

# North Dakota State Water Commission

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

**December 11, 2015  
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 [www.swc.nd.gov](http://www.swc.nd.gov)*
- C. **Consideration of Draft Minutes of October 6, 2015 SWC Meeting** \*\*
- D. State Water Commission Financial Updates:
  - 1) Agency Program Budget Expenditures
  - 2) 2015-2017 Biennium Resources Trust Fund and Water Development Trust Fund Revenues
  - 3) City of Fargo Interior Flood Control
  - 4) Fox Island Flood Control - Burleigh County
- E. Consideration of Following Requests for State Cost Participation:
  - 1) North Dakota State Water Commission Cost-Share Policy, Procedure, and General Requirements Update
  - 2) **City of Dickinson - State Avenue South Water Main** \*\*
  - 3) **Dakota Rural Water District - Reservoir C Expansion** \*\*
  - 4) **Missouri West Water System - Crown Butte Service Area Expansion, Phase II** \*\*
  - 5) **North Prairie Rural Water - Storage & Water Mains** \*\*
  - 6) **Northeast Regional Water District - City of Devils Lake Water Supply** \*\*
  - 7) **Walsh Rural Water District, System Expansion Phases I & II** \*\*
  - 8) **All Seasons Water Users District - System IV** \*\*
  - 9) **Sheyenne River Snag and Clear, Reaches I, II and III** \*\*
  - 10) **International Boundary Roadway Dike Lawsuit** \*\*
  - 11) **Yorktown-Maple Drainage Improvement District #3-Dickey Co.** \*\*
  - 12) **James River Bank Stabilization (Dickey County)** \*\*
  - 13) **Swan Buffalo Detention Dam #5 (Garsteig Dam)** \*\*
  - 14) **Swan Buffalo Detention Dam #8 (Embsden Dam)** \*\*
  - 15) **Swan Buffalo Detention Dam #12 (Absaraka Dam)** \*\*
- F. **2016 North Dakota Drinking Water State Revolving Loan Fund** \*\*
- G. Fargo Moorhead Area Diversion Project Update

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- H. Southwest Pipeline Project:
  - 1) Project Update
  - 2) **Capital Repayment and REM Rates for 2016 and Southwest Water Authority Budget** \*\*
  - 3) **Reimbursement from Reserve Fund for Replacement and Extraordinary Maintenance** \*\*
  - 4) **City of Belfield - Water Service Agreement Amendment** \*\*
  - 5) **City of Killdeer - Transfer of Service Agreement** \*\*
  
- I. Northwest Area Water Supply Project:
  - 1) Project Update
  - 2) **City of Rugby REM Request** \*\*
  
- J. Mouse River Enhanced Flood Protection Project:
  - 1) Project Update
  - 2) **Broadway Pump Station** \*\*
  
- K. 2015 North Dakota State Water Management Plan Update
  
- L. Garrison Diversion Conservancy District Report
  
- M. Devils Lake Hydrologic and Projects Update
  
- N. Missouri River Update
  
- O. 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 11, 2015**

The North Dakota State Water Commission held a meeting at the Best Western Ramkota Hotel, Bismarck, North Dakota, on December 11, 2015. 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  
Doug Goehring, North Dakota Department of Agriculture, Bismarck  
Arne Berg  
Maurice Foley  
Larry Hanson  
Harley Swenson  
Robert Thompson

#### **STATE WATER COMMISSION MEMBERS ABSENT:**

George Nodland  
Douglas Vosper

#### **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 11, 2015 State Water Commission meeting was presented; there were no modifications.

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

**CONSIDERATION OF DRAFT MINUTES  
OF OCTOBER 6, 2015 STATE WATER  
COMMISSION MEETING - APPROVED**

The draft final minutes of the October 6, 2015 State Water Commission meeting were approved by the following motion:

*It was moved by Commissioner Foley, seconded by Commissioner Thompson, and unanimously carried, that the draft final minutes of the October 6, 2015 State Water Commission meeting be approved as prepared.*

**STATE WATER COMMISSION -  
PROGRAM BUDGET EXPENDITURES  
AND CONTRACT FUND ALLOCATIONS,  
2015-2017 BIENNIUM**

In the 2015-2017 biennium, the State Water Commission has two line items - administrative and support services, and water and atmospheric resources expenditures. The allocated program ex-

penditures for the period ending October 31, 2015 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 for the 2015-2017 biennium, **APPENDIX "B"**, provides information on the committed and uncommitted funds from the Resources Trust Fund and the Water Development Trust Fund. The current Contract Fund total allocation for projects is \$555,903,819 with expenditures of \$63,799,348. A balance of \$469,104,307 remains available to commit to projects in the 2015-2017 biennium.

**STATE WATER COMMISSION -  
RESOURCES TRUST FUND  
AND WATER DEVELOPMENT  
TRUST FUND REVENUES,  
2015-2017 BIENNIUM**

Oil extraction tax deposits into the Resources Trust Fund total \$52,143,547, through November, 2015, and are currently \$42,047,115 above budgeted revenues. It was explained that the budgeted revenues were based on a legislative

revenue forecast that assumed the tax reduction trigger would have been in effect for the first six months of the biennium and that normal distributions would be received for the remainder of the biennium. However, the trigger did not go into effect, which resulted in the legislature eliminating the trigger and reducing the extraction rate, effective January 1, 2016. Consequently, the revenues will be above the budgeted figures for the first six months, but will then likely fall short of projections for the remainder of the biennium.

No deposits have been received for the Water Development Trust Fund (tobacco settlement) in the 2015-2017 biennium. The first planned deposit is for \$8,900,000 in April, 2016.

**2015 SENATE BILL 2020 -  
LEGISLATIVE INTENT (\$60,000,000)  
TO CITY OF FARGO TO SUPPORT  
FARGO INTERIOR FLOOD CONTROL  
PROJECT  
(SWC Project No. 1928)**

The 2015 North Dakota Legislature included legislative intent in Senate Bill 2020, Section 9 of the State Water Commission's appropriation bill for the 2015-2017 biennium states "... that the state provide one-half of the local share of Fargo flood control projects, including

constructing a federally authorized Fargo flood control project, and that the total Fargo flood control project funding to be provided by the state not exceed \$570,000,000. It is the intent of the sixth-fourth legislative assembly that \$120,000,000 of the \$570,000,000 be used for Fargo interior flood control projects and that any funds spent for Fargo interior flood control projects after July 1, 2017 require 50 percent matching funds from the Fargo flood authority. It is the intent of the sixth-fourth legislative assembly that the \$266,000,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums beginning July 1, 2017. It is the intent of the sixty-fourth legislative assembly that funding for the Fargo flood control project will end June 30, 2021, if a federal appropriation for project construction has not been provided by June 30, 2021."

Section 11 of 2015 Senate Bill 2020 states, "There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$30,000,000, or so much of the sum as may be necessary, for the purpose of providing funding for flood protection projects within the city limits of Fargo, for the period beginning with the effective date of this Act, and ending June 30, 2017. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. No more than ten percent of these funds may be used for engineering and legal fees. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project."

Section 12 of 2015 Senate Bill 2020 states, "Of the funds appropriated in the water and atmospheric resources line item in Section 1 of this Act, \$30,000,000 is for Fargo interior flood control projects, for the period beginning with the effective date of this Act, and ending June 30, 2017. Any funds not spent by June 30, 2017 are not subject to section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo interior flood control projects. The city of Fargo shall apply for flood protection funding,

but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. No more than ten percent of these funds may be used for engineering and legal fees. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes, until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project."

The Commission members were informed of the process for compliance with the legislative obligation to the city of Fargo.

**2015 SENATE BILL 2020 -  
LEGISLATIVE EARMARK (\$2,800,000)  
TO BURLEIGH COUNTY WATER  
RESOURCE DISTRICT TO SUPPORT FOX  
ISLAND FLOOD CONTROL PROJECT  
(SWC Project No. 1992-03)**

Section 15 of 2015 Senate Bill 2020 states, "There is appropriated out of any moneys in the state disaster relief fund in the state treasury the sum of \$4,000,000 or so much of the sum as may be necessary, to the state water commission, for the purpose of

providing funding for levee projects for the biennium, beginning July 1, 2015, and ending June 30, 2017. Of the funds, the state water commission shall make available \$1,200,000 for a levee for the Missouri River correctional center, and \$2,800,000 for a levee for Lincoln township's Fox Island area."

A request from the Burleigh County Water Resource District was received on September 25, 2015 that the allocation of \$1,200,000 authorized in the 2015 Senate Bill 2020 be made available for the Missouri River correctional center project. At the October 6, 2015 meeting, the State Water Commission members were informed of the process for compliance with the legislative obligation to the Burleigh County Water Resource District, and noted the funds had been transferred to the District.

A request from the Burleigh County Water Resource District was received on November 23, 2015 that the allocation of \$2,800,000 authorized in 2015 Senate Bill 2020 be made available for the Fox Island flood control project. The State Water Commission members were informed of the process for compliance with the legislative obligation to the Burleigh County Water Resource District.

**NORTH DAKOTA STATE WATER  
COMMISSION COST SHARE  
POLICY, PROCEDURE, AND  
GENERAL REQUIREMENTS  
(Effective October 1, 2014;  
Amended October 6, 2015)  
(SWC Project No. 1753)**

structure, rural water improvements versus expansions, and permits. These options and other potential changes to the policy will be addressed during the Commission's policy meeting scheduled for February 9, 2016. Policy decisions are necessary to develop recommendations for cost share requests primarily related to water supply improvement projects. The staff memorandum summarizing the potential policy options dated November 24, 2015 is included as **APPENDIX "C"**.

**CITY OF DICKINSON, STATE  
AVENUE SOUTH WATER MAIN -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$965,000)  
(SWC Project No. 2050-DIK)**

the southern pressure zone 1. The total project eligible costs are estimated at \$1,650,000, with pre-construction engineering eligible costs of \$100,000, and construction engineering and construction eligible costs of \$1,550,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$965,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 60 percent, to the city of Dickinson to support the design and construction of the State Avenue south water main project.

***It was moved by Commissioner Berg and seconded by Commissioner Foley that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$965,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 60 percent, to the city of Dickinson to support the design and construction of the State Avenue south water main project. This approval is contingent upon the availability of funds.***

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

**DAKOTA RURAL WATER DISTRICT,  
RESERVOIR C EXPANSION -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$901,500)  
(SWC Project No. 2050-DAK)**

A request from the Dakota Rural Water District was presented for the State Water Commission's consideration for a state cost participation grant towards the design and construction for the addition of 200,000 gallons of storage at

Reservoir C and to upsize the transmission pipelines near the city of Finley. The proposed project is to address adequate pressure and water supply to current and new users. The total project eligible costs are estimated at \$1,266,000, with pre-construction engineering eligible costs of \$120,000, and construction engineering and construction eligible costs of \$1,146,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$901,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the Dakota Rural Water District to support the design and construction of the Reservoir C expansion project.

***It was moved by Commissioner Thompson and seconded by Commissioner Berg that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$901,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the Dakota Rural Water District to support the design and construction of the Reservoir C expansion project. This approval is contingent upon the availability of funds.***

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

**MISSOURI WEST WATER SYSTEM,  
CROWN BUTTE SERVICE AREA  
EXPANSION PROJECT, PHASE II -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$308,000)  
(SWC Project No. 2050-MIS)**

A request from the Missouri West Water System was presented for the State Water Commission's consideration for a state cost participation grant towards the design and construction of the Crown Butte Service Area Expansion project, Phase II. This proposed project will

continue the water supply project built in 2014 to provide additional flows along the Interstate 94 business loop corridor to address current and future water demands. The total project eligible costs are estimated at \$416,000, with pre-construction engineering costs of \$10,000, and construction engineering and construction eligible costs of \$406,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$308,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the Missouri West Water System to support the design and construction of the Crown Butte Service Area Expansion project, Phase II.

***It was moved by Commissioner Berg and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$308,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the Missouri West Water System to support the design and construction of the Crown Butte Service Area Expansion project, Phase II. This approval is contingent upon the availability of funds.***

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

**NORTH PRAIRIE RURAL WATER  
DISTRICT, STORAGE AND WATER  
MAINS PROJECT - APPROVAL OF  
5 PERCENT LOAN (\$239,475)  
(SWC Project No. 2050-NOR)**

On October 6, 2015, the State Water Commission adopted a motion to approve a state cost participation grant not to exceed an allocation of \$3,459,837, with pre-construction engineering eligible costs funded at 35 percent, and

construction engineering and construction eligible costs funded at 75 percent, to the North Prairie Rural Water District to support their storage and water mains project.

The current State Water Commission's cost share policy provides funding for the construction engineering and construction through a combination grant and loan not to exceed 80 percent of the eligible costs. A request from the North Prairie Rural Water District was presented for the State Water Commission's consideration for a 5 percent loan from the State Water Commission's Infrastructure Revolving Loan Fund towards the design and construction of a 10-inch water main between two pump stations, elevated water storage south of the city of Minot, and above-ground storage near the radar base. These proposed projects address current and future water demands resulting from the increasing population.

It was the recommendation of Secretary Sando that the State Water Commission approve a 5 percent loan for the pre-construction engineering eligible costs and the construction engineering and construction eligible costs not to exceed \$239,475 from the State Water Commission's Infrastructure Revolving Loan Fund, with an interest rate of 1.5 percent and a 20-year term, to the North Prairie Rural Water District to support their storage and water mains project.

***It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a 5 percent loan not to exceed \$239,475 from the State Water Commission's Infrastructure Revolving Loan Fund, with an interest rate of 1.5 percent and a 20-year term, to the North Prairie Rural Water District to support their storage and water mains project. This approval is contingent upon the availability of funds.***

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

***NORTHEAST RURAL WATER  
DISTRICT, CITY OF DEVILS LAKE  
WATER SUPPLY PROJECT -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$533,750)  
(SWC Project No. 2050-NOE)***

A request from the Northeast Regional Water District was presented for the State Water Commission's consideration for a state cost participation grant towards the feasibility study and pre-construction engineering on their project to address a water supply for the

Langdon rural water branch of the Northeast Rural Water District and the city of Langdon. The proposed project provides system capacity for an additional project to add 150 new rural users in the Langdon rural water branch. The project involves a pipeline to bring treated water from the city of Devils Lake's water treatment plant. The estimated project cost is \$24,000,000, with pre-construction engineering eligible costs of \$1,525,000, and potential construction engineering and construction eligible costs of \$22,475,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$533,750 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), towards the feasibility study, with pre-construction engineering eligible costs funded at 35 percent, to the Northeast Rural Water District to support the city of Devils Lake water supply project. Pending completion of the feasibility study, funding for the construction engineering and construction eligible costs may be considered.

***It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$533,750 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), towards the feasibility study, with pre-construction engineering eligible costs funded at 35 percent, to the Northeast Rural Water District to support the city of Devils Lake water supply project. This approval is contingent upon the availability of funds.***

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

**WALSH RURAL WATER DISTRICT,  
SYSTEM EXPANSION, PHASES I & II -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$2,093,350)  
(SWC Project No. 2050-WAL)**

A request from the Walsh Rural Water District was presented for the State Water Commission's consideration for a state cost participation grant toward the design and construction of their system expansion, Phases I and II. The object-

ive of the proposed project will include the addition of 15 new rural users and upsizing approximately 30 miles of undersized pipeline. The pipeline expansion is required due to system expansion and increased demand over the past 10-15 years. The additional piping will ensure adequate pressure and water supply service to all current and new users. The project engineer's cost estimate is \$2,929,800, with pre-construction engineering eligible costs of \$260,000, and construction engineering and construction eligible costs of \$2,669,800.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant not to exceed \$2,093,350 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the Walsh Rural Water District to support their system expansion, Phases I and II project.

In discussion, it was noted that the estimated project costs submitted by the project sponsor inadvertently included "engineering bidding" costs (\$42,590,80) within the construction estimates. The State Water Commission's cost share policy criteria provides for the "engineering bidding" costs to be considered as pre-construction engineering eligible costs and, therefore, those costs are funded at 35 percent.

***It was moved by Commissioner Thompson and seconded by Commissioner Foley that the State Water Commission approve a state cost participation grant not to exceed \$2,093,350 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the Walsh Rural Water District to support their system expansion, Phases I and II project. This approval is contingent upon the availability of funds.***

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

**ALL SEASONS WATER USERS  
DISTRICT, SYSTEM 4 CONNECTION TO  
SYSTEM I - APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$4,900,000)  
(SWC Project No. 2050-ALL)**

A request from the All Seasons Water Users District was presented for the State Water Commission's consideration for a state cost participation grant for the design and construction of a System 4 to System I connection southeast of the city of Bottineau. The project includes construction of a 200,000-gallon storage tank, the installation of 27.7 miles of pipeline, and modifications to the System 4 water treatment plant. The proposed project will address water supply shortages in System I by connecting to System 4 and expanding the System 4 well field. The project engineer's estimated cost is \$6,633,000, with pre-construction engineering eligible costs of \$186,875, and construction engineering and construction eligible costs of \$6,446,125.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$4,900,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2050), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the All Seasons Water Users District to support their System 4 connection to System I project.

***It was moved by Commissioner Foley and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant not to exceed a total allocation of \$4,900,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2050), with pre-construction engineering eligible costs funded at 35 percent, and construction engineering and construction eligible costs funded at 75 percent, to the All Seasons Water Users District to support their System 4 connection to System I project. This approval is contingent upon the availability of funds.***

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

***2015/2016 SHEYENNE RIVER SNAG  
AND CLEAR REACHES I, II, AND III -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$294,000)  
(SWC Project No. 568)***

A request from the Southeast Cass Water Resource District was presented for the State Water Commission's consideration for a state cost participation grant for their project to snag and clear three reaches of the Sheyenne

River. Reach I consists of snagging and clearing the Sheyenne River from State Highway 46 along the Cass County-Richland County line, proceeding downstream to the Horace diversion inlet structure in Section 19 of Stanley Township. Reach I is estimated to cost \$198,000. Reach II consists of snagging and clearing the Sheyenne River from the Horace diversion inlet structure in Section 19 of Stanley Township proceeding downstream to the Sheyenne River closure structure located north of County Road 10. Reach II is estimated to cost \$210,000. Reach III consists of snagging and clearing the Sheyenne River beginning at the Sheyenne River closure structure located north of County Road 10 proceeding downstream to the Red River of the North. Reach III is estimated to cost \$180,000.

The proposed work includes removal and disposal of fallen trees and debris along the Sheyenne River, removal and disposal of accumulated sediment in the vicinity of the fallen trees and debris, and removal and disposal of trees in imminent danger of falling into the Sheyenne River.

The project engineer's cost estimate is \$588,000, of which all is determined eligible as a snag and clear project at 50 percent of the eligible costs (\$294,000).

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a snag and clear project at 50 percent of the eligible costs not to exceed an allocation of \$294,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support their Sheyenne River 2015/2016 snag and clear Reaches I, II, and III projects.

***It was moved by Commissioner Berg and seconded by Commissioner Swenson that the State Water Commission approve a state cost participation grant as a snag and clear project at 50 percent of the eligible costs not to exceed an allocation of \$294,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support their Sheyenne River 2015/2016 snag and clear Reaches I, II, and III projects. This approval is contingent upon the availability of funds.***

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

***INTERNATIONAL BOUNDARY  
ROADWAY DIKE PROJECT -  
APPROVAL OF ADDITIONAL STATE  
COST PARTICIPATION GRANT (\$125,000)  
(SWC Project No. 1401)***

On November 11, 2004, the State Water Commission adopted a motion to approve a state cost participation grant of 50 percent of the eligible costs, not to exceed an allocation of \$200,000 from the funds appropriated to the State Water Commission in the 2003-2005 biennium for legal costs and action of a lawsuit filed on behalf of Pembina county and others against the Minister of Canadian Conservancy and others seeking a court order for the removal of the dike that extends approximately 30 miles along the Canadian border west from the city of Pembina. The dike was constructed between 1946 and 1966 and causes considerable flood damages to North Dakota landowners.

On March 22, 2006, the State Water Commission approved a request from the Pembina County Water Resource District for a 50 percent state cost participation grant, not to exceed an additional allocation of \$100,000 from the funds appropriated to the State Water Commission in the 2005-2007 biennium, for the plaintiff's legal and expert costs in the District's legal action to remove the international boundary roadway dike project. This approval increased the total state cost participation grant to \$300,000.

The State Water Commission provided a letter of intent to Pembina county on May 1, 2006 indicating the Commission's consent that \$175,000 would be reserved to cover any costs assessed to the plaintiffs. To date, the State Water Commission has not approved specific funding for this reserve.

On September 17, 2012, the State Water Commission adopted a motion approving a state cost participation grant of 50 percent, not to exceed an additional allocation of \$200,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the Pembina County Water Resource District for their legal action to remove the Canadian border dike and to recover damages to public property caused by the dike project. This approval increased the total state cost participation grant to \$500,000.

The lawsuit trial is scheduled to begin in Winnipeg on February 15, 2016 and is estimated to last approximately six weeks due to the significant volume of technical evidence that must be presented. The trial phase is estimated to cost \$250,000. A request from the Pembina County Water Resource District was presented for the State Water Commission's consideration for state cost participation of 50 percent not to exceed an additional allocation of \$125,000 in the District's legal action to remove the Canadian border dike and recover damages to public property caused by the dike project.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 50 percent, not to exceed \$125,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Pembina County Water Resource District for their legal action to remove the Canadian border dike and to recover damages to public property caused by the dike project. The Commission's affirmative action would increase the total state cost participation grant to \$625,000.

***It was moved by Commissioner Goehring and seconded by Commissioner Berg that the State Water Commission approve a state cost participation grant of 50 percent, not to exceed an additional allocation of \$125,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Pembina County Water Resource District to support the District's legal action to remove the Canadian border dike and to recover damages to public property caused by the dike project. This approval is contingent upon the availability of funds.***

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

***These approvals increase the total state cost allocation grants to \$625,000 to the Pembina County Water Resource District for the international boundary roadway dike project.***

***YORKTOWN-MAPLE DRAINAGE  
IMPROVEMENT DISTRICT NO. 3  
(DICKEY COUNTY) - APPROVAL  
OF ADDITIONAL STATE COST  
PARTICIPATION GRANT (\$444,062)  
(SWC Project No. 1101)***

On September 21, 2011, the State Water Commission approved a request from the Dickey County Water Resource District for state cost participation to support the Yorktown-Maple Drainage Improvement District No. 3 project as a rural flood control project at 45 percent

of the eligible costs not to exceed an allocation of \$242,795 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020). The closed basin was inundated by rising floodwaters and multiple roadways were overtopped. The project consists of a channel through Yorktown and Maple townships with discharge into Dickey County Drain No. 1 and the Maple River conveying the water out of the closed basin to alleviate the problem.

Following the Commission's cost share participation approval on September 21, 2011, landowners along the course of the proposed channel were made aware of existing U.S. Fish and Wildlife Service wetland easements on their property which would be impacted by the project. The project design was modified to prevent adverse impacts to the wetland easements. The project engineer's revised cost estimate was \$1,154,000, of which \$787,778 was determined eligible for state cost participation as a rural flood control project at 45 percent of the eligible costs (\$354,500). On September 17, 2012, the State Water Commission adopted a motion approving an additional state cost participation grant in the amount of \$111,705 (eligible costs of \$354,500 less \$242,795 approved on September 21, 2011) from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020).

