly investigate and make a determination thereon. If the board determines that a dike, dam, or other device, capable of retaining, obstructing, or diverting more than fifty acre-feet [61674.08 cubic meters] of water or twenty-five acre-feet [30837.04 cubic meters] of water for a medium-hazard or high-hazard dam, has been established or constructed by a landowner or tenant contrary to this title or any rules adopted by the board, the board shall notify the landowner by ~~registered~~ certified mail at the landowner's post-office address of record. A copy of the notice must also be sent to the tenant, if any. The notice must specify the

nature and extent of the noncompliance and must state that if the dike, dam, or other device is not removed within the period the board determines, but not less than fifteen days, the board shall cause the removal of the dike, dam, or other device and assess the cost of the removal, or the portion the board determines, against the property of the landowner responsible. The notice must also state that the affected landowner, within fifteen days of the date the notice is mailed, may demand, in writing, a hearing upon the matter. Upon receipt of the demand, the board shall set a hearing date within fifteen days from the date the demand is received. In the event of an emergency, the board may immediately apply to the appropriate district court for an injunction prohibiting the landowner or tenant from constructing or maintaining the dike, dam, or other device, or ordering the landowner to remove the dike, dam, or other device. Assessments levied under this section must be collected in the same manner as other assessments authorized by this chapter. If, in the opinion of the board, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners. ~~A person aggrieved by action of the board under this section may appeal the decision of the board to the district court of the county in which the land is located in accordance with the procedure provided in section 28-34-01. A hearing as provided for in this section is not prerequisite to an appeal.~~

SECTION 2. AMENDMENT. Section 61-16.1-53.1 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-53.1. Appeal of board decisions - State engineer review - Closing of noncomplying dams, dikes, or other devices for water conservation, flood control, regulation, and watershed improvement.

The board shall make the decision required by section 61-16.1-53 within a reasonable time, not exceeding one hundred twenty days, after receiving the complaint. The board shall notify all parties of its decision by ~~registered~~ certified mail. The board's decision may be appealed to the state engineer by any aggrieved party. The appeal to the state engineer must be made within thirty days from the date notice of the board's decision has been received. The appeal must be made by submitting a written notice to the state engineer which must specifically set forth the reason why the appealing party believes the board's decision is erroneous. The appealing party shall also submit copies of the written appeal notice to the board and to all nonappealing parties. Upon receipt of this notice the board, if it has ordered removal of a dam, dike, or other device, is relieved of its obligation to procure the removal of the dam, dike, or other device. The state engineer shall handle the appeal by conducting an independent investigation and making an independent determination of the matter. The state engineer may enter property affected by the complaint for the purpose of investigating the complaint.

If the board fails to investigate and make a determination concerning the complaint within a reasonable time, not exceeding one hundred twenty days, the person filing the complaint may file the complaint with the state engineer. The state engineer, without reference to chapter 28-32, shall cause the investigation and determination to be made, either by action against the board, or by personally conducting the investigation and personally making the determination. If the state engineer determines that a dam, dike, or other device has been constructed or established by a landowner or tenant contrary to title 61 or any rules adopted by the board, the state engineer shall take one of these three actions:

1. Notify the landowner by ~~registered~~ certified mail at the landowner's post-office address of record;
2. Return the matter to the jurisdiction of the board along with the investigation report; or
3. Forward the dam, dike, or other device complaint and investigation report to the state's attorney.

If the state engineer decides to notify the landowner, the notice must specify the nature and extent of the noncompliance and must state that if the dam, dike, or other device is not removed within such reasonable time as the state engineer determines, but not less than thirty days, the state engineer shall procure the removal of the dam, dike, or other device and assess the cost of removal against the property of the responsible landowner. The notice from the state engineer must state that, within fifteen days of the date the notice is mailed, the affected landowner may demand, in writing, a hearing on the matter. Upon receipt of the demand, the state engineer shall set a hearing date within fifteen days from the date the demand is received. If, in the opinion of the state engineer, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners. Upon assessment of costs, the state engineer shall certify the assessment to the county auditor of the county where the noncomplying dam, dike, or other device is located. The county auditor shall extend the assessment against the property assessed. Each assessment must be collected and paid as other property taxes are collected and paid. Assessments collected must be deposited with the state treasurer and are hereby

appropriated out of the state treasury and must be credited to the contract fund established by section 61-02-64.1. Any person aggrieved by action of the state engineer under this section may appeal the decision of the state engineer to the district court in accordance with chapter 28-32. A hearing by the state engineer as provided for in this section is a prerequisite to such an appeal.

