

## MINUTES

### **North Dakota State Water Commission Bismarck, North Dakota August 11, 2022**

The ND State Water Commission (Commission or SWC) held a meeting in the Pioneer Room, State Capitol, 600 E. Boulevard Ave., Bismarck, ND, and via phone conference on August 11, 2022. Lt. Governor Sanford called the meeting to order at 1:04 p.m. A quorum was present.

#### **STATE WATER COMMISSION MEMBERS PRESENT:**

Lt. Governor Sanford, Acting Chairman (departed at 3:50 p.m.)  
Doug Goehring, Commissioner, ND Dept. of Agriculture  
Michael Anderson, Lower Red River Basin  
Richard Johnson, Vice-Chair, Devils Lake Basin  
James Odermann, Little Missouri, Upper Heart, and Upper Cannonball River Basins  
Connie Ova, James River Basin  
Gene Veeder, Upper Missouri River Basin  
Jay Volk, Lower Missouri River Basin  
April Walker, Upper Red River Basin (via phone)

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

Jason Zimmerman, Mouse River Basin

#### **OTHERS PRESENT:**

Andrea Travnicek, Ph.D., Director, ND Dept. of Water Resources (DWR) and Commission Secretary  
John Paczkowski, DWR State Engineer  
DWR Staff  
Jennifer Verleger, General Counsel, Attorney General's Office  
Approximately 100 people present online and in person.

### CONSIDERATION OF AGENDA

The agenda for the August 11, 2022, Commission meeting was approved as presented.

### CONSIDERATION OF DRAFT MEETING MINUTES

**It was moved by Commissioner Volk, seconded by Commissioner Veeder, and carried on a voice vote that the minutes of the June 7, 2022, Commission meeting, and July 14, 2022, Pre-Commission meeting, be approved as written.**

### COMMISSION SECRETARY UPDATE

Andrea Travnicek, DWR Director and Commission Secretary, reminded sponsors and the general public that the SWC Draft Cost-Share Policy and Prioritization Guidance public comment period ends August 15, 2022. The public comment period for proposed amendments to the Administrative Rules ends August 22, 2022. The agency's 5-Year Strategic Plan is available for review on the DWR website and copies were handed out to Commissioners. Andrea unveiled the DWR project sign that will be hung in several locations throughout the state that receive cost-share funding.

## **PUBLIC COMMENT PERIOD FOR PROPOSED COST-SHARE POLICY CHANGES**

The following representatives provided public comments:

- Eric Volk, ND Rural Water Systems Assoc. Exec. Director
- Rep. Jon Nelson, All Seasons Water Users District Board Member
- Matt Purdue, ND Farmers Union Government Relations Director
- Phil Murphy, ND Soybean Growers Assoc. Legislative Liaison
- Dani Quissel, ND Water Users Assoc. Exec. Vice President

All representatives supported retaining the current up-to 75 percent cost-share for rural water supply projects. Another concern was the reduction of pre-construction funding from 75 percent to 50 percent. Rep. Nelson stated that a possible affordability matrix may be helpful to determine cost-share participation in conjunction with current Commission discretion and language written into law. The consensus was that lowering the cost-share participation from 75 percent to 65 percent for rural water supply projects would significantly increase water rates for rural water users. Written comments are attached (**APPENDIX A**).

Andrea reiterated the public comment period ends August 15. After comments have been received, they will be sent to Commissioners for review and recommendations. DWR staff will draft revised language and present at the September 15 Pre-Commission meeting for discussion. The goal is to have the final draft available in December and utilize the new policy in the 2023-2025 biennium.

### **FINANCIAL REPORT**

The Glossary of Terms, allocated program expenditures, and financial reports were presented by Sarah Felchle, DWR Accountant/Budget Specialist (**APPENDIX B**).

The oil extraction tax deposits into the Resources Trust Fund (RTF) total \$226,631,568 through July 2022 which is \$60,082,355 over projected revenue. Funds available above projection will be transferred to the Water Project Stabilization Fund (WPSF) and \$51,295,315 has been transferred through June 2022.

Going forward, DWR staff will provide additional clarifications to indicate available balances for each funding bucket. Lt. Governor Sanford clarified that interest income from the WPSF is invested with the Bank of North Dakota.

### **DROUGHT DISASTER LIVESTOCK WATER SUPPLY PROGRAM (DDLWSP) DEACTIVATION**

Pat Fridgen, DWR Planning and Education Division Director, presented the most recent North Dakota drought monitor map indicating all counties are out of drought emergency conditions. DWR proposed deactivating the DDLWSP effective September 1, 2022. The latest date for any project to be completed for reimbursement would be 180 days after deactivation.

DWR processed approximately 1,650 applications: 840 have been completed by approximately 600 producers for the total cost of approximately \$3.2 million.

Commissioner Goehring clarified that DDLWSP is not intended to be an open-ended program. The DDLWSP is intended to benefit those in an emergency situation and assist with providing water to graze livestock in drought conditions.

After discussion, the following motion was made:

**It was moved by Commissioner Goehring and seconded by Commissioner Johnson the Commission deactivate the DDLWSP effective September 1, 2022, with the latest date for any project to be completed for reimbursement be 180 days after deactivation, or February 28, 2023.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

### **SOUTHWEST PIPELINE PROJECT (SWPP)**

#### **Replacement and Extraordinary Maintenance (REM) Fund Guidance**

Sindhuja S.Pillai-Grinolds, Water Development Division Director, provided information originally discussed at the June 2022 Commission meeting related to Replacement/Capital Improvement Reserve for water projects. Sindhuja discussed the sustainability analysis completed for SWPP's REM funds as well as two motions that were recently passed at the Southwest Water Authority's (SWA) July 5, 2022, Board meeting (**APPENDIX C**). The motions address guidance needed for the SWPP's REM fund and were presented for approval.

There were no questions. The following motion was made:

**It was moved by Commissioner Goehring and seconded by Commissioner Anderson the Commission approve that SWPP's REM fund will provide for 100 percent of the Extraordinary Expenses and a portion of the replacement expenses of Capital Projects.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. Commissioner Odermann stated that he is on the SWA's Board. The motion carried.**

#### **State Fiscal Recovery Funds Request**

Sindhuja S.Pillai-Grinolds presented SWA's request for an allocation of \$4.5M from the State Fiscal Recovery Fund and is 75 percent of Contract 23A replacement costs related to the 30-inch ductile iron pipe east of Taylor, North Dakota (**APPENDIX D**).

Sindhuja noted that the discussion regarding funding for the Contract 2-3A replacement project has been ongoing since December 2020. The request from SWA is based on the sustainability analysis completed on the SWPP's REM fund. It was also noted that SWA has already procured pipeline and other materials needed for the replacement project and has already awarded the contract for installation.

There were no questions. The following motion was made:

**It was moved by Commissioner Goehring and seconded by Commissioner Veeder the Commission approve an allocation of State Fiscal Recovery Funds to SWA for cost-share at 75 percent for Contract 2-3A replacement costs in an amount not to exceed \$4.5 million.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. Commissioner Odermann stated that he is on the SWA's Board. The motion carried.**

### **NORTHWEST AREA WATER SUPPLY (NAWS)**

#### **Interim 2023 Water Rate**

The NAWS water service agreements require an annual review and adjustment of water rates to go into effect January 1 of the following year.

Tim Freije, DWR NAWS Project Manager, presented a request for approval of the NAWS interim water rates for the 2023 calendar year (**APPENDIX E**).

After discussion, the following motion was made:

**It was moved by Commissioner Goehring and seconded by Commissioner Volk the Commission approve the following NAWS Interim Water Rates for the 2023 calendar year with the understanding that the Supply and Treatment rate and Operations and Maintenance rate for NAWS Contract Customers may be adjusted by staff pending the finalized Supply and Treatment rate from Minot.**

**\$3.55/1,000 gallons, which is an increase from \$3.29/1,000 gallons for 2022, for the NAWS contract customers.**

**\$0.60/1,000 gallons, which is an increase from \$0.41/1,000 gallons for 2022, for the Minot contract customers.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

#### **Supplemental Use Permit for Snake Creek Intake Modifications**

Tim Freije presented a request for approval of the Supplemental Use Permit (Permit) for Snake Creek Intake Modifications (**APPENDIX F**).

The NAWS Supplemental Environmental Impact Statement (SEIS) and Record of Decision identified modifications to the existing Snake Creek Pumping Plant as the preferred alternative for an intake for the NAWS project.

The NAWS project will be responsible for all construction, operations, and maintenance costs of all infrastructure specific to the NAWS project which will be contained within an easement already possessed by Bureau of Reclamation (Reclamation) from the United States Army Corps of Engineers. The NAWS project will also require a Special Use Permit from Reclamation for the use of a portion of the Snake Creek Pumping Plant.

There has been much discussion and several meetings to finalize the Permit with Reclamation. It has been reviewed by legal counsel and staff for both parties, however, there may be a few revisions required before it is executed.

After discussion, the following motion was made:

**It was moved by Commissioner Odermann and seconded by Commissioner Anderson the Commission authorize the Secretary to approve and execute the Permit for the NAWS Intake within Snake Creek Pumping Plant, Garrison Diversion Unit, and allocate \$518,280 from Capital Assets for this purpose.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

**Westhope Water Service Contract and Westhope Water Transmission Contract with All Seasons Rural Water Users District (ASWUD)**

Tim Freije presented a request for SWC Secretary to approve and execute agreements with Westhope and ASWUD related to NAWS contract 2-4D and allocation of funds.

Westhope is an original signee to be a NAWS contract customer. Due to delays in construction of the NAWS, Westhope has been extending the useful life of their existing water supply and has, on occasion, received water from ASWUD. ND Administrative Code 89-13-01-03 establishes eligibility for customers of the NAWS project and prevents the NAWS project from serving customers from existing rural water systems in the project service area, however, the Administrative Code only references contractual relationships between communities and rural water systems. No contract has been executed between ASWUD and Westhope and Westhope is not part of the ASWUD. Westhope wants to be a direct NAWS customer and does not want to be a customer of ASWUD. ASWUD has mentioned litigation under federal law 1926 if NAWS directly serves Westhope. A meeting was held in 2019 between all parties. DWR staff does not want to litigate the matter.

DWR staff proposed NAWS serve Westhope, with Westhope paying the same water rate as other NAWS contract customers. Water to Westhope can be transmitted using ASWUD's existing infrastructure which includes a reservoir and pumping station near Westhope that is fed with connections from the NAWS system. A plan sheet of the proposed system, Contract 2-4D, for connecting ASWUD to Westhope through NAWS infrastructure is attached (**APPENDIX G**).

This arrangement will reduce new NAWS infrastructure needed to serve Westhope. A water service agreement with Westhope, and a transmission and pumping agreement with ASWUD is needed to facilitate serving Westhope using ASWUD's existing infrastructure. Contract 2-4D has been designed and is ready to be advertised for bids with an opinion of probable construction cost of \$650,000.