Since the prior State Water Commission state cost participation approvals, modifications were made to the alignment of the Yorktown-Maple Drainage Improvement District No. 3 project resulting in additional permitting requirements. The project will consist of a buried pipeline to convey the water out of the closed basin and into an existing legal drain to alleviate the problems. The local assessment vote on the project was held resulting in a positive vote.

The project engineer's revised cost estimate is \$2,110,000, of which \$1,664,916 is determined eligible for state cost participation as a rural flood control project at 45 percent of the eligible costs (\$749,212), and \$141,000 is determined eligible for pre-construction engineering costs at 35 percent (\$49,350), for a total state cost participation of \$798,562. A request from

the Dickey County Water Resource District was presented for the State Water Commission's consideration for an additional state cost participation grant in the amount of \$444,062 (eligible costs of \$798,562 less \$242,795 approved on September 21, 2011, and \$111,705 approved on September 17, 2012).

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, and pre-construction engineering eligible costs at 35 percent, not to exceed an additional allocation of \$444,062 (eligible costs of \$798,562 less \$242,795 approved on September 21, 2011, and \$111,705 approved on September 17, 2012), from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to support the Yorktown-Maple Drainage Improvement District No. 3 project. The Commission's affirmative action would increase the total state allocation to \$798,562.

***It was moved by Commissioner Foley and seconded by Commissioner Goehring that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, and pre-construction engineering eligible costs at 35 percent, not to exceed an additional allocation of \$444,062 (eligible costs of \$798,562 less \$242,795 approved on September 21, 2011, and \$111,705 approved on September 17, 2012), from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to support the Yorktown-Maple Drainage Improvement District No. 3 project. This approval is contingent upon the availability of funds, a positive assessment vote, satisfaction of the required permits, and receipt of the final engineering plans.***

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

***This approval increases the total state allocation grant to \$798,562 for the Yorktown-Maple Drainage Improvement District No. 3 project.***

**JAMES RIVER BANK STABILIZATION  
PROJECT (DICKEY COUNTY) -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$262,500)  
(SWC Project No. 1273)**

A request from the city of Oakes was presented for the State Water Commission's consideration for state cost participation for their James River bank stabilization project.

Bank erosion along the James River has become a concern to the city due to potential impacts to the city's infrastructure, specifically the wastewater treatment lagoon. The proposed project will provide bank stabilization to address the erosion issue.

The project engineer's estimated cost is \$550,000, of which \$483,000 is determined eligible for state cost participation at 50 percent as a bank stabilization project (\$241,500), and \$60,000 is determined eligible for state cost participation at 35 percent as pre-construction engineering (\$21,000), for a total state cost participation of \$262,500.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a bank stabilization project at 50 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$262,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the city of Oakes to support the James River bank stabilization project.

***It was moved by Commissioner Berg and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant as a bank stabilization project at 50 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$262,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the city of Oakes to support the James River bank stabilization project. This approval is contingent upon the availability of funds, and satisfaction of the required permits.***

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

**SWAN BUFFALO DETENTION DAM  
NO. 5 (GARSTEIG DAM) SAFETY  
IMPROVEMENTS PROJECT  
(CASS COUNTY) - APPROVAL OF  
STATE COST PARTICIPATION  
GRANT (\$125,473)  
(SWC Project No. 841)**

A request from the Maple River Water Resource District was presented for the State Water Commission's consideration for state cost participation for their Swan Buffalo Detention Dam No. 5 (Garsteig Dam) safety improvements project. The project is located on a tributary to the Buffalo Creek in Gill Township, Cass

County, and is owned and operated by the Maple River Water Resource District.

The dam was originally built in 1961 and permitted by the North Dakota State Water Commission under water permit No. 1440. Since it was constructed, the dam has provided flood protection for properties along the tributaries and Buffalo Creek. The proposed project will repair deteriorated portions of the dam that are safety issues.

The project engineer's cost estimate is \$192,180, of which \$160,390 is determined eligible as a dam safety project at 75 percent (\$120,293), and \$14,800 is determined eligible as pre-construction engineering at 35 percent (\$5,180), for a total state cost participation grant of \$125,473.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a dam safety project at 75 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$125,473 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Maple River Water Resource District to support the Swan Buffalo Detention Dam No. 5 (Garsteig Dam) safety improvements project.

***It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a state cost participation grant as a dam safety project at 75 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$125,473 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Maple River Water Resource District to support the Swan Buffalo Detention Dam No. 5 (Garsteig Dam) safety improvements project. This approval is contingent upon the availability of funds, and satisfaction of the required permits.***

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

**SWAN BUFFALO DETENTION DAM  
NO. 8 (EMBDEN DAM) SAFETY  
IMPROVEMENTS PROJECT  
(CASS COUNTY) - APPROVAL OF  
STATE COST PARTICIPATION  
GRANT (\$113,500)  
(SWC Project No. 2063)**

A request from the Maple River Water Resource District was presented for the State Water Commission's consideration for state cost participation for their Swan Buffalo Detention Dam No. 8 (Embden Dam) safety improvements project. The project is located on Buffalo Creek in Howes Township, Cass County, and is

owned and operated by the Maple River Water Resource District.

The dam was originally built in 1968 and permitted by the North Dakota State Water Commission under water permit No.1441. Since it was constructed, the dam has provided flood protection for properties along Buffalo Creek. The proposed project will repair deteriorated portions of the dam that are safety issues.

The project engineer's cost estimate is \$183,760, of which \$144,380 is determined eligible as a dam safety project at 75 percent (\$108,285), and \$14,900 is determined eligible as pre-construction engineering at 35 percent (\$5,215), for a total state cost participation grant of \$113,500.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a dam safety project at 75 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$113,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Maple River Water Resource District to support the Swan Buffalo Detention Dam No. 8 (Embden Dam) safety improvements project.

***It was moved by Commissioner Thompson and seconded by Commissioner Foley that the State Water Commission approve a state cost participation grant as a dam safety project at 75 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$113,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Maple River Water Resource District to support the Swan Buffalo Detention Dam No. 8 (Embden Dam) safety improvements project. This approval is contingent upon the availability of funds, and satisfaction of the required permits.***

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

**SWAN BUFFALO DETENTION DAM  
NO. 12 (ABSARAKA DAM) SAFETY  
IMPROVEMENTS PROJECT  
(CASS COUNTY) - APPROVAL OF  
STATE COST PARTICIPATION  
GRANT (\$109,032)  
(SWC Project No. 841)**

A request from the Maple River Water Resource District was presented for the State Water Commission's consideration for state cost participation for their Swan Buffalo Detention Dam No.12 (Absaraka Dam) safety improvements project. The project is located on Swan Creek in Empire Township, Cass County, and is

owned and operated by the Maple River Water Resource District.

The dam was originally built in 1960 and permitted by the North Dakota State Water Commission under water permit No. 1442. Since it was constructed, the dam has provided flood protection for properties along Swan Creek. The proposed project will repair deteriorated portions of the dam that are safety issues.

The project engineer's cost estimate is \$168,964, of which \$138,842 is determined eligible as a dam safety project at 75 percent (\$104,132), and \$14,000 is determined eligible as pre-construction engineering at 35 percent (\$4,900), for a total state cost participation grant of \$109,032.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a dam safety project at 75 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$109,032 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Maple River Water Resource District to support the Swan Buffalo Detention Dam No. 12 (Absaraka Dam) safety improvements project.

***It was moved by Commissioner Thompson and seconded by Commissioner Foley that the State Water Commission approve a state cost participation grant as a dam safety project at 75 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$109,032 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Maple River Water Resource District to support the Swan Buffalo Detention Dam No. 12 (Absaraka Dam) safety improvements project. This approval is contingent upon the availability of funds, and satisfaction of the required permits.***

***Commissioners Berg, Foley, Goehring, Hanson, Swenson, Thompson, 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 2016  
INTENDED USE PLAN,  
DATED NOVEMBER 18, 2015  
(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 10, 2015, with comments accepted until November 17, 2015.

In accordance with North Dakota Century Code 61-28-1, the Department must administer and disburse the funds with the approval of the State Water Commission. The Department must establish assistance priorities and expend grant funds pursuant to the priority list for the Drinking Water State Revolving Loan Fund.

David Bruschwein, North Dakota Department of Health, presented the Fiscal Year 2016 Intended Use Plan for the North Dakota Drinking Water Revolving Loan Fund, dated November 18, 2015, for the State Water Commission's consideration. The 2016 Intended Use Plan is included as **APPENDIX "D"**. The comprehensive project priority list includes 219 projects, with a cumulative total project cost of \$669,000,000 for Fiscal Years 1997 through 2016. The fundable list for Fiscal Year 2016 is anticipated to be approximately \$11,600,000 with 9 projects. The Commission's approval of the 2016 comprehensive project priority list and fundable list will allow the Department to submit an application to the U.S. Environmental Protection Agency for the program in order to proceed with disbursement of funds.

It was the recommendation of Secretary Sando that the State Water Commission approve the comprehensive project priority list and the fundable list for Fiscal Year 2016 as listed in the 2016 Intended Use Plan, dated November 18, 2015, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2016 program funds pursuant to the 2016 Intended Use Plan.

***It was moved by Commissioner Goehring and seconded by Commissioner Hanson that the State Water Commission approve the comprehensive project priority list and the fundable list for Fiscal Year 2016 as listed in the 2016 Intended Use Plan, dated November 18, 2015, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2016 program funds pursuant to the 2016 Intended Use Plan.***

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

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

Keith Berndt, Fargo, representing Cass County, provided updates on the local, state and federal efforts currently underway on the Fargo Moorhead Area Diversion project.

***SOUTHWEST PIPELINE PROJECT -  
PROJECT REPORT  
(SWC Project No. 1736-99)***

The Southwest Pipeline Project report was presented, which is detailed in the staff memorandum dated November 24, 2015, and included as ***APPENDIX "E"***.

***SOUTHWEST PIPELINE PROJECT -  
APPROVAL OF CAPITAL REPAYMENT  
RATES, AND REPLACEMENT AND  
EXTRAORDINARY MAINTENANCE  
RATES FOR 2016  
(SWC Project No. 1736-99)***

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 budget on November 16, 2015.

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, 2015 CPI

was 238.3 versus 237.9 on September 1, 2014. The new capital repayment rates are \$1.15 per thousand gallons for contract users and \$34.95 per month for rural users. These compare with 2015 rates of \$1.14 per thousand gallons for contract users and \$34.88 per month for rural users. The State Water Commission has the responsibility of adjusting the capital repayment rates annually.

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 2016 rate for these users from \$27.63 to \$27.68 per month.

The rate for replacement and extraordinary 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. The REM rate was increased to \$0.40 per thousand gallons for the Southwest Water Authority's 2013 budget, and \$0.50 per thousand gallons in the 2014 budget. Based on a 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, the Southwest Water Authority board of directors voted to increase the REM rate to \$0.55 from \$0.50 per thousand gallons for the 2015 budget. The 2016 REM rate is increased \$0.10 to \$0.65 per thousand gallons.

In preparation of the budget for 2016, the Southwest Water Authority proposed a \$22.00 per thousand gallons water rate for oil industry contracts, which does not recognize an increase from 2015. The account allocations of the oil industry rate will remain the same as 2015. The oil industry rate will be divided into thirds for all contracts except the water depot east of Dickinson built by the Southwest Water Authority.

The capital repayment rate for the Southwest Water Authority water depot will remain at \$2.46 per thousand gallons, and the REM rate at \$5.14 per thousand gallons. The remaining \$14.40 will go to the Southwest Water Authority.

The minimum monthly rate for rural customers in 2016 is increasing from \$39.88 to \$39.95, consisting of \$34.95 towards capital repayment and \$5.00 towards the operations and maintenance fee.

It was the recommendation of Secretary Sando that the State Water Commission concur with the proposed 2016 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 at its November, 2015 meeting:

Capital repayment for contract and rural customers:

Contract users	\$ 1.15 per thousand gallons
Rural customers	\$ 34.95 per month
Morton county users with water service from Missouri West Water System	\$ 27.68 per month

Capital Repayment for oil industry contracts:

Southwest Water Authority's Dickinson water depot	\$ 2.46 per thousand gallons
Other oil industry contracts	\$ 7.73 per thousand gallons

Replacement and extraordinary maintenance (REM):

Contract customers and rural users	\$ 0.65 per thousand gallons
Southwest Water Authority's Dickinson water depot	\$ 5.14 per thousand gallons
Other oil industry contracts	\$ 7.73 per thousand gallons

***It was moved by Commissioner Foley and seconded by Commissioner Goehring that the State Water Commission approve the proposed 2016 capital repayment and replacement and extraordinary maintenance rates for the Southwest Pipeline Project as recommended.***

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

**SOUTHWEST PIPELINE PROJECT -  
APPROVAL OF EXPENDITURE  
REIMBURSEMENT FROM RESERVE  
FUND FOR REPLACEMENT AND EXTRA-  
ORDINARY MAINTENANCE  
(\$311,265.74)  
(SWC Project No. 1736-99)**

The Southwest Water Authority collects and maintains a reserve fund for "replacement and extraordinary maintenance". This fund, which is required by authorizing legislation, exists to fund replacement and maintenance of items that exceed annual budgeted amounts. Expenditures from this fund are to be

authorized by the State Water Commission.

A request from the Southwest Water Authority was presented for the State Water Commission's consideration for reimbursement of expenditures from the replacement and extraordinary maintenance fund that include the Southwest Water Authority's portion for the Rhame booster pump station, costs not covered by insurance at the RO concentrate discharge vault, pump motor replacement at the intake, replacement of the electrical service at the water treatment plant in Dickinson, electrical bushing and pump motors at the Richardton pump station, and the control valve at the Dodge pump station. The total cost for all of the items requested for reimbursement from the replacement and extraordinary maintenance fund is \$311,265.74.

It was the recommendation of Secretary Sando that the State Water Commission approve the reimbursement of expenditures from the reserve fund for replacement and extraordinary maintenance not to exceed \$311,265.74. The Southwest Water Authority adopted similar action at its November 2, 2015 meeting.

***It was moved by Commissioner Foley and seconded by Commissioner Hanson that the State Water Commission approve the reimbursement of expenditures from the reserve fund for replacement and extraordinary maintenance not to exceed \$311,265.74.***

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

**SOUTHWEST PIPELINE PROJECT -  
CITY OF BELFIELD, APPROVAL OF  
AMENDMENT TO WATER SERVICE  
CONTRACT 1736-24  
(SWC Project No. 1736-99)**

On May 6, 1993, the State Water Commission approved water service contract 1736-24 between the city of Belfield, the Southwest Water Authority, and the State Water Commission.

A request from the city of Belfield was presented for the State Water Commission's consideration for an amendment to the city's water service agreement changing their current point of connection to an emergency connection and establishing a new main point of connection. The main water connection for the city is at a point located at the north side of 6th Avenue NE (Highway 10) in easement at the ditch and the alley of Block 6 O'Connor Addition. The emergency connection is at a point located at the intersection of 6th Avenue East and the alley of Block 2 O'Connor Addition.

It was the recommendation of Secretary Sando that the State Water Commission authorize the Secretary to the State Water Commission to execute the amendment to water service contract 1736-24 between the city of Belfield, the Southwest Water Authority, and the State Water Commission.

***It was moved by Commissioner Hanson and seconded by Commissioner Berg that the State Water Commission authorize the Secretary to the State Water Commission to execute the amendment to water service contract 1736-24 between the city of Belfield, the Southwest Water Authority, and the State Water Commission. SEE APPENDIX "F"***

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

**SOUTHWEST PIPELINE PROJECT -  
CITY OF KILLDEER, APPROVAL OF  
CONTRACT FOR TRANSFER OF  
SERVICE AREA  
(SWC Project No. 1736-99)**

The Southwest Pipeline Project contract agreement for the transfer of the service area between the Southwest Water Authority, the State Water Commission, and the city of Killdeer was presented for the State Water Commission's

consideration. This is the first annexation agreement negotiated between a city served by the Southwest Pipeline Project and the Southwest Water Authority.

It was the recommendation of Secretary Sando that the State Water Commission authorize the Secretary to the State Water Commission to execute the Southwest Pipeline Project contract for transfer of service area.

***It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission authorize the Secretary to the State Water Commission to execute the agreement between the Southwest Water Authority, the State Water Commission, and the city of Killdeer for the transfer of the service area. SEE APPENDIX "G"***

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

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

The Northwest Area Water Supply (NAWS) project update was provided, which is detailed in the staff memorandum dated November 24, 2015, and included as ***APPENDIX "H"***.

***NORTHWEST AREA WATER  
SUPPLY (NAWS) PROJECT -  
APPROVAL OF EXPENDITURE  
REIMBURSEMENT FROM RESERVE  
FUND FOR REPLACEMENT AND  
EXTRAORDINARY MAINTENANCE  
(\$304,040.24)  
(SWC Project No. 237-04)***

The State Water Commission collects and maintains a reserve fund for "replacement and extraordinary maintenance" (REM) from water sales revenues from the Northwest Area Water Supply (NAWS) system. Funds are collected on all NAWS contracts, including all users served through the city of Minot's contract, all communities,

and rural water systems served through the NAWS infrastructure, and the city of Rugby. Since 2005, the city of Rugby has paid a total of \$304,040.24 into the replacement and extraordinary maintenance reserve fund.

The Rugby water treatment facility was upgraded as part of the NAWS project prior to other construction on the NAWS system. The city has incurred expenses to date totaling \$632,625.16 for the filter rehabilitation, of which 52 percent of the costs are determined eligible for reimbursement based on the work initially performed at the water treatment plant as part of the NAWS project (\$328,965.10). A request was presented for the State Water Commission's consideration for reimbursement from the REM reserve fund for the expenses incurred for the water treatment facility upgrade.

It was the recommendation of Secretary Sando that the State Water Commission approve an allocation not to exceed \$304,040.24 from the Northwest Area Water Supply project replacement and extraordinary maintenance reserve fund for reimbursement to the city of Rugby for expenses incurred for the water treatment facility upgrade.

***It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve an allocation not to exceed \$304,040.24 from the Northwest Area Water Supply project replacement and extraordinary maintenance reserve fund for reimbursement to the city of Rugby for expenses incurred for the water treatment facility upgrade.***

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

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

The Mouse River Enhanced Flood Protection project status report was provided, which is detailed in the staff memorandum dated November 24, 2015, and included as **APPENDIX "I"**.

***MOUSE RIVER ENHANCED  
FLOOD PROTECTION PROJECT -  
DESIGN OF PHASE I BROADWAY PUMP  
STATION - APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$1,440,000)  
(SWC Project No. 1974)***

A request from the Souris River Joint Water Resource Board was presented for the State Water Commission's consideration for state cost participation relating to the design of a pump station that is adjacent to Phase I of the Mouse River Enhanced Flood Protection project, which is currently in design and approximately 50 percent complete. The pump station is being advanced following an analysis of storm sewers and providing interior drainage without increasing the interior flood risk in the interim. Phase I, the 4th Avenue North Flood Wall, will protect the area west of Broadway and north of the river.

The project engineer's cost estimate of the pump station is \$24,000,000. The estimated design cost for the pump station is \$2,400,000, of which 60 percent is determined eligible for state cost participation (\$1,440,000).

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant at 60 percent of the eligible costs, not to exceed an allocation of \$1,440,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Souris River Joint Water Resource Board for design of the Broadway Phase I pump station for the Mouse River Enhanced Flood Protection project.

***It was moved by Commissioner Foley and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant at 60 percent of the eligible costs, not to exceed an allocation of \$1,440,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Souris River Joint Water Resource Board for design of the Phase I Broadway pump station for the Mouse River Enhanced Flood Protection project. This action is contingent upon the availability of funds.***

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

**2015 NORTH DAKOTA STATE  
WATER MANAGEMENT PLAN  
UPDATE  
(SWC Project No. 322)**

By virtue of North Dakota Century Code, Section 61-02-14, Powers and Duties of the Commission; Section 61-02-26, Duties of State Agencies Concerned with Intrastate Use or Disposition of

Waters; and Section 61-02-01.3, Comprehensive Water Development Plan - the Commission is required to develop a maintain a comprehensive water development plan.

In preparation for the next budgeting process, the Commission's Planning and Education division will begin to develop an update to the 2015 State Water Plan focusing on the 2017-2019 biennium and beyond. Letters will be sent in February, 2016 to potential project sponsors across the state asking them to identify their potential water development projects and programs, timing of implementation, and estimated costs. The input gained from the local project sponsors and water managers will become the foundation of the State Water Commission's budget request to the Governor and the Legislature. The information provided will assist in the allocation of agency budget resources.

To promote and encourage local sponsor participation in water planning and in legislative and agency biennial budgeting efforts, the 2013 Legislative Assembly passed House Bill 1206 (NDCC 61-02-01.3) requiring the Commission to schedule commissioner-hosted meetings within the six major drainage basins of the state - Red River, James River, Mouse River, upper and lower Missouri River, and Devils Lake.

Commissioner-hosted meetings will be held during the summer of 2016 within the six major drainage basins for the purpose of reviewing the potential projects identified by stakeholders and project sponsors and for an opportunity to present their project(s) to the Commission members.

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

Duane DeKrey, Garrison Diversion Conservancy District general manager, provided a status report on the District's activities relating to the MR&I Water

Supply program, the Red River Valley Water Supply project, and operations and maintenance efforts.

**DEVILS LAKE HYDROLOGIC  
AND PROJECT UPDATES  
(SWC Project No. 416-10)**

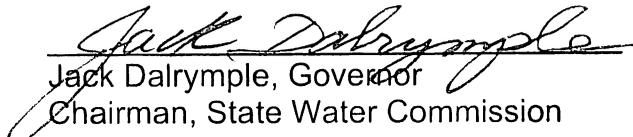
The Devils Lake hydrologic report and project updates were provided, which are detailed in the staff memorandum, dated November 23, 2015, and included as **APPENDIX "J"**.

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

The Missouri River report was provided, which is detailed in the staff memorandum dated November 20, 2015, and included as **APPENDIX "K"**.