If the state engineer, after completing the investigation required under this section, decides to return the matter to the board, a complete copy of the investigation report must be forwarded to the board and it must include the nature and extent of the noncompliance. Upon having the matter returned to its jurisdiction, the board shall carry out the state engineer's decision in accordance with the terms of this section.

If the state engineer, after completing the investigation required under this section, decides to forward the dam, dike, or other device complaint to the state's attorney, a complete copy of the investigation report must also be forwarded, which must include the nature and extent of the noncompliance. The state's attorney shall prosecute the complaint in accordance with the statutory responsibilities prescribed in chapter 11-16.

In addition to the penalty imposed by the court in the event of conviction under this statute, the court shall order the dam, dike, or other device removed within such reasonable time period as the court determines, but not less than thirty days. If the dam, dike, or other device is not removed within the time prescribed by the court, the court shall procure the removal of the dam, dike, or other device, and assess the cost thereof against the property of the landowner responsible, in the same manner as other assessments under chapter 61-16.1 are levied. If, in the opinion of the court, more than

one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners.

~~The authority granted in this section may only be exercised for dams, dikes, or other devices constructed after August 1, 1999.~~

SECTION 3. AMENDMENT. Section 61-32-07 of the North Dakota Century Code is amended and reenacted as follows:

61-32-07. Closing a noncomplying drain - Notice and hearing - Appeal - Injunction - Frivolous complaints.

Only a landowner experiencing flooding or adverse effects from an unauthorized drain constructed before January 1, 1975, may file a complaint with the water resource board. Any person may file a complaint about an unauthorized drain constructed after January 1, 1975. Upon receipt of a complaint of unauthorized drainage, the water resource board shall promptly investigate and make a determination of the facts with respect to the complaint. If the board determines that a drain, lateral drain, or ditch has been opened or established by a landowner or tenant contrary to this title or any rules adopted by the board, the board shall notify the landowner by ~~registered~~ certified mail at the landowner's post-office address of record. A copy of the notice must also be sent to the tenant, if known. The notice must specify the nature and extent of the noncompliance and must state that if the drain, lateral drain, or ditch is not closed or filled within a reasonable time as the board determines, but not less than fifteen days, the board shall procure the closing or filling of the drain, lateral drain, or ditch and assess the cost of the closing or filling, or the portion the board determines, against the property of the landowner responsible. The notice must also state that the affected

landowner, within fifteen days of the date the notice is mailed, may demand, in writing, a hearing on the matter. Upon receipt of the demand, the board shall set a hearing date within fifteen days from the date the demand is received. In the event of an emergency, the board may immediately apply to the appropriate district court for an injunction prohibiting the landowner or tenant from constructing or maintaining the drain, lateral drain, or ditch and ordering the closure of the illegal drain. Assessments levied under this section must be collected in the same manner as assessments authorized by chapter 61-16.1. If, in the opinion of the board, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners. ~~A person aggrieved by action of the board under this section may appeal the decision of the board to the district court of the county in which the land is located in accordance with the procedure provided in section 28-34-01. A hearing as provided for in this section is not a prerequisite to an appeal.~~ If, after the first complaint, in the opinion of the board, the complaint is frivolous, the board may assess the costs of the frivolous complaint against the complainant.

SECTION 4. AMENDMENT. Section 61-32-08 of the North Dakota Century Code is amended and reenacted as follows:

61-32-08. Appeal of board decisions - State engineer review - Closing of noncomplying drains.