After discussion, the following motion was made:

**It was moved by Commissioner Johnson and seconded by Commissioner Veeder the Commission authorize the Secretary to approve and execute requisite agreements with the City of Westhope and All Seasons Water Users District, award NAWS Contract 2-4D to the lowest responsible bidder, and allocate \$850,000 from Capital Assets for Contract 2-4D.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, and Lt. Governor Sanford voted aye. Commissioner Walker voted nay. Commissioner Goehring was absent. The motion carried.**

## 1063 Report

Tim Freije presented a report completed by the NAWS Advisory Committee regarding recommendations for transition of the long-term operation and maintenance of the NAWS project as required by Section 10 of 2021 House Bill 1063. The report will be presented at the Water Topics Overview Committee meeting on September 20, 2022 (**APPENDIX H**), and will be presented at the 2023-2025 Legislative Session.

## CONSENT AGENDA

The consent agenda included the following cost-share projects with requested funding amounts for approval:

### I. Flood Control

1. Maple River WRD: Drain 34 Final Design - \$82,800
2. Pembina County WRD: Tongue River Snag and Clear 2022-23 - \$98,500
3. Southeast Cass WRD: Sheyenne River Snag and Clear 2022-23 - \$98,000
4. Southeast Cass WRD: Wild Rice River Snag and Clear 2022-23 - \$0
5. Pembina County WRD: Drain 66 Outlet Feasibility - \$13,050
6. Valley City: Floodway Acquisitions 2022 - \$207,595

### J. General

1. Elm River Joint WRD: Dam 3 Improvements - \$213,000
2. Pembina County WRD: Bourbanis Dam - \$656,702
3. Western Heart Irrigation District: Dahnners Irrigation Project - \$45,980

### K. Water Supply (Municipal/Regional)

1. Valley City: Water Main Improvement District 59 - \$111,400

### L. Water Supply (Rural)

1. Missouri West WS: South Mandan Expansion - \$81,000

After discussion, the following motion was made:

**It was moved by Commissioner Odermann and seconded by Commissioner Veeder, that Items I2, I3, and I4 be removed from the Consent Agenda and all other cost-share requests on the Consent Agenda be approved as presented.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

After further discussion, the following motion was made:

**It was moved by Commissioner Walker and seconded by Commissioner Volk, that Items I2, I3, and I4 be approved with the understanding that DWR staff implement an appropriate term limit date in the cost-share agreements.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

## **STATE COST-SHARE REQUESTS**

### **FLOOD CONTROL PROJECTS**

Julie Prescott, DWR Cost-Share Program Manager, presented the requests for the flood control projects.

#### **BISMARCK: WASTEWATER TREATMENT EFFLUENT FLOOD CONTROL - \$170,009 (SWC Project No. 2168)**

Bismarck requested cost-share for the Bismarck Wastewater Treatment Plant Outfall Flood Control Construction project. The project involves improvements to the Bismarck wastewater treatment plant's effluent outfall system to prevent floodwater backflow from the Missouri River.

The project meets requirements of the Commission's cost-share policy for flood control projects and the recommendation was to approve the request.

There were no questions. The following motion was made:

**It was moved by Commissioner Volk and seconded by Commissioner Goehring the Commission approve the request by Bismarck for state cost participation in the Bismarck Outfall Flood Control – Construction project in the amount of \$170,009, or 12 percent of eligible costs, for a total cost-share not to exceed \$242,009. The approval is contingent on available funding.**

**Commissioners Anderson, Johnson, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Sanford voted aye. Commissioner Odermann voted nay. The motion carried.**

#### **CASSELTON: SWAN CREEK DIVERSION SLOPE REPAIRS/LAGOON CELLS 1 AND 2 - \$0 (SWC Project No. 2157)**

Casselton requested cost-share for the Swan Creek Diversion Slope Repairs at Lagoon Cells 1 and 2 project. The project is repair of a slope failure along the shared embankment between Casselton's wastewater lagoon cells and the Swan Creek Diversion. Based on the geotechnical evaluation report submitted, an ongoing leak from the lagoon system in conjunction with poor soils used in embankment construction is the likely cause of the slope failure.

The project does not meet requirements of the Commission's cost-share policy for flood control projects and is ineligible for cost-share funding. The recommendation was to deny the request.

There were no questions. The following motion was made:

**It was moved by Commissioner Odermann and seconded by Commissioner Ova the Commission deny the request by Casselton for the Swan Creek Diversion Slope Repairs at Lagoon Cells 1 and 2 because the project is ineligible for cost-share funding per Commission policy.**

**Commissioners Anderson, Johnson, Odermann, Ova, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Sanford voted aye. There were no nay votes. Commissioner Veeder was absent. The motion carried.**

## **MUNICIPAL/REGIONAL AND RURAL WATER SUPPLY PROJECTS**

Jeffrey Mattern, DWR Engineer Manager, presented the requests for the municipal/regional and rural water supply projects.

### **BISMARCK: WATER TREATMENT PLANT EXPANSION - \$2,794,000 (SWC Project No. 2050BIS)**

Bismarck requested preconstruction cost-share to increase the water treatment plant capacity from 28 Million Gallons per Day (MGD) to 40 MGD by adding ultrafiltration and reverse osmosis to meet projected peak demand through 2040.

The project meets requirements of the Commission's cost-share policy for municipal water supply projects and the recommendation was to approve the request.

There were no questions. The following motion was made:

**It was moved by Commissioner Volk and seconded by Commissioner Goehring the Commission approve the request by Bismarck for state cost-share participation at 60 percent of eligible costs for the Water Treatment Plant Expansion project for a total amount not to exceed \$2,794,000. The approval is contingent on available funding.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

### **BISMARCK: WATER TREATMENT PLANT IMPROVEMENTS - \$2,123,000 (SWC Project No. 2050BIS)**

Bismarck requested construction cost-share for the replacement of piping for filters 1-6 and filter improvements due to degradation of the piping. The project would also upsize the softening basin effluent pipe from 30-inch to 36-inch to remove the restriction that is causing a backup and reduction of capacity.

The project meets requirements of the Commission's cost-share policy for municipal water supply projects and the recommendation was to approve the request.

After discussion, the following motion was made:

**It was moved by Commissioner Odermann and seconded by Commissioner Veeder the Commission approve the request by Bismarck for state cost-share participation at 60 percent of eligible costs for the Water Treatment Plant improvements project for an additional amount of \$2,123,000, with the total amount not to exceed \$2,307,000. The approval is contingent on available funding.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

### **RIVERDALE: RAW WATER SUPPLY AND GATE VALVE IMPROVEMENTS - \$414,000 (SWC Project No. 2050RIV)**

Riverdale requested cost-share for Phase 1 construction costs to replace a portion of leaking and inoperable gate valves. The gate valve replacement project is split into two phases for construction and plans to replace and reroute the existing raw water line in the Garrison Dam to

south of the dam. Construction cost-share for Gate Valve Phase 2 and the raw water line will be in a future request.

The project meets requirements of the Commission's cost-share policy for municipal water supply projects and the recommendation was to approve the request.

There were no questions. The following motion was made:

**It was moved by Commissioner Johnson and seconded by Commissioner Volk the Commission approve the request by Riverdale for state cost-share participation at 60 percent of eligible costs for the Raw Water Supply and Gate Valve Improvements project for an additional cost-share amount of \$414,000, with the total approved not to exceed \$639,000. The approval is contingent on available funding.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

**STANLEY: COUNTRY ESTATES WATER MAIN EXTENSION - \$273,900  
(SWC Project No. 2050STA)**

Stanley requested cost-share for construction costs for the installation of 2,100 feet of 6-inch water main to connect the Country Estates Subdivision to the southeast area of the water distribution system. Users currently obtain their water supply from wells and the subdivision was recently annexed.

The project meets requirements of the Commission's cost-share policy for municipal water supply projects and the recommendation was to approve the request.

There were no questions. The following motion was made:

**It was moved by Commissioner Goehring and seconded by Commissioner Odermann the Commission approve the request by Stanley for state cost-share participation at 60 percent of eligible costs for the lowest cost alternative for the Country Estates Water Main Extension project for an additional cost-share amount of \$273,900, with total cost-share not to exceed \$303,300. The approval is contingent on available funding.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

**WESTERN AREA WATER SUPPLY AUTHORITY (WAWSA): MCKENZIE COUNTY  
WATER RESOURCE DISTRICT (MCWRD) SYSTEM 4 PART 4 - \$9,600,000  
(SWC Project No. 1973)**

WAWSA requested cost-share for construction costs for the MCWRD System 4 Part 4 project. This project is for the construction of a ground storage reservoir and for the installation of over 138 miles of 2-inch to 6-inch transmission pipeline to provide service to 83 additional connections for residential, agricultural, and pasture tap services. Some connections will supply water to grazing pastures on federal and state lands managed by the McKenzie County Grazing Association. Due to MCWRD's ability to afford a higher cost-share percentage at the local level, they have requested 50 percent instead of 75 percent from the state.

The project meets requirements of the Commission's cost-share policy for regional water supply projects and the recommendation was to approve the request.

There were no questions. The following motion was made:

**It was moved by Commissioner Goehring and seconded by Commissioner Veeder the Commission approve the request by WAWSA for state cost-share participation at 50 percent of eligible costs for the MCWRD System 4 Part 4 project, for a total amount not to exceed \$9,600,000. The approval is contingent on available funding.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

**WAWSA: NORTHWEST REGIONAL WATER DISTRICT 29 MILE RURAL DISTRIBUTION - \$2,210,900 (SWC Project No. 1973)**

WAWSA requested cost-share for additional construction costs for the Phase 6 - 29 Mile Rural Distribution project. The project is for the installation of an additional 37 miles of pipeline to bring service to 29 new rural users in Divide and Williams Counties. WAWSA will not be constructing the Stanley Transmission Phase 2 Project at this time and is requesting reallocation of \$2,210,900 of the previously approved \$8,225,000 to the 29 mile project.

The project meets requirements of the Commission's cost-share policy for regional water supply projects and the recommendation was to approve the request.

After discussion, the following motion was made:

**It was moved by Commissioner Goehring and seconded by Commissioner Veeder the Commission approve the request by WAWSA for state cost-share participation at 75 percent of eligible costs for the 29 Mile Rural Distribution project for an additional \$2,210,900, using reallocation of carryover funding from the Stanley Transmission Phase 2. The approval is contingent on available funding.**

**Commissioners Anderson, Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. There were no nay votes. The motion carried.**

**EAST CENTRAL RURAL WATER DISTRICT (ECRWD): WATER TREATMENT PLANT AND PIPELINE - \$9,224,500 (SWC Project No. 2050EAS)**

ECRWD requested cost-share for construction costs to add 32 miles of parallel and looping water mains in rural areas. The system is experiencing very low pressure during times of peak usage with agriculture water usage increasing over the past five years from five gallons per acre up to 20 gallons per acre. A future request will be made for the construction of the regionalization extension portion to Fargo.