There being no further business to come before the State Water Commission, Governor Dalrymple adjourned the December 11, 2015 meeting at 11:50 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

December 11, 2015 - 29

STATE WATER COMMISSION  
 ALLOCATED PROGRAM EXPENDITURES  
 FOR THE PERIOD ENDED OCTOBER 31, 2015  
 BIENNIUM COMPLETE: 17%

APPENDIX "A"  
 December 11, 2015

PROGRAM	SALARIES/ BENEFITS	OPERATING EXPENSES	GRANTS & CONTRACTS	23-Nov-15 PROGRAM TOTALS
<b>ADMINISTRATION</b>				
Allocated	2,729,489	2,806,129		5,535,618
Expended	449,347	226,779		676,126
Percent	16%	8%		12%
			General Fund:	0
			Federal Fund:	11,566
			Special Fund:	664,560
<b>PLANNING AND EDUCATION</b>				
Allocated	1,472,573	352,990		1,825,563
Expended	243,008	47,211		290,219
Percent	17%	13%		16%
			General Fund:	0
			Federal Fund:	63,757
			Special Fund:	226,462
<b>WATER APPROPRIATION</b>				
Allocated	5,762,691	1,185,300	1,372,844	8,320,835
Expended	905,724	101,580	0	1,007,304
Percent	16%	9%	0%	12%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	1,007,304
<b>WATER DEVELOPMENT</b>				
Allocated	4,713,717	10,742,500	1,562,500	17,018,717
Expended	726,626	1,761,880	40,918	2,529,424
Percent	15%	16%	3%	15%
			General Fund:	0
			Federal Fund:	55,567
			Special Fund:	2,473,857
<b>STATEWIDE WATER PROJECTS</b>				
Allocated			959,003,567	959,003,567
Expended			46,367,105	46,367,105
Percent			5%	5%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	46,367,105
<b>REGULATORY DIVISION</b>				
Allocated	2,828,565	2,947,500	15,000	5,791,065
Expended	332,292	224,136	0	556,428
Percent	12%	8%	0%	10%
			General Fund:	0
			Federal Fund:	261,903
			Special Fund:	294,525
<b>ATMOSPHERIC RESOURCE</b>				
Allocated	1,107,158	743,382	4,885,212	6,735,752
Expended	196,085	56,664	422,940	675,689
Percent	18%	8%	9%	10%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	675,689
<b>SOUTHWEST PIPELINE</b>				
Allocated	512,995	10,461,744	97,502,498	108,477,237
Expended	105,259	2,010,337	12,529,702	14,645,298
Percent	21%	19%	13%	14%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	14,645,298
<b>NORTHWEST AREA WATER SUPPLY</b>				
Allocated	705,632	13,910,277	31,611,573	46,227,482
Expended	98,314	285,069	12,855	396,237
Percent	14%	2%	0%	1%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	396,237
<b>PROGRAM TOTALS</b>				
Allocated	19,832,820	43,149,822	1,095,953,194	1,158,935,836
Expended	3,056,654	4,713,657	59,373,519	67,143,830
Percent	15%	11%	5%	6%

December 11, 2015

**STATE WATER COMMISSION  
PROJECTS/GRANTS/CONTRACT FUND  
2015-2017 BIENNIUM**

				<i>Oct-15</i>	
	BUDGET	SWC/SE APPROVED	OBLIGATIONS EXPENDITURES	REMAINING UNOBLIGATED	REMAINING UNPAID
<b>FLOOD CONTROL</b>					
FARGO	228,506,200	99,506,200	2,833,772	129,000,000	96,672,428
GRAFTON	33,925,000	8,925,000	522,987	25,000,000	8,402,013
MOUSE RIVER FLOOD CONTROL	46,556,747	6,556,747	1,146,078	40,000,000	5,410,669
VALLEY CITY	32,208,354	14,208,354	2,112,511	18,000,000	12,095,843
LISBON	15,807,952	3,807,952	2,185,008	12,000,000	1,622,944
FORT RANSOM	225,000	225,000	0	0	225,000
WILLISTON	7,000,000			7,000,000	
RENWICK DAM	23,320	23,320	0	0	23,320
MISSOURI RIVER FLOOD CONTROL	4,000,000	4,000,000	1,200,000	0	2,800,000
<b>FLOODWAY PROPERTY ACQUISITIONS</b>					
MINOT	23,879,316	23,879,316	2,060,183	0	21,819,133
WARD COUNTY	6,046,590	6,046,590	31,243	0	6,015,347
VALLEY CITY	267,403	267,403	0	0	267,403
BURLEIGH COUNTY	232,649	232,649	0	0	232,649
SAWYER	184,260	184,260	0	0	184,260
LISBON	45,485	45,485	0	0	45,485
<b>STATE WATER SUPPLY</b>					
REGIONAL & LOCAL WATER SYSTEMS	112,779,928	112,779,928	14,770,074	0	98,009,854
FARGO WATER TREATMENT PLANT	22,768,775	22,768,775	0	0	22,768,775
GRAND FORKS WATER TREATMENT PLANT	30,000,000			30,000,000	
SOUTHWEST PIPELINE PROJECT	104,448,803	104,448,803	14,645,298	0	89,803,504
NORTHWEST AREA WATER SUPPLY	15,754,482	5,754,482	122,913	10,000,000	5,631,569
WESTERN AREA WATER SUPPLY AUTHORITY	82,201,384	82,201,384	15,152,153	0	67,049,231
RED RIVER VALLEY WATER SUPPLY	12,521,328	12,521,328	2,004,800	0	10,516,528
CENTRAL NORTH DAKOTA WATER SUPPLY	70,070,800	70,800	0	70,000,000	70,800
UNOBLIGATED STATE WATER SUPPLY	44,449,318			44,449,318	
<b>GENERAL WATER MANAGEMENT</b>					
OBLIGATED	25,384,521	25,384,521	2,344,796	0	23,039,726
UNOBLIGATED GENERAL WATER	47,541,485			47,541,485	
<b>DEVILS LAKE</b>					
OUTLET	870,802	870,802	0	0	870,802
OUTLET OPERATIONS	18,534,210	7,534,210	1,781,032	11,000,000	5,753,178
DL EAST END OUTLET	2,774,011	2,774,011	0	0	2,774,011
<b>REVOLVING LOAN FUND</b>					
GENERAL WATER PROJECTS	11,000,000	886,500	886,500	10,113,500	0
WATER SUPPLY	25,000,000	10,000,000	0	15,000,000	10,000,000
<b>TOTALS</b>	<b>1,025,008,125</b>	<b>555,903,819</b>	<b>63,799,348</b>	<b>469,104,307</b>	<b>492,104,471</b>

STATE WATER COMMISSION  
PROJECTS/GRANTS/CONTRACT FUND  
2015-2017 Biennium

PROGRAM OBLIGATION

Approvec SWC By No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-15 Balance	
<b>Flood Control:</b>								
SB 2020	1928-01	5000	City of Fargo	Fargo Flood Control Project	6/23/2009	99,506,200	2,833,772	96,672,428
	1771-01	5000	City of Grafton	Grafton Flood Control Project	3/11/2010	7,175,000	0	7,175,000
	1771-02	5000	City of Grafton	Grafton Flood Risk Reduction Project	12/5/2014	1,750,000	522,987	1,227,013
SB 2371	1974-08	5000	Souris River Joint WRD	Mouse River Reconnaissance Study to Meet Fed Gui	2/15/2013	809	0	809
	1974-09	5000	Souris River Joint WRD	4th Ave NE & Napa Valley/Forest Rd Flood Improver	10/7/2013	4,890,512	1,146,078	3,744,434
	1758	5000	Souris River Joint WRD-no agreemen	International Joint Commission Study Boarc	5/29/2014	302,500	0	302,500
	1974-11	5000	Souris River Joint WRD	Funding of 214 agreement between SRJB & USACE	12/5/2014	106,500	0	106,500
	1993-01	5000	City of Minot	Downtown Infrastructure Improvements	9/15/2014	1,256,426	0	1,256,426
	1344-01	5000	Valley City	Sheyenne River Valley Flood Control Projec	12/5/2015	157,296	156,993	303
	1344	5000	Valley City	Sheyenne River Valley Flood Control Project PHI	5/20/2015	340,000	0	340,000
	1504-01	5000	Valley City	Permanent Flood Protection Project	12/5/2014	9,850,444	1,955,518	7,894,926
	1504-02	5000	Valley City	Permanent Flood Protection Project (LOAN)	12/5/2014	3,860,614	0	3,860,614
SB 2371	1344-02	5000	City of Lisbon	Sheyenne River Valley Flood Control Project	6/19/2013	92,810	58,843	33,967
	1991-01	5000	City of Lisbon	Permanent Flood Protection Project	5/29/2014	561,702	398,104	163,598
	1991-03	5000	City of Lisbon	Permanent Flood Protection - Levee C Project	3/11/2015	3,153,440	1,728,061	1,425,379
SB 2371	1344-03	5000	Fort Ransom	Sheyenne River Valley Flood Control Project	6/19/2013	225,000	0	225,000
	849	5000	Pembina Co. WRD	Renwick Dam Rehabilitation	6/26/2014	23,320	0	23,320
	1992-02	5000	Burleigh Co. WRD	Missouri River Correctional Center	9/21/2015	1,200,000	1,200,000	0
SB 2020	1992-03	5000	Burleigh Co. WRD	Fox Island Flood Control Funding Update	9/21/2015	2,800,000	0	2,800,000
<b>Subtotal Flood Control</b>						<b>137,252,573</b>	<b>10,000,356</b>	<b>127,252,217</b>
<b>Floodway Property Acquisitions:</b>								
	1993-05	5000	City of Minot	Minot Phase 2 - Floodway Acquisitions	10/7/2013	23,879,316	2,060,183	21,819,133
SB 2371	1523-05	5000	Ward County	Ward County Phase 1, 2 & 3 - Floodway Acquisitions	1/27/2012	6,046,590	31,243	6,015,347
SB 2371	1504-05	5000	Valley City	Valley City Phase 1 - Floodway Acquisitions	7/23/2013	267,403	0	267,403
SB 2371	1992-05	5000	Burleigh Co. WRD	Burleigh Co. Phase 1 - Floodway Acquisitions	3/7/2012	232,649	0	232,649
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	3/11/2015	45,485	0	45,485
<b>Subtotal Floodway Property Acquisitions</b>						<b>30,655,703</b>	<b>2,091,426</b>	<b>28,564,277</b>
<b>State Water Supply Grants:</b>								
	2373-35	5000	Grand Forks - Traill RWD	Grand Forks - Traill County WRD	6/13/2012	303,715	178,027	125,689
	2373-36	5000	Stutsman Rural RWD	Stutsman Rural Water System - Phase IIB, II	2/27/2013	4,443,172	2,697,537	1,745,635
	2373-38	5000	Stutsman Rural RWD	Kidder Co & Carrington Area Expansion	7/23/2013	991,361	0	991,361
	2373-39	5000	North Central Rural Water Consortiu	Carpio Berthold Phase 2	5/29/2014	2,970,141	478,254	2,491,888
	2373-41	5000	North Central Rural Water Consortiu	Granville-Deering Area	3/11/2015	5,594,102	1,489,785	4,104,317
	2050-01	5000	Missouri West Water System	South Mandan	3/17/2014	205,711	138,803	66,907
	2050-02	5000	Grand Forks Traill RWD	Improvements	3/11/2015	4,369,058	637,830	3,731,228
	2050-03	5000	Northeast Regional WD	Langdon RWD - ABM Pipeline Phase 1	10/7/2013	540,526	296,292	244,234
	2050-04	5000	Northeast Regional WD	Langdon RWD - North Valley Nekoma	3/11/2015	859,341	645,343	213,997
	2050-05	5000	Northeast Regional WD	North Valley WD - ABM Pipeline Phase 1	3/11/2015	292,958	198,177	94,781
	2050-06	5000	Northeast Regional WD	North Valley WD - 93 Street	3/11/2015	937,870	429,589	508,301
	2050-07	5000	Northeast Regional WD	North Valley WD - Rural Expansion	5/29/2014	1,481,717	237,102	1,244,616
	2050-08	5000	Walsh RWD	Ground Storage	10/7/2013	322,656	169,977	152,679
	2050-09	5000	City of Park River	Water Tower	3/11/2015	633,778	415,537	218,241
	2050-10	5000	City of Surrey	Water Supply Improvements	10/7/2013	1,117,800	737,279	380,521
	2050-11	5000	Cass RWD	Phase 2 Plant Improvements	10/7/2013	3,951,363	69,468	3,881,895
	2050-13	5000	City of Mandan	New Raw Water Intake	10/7/2013	1,567,676	24,823	1,542,853
	2050-14	5000	City of Mandan	Water Treatment Plant Improvements	10/7/2013	267,521	202,929	64,592
	2050-15	5000	City of Washburn	New Raw Water Intake	10/7/2013	2,334,250	0	2,334,250
	2050-16	5000	Tri-County RWD	Improvements	10/7/2013	845,000	0	845,000
	2050-17	5000	Barnes Rural RWD	Improvements	3/11/2015	6,512,662	1,751,631	4,761,031
	2050-18	5000	City of Grafton	Water Treatment Plant Phase 3	10/7/2013	3,381,148	0	3,381,148
	2050-19	5000	City of Grand Forks	Water Treatment Plant Improvements	10/7/2013	3,849,151	423,558	3,425,593
	2050-20	5000	City of Dickinson	Capital Infrastructure	10/6/2015	11,229,922	916,725	10,313,197
	2050-21	5000	Wattford City	Capital Infrastructure	2/27/2014	1,897,040	1,055,708	841,332
	2050-22	5000	City of Williston	Capital Infrastructure	2/27/2014	4,119,610	279,884	3,839,726
	2050-23	5000	Greater Ramsey RWD	SW Nelson County Expansion	3/17/2014	4,199,547	1,011,270	3,188,278
	2050-24	5000	All Seasons Water District	System 1 Well Field Expansion	9/15/2014	292,500	0	292,500
	2050-25	5000	All Seasons Water District	Bottineau County Extension, Phase	7/29/2015	896,000	0	896,000
	2050-26	5000	City of Fargo	Fargo Water System Regionalization Improvement	7/29/2015	6,841,750	0	6,841,750
	2050-27	5000	City of Tioga	Tioga Water Supply Improvement Projec	7/29/2015	2,190,000	284,566	1,905,434
	2050	5000	City of Mandan	Water Systems Improvement Project	10/6/2015	2,290,175	0	2,290,175
	2050	5000	City of Minot	Water Systems Improvement Project	10/6/2015	3,634,000	0	3,634,000
	2050	5000	Wattford City	Water Systems Improvement Project	10/6/2015	5,435,087	0	5,435,087
	2050	5000	City of West Fargo	Water Systems Improvement Project	10/6/2015	3,426,210	0	3,426,210
	2050	5000	City of Williston	Water Systems Improvement Project	10/6/2015	10,890,472	0	10,890,472
	2050	5000	Stutsman RWD	Phase V Storage & Pipeline Expansion Projec	10/6/2015	4,170,100	0	4,170,100
	2050	5000	North Prairie RWD	Storage and Water Main	10/6/2015	3,459,837	0	3,459,837
	2050	5000	Southeast Water Users Dist	System Wide Expansion Feasibility Study	10/6/2015	35,000	0	35,000
<b>Subtotal State Water Supply</b>						<b>112,779,928</b>	<b>14,770,074</b>	<b>98,009,854</b>
	1984-02	5000	City of Fargo	Fargo Water Treatment Plant	3/17/2014	22,768,775	0	22,768,775
	1736-05	8000	SWPP	Southwest Pipeline Project	7/1/2013	104,448,803	14,645,298	89,803,504
	2374	9000	NAWS	Northwest Area Water Supply	7/1/2013	5,754,482	122,913	5,631,569
	1973-02	5000	WAWSA	WAWSA- (GRANT)	10/6/2015	72,081,806	7,215,634	64,866,171
	1973-03	5000	Bank of North Dakota	WAWSA - (LOAN)	10/6/2015	10,139,578	7,936,519	2,203,060
	325-102	5000	RRVWSP	Red River Valley Water Supply - Intake Design Study	5/29/2014	162,328	4,800	157,528
SB 2020	325-104	5000	Garrison Diversion	Red River Valley Water Supply Project	7/29/2015	12,359,000	2,000,000	10,359,000
	2051	5000	Central ND Water Supply	Black and Veatch investigation	1/27/2015	70,800	0	70,800
<b>Subtotal State Water Supply</b>						<b>227,765,571</b>	<b>31,925,164</b>	<b>195,840,407</b>

STATE WATER COMMISSION  
PROJECTS/GRANTS/CONTRACT FUND  
2015-2017 Biennium

PROGRAM OBLIGATION

Approved SWC By	No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-15 Balance	
<b>General Water Management</b>									
<b>Hydrologic Investigations:</b>							<b>1,125,267</b>		
	1395D	3000	U. S. Geological Survey	Eaton Irrigation Project on the Souris River	7/13/2012	15,300	0	15,300	
<b>Hydrologic Investigations Obligations Subtotal</b>							<b>15,300</b>	<b>0</b>	
<b>Remaining Hydrologic Investigations Authority</b>							<b>1,109,967</b>	<b>15,300</b>	
<b>Hydrologic Investigations Authority Less Payments</b>									
<b>General Projects Obligated</b>							<b>23,178,448</b>	<b>1,263,990</b>	<b>21,914,459</b>
<b>General Projects Completed</b>							<b>1,080,806</b>	<b>1,080,806</b>	<b>0</b>
<b>Subtotal General Water Management</b>							<b>25,384,521</b>	<b>2,344,796</b>	<b>23,039,726</b>
<b>Devils Lake Basin Development:</b>									
SWC	416-07	5000	Multiple	Devils Lake Outlet	7/1/2013	870,802	0	870,802	
SWC	416-10	4700	Operations	Devils Lake Outlet Operations	7/1/2013	7,534,210	1,781,032	5,753,178	
SWC	416-15	5000	Multiple	DL East End Outlet	7/1/2013	2,774,011	0	2,774,011	
<b>Devils Lake Subtotal</b>							<b>11,179,023</b>	<b>1,781,032</b>	<b>9,397,991</b>
<b>Revolving Loan Fund:</b>									
	1991-04	5000	City of Lisbon	Permanent Flood Protection - Levee C (LOAN);	3/11/2015	886,500	886,500	0	
	1973-04	5000	Bank of North Dakota	WAWSA - (LOAN)	10/6/2015	10,000,000	0	10,000,000	
<b>Revolving Loan Fund Subtotal</b>							<b>10,886,500</b>	<b>886,500</b>	<b>10,000,000</b>
<b>TOTAL</b>							<b>555,903,819</b>	<b>63,799,348</b>	<b>492,104,471</b>

**STATE WATER COMMISSION  
PROJECTS/GRANTS/CONTRACT FUND  
2015-2017 Biennium  
Resources Trust Fund**

**GENERAL PROJECT OBLIGATIONS**

Approved SWC By No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-15 Balance	
HB 2305	1963	5000	2009-11	Emmons County WRD	Beaver Bay Embankment Feasibility Study	8/10/2009	18,078	0	18,078
SB2009	1986-03	5000	2015-17	USDA-APHIS, ND Dept Agricu	USDA Wildlife	9/9/2015	250,000	0	250,000
SE	1301	5000	2009-11	City of Lidgerwood	City of Lidgerwood Engineering & Feasibility Study for	2/4/2011	15,850	0	15,850
SE	1607	5000	2011-13	Ward Co. WRD	Flood Inundation Mapping of Areas Along Souris & De	6/15/2011	13,011	0	13,011
SE	1301	5000	2011-13	City of Wahpeton	City of Wahpeton Water Reuse Feasibility Study/Richl	9/8/2011	2,500	0	2,500
SE	1991	5000	2011-13	City of Lisbon	Sheyenne River Snagging & Clearing Project	2/12/2013	5,000	0	5,000
SE	1640	5000	2013-15	U.S. Geological Survey	(USGS) Maintenance of gaging station on Missouri Ri	9/25/2013	8,710	0	8,710
SE	1296	5000	2013-15	Pembina Co. WRD	Bathgate-Hamilton & Carlisle Watershed Study	10/17/2013	45,226	38,500	6,726
SE	399	5000	2013-15	Barnes Co WRD	Kathryn Dam Feasibility Study	9/19/2014	21,250	0	21,250
SE	274	5000	2013-15	City of Neche	FEMA Levee Certification Feasibility Study	10/17/2014	37,500	0	37,500
SE	841	5000	2013-15	Maple River WRD	Garsteig Dam Repair Project	1/26/2015	40,163	0	40,163
SE	1287	5000	2013-15	McHenry Co. WRD	Souris River Snagging & Clearing Project	2/3/2015	15,000	0	15,000
SE	AOC/WUA	5000	2011-13	ND Water Users Association	Dave Koland Term as WUA President	3/23/2015	9,672	1,111	8,561
SE	346	5000	2013-15	Williams County WRD	Design Engineering for Epping Dam Safety Repair	3/30/2015	21,333	0	21,333
SE	571	5000	2013-15	Oak Creek WRD	Oak Creek Snagging & Clearing Project	3/30/2015	3,672	2,565	1,107
SE	1179	5000	2013-15	Richland Co. WRD	Drain #5 (27) Reconstruction Project	3/30/2015	13,543	0	13,543
SE	568	5000	2013-15	Barnes Co WRD	Sheyenne River Snagging & Clearing Project	4/17/2015	49,500	0	49,500
SE	1303	5000	2013-15	Sargent Co WRD	Gwinner Dam Improvement Feasibility Study Program	4/17/2015	42,844	0	42,844
SE	1219	5000	2013-15	Sargent Co WRD	Drain No. 8 Channel Improvement Preliminary Engine	5/7/2015	6,650	0	6,650
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Bridge #121-2	5/28/2015	16,000	0	16,000
SE	1314	5000	2013-15	Wells Co. WRD	Hurdsfield Area Drain Preliminary Engineering Project	6/11/2015	35,000	0	35,000
SE	1815	5000	2013-15	Ransom Co. WRD	Sheyenne River Snagging & Clearing - Fort Ransom F	6/11/2015	6,350	0	6,350
SE	1264	5000	2013-15	Barnes Co WRD	Little Dam Repurposing Feasibility Study	6/17/2015	16,100	0	16,100
SE	1311	5000	2013-15	Trall Co. WRD	Buxton Township Improvement District No. 68	6/17/2015	15,745	0	15,745
SE	1303	5000	2013-15	Sargent Co WRD	Upper Wild Rice Watershed Study	6/24/2015	73,500	0	73,500
SE	1140	5000	2015-17	Pembina Co. WRD	Drain 11 Outlet Extension Cost Overrun Project	7/7/2015	5,088	0	5,088
SE	1290	5000	2015-17	McLean Co. WRD	Painted Woods Lake Flood Mitigation Study	7/7/2015	24,500	0	24,500
SE	2045	5000	2013-15	Stark County	Stark County LiDAR Collection Project (FEMA)	7/17/2015	33,584	0	33,584
SE	2055	5000	2015-17	Red River Joint Water Resour	Lower Red Basin Regional Detention Study	7/17/2015	45,500	0	45,500
SE	849	5000	2015-17	Pembina Co. WRD	Renwick Dam Gate Repair	9/4/2015	53,700	0	53,700
SE	2058	5000	2015-17	City of Grafton	Grafton Debris Removal Plan	9/17/2015	3,900	0	3,900
SE	849	5000	2015-17	Pembina Co. WRD	Renwick Dam Emergency Action Plan	9/29/2015	63,680	0	63,680
SE	1891	5000	2015-17	Steele Co WRD	Drain No. 8 Channel Improvement Preliminary Engine	9/29/2015	17,500	0	17,500
SE	1328	5000	2015-17	North Cass Co. WRD	Drain No. 23 Channel Improv Preliminary Engineering	9/30/2015	5,775	0	5,775
SE	PSWRDBUR	5000	2015-17	Burleigh Co. WRD	Pebble Creek Golf Course - Hay Creek Bank Stabiliza	10/15/2015	22,782	0	22,782
SE	1842	5000	2013-15	Southeast Cass WRD	Wild Rice River Snagging & Clearing	10/27/2015	57,000	0	57,000
SE	1396-01	5000	2013-15	Trout, Raley, Montano, Witwer	Missouri River Recovery Program	11/17/2015	75,000	0	75,000
SE	ASNDS	5000	2015-17	NDSU	Oaks Irrigation Research Site - New Linear Irrigation S	11/18/2015	25,636	0	25,636
SE	PSWRDCAS	5000	2015-17	Cass Co. Joint WRD	Red River Watershed Comprehensive Detention Plan	11/19/2015	34,025	0	34,025
SE	1289	5000	2011-13	McKenzie Co. Weed Control E	Control of Noxious Weeds on Sovereign Lands	9/30/2015	12,514	0	12,514
SWC	620	5000	2007-09	Lower Heart WRD	Mandan Flood Control Protective Works (Levee)	9/29/2008	125,396	0	125,396
SWC	1921	5000	2007-09	Morton Co. WRD	Square Butte Dam No. 6(Harmon Lake) Recreation F	3/23/2009	731,002	0	731,002
SWC	1638	5000	2009-11	Muple	Red River Basin Non-NRCS Rural/Farmstead Ring Di	6/23/2009	177,864	0	177,864
SWC	1960	5000	2009-11	Ward Co. WRD	Puppy Dog Coulee Flood Control Diversion Ditch Con	8/18/2009	796,976	0	796,976
SWC	322	5000	2009-11	ND Water Education Foundati	ND Water: A Century of Challenge	2/22/2010	36,800	0	36,800
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	347	5000	2009-11	City of Velva	City of Velva's Flood Control Levee System Certificati	3/28/2011	102,000	69,503	32,497
SWC	1161	5000	2009-11	Pembina Co. WRD	Drain 55 Improvement Reconstruction	3/28/2011	13,846	0	13,846
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	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	City of Forman Floodwater Outlet	9/21/2011	31,472	0	31,472
SWC	1705	5000	2011-13	Red River Joint Water Resour	Red River Joint WRD Watershed Feasibility Study - Pl	9/21/2011	60,000	0	60,000
SWC	829	5000	2011-13	Rush River WRD	Rush River WRD Berlin's Township Improvement Dist	10/19/2011	101,317	0	101,317
SWC	1983	5000	2011-13	City of Harwood	City of Harwood Engineering Feasibility Study	12/9/2011	62,500	0	62,500
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 Diversion Project	3/7/2012	43,821	0	43,821
SWC	1401	5000	2009-11	Pembina Co. WRD	International Boundary Roadway Dike Pembina	9/27/2012	261,032	0	261,032
SWC	240	5000	2011-13	Eddy County WRD	Warwick Dam Repair Project	12/7/2012	110,150	0	110,150
SWC	1705	5000	2011-13	Red River Joint Water Resour	Red River Basin Distributed Plan Study	12/7/2012	560,000	0	560,000
SWC	2019	5000	2011-13	Valley City	Sheyenne River Snagging & Clearing Project	12/7/2012	75,000	0	75,000
SWC	346	5000	2011-13	Williams County WRD	Epping Dam Evaluation Project	2/27/2013	66,200	0	66,200
SWC	1135	5000	2011-13	Pembina Co. WRD	Drain #4 Reconstruction Project	6/19/2013	2,673	0	2,673
SWC	1438	5000	2011-13	Cavalier County WRD	Mulberry Creek Phase IV Reconstruction Project	6/19/2013	102,019	0	102,019
SWC	2022	5000	2011-13	Pembina Co. WRD	Drain #73 Project	6/19/2013	350,400	0	350,400
SWC	1270	5000	2013-15	Burleigh Co. WRD	Apple Creek Industrial Park Levee Feasibility Study	10/7/2013	65,180	0	65,180
SWC	2004	5000	2013-15	Grand Forks Co. WRD	Drain No. 57 Project	10/7/2013	413,576	0	413,576
SWC	2040	5000	2013-15	Walsh Co. WRD	Drain #74 Project	10/7/2013	197,604	140,279	57,325
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Coordinator	10/7/2013	37,094	14,327	22,767
SWC	1242	5000	2013-15	Trall Co. WRD	Rust Drain No. 24 Project	12/13/2013	25,152	0	25,152
SWC	1389	5000	2013-15	Bank of ND	BND AgPace Program	12/13/2013	180,316	24,737	155,578
SWC	2043	5000	2013-15	Pembina Co. WRD	District's Drain 78 Outlet Extension Project	12/13/2013	287,778	242,328	45,450
SWC	2046	5000	2013-15	Walsch Co. WRD	North Branch Park River Comprehensive Flood Dama	12/13/2013	134,400	0	134,400
SWC	1554/2046?	5000	2013-15	McLean Co. WRD	City of Underwood Floodwater Outlet Project	12/13/2013	1,100,727	0	1,100,727
SWC	1878-02	5000	2011-13	Maple-Steele WRD	Upper Maple River Dam Construction Phase	12/13/2013	4,702,936	0	4,702,936
SWC	CON/WIL/CARL	5000	2013-15	Garrison Diversion Conservan	Will and Carlson Consulting Contract	12/13/2013	26,451	1,828	24,623
SWC	1082	5000	2013-15	Rush River WRD	Cass Co. Drain No. 30 Channel Improvement Project	3/17/2014	5,976	0	5,976
SWC	1968	5000	2013-15	Garrison Diversion	McClusky Canal Mile Marker 10 & 49 Irrigation Project	3/17/2014	256,321	0	256,321
SWC	2008	5000	2013-15	City of Mapleton	Recertification of Flood Control Levee System Project	3/17/2014	101,100	0	101,100
SWC	1418	5000	2013-15	City of Bisbee	Big Coulee Dam Feasibility Study	5/29/2014	10,963	0	10,963
SWC	1577	5000	2013-15	City of Killdeer & Dunn Co.	Floodplain Mapping Project	5/29/2014	55,000	0	55,000
SWC	2045	5000	2013-15	Mercer Co. WRD	LiDAR Collection Project	5/29/2014	10,425	0	10,425

