



# North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850  
701-328-2750 • TDD 701-328-2750 • FAX 701-328-3696 • INTERNET: <http://swc.nd.gov>

**Meeting To Be Held At  
State Office Building - 900 East Boulevard Avenue  
Lower Level Conference Room  
Bismarck, North Dakota**

**July 23, 2013  
1:30 P.M., CDT**

## AGENDA

- A. Roll Call
- B. Consideration of Agenda -- *Information pertaining to the agenda items is available on the State Water Commission's website at [www.swc.nd.gov](http://www.swc.nd.gov)*
- C. Policy Committee Report/Recommendations
- D. Consideration of Following Requests for State Cost Participation:
  - 1) **Valley City Property Acquisitions, Phase II** \*\*
  - 2) **Ward County Drain/Flood Control Project** \*\*
  - 3) **Buford-Trenton Irrigation District, Irrigation Project** \*\*
- E. 2013-2015 State Water Supply Projects:
  - 1) **Stutsman Rural Water District, Phase III - Kidder County** \*\*
  - 2) **Stutsman Rural Water District, Phase IIB - Carrington Area** \*\*
  - 3) **North Central Rural Water Consortium - Carpio/Berthold II** \*\*
  - 4) **South Central Regional Rural Water System - Kidder County** \*\*
  - 5) **North Central Rural Water Consortium II-Deering/Granville** \*\*
  - 6) **Greater Ramsey Water District - SW Nelson Co. Expansion** \*\*
  - 7) **Grafton Water Treatment Plant, Phase III** \*\*
- F. **Southwest Pipeline Project:**
  - 1) **City of Dickinson - Memorandum of Understanding** \*\*
- G. Other Business:
  - 1) Re-appointment of State Water Commission Members  
Robert Thompson and Douglas Vosper
- H. 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**

**July 23, 2013**

The North Dakota State Water Commission held a meeting at the State Office Building, Bismarck, North Dakota, on July 23, 2013. Governor Jack Dalrymple, Chairman, called the meeting to order at 1:30 p.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  
Doug Goehring, Commissioner, North Dakota Department of Agriculture, Bismarck  
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

#### **OTHERS PRESENT:**

Todd Sando, State Engineer, and Chief Engineer-Secretary,  
North Dakota State Water Commission, Bismarck  
State Water Commission Staff  
Approximately 50 people interested in agenda items

The attendance register is on file with the official minutes.

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

#### **CONSIDERATION OF AGENDA**

The agenda for the July 23, 2013 State Water Commission meeting was presented; there were no modifications to the agenda.

***It was moved by Commissioner Olin, seconded by Commissioner Berg, and unanimously carried, that the agenda be accepted as presented.***

**STATE WATER COMMISSION'S  
POLICY COMMITTEE REPORT  
(SWC Project No. 1753)**

The State Water Commission's policy committee and others met on July 23, 2013. Items of discussion included a legislative update focusing on water project prioritization related to H.B. 1020 and H.B. 1206; State Water Commission member-hosted meetings within basins; methods of cost share including eligibility, percentage, and loans; and the federal and state water supply cost share programs.

Although there were no recommendations presented for the State Water Commission's consideration, it was agreed that the discussions continue relating to bills that were passed by the 2013 Legislative Assembly that will require new State Water Commission cost share policies, modifications to existing cost share policies, and development of a project prioritization process for budgeting purposes.

**CITY OF VALLEY CITY FLOOD  
PROTECTION PROJECT, PHASE II -  
APPROVAL OF STATE COST  
PARTICIPATION  
(2011 SENATE BILL 2371 - \$1,165,830)  
(SWC Project No. 1504-05)**

On December 9, 2011, the State Water Commission approved a request from the City of Valley City for state cost participation at 75 percent of the eligible costs not to exceed an allocation of \$3,000,000 to support Phase I acquiring 32 properties for permanent flood control.

The city proposes to acquire an additional 17 properties in Phase II of the acquisition program, at an estimated purchase price of \$1,554,440, all of which is determined eligible for state cost participation at 75 percent of the eligible costs (\$1,165,830)

A request from the City of Valley City was presented for the State Water Commission's consideration for state cost participation for an additional \$1,165,830 to support their flood acquisition program, Phase II. The city has provided the information required under the State Water Commission's floodway property acquisition cost share policy.

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 \$1,165,830 from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371, to the City of Valley City to support the city's flood protection project, Phase II. The Commission's affirmative action would increase the total state allocation to \$4,165,830.