The project meets requirements of the Commission's cost-share policy for rural water supply projects and the recommendation was to approve the request.

After discussion, the following motion was made:

**It was moved by Commissioner Odermann and seconded by Commissioner Goehring the Commission approve the request by ECRWD for state cost-share participation at 75 percent of eligible costs for the Water Treatment Plant and Transmission Pipeline project, for an additional \$9,224,500, with the total amount not to exceed \$11,364,000. The approval is contingent on available funding.**

**Commissioners Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. Commissioner Anderson abstained. There were no nay votes. The motion carried.**

**WALSH RURAL WATER DISTRICT (WRWD): INTERCONNECT WITH NORTHEAST REGIONAL WATER DISTRICT (NRWD) - \$2,013,500  
(SWC Project No. 2050WAL)**

WRWD requested cost-share for the construction of 15 miles of 6-inch water main to connect to NRWD. The project will provide additional capacity between the districts and improve service to existing users in the area and allow for the addition of new users in the Adams and Lankin area. WRWD also requested a change of scope to include modifications to the booster station, two reservoirs, and to exclude the Tri-County Water District interconnect project. The Tri-County project requires additional study on capacity needed to connect Tri-County and NRWD.

The project meets requirements of the Commission's cost-share policy for rural water supply projects and the recommendation was to approve the request.

There were no questions. The following motion was made:

**It was moved by Commissioner Veeder and seconded by Commissioner Goehring the Commission approve the request by WRWD for state cost-share participation at 75 percent of eligible costs for the interconnect with NRWD project for an additional \$2,013,500, with an additional allowance for higher bid costs of up to \$75,000 with Secretary approval. The approval is contingent on available funding.**

**Commissioners Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. Commissioner Anderson abstained. There were no nay votes. The motion carried.**

**NORTH PRAIRIE REGIONAL WATER DISTRICT (NPRWD): MINOT TO VELVA HIGHWAY 52 - \$1,293,000  
(SWC Project No. 2050NPR)**

NPRWD requested additional cost-share of \$1,293,000 due to increased bid costs for the construction of 13 miles of 6-inch transmission watermain along Highway 52 between Minot and Velva. The project was previously approved for cost-share and included a reservoir and pump station improvements. The current request for additional cost-share is only related to the Highway 52 transmission line. Bids for the reservoir and pump station are expected later this fall.

NPRWD requested a change of scope to include the replacement of six miles of 2-inch distribution pipeline experiencing numerous leaks. NPRWD will work on the distribution pre-construction as part of this cost-share request, and will later submit a 75 percent construction cost-share request for approximately \$739,500 this fall. That request will also include the reservoir and pump station improvements.

After discussion, the following motion was made:

It was moved by Commissioner Goehring and seconded by Commissioner Volk the Commission approve the request by NPRWD for a change of project scope and cost increase of \$1,293,000 at 75 percent for the Minot to Velva Highway 52 project. The total amount with the previous approval of \$3,249,000 would not exceed \$4,542,000. The approval is contingent on available funding.

Commissioners Johnson, Odermann, Ova, Veeder, Volk, Walker, Goehring, and Lt. Governor Sanford voted aye. Commissioner Anderson abstained. There were no nay votes. The motion carried.

#### PROJECT UPDATES

DWR staff provided brief updates on the following projects:

- Sindhuja S.Pillai-Grinolds, DWR Water Development Division Director, Devils Lake Outlet
- Clay Carufel, DWR Missouri River Engineer, Missouri River
- Laura Ackerman, DWR Water Resource Engineer, Mouse River
- Tim Freije, DWR NAWS Project Manager, NAWS
- Sindhuja S.Pillai-Grinolds, DWR Water Development Division Director

#### LEGAL UPDATE

Jennifer Verleger, General Counsel, Attorney General's Office, provided a brief update on current legal matters involving the SWC and DWR.

There being no further business to come before the Commission, Commissioner Johnson adjourned the August 11, 2022, meeting at 4:15 p.m.



Brent Sanford, Lt. Governor  
Acting Chairman, State Water Commission



Andrea Travnicek, Ph.D.  
Director, DWR, and Secretary to the State  
Water Commission



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Testimony of  
Matt Perdue  
North Dakota Farmers Union  
Before the  
State Water Commission  
August 11, 2022

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Lt. Governor Sanford and members of the Commission,

Thank you for the opportunity to testify today. My name is Matt Perdue, and I am representing North Dakota Farmers Union. Yesterday, NDFU joined 11 other ag and rural groups in submitting comments highlighting the adverse impacts we believe the proposed cost-share policy changes would have on rural North Dakota. I appreciate the opportunity to address our concerns with you here today.

First, I would like to note that we fully support the Commission's desire to incentivize regionalization. Regionalization creates efficiencies that individual communities and rural water systems would not be able to achieve on their own. We encourage the SWC to include strong support for regionalization in a final policy document.

However, NDFU and the 11 other groups are concerned by the proposed cuts to rural water funding, reducing the cost-share from 75% to 65%. We recognize this policy was intended to provide a single cost-share rate for urban and rural water projects. Given the very different economics between rural and urban water projects, we believe a one-size-fits-all policy will have detrimental effects on rural users. With a lower density of users, rural projects have fewer payers per unit of construction. As a result, lowering the cost-share rate for rural projects will lead to a significant increase in rates paid by rural North Dakotans. According to the North Dakota Rural Water Association, the current proposal would result in a 40% increase in rates paid by end users.

Rural water provides vital water for farm and ranch households, livestock, and crop spraying. Rural water is also a key ingredient to economic development. NDFU and several of our partners are working to promote growth in the state's livestock sector and value-added agriculture processing, which will strengthen and diversify the state's economy. Access to water is a key ingredient to any value-added project. A cut to rural water funding will increase costs to new projects and slow that economic development.

We appreciate the state's strong support for rural water and agriculture in the past. We respectfully ask that the Commission continue that support and reject cuts to the rural water cost-share rate.

Thank you for your consideration. I will stand for any questions.



North Dakota Farm Credit Council  
AgCountry FCS FCS of Mandan



North Dakota Oilseed Council  
Canola, Crambe, Flax, Safflower, Sunflower



August 10, 2022

North Dakota State Water Commission  
900 East Boulevard Avenue  
Bismarck, ND 58505

Governor Burgum, Commissioner Goehring, and State Water Commissioners:

Thank you for the opportunity to provide comments on the State Water Commission (SWC) cost-share policy. The changes proposed in this policy will have adverse impacts on rural communities and agricultural producers across North Dakota.

Today nearly 300,000 North Dakotans have access to affordable, ample, and quality water through their local rural or regional water system. The strong rural water presence has supported North Dakota's agricultural economy as well as the small communities that many of our producers call home. Rural water provides vital household water as well as water for livestock and crop spraying. The availability of rural water also spurs economic development in rural areas. Often value-added agriculture ventures require reliable access to water that rural water can provide.

The proposed decrease in state support for rural water in the SWC's cost-share policy is concerning for the agricultural community. Rural water systems match the state's support for projects with rates paid by local users. Should the state support go down, systems will have to significantly raise local rates to complete needed improvements and expansions. Increased local costs could make rates unaffordable for individuals and projects simply will not move forward. According to the North Dakota Rural Water Association, the current proposal would result in at least a 40% increase in rates paid by end users. That increase would certainly make rural water unaffordable for many North Dakotans.

While we have concerns with the proposal to decrease overall funding for rural water, we applaud the SWC's desire to incentivize regionalization. In many instances, regionalization creates economies of scale that individual communities and rural water systems would not be able to realize on their own. We would encourage the SWC to include strong support for regionalization in a final policy document.

North Dakota's network of robust rural water systems has an extremely positive impact on our members. We appreciate the state's strong support for rural water and agriculture in the past. As the SWC looks at changes to its cost-share policy, we ask the Commission to continue that strong support for the betterment of agriculture and North Dakota's overall economy.

Thank you for your consideration of these comments.

Sincerely,

Jerry Doan

Tom Bernhardt

Scott Monke

Gerald Bachmeier

Jeff Schafer

DocuSigned by:  
Brenda Elmer  
Clark Coleman  
5D0F3E5E501940D...

Allen Roshau

Mark Watne

Kerry Dockter

Loren DeWitz

Rod Ballinger



### **Outline of NDWUA Comments on Cost-Share Policy**

The North Dakota Water Users, with its diverse membership touching every aspect of the water community, has a strong interest in helping ensure that a finalized policy provides clarity for the State Water Commission (SWC) and applicants, supports local sponsors, and lays out a plan for judicious use of Resources Trust Fund dollars.

Below is a general outline of the Water Users' comments:

#### **We agree with the proposal:**

- Addition of sediment removal as an ineligible item
- Addition of wastewater as an ineligible item; suggest adding 'wastewater collection' to the list of ineligible processes
- Requiring signed CLOMR at the construction step
- Removal of 3-year engineer selection review
- Requiring progress reports every four years
- Setting an invoice deadline of 1 year
- Giving the Commission the flexibility to waive cost-share reductions for low economic analysis scores for flood control projects seeking FEMA certification; consider expanding for all projects subject to economic analysis
- Addition of a 'plus-up' in cost-share for regionalization projects
- Increase in cost-share for municipalities with 'plus-up' for the Main Street Initiative
- Increase in Drought Disaster Livestock Water Assistance Program cost-share
- Removal of the cost-share penalty when sponsors receive federal grants
- Removal of language regarding the Hazard Mitigation Grant Program
- Prioritization changes

#### **Disagree:**

- Limitation on cost-share for system size up to average daily consumption based on past decade (attempt to prevent cost-share on fire protection)
- Requiring permits in advance of cost-share application
- Removal of special consideration for cost-share applications over \$100 million
- Prohibition of project fracturing
- Reduction in pre-construction cost-share
- Reduction in rural water cost-share
- Reduction in MR&I cost-share
- Reduction in overall water supply cost-share (will impact the Red River Valley Water Supply project)
- Broad prohibition against cost-sharing on engineering overruns
- Limitation on cost-share to dam removal or rip-rap, but not both
- Reduction in cost-share for emergency action plans for high/medium hazard dams

**Additional Items:**

- Add clarity on the process for applying for loans and information on the economic analysis loan applicants should provide
- Add 'expand capacity to existing customers' to 'expansion' definition
- Add definition of 'shovel ready'
- Clarify that applications are submitted through WebGrants
- Clarify what is required at the pre-construction and construction steps; consider defining pre-construction and construction
- Revert to statutory threshold for requiring economic analysis
- Cost-share for feasibility studies; perhaps need to include a definition of 'feasibility study'

**Further Discussion:**

- Eligibility of replacement for cost-share, particularly where infrastructure has failed prematurely
- Including a statement of intent to fund for construction at the pre-construction stage, contingent on availability of funds
- Where in the process LCCAs are best conducted
- Inventory assessment use and funding
- Future of the Resources Trust Fund; consideration of the legislature's ability to fund large projects outside the Resources Trust Fund

The North Dakota Water Users appreciates the SWC providing this public comment period for stakeholders to provide feedback. The details of the project funding policy have real life consequences for North Dakotans across the state. Given the importance of this document and the SWC's desire to have a robust comment period, we request that the SWC schedule specific time to receive comments from stakeholders in person and as a full board. Not only will this give stakeholders an opportunity to engage with the SWC on this important issue, it will also give the SWC an opportunity to engage as a body, with stakeholders, on the proposal and what a final funding document should look like.