**STATE WATER COMMISSION  
PROJECTS/GRANTS/CONTRACT FUND  
2015-2017 Biennium  
Resources Trust Fund**

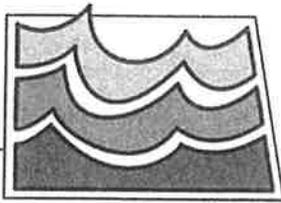
GENERAL PROJECT OBLIGATIONS

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-15 Balance
SWC	1753/1523?	5000	2013-15	Ward Co. Hwy Dept	County Road 18 Flood Control Project	5/29/2014	325,208	0	325,208
SWC	1932	5000	2005-07	Nelson Co. WRD	Michigan Spillway Rural Flood Assessment	8/15/2014	832,207	556,022	276,185
SWC	1625	5000	2013-15	Houston Engineering	(OHWM) Ordinary High Water Mark Delineations	8/20/2014	4,560	0	4,560
SWC	1227	5000	2011-13	Trall Co. WRD	Mergenthal Drain No. 5 Reconstruction	9/15/2014	18,502	0	18,502
SWC	1285	5000	2013-15	LaMoure County	LaMoure Co Memorial Park Streambank Restoration	9/15/2014	91,042	0	91,042
SWC	1314	5000	2013-15	Wells Co. WRD	Oak Creek Drain Lateral E Reconstruction Project	9/15/2014	73,057	0	73,057
SWC	1613	5000	2013-15	North Cass Co. WRD	Cass County Drain No. 55 Channel Improvements Pr	9/15/2014	99,923	42,152	57,771
SWC	1613	5000	2013-15	Richland Co. WRD	Drain No. 15 Reconstruction Project	9/15/2014	60,300	0	60,300
SWC	1991	5000	2013-15	City of Lisbon	Sheyenne Riverbank Stabilization Project	9/15/2014	163,720	9,706	154,014
SWC	2042	5000	2013-15	Bottineau Co. WRD	Haas Coulee Drain Project	9/15/2014	500,000	0	500,000
SWC	2045	5000	2013-15	McKenzie Co. Commission	LIDAR Collection Project	9/15/2014	262,308	0	262,308
SWC	PS/WRD/ELM	5000	2013-15	Elm River Joint WRD	Dam #3 Safety Improvements Project	9/15/2014	7,297	0	7,297
SWC	568	5000	2013-15	Southeast Cass WRD	Sheyenne River Reaches Snagging & Clearing Projec	12/5/2014	94,238	0	94,238
SWC	980	5000	2013-15	Cass Co. Joint WRD	Rush River Watershed Detention Study	3/11/2015	120,750	0	120,750
SWC	980	5000	2013-15	Cass Co. Joint WRD	Swan Creek Watershed Detention Study PHII	3/11/2015	120,750	0	120,750
SWC	980	5000	2013-15	Cass Co. Joint WRD	Upper Maple River Watershed Detention Study	3/11/2015	120,750	0	120,750
SWC	1064	5000	2013-15	Rush River WRD	Cass County Drain No. 2 Channel Improvements Proj	3/11/2015	106,989	0	106,989
SWC	1217	5000	2013-15	Tri-County WRD	Tri-County Drain Reconstruction Project	3/11/2015	911,881	0	911,881
SWC	1294	5000	2013-15	Nelson Co. Park Board	Stump Lake Park Bank Stabilization Project	3/11/2015	115,436	0	115,436
SWC	1418	5000	2013-15	City of Bisbee	Design & Repair of Big Coulee Dam	3/11/2015	862,218	0	862,218
SWC	1224	5000	2013-15	Trall Co. WRD	Palace Drain Improvement District No. 80	5/20/2015	118,933	7,574	111,359
SWC	1977	5000	2011-13	Dickey-Sargent Co WRD	Jackson Township Improvement Dist. #1	5/20/2015	1,601,325	0	1,601,325
SWC	AOC/RRBC	5000	2015-17	Red River Basin Commission	Red River Basin Commission Contractor	5/20/2015	200,000	0	200,000
SWC	AOC/WEF	5000	2015-17	ND Water Education Foundati	ND Water Magazine	5/20/2015	36,000	0	36,000
SWC	PS/WRD/DEV	5000	2015-17	Devils Lake Joint WRB	DL Manager	5/20/2015	60,000	0	60,000
SWC	PS/WRD/MRJ	5000	2015-17	Missouri River Joint WRB	Missouri River Joint Water Board, (MRJWB) Start up	5/20/2015	20,000	0	20,000
SWC	PS/WRD/MRJ	5000	2015-17	Missouri River Joint WRB	Missouri River Joint Water Board (MRRIC) T. FLECK	5/20/2015	45,000	0	45,000
SWC	PS/WRD/UPP	5000	2015-17	Upper Sheyenne River Joint V	Upper Sheyenne River WRB Administration (USRJWF)	5/20/2015	12,000	0	12,000
SWC	1978	5000	2011-13	Richland & Sargent Joint WRI	Richland & Sargent WRD RS Legal Drain No. 1 Exten	7/23/2015	245,250	113,358	131,892
SWC	2003-02	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee Sy	7/23/2015	52,564	0	52,564
SWC	1859	5000	2015-17	ND Dept of Health	NPS Pollution Project	7/29/2015	200,000	0	200,000
SWC	1992	5000	2011-13	Burleigh Co. WRD	Burnt Creek Flood Restoration Project	7/29/2015	179,890	0	179,890
SWC	AOC/ASS	5000	2015-17	Assiniboine River Basin	Assiniboine River Basin Initiative Funding	7/29/2015	100,000	0	100,000
SWC	710	5000	2015-17	Maple River WRD	Upper Swan Creek Channel Improvement Project	10/6/2015	171,763	0	171,763
SWC	1486	5000	2015-17	Griggs Co. WRD	Thompson Bridge Outlet No. 4 Project	10/6/2015	621,661	0	621,661
SWC	1523	5000	2015-17	Ward Co. WRD	Robinwood Bank Stabilization Project	10/6/2015	256,449	0	256,449
SWC	2059	5000	2015-17	Park River Joint WRD	North Branch Park River NRCS Watershed Study	10/6/2015	81,200	0	81,200
SWC	2060	5000	2015-17	Walsch Co. WRD	Forest River Watershed Study	10/6/2015	114,100	0	114,100
SWC	AOC/IRA	5000	2015-17	ND Irrigation Association (NDI)	ND Irrigation Association	10/6/2015	100,000	0	100,000
TOTAL							23,178,448	1,263,990	21,914,459

**STATE WATER COMMISSION  
PROJECTS/GRANTS/CONTRACT FUND  
2015-2017 Biennium  
Resources Trust Fund**

COMPLETED GENERAL PROJECTS

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-15 Balance	
SE	1967	5000	2009-11	Grand Forks Co. WRD	Grand Forks County Legal Drain No. 55 2010 Construction	11/30/2010	9,652	9,652	0	
SE	391	5000	2011-13	Sargent Co WRD	Sargent Co WRD, Silver Lake Dam Emergency Repairs	10/12/2011	2,800	0	2,800	
SE	1312	5000	2011-13	Walsh Co. WRD	Skyrud Dam 2011 EAP	12/15/2011	10,000	8,073	1,927	
SE	1312	5000	2011-13	Walsh Co. WRD	Union Dam 2011 EAP	12/15/2011	10,000	8,350	1,650	
SE	1998	5000	2011-13	Grand Forks Co. WRD	Upper Turtle River Dam #1 2012 EAP	6/28/2012	10,000	9,365	635	
SE	2002	5000	2011-13	Grand Forks Co. WRD	Turtle River Dam #4 2012 EAP	6/29/2012	10,000	8,656	1,344	
SE	2005	5000	2011-13	Grand Forks Co. WRD	Turtle River Dam #8 2012 EAP	6/29/2012	10,000	9,069	931	
SE	1842	5000	2013-15	Southeast Cass WRD	Wild Rice River Snagging & Clearing - Bridge Location Sites	2/3/2015	11,063	0	11,063	
SE	1069	5000	2015-17	North Cass & Rush River	Drain #13 Channel Improvements Project	9/29/2015	46,150	12,293	33,857	
SWC	1970	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain # 72	3/28/2011	39,115	39,115	0	
SWC	1975	5000	2011-13	Walsh Co. WRD	Walsh Co. Drain No. 31 Reconstruction Project	9/21/2011	37,742	37,742	0	
SWC	1396	5000	2011-13	U.S. Geological Survey	(USGS) Missouri River Geomorphic Assessment	3/7/2012	10,000	10,000	0	
SWC	2009-02	5000	2011-13	Southeast Cass WRD	Recertification of the Horace to West Fargo Diversion Levee S	9/17/2012	25,504	25,504	0	
SWC	1758	5000	2013-15	U.S. Geological Survey	(USGS) Stochastic Model for the Mouse River Basin	12/13/2013	40,000	40,000	0	
SWC	1444	5000	2013-15	City of Pembina	2014 Flood Protection System Modification Project	5/29/2014	61,331	61,331	0	
SWC	2048	5000	2013-15	City of Marion	Marion Flood Mitigation & Lagoon Drainage Project	5/29/2014	116,659	116,659	0	
SWC	228	5000	2013-15	U.S. Geological Survey	(USGS) Operation & Maint of Gaging Station on the Missouri Ri	12/8/2014	8,970	8,970	0	
SWC	1792	5000	2009-11	Southeast Cass WRD	SE Cass Wild Rice River Dam Study Phase II	1/29/2015	32,252	32,252	0	
SWC	980	5000	2011-13	Maple River WRD	Maple River Watershed Flood Water Retention Study/ Maple Ri	2/19/2015	3,687	3,687	0	
SWC	2007	5000	2011-13	Maple River WRD	Pontiac Township Improvement District No. 73 Project	5/11/2015	747,093	594,183	152,910	
SWC	2013	5000	2011-13	Richland-Cass Joint WRC	Wild Rice River Watershed Retention Plan	6/8/2015	45,905	45,905	0	
TOTAL								1,287,923	1,080,806	207,117



# North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850  
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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:**  Todd Sando, P.E., Chief Engineer-Secretary  
**SUBJECT:** Cost-Share Policy Update  
**DATE:** November 24, 2015

The purpose of this memo is to provide options for your consideration in preparation for the next cost-share policy meeting.

### Capital Improvement Fund and Sustainable Infrastructure

There is a legal requirement for the project sponsor to have a capital improvement fund as a condition of funding extraordinary maintenance projects. Also the cost-share policy requires the local sponsor to provide a sustainable operation, maintenance, and replacement plan for projects. The specific language follows.

*SB2020 - The commission shall require a water project sponsor to maintain a capital improvement fund from the rates charged customers for future extraordinary maintenance projects as a condition of funding an extraordinary maintenance project.*

*Cost-share policy – An application for cost-share is required in all cases and must be submitted by the local sponsor on the State Water Commission Cost-Share Application form. The application form... must include... Sustainable operation, maintenance, and replacement plan for projects.*

The direction is to have project sponsors provide a plan for long-term care and replacement of the projects that were built with the assistance from state grant funding. There are several options that can be considered to provide staff direction in how to carry out these requirements. Attached are two examples on determining the water rates within Capital Improvement Plans for your consideration. Another option could include setting a minimum water rate to allow eligibility of grant funding. If there are other options that the Commissioners would want to explore, we are open to developing information on other options prior to the next policy meeting.

JACK DALRYMPLE, GOVERNOR  
CHAIRMAN

TODD SANDO, P.E.  
CHIEF ENGINEER AND SECRETARY

### **Rural Water Improvements versus Expansions**

Improvements increase system efficiencies or output capacity. Expansion projects increase the project area or users served. The current recommendations have included improvements related to recent expansions as part of the system expansion. Currently rural water improvements that are not related to recent expansions are not addressed in the current cost-share policy. The recommendation is to consider addition of the following underlined language during the next policy meeting.

(1) In most cases a 75 percent cost-share is intended to address improvements to meet primary drinking water standards or expansion into new rural water service areas. Factors considered for water system expansions are:

(a) Connection of communities to the regional system as part of this expansion as determined by the Chief Engineer.

(b) Willingness of water users at far reaches of the system to pay additional costs for water service as an indicator of greater need for access to water and local commitment in the project as determined by the Chief Engineer.

(c) Affordable and sustainable water rate as determined by the Chief Engineer.

Lower rates of cost-share are intended to address other necessary capacity improvements in rural water systems beyond normal maintenance and operations.

### **Permits**

The policy has language stating “permit related costs” are not eligible, however on page 5 under pre-construction costs the policy states that engineering design to develop plans and specifications for permitting is eligible. In practice we have been removing permit related costs in the engineering bills for general water management. However, if engineering contracts are lump sum these type of permit fees are included in the costs. Also on the water supply projects the permit fees were not removed. The permit costs are small amounts and the related engineering costs are already eligible. With the legislation stating all project costs being potentially eligible, we recommend removal of the “permit related costs” under the ineligible items section.

# User-friendly Capital Improvement Plan (CIP) for Water and Wastewater Utilities

Version 2.5 (Updated March 2014)

20-year capital planning  
 Financial dashboard outputs

Debt and/or capital reserve financing options  
 Estimates necessary rate increases over time to pay for capital projects

Guided data inputs

Simple data needs

Start

1) Use tabs at bottom of screen and buttons to navigate to different pages.



Financed	\$	950,000
et	\$	750,000

Pre-Exist  
 Input annu  
 incurred for

2) In "Data Input 1", enter utility characteristics, rates and usage information in blue cells.

**Name of Utility**  
Town of Anytown

**Type of**  
Water

**Current Fiscal Year**  
FY15

**Water and Sewer Rates in FY15**

**Expected Revenues and Expenses in FY15**

**Usage Billed to Customers in FY15**

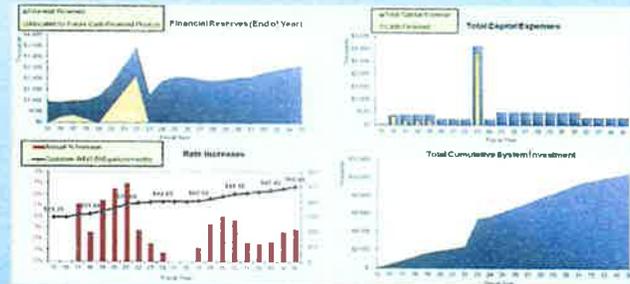
3) In "Data Input 2", enter details on capital improvement projects in the light blue cells. Each row is a different project.

Project #	Project Name	Project Contribution	Project Expenditures	Project Start	Project End	Annual Contribution	Annual Expenditure	Estimated Cost in the Start Year	Grand Total
1	Water Main Replacement	100%	1,000,000	2015	2016	1,000,000	1,000,000	1,000,000	1,000,000
2	Sanitary Sewer Main Replacement	100%	1,000,000	2015	2016	1,000,000	1,000,000	1,000,000	1,000,000
3	Water Treatment Plant Upgrade	100%	1,000,000	2015	2016	1,000,000	1,000,000	1,000,000	1,000,000

4) In "20-Year Projections", view your fund balance projections for 20 years and observe the estimated rate increases needed each year to pay for your Capital Improvement. No data entry required on this page.

	FY15	FY16	FY17	FY18
<b>Estimated Rate Changes Needed to Maintain the Fund Balance</b>				
View Interest Increases in Water (Rate and Volume)	0.0%	0.1%	0.1%	2.6%
Increase (Decrease) in the Monthly Bill for 5,000 Gallons	N/A	\$0.00	\$1.61	\$8.79
Increase (Decrease) in the Monthly Sewer Charge	N/A	\$0.00	\$8.64	\$11.31
Monthly Base Charge (Minimum Charge)	\$12.34	\$12.34	\$12.34	\$12.34
Volume Rate at 5,000 Gallons/month (5,000 gallons)	\$6.67	\$6.67	\$6.67	\$6.67
Volume included with the Base Charge (5,000 gallons)	0	0	0	0
Approximate Monthly Charge for 5,000 gallons (S)	\$29.35	\$29.35	\$30.95	\$31.95
<b>Projected Fund Balance</b>				
Total Revenue	\$ 4,810,000	\$ 5,043,830	\$ 5,299,187	\$ 5,586,605
Base Charge	\$ 1,234,000	\$ 1,234,000	\$ 1,234,000	\$ 1,234,000
Usage Charge	\$ 3,476,000	\$ 3,809,830	\$ 4,065,187	\$ 4,352,605
Interest Exp'd from Previous Years (Interest Balance)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Revenue from Other Sources (Debt/Grant Charge)	\$ 0	\$ 0	\$ 0	\$ 0

5) After all your utility information and capital improvement project details are entered, go to the "Dashboard" to view long term trends in your financial reserves, rate increases and average bills, and capital investments.