The board shall make the decision required by section 61-32-07 within a reasonable time, but not to exceed one hundred twenty days, after receiving the complaint. The board shall notify all parties of its decision by certified mail. The board's decision may be appealed to the state engineer by any aggrieved party. The appeal to

the state engineer must be made within thirty days from the date notice of the board's decision has been received. The appeal must be made by submitting a written notice to the state engineer which must specifically set forth the reason why the board's decision is erroneous. The appealing party shall also submit copies of the written appeal notice to the board and to the nonappealing party. Upon receipt of this notice the board, if it has ordered closure of a drain, lateral drain, or ditch, is relieved of its obligation to procure the closing or filling of the drain, lateral drain, or ditch. The state engineer shall handle the appeal by conducting an independent investigation and making an independent determination of the matter. The state engineer may enter property affected by the complaint for the purpose of investigating the complaint.

If the board fails to investigate and make a determination concerning the complaint within a reasonable time, but not to exceed one hundred twenty days, the person filing the complaint may file such complaint with the state engineer. The state engineer shall, without reference to chapter 28-32, cause the investigation and determination to be made, either by action against the board, or by personally conducting the investigation and personally making the determination.

If the state engineer determines that a drain, lateral drain, or ditch has been opened or established by a landowner or tenant contrary to title 61 or any rules adopted by the board, the state engineer shall take one of three actions:

1. Notify the landowner by ~~registered~~ certified mail at the landowner's post-office address of record;
2. Return the matter to the jurisdiction of the board along with the investigation report; or

3. Forward the drainage complaint and investigation report to the state's attorney.

If the state engineer decides to notify the landowner, the notice must specify the nature and extent of the noncompliance and must state that if the drain, lateral drain, or ditch is not closed or filled within such reasonable time as the state engineer shall determine, but not less than thirty days, the state engineer shall procure the closing or filling of the drain, lateral drain, or ditch and assess the cost thereof, against the property of the landowner responsible. The notice from the state engineer must state that the affected landowner may, within fifteen days of the date the notice is mailed, demand, in writing, a hearing on the matter. Upon receipt of the demand, the state engineer shall set a hearing date within fifteen days from the date the demand is received. If, in the opinion of the state engineer, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners. Upon assessment of costs, the state engineer shall certify the assessment to the county auditor of the county where the noncomplying drain, lateral drain, or ditch is located. The county auditor shall extend the assessment against the property assessed. Each assessment must be collected and paid as other taxes are collected and paid. Assessments collected must be deposited with the state treasurer and are hereby appropriated out of the state treasury and must be credited to the contract fund established by section 61-02-64.1. Any person aggrieved by action of the state engineer under the provisions of this section may appeal the decision of the state engineer to the district court in accordance with chapter 28-32. A hearing by the state engineer as provided for in this section shall be a prerequisite to such an appeal.

If the state engineer, after completing the investigation required under this section, decides to return the matter to the board, a complete copy of the investigation report shall be forwarded to the board and it shall include the nature and extent of the noncompliance. Upon having the matter returned to its jurisdiction, the board shall carry out the state engineer's decision in accordance with the terms of this section.

If the state engineer, after completing the investigation required under this section, decides to forward the drainage complaint to the state's attorney, a complete copy of the investigation report must also be forwarded, which must include the nature and extent of the noncompliance. The state's attorney shall prosecute the complaint in accordance with the statutory responsibilities prescribed in chapter 11-16.

In addition to the penalty imposed by the court in the event of conviction under this statute, the court shall order the drain, lateral drain, or ditch closed or filled within such reasonable time period as the court determines, but not less than thirty days. If the drain, lateral drain, or ditch is not closed or filled within the time prescribed by the court, the court shall procure the closing or filling of the drain, lateral drain, or ditch, and assess the cost thereof against the property of the landowner responsible, in the same manner as other assessments under chapter 61-16.1 are levied. If, in the opinion of the court, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners.

~~The authority granted in this section may only be exercised for drainage constructed after January 1, 1987.~~

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

State Water Commission

A BILL for an Act to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the sale of property owned by the state water commission obtained for construction of the northwest area water supply project.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Commission has authority to sell property.