### **Cost Share Policy Comments**

The North Dakota Water Users, with its diverse membership touching every aspect of the water community, has a strong interest in helping ensure that a finalized policy provides clarity for the Commission and applicants, supports local sponsors, and lays out a plan for judicious use of Resources Trust Fund dollars.

The details of the project funding policy have real life consequences for North Dakotans across the state. Given the importance of this document, we request that the Commission schedule specific time to receive comments from stakeholders in person and as a full board.

#### **Clarity for the Commission and Applicants:**

- We would suggest adding additional information regarding the loans available from the Commission as well as application processes.

#### **Support for Local Sponsors:**

- We believe the eligibility for cost-share of replacement projects merits further conversation by the Commission particularly when replacement is necessary because infrastructure has failed prematurely.
- The proposed language addressing fire protection is broad and may have unintended consequences. We believe the Commission can and should consider each application, with the design needs unique to each project, on its own merits as is current practice.
- In our view, the discretionary requirement of conducting economic analyses on projects less than \$1 million places an additional financial and administrative burden on projects that have a track record of providing a return on investment. We encourage the Commission to revert to the statutory threshold for economic analysis. We also believe the Commission should retain the ability to waive reductions in cost share, due to a benefit-cost ratio less than one, should the Commission deem that in the best interest of North Dakota.

#### **Judicious Use of Resources Trust Fund Dollars**

- The longer we wait to complete projects, the more expensive they will be. If we have funds now, funds which lose value the longer we wait, and have projects ready to go now, we should put dollars to work now instead of waiting to cost share over a longer period of time on projects with a larger price tag.
- The decrease in pre-construction cost-share will have an outsized impact, particularly on smaller local sponsors who rely on state funding to accomplish important projects. The planning and evaluation that happens at the pre-construction stage is crucial and should continue to receive strong state support.
- The decrease in pre-construction cost-share, coupled with significant decreases in cost-share percentages for rural water projects, will result in rate increases for end users in some cases, and in other cases, the shelving of important projects.
- We support the Commission's proposal to further incentivize regionalization by creating a 'plus up' in cost-share percentage for regionalization projects.
- We support the proposal to remove the cost-share penalty when sponsors receive federal funding.

Thank you again for the opportunity to provide these comments. Should you have questions or wish to discuss these comments further, please reach out to Dani Quissell, North Dakota Water Users Association Executive Vice President, at [dquissell@ndwater.net](mailto:dquissell@ndwater.net).

## Glossary of Terms

**Allocated**-To apportion for a specific purpose. To set apart or earmark.

**Anticipated Construction Request**-Potential construction requests for prior approved and current projects.

**Appropriation**-Specifies the amount of funds to be used for a particular purpose during a period of time, normally one biennium.

**Original**-Legislative authorization to expend.

**Current**-Requesting authorization to allocate funds.

**Balance**-Original authorization less current authorization.

**Appropriation Authority**-Legislative authority in an Appropriation Act for an agency to expend funds.

**Appropriation Bill**-A bill which appropriations are given legal effect.

**Approved**-Funds approved and allocated by the State Water Commission.

**Beginning Balance**-Resource Trust Fund cash balance that carries over from the previous biennium. This information is provided by Legislative Council and includes carryover and funds not approved or allocate by the State Water Commission.

**Carryover Funds**-Approved funds unpaid during the current biennium which are transferred to the appropriation for the following biennium.

**Carryover Projects**-Projects approved but not finished by the end of the current biennium. The time is limited to 2 years after the end of the current biennium, 6/30/21, unless approved by the State Water Commission to continue past that date.

**Cash**-Resource Trust Fund money received and not allocated to a specific appropriation purpose.

**Cost Increase**-Funding needed above original cost estimate.

**De-Obligation**-Funds released from project allocation made from the current biennium appropriation.

**Expenditure**-Payment or funds spent.

**Obligation**-Funds allocated from current biennium appropriation to pay based on a contract.

**Unexpended**-Not yet spent or paid.

**Turnback**-Carryover funds released from prior biennium from a project allocation.

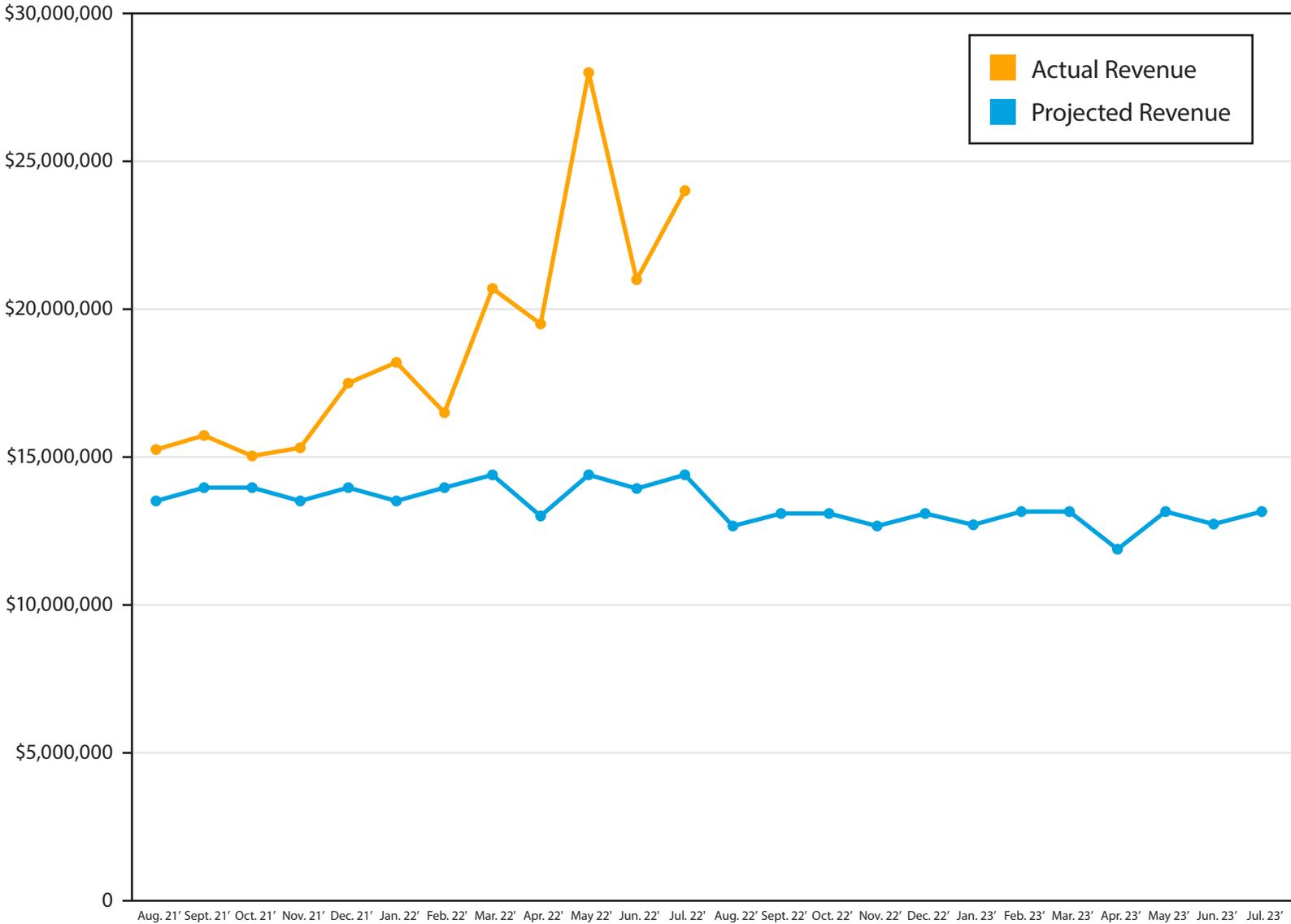
**Unobligated Carryover**-Previous biennium funding, not associated with a project released to the Resource Trust Fund.

**Unpaid Approval**-A commitment to an expense at a future date.

**Water Infrastructure Revolving Loan Fund (WIRLF) Eligibility**-Approval by the State Water Commission of the eligibility of projects to apply for a Water Infrastructure Revolving Loan in compliance with cost share and statutory authority. Final loan approval is by the Bank of North Dakota.