Example 1 - University North Carolina School of Government





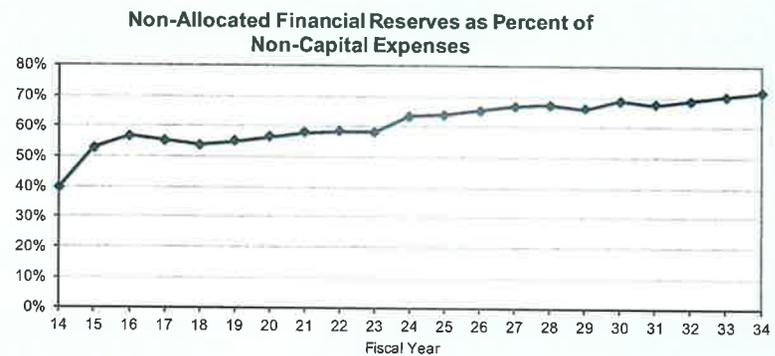
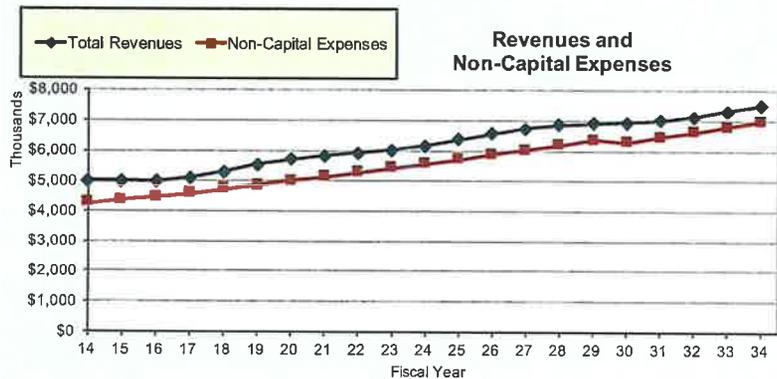
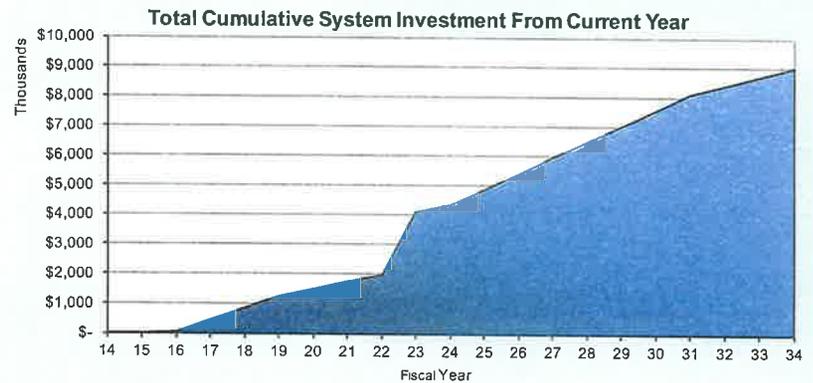
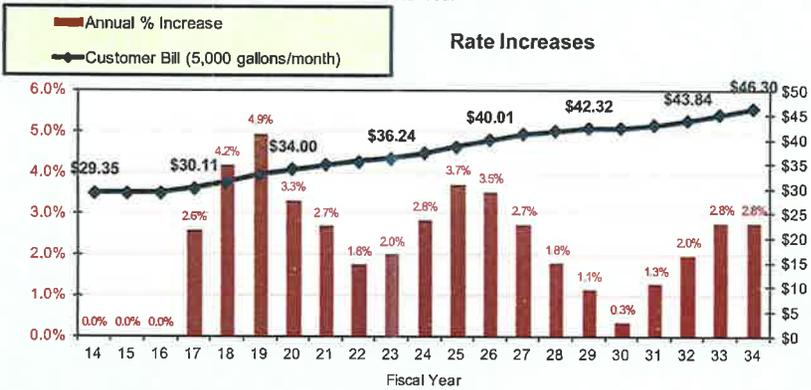
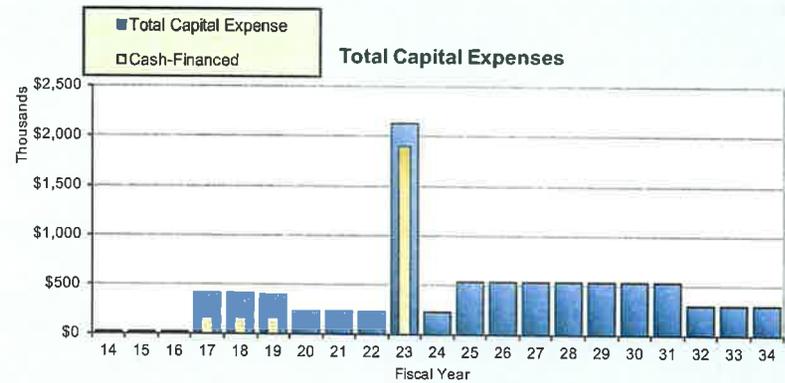
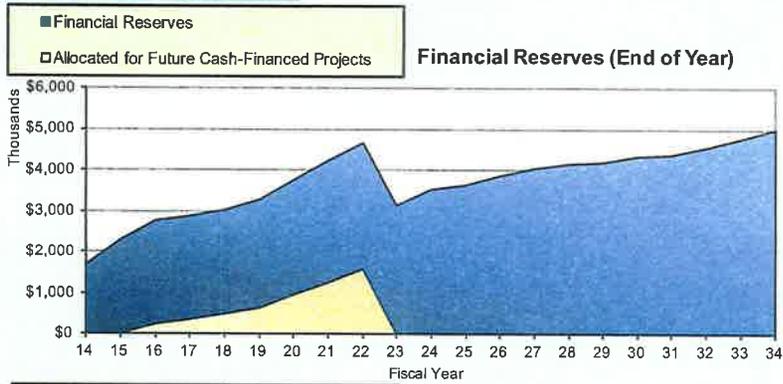
Edit Inputs

Edit C.I.P. Projects

View Projected 20-Yr Fund Balance

### User-Friendly Capital Improvement Plan (CIP) Tool for Water & Wastewater Utilities

### Dashboard for Town of Anytown's 20-year Water and Sewer C.I.P. starting In FY14



## BUDGET CALCULATOR GUIDELINES

This is a simple budget calculator to be used for a small water system. It is an Excel spreadsheet that consists of three tabs which are located near the bottom of your screen:

the **5-Year Budget Projection** tab, the **Capital Improvement Plan (CIP)** tab, and this **Guidelines** tab. All three sheets including the instructions are formatted to print on standard 8.5 x 11 inch paper. When the pertinent expense figures have been inserted, the program will calculate a minimum flat monthly rate per customer.

Be sure to use only the expenses and revenues related to the water system. For example, if the bill for electricity covers the entire establishment, estimate the amount of electricity that the water system uses. The number of connections can be changed to enable the user to factor in growth or costs associated with a certain portion of the system. The inflation factor percentage can also be changed.

Sample numbers have been inserted into both spreadsheets. The yellow shaded cells are for data entry. The two orange cells are linked from the CIP on the third tab. Except for line item descriptions which can be changed if needed, all other cells are locked for the calculations. To calculate the actual budget for the water system, remove the sample numbers in the yellow shaded cells and enter the actual figures for your system.

On the Budget tab the spreadsheet automatically projects many costs over the next four years. Expenses in Years 2 through 5 are compounded automatically by the inflation factor in cell G6 which can be changed.

On the CIP tab there are examples of various water system components, numbers of components, unit costs, and equipment life expectancy. To determine the CIP for the water system enter the information for these categories specific to the system. Information on typical equipment life expectancy can be found at: [http://ww2.cdph.ca.gov/certlic/drinkingwater/Documents/TMFplanningandreports/Typical\\_life.pdf](http://ww2.cdph.ca.gov/certlic/drinkingwater/Documents/TMFplanningandreports/Typical_life.pdf) The CIP Annual Reserve total is linked to the Budget tab on Line 20, Existing Contribution to CIP to enable the monthly rate per customer to include the cost of replacing equipment that has served its useful life.

For funding projects include the new infrastructure components under the New Project CIP Costs at the bottom of the CIP tab. The total of these figures links to the Budget tab on Line 25, Additional New Project Contribution to CIP. In this example the existing budget is shown in Years 1 and 2. The grant or loan is received in Year 3, and the debt service is paid in Years 4, 5, and beyond. The Additional O&M for New Project costs is listed in the expense section of the Budget tab beginning in Year 4 since these costs are not included in the funding.

If you have further questions, please call the Drinking Water Capacity Development Coordinator Robin Belle Hook at 916-449-5627.

## FIVE YEAR BUDGET PROJECTION (Small Community Water System)

INSTRUCTIONS: Yellow-shaded cells are for data entry; all other cells are locked except line item descriptions which can be changed if needed.  
 Years 2 through 5 will be compounded automatically by the inflation factor in Cell G6.

System Name:

XYZ Water Company

Inflation Factor (%): 3.0

System ID Number: 1000002

LINE	EXPENSES AND SOURCE OF FUNDS	2009	2010	2011	2012	2013
1	<b>OPERATIONS AND MAINTENANCE (O&amp;M) EXPENSES</b>					
2	Salaries and Benefits	30,000.00	30,900.00	31,827.00	32,781.81	33,765.26
3	Contract Operation and Maintenance	0.00	0.00	0.00	0.00	0.00
4	Power and Other Utilities	2,500.00	2,575.00	2,652.25	2,731.82	2,813.77
5	Fees Regulatory	500.00	515.00	530.45	546.36	562.75
6	Treatment Chemicals	100.00	103.00	106.09	109.27	112.55
7	Coliform Monitoring	1,500.00	1,545.00	1,591.35	1,639.09	1,688.26
8	Chemical Monitoring	500.00	515.00	530.45	546.36	562.75
9	Transportation	0.00	0.00	0.00	0.00	0.00
10	Materials, Supplies, and Parts	150.00	154.50	159.14	163.91	168.83
11	Office Supplies	200.00	206.00	212.18	218.55	225.10
12	Miscellaneous	300.00	309.00	318.27	327.82	337.65
13	Additional O&M for New Project	0.00	0.00	0.00	2,000.00	2,060.00
14	<b>Total O&amp;M Expenses:</b>	35,750.00	36,822.50	37,927.18	41,064.99	42,296.94
16	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>					
17	Engineering and Professional Services	500.00	515.00	530.45	546.36	562.75
18	Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00
19	Insurance	1,000.00	1,030.00	1,060.90	1,092.73	1,125.51
20	Existing Contribution to CIP (From CIP J48)	16,712.50	16,712.50	16,712.50	16,712.50	16,712.50
21	O&M Reserve	0.00	0.00	0.00	0.00	0.00
22	Other Reserves	0.00	0.00	0.00	0.00	0.00
23	Miscellaneous	100.00	103.00	106.09	109.27	112.55
24	** New Funding Project Costs	0.00	0.00	250,000.00	0.00	0.00
25	Additional New Project Contribution to CIP (From CIP J59)	0.00	0.00	0.00	9,954.44	9,954.44
26	** Debt Service	0.00	0.00	0.00	10,000.00	10,000.00
27	<b>Total General and Administrative Expenses:</b>	18,312.50	18,360.50	268,409.94	38,415.31	38,467.76
28	<b>TOTAL EXPENSES (Line 14+ Line 27):</b>	54,062.50	55,183.00	306,337.12	79,480.30	80,764.70
30	<b>REVENUES RECEIVED</b>					
31	Cash Revenues (Water Rates)	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00
32	** Depreciation Reserves	0.00	0.00	0.00	0.00	0.00
33	** Fees and Services	0.00	0.00	0.00	0.00	0.00
34	** Hookup Charges	0.00	0.00	0.00	0.00	0.00
35	** Withdrawal from CIP or Other Reserves	0.00	0.00	0.00	0.00	0.00
36	** Other Fund Sources: Interest, Etc.	200.00	200.00	200.00	200.00	200.00
37	** Grants	0.00	0.00	0.00	0.00	0.00
38	** SRF Loan	0.00	0.00	250,000.00	0.00	0.00
39	** Business Loans	0.00	0.00	0.00	0.00	0.00
40	<b>TOTAL REVENUE (Lines 31 through 39):</b>	55,200.00	55,200.00	305,200.00	55,200.00	55,200.00
41	<b>NET LOSS OR GAIN:</b>	1,137.50	17.00	-1,137.11	-24,280.30	-25,564.70

Report Prepared by (Name and Title): \_\_\_\_\_

Date: \_\_\_\_\_

(\*\* Inflation factor not applied to future year projections)

**Number of Customers:**  
**Average Monthly Revenue Needed Per Customer:**

2009	2010	2011	2012	2013
85	85	85	85	85
53.00	54.10	55.23	77.92	79.18

(total expenses ÷ # of customers ÷ 12)

# SIMPLIFIED CAPITAL IMPROVEMENT PLAN (CIP)

System Name: **XYZ Water Company**

Date:    
 System ID No.: **1000002**  
 Service Connections: **85**

\*Enter information only in YELLOW shaded cells

QTY	COMPONENT	UNIT COST	INSTALLED COST	AVG LIFE, YEARS	ANNUAL RESERVE	MONTHLY RESERVE	MONTHLY RESERVE PER CUSTOMER	
2	Drilled Well, 6", steel casing	Depth: 150	80	24000	25	960.00	80.00	0.94
	Drilled Well, 8", steel casing	Depth: 600	130	0	25	0.00	0.00	0.00
	Drilled Well, 12", steel casing	Depth:	200	0	25	0.00	0.00	0.00
2	Wellhead Electrical Controls		700	1400	25	56.00	4.67	0.05
	Submersible Pump, 20 HP		9000	0	7	0.00	0.00	0.00
	Submersible Pump, 3 HP		2000	0	7	0.00	0.00	0.00
2	Submersible Pump, 5 HP		3500	7000	7	1000.00	83.33	0.98
	Booster Pump Station, 25 HP, complete		14000	0	5	0.00	0.00	0.00
	Booster Pump Station Electrical Controls		900	0	5	0.00	0.00	0.00
	Pressure Tank	Gallons:	1.5	0	10	0.00	0.00	0.00
2	Pressure Tank	Gallons: 80	1.5	240	10	24.00	2.00	0.02
	Storage Tank, Plastic	Gallons:	0.5	0	10	0.00	0.00	0.00
	Storage Tank, Redwood	Gallons:	1.3	0	40	0.00	0.00	0.00
	Storage Tank, Redwood	Gallons:	1.3	0	40	0.00	0.00	0.00
1	Storage Tank, Steel	Gallons: 200,000	1.2	240000	50	4800.00	400.00	4.71
	Storage Tank, Steel	Gallons:	1.2	0	50	0.00	0.00	0.00
	Storage Tank, Steel	Gallons:	1.2	0	50	0.00	0.00	0.00
	Storage Tank, Concrete	Gallons:	1.5	0	80	0.00	0.00	0.00
	Master Meter, 2"		450	0	10	0.00	0.00	0.00
2	Master Meter, 3"		800	1600	10	160.00	13.33	0.16
	Master Meter, 4"		2500	0	10	0.00	0.00	0.00
2	Hypochlorinator w/ Tank & Pump, Complete		800	1600	10	160.00	13.33	0.16
100	Pipe w/ sand bedding, 1" (Enter linear feet for quantity)		20	2000	50	40.00	3.33	0.04
0	Pipe w/ sand bedding, 2" (Enter linear feet for quantity)		25	0	50	0.00	0.00	0.00
0	Pipe w/ sand bedding, 3" (Enter linear feet for quantity)		30	0	50	0.00	0.00	0.00
600	Pipe w/ sand bedding, 4" (Enter linear feet for quantity)		35	21000	50	420.00	35.00	0.41
7000	Pipe w/ sand bedding, 6" (Enter linear feet for quantity)		50	350000	50	7000.00	583.33	6.86
	Standpipe Hydrant, 1-1/2"		700	0	20	0.00	0.00	0.00
7	Standpipe Hydrant, 2-1/2"		900	6300	20	315.00	26.25	0.31
85	Customer Meter w/ Box & Shutoff, Complete		250	21250	20	1062.50	88.54	1.04
	Distribution Valve, 2"		150	0	10	0.00	0.00	0.00
4	Distribution Valve, 3"		250	1000	10	100.00	8.33	0.10
4	Distribution Valve, 4"		600	2400	20	120.00	10.00	0.12
9	Distribution Valve, 6"		850	7650	20	382.50	31.88	0.38
6	Air & Vacuum Relief Valve, Typical		375	2250	20	112.50	9.38	0.11
	OTHER ITEM			0	1	0.00	0.00	0.00
	OTHER ITEM			0	1	0.00	0.00	0.00
	OTHER ITEM			0	1	0.00	0.00	0.00
<b>SUBTOTAL Existing CIP Costs</b>				<b>\$689,690.00</b>		<b>\$16,712.50</b>	<b>\$1,392.71</b>	<b>\$16.38</b>
<b>NEW Project CIP Costs</b>								
1	Iron & manganese removal plant		350000	350000	45	7777.78	648.15	7.63
1	New well & controls, complete		65300	65300	30	2176.67	181.39	2.13
	OTHER ITEM			0	1	0.00	0.00	0.00
	OTHER ITEM			0	1	0.00	0.00	0.00
	OTHER ITEM			0	1	0.00	0.00	0.00
	OTHER ITEM			0	1	0.00	0.00	0.00
	OTHER ITEM			0	1	0.00	0.00	0.00
	OTHER ITEM			0	1	0.00	0.00	0.00
<b>SUBTOTAL New Project CIP Costs</b>				<b>\$415,300.00</b>		<b>\$9,954.44</b>	<b>\$829.54</b>	<b>\$9.76</b>
<b>TOTAL Existing and New Project CIP:</b>				<b>\$1,104,990.00</b>		<b>\$26,666.94</b>	<b>\$2,222.25</b>	<b>\$26.14</b>

Report Prepared by (Title): \_\_\_\_\_

Date: \_\_\_\_\_

NOTE: Installed costs are averages and include all materials and contracted labor and equipment.

NOTES:

**2016 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 18, 2015**

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## ATTACHMENTS

- Attachment 1 - Eligible and Ineligible Projects and Project-Related Costs Under the Drinking Water State Revolving Loan Fund (DWSRF) Program
- Attachment 2 - Comprehensive Project Priority List And Fundable List
- Attachment 3 - Priority Ranking System for Financial Assistance Through the Drinking Water State Revolving Loan Fund (DWSRF) Program
- Attachment 4 - Nonproject Set-Aside and Loan Fee Activity Table
- Attachment 5 - Amounts Available to Transfer Between State Revolving Fund Programs
- Attachment 6 - Sources and Uses Table

## **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 2015 totaled \$179,870,767 and the anticipated 2016 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 2016 and will stay in effect until superseded by a subsequent IUP. As per the authority granted to the North Dakota Department of Health (NDDoH) 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 2015 to provide the 20 percent match for capitalization grants through 2023.

## **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 NDDoH 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 NDDoH 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 NDDoH 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 NDDoH to select projects for potential DWSRF assistance.

## Priority Ranking System

The priority ranking system was developed by the NDDoH, 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 NDDoH that DWSRF funds are directed towards North Dakota's most pressing SDWA compliance problems and public health protection needs. To this end, the NDDoH 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. Cross-cutter requirements apply to these projects, including American Iron and Steel requirements for projects with initial debt and construction after January 17, 2014. 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 NDDoH reserves the right to fund lower-ranked projects ahead of higher-ranked projects based on the considerations below. To the maximum extent possible, the NDDoH 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 (i.e., applicant is prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements)
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 (if required)
7. Initial ranking score cannot be verified

The NDDoH, 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 NDDoH has the legal authority and responsibility under NDCC Chapter 61-28.1 to ensure PWS capacity.

The NDDoH 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 be 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 NDDoH 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 NDDoH 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 ninety (190) loans totaling \$422,164,799 have been approved to date. One hundred sixty five (165) of these loans (totaling \$205,367,966 or 49 percent of loan total) represent PWSs that serve fewer than 10,000 people. The NDDoH 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 NDDoH 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 the American Communities Survey (ACS) 5-Year Estimate).

For 2016, projects with a RFWCI of 2.0 percent or greater will qualify for 75 percent loan forgiveness. Projects with a RFWCI of 1.5 percent to 1.9 percent will qualify for 40 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 \$1.25 million.

Loan forgiveness will only be used to finance new construction. DWSRF loan and loan forgiveness can be bundled together with funding from other sources to form funding packages for projects.

To meet Congressional and EPA capitalization grant spend-down intent for the DWSRF program, the loan forgiveness cap for FY2015 and earlier capitalization grants is removed. The max percentage of loan forgiveness will also be raised to 75 percent from 60 percent and to 40 percent from 30 percent for these capitalization grants.

Timely progression of additional subsidization projects is required. To ensure this, there will be an application deadline, a binding commitment deadline, and a loan forgiveness disbursement 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 FY2016 DWSRF allotment. To address this potential requirement, the fundable portion of the 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 DWSRF capitalization grant requirements.

It is unknown at this time if mandatory GPR will apply. Adjustments will be made to the priority list 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 NDDoH 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 NDDoH'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. The anticipated FY 2016 federal DWSRF allotment for North Dakota is \$9,000,000. The NDDoH intends to set aside \$1,025,000 of the allotment for non-project activities. The NDDoH also intends to reserve \$415,000 of set-aside funds of the FY2016 capitalization grant for use in future years in addition to funds held in reserve from previous years. The state program administration (PWSS Program) set-aside is \$500,000 and an additional \$400,000 will be held in reserve for future years. The 2 percent set-aside for small system technical assistance is \$165,000 and an additional 15,000 will be held in reserve for use in future years. 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 capitalization grant be different from \$9,000,000, the set-aside for DWSRF program administration will be adjusted to 4 percent of the actual capitalization grant awarded. The amount held in reserve from the 2 percent and state program administration will be changed to hold in reserve the remainder of the set-aside that is not being taking in addition to funds held in reserve from previous Intended Use Plans.

The NDDoH 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 NDDoH 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 be in compliance with the new RTCR rule. The NDDoH 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 \$236,359 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.

Starting in

2008, the loan administration fees are also used as a source of 1:1 match that is required when using the state program administration set-aside to administer the PWSS program.

To meet Congressional and EPA capitalization grant spend-down intent for the DWSRF program, \$327,112 (or what amount remains) from the FY2013 10 percent state program administration set-aside will be moved to the construction loan fund during 2016.

## **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 through FY2023 match requirements.

#### Anticipated Proportionality Ratio

Bonds were sold in 2015 to provide the required 20 percent state match through FY2023. 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, state match, 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 avoid over-accumulation. All federal 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. In addition to transferring grant funds, states can transfer state match, investment earnings, principal and interest repayments, unrestricted cumulative excess, restricted cumulative excess, or FCLA between SRF programs.

Transfers were authorized by the Governor in 2002, 2004, 2007 and 2015. These funds are transferred between the programs on an as needed basis. The Governor's authorizations are as follows:

- 2002 - \$10.0 million from CWSRF to DWSRF
- 2004 - \$4.0 million from CWSRF to DWSRF
- 2007 - \$20.0 million from CWSRF to DWSRF (with provision to return funds to CWSRF as needed)
- 2009 - \$2.6 million of ARRA funds from CWSRF to DWSRF
- 2015 - \$60.0 million from DWSRF to CWSRF (with provision to return funds to DWSRF as needed)

The NDDoH is anticipating the continued transfer of funds to the CWSRF in 2016 as authorized in 2015. Approximately \$1,000,000 of non-federal funds will be transferred.

The NDDoH transfers funds on a net basis, since prior transfers have occurred between the two SRFs. Transferring funds will not impact DWSRF set-aside funding. The long-term impact to the DWSRF of the \$20 million transferred to the CWSRF in 2015 is estimated to be an average revolving level decrease of \$2 million/year over the next 20 years. With this transfer, the CWSRF Program will be able to fund additional water projects during 2016. The net transfer between programs is \$4,415,627 million from the DWSRF to the CWSRF. Attachment 5 itemizes the amount of funds transferred to and from the DWSRF program.

## Funding Process

Projects may be submitted to the NDDoH 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 NDDoH 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 base repayment period for DWSRF loans under the SDWA is 20 years following project completion. The NDDoH 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 NDDoH 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 2015 North Dakota twenty-year competitive bond sales, the current market interest rate is 2.95 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).

There is now an option for extended term financing beyond the base 20-year loan repayment period. Extended term financing allows for repayment periods to be 30 years or the useful life of the project, whichever is less. A 30-year repayment period will be granted if it is determined that the principal portion of the loan for project components that have a useful life of 20 years or less will be paid off within 20 years. Project components that are considered to have a 20-year or less useful life are: process equipment, pumps, electrical equipment, controls, and auxiliary equipment. Project components that are considered to have a 30-year or more useful life are: buildings, concrete, other structures, conveyance structures (piping), and earthen structures.