***It was moved by Commissioner Berg and seconded by Commissioner Hanson that the State Water Commission approve state cost participation at 75 percent of the eligible costs, not to exceed an additional allocation of \$1,165,830 from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371, to the City of Valley City to support the city's flood protection project, Phase II. 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, Goehring, 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 financial allocation to \$4,165,830 for the City of Valley City's flood protection project, Phases I and II.***

***WARD COUNTY ROAD 18  
FLOOD CONTROL PROJECT -  
APPROVAL OF STATE COST  
PARTICIPATION (\$133,268)  
(SWC Project No. 1753)***

A request from the Ward County Highway Department was presented for the State Water Commission's consideration for state cost participation for their County Road 18 flood control project to lower water levels in a series of wetland

complexes. The project will provide multiple flood control benefits, protect farmsteads and agricultural lands while also reducing the degree of grade raise required for the locally important transportation route. The project is located in Sections 4, 5, 8 and 9 in Torning Township, Ward County.

The wetlands have exceeded their normal water levels and are inundating previously productive farmland, threatening farmsteads, and inundating county and township roadways including County Road 18. An evaluation for a grade raise on County Road 18 resulted in landowners requesting an examination of a means of removing the excess water as an alternative to raising the road. In response, the Ward County Highway Department is planning to construct overflow channels between several wetland complexes with an ultimate discharge to an unnamed tributary to Second Larson Coulee.

An application to drain has been submitted to the Office of the State Engineer. Discussions have pursued with the U.S. Army Corps of Engineers to determine the extent of their regulatory jurisdiction, the U.S. Fish and Wildlife Service regarding potential impacts to easement wetlands, and the impacted landowners regarding potential easements.

The project engineer's total cost estimate is \$311,152, of which \$296,152 is determined eligible for state cost participation as a flood control project at 45 percent of the eligible costs (\$133,268). The request before the State Water Commission is for a 45 percent state cost participation in the amount of \$133,268.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a flood control project at 45 percent of the eligible costs, not to exceed an allocation of \$133,268 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Ward County Highway Department to support the Ward County Road 18 Flood Control project.

***It was moved by Commissioner Foley and seconded by Commissioner Goehring that the State Water Commission approve state cost participation as a flood control project at 45 percent of the eligible costs, not to exceed an allocation of \$133,268 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Ward County Highway Department to support the Ward County Road 18 Flood Control project. This action is contingent upon the availability of funds, satisfaction of the required drain permit, and receipt of the final engineering plans.***

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

***BUFORD TRENTON IRRIGATION  
TRANSMISSION LINE REROUTE  
PROJECT - APPROVAL OF STATE  
COST PARTICIPATION (\$350,000)  
(SWC Project No. 0222)***

Natural Resource Conservation Service's Agricultural Water Enhancement program, has converted an estimated 7,500 acres out of the total project of 12,000 acres to pivot irrigation.

A request from the Buford Trenton Irrigation District was presented for the State Water Commission's consideration for state cost participation for their transmission line reroute project. The District, through funding from the

Electrical power to the converted area is limited to a single-phase line which is insufficient for operating the center pivot systems. The District is relying on diesel generators to provide the additional power needs of the system. The District intends to bring a three-phase line to the area in order to provide adequate power to properly operate the center pivots.

The estimated total cost to reroute the power lines to the pivot locations is \$700,000. The three-phase power line would allow efficiency in providing the power for the pivot and pump systems and would reduce the extra cost of maintenance and using diesel fuel to run the generators. The request before the State Water Commission is for a state cost participation of 50 percent of the eligible costs not to exceed \$350,000.

Commissioner Swenson expressed concerns relative to the allocation of state funds to private entities for building power lines. In response, Ken Schultz, manager of the Buford Trenton Irrigation District, provided additional information relating to the project and to the request for funding.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as an irrigation project at 50 percent of the eligible costs, not to exceed an allocation of \$350,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Buford Trenton Irrigation District to support the transmission line reroute project.