If the commission determines property acquired for the northwest area water supply project is no longer necessary for project purposes and the unnecessary parcel is five [2.03 hectares] contiguous acres or less, sections 54-01-05.2 and 54-01-05.5 do not apply. The commission shall have the authority to sell, transfer, or exchange the unnecessary parcel to the current owner of the parent parcel from which the unnecessary parcel was taken. If the parent parcel's current owner does not accept the commission's offer within sixty days, the commission may offer the property to any other adjacent property owner for a period of sixty days. If no offers are accepted within sixty days, the property sale will be governed by sections 54-01-05.2 and 54-01-05.5.

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

State Water Commission

A BILL for an act to amend and reenact sections 61-36-01, 61-36-02, and 61-36-04 of the North Dakota Century Code, relating to the composition and duties of the Devils Lake outlets management advisory committee; and to repeal section 61-36-03 of the North Dakota Century Code, relating to compensation and expenses of the Devils Lake outlet management advisory committee.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-36-01 of the North Dakota Century Code is amended and reenacted as follows:

61-36-01. Devils Lake ~~outlet~~ outlets management advisory committee - Members - Terms - Vacancies.

1. The Devils Lake ~~outlet~~ outlets management advisory committee consists of ~~the state engineer or the state engineer's designee, one member appointed by the Red River joint water resource board, one member appointed by the Devils Lake joint water resource board, one member appointed by the upper Sheyenne River joint water resource board, one county commissioner from Ramsey County appointed by the Ramsey County board of county commissioners, one county commissioner from Benson County appointed by the Benson County board of county~~

~~commissioners, a representative of the Spirit Lake Nation appointed by the tribal council of the Spirit Lake Nation, and three members appointed by the governor. The members appointed by the governor must represent the interests affected by downstream impacts of operating an outlet to Devils Lake. An appointed member may designate a substitute to serve in that person's capacity at such meetings that person may be unable to attend. Except for the first term, all appointed members serve for a term of four years or until their successors are appointed and qualified. For the first term, two of the members from the Devils Lake basin must serve two-year terms and two of the other appointed members must serve two-year terms, provided that at least one member representing the interests affected by downstream impacts of operating an outlet to Devils Lake must remain on the committee for a four-year term. The chairman shall hold the first meeting within two months after August 1, 1997.~~:

a. The governor or governor's designee;

b. A representative from Benson County appointed by the governor;

c. A representative from Ramsey County appointed by the governor;

d. A representative from Towner County appointed by the governor;

e. A representative from Nelson County appointed by the governor;

f. A representative from the Devils Lake joint water resource board appointed by the governor;

g. A representative from the Spirit Lake Nation appointed by the governor;

h. A representative from the city of Devils Lake appointed by the governor;

i. A representative from Barnes County appointed by the governor;

j. A representative from Valley City appointed by the governor;

k. A representative from Lisbon or Fort Ransom appointed by the governor;

l. A representative from Fargo appointed by the governor;

m. A representative from Grand Forks appointed by the governor;

n. The governor of Minnesota or a designee appointed by the governor of Minnesota;

o. The premier of Manitoba or the premier's designee.

2. All appointed members serve for a term of four years or until their successors are appointed and qualified.

3. Terms expire on the first day of July. ~~Each appointed member must be a qualified elector of the state and is subject to removal by judicial procedure.~~

4. The terms of appointed members must be staggered by lot so that three of the terms expire each year.

5. Members of the committee may be reappointed for additional terms, and serve at the pleasure of the governor.

6. A vacancy must be filled in the same manner as original appointments for the remainder of the unexpired term. ~~Before entering upon the discharge~~

~~of official duties, each appointed member shall take, subscribe, and file with the secretary of state the oath prescribed for civil officers.~~

SECTION 2. AMENDMENT. Section 61-36-02 of the North Dakota Century Code is amended and reenacted as follows:

61-36-02. Chairman - Quorum - Meetings.