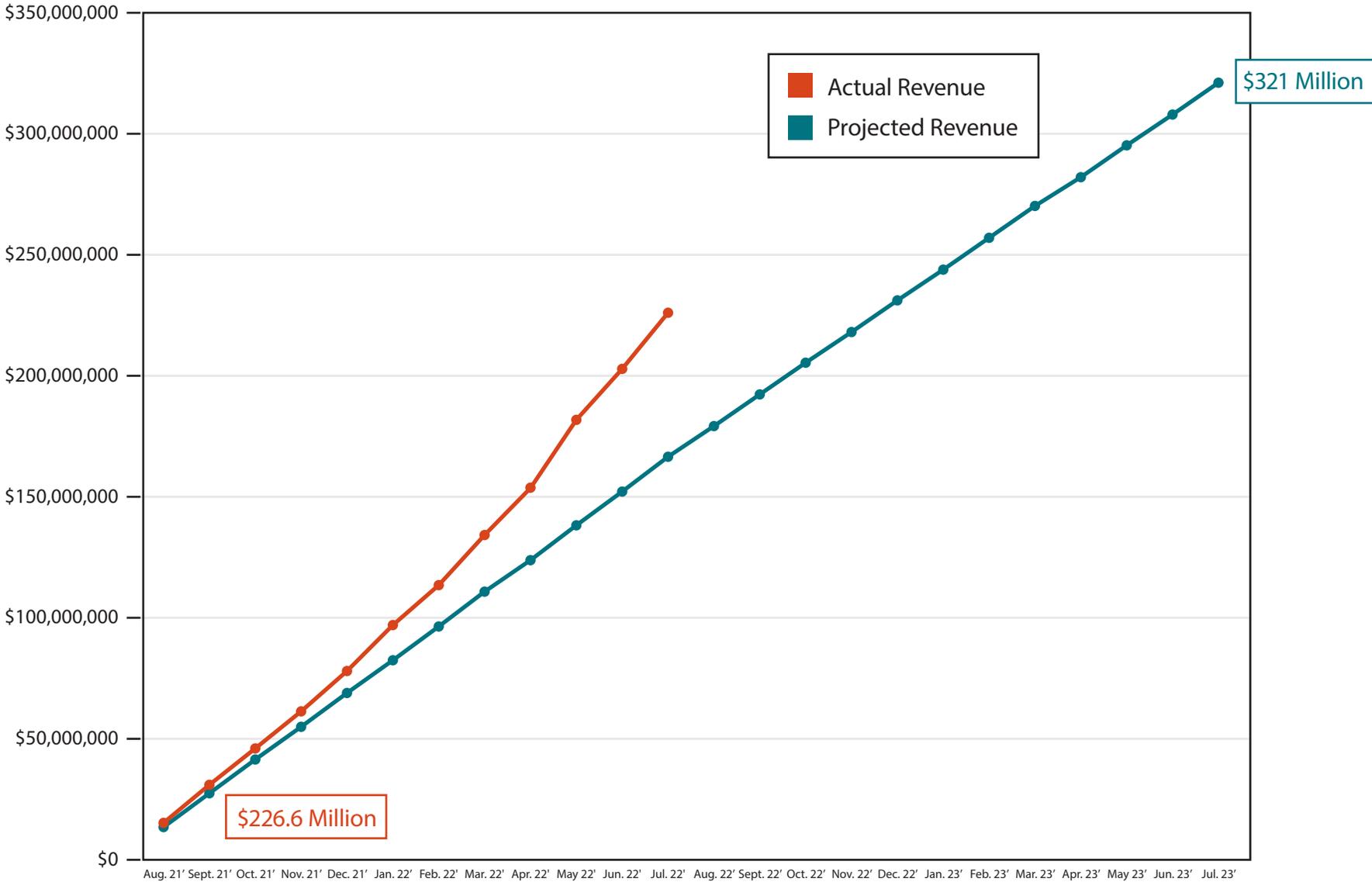
# RESOURCES TRUST FUND REVENUE

2021-2023 (Month by Month) | July 2022



# RESOURCES TRUST FUND REVENUE

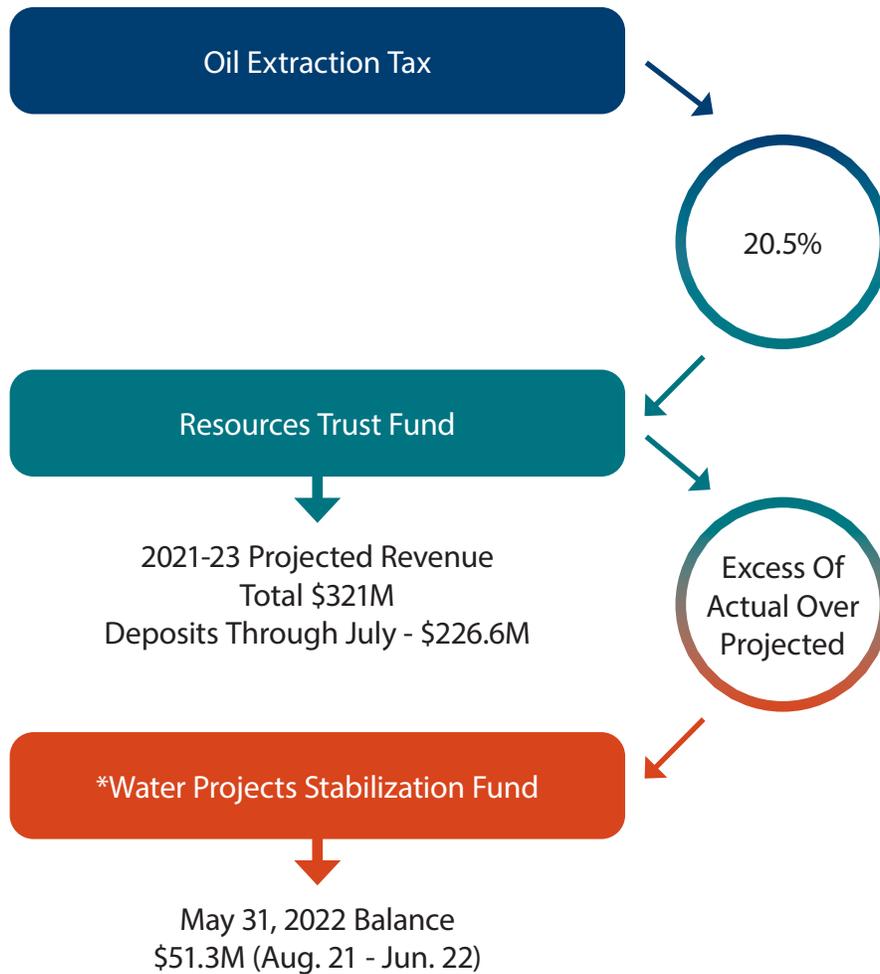
2021-2023 (Cumulative) | July 2022



NORTH DAKOTA DEPARTMENT OF WATER RESOURCES  
OIL EXTRACTION REVENUE  
FOR THE 2021 - 2023 BIENNIUM

MONTH / YEAR	PROJECTED <u>REVENUE</u>	<b>ACTUAL <u>REVENUE</u></b>	OVER PROJECTION TRANSFERS TO WATER PROJECTS <u>STABILIZATION FUND</u>
AUGUST, 2021	13,515,385	<b>15,253,686</b>	1,738,301
SEPTEMBER, 2021	13,965,897	<b>15,731,071</b>	1,765,174
OCTOBER, 2021	13,965,897	<b>15,037,222</b>	1,071,325
NOVEMBER, 2021	13,515,385	<b>15,313,493</b>	1,798,108
DECEMBER, 2021	13,965,897	<b>17,521,266</b>	3,555,369
JANUARY, 2022	13,515,385	<b>18,199,333</b>	4,683,948
FEBRUARY, 2022	13,965,897	<b>16,454,479</b>	2,488,582
MARCH, 2022	14,397,263	<b>20,665,252</b>	6,267,989
APRIL, 2022	13,006,515	<b>19,488,229</b>	6,481,714
MAY, 2022	14,400,070	<b>28,099,982</b>	13,699,912
JUNE, 2022	13,935,552	<b>20,932,464</b>	6,996,912
JULY, 2022	14,400,070	<b>23,935,091</b>	9,535,021
AUGUST, 2022	12,668,683		
SEPTEMBER, 2022	13,090,973		
OCTOBER, 2022	13,090,973		
NOVEMBER, 2022	12,668,683		
DECEMBER, 2022	13,090,973		
JANUARY, 2023	12,709,026		
FEBRUARY, 2023	13,156,757		
MARCH, 2023	13,156,757		
APRIL, 2023	11,883,522		
MAY, 2023	13,156,757		
JUNE, 2023	12,732,345		
JULY 2023-JUNE REVENUE	13,156,757		
<b>TOTALS</b>	<b>321,111,419</b>	<b>226,631,568</b>	<b>60,082,355</b>

# RESOURCES TRUST FUND REVENUE



\*Authorized in Sections 5-7 of Senate Bill 2345 during the November special session.

\*Budget Section approval is needed to transfer from the Water Projects Stabilization Fund to the Resources Trust Fund.

# 2021-23 PURPOSE FUNDING

June 30, 2022

APPROVED

APPROPRIATED



\*Capital Assets bucket includes \$45.6M line of credit.



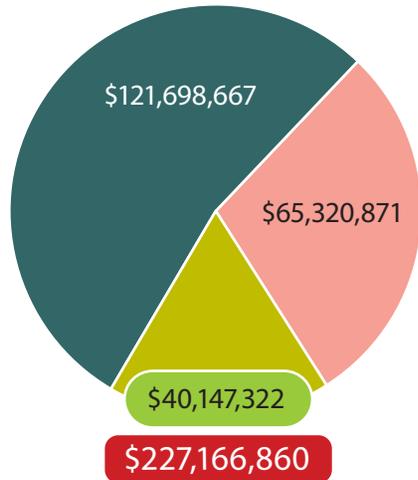
Federal Funds-State Fiscal Recovery Funds - SB 2345

Spent

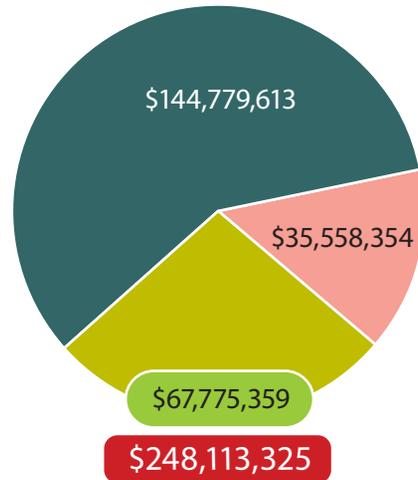
# 2021-2023 BIENNIUM TO DATE

Project Funds | June 30, 2022

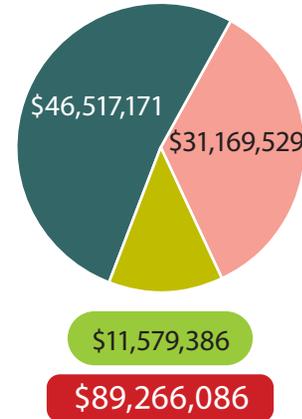
Water Supply



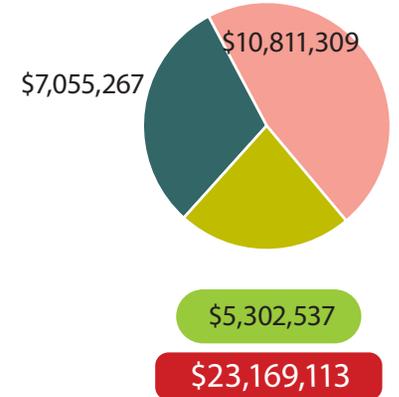
Flood Control



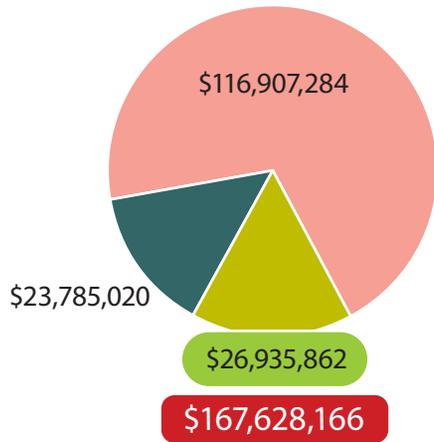
Rural Water Supply



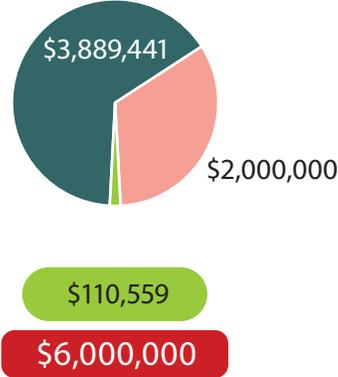
General Water



Capital Assets



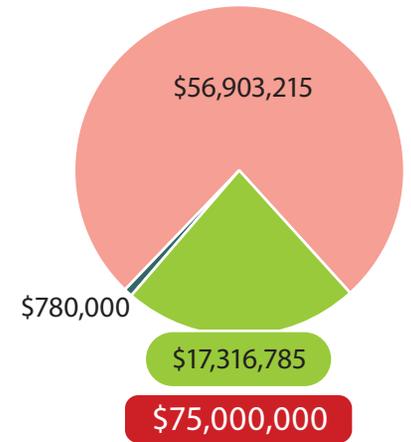
Discretionary



Basin Wide Plan



State Fiscal Recovery Fund



■ Expenditures   
 ■ Unpaid Approvals   
 ■ Appropriation Balance   
 ■ 21-23 Total Appropriation (Carryover and New Money)