***It was moved by Commissioner Goehring and seconded by Commissioner Vosper that the State Water Commission approve state cost participation as an irrigation project at 50 percent of the eligible costs, not to exceed an allocation of \$350,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Buford Trenton Irrigation District to support the transmission line reroute project. This action is contingent upon the availability of funds.***

***Commissioners Berg, Foley, Goehring, Hanson, Olin, Thompson, Vosper, and Governor Dalrymple voted aye. Commissioner Swenson voted nay. Recorded votes were 8 ayes; 1 nay. Governor Dalrymple announced the motion carried.***

**STUTSMAN RURAL WATER DISTRICT - APPROVAL OF STATE COST PARTICIPATION FOR STUTSMAN EXPANSION FOR KIDDER COUNTY (\$650,000), AND CARRINGTON AREA (\$557,000) IN 2013-2015 BIENNIUM (SWC Project No. 237-03STU)**

The Stutsman Rural Water District is developing expansions to address inadequacies in the rural system which limits their ability for the addition of rural water users. The system initially served 1,200 rural users, the cities of Cleveland and Montpelier, and the Northern Prairie Wildlife Research Center. On March 11, 2004, the State Water Commission passed a motion to approve a 65 percent grant not to exceed \$24,700 from the Water Development and Research Fund, for the Stutsman County Rural Water hydraulic model and feasibility study.

On March 10, 2005, the State Water Commission approved a 5 percent grant, not to exceed an allocation of \$83,500 from the Water Development and Research Fund, for the Stutsman Rural Water District infrastructure improvements project. On June 22, 2005, the Commission passed a motion to increase the grant to 10 percent of the eligible costs.

On June 21, 2011, the State Water Commission approved a 70 percent grant, not to exceed an allocation of \$6,800,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020) to support the expansion project that would provide service to the northern Stutsman area and the city of Woodworth, Phase II.

On February 27, 2013, the State Water Commission approved a 70 percent grant, not to exceed an allocation of \$2,500,000 for the Phase II-B expansion project to complete service to the city of Woodworth; and a 75 percent grant not to exceed an allocation of \$7,500,000 for the Phase III expansion project for service to the city of Streeter from the supplemental funds appropriated to the State Water Commission in the 2011-2013 biennium through H.B. 1269.

Stutsman Rural Water District is considering an expansion project in the Kidder county and Carrington area. The Kidder county area includes 32 miles of 4" to 1.5" pipeline for 17 rural users, which would be included in Phase III. The total estimated cost is \$867,000. The Carrington area involves 35 miles of 3" to 1.5" pipeline for 27 rural users and would be included in Phase II-B. The total estimated cost is \$742,500. A request from the Stutsman Rural Water District was presented for the State Water Commission's consideration for state cost participation for the 2013 expansion project for a 75 percent grant in the amount of an additional \$1,207,000 (Kidder county - \$650,000; Carrington area - \$557,000).

□

It was the recommendation of Secretary Sando that the State Water Commission approve a 75 percent grant not to exceed an allocation of \$1,207,000 (Kidder county - \$650,000; Carrington area - \$557,000) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Stutsman Rural Water District to support the Kidder county and Carrington area projects.

***It was moved by Commissioner Hanson and seconded by Commissioner Berg that State Water Commission approve a 75 percent state cost participation grant not to exceed an allocation of \$1,207,000 (Kidder county - \$650,000; Carrington area - \$557,000) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Stutsman Rural Water District to support the Kidder county and Carrington area projects. This action is contingent upon the availability of funds, and is subject to future revisions.***

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

***NORTH CENTRAL RURAL WATER CONSORTIUM - APPROVAL OF STATE COST PARTICIPATION FOR BERTHOLD-CARPIO, PHASE II (\$1,950,000) IN 2013-2015 BIENNIUM (SWC Project No. 237-03NOC)***

A North Central Rural Water Consortium was formed with the Central Plains Water District, North Prairie Rural Water, and McLean-Sheridan Rural Water. The intent of the consortium is to provide a funding mechanism and cooperative body to more efficiently serve the

most users possible while allowing each system to remain independent. On March 5, 2003, the State Water Commission approved a 65 percent grant in the amount of \$29,250 from the Water Development and Research Fund to the McLean-Sheridan Rural Water for the North Central Rural Water Consortium feasibility study, which was proposed to cost \$45,000.

On December 7, 2007, the State Water Commission approved a 65 percent grant, not to exceed an allocation of \$1,900,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020), to provide service for the south Benson rural water area. On February 4, 2008, the State Water Commission modified its previous allocation (\$1,900,000 approved on December 7, 2007) to a federal Fiscal Year 2008 MR&I grant allocation of 65 percent, not to exceed \$984,000; and an allocation not to exceed \$916,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020).

On June 23, 2008, the State Water Commission approved a 70 percent grant, not to exceed an allocation of \$7,200,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020), to the North Central Rural Water Consortium II for construction to provide service to the communities of Anamoose and Benedict and approximately 250 rural users. On April 28, 2009, the State Water Commission modified its previous allocation (\$7,200,000 approved on June 23, 2008) to a federal Fiscal Year 2009 MR&I grant of 70 percent, not to exceed an allocation of \$3,905,000; and an allocation not to exceed \$3,295,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020), to the North Central Rural Water Consortium II for construction to provide service to the communities of Anamoose and Benedict and approximately 250 rural users.