The ~~state engineer~~ governor or governor's designee is the chairman of the committee. A majority of the members of the committee constitutes a quorum. The committee ~~may~~ shall hold meetings at the call of the chairman ~~or at the request of three members~~ before initial operation of the ~~committee~~ outlets, and at such other times ~~and places~~ as the chairman ~~provides~~ deems necessary.

SECTION 3. AMENDMENT. Section 61-36-04 of the North Dakota Century Code is amended and reenacted as follows:

61-36-04. ~~Development of an annual operating plan~~ Duties of the committee.

The committee shall ~~develop an annual operating plan for the operation of the Devils Lake outlet. The plan must specify the lake elevation at which pumping will take place. In developing the annual operating plan, the committee shall consider spring runoff forecasts, weather forecasts, summer flooding potential, downstream impacts, including water quality and streambank erosion, flooding, and any other factors the committee determines should be considered. The committee must recommend a plan of operation to the state water commission within two weeks following the first official numeric national weather service spring snowmelt flood outlook. If a majority of members are unable to agree on a plan, one or more minority plans may be submitted~~

~~to the state water commission. The state water commission may approve, recommend changes, or make changes to the annual operating plan~~ advise the governor and the state water commission regarding operations of all Devils Lake outlets. The committee may recommend criteria for operation of each outlet based on outflow volumes, water quality considerations, and the risk of an overflow of Devils Lake. Any recommendations developed by the committee must receive support from nine of the fifteen members of the committee before submission to the governor or state water commission. Any recommendation not receiving majority support but receiving support from at least five members may be submitted as a minority recommendation.

SECTION 4. REPEAL. Section 61-36-03 of the North Dakota Century Code is repealed.

North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TTY 800-366-6888 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, P.E., Chief Engineer/Secretary
SUBJECT: Missouri River Update
DATE: November 20, 2012

System/Reservoir Status –
On November 19, system storage in the six mainstem reservoirs was 49.3 million acre-feet (MAF), 7.5 MAF below the base of flood control. This is 4.0 MAF below the average system storage for the end of November, and 8.6 MAF less than last year. The November runoff forecast for 2012 is 19.2 MAF, 78% of normal.

On November 19, Lake Sakakawea was at an elevation of 1831.0 feet msl, 6.5 feet below the base of flood control. This is 9.8 feet lower than a year ago and 4.0 feet below its average end of November elevation. The minimum end of November elevation was 1808.9 feet msl in 2006, and the maximum end of November elevation was 1846.7 feet msl in 1972. Releases from the reservoir will average 22,000 cfs through November and then be reduced to 19,000 cfs in December.

The elevation of Lake Oahe was 1594.0 feet msl on November 19, 13.5 feet below the base of flood control. This is 14.1 feet lower than last year and 4.8 feet lower than the average end of November elevation. The minimum end of August elevation was 1573.2 feet msl in 2006, and the maximum end of May elevation was 1612.4 feet msl in 1997.

The elevation of Ft. Peck was 2229.0 feet msl on November 19, 5 feet below the base of flood control. This is 8.4 feet lower than a year ago and 0.7 feet lower than the average end of November elevation. The minimum end of November elevation was 2199.8 feet msl in 2004, and the maximum end of August elevation was 2245.3 feet msl in 1975.

The Missouri River basin mountain snowpack normally peaks near April 15. By November 15, normally 15% of the peak has accumulated. On November 13, 2012 the mountain snowpack snow water equivalence above Fort Peck" was 83% of average and 75% of average for the Fort Peck to Garrison Reach.

According to the Master Manual, the system storage check on September 1, sets the discharge level for winter releases out of Gavins Point Dam. This year, the system storage on September 1 was 54.3 maf, mandating minimum winter releases of 12,000 cfs. On November 19, Releases from Gavins Point were 36,500 cfs. The Corps plans to start reducing releases from Gavins Point on November 23, and slowly cut releases to 12,000 cfs by December 11. Based on the river condition and state of the intakes below Gavins Point the Corps may not be able to reduce all the way 12,000cfs.