Extended term financing will be given to the extent that loans to projects on the fundable list with repayment periods of more than 20 years do not decrease expected DWSRF program repayments by more than 10% annually over the next 5 years, as compared to 20-year repayment at the same rate. Allowing extended term financing for projects on the Fundable List could cause

the loan repayments over the next five years to decline by an average 9.61%. Refinancing of existing DWSRF loans will not be allowed using extended term financing.

### Sources and Uses of Funds

Attachment 6 depicts a detailed breakdown of sources and uses of funds from FY1997 through FY2016. Sources of funds include \$3,399,188 in funds available from prior years. An additional \$7,975,000 of new funds are anticipated to become available in 2016. Thus \$10,374,188 of funds is 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 does not include any leveraged bonds, but the NDDoH is prepared to issue bonds if the near-term loan demand exceeds available funds.

### 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 NDDoH 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 has an open STAG grant 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 \$23.0 million in matching funds. The NDDoH 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 NDDoH'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 11, 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 revised 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 revised 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, 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, North Dakota Department of Land Trusts, and the North Dakota State Water Commission.

## Environmental Results

### 3. Loan Fund

- a. Through 12/31/14, the fund utilization rate, as measured by the ratio of executed loans to funds available for projects, was 96 percent, which is above the national average of 93 percent. For 2016, the goal of the DWSRF program is to maintain the fund utilization rate at 90 percent or above.
- b. Through 12/31/14, the rate at which projects progressed as measured by disbursements as a percentage of assistance provided was 73 percent. This is below the national average of 80 percent. The 2016 goal is to return the construction pace to 80 percent.
- c. The DWSRF program funded 6 projects in the first nine months of 2015 totaling \$11.7 million and serving a population of 8,285. For 2016, the goal of the DWSRF program is to fund 7 loans, totaling \$10.8 million and serving a population of 15,000.

### 4. Set asides, Small System Technical Assistance

- a. The goal for systems receiving training is 120.
- b. The goal for systems receiving on-site technical assistance is 50.

## 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 2016 IUP at a public hearing held in Bismarck on November 10, 2015. Written comments were also accepted until November 17, 2015. No comments were received.

## 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 2016<sup>(1)</sup>

Shaded projects are on the fundable list

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
14	21	0901530-01	Alexander	1,100	Replacement of aging distribution, water treatment, wells, meters and looping of mains	2016	3,000	3,000	
103	12	3200023-02	Aneta	222	Fire hydrant replacement	2016	291	3,291	
131	10	0900030-03	Argusville	475	Watermain replacement and looping	2016	1,066	4,357	
92	12	2701506-01	Arnegard	700	Distribution system improvements	2016	4078	8,435	
69	14	0900035-01	Arthur	337	Water tower replacement	2016	1,400	9,835	
57	15	0900035-02	Arthur	337	Watermain, hydrant, gate valve, and service replacement	2016	3,025	12,860	
82	13	0501057-03	ASWUD	764	Water supply increase by paralell and looping	2016	796	13,656	
122	11	0501057-04	ASWUD	1,130	Water system improvements	2016	27,919	41,575	
12	22	4001153-05	ASWUD	670	New transmission line, WTP upgrades, well field expansion, new water storage	2016	10,463	52,038	
48	16	1700059-01	Beach	1,300	Distribution system repair, water tower rehabilitation	2017	1,996	54,034	
174	7	4500065-01	Belfield	1,005	New transmission line	2017	1,343	55,377	
23	19	2900074-01	Beulah	3,121	WTP improvements and water storage	2016	6,000	61,377	
208	5	2900074-02	Beulah	3,121	Watermain, hydrant, and gate valve replacement	2016	1,000	62,377	
184	7	2900074-03	Beulah	3,121	Water tower rehabilitation	2016	1,000	63,377	
151	9	0600119-01	Bowman	1,800	Watermain replacement	2016	1,320	64,697	
112	11	0600119-02	Bowman	1,800	Watermain replacement	2017	1,000	65,697	
100	12	0900134-02	Buffalo	225	Replace existing watermains, gate valves and hydrants	2016	1,900	67,597	
74	13	0900134-03	Buffalo	225	New pump house and reservoir	2016	650	68,247	
49	15	5100138-01	Burlington	1,060	New water tower, transmission main and pump station	2017	2,594	70,841	
61	14	4800152-01	Cando	1,115	Water treatment plant improvements and well replacement	2016	1,500	72,341	
181	7	4800152-02	Cando	1,115	Watermain replacement	2016	1,750	74,091	
56	15	1900162-01	Carson	293	Watermain replacement	2016	3,941	78,032	
206	5	0900166-02	Casselton	2,329	Water tower replacement	2017	1,955	79,987	
17	21	3400170-01	Cavalier	1,302	Water tower rehabilitation	2018	2,006	81,993	
173	7	3300174-02	Center	580	Watermain replacement (Main St)	2016	525	82,518	
62	14	3900183-02	Christine	150	Watermain replacement and looping	2016	580	83,098	
109	11	3900196-01	Colfax	141	Watermain replacement and looping	2016	478	83,576	
9	24	0700198-03	Columbus	125	Watermain replacement, smart meters, treated water storage reservoir	2016	1,585	85,161	20 yr
87	13	2000203-08	Cooperstown	984	Reservoir replacement	2016	600	85,761	
3	31	0901060-05	GRW	13,385	Leonard Area Arsenic Project	2016	2,500	88,261	20 yr

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
193	6	0901060-06	CRW	7,750	Increased capacity to Horace Area - wellfield, WTP, reservoir, and transmission main improvements	2016	6,800	95,061	
146	9	0901060-07	CRW	7,750	System elevated tower	2016	3,584	98,645	
142	9	0901060-08	CRW	13,385	New transmission lines, distribution lines, and storage	2017	2,750	101,395	
113	11	2001061-01	Dakota RWD	3,523	Watermain replacement, upgrade vaults	2016	1,325	102,719	
18	20	0900217-01	Davenport	252	New transmission main, increased storage and control replacement	2016	616	103,335	
77	13	3400269-02	Drayton	824	Replace clearwell, replace chemical feed and rehab water tower	2017	2,000	105,335	
59	15	1900303-01	Elgin	642	Watermain replacement	2016	1,076	106,411	
8	24	1100306-01	Ellendale	1,394	Storage tank replacement, WTP improvements, distribution system improvements	2016	2,013	108,424	20 yr
140	10	3700314-04	Enderlin	886	New wells & transmission line	2016	1,648	110,072	
117	11	3700314-05	Enderlin	886	Watermain replacement	2016	773	110,845	
30	18	3700314-06	Enderlin	886	New lime softening WTP & storage	2016	8,065	118,910	
118	11	3700314-07	Enderlin	886	Water tower replacement	2016	1,957	120,867	
36	17	3900333-02	Fairmount	367	Water tower and controls replacement	2016	950	121,817	
111	11	3900333-03	Fairmount	367	Watermain replacement and looping	2016	655	122,472	
164	8	0900336-04	Fargo	105,549	Water tower rehabilitation 2019	2019	2,300	124,772	
139	10	0900336-05	Fargo	105,549	Water system regionalizaion project	2016	12,000	136,772	
165	8	0900336-06	Fargo	105,549	Water tower rehabilitation 2016	2016	528	137,300	
97	12	0900336-07	Fargo	105,549	Water tower level and distribution controls	2018	1,489	138,789	
166	8	0900336-09	Fargo	105,549	Water tower rehabilitation 2017	2017	3,110	141,899	
167	8	0900336-11	Fargo	105,549	Low lift transfer pump station	2021	8,221	150,120	
168	8	0900336-12	Fargo	105,549	WTP residuals facility	2018	23,361	173,481	
169	8	0900336-13	Fargo	105,549	Water tower rehabilitation 2018	2018	2,257	175,738	
170	8	0900336-14	Fargo	105,549	Water tower rehabilitation 2021	2021	2,178	177,916	
98	12	0900336-15	Fargo	105,549	Ground storage reservoir 2 and pump station	2021	11,774	189,690	
202	6	0900336-16	Fargo	105,549	WTP study	2016	7,500	197,190	
55	15	3000342-01	Flasher	230	Watermain replacement	2016	409	197,599	
31	18	0700344-01	Flaxton	66	Watermain replacement and additional well	2016	282	197,881	
53	15	1100346-1	Forbes	53	Watermain, gate valve & hydrant replacement	2016	1,000	198,881	
150	9	4100357-01	Forman	504	Water tower replacement	2016	1,000	199,881	
60	14	4100357-02	Forman	504	New well, well upgrades and transmission line replacement	2016	400	200,281	
107	11	4100357-03	Forman	504	WTP rehabilitation and new conrols	2016	500	200,781	
145	9	4100357-04	Forman	504	Watermain replacement	2016	500	201,281	
94	12	0900387-01	Gardner	74	Watermain replacement and looping	2016	400	201,681	
162	8	2800389-03	Garrison	1,453	Replacement of water intake structure	2016	2,000	203,681	
136	10	2800389-04	Garrison	1,453	WTP expansion, new intake and pumps	2016	5,000	208,681	
137	10	2800389-05	Garrison	1,453	Watermain Replacement	2016	4,500	213,181	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
214	4	2801430-02	Garrison RWD	1,525	New reservoir and pump station	2017	2,536	215,717	
83	13	3000400-01	Glen Ullin	804	Watermain replacement	2016	242	215,959	
91	12	3800397-01	Glenburn	380	Watermain replacement and looping	2016	1,640	217,599	
121	11	3800397-02	Glenburn	380	Water tower rehabilitation	2016	2,350	219,949	
134	10	5000408-04	Grafton	4,913	Park River water intake improvements	2018	1,146	221,095	
52	15	5000408-05	Grafton	4,913	Pretreatment and advanced oxidation WTP improvements	2020	9,100	230,195	
25	19	1800410-03	Grand Forks	55,158	WTP, facility plan, and design	2016	137,000	367,195	
84	13	1800410-04	Grand Forks	55,158	Watermain looping	2019	4,784	371,979	
124	11	1801062-03	Grand Forks- Traill RWD	6,753	Upsizing transmission lines	2017	4,120	376,099	
116	11	2500415-02	Granville	241	Water main replacement	2016	306	376,405	
144	9	5300425-02	Grenora	300	Watermain replacement	2016	410	376,815	
65	14	3900443-03	Hankinson	919	Watermain looping	2016	575	377,390	
41	17	2000446-02	Hannaford	131	Water tower replacement	2016	1,200	378,590	
11	23	1500469-02	Hazelton	235	Well house improvements	2016	200	378,790	
176	7	2900470-02	Hazen	2,534	Watermain replacement	2016	409	379,199	
178	7	3000473-01	Hebron	747	Watermain replacement	2016	888	380,087	
182	7	0100476-01	Hettinger	1,226	Watermain replacement	2016	600	380,687	
104	12	4600487-02	Hope	303	Service to west side of railroad tracks	2016	185	380,872	
216	2	0900488-01	Horace	2,430	Gate valve and fire hydrant replacement, new watermain	2016	494	381,366	
185	7	0900488-02	Horace	3,400	Water tower rehabilitation	2016	150	381,516	
212	4	0900488-03	Horace	3,400	Water meter replacement	2016	546	382,062	
76	13	0900492-01	Hunter	401	Pump house upgrades, water tower replacement	2016	2,000	384,062	
101	12	0900492-02	Hunter	401	Watermain replacement	2016	3,000	387,062	
132	10	4700498-06	Jamestown	16,000	North east pressure zone improvements	2016	1,725	388,787	
96	12	4700498-07	Jamestown	16,000	Phase 3 - Transmission line	2017	3,695	392,482	
194	6	4700498-08	Jamestown	16,000	Water meter replacement	2017	2,550	395,032	
195	6	4700498-09	Jamestown	16,000	SCADA Improvements	2016	403	395,435	
157	8	4700498-10	Jamestown	16000	Filter bay renovations and media replacement	2016	800	396,235	
196	6	4700498-11	Jamestown	16,000	East end reservoir renovations	2016	495	396,730	
148	9	4700498-12	Jamestown	16,000	Watermain replacement (WTP to State Hospital)	2016	2,620	399,350	
197	6	4700498-13	Jamestown	16,000	Transmission main	2016	5,140	404,490	
198	6	4700498-14	Jamestown	16,000	Water tower rehabilitation	2016	490	404,980	
199	6	4700498-15	Jamestown	16,000	WTP filter rehabilitation	2016	800	405,780	
149	9	4700498-16	Jamestown	16,000	Watermain replacement	2016	1,675	407,455	
21	20	2300508-01	Jud	74	Watermain replacement and pump house updates	2016	300	407,755	
175	7	5100515-03	Kenmare	1,200	Watermain, gate valve & hydrant replacement	2016	575	408,330	
64	14	0900524-01	Kindred	692	Water tower and watermain replacement	2017	1,220	409,550	
37	17	2300535-02	Kulm	354	Water tower replacement	2016	1,200	410,750	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
24	19	3200536-02	Lakota	672	Water treatment improvements or connection to rural water	2016	300	411,050	
78	13	2300537-01	LaMoure	889	Water tower replacement, reservoir upgrade and pumping upgrade	2016	1,200	412,250	
179	7	2300537-02	LaMoure	889	Chemical feed replacement	2016	400	412,650	
180	7	2300537-03	LaMoure	889	Watermain replacement	2016	500	413,150	
189	6	1000543-02	Langdon	1,878	Water main replacement	2016	700	413,850	
190	6	1000543-03	Langdon	1,878	Water tower rehabilitation	2016	450	414,300	
35	17	1000543-04	Langdon	1,878	Intake structure and raw water transmission line improvements	2016	3,200	417,500	
152	9	1000543-05	Langdon	1,878	WTP rehabilitation and equalization basin upgrade	2016	7,000	424,500	
19	20	1000543-06	Langdon	1,878	New well field	2016	6,000	430,500	
46	16	0300553-04	Leeds	427	Upgrade wells, transmission lines, pumps	2016	325	430,825	
39	17	0300553-05	Leeds	427	WTP improvements	2016	325	431,150	
47	16	0300553-06	Leeds	427	Watermain replacement and looping	2016	575	431,725	
6	26	2600556-01	Lehr	80	Well and watermain replacement	2016	400	432,125	20 yr
4	31	0901530-01	Leonard <sup>(2)</sup>	223	Consolidation of existing users to regional water system (arsenic)	2016	3,600	435,725	30 yr
51	15	3700574-08	Lisbon	2,154	Upgrade to well #1	2016	150	435,875	
50	15	3700574-09	Lisbon	2,154	WTP rehabilitation	2016	1,000	436,875	
119	11	3700574-10	Lisbon	2,154	New well field and raw water transmission main	2016	560	437,435	
120	11	3700574-11	Lisbon	2,154	Watermain replacement	2016	2,500	439,935	
67	14	5100593-01	Makoti	154	Well repair, new well and transmission line	2016	375	440,310	
16	21	5100593-02	Makoti	154	New reservoir	2016	1,400	441,710	
42	17	5100593-03	Makoti	154	Watermain replacement	2016	2,750	444,460	
143	9	3000596-06	Mandan	24,227	Transmission main replacement	2017	5,642	450,102	
106	11	3000596-07	Mandan	25,227	Pressure problem correction and water tower rehabilitation	2017	2,320	452,422	
158	8	3000596-08	Mandan	24,827	New raw water intake	2017	14,682	467,104	
155	8	3000596-09	Mandan	23,827	WTP expansion	2017	4,260	471,364	
187	6	3000596-10	Mandan	23,827	High service pump capacity upgrade	2017	3,236	474,600	
159	8	0900613-03	Mapleton	762	Watermain replacement	2017	750	475,350	
5	29	0500620-01	Maxbass	120	Connection to rural water	2016	266	475,616	30 yr
171	7	2800650-01	Mercer	120	Watermain replacement	2016	191	475,807	
160	8	3200653-01	Michigan	294	Water tower rehabilitation	2016	75	475,882	
63	14	5000691-01	Minto	604	Watermain replacement	2017	727	476,609	
186	7	5000691-02	Minto	604	Portion of new public works building that is directly related to the drinking water system	2017	326	476,935	
210	4	3800695-01	Mohall	812	New watermain	2016	403	477,338	
205	5	3800695-02	Mohall	812	Water tower replacement	2016	1,199	478,537	
127	10	3900703-01	Mooreton	197	Replace gate valves and add bladder tank	2017	244	478,781	
138	10	2400715-01	Napoleon	792	Extend water service to residents with wells	2017	900	479,681	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
70	14	2100726-01	New England	600	Watermain replacement	2016	3,500	483,181	
86	13	2100726-02	New England	600	New water tower and transmission line	2016	2,000	485,181	
71	14	1400732-02	New Rockford	1,391	Watermain replacement	2016	5,400	490,581	
161	8	1400732-03	New Rockford	1,391	Water tower rehabilitation	2016	260	490,841	
123	11	1001380-01	NEWD	2,350	Water distribution expansion	2016	8,000	498,841	
15	21	1001380-02	NEWD	2,350	New water supply	2017	25,000	523,841	
81	13	2801487-04	NPRWD	4,110	Expansion of water distribution system	2018	2,600	526,441	
45	16	5101189-02	NPRWD	5,903	Water storage rehabilitation	2016	1,820	528,261	
154	9	5101189-03	NPRWD	5,903	Distribution, storage & pumping improvements	2016	4,820	533,081	
125	11	5101189-05	NPRWD	12,152	Rehabilitation of Anamoose water tower	2016	200	533,281	
89	13	1100758-04	Oakes	1,856	WTP expansion	2016	1,700	534,981	
90	13	1100758-05	Oakes	1,856	Well and well house replacement	2016	400	535,381	
105	12	1100758-06	Oakes	1,856	Water tower rehabilitation	2016	400	535,781	
141	10	1100758-07	Oakes	1,856	New reservoir, pump station and transmission main	2016	720	536,501	
40	17	0300762-01	Oberon	105	Distribution system replacement	2016	2,000	538,501	
102	12	0300762-02	Oberon	105	New well and pump house	2016	500	539,001	
108	11	0200763-01	Oriska	128	Pump house and reservoir replacement	2016	550	539,551	
126	10	1000768-01	Osnabrock	160	Watermain rehabilitation	2016	200	539,751	
115	11	0900769-03	Page	232	Watermain replacement	2016	2,550	542,301	
72	14	5000773-04	Park River	5,042	Watermain replacement	2018	2,067	544,368	
27	19	2900789-03	Pick City	123	100,000 Gallon Water Tank	2016	1,125	545,493	
13	22	2900789-04	Pick City	123	Watermain replacement	2016	1,500	546,993	
177	7	4900803-01	Portland	606	Water tower replacement	2016	1,300	548,293	
79	13	5300809-05	Ray	1600	New treated water storage reservoir, transmission main and watermain replacement	2016	4,501	552,794	
10	23	4500821-01	Richardton	548	Pump station rehabilitation	2017	875	553,669	
26	19	4500821-02	Richardton	548	Watermain replacement and looping	2017	687	554,356	
1	46	2200827-01	Robinson <sup>(2)</sup>	83	Improvements to wells, pumping facility, treatment, and storage	2016	200	554,556	20 yr
34	18	4000833-02	Rolette	594	Watermain replacement	2016	4,600	559,156	
88	13	4000834-01	Rolla	1,280	New well	2016	180	559,336	
2	34	3100838-02	Röss <sup>(2)</sup>	97	New water supply, storage and watermain replacement	2016	699	560,035	20 yr
93	12	3500842-01	Rugby	2,900	WTP rehabilitation	2018	1,700	561,735	
110	11	0200858-01	Sanborn	194	Watermain replacement	2016	500	562,235	
133	10	0200858-02	Sanborn	192	Water tower rehabilitation	2016	400	562,635	
172	7	5100868-03	Sawyer	367	Watermain replacement	2016	500	563,135	
209	4	5100868-04	Sawyer	367	Transmission line and well replacement	2016	560	563,695	
163	8	0801154-04	SCRWD	17,044	Water service distribution expansion	2016	7,416	571,111	
201	6	0801154-05	SCRWD	19,181	New water storage tank	2016	1,350	572,461	
114	11	3901068-11	SEWUD	16,672	Distribution system expansion	2016	7,200	579,661	
200	6	3901068-12	SEWUD	16,673	Water meter replacement	2016	1,100	580,761	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
66	14	3700876-01	Sheldon	116	Pump and control replacement	2016	175	580,936	
203	5	3800877-02	Sherwood	242	Watermain replacement	2016	406	581,342	
188	6	3800877-03	Sherwood	256	Watermain looping	2016	608	581,950	
43	17	1400879-02	Sheyenne	204	Watermain replacement	2016	3,000	584,950	
29	18	4701303-05	SRWD	3,048	Treated water reservoir, booster station, watermain and WTP improvements	2016	16,600	601,550	
80	13	4701303-06	SRWD	5,000	Reservoir expansion, water tower, pipeline improvements	2016	5,881	607,431	
7	25	4000854-02	St. John	341	Well rehabilitation and transmission main replacement	2016	375	607,806	20 yr
20	20	1501310-02	State Line WC	386	Water tower replacement, system maintenance	2016	222	608,028	
32	18	4700922-01	Streeter	170	Watermain replacement	2016	500	608,528	
33	18	4700922-02	Streeter	170	WTP improvements	2016	500	609,028	
22	20	4700922-03	Streeter	170	New well	2016	500	609,528	
54	15	5200927-01	Sykeston	117	Watermain replacement	2016	2,400	611,928	
68	14	3201072-03	TCWD	2,475	WTP rehabilitation and expansion, Phase II	2016	1,399	613,327	
128	10	5300936-01	Tioga	1,600	Watermain replacement (Welo St, 3rd St, 6th St)	2016	2,061	615,388	
129	10	5300936-02	Tioga	1,600	Watermain replacement (Simons Addition)	2016	892	616,280	
130	10	5300936-03	Tioga	1,600	Watermain replacement (S Main St)	2016	398	616,678	
153	9	0900945-01	Tower City	253	Water tower rehabilitation	2016	250	616,928	
85	13	0900945-02	Tower City	253	Watermain replacement	2016	2,000	618,928	
207	5	4901071-02	Traill RWD	2,800	Mayville and Hillsboro treatment capacity	2016	1,650	620,578	
44	17	2800949-01	Turtle Lake	581	Water tower replacement	2016	3,025	623,603	
99	12	2300969-01	Verona	85	Watermain and water meter replacement	2016	515	624,118	
75	13	2300969-02	Verona	85	Water reservoir and pump house replacement	2016	300	624,418	
135	10	3900973-03	Wahpeton	7,766	Lime storage, slaker additions & misc WTP improvements	2017	1,373	625,791	
147	9	3900973-04	Wahpeton	7,766	Watermain replacement and looping	2017	440	626,231	
38	17	5001075-03	Walsh RWD	3,404	Distribution system upgrade	2016	2,543	628,774	
191	6	2700990-02	Watford City	2,566	Looping and transmission main project	2017	6,658	635,432	
211	4	2700990-03	Watford City	2,556	Fox Hills water tower	2017	2,587	638,019	
192	6	2700990-04	Watford City	2,566	New water tower (SE)	2017	4,003	642,022	
217	2	0900999-03	West Fargo	28,500	South side water tower	2016	2,334	644,356	
156	8	5101447-01	West River WD	625	Service line replacement (from water main to curb stop)	2016	468	644,824	
204	5	0501001-02	Westhope	429	Watermain replacement	2016	456	645,280	
183	7	3101775-01	White Earth	98	Distribution improvements (new system)	2016	2,500	647,780	
213	4	5301012-06	Williston	30,000	4 MG of storage on reservoirs	2017	6,500	654,280	
218	2	5301012-07	Williston	30,000	Distribution improvements (Hi-Land Heights)	2016	5,087	659,367	
219	1	5301012-09	Williston	30,000	Distribution improvements (Wegley)	2016	1,415	660,782	
95	12	0801031-01	Wilton	750	Watermain replacement	2016	818	661,600	
28	19	0801036-01	Wing	160	Water storage rehabilitation	2016	1,000	662,600	
215	3	5301079-02	WRWD	8,800	Transmission Main	2017	6,190	668,790	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
58	15	3901043-01	Wyndmere	429	Watermain looping	2017	487	669,277	
73	14	2601055-01	Zeeland	141	Water meter replacement	2016	200	669,477	

(1) - It is unknown at this time if mandatory additional subsidization will apply to the 2016 DWSRF allotment. To address this potential requirement, a funding level of \$1,800,000 has been assumed for additional subsidization (as loan forgiveness). Adjustments will be made, as necessary, based on the actual requirements and capitalization grant amount.