**DEPARTMENT OF WATER RESOURCES  
BUDGET SUMMARY  
2021-2023 BIENNIUM**

June 30, 2022

**Projected Funding**

Cash Balance (June 30, 2022)	\$387,311,345
Future Projected Revenue (14 months at \$9.96 Million / Month)	\$118,415,000
Other Projected Revenue (SWPP, Interest, etc.)	\$7,000,000
SB 2345 State Fiscal Recovery Funds	\$56,903,215
<b>TOTAL</b>	<b>\$569,629,560</b>

**Projected Expenditures**

Unpaid Approvals (June 30, 2022)	\$349,440,000
DWR Operations (June 30, 2022)	\$35,000,000
<b>TOTAL</b>	<b>\$384,440,000</b>

<b>Projected Funding Balance</b>	<b>\$185,189,560</b>
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<b>ANTICIPATED REQUESTS (August 11, 2022 SWC Meeting)</b>	<b>\$38,053,716</b>
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<b>PROJECTED BALANCE</b>	<b>\$147,135,844</b>
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**Federal Funding**

MR&I Federal Funds Authority	\$50,000,000
SFRF Funds Authority	\$75,000,000
Federal Funds Expenditures	(\$28,291,950)
Remaining Federal Funds Authority	\$96,708,050

**DEPARTMENT OF WATER RESOURCES  
PROJECT SUMMARY  
2021-2023 BIENNIUM**

June 30, 2022

	2019-2021 CARRYOVER	2021-2023 APPROPRIATION	2021-2023 TOTAL	SWC/DIRECTOR APPROVED	APPROPRIATION BALANCE
<b>MUNICIPAL &amp; REGIONAL WATER SUPPLY:</b>					
MUNICIPAL WATER SUPPLY	41,793,597	19,637,815	61,431,412	61,431,412	0
RED RIVER VALLEY	22,689,165	45,692,665	68,381,830	68,381,830	0
OTHER REGIONAL WATER SUPPLY	21,422,747	10,610,000	32,032,747	32,032,747	(0)
UNOBLIGATED MUNICIPAL/REG WATER SUPPLY	16,261,350	49,059,521	65,320,871		65,320,871
Total	102,166,860	125,000,000	227,166,860	161,845,989	\$ 65,320,871
% OBLIGATED		60.75%			
<b>RURAL WATER SUPPLY:</b>					
RURAL WATER SUPPLY	29,584,542	28,512,015	58,096,557	58,096,557	(0)
UNOBLIGATED RURAL WATER SUPPLY	81,544	31,087,985	31,169,529		31,169,529
Total	29,666,086	59,600,000	89,266,086	58,096,557	31,169,529
% OBLIGATED		47.84%			
<b>FLOOD CONTROL:</b>					
FARGO	50,966,383	(0)	50,966,383	50,966,383	(0)
MOUSE RIVER	38,406,498	10,000,000	48,406,498	48,406,498	(0)
MOUSE RIVER HB1431 BOND PROCEEDS	0	74,500,000	74,500,000	74,500,000	0
VALLEY CITY	11,120,628	(0)	11,120,628	11,120,628	(0)
LISBON	174,579	(0)	174,579	174,579	(0)
OTHER FLOOD CONTROL	3,902,200	490,175	4,392,375	4,392,375	(0)
PROPERTY ACQUISITIONS	7,056,475	30,000	7,086,475	7,086,475	0
WATER CONVEYANCE	10,851,326	5,056,707	15,908,033	15,908,033	0
UNOBLIGATED FLOOD CONTROL	3,135,234	32,423,120	35,558,354		35,558,354
Total	125,613,325	122,500,000	248,113,325	212,554,971	35,558,354
% OBLIGATED		48.04%			
<b>GENERAL WATER:</b>					
GENERAL WATER	8,919,172	3,438,631	12,357,804	12,357,804	0
UNOBLIGATED GENERAL WATER	22,666	10,788,643	10,811,309		10,811,309
Total	8,941,838	14,227,274	23,169,113	12,357,804	10,811,309
% OBLIGATED		24.17%			
<b>SUBTOTAL</b>	<b>266,388,108</b>	<b>321,327,274</b>	<b>587,715,384</b>	<b>444,855,321</b>	<b>142,860,063</b>
<b>CAPITAL ASSETS:</b>					
SWPP CAPITAL ASSETS	8,528,779	18,868,203	27,396,982	27,396,982	0
NAWS CAPITAL ASSETS	10,865,900	12,458,000	23,323,900	23,323,900	0
UNOBLIGATED CAPITAL ASSETS	0	116,907,284	116,907,284		116,907,284
Total	19,394,679	148,233,487	167,628,166	50,720,882	116,907,284
% OBLIGATED		21.13%			
<b>DISCRETIONARY FUNDING:</b>					
DISCRETIONARY FUNDING PROJECTS	0	4,000,000	4,000,000	4,000,000	0
UNOBLIGATED DISCRETIONARY FUNDS	0	2,000,000	2,000,000		2,000,000
Total	0	6,000,000	6,000,000	4,000,000	2,000,000
% OBLIGATED		66.67%			
<b>BASINWIDE PLAN IMPLEMENTATION:</b>					
BASINWIDE PLAN IMPLEMENTATION	0	1,100,000	1,100,000	1,100,000	0
UNOBLIGATED BASINWIDE PLAN IMPLEMENTATION FUNDS	0	0	0		0
Total	0	1,100,000	1,100,000	1,100,000	0
% OBLIGATED		100.00%			
<b>STATE FISCAL RECOVERY FUND:</b>					
STATE FISCAL RECOVERY FUNDS - SB 2345	0	18,096,785	18,096,785	18,096,785	(0)
UNOBLIGATED STATE FISCAL RECOVERY FUNDS	0	56,903,215	56,903,215		56,903,215
Total	0	75,000,000	75,000,000	18,096,785	56,903,215
% OBLIGATED		24.13%			
<b>TOTAL</b>	<b>285,782,787</b>	<b>551,660,761</b>	<b>837,443,551</b>	<b>518,772,989</b>	<b>318,670,562</b>

**DEPARTMENT OF WATER RESOURCES  
PROJECT SUMMARY  
2021-2023 BIENNIUM**

*Jun-22*

	SWC/DIRECTOR APPROVED	EXPENDITURES	APPROVALS
<b>MUNICIPAL &amp; REGIONAL WATER SUPPLY:</b>			
MUNICIPAL WATER SUPPLY	61,431,412	20,323,315	41,108,097
RED RIVER VALLEY	68,381,830	8,286,666	60,095,164
OTHER REGIONAL WATER SUPPLY	32,032,747	11,537,341	20,495,407
<b>TOTAL</b>	<b>161,845,989</b>	<b>40,147,322</b>	<b>121,698,667</b>
<b>RURAL WATER SUPPLY:</b>			
RURAL WATER SUPPLY	58,096,557	11,579,386	46,517,171
<b>FLOOD CONTROL:</b>			
FARGO	50,966,383	36,415,582	14,550,801
MOUSE RIVER	48,406,498	17,506,064	30,900,434
MOUSE RIVER HB1431	74,500,000	896,650	73,603,350
VALLEY CITY	11,120,628	246,775	10,873,853
LISBON	174,579	94,090	80,489
OTHER FLOOD CONTROL	4,392,375	843,507	3,548,868
PROPERTY ACQUISITIONS	7,086,475	4,908,487	2,177,988
WATER CONVEYANCE	15,908,033	6,864,203	9,043,829
<b>TOTAL</b>	<b>212,554,971</b>	<b>67,775,359</b>	<b>144,779,613</b>
<b>GENERAL WATER:</b>			
GENERAL WATER	12,357,804	5,302,537	7,055,267
<b>SUBTOTAL</b>	<b>444,855,321</b>	<b>124,804,604</b>	<b>320,050,718</b>
<b>CAPITAL ASSETS:</b>			
SWPP CAPITAL ASSETS	27,396,982	17,664,621	9,732,361
NAWS CAPITAL ASSETS	23,323,900	9,271,241	14,052,659
<b>TOTAL</b>	<b>50,720,882</b>	<b>26,935,862</b>	<b>23,785,020</b>
<b>DISCRETIONARY FUNDING:</b>			
DISCRETIONARY FUNDING PROJECTS	4,000,000	110,559	3,889,441
<b>BASINWIDE PLAN IMPLEMENTATION:</b>			
BASINWIDE PLAN IMPLEMENTATION	1,100,000	162,574	937,426
<b>STATE FISCAL RECOVERY FUNDS SB2345</b>			
STATE FISCAL RECOVERY FUND PROJECTS	18,096,785	17,316,785	780,000
<b>TOTALS</b>	<b>518,772,989</b>	<b>169,330,384</b>	<b>349,442,605</b>