There has been concern from the navigation industry on the Mississippi river over the reduction in releases. The Missouri River typically contributes approximately 40% to the Mississippi River flow. This year, due to the extensive drought throughout the plains, the Missouri River has been contributing, at times, upwards of 75% of the flow in the Mississippi River. There are concerns that navigators will not be able to operate in the reach from St. Louis, Missouri to Cairo, Illinois. To date, the Corps has said they have no authority to increase releases for navigation on the Mississippi River and have maintained the plan to reduce releases for the winter.

South Bismarck/Mandan Flood Risk Reduction – Project Update

Excavation on the sandbar at the mouth of the Heart River commenced on November 12. Strata Corps, out of Grand Forks, was awarded the contract to excavate the pilot channel on the north side of the sandbar. The Water Commission Construction crew is reshaping the south end of the sandbar and deepening the channel in the Heart River next to the sandbar. This project is intended to increase conveyance for ice flows out of the Heart River in an attempt to reduce ice induced flood damages. The project is projected to be completed by November 30.

The USGS installed a gage south of Fort Lincoln on October 12. This gage will aid in developing an accurate situational awareness to enhance emergency management for the cities and State.

TSS:KC/1392

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, P.E., Chief Engineer-Secretary
SUBJECT: Western Area Water Supply – Project Update
DATE: October 21, 2013

The Western Area Water Supply Authority (Authority) did approve the water depot locations. The Independent Water Providers and the Authority have entered into mediation to work on the concerns of the Independent Water Providers. The first mediation was held November 5th to outline concerns and a second mediation is planned for November 28th.

Design Work

The Authority approved the engineer to design the Phase IV Williston Water Treatment Facility Expansion / Improvement project. The project will expand the facility capacity from 14 to 21 million gallons per day. Also the engineer will conduct a desktop study on a horizontal collector well and prepare an Intake Evaluation & Horizontal Collector Well Study.

Funding

The Authority approved project expenses that used the $25 million loan from the Contract Fund, the $50 million loan from Bank of North Dakota, and $180,277 from the $25 million General Fund loan. The original project cost estimate was $150 million for service to a population of approximately 40,000 and received approval for $110 million. The recent housing study indicates the population could reach 90,000 and the project cost has been updated to $350 million due to increase demand in the rural areas and increase in construction costs. The Authority is planning to request $120 million in the 2013-2015 biennium. The project expenses through October were $71.5 million with construction $57.2 million, engineering $13.1 million, easements $0.8 million, and legal $0.4 million.

Construction Update

State Water Commission staff reviewed and approved specific plans and specifications on the projects shown on the attached table.