On June 21, 2011, the State Water Commission approved a 65 percent state cost participation grant, not to exceed an allocation of \$3,150,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium to the North Central Rural Water Consortium, Berthold-Carpio, Phase I.

The 2013 Berthold-Carpio project addresses service to the rural area near the cities of Foxholm and Donnybrook with 70 miles of 3" to 2" pipeline for approximately 50 rural users, with an estimated total cost of \$2,600,000. A request from the North Central Rural Water Consortium was presented for the State Water Commission's consideration for state cost participation of a 75 percent grant in the amount of \$1,950,000, Phase II.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation of a 75 percent grant, not to exceed an allocation of \$1,950,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Central Rural Water Consortium for the Berthold-Carpio project, Phase II.

***It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve state cost participation of a 75 percent grant, not to exceed an allocation of \$1,950,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Central Rural Water Consortium for the Berthold-Carpio project, Phase II. This action is contingent upon the availability of funds, and is subject to future revisions.***

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

***NORTH CENTRAL RURAL WATER  
CONSORTIUM, GRANVILLE-DEERING  
RURAL WATER SUPPLY PROJECT  
(ENGINEERING AND CULTURAL  
RESOURCE STUDY) -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$180,000)  
(SWC Project No. 237-03NOC)***

A request from the North Central Rural Water Consortium was presented for the State Water Commission's consideration for state cost participation for the Granville-Deering rural water supply project. The project would address water supply service in northeastern Ward county and McHenry county. The project involves 147 miles of 3" to 2" pipeline for approximately 165 rural users and service for the city of Deering. The water

rate will include a monthly minimum charge of \$52.00 and a water rate of \$5.65 per 1,000 gallons. The estimated total project cost is \$4,000,000. The project is in the planning and design stage with the project construction to be bid in early 2014. The design and cultural resource study are estimated to be \$240,000 with a 75 percent state cost participation grant of \$180,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 75 percent, not to exceed an allocation of \$180,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Central Rural Water Consortium for engineering and a cultural resource study of the Granville-Deering rural water supply project.

***It was moved by Commissioner Vosper and seconded by Commissioner Foley that the State Water Commission approve a state cost participation grant of 75 percent, not to exceed an allocation of \$180,000, to the North Central Rural Water Consortium for engineering and a cultural resource study of the Granville-Deering rural water supply project. This action is contingent upon the availability of funds, and is subject to future revisions.***

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

**SOUTH CENTRAL REGIONAL WATER SYSTEM, KIDDER COUNTY EXPANSION PROJECT (ENGINEERING AND CULTURAL RESOURCE STUDY) - APPROVAL OF STATE COST PARTICIPATION GRANT (\$196,500) (SWC Project No. 237-03SOU)**

A regional water system is being developed to serve rural users and municipalities in the counties of Burleigh, Emmons, Kidder, Logan, and McIntosh at an estimated cost of \$85,500,000. The South Central Regional Water District is developing the project with sponsors from the various

counties. The water supply includes bulk water from the city of Bismarck, a new water source and treatment plant in Burleigh county, and a new water treatment plant using an intake in the Missouri River west of Linton.

Federal MR&I and State Water Commission previous funding actions for the South Central Regional Water District include the following:

On July 17, 2007, the State Water Commission approved a 29 percent grant, not to exceed an allocation of \$4,870,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020), to the South Central Regional Water District for Phase 1 project development. On February 4, 2008, the State Water Commission modified the Phase I allocation (\$4,870,000 approved on July 17, 2007) to a federal fiscal year 2008 MR&I grant of 31 percent, not to exceed an allocation of \$2,952,000; and an allocation not to exceed \$1,918,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020).

On June 23, 2008, the State Water Commission approved a 53 percent grant, not to exceed an allocation of \$8,200,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020), to the South Central Regional Water System, Phase II.

Federal Fiscal Year 2009 MR&I grant funds were earmarked in the amount of \$5,850,000 for the South Central Regional Water District, Phase II. On April 28, 2009, the State Water Commission modified its previous allocation (\$8,200,000 approved on June 23, 2008) to a federal Fiscal Year 2009 MR&I grant of 53 percent not to exceed an allocation of \$5,850,000; and an allocation not to exceed \$2,350,000 from the funds appropriated to the State Water Commission in the 2007-2009 biennium (S.B. 2020).