**DEPARTMENT OF WATER RESOURCES  
PROJECT SUMMARY  
2021-2023 Biennium  
Resources Trust Fund**

**WATER SUPPLY**

*Jun-22*

Approved SWC By No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Balance
<b>Municipal Water Supply:</b>								
SWC 2050-13	5000	2017-19	Mandan	New Raw Water Intake	10/7/2013	580,025	580,025	0
SWC 2050-13	5000	2019-21	Mandan	New Raw Water Intake	10/7/2013	11,254,411	2,270,681	8,983,730
SWC 2050-15	5000	2017-19	Washburn	New Raw Water Intake	10/7/2013	1,872,949	24,307	1,848,642
SWC 2050-32	5000	2017-19	Williston	Water Systems Improvement Project	10/6/2015	3,629,490	2,095,027	1,534,463
SWC 2050-75-19	5000	2019-21	Bismarck	Lockport Water Pump Station	10/8/2020	408,339	191,960	216,378
SWC 2050-84-19	5000	2019-21	Cavalier	Water Tower Replacement	2/1/2021	1,175,325	1,125,926	49,399
SWC 2050-86-19	5000	2019-21	Minot	SW Water Tower	10/10/2019	976,010	524,507	451,504
SWC 2050-88-19	5000	2019-21	Davenport	Water Improvement District No. 2019-1	10/10/2019	421,582	374,189	47,393
SWC 2050-89-19	5000	2019-21	West Fargo	9th Street NW Water Main	10/10/2019	594,000	0	594,000
SWC 2050-95-19	5000	2019-21	Garrison	Water Supply Treatment and Transmission Line	2/13/2020	3,076,759	527,691	2,549,068
SWC 2050-96-19	5000	2019-21	Larimore	2020 Water System Replacement	12/11/2020	3,329,005	1,378,989	1,950,016
SWC 2050-98-19	5000	2019-21	Sykeston	Water Tower Replacement	5/4/2021	414,966	321,332	93,634
SWC 2050-99-19	5000	2019-21	Valley City	Water Main Improvement 100/101	2/13/2020	47,939	0	47,939
SWC 2050-100-19	5000	2019-21	Wyndmere	2020 Water Main Improvements	2/13/2020	663,203	636,904	26,299
SWC 2050-101-19	5000	2019-21	Fargo	Downtown Water Tower	2/13/2020	2,751,478	1,289,597	1,461,880
SWC 2050-102-19	5000	2019-21	Lincoln	Water Tank Replacement	2/13/2020	1,268,000	0	1,268,000
SWC 2050-103-19	5000	2019-21	Kindred	Water Main Looping 2020	2/13/2020	35,546	0	35,546
SWC 2050-104-19	5000	2019-21	Hazen	Water Storage Improvements	2/13/2020	1,283,038	617,205	665,833
SWC 2050-105-19	5000	2019-21	Williston	42nd Street and 16th Avenue Water Main	2/13/2020	230,157	23,601	206,556
SWC 2050-106-19	5000	2019-21	Parshall	Water Tower Storage	4/9/2020	262,686	262,686	0
SWC 2050-107-19	5000	2019-21	Dickinson	North Annexation Water Supply	4/9/2020	842,408	42,135	800,273
SWC 2050-115-19	5000	2019-21	Kildeser	2020 Water Main and Pump Station Project	10/8/2020	1,011,008	195,200	815,808
SWC 2050-116-19	5000	2019-21	Portland	Water Systems Improvement Feasibility Study	11/16/2020	0	0	0
SWC 2050-121-19	5000	2019-21	Kildeser	HWBL Water Expansion	2/1/2021	72,300	13,500	58,800
SWC 2050-122-19	5000	2019-21	Bowbells	Watermain Improvements 2020	2/1/2021	22,800	22,800	0
SWC 2050-123-19	5000	2019-21	Horace	District 2020-06 Water System Improvements	6/8/2021	3,053,000	1,314,052	1,738,948
SWC 2050-124-19	5000	2019-21	Horace	District 2020-07 Connection to Cass RWD	2/1/2021	75,750	75,750	0
SWC 2050-125-19	5000	2019-21	Williston	Williston Square Watermain	6/7/2022	280,100	0	280,100
SWC 2050-127-19	5000	2019-21	Valley City	Watermain Improvement District 100 Project	4/8/2021	166,645	166,645	0
SWC 2050-128-19	5000	2019-21	Bismarck	43rd Avenue Expansion Phase I	6/8/2021	584,000	470,890	113,110
SWC 2050-129-19	5000	2019-21	Napoleon	Water Tower Replacement	6/8/2021	177,000	177,000	0
<b>TOTAL MUNICIPAL WATER SUPPLY CARRYOVER</b>						<b>40,559,918</b>	<b>14,722,597</b>	<b>25,837,321</b>
SWC 2050-95-21	5000	2021-23	Garrison	Water Supply Treatment and Transmission Line	2/23/2022	924,000	0	924,000
SWC 2050-104-21	5000	2021-23	Hazen	Water Systems Improvement Project	8/12/2021	367,000	0	367,000
SWC 2050-106-21	5000	2021-23	Parshall	Water Tower	8/12/2021	703,200	296,323	406,877
SWC 2050-122-21	5000	2021-23	Bowbells	Watermain Improvements 2021	4/12/2022	298,200	19,433	278,767
SWC 2050-124-21	5000	2021-23	Horace	Watermain Improvement District 2020-7 to Cass	8/12/2021	1,232,250	418,345	813,905
SWC 2050-125-19	5000	2019-21	Williston	Williston Square Watermain	6/7/2022	1,003,900	0	1,003,900
SWC 2050-128-21	5000	2021-23	Bismarck	43rd Avenue Expansion Phase 2	4/12/2022	2,936,000	1,727,093	1,208,907
SWC 2050-129-21	5000	2021-23	Napoleon	Water Tower Replacement	8/12/2021	1,617,000	721,343	895,657
SWC 2050-134-21	5000	2021-23	Stanley	Country Estates Watermain Extension	8/12/2021	29,400	0	29,400
SWC 2050-138-21	5000	2021-23	Wahpeton	Well Field and Transmission Line	10/14/2021	223,400	0	223,400
SWC 2050-139-21	5000	2021-23	Rugby	Water Treatment Plant Improvements Phase 3	10/14/2021	881,000	0	881,000
SWC 2050-140-21	5000	2021-23	McLean Sheridan RWD	Service to Blue Flint Ethanol Plant	10/14/2021	145,516	0	145,516
SWC 2050-143-21	5000	2021-23	Fargo	Regional Water System Distribution Extensions	2/23/2022	172,000	0	172,000
SWC 2050-144-21	5000	2021-23	Minot	NW Minot Residential Watermain Replacement	2/23/2022	225,000	5,267	219,733
SWC 2050-145-21	5000	2021-23	Valley City	Watermain Improvement District 59	2/23/2022	222,600	92,355	130,245
SWC 2050-146-21	5000	2021-23	Valley City	6th Street NW Watermain District 102	2/23/2022	252,000	227,186	24,814
SWC 2050-147-21	5000	2021-23	Grand Forks	Agribusiness Park Raw Water Supply Improvements	2/23/2022	1,200,000	0	1,200,000
SWC 2050-148-21	5000	2021-23	Riverdale	Raw Water Supply and Gate Valve Improvements	2/23/2022	225,000	0	225,000
SWC 2050-150-21	5000	2021-23	Portland	Water System Improvements	2/23/2022	97,350	0	97,350
SWC 2050-153-21	5000	2021-23	Grand Forks	2022 Waterline Expansion	4/12/2022	144,000	0	144,000
SWC 2050-154-21	5000	2021-23	Wilton	2022 Street and Utility Improvements	4/12/2022	2,150,000	0	2,150,000
Director 2050-158-21	5000	2021-23	Ray	Surge Tank Project	5/17/2022	14,000	0	14,000
Director 2050-159-21	5000	2021-23	Colfax	Water Transmission Line & Reservoir Expansion	5/17/2022	24,000	0	24,000
SWC 2050-160-21	5000	2021-23	Williston	9th Ave. West Watermain Replacement	6/7/2022	224,700	0	224,700
SWC 2050-161-21	5000	2021-23	Bismarck	Water Treatment Plant Improvements	6/7/2022	184,000	18,492	165,508
SWC 2050-162-21	5000	2021-23	Bismarck	WU137 Watermain Replacement	6/7/2022	2,170,000	403,201	1,766,799
SWC 2050-163-21	5000	2021-23	Devils Lake	West Side Watermain Replacement	6/7/2022	850,000	0	850,000
SWC 2050-164-21	5000	2021-23	Williston	2nd Ave. NW and 13th Ave. West Improvements	6/7/2022	684,300	0	684,300
<b>TOTAL MUNICIPAL WATER SUPPLY 2021-2023</b>						<b>19,199,816</b>	<b>3,929,040</b>	<b>15,270,776</b>
SB2345 2050-140-21	5000	2021-23	McLean Sheridan RWD	Service to Blue Flint Ethanol Plant	10/14/2021	264,984	264,984	0
SB2345 2050-13	5000	2021-23	Mandan	New Raw Water Intake	11/15/2021	6,035,589	6,035,589	(0)
<b>TOTAL MUNICIPAL WATER SUPPLY</b>						<b>66,060,307</b>	<b>24,952,210</b>	<b>41,108,097</b>
<b>Regional Water Supply:</b>								
SWC 1973-07	5000	2019-21	WAWSA	WAWSA Phase VI	6/8/2021	21,422,747	8,653,007	12,769,740
SWC 325-17-19	5000	2017-19	RRVWSP	RRVWSP Garrison Diversion	10/8/2020	1,452,074	1,452,074	0
SWC 325-19-21	5000	2019-21	RRVWSP	RRVWSP Garrison Diversion	6/8/2021	21,237,092	6,813,299	14,423,792
<b>TOTAL REGIONAL WATER SUPPLY CARRYOVER</b>						<b>44,111,912</b>	<b>16,918,380</b>	<b>27,193,532</b>
SWC 1973-08	5000	2021-23	WAWSA	McKenzie County WRD 2021 System I North Project	12/10/2021	3,478,000	2,884,333	593,667
SWC 1973-09	5000	2021-23	WAWSA	Stanley Rural Distribution Part 2 Project	4/12/2022	7,132,000	0	7,132,000
SWC 325-21-23	5000	2021-23	RRVWSP	RRVWSP Garrison Diversion	10/14/2021	45,692,665	21,293	45,671,371
<b>TOTAL REGIONAL WATER SUPPLY 2021-2023</b>						<b>56,302,665</b>	<b>2,905,627</b>	<b>53,397,038</b>
SB2345 325-19-21	5000	2019-21	RRVWSP	RRVWSP Garrison Diversion	11/15/2021	8,443,891	8,443,891	0
SB2345 325-21-23	5000	2021-23	RRVWSP	RRVWSP Garrison Diversion	11/15/2021	2,307,336	2,307,336	0
<b>TOTAL REGIONAL WATER SUPPLY</b>						<b>111,165,804</b>	<b>30,575,234</b>	<b>80,590,570</b>
<b>TOTAL</b>						<b>177,226,111</b>	<b>55,527,444</b>	<b>121,698,668</b>
<b>Capital Assets:</b>								
SWC 1736-05	8000		SWPP	Southwest Pipeline Project	10/14/2021	27,396,982	17,664,621	9,732,361
SWC 2374	9000		NAWS	Northwest Area Water Supply	2/8/2018	23,323,900	9,271,241	14,052,659
<b>TOTAL CAPITAL ASSETS</b>						<b>50,720,882</b>	<b>26,935,862</b>	<b>23,785,020</b>

PROGRESS REPORT REQUIRED

SWC Board Approved to Continue

	BUDGET	APPROVED	BALANCE
<b>RRVWSP WATER SUPPLY</b>	<b>48,000,000</b>	<b>45,692,665</b>	<b>2,307,336</b>
<b>OTHER WATER SUPPLY</b>	<b>76,562,000</b>	<b>29,809,816</b>	<b>46,752,184</b>
<b>OTHER WATER SUPPLY - COMPLETED</b>	<b>438,000</b>	<b>438,000</b>	<b>0</b>
<b>BUDGET WATER SUPPLY 2021-2023</b>	<b>125,000,000</b>	<b>75,940,480</b>	<b>49,059,520</b>