TS:MK/1973

State Water Commission - Western Area Water Supply Project Update

Progress through October 2012

Nov-21-2012

Project	Contractor	Cost	Payments	Completion
McKenzie System IV	Merryman Excavation	$7,207,783.00	$4,431,153.01	61%
8" to 2" pipeline west of Alexander - 190 Miles			Part 1	est 11/30/12
			Part 2	est 11/30/12
NW Williston Reservoir - Ph 1	Natgun Corporation	$4,444,400.00	$4,333,290.00	98%
5 Million Gallons Storage NW of Williston				est 09/30/12
R&T Regional Service Pipeline To Crosby/BDW	Wagner Construction	$4,824,213.12	$3,892,226.59	81%
26 miles of 14" to 8" pipeline from Wildrose to Crosby (The original 12" line was increased to a 14" line for increase in domestic signups)				est 10/31/12
Regional Water Service Phase II Pump Station/ Meter Vault	Gen- John T Jones Const	$5,083,528.00	$3,010,815.67	59%
Heading south Williston: 5.3 MGD Station at Lewis and Clark - 2-28-2013 Heading south Williston: 5.4 MGD Station at Indian Hills - 11/30/2012 Heading south Williston: 5.2 MGD Station at Alexander - 2/28/2013	Mech- Cofell's Plumbing & Heating	$420,000.00	$21,757.50	5%
Heading north Williston: 6.6 MGD Station at 13 mile corner - 2/28/2013 Heading north Williston: 2.1 MGD Station at Ray By-Pass - 3/31/2013	Elec- John's Refrigeration & Elec	$2,192,600.00	$798,036.30	36%
Regional Water Service Ph II Reservoirs	Engineering America, Inc.	$5,199,000.00	$4,716,915.79	91%
0.5 MG reservoirs at Wildrose				est 11/30/12
0.5 MG reservoirs at Alexander 11-30-12				est 06/01/13
0.5 MG reservoirs at Arnegard 11-30-12				est 06/01/13
2 MG reservoirs at 13-mile corner 10-30-12				est 06/01/13
2 MG reservoirs at Ray 10-30-12				est 06/01/13
Regional Water Service Phase II Pipeline To Ray (R&T Water)	S.J. Louis Construction	$14,597,038.00	$8,640,606.95	59%
30 miles of 24" to 20" pipeline starting north of Williston and east to Ray.				est 06/01/13
Regional Water Service Phase II Pipeline To Watford City	Ryan Construction	$12,041,805.00	$11,515,428.80	96%
30 miles of 20" pipeline starting south of Williston and east to Watford City.				est 06/01/13
Phase II Bulk Water Fill Stations - Part 1	Lakeshore Toltest Corporation	$2,462,475.55	$1,578,657.69	64%
Approximately 8 industrial water depots are included in this phase and will range in size from 2 to 6 fill points, with a fill point averaging delivery of 200 gallons per minute over a 24 hour period.	13-Mile Corner Alexander Indian Hill			Est 11/30/12
Williams Rural Water West Expansion Phase 1				est 7/31/13
Contract 1 - 7.7 miles of 16" pipeline west of Williston	Niebur Development Inc.	$1,971,818.51	$1,363,831.16	69%
Contract 2 - 7.4 miles of 16" to 10" pipeline west of Williston	Western Municipal Construction	$1,084,677.50	$831,034.11	77%
Bulk Water Fill Depots - Ray - Tioga				Est 11/30/12
Industrial water depots are included in this phase and will range in size from 2 to 6 fill points, with a fill point averaging delivery of 200 gallons per minute over a 24 hour period.	Glacier Construction Co., Inc.	$1,303,900.00	$181,828.70	14%
Bulk Water Fill Depot - Watford City				Est 12/31/12
Industrial water depots are included in this phase and will range in size from 2 to 6 fill points, with a fill point averaging delivery of 200 gallons per minute over a 24 hour period.	PKG Contracting, Inc.	$1,596,988.00	$617,810.63	39%
Regional Water Service Phase II Pipeline Watford City By-Pass	Merrymen Excavation	$2,988,803.50	$2,530,880.51	85%
14 miles of 16" to 6" pipeline starting west of Watford City and continuing east.				est 05/31/13
Williston Regional Water Treatment Plant Phase III Improvements	10 MGD to 14 MGD			est 05/21/14
Contract 1 - General	PKG Contracting, Inc.	$11,959,000.00	$0.00	0%
Contract 2 - Mechanical	Williams Plumbing and Heating	$241,000.00	$0.00	0%
Contract 2 - Electrical	Colstrip Electrical Inc.	$1,879,145.00	$0.00	0%
US 2 to County Hwy No. 7 Watermain	Metro Construction	$3,986,068.58	$3,986,068.58	Completed
24" to 12" pipeline west side Williston				12/1/11
Res No. 1 to Bakken Ind. Park Pipeline	Merryman Excavation	$4,055,539.17	$4,055,539.17	Completed
30" to 24" pipeline NW of Williston				5/31/12
26th St Pump Station	John T Jones Construction	$761,640.20	$761,640.20	Completed
Increase discharge pressure				5/4/12
	Total Construction	$90,301,423.13	$57,267,521.36	
	Engineering		$13,052,726.74	
	Legal		$404,537.34	
	Easements		$771,953.08	
	Sub Total		$14,229,217.16	
	Total	**$90,301,423.13**	**$71,496,738.52**	