Federal Fiscal Year 2010 MR&I grant funds were earmarked in the amount of \$8,800,000 for the South Central Regional Water System (Emmons county, Phase II). On December 11, 2009, the State Water Commission approved a federal Fiscal Year 2010 MR&I grant of 75 percent, not to exceed an allocation of \$8,800,000.

Federal Fiscal Year 2011 MR&I grant funds were earmarked in the amount of \$6,650,000 for the South Central Regional Water System (Emmons county, Phase III). On September 1, 2010, the State Water Commission approved a federal Fiscal Year 2011 MR&I grant of 75 percent, not to exceed an allocation of \$6,650,000.

Federal Fiscal Year 2011 grant funds were later revised and earmarked in the amount of \$9,300,000 for the South Central Regional Water System (Emmons county, Phase III, and a portion of Phase IV). On June 21, 2011, the State Water Commission approved a federal Fiscal Year 2011 MR&I grant of 75 percent, not to exceed an additional allocation of \$2,650,000, for a total federal Fiscal Year 2011 MR&I grant of \$9,300,000 for the South Central Regional Water System (Emmons county, Phase III, and a portion of Phase IV).

Federal Fiscal Year 2012 MR&I grant funds were recommended in the amount of \$7,700,000 for the South Central Regional Water System, Phase IV, to serve Emmons, Logan, and McIntosh counties. On June 13, 2012, the State Water Commission approved a federal Fiscal Year 2012 MR&I grant of 75 percent, not to exceed an allocation of \$7,700,000 to the South Central Regional Water System, Phase IV.

A request from the South Central Regional Water System was presented for the State Water Commission's consideration for a 75 percent state cost participation grant (\$196,500) for the southern Kidder county expansion project. This is the final phase of the regional water system to serve Emmons, Logan, McIntosh, and Kidder counties. The Kidder county service area has been coordinated with the Stutsman Rural Water District's Kidder county project. The water supply would be from the system's water treatment plant near Linton. The project would include 55 miles of 8" to 1.5" pipeline for 115 rural users, bulk service to the city of Steele, and individual service within the cities of Tappen and Dawson. The water rate will include a monthly minimum charge of \$40.00 and a water rate of \$3.55 per 1,000 gallons. The estimated total project cost is \$5,000,000. The project is in the planning and design stages, and the construction project is anticipated to be bid in early 2014. The design and cultural resource study is estimated to be \$262,000 with a 75 percent state cost participation grant of \$196,500.

Commissioner Swenson disclosed that he serves as a member of the South Central Regional Water District board of directors, and requested to be excused from discussion of the project and that an abstention vote be recorded.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 75 percent, not to exceed an allocation of \$196,500 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the South Central Regional Rural Water System for engineering and a cultural resource study of the Kidder county expansion project.

***It was moved by Commissioner Berg and seconded by Commissioner Goehring that the State Water Commission approve a state cost participation grant of 75 percent, not to exceed an allocation of \$196,500, to the South Central Regional Water District for engineering and a cultural resource study of the Kidder county expansion project. This action is contingent upon the availability of funds, and is subject to future revisions.***

***Commissioners Berg, Foley, Goehring, Hanson, Olin, Thompson, Vosper, and Governor Dalrymple voted aye. Commissioner Swenson abstained from voting. There were no nay votes. Governor Dalrymple announced the motion carried.***

**GREATER RAMSEY WATER DISTRICT, SOUTHWEST NELSON COUNTY EXPANSION PROJECT (ENGINEERING AND CULTURAL RESOURCE STUDY) - APPROVAL OF STATE COST PARTICIPATION GRANT (\$150,000) (SWC Project No. 237-03RAM)**

A request from the Greater Ramsey Water District was presented for the State Water Commission's consideration for state cost participation of a 75 percent grant for the Southwest Nelson County Expansion Rural Water project that would provide water supply service to southwest Nelson county and the city of Pekin. The water supply would be

from the Greater Ramsey Water District's existing water treatment plant near Tolna. The project includes 30 miles of pipeline serving approximately 80 rural users and 5.9 miles of pipeline for service for the city of Pekin. There are numerous areas within the existing system impacted by the higher water levels of Devils Lake causing the migration of customers away from those areas and into other areas of the system that are now experiencing flow and pressure problems. The water rate will include a monthly minimum charge of \$42.00 and a water rate of \$3.75 per 1,000 gallons. The estimated total project cost is \$4,000,000. The project is in the planning and design stages and the construction project is anticipated to be bid in early 2014. The design and cultural resource study is estimated to be \$200,000 with a 75 percent grant of \$150,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 75 percent, not to exceed an allocation of \$150,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Greater Ramsey Water District for engineering and a cultural resource study of the southwest Nelson County Expansion project.