(2) - These projects appear eligible for 75% loan forgiveness with a cap of \$1,250,000 of loan forgiveness. The actual loan forgiveness amount is dependant upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.

(3) - Estimated length of the loan term only. The loan term will be set at the time of facility plan approval.

#### **Abbreviations**

SCADA = Supervisory Control and Data Acquisition

MG = Million Gallons

RWD = Rural Water District

WC = Water Company

WD = Water District

WTP = Water Treatment Plant

ASWUD = All Seasons Water User District

CRW = Cass Rural Water

NPRWD = North Prairie Rural 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

NEWD = Northeast Regional 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, 2015**

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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.

<u>CATEGORY</u>	<u>POINTS</u>
1. Water Quality - Select All That Apply (Maximum Points Limited to 35) <sup>1,3</sup>	
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 ( <u>includes</u> at least one event where the maximum allowed turbidity was exceeded)	8
E. Multiple turbidity TTR violations within last 2 years ( <u>no</u> events where the maximum allowed turbidity was exceeded), OR 3 or more <u>non-acute</u> microbiological MCL violations within last 12 months	7
F. MCL or TTR exceedance(s) ( <u>no</u> 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)<sup>2,3</sup>
- 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 10  
 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)
  - C. Correction of a serious water supply problem 7  
 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)
  - D. Correction of a moderate water supply problem 4  
 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)
  - E. Correction of a minor water supply problem 2  
 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)
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)<sup>2</sup>
- 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

<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> 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<sub>4</sub>)

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 9/30/2015	Transferred To Loan Fund	Expended Through 9/30/2015	Balance Available as of 9/30/2015	Planned Set-Asides For 2016	Total Set-Aside Funds Available 2016	Reserved Through 2015	Reserved From 2016 Allotment	Total Reserved Through 2016
4% Administration	7,072,684	0	6,947,130	125,554	360,000	485,554	0	0	0
10% State Program Assistance									
PWSS Supervision	2,370,000	0	981,016	1,388,984	500,000	1,888,984	763,200	400,000	1,163,200
Source Water Protection									
Capacity Development									
Operator Certification									
2% Small System Technical Assistance	2,804,332	0	2,535,832	268,500	165,000	433,500	93,640	15,000	108,640
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
<b>Totals</b>	<b>13,502,896</b>	<b>820,612</b>	<b>10,899,246</b>	<b>1,783,038</b>	<b>1,025,000</b>	<b>2,808,038</b>	<b>856,840</b>	<b>415,000</b>	<b>1,271,840</b>

Fee Type	Collected Through 9/30/15	Transferred to Loan Fund	Expended Through 09/30/15	Balance Available 09/30/15	Projected Funds 01/01/16 - 12/31/16	Total Funds Available Through 12/31/16	Total Funds Held Through 12/31/16
Loan Fee	8,083,967	0	1,516,192	6,567,775	885,849	8,969,816	7,453,624

(1) The set-aside amounts are based on percentages (4%, 2%, or 10%) of the respective federal DWSRF allotments. The FY 1997 through 2015 allotments have been awarded. The anticipated allotment for FY 2016 is \$9,000,000. The FY 2016 allotment will be applied for by July 1, 2016. The loan fee amounts reflect loans approved up to September 30, 2015. 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**

<b>Year</b>	<b>Transaction Description</b>	<b>Banked Transfer Ceiling</b>	<b>Transferred from DWSRF to CWSRF</b>	<b>Transferred from CWSRF to DWSRF</b>	<b>DWSRF Funds Available for Transfer</b>	<b>CWSRF Funds Available for Transfer</b>
1998	DW Grant	4.1			4.1	4.1
1998	DW Grant	6.5			6.5	6.5
2000	DW Grant	9.0			9.0	9.0
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	16.7	10.0	3.0	9.7	23.8
2003	DW Grant	19.4			12.4	26.4
2003	Transfer	19.4	0	5.9	18.3	20.5
2004	DW Grant	22.1			21.0	23.2
2004	Transfer	22.1	0	2.6	23.7	20.6
2005	DW Grant	24.9			26.4	23.3
2005	Transfer	24.9	0	0.1	26.5	23.2
2006	DW Grant	27.6			29.2	25.9
2006	Transfer	27.6	0	1.5	30.8	24.4
2007	DW Grant	30.3			33.5	27.1
2007	Transfer	30.3	0	4.9	38.3	22.2
2008	DW Grant	33.0			41.0	24.9
2008	Transfer	33.0	0	3.0	44.1	21.9
2009	DW Grant	35.7			46.8	24.6
ARRA	DW Grant	42.1			53.2	31.0
ARRA	Transfer	42.1	0	2.6	55.8	28.4
2009	Transfer	42.1	0	0.7	56.5	27.7
2010	DW Grant	46.6			61.0	32.2
2010	Transfer	46.6	0	0.8	61.8	31.4
2011	DW Grant	49.7			64.9	34.5
2012	DW Grant	52.7			67.8	37.5
2013	DW Grant	55.4			70.6	40.3
2014	DW Grant	58.3			73.5	43.2
2015	DW Grant	61.2			76.4	46.1
2015	Transfer	61.2	19.6	0	56.8	65.7
2016	DW Grant	64.2			59.8	68.6
2016	Transfer	64.2	1.0	0	58.8	69.6

**Attachment 6**  
**Sources and Uses Table**  
**North Dakota Drinking Water State Revolving Loan Fund Program**  
**Cumulative Amounts as of September 30, 2015**

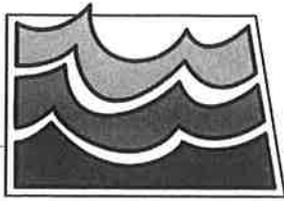
SOURCES	
Federal Capitalization Grants	179,870,761
State Match	46,432,137
Transfers from CWSRF	25,177,672
Net Leveraged Bonds	103,941,728
Investment Earnings	39,912,356
Interest Payments	40,835,558
Principal Repayments	120,988,172
<b>TOTAL SOURCES OF FUNDS</b>	<b><u>557,158,384</u></b>

USES	
4% Administration	7,072,684
2% SSTA	2,804,332
10% DW Program Set-Aside	2,370,000
15% Local Asst. Set-Aside	435,268
Transfers to CWSRF	29,593,299
Reserves	6,953,332
Bond Principal Repayments	39,576,698
Bond Interest Expense	38,476,573
Arbitrage	763,211
Closed Agreements	422,164,799
Loans Approved by Industrial Commission	3,549,000
<b>TOTAL USES OF FUNDS</b>	<b><u>553,759,196</u></b>

DWSRF Funds Available for Projects in 2016 \$3,399,188

ANNUAL SOURCES FOR 2016	
FY16 Capitalization Grant	9,000,000.00
Set-asides taken from FY16 Capitalization Grant	(1,025,000.00)
State Match (if applicable)	
Leveraged Bonds (if applicable)	
Transfers with CW +/- (if applicable)	(1,000,000.00)
<b>Total New 2016 Funds</b>	<b><u>\$6,975,000</u></b>
<b>TOTAL DWSRF FUNDS AVAILABLE FOR 2016</b>	<b><u>\$10,374,188</u></b>
<b>TOTAL DWSRF PROJECTS ON FUNDABLE LIST</b>	<b><u>\$10,374,188</u></b>
<b>AVAILABLE FUNDS</b>	<b><u>\$0</u></b>

December 11, 2015



# North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850  
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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** Todd Sando, P.E., Chief Engineer - Secretary  
**SUBJECT:** SWPP Project Update  
**DATE:** November 24, 2015

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

#### **Center SA Rural Distribution System 7-9E & 7-9F:**

The State Water Commission (SWC) awarded Contract 7-9F to Eatherly Constructors, Inc. at its October 7, 2013 meeting. This contract initially consisted of 250 miles of 8" -1½" PVC pipe serving 341 rural water customers. The contractor mobilized to the site during the week of April 27, 2015, to begin construction for the 2015 construction season, and as of end of October, has completed installation of approximately 186 miles of pipeline and 331 users. The contractor has turned over 332 users for service as of the date of this memo. Eleven change orders have been signed by all parties to date, which added 53 additional users and 31 more miles of pipeline to the contract. The substantial completion date including modifications through Change Order No. 11 is August 11, 2016.

Contract 7-9E is the west Center SA rural distribution system. This contract includes furnishing and installing approximately 267 miles of 6"-1 ½ " ASTM D2241 gasketed joint pipe; 251 services; road crossings; connections to existing pipelines and other related appurtenances. The SWC awarded this contract to Swanberg Construction, Valley City, North Dakota at its May 29, 2014 meeting. For the 2015 construction season, the contractor mobilized to the site on April 8, 2015 and has completed installation of approximately 187 miles of pipeline and 161 users. The contractor has turned over 119 users as of the date of this memo. The 54 users within the intermediate completion area were turned over to SWA on August 13, 2015. The contractor has requested a 27-day extension to the intermediate and substantial completion date to account for rain days and delays caused by extended load restrictions. Their request is under review. The contractor has also requested that 41 users be removed from the substantial completion date because of delays caused by easement acquisitions. Swanberg Construction is the Contractor on Contract 7-9G, Bid Schedule 1 and they were allowed to delay the start of construction of Contract 7-9G, Bid Schedule 1. Contract 7-9G, Bid Schedule 1 has an intermediate completion date of November 1, 2015 for installation of 37 miles of pipeline and 32 users. Contract 7-9G, Bid Schedule 1's intermediate completion will be removed, and that many users will be added to Contract 7-9E's substantial completion date. To date, eight change orders have been signed by all parties, which added 49 users and 23 miles of pipeline. The substantial completion date, including modifications through Change Order No. 8, is July 21, 2016.

JACK DALRYMPLE, GOVERNOR  
CHAIRMAN

TODD SANDO, P.E.  
CHIEF ENGINEER AND SECRETARY

**Contract 7-9G Halliday and Dunn Center Service Area:**

This contract includes furnishing and installing approximately 330 miles of 6"-1 ½ " ASTM D2241 gasketed joint pipe; 395 services; road crossings; connections to existing pipelines and other related appurtenances. The project is located in Mercer and Dunn Counties of North Dakota.

The contract has two Bid Schedules. The SWC awarded Bid Schedule 1 to Swanberg Construction Inc., and Bid Schedule 2 to Northern Improvement Company at its March 11, 2015 meeting.

Bid Schedule 1 consists of furnishing and installing approximately 170 miles of 6" – 1 ½ " ASTM D2241 PVC gasketed joint pipe and 171 services. The area is east of Halliday. Bid Schedule 1 has an Intermediate Completion Date of November 1, 2015 for a portion identified as "Intermediate Completion Area" on the drawings. This area includes approximately 37 miles of pipe and 32 services. The substantial completion date for Bid Schedule 1 is August 1, 2016.

Bid Schedule 2 consists of furnishing and installing approximately 160 miles of 6" – 1 ½ " ASTM D2241 PVC gasketed joint pipe and 224 services. The area is west of Halliday. The substantial completion date for Bid Schedule 2 is September 15, 2016.

The preconstruction conference for Bid Schedule 2 was held on June 17, 2015, and the contractor started construction on June 29, 2015. The contractor has completed installation of approximately 73 miles of pipeline and 130 users. To date, 8 change orders have been signed by all parties, which added 18 miles of pipeline and 31 additional users. The substantial completion date including modifications through Change Order No. 8 is November 28, 2016.

**Contract 2-8E/2-8F Dunn Center SA Main Transmission Line (MTL):**

Contract 2-8E is the MTL from the OMND WTP to a combination reservoir and booster station north of Halliday (Dunn Center booster station). This contract was substantially complete on December 4, 2014.

Contract 2-8F is the MTL west of Halliday to west of Killdeer. This contract involves furnishing and installing approximately 40 miles of 16"-6" PVC pipe, connections to existing pipelines, 2 prefabricated steel meter vaults, road crossings and related appurtenances. This contract has two intermediate completion dates. The first intermediate completion date was August 15, 2014 for Bid Schedule 1, which is from north of Halliday to the Dunn Center Elevated tank. The second intermediate completion date was November 15, 2014 for Bid Schedule 2A which will provide connections to the Cities of Dunn Center and Killdeer. The Bid Schedule 2B and the entire project was to be substantially complete on or before August 1, 2015, which included 2 prefabricated below grade booster pump stations and will enable the Killdeer Mountain, Grassy Butte and a portion of the Fairfield service areas to be served from the OMND WTP.

The Commission awarded Contract 2-8F to Carstensen Contracting, Inc. during its February 27, 2014 conference call meeting. Pipeline installation is complete. Bid Schedule 1, Bid Schedule

2A and Schedule 2B were turned over for service on March 13, 2015, April 29, 2015 and September 15, 2015 respectively. The contractor has requested time extensions for both contract 2-8E and 2-8F. The time extensions were based on weather conditions. Additional documentation on how weather conditions affected the production was requested.

**Contract 5-17 Dunn Center Elevated Reservoir:**

This contract includes furnishing and installing a 1,000,000 gallon elevated composite reservoir. The substantial completion date on this contract was August 15, 2014. The tank was turned over for service on August 13, 2015. The contractor signed the latest partial pay estimate protesting the liquidated damages withheld.

**Contract 8-3 Killdeer Mountain Elevated Reservoir:**

This contract includes furnishing and installing a 250,000-gallon elevated reservoir. This contract was bid on October 18, 2013. The SWC awarded this contract to Maguire Iron, Inc. of Sioux Falls, South Dakota at its December 13, 2013 meeting. The substantial completion date was October 1, 2014. The tank was considered substantially complete on November 23, 2014.

**OMND Water Treatment Plant (WTP) Phase II Expansion:**

The SWC awarded Contract 3-1H, OMND WTP Phase II expansion to Northern Plains Contracting, Inc., and Edling Electric, Inc. at its December 13, 2013 meeting. The preconstruction conference for Contract 3-1H was held on January 29, 2014. The substantial completion date on this contract was August 1, 2014. The contract was substantially complete on September 24, 2014. The completion was delayed because of the coordination involved with keeping the WTP operational.

**Contract 5-15A 1<sup>st</sup> Zap Potable Reservoir:**

The 1<sup>st</sup> Zap potable reservoir was considered substantially complete on October 31, 2011 and has been used since the OMND WTP became operational in May of 2012. A leak was observed in the underdrain discharge in October 2012. Because the tank could not be drained during peak water use season, the contractor performed a diving inspection in July 2013 and observed some cracks. The contractor was advised that the leak could be fixed as a warranty repair after the 2<sup>nd</sup> Zap reservoir came online. The 2<sup>nd</sup> Zap reservoir was substantially complete on October 25, 2014. On October 26, 2015, arrangements were made to drain the tank, and the contractor was onsite to begin repairs. The tank floor had settled by approximately 7 inches over a wide area generally on the south half of the tank. The contractor removed several of the floor panels the week of November 9, 2015 and placed additional gravel fill material in the areas of settlement. The floor panels were replaced, and a primer coat was applied to the damaged areas. The tank was rechlorinated on November 14, 2015. The contractor will return in Spring of 2016 to complete final coating repairs.

## **Other Contracts**

### **Contract 8-1A New Hradec Reservoir:**

This contract involves furnishing and installing a 296,000 gallon fusion powder coated bolted steel reservoir. The contract documents were executed on May 16, 2013, and the Notice to Proceed was issued on June 3, 2013. The substantial completion date on this contract was September 15, 2013. The tank was put into service on February 20, 2014. A partial pay estimate withholding \$207,750 was sent to the contractor. The contractor responded that he does not agree with the liquidated damages that are being assessed and will not sign the partial pay estimate. A pre-final inspection was conducted the week of September 8, 2014 and again on December 9, 2014, and a punch list of remaining items was forwarded to the contractor. The contractor has attempted to work on the punch list items, but the work has not been accepted. We are aware of a lawsuit between the contractor and the tank subcontractor.

### **Contract 4-5 Finished Water Pumping Station (FWPS):**

This contract consists of the construction of a 60' by 85' reinforced concrete and precast concrete building and the installation of pumping, piping, mechanical, and electrical and instrumentation systems. On October 15, 2015 the milestone completion was achieved. The FWSP was able to serve the SWPP and the City of Dickinson on October 15, 2015. The contract specified August 15, 2015 as the milestone completion date. To date, we have granted 21-day extension and the contractor is working on providing more documentation for the delays.

The contractor is currently working on the tie-in to the 6 Million-Gallon reservoir, and the reservoir is expected to be back in service in early December.

### **Contract 1-2A Supplemental Raw Water Intake:**

The first section of the intake pipe was lowered on July 15, 2015. Through August 6, 2015 the tunnel drive had progressed approximately 955 feet. Since then the contractor encountered multiple issues with the shaft seal and intermediate jacking stations. Because of the issues, the tunnel has not progressed well. As of August 25, 2015 the total tunnel length was 982 feet. The tunneling operation resumed on October 5, 2015. Through October 31, 2015 tunneling had proceeded to approximately 1786 feet.

In the early morning of November 1, 2015 the contractor's employees heard a loud pop noise and noticed uncontrolled flow of sand and water entering the pipe from approximately 40-50 feet from the caisson end of the pipe. The water and sand flowed out from the pipe and into the caisson shaft, and the employees quickly evacuated the caisson shaft as the water and sand level began to rise. The contractor sent a letter on November 2, 2015 informing the engineer about the situation and indicated that sand and water had flooded the shaft to a depth of about 15 feet with the bottom 12 feet being fairly dense sand. The water was initially rising at the rate of 3 feet/day and at the time of this writing is rising at approximately a foot/week.

The contractor mobilized a drilling crew and drilled 8 holes on November 6, 2015. On November 9, 2015 the contractor injected a cement – sand grout to fill the voids. The drill holes took approximately 60 cubic yards of grout. Since the calculated volume of material in the pipe

and the shaft exceeds the pumped in grout by several times, additional boreholes along the pipe alignment were suggested to the contractor. The contractor drilled additional 8 boreholes and pumped additional 50 cubic yards of grout.

A conference call was held with the contractor to discuss the possible options to move forward. The present location of the microtunnelling machine is beneath about 20' of water and about 67 feet of soil. Some of the options discussed for moving the project forward were horizontal directional drilling through the caisson shaft, tunneling with a new direction and at a higher elevation from the existing shaft, and installing a recovery shaft on the shoreline or near it to intercept the tunnel and then proceed in a new direction with another intake pipe. A meeting with the Army Corps of Engineers is currently being scheduled to discuss the options, as the project is located on USACE property.

**Contract 3-2 Six (6) MGD Water Treatment Plant at Dickinson:**

We have received concurrence from Garrison Diversion Conservancy District to award Section 1, General Construction to John T. Jones Construction Co., and Section II, Mechanical Construction to Williams Plumbing and Heating. Because of the bid protest letter received regarding John T. Jones bid, the Notice of Awards for both contracts were issued on November 23, 2015 at the end of the 60 day period after Bid opening allowed by the Contract Documents.

**Project Update**

**Contract 4-1F/4-2C Generator Upgrades:**

The scope of this contract includes relocating the existing 1000 kW generator at the Dodge pump station to the Dickinson Finished Water Pump Station and installing a new standby engine generator at the Dodge pump station. This contract also includes relocating the existing 1,500 kW generator at the Richardton Pump Station to the intake booster pump station and installing a new generator at the Richardton Pump Station. Advertising for bids is anticipated before end of November 2015.

**Contract 5-1A and 5-2A 2nd Dickinson and 2nd Richardton Reservoir:**

Work on the design of the raw water reservoirs has started.

**Raw Water Line Capacity Upgrade:**

We received the draft alignment memo for the parallel piping from the intake to zap reservoirs from Bartlett & West/AECOM, and it is currently under review.

TS:SSP:pdh/1736-99

December 11, 2015

**AMENDMENT #5 TO WATER SERVICE CONTRACT 1736-24  
BETWEEN THE CITY OF BELFIELD,  
SOUTHWEST WATER AUTHORITY  
AND THE STATE WATER COMMISSION**

The State of North Dakota, acting through the State Water Commission (Commission), the City of Belfield (City), and the Southwest Water Authority (Authority) amend Contract 1736-24, approved by the Commission on May 6, 1993, regarding water service for the City.

Replace **SECTION VI, PARAGRAPH 3** with:

C. Point of Delivery and Pressure.

1. Main Water Connection. The Main Water Connection for the City is at a point located at the north side of 6<sup>th</sup> Ave NE (Highway 10) in easement at the ditch and the alley of Block 6 O'Connor Addition.

2. Emergency Connection. The City will furnish an emergency connection at a point located at the intersection of 6<sup>th</sup> Ave E. and the alley of Block 2 O'Connor Addition. The connection must be metered, and City will pay the Municipal and Domestic water rates for such emergency connection as set forth in this Agreement. The Commission and Authority do not provide any guaranties or assurances relating to water capacity or pressure at the emergency connection, and all provisions of this Agreement limiting liability of the Commission or Authority remain in full force and effect regarding this emergency connection. Each use of this connection requires prior approval by Authority.

The Parties executed this Amendment on the date(s) specified below.

**ND STATE WATER COMMISSION**

By:

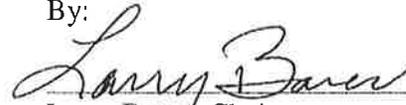


Todd Sando, Chief Engineer and Secretary

Date 12/15/15

**SOUTHWEST WATER AUTHORITY**

By:



Larry Barex, Chairman

Date 11-2-15

**CITY OF BELFIELD**

By:



Leo Schneider, Mayor, City Council

Date 10-14-15

**CITY OF BELFIELD**

By:



Natalie Muruato, City Auditor

Date 10/14/15

## **SOUTHWEST PIPELINE PROJECT CONTRACT FOR TRANSFER OF SERVICE AREA**

### **I. PARTIES**

This Agreement is between the Southwest Water Authority (the "Authority"), the North Dakota State Water Commission (the "Commission"), and the City of Killdeer (the "City").