***It was moved by Commissioner Thompson and seconded by Commissioner Berg that the State Water Commission approve a state cost participation grant of 75 percent, not to exceed an allocation of \$150,000, to the Greater Ramsey Water District for engineering and a cultural resource study of the southwest Nelson County Expansion project. This action is contingent upon the availability of funds, and is subject to future revisions.***

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

**CITY OF GRAFTON - WATER  
TREATMENT PLANT REHABIL-  
ITATION, PHASE III - APPROVAL OF  
\$2,603,825 (GRANT/LOAN PREFERENCE  
UNDER ADVISEMENT AND RECOMMEND-  
ATION FROM POLICY COMMITTEE)  
(SWC Project No. 237-03GRT)**

A request from the city of Grafton was presented for the State Water Commission's consideration for state cost participation in the city's water treatment plant rehabilitation, Phase III. This project addresses deficiencies at the plant, which was constructed in 1953. Phases I and II have been completed

and planning for construction of Phase III is underway. Phase III includes filtration improvements, residual management improvements, and water treatment plant facility improvements. The city's water treatment plant has a capacity of 3,000,000 gallons of water per day which serves a population of 4,300.

The estimated total cost of Phase III is \$7,230,000. The city has secured a State and Tribal Assistance grant of \$2,022,350, with a deadline to expend the grant funding by the end of 2014. The final design will begin immediately upon securing funding, with construction to begin in 2014. The city's proposed funding arrangement for the remaining \$5,207,650 includes a loan from the Drinking Water State Revolving Loan Fund of \$2,603,825, and a grant of 2,603,825 from the State Water Commission (36 percent of the Phase III cost). In 2012, the city water users paid \$365 per year, or \$30.42 per month for 6,000 gallons of water.

Chris Wise, Mayor, City of Grafton, provided additional information to support the project and the request for funding. He noted a correction that the current water rate is not \$30.42 per month for 6,000 gallons of water as previously stated. The water rate should be determined by using \$14.07 for the first 1,000 gallons and \$5.28 per thousand gallons in excess of 1,000 gallons, therefore, the cost for 6,000 gallons would be \$40.47 per month, or \$486 per year. Mr. Wise stated that this water rate determination should be applied to the following funding options before the State Water Commission for consideration:

- 1) a \$5.2 million loan from the Drinking Water State Revolving Loan Fund at 2.5 percent for 20 years with an additional 20 percent required for reserves added to the payment and interest payment. The water users would pay \$654 per year, or \$54.47 per month;
- 2) a \$2.6 million loan from the Drinking Water State Revolving Loan Fund and a \$2.6 million Resources Trust Fund loan from the State Water Commission at 1.5 percent for 20 years. The water users would pay \$646 per year, or \$53.83 per month; and
- 3) a \$2.6 million loan from the Drinking Water State Revolving Loan Fund and a \$2.6 million grant from the State Water Commission. The water users would pay \$570 per year, or \$47.47 per month.

2013 House Bill 1020, section 54-35-02.7 - Water-related topics overview committee - duties, states: "The legislative management, during each interim, shall appoint a water-related topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly and is responsible for legislative overview of water-related topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water-related topics. The committee shall work collaboratively with the state water commission to develop policies to further define the state role in major flood control projects. The committee shall prepare a schedule of priorities with respect to water projects. The state water commission and state engineer shall assist the committee in developing the schedule of priorities, and the committee may seek input from stakeholders within the state regarding water project priorities. The committee also shall study policies regarding the development and financing of municipal projects, including water treatment plants, pipelines including pipeline expansion, public and industrial use of water, cost analysis of future project development and ongoing maintenance cost of current and future projects, and technology including the use of technology for permitting and electronic metering."

The Water Policy committee met on July 23, 2013, and addressed areas involving the development and/or modifications of policy which included cost share eligibility, percentage, loans, and project maintenance and replacement. The committee agreed to continue its discussion at a future meeting and, therefore, no policy recommendations were presented for the State Water Commission's consideration.

Because the State Water Commission does not have a policy in place relating to project maintenance and replacement loans, Governor Dalrymple recommended that the State Water Commission approve an allocation of \$2,603,825 to the city of Grafton for their water treatment plant rehabilitation, Phase III, the issue of a loan/grant preference for the project funding be taken under advisement at the next policy committee meeting, and that a recommendation be presented for the State Water Commission's consideration.

***It was moved by Commissioner Hanson and seconded by Commissioner Berg that the State Water Commission:***

- 1) approve an allocation not to exceed \$2,603,825 to the city of Grafton for their water treatment plant rehabilitation, Phase III;***
- 2) the issue of a loan/grant preference for the project funding (\$2,603,825) be taken under advisement at the next policy committee meeting; and***

**3) a recommendation be presented for the State Water Commission's consideration.**

***This action is contingent upon the availability of funds.***

***Commissioners Berg, Foley, Goehring, 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 -  
APPROVAL OF MEMORANDUM OF  
UNDERSTANDING FOR DICKINSON  
WATER TREATMENT PLANT PROPERTY  
(SWC Project No. 1736-99)***

The Southwest Pipeline Project is currently in the process of developing water treatment and distribution facilities near the existing water treatment plant site at Dickinson. A draft Memorandum of Understanding between the City of Dickinson, State Water Commission, and the Southwest Water Authority that sets forth the understanding among the parties was presented for the State Water Commission's consideration. The Memorandum of Understanding addresses the following: 1) the existing water treatment plant in Dickinson; 2) new Southwest Pipeline Project treatment and distribution facilities; and 3) cost sharing of the joint Dickinson finished water pumping facility.

It was the recommendation of Secretary Sando that the State Water Commission authorize the Secretary to the State Water Commission to finalize and execute the Memorandum of Understanding between the City of Dickinson, the State Water Commission, and the Southwest Water Authority for the Dickinson water treatment plant property.

***It was moved by Commissioner Vosper and seconded by Commissioner Olin that the State Water Commission authorize the Secretary to the State Water Commission to finalize and execute the Memorandum of Understanding between the City of Dickinson, the State Water Commission, and the Southwest Water Authority for the Dickinson water treatment plant property. SEE APPENDIX "A"***

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

**REAPPOINTMENT OF STATE  
WATER COMMISSION MEMBERS -  
ROBERT THOMPSON, PAGE, ND; AND  
DOUGLAS VOSPER, NECHE, ND**

reappointment terms are July 1, 2013 through June 30, 2019.

Robert Thompson, Page, ND, and Douglas Vosper, Neche, ND, were reappointed by Governor Dalrymple to serve six-year terms as members of the State Water Commission. Their

**WESTERN AREA WATER SUPPLY  
(WAWS) AUTHORITY STATUS  
REPORT AND PROJECT PLAN  
FOR 2013-2015 BIENNIUM  
(SWC Project No. 1973)**

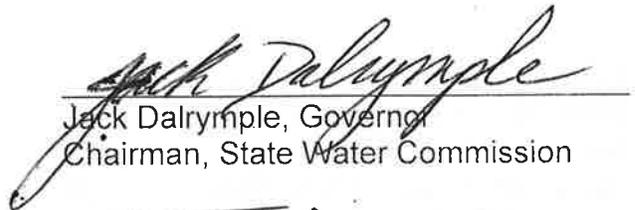
treatment, transmission, and distribution infrastructure to provide the water supplies in western North Dakota, and discussed the overall project plan for the 2013-2015 biennium. House Bill 1020 provided for \$40 million in loan funds from the Bank of North Dakota with an emergency clause and \$79 million through the State Water Commission from the Resources Trust Fund. In addition to the Legislature providing this funding, S.B. 2233 requires WAWS to submit its overall project plan to the State Water Commission for approval. The State Water Commission took no action at this meeting.

Jaret Wurtz, executive director, Western Area Water Supply (WAWS) Authority presented a project status report, alluded to the allocations authorized by the 63rd Legislative Assembly to continue to build water supply,

There being no additional business to come before the State Water Commission, Governor Dalrymple adjourned the meeting at 2:50 p.m.

There being no additional business to



  
\_\_\_\_\_  
Jack Dalrymple, Governor  
Chairman, State Water Commission

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

## **Memorandum of Understanding**

### **Dickinson Water Treatment Plant Property**

#### **North Dakota State Water Commission and City of Dickinson**

##### **Purpose**

This memorandum sets forth the understanding among the North Dakota State Water Commission, the City of Dickinson, and Southwest Water Authority to proceed with development of water treatment and distribution facilities for the Southwest Pipeline Project on property currently owned by the City, located within its city limits.

##### **Existing Dickinson Water Treatment Plant**

In February and March 2000, the City and the State Water Commission approved and executed an agreement entitled "Southwest Pipeline Project Water Treatment Agreement for the Assignment of Management, Operations, and Maintenance Responsibilities for the Dickinson Water Treatment Plant, Dickinson North Dakota, from the City to Southwest Water Authority" ("Agreement").