### **II. INTRODUCTION**

1. The Commission is developing a water pipeline, water supply, and water distribution project known as the Southwest Pipeline Project (the "Project").
2. The Authority, created under North Dakota Century Code § 61-24.5, provides operation, maintenance, and management of the Project.
3. In 1995, the Commission entered into an agreement with the Authority assigning to the Authority the completed portions of the Project for operation, maintenance, and management (the "1995 Agreement").
4. Under North Dakota Century Code § 61-24.5-09, the Authority may enter into contracts for aiding and promoting the construction, maintenance, and operation of the Project and to promote the establishment, construction, development, or operation of the Project.
6. The Project provides water service to certain property identified on the map attached hereto as **Appendix A**. The "Service Area" consists of all lands lying outside the "Rural Water Boundary" depicted on Appendix A.
7. Pursuant to N.D.C.C. § 6-09.4-22, the Authority claims the exclusive right to provide water service to the Service Area. The City has the exclusive right to serve the lands within the Rural Water Boundary.
8. The City has experienced significant growth in recent years. As the City continues to grow, the City desires to provide water service to customers and areas within the Authority's Service Area.

### **III. AGREEMENT**

The Authority and the City are in agreement with the following terms and provisions regarding the Transfer Area:

#### **1. Compensation:**

- A. Paid to the Authority

- a. For each Project customer within the Service Area who will be disconnected from the Project and served directly by the City, the City shall pay to the Authority the projected difference in revenue the Authority would receive over 10 years, with the future years' projected revenue indexed at 4%. The projected revenue is the difference between the revenue the Authority would receive if the Project provides water directly to the customer and the revenue if the Project sells water in bulk to the City. The current projected difference in revenue is \$2,224.47 per customer. The Authority shall adjust the projected difference in revenue for all existing direct customers annually based on the previous year's average usage for customers of the Project and based on the prevailing water rate at the time customers are disconnected from the Project, with future years' projected revenue indexed at 4%. Payment is due to the Authority within 6 months of the date upon which the customer is first served by the City.
  
- b. For future customers who tie in to City water infrastructure within the Service Area for which the Authority has capacity to serve, the City shall pay to the Authority the projected difference in revenue the Authority would receive over 5 years, with the future years' projected revenue indexed at 4%. The projected revenue is the difference between the revenue the Authority would receive if the Project provides water directly to the customer and the revenue if the Project sells water in bulk to the City. The current projected difference in revenue is \$1,003.53 per customer. The Authority shall adjust the projected difference in revenue annually based on the previous year's average usage for customers of the Project and based on the prevailing water rate at the time customers are served by the City, with future projected revenue indexed at 4%. Payment is due to the Authority within 6 months of the date upon which the customer is first served by the City.

The capacity of the Authority to serve the future customers shall be determined by agreement of the City and the Authority, on a case-by-case basis, at the time the City annexes or makes water service available to any portion of the Service Area. In order to have capacity to serve any disputed area, the Authority must have water infrastructure within or in close proximity to the disputed area and must be capable of providing water service to the disputed area within a reasonable time after a request for service occurs.

- c. In addition to the compensation described above, the City will reimburse the Authority for all costs incurred by the Authority as a result of transferring service from the Authority to the City, including construction costs for relocation or abandonment of the Project pipeline, facilities, or appurtenances (collectively, "Project works") and engineering and legal fees.

**B. Paid to the Commission**

- a. For each Project customer within the Service Area who were disconnected from the Project and are now served directly by the City, the City shall pay to the

Commission the difference in capital repayment rate between the rural customers and contract rate customers for a period of 5 years. The capital repayment rate for rural customers is included in the monthly minimum. For a contract customer like the City, the current capital repayment rate is based on actual usage. The Commission and the Authority set the capital repayment rate. The City shall pay to the Commission \$1,780.56 per customer within 6 months of execution of this Agreement. To date, 0 customers have been disconnected from the Project and are now served by the City.

- b. For each Project customer within the Service Area who will be disconnected from the Project and served directly by the City, the City shall pay to the Commission the difference in capital repayment rate between the rural customers and contract rate customers for a period of 5 years. The capital repayment rate that will be used for determining the compensation will be prevailing rate at the time the customers are disconnected from the Project. Payment is due to the Commission within 6 months of the date upon which the City first serves the customer.

## **2. Procedure:**

- a. For all instances in which the City intends on providing service to any of the Authority's current customers in the Transfer Area:
  - i. The City shall notify all Project customers who will be transferred to City water service in writing at least 14 days prior to the date of transfer of service.
  - ii. The City must provide a Notice of Transfer of Service, via certified mail, to the Authority at least 14 days prior to the date of transfer of service.
  - iii. The Notice of Transfer of Service must describe the Project's customer whom the City intends on serving and the date of transfer of service to the City. The transfer of service must take place on the date of transfer of service as provided in the Notice of Transfer of Service received by the Authority.
  - iv. From the date of transfer of service forward, the City shall be responsible to provide water service to the customer.

## **3. Construction requirements:**

- a. Upon written permission of the Authority and the Commission, the City may use abandoned Project works.
- b. Should removing abandoned Project works be necessary, the City shall use due caution in removing abandoned Project works, namely valves, curb stops, and meter pits, and shall return said works to the Authority.

- c. In accordance with N.D.C.C. § 61-24.3-20, crossing permits are required should the City be required to cross any of the Project's water lines.
- d. The City shall adequately protect the Project works, and the City shall cover Project works sufficiently to prevent them from freezing.
- e. All easements in favor of the Authority or the Commission shall remain in full force and effect (even for those easements for abandoned Project works) until the Authority or the Commission, as applicable, explicitly vacates any such easement in writing.

#### 4. **General Provisions:**

- a. Liability. The City will indemnify and hold harmless the Authority and the Commission against all claims, demands, or causes of action brought as a result of the Authority or the Commission waiving its right to provide water service or the result of entering into this Agreement. The Authority will indemnify and hold harmless the City from all claims arising from or relating to this Agreement caused by a negligent act or omission of the Authority and resulting in bodily injury, sickness, disease, or death, or damage to tangible property. A party's total liability for claims based on its negligence shall not exceed the percentage share that the party's negligence bears to the total negligence of all entities.
- b. Term. This Agreement shall remain in effect for 40 years after the date of execution of this Agreement.
- c. Notice. All notices required under this Agreement must be given in person, by mail at the address shown on the signature page of this Agreement, by electronic mail, or by facsimile. Notice provided under this provision does not meet the notice requirements for monetary claims against the Commission found at N.D.C.C § 32-12.2-04.
- d. Severability. Whenever possible, each provision of this Agreement shall be interpreted as effective and valid under applicable law. The determination by any court of competent jurisdiction that any provision of this Agreement is unenforceable shall not invalidate this Agreement, and the decision of such court shall limit to the extent possible the provisions of this Agreement that are deemed unenforceable. To the extent such determination has a material impact upon the economic expectations of the parties, the parties agree to make appropriate modifications to this Agreement to take such impact into account.
- e. Merger. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified,

supplemented, or amended in any manner except by written agreement signed by each party to this Agreement.

- f. Construction. Section headings contained in this Agreement are for convenient reference only and shall not affect the meaning or interpretation of this Agreement. The language used in the Agreement will be deemed the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any person.
- g. Remedy. The use of any remedy specified herein to enforce this Agreement is not exclusive and does not prohibit or limit the application of any other remedy available by law.
- h. Attorney Fees. In the event a lawsuit is initiated by the Authority or the Commission to obtain performance due under this Agreement and the Authority or the Commission is the prevailing party, the City shall pay the Authority's or the Commission's reasonable attorney fees and costs in connection with the lawsuit.
- i. Assignment. The City may not assign, transfer, or delegate any right or duty without the express written consent of the Commission and the Authority.
- j. Venue and Jurisdiction. This Agreement is governed by and construed in accordance with the laws of the state of North Dakota. Any action to enforce this Agreement must be brought in the District Court of Burleigh County, North Dakota. However, this paragraph shall not restrict the Authority from bringing any claim involving a federal question in federal court.

**STATE WATER COMMISSION**

900 East Boulevard Avenue  
Bismarck, ND 58505

By:



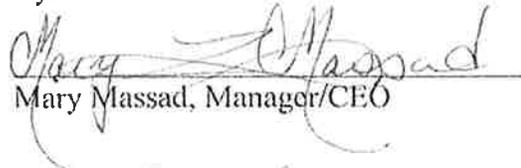
Todd Sando, Chief Engineer and Secretary

Date 12/15/15

**SOUTHWEST WATER AUTHORITY**

4665 2<sup>nd</sup> Street SW  
Dickinson, ND 58601-7231

By:

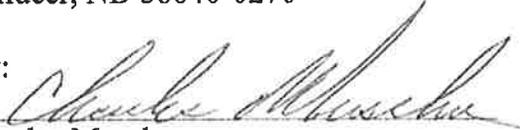


Mary Massad, Manager/CEO

Date November 16, 2015

**CITY OF KILLDEER**  
PO Box 270  
Killdeer, ND 58640-0270

By:

  
Charles Muscha  
President, Board of City Commissioners

Date 11-2-15

**CITY OF KILLDEER**

By:

  
Dawn Marquardt  
City Administrator

Date 11-2-15



# 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:** *TSD* Todd Sando, P.E., Chief Engineer-Secretary  
**SUBJECT:** NAWS – Project Update  
**DATE:** November 24, 2015

### Supplemental EIS

Reclamation issued the Record of Decision for the Final Supplemental Environmental Impact Statement (FSEIS) for the Northwest Area Water Supply on August 21, 2015. Reclamation received seven comment letters on the FSEIS, which along with point-by-point responses were included as an appendix to the Record of Decision. The Preferred Alternative includes a supply from the Missouri River (Lake Sakakawea) with an intake at Snake Creek Pumping Station along with a conventional treatment option for the Biota Water Treatment Plant near Max. This level of treatment includes five treatment processes versus two from the draft SEIS and the initial Environmental Assessment. Although all biota treatment options were considered sufficient by Reclamation, the conventional treatment option was chosen to address drinking water issues raised by the EPA.

### Manitoba & Missouri Lawsuit

Upon completion of the SEIS and issuance of the Record of Decision, the Court will be notified of the completion of the NEPA process, and a briefing schedule will likely be requested at that time. Our legal counsel has been discussing the filing schedule with the litigation attorneys for the Department of Justice and the Department of the Interior.

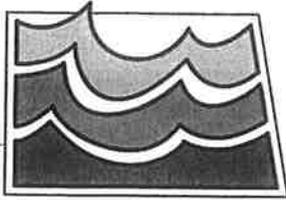
A joint status update was provided to the Federal Court on June 22, 2015 stating a Record of Decision was anticipated shortly. In the previous update in March, we provided notice to the Court that there will likely be some work performed at the High Service Pump Station to ensure and enhance the ability of the facility to meet its intended purpose. The court had previously been notified of maintenance activity necessary at the Minot Water Treatment Plant to ensure its continued operation focused primarily on the lime storage, handling, and softening facilities. Preliminary design work is nearing completion.

### NAWS High Service Pump Station

A pre-construction conference for Contract 4-2A-1 was held September 2, 2015. This contract will include furnishing and installing a 125 hp ‘Jockey’ pump to compliment the existing 350 hp pumps and maintenance work in the pump station.

TSS:TJF /237-04

December 11, 2015



# North Dakota State Water Commission

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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** Todd Sando, P.E., Chief Engineer–Secretary  
**SUBJECT:** Mouse River Enhanced Flood Control Project Status Report  
**DATE:** November 24, 2015

### Design of Urban Components

Phase I design is making good progress. There were some complications coordinating with the replacement of the Broadway viaduct, but those have been resolved. Phase I is a flood wall, and with it in place local drainage from the north would be blocked. The full plan includes a pump station to deal with this, but it was not included in the phase. The Souris River Joint Board is requesting funding to add design of this feature to Phase I. This will be discussed in a separate memo. There are no existing federal works in the Phase I zone, so this work will require no 408 permits.

Phase II and III design work is proceeding concurrently with work on the Environmental Impact Statement, all in close coordination with the Corps of Engineers. As expected, this is a complex process. For some discharges and conditions, downstream impacts have been identified, and means to address them are under way. Due to the difficulty in predicting what this work would entail, costs are being carefully monitored in case additional funding is necessary.

The target for beginning construction is still 2017, however, the uncertainties in the environmental and permitting process will make this challenging.

### Rural

The Souris River Joint Board has proposed a StARR (Structure Acquisition, Relocation or Ring Dike) program to help rural residents affected by flooding. This program is the focus of a Silver Jackets project to collect location, elevation, and other basic data on properties which may be involved. The St. Paul District Corps of Engineers had survey crews in the area last summer, and their surveys are complete. The Joint Board is awaiting their report. This program may be effective in addressing some of the impacts mentioned above. Other measures (including structural) may be required. This would require the Joint Board to revisit their proposed development plan, not necessarily to change its sequence but to add detail in addressing rural elements.

### Plan of Study Review Committee

The IJC Plan of Study has not yet received any action at the level of the federal governments. In the mean time, the International Souris River Board has been actively investigating, to the extent it can, what can be done to move forward. At the same time, the members of the Board, particularly North Dakota and Saskatchewan, have been moving forward with necessary work. In North Dakota studies in hydrology and hydraulics of the basin, mostly related to the Mouse

Mouse River Enhanced Flood Control Project Status Report Memo

Page 2

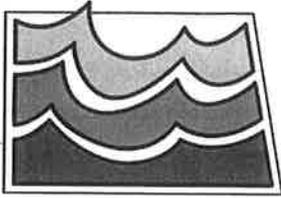
November 24, 2015

River Enhanced Flood Protection Project, have been completed. In Saskatchewan the work has been based on development of reservoir regulation manuals, which includes studies on hydrology of the reservoirs and extreme event hydrology.

Much of this work fills requirements of the Plan of Study. What has been missing so far is a group representing the ISRB which can accept, reject, or propose modifications to this work for use in the process. The ISRB has created a committee to address this need. It is directed to review the Plan of Study to identify which tasks are already completed and which remain needed; inventory the completed works; and accept, reject, or recommend modification to them.

This committee will meet by conference call in December, and in person in January.

TSS:JTF:pdh/1974



# North Dakota State Water Commission

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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** *TSD* Todd Sando, P.E., Chief Engineer/Secretary  
**SUBJECT:** Devils Lake – Outlets and Hydrologic Update  
**DATE:** November 23, 2015

### Hydrologic Update

The current Devils Lake water surface elevation is at 1450.1 ft-msl. The lake is 1.5 feet lower than it was last year at this time. The total volume of the lake is 3.39 million ac-ft. and total area is 164,000 acres. Annual inflow will be estimated at the time of the meeting for 2015.

### Outlets

The west end outlet was started on April 23<sup>rd</sup> and, the east end outlet was started on May 14<sup>th</sup>. Both operated until November 9<sup>th</sup> when the pumps were shut off for the season. Both Outlets were shutdown from May 17<sup>th</sup> to May 26<sup>th</sup> due to high stream flows in the Sheyenne River. The east end discharges were reduced September thru November because of water quality constraints. Below is a summary of monthly and total volume pumped from the outlets for 2015.

Month in 2015	Volume - West End	Volume – East End	Volume - Combined
---	Acre-Feet	Acre-Feet	Acre-Feet
April	3,559	0	3,559
May	9,268	2,233	11,500
June	9,775	13,388	23,163
July	12,594	21,092	33,686
August	13,877	18,067	31,943
September	15,239	18,076	33,315
October	15,216	12,427	27,643
November	4,038	2,387	6,425
Totals	83,565	87,670	171,234

The total volume of 171,234 acre-feet corresponds to 12 inches of depth off the lake at its current elevation.

Winter maintenance and repairs are ongoing at the outlets. The west end standpipes have performed well and show no damage after the second season since being repaired. Some riprap is being added to the open canal at areas of erosion. East end work is continuing to repair damage to the rock filter structure and also the sheetpiling at the intake structure. One screen was damaged from the wind when wave action caused a tree to puncture a small hole; the screen has been removed and is being repaired to its original design.

JK:ph/416

JACK DALRYMPLE, GOVERNOR  
CHAIRMAN

TODD SANDO, P.E.  
CHIEF ENGINEER AND SECRETARY



# North Dakota State Water Commission

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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** *TSD* Todd Sando, P.E., Chief Engineer/Secretary  
**SUBJECT:** Missouri River Update  
**DATE:** November 20, 2015

### **System/Reservoir Status**

System volume on November 20 in the six mainstem reservoirs was 57.4 million acre-feet (MAF), 1.3 MAF above the base of flood control. This is 3.0 MAF above the average system volume for the end of November, and 6.3 MAF more than last year.

On November 20, Lake Sakakawea was at an elevation of 1840.8 feet msl, 3.3 feet above the base of flood control. This is 0.6 feet lower than a year ago and 5.7 feet above 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.

On November 20, the elevation of Lake Oahe was 1609.0 feet msl, 1.5 feet above the base of flood control. This is 0.8 feet higher than last year and 10.1 feet higher than the average end of November elevation. The minimum end of November elevation was 1573.2 feet msl in 2006, and the maximum end of November elevation was 1612.4 feet msl in 1997.

On November 20, the elevation of Fort Peck was 2234.7 feet msl, 0.7 feet above the base of flood control. This is 1.7 feet higher than a year ago and 4.4 feet higher than the average end of November elevation. The minimum end of November elevation was 2199.9 feet msl in 2004, and the maximum end of November elevation was 2246.3 feet msl in 1978.

Releases from Garrison Dam are currently about 12,500 cfs. During freeze-in, it is normal for the river stage to increase, and releases may be decreased during this period to reduce the risk of ice induced flooding. December releases from Garrison Dam are forecasted to be 15,000 cfs, and then 17,000 cfs in January, followed by 18,000 cfs in February. The winter release rate from Gavins Point Dam will be at least 17,000 cfs.

### **El Nino Winter Outlook**

According to the National Weather Service, this year's El Nino is among the strongest on record. It is predicted that the general trend this winter will include above-normal temperatures in much of the Missouri River Basin region, especially across the northern part of the basin, and reduced snowpack in the northern Rockies and plains.

### **Annual Operating Plan**

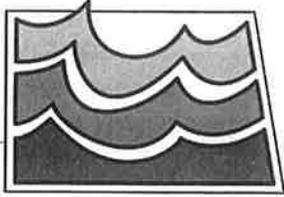
The fall draft Annual Operating Plan public meeting in Bismarck was held at the Civic Center on October 28. The State Engineer provided comments, which are attached to this memo. The public comment period closed on November 20.

### **Missouri River Recovery Implementation Committee (MRRIC)**

In Section 5018 of the 2007 Water Resources Development Act (WRDA) Congress authorized the Missouri River Recovery Implementation Committee (MRRIC). The Committee is to make recommendations and provide guidance on activities resulting from the Missouri River Recovery Program (MRRP). The Committee was established in 2008. MRRIC has nearly 70 members representing local, state, tribal, and federal interests throughout the Missouri River Basin.

The Corps is currently engaged in the process of preparing the Missouri River Recovery Management Plan and Environmental Impact Statement (MRRMP and EIS). This process involves the development of a range of alternatives for the purposes of assisting the recovery of species on the Missouri River protected under the Endangered Species Act, specifically the threatened piping plover and endangered least tern and pallid sturgeon. One of the goals of the MRRMP and EIS is to incorporate Adaptive Management into the Corps' Missouri River Recovery Program. The Corps is developing the MRRMP and EIS in collaboration with the U.S. Fish and Wildlife Service and the MRRIC.

The MRRIC met in Rapid City, SD on November 17 to 19, where the Corps discussed the six alternatives to be evaluated in the draft EIS. Four of the six proposed alternatives include actions outside the constraints of the current Master Manual. Actions outside the Master Manual include fall or spring pulses for the creation of emergent sandbar habitat, low nesting season flows, and a couple variations of the pallid sturgeon spawning cue pulse. The draft EIS is scheduled to be released for public review in December 2016.



# North Dakota State Water Commission

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## Missouri River AOP Meeting

**Craig Odenbach, Director, Water Development Division  
North Dakota State Water Commission**

**October 28, 2015, 6pm  
Bismarck Event Center**

Good evening, my name is Craig Odenbach. I am the Director of Water Development for the State Water Commission. On behalf of the State Water Commission, welcome to North Dakota.

The operating plan does not recognize the current flood stage at Bismarck. Open water and ice jam induced flooding are concerns on the Missouri River. Although ice-induced flooding can occur anywhere along the Missouri River in North Dakota, there is heightened concern in the Bismarck-Mandan area. One location of particular concern is the confluence of the Heart and Missouri Rivers. Since the 2011 flood, sediment has accumulated just downstream of the mouth of the Heart River reducing conveyance and increasing the risk of ice-induced flooding. The AOP specifies that releases will be temporarily reduced to prevent ice-induced flooding during freeze-in followed by a gradual increase as conditions permit. The flood stage at the Missouri River at Bismarck stream gage station is 14.5 feet. In both the AOP and Master Manual, the Corps has indicated that they plan on preventing the exceedance of a stage of 13 feet. The Master Manual, however, was based on the flood stage at the Bismarck gage at 16 feet. Because the flood stage has been lowered 1.5 feet since the last update of the Master Manual, I recommend the operating plan be based on preventing the exceedance of a stage of 11.5 feet, rather than 13 feet. I also recommend

continued communication with other federal, state, and local entities during periods of freeze-in and ice-out to ensure awareness of rapidly changing conditions.

The AOP mentions the efforts of the Corps, US Fish and Wildlife Service, and MRRIC in the development of a new recovery plan that would incorporate adaptive management for the recovery of the listed species. At the last MRRIC meeting, the committee was informed that adaptive management could leave the Master Manual open to future changes at any time. Our understanding has always been that the new recovery plan would meet the criteria of the current Master Manual. The Corps has authority to capture and store flood waters that are released according to the guidance of the Master Manual. The river's natural flows that are not stored for later use, continue to flow through the reservoirs for beneficial use and control by the States and Tribes in the basin. The Corps does not have new authority to capture and regulate more of the States' and Tribes' water than is currently within the Master Manual. Let me be clear in saying that I oppose a recovery plan that leaves the Master Manual open to changes at any time, indefinitely.

The AOP refers to the Corps' collaboration with other federal, state, and local agencies when monitoring basin conditions, in particular plains snowpack. The AOP also states that the proposed Missouri River basin monitoring network was authorized by WRRDA 2014; however, funding was not provided, and progress has been limited. This is discouraging because basin conditions drive operation of the dams, and better monitoring would improve forecasts. Given the current funding status, I still urge the Corps to continue improving the basin monitoring program to the extent possible.

Finally, it has come to my attention that the term “surplus runoff” is in the operating plan. A search of previous AOP’s reveals that this term was first added in the 2009-2010 AOP, which coincides with “surplus water” becoming an issue. In the past, surplus water was not considered an AOP issue; however, from use of this term it appears the Corps is making it an AOP issue. It is not clear what “surplus runoff” means. If it is being used to imply that all runoff is stored and would be subject to storage contracts, this is a huge overreach. The use of the term “surplus runoff” must be removed from the operating plan.

I remind the Corps that the State of North Dakota is adamantly opposed to any effort by the Corps to claim control and storage of all water that flows through the reservoir boundaries. The authorizing legislation for the Flood Control Act of 1944 provided guidance that the use and control of water would remain under State control. While this State does recognize operations of the reservoirs as a federal function, the operations are not the capture of all water. There will be no federal charge or interference with our use of water that rightfully belongs to the people of our state. The basin states and tribes have a clear right to the use of the natural flow of the Missouri River without obligation to the federal government.

LCA/1392