The parties shall amend the Agreement to enable the conveyance of the existing Dickinson Water Treatment Plant from the City to the State of North Dakota, acting through State Water Commission, and allocation of treated water to the City. All of the property identified in Exhibit A to the Agreement, except the Lime Sludge Inert Landfill and the Operating Lime Sludge Pond, shall be conveyed. However, the Southwest Authority will continue to use the sludge ponds and the inert landfill in accordance with the Agreement. Additionally, the City shall retain the right to access the six million gallon reservoir and to pump and distribute treated water from the reservoir. The deed transferring the property shall contain a possibility of reverter so that in the event that the State Water Commission and Southwest Water Authority cease or abandon use of the property, the property will revert back to the City.

The City, the State Water Commission, and Southwest Water Authority will proceed to develop and execute the necessary legal documents to effect this conveyance.

##### **New Southwest Water Pipeline Project Treatment and Distribution Facilities**

The City will convey to the State of North Dakota, acting through the State Water Commission, an approximately four-acre parcel of property currently occupied by the City's Public Works Department. This parcel is intended as the location of a new Southwest Pipeline Project water treatment facility. The deed transferring the property shall contain a possibility of reverter so that in the event that the State Water Commission and Southwest Water Authority cease or abandon use of the property, the property will revert back to the City.

This conveyance shall take place no earlier than the completion and occupancy of the City's new Public Works Building by the City's Public Works Department, and may not otherwise be permitted to interfere with the operation of the City's Public Works Department.

The property to be conveyed is a portion of Lot 3 of Auditor's Plat No. 7, City of Dickinson. The City, at its own cost, will subdivide or replat the property in order to properly describe the approximately four-acre parcel. The City will arrange and pay for an appraisal of the property by a licensed appraiser. The value of the property shall be included in the City's contributions to the Joint Finished Water Pumping Facility described below. If the State Water Commission does not accept the City's appraised value, the State Water Commission and Southwest Water Authority reserve the right to hire an appraiser and the two appraisals will be used as a basis for negotiating the price of the land.

The City, the State Water Commission, and Southwest Water Authority will proceed to develop and execute the necessary legal documents to effect this conveyance.

**Dickinson Joint Finished Water Pumping Facility**

The Joint Finished Water Pumping Facility is currently planned for construction on the site of the existing Dickinson Water Treatment Plant. The Joint Finished Water Pumping Facility is a joint facility for the Southwest Pipeline Project and the City. The City and the State Water Commission will share in costs of the Joint Finished Water Pumping Facility based upon the percentages shown in the following table:

Shared Costs

<u>Item</u>	<u>City Share</u>	<u>SWC Share</u>
Construction Costs of Building (Mechanical, Electrical, and Structural)	50%	50%
Site Piping Modifications, to and from existing WTP and 6 MG Reservoir	33%	67%
City Pumps and Electrical Switchgear	100%	0%
City High Service Piping inside and outside the facility	100%	0%
SWPP Transfer Pumps and Electrical Switchgear	0%	100%
SWPP Supply Piping inside and outside the facility	0%	100%
Standby Electrical Generator	50%	50%
Construction Engineering	50%	50%

The Engineering Design and Engineering Costs of the City's pumps, electrical switchgear, and finalizing exterior site piping will be the responsibility of the City, and the City will pay its engineering firm directly for such work. The City's engineering firm shall further assist with the planning, development, and finalizing the design of the Joint Finished Water Pumping Facility, and the City shall be responsible for and shall pay its engineering firm directly for such work.

Engineering Design and Engineering Costs for all other facilities associated with the Joint Finished Water Pumping Facility will be the responsibility of the State Water Commission, and the State Water Commission will pay its engineer directly for such work.

The contract or contracts for construction of the Joint Finished Water Pumping Facility will be the responsibility of the State Water Commission. The City will reimburse the State Water Commission for construction costs based upon the cost sharing illustrated in the table above. The State Water Commission shall submit any contracts for which the City is to provide funding to the Dickinson City Commission for review and approval prior to award.

The State Water Commission will be responsible for construction management. The State Water Commission will be reimbursed by the City for the City's share of such costs, as illustrated in the table above, upon verification of such costs by the City.

Parties

CITY OF DICKINSON

By:



Dennis W. Johnson  
President, of City Commission

NORTH DAKOTA STATE WATER COMMISSION

By:



Todd Sando, P.E.  
Chief Engineer and Secretary

SOUTHWEST WATER AUTHORITY

By:



Larry Bares  
Chairman