**DEPARTMENT OF WATER RESOURCES  
PROJECT SUMMARY  
2021-2023 Biennium  
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**COMPLETED WATER SUPPLY**

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Jun-22 Balance
<b>Municipal Water Supply:</b>									
SWC	2050-37	5000	2017-19	Dickinson	Dickinson State Avenue South Water Main	12/11/2015	587,143	587,142	312,900.00
SWC	2050-54	5000	2017-19	West Fargo	North Loop Connection	8/23/2017	117,461	117,461	-
SWC	2050-55	5000	2017-19	West Fargo	West Loop Connection	8/23/2017	10,000	10,000	-
SWC	2050-85-19	5000	2019-21	Mapleton	300,000 Gallon Storage Tank	10/10/2019	13,845	13,845	159,595.55
SWC	2050-87-19	5000	2019-21	Streeter	Well Installation and Tower Rehabilitation	10/10/2019	5,591	5,592	91,221.00
SWC	2050-90-19	5000	2019-21	Grand Forks	Water Treatment Plant	10/10/2019	450,037	450,037	-
SWC	2050-94-19	5000	2019-21	Watford City	Water Distribution 2019	12/6/2019	0	0	541,400.00
SWC	2050-117-19	5000	2019-21	Lakota	Water Transmission Line Replacement Project	12/11/2020	49,601	49,601	135,353.40
<b>TOTAL MUNICIPAL WATER SUPPLY CARRYOVER</b>							<b>1,233,678</b>	<b>1,233,678</b>	<b>1,240,470</b>
SWC	2050-149-21	5000	2021-23	Jamestown	ER Cross Town Water Supply Repair	2/23/2022	438,000	438,000	-
<b>TOTAL MUNICIPAL WATER SUPPLY 2021-2023</b>							<b>438,000</b>	<b>438,000</b>	<b>0</b>
<b>TOTAL MUNICIPAL WATER SUPPLY</b>							<b>1,671,678</b>	<b>1,671,678</b>	<b>1,240,470</b>
<b>Regional Water Supply:</b>									
0	0	0	0	0	0	1/0/1900	0	0	-
<b>TOTAL REGIONAL WATER SUPPLY CARRYOVER</b>							<b>0</b>	<b>0</b>	<b>0</b>
0	0	0	0	0	0	1/0/1900	0	0	-
<b>TOTAL REGIONAL WATER SUPPLY 2021-2023</b>							<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REGIONAL WATER SUPPLY</b>							<b>0</b>	<b>0</b>	<b>0</b>
<b>State Fiscal Recovery Funds:</b>									
SWC	325-19-21	5000	2019-21	RRVWSP	RRVWSP Garrison Diversion	6/8/2021	8,443,892	0	8,443,891.37
SWC	325-21-23	5000	2021-23	RRVWSP	RRVWSP Garrison Diversion	10/14/2021	2,307,335	0	2,307,335.01
SWC	2050-140-21	5000	2021-23	McLean Sheridan RWD	Service to Blue Flint Ethanol Plant	10/14/2021	529,969	0	529,968.65
SWC	2050-13	5000	2019-21	Mandan	New Raw Water Intake	10/7/2013	6,035,589	0	6,035,589.08
<b>TOTAL STATE FISCAL RECOVERY FUNDS</b>							<b>17,316,785</b>	<b>0</b>	<b>17,316,784</b>
<b>TOTAL</b>							<b>18,988,463</b>	<b>1,671,678</b>	<b>18,557,254</b>
<b>Capital Assets:</b>									
0	0	0	0	0	0	1/0/1900	0	0	-
<b>TOTAL CAPITAL ASSETS</b>							<b>0</b>	<b>0</b>	<b>0</b>

SWC Board Approved to Continue



**DEPARTMENT OF WATER RESOURCES  
PROJECT SUMMARY  
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**RURAL WATER**

*Jun-22*

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Balance
<b>Rural Water Supply:</b>									
SWC	2050-43	5000	2017-19	All Seasons Water District	System 4 Connection to System 1	12/11/2015	4,900,000	71,215	4,828,785
SWC	2050-57	5000	2017-19	North Central Regional Water District	Mountrail Expansion Phase II	8/23/2017	2,981,628	868,050	2,113,578
SWC	2050-58	5000	2017-19	North Central Regional Water District	Mountrail Co. Watery Phase III	8/23/2017	3,386,181	31,816	3,354,365
SWC	2050-65	5000	2017-19	Tri-County Rural Water District	System Expansion Project	8/9/2018	28,929	0	28,929
SWC	2373-39	5000	2017-19	North Central Rural Water Consortium	Carpio Berthold Phase 2	4/1/2015	258,691	0	258,691
SWC	2050-77-19	5000	2019-21	Dakota Rural Water District	2019 Expansion	4/9/2020	2,053,156	1,790,611	262,545
SWC	2050-92-19	5000	2019-21	East Central Regional Water District	2019 Expansion Phase IV	10/8/2020	2,665,243	1,978,444	686,799
SWC	2050-113-19	5000	2019-21	North Prairie Regional Water District	Minot to Velva Highway 52 Improvement	10/8/2020	3,074,030	8,440	3,065,590
SWC	2050-114-19	5000	2019-21	Walsh Rural Water District	Drayton Water Supply Project	2/11/2021	7,323,029	429,953	6,893,077
SWC	2050-119-19	5000	2019-21	Southeast Water Users District	West System Supply Study	2/11/2021	134,408	91,779	42,629
SWC	2050-120-19	5000	2019-21	East Central Regional Water District	Grandin Water Supply	6/8/2021	1,640,000	95,607	1,544,393
SWC	2050-126-19	5000	2019-21	East Central Regional Water District	Hatton Water Supply	4/8/2021	75,000	75,000	0
SWC	2050-130-19	5000	2019-21	Barnes Rural Water District	2021 Storage Expansion	10/14/2021	112,000	112,000	0
SWC	2050-131-19	5000	2019-21	Northeast Regional Water District	Expansion - Adams/Walsh RWD	6/8/2021	50,000	50,000	0
<b>TOTAL RURAL WATER SUPPLY CARRYOVER</b>							<b>28,682,294</b>	<b>5,602,913</b>	<b>23,079,381</b>
SWC	2050-77-21	5000	2021-23	Dakota Rural Water District	2019 Expansion	8/12/2021	1,877,000	0	1,877,000
SWC	2050-114-21	5000	2021-23	Walsh Rural Water District	Drayton Water Supply Project	4/12/2022	1,025,300	0	1,025,300
SWC	2050-120-21	5000	2021-23	East Central Regional Water District	Grandin Water Supply	4/12/2022	528,000	0	528,000
SWC	2050-126-21	5000	2021-23	East Central Regional Water District	Hatton Water Supply	4/12/2022	1,683,000	10,880	1,672,120
SWC	2050-130-19	5000	2021-23	Barnes Rural Water District	2021 Storage Expansion	10/14/2021	2,262,400	353,037	2,091,179
SWC	2050-131-19	5000	2021-23	Northeast Regional Water District	Expansion - Adams/Walsh RWD	6/8/2021	160,000	121,996	131,300
SWC	2050-132-21	5000	2021-23	McLean-Sheridan Rural Water District	McClusky Water Tower Replacement	2/23/2022	3,045,000	687,622	2,357,378
SWC	2050-133-21	5000	2021-23	Rolette County	Turtle Mountain Public Utilities Comm: WTP Membrane	6/8/2021	1,036,800	1,029,622	7,178
SWC	2050-135-21	5000	2021-23	East Central Regional Water District	WTP and Transmission Expansion	4/12/2022	2,139,500	362,181	1,777,319
SWC	2050-136-21	5000	2021-23	McLean-Sheridan Rural Water District	System Improvements Phase 2	2/23/2022	6,870,000	2,050,123	4,819,877
SWC	2050-137-21	5000	2021-23	Upper Souris Water District	2021 Improvements and Expansion	8/12/2021	245,000	0	245,000
SWC	2050-140-21	5000	2021-23	McLean Sheridan Rural Water District	Service to Blue Flint Ethanol Plant	10/14/2021	145,516	0	145,515.52
SB2345	2050-140-21	5000	2021-23	McLean Sheridan Rural Water District	Service to Blue Flint Ethanol Plant	10/14/2021	264,984	264,984	0
SWC	2050-141-21	5000	2021-23	Agassiz Water Users District	2022 Expansion Phase 2	10/14/2021	266,000	0	266,000
SWC	2050-142-21	5000	2021-23	Cass Rural Water District	2022 System Distribution Project	6/7/2022	2,401,000	203,472	2,197,528
SWC	2050-151-21	5000	2021-23	Walsh Rural Water District	Interconnect with NRWD	2/23/2022	161,500	11,250	150,250
SWC	2050-152-21	5000	2021-23	Rolette County	Turtle Mountain Public Utilities: Thorne Reservoir	2/23/2022	1,135,000	244,044	890,956
SB2345	2050-155-21	5000	2021-23	Cass Rural Water District	ND Soybean Processors Facility and Pipeline	4/12/2022	780,000	0	780,000
SWC	2050-156-21	5000	2021-23	Dakota Rural Water District	Service to Hannaford and WTP Expansion	4/12/2022	315,000	0	315,000
Director	2050-157-21	5000	2021-23	Central Plains Water District	Maddock Water Treatment Plant Feasibility Study	5/3/2022	26,000	0	26,000
SWC	2050-165-21	5000	2021-23	Greater Ramsey WD	North System Capacity Improvements	6/7/2022	590,000	0	590,000
SWC	2050-166-21	5000	2021-23	Rolette County	TMPUC Highway 43 Corridor Expansion	6/7/2022	2,600,000	0	2,600,000
<b>TOTAL RURAL WATER SUPPLY 2021-2023</b>							<b>29,557,000</b>	<b>5,339,210</b>	<b>24,492,902</b>
<b>TOTAL RURAL WATER SUPPLY</b>							<b>58,239,294</b>	<b>10,942,123</b>	<b>47,572,283</b>

PROGRESS REPORT REQUIRED

SWC Board Approved to Continue

	BUDGET	APPROVED	BALANCE
OTHER RURAL WATER	59,600,000	29,557,000	30,043,000
OTHER RURAL WATER - COMPLETED	0	0	0
BUDGET RURAL WATER 2021-2023	59,600,000	29,557,000	30,043,000

DEPARTMENT OF WATER RESOURCES  
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2021-2023 Biennium  
Resources Trust Fund

COMPLETED RURAL WATER

Approved By	SWC No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Jun-22 Balance
<b>Rural Water Supply:</b>									
SWC	2050-34	5000	2017-19	North Prairie Rural Water District	Storage and Water Main	10/6/2015	26,708	26,708	81,544.00
SWC	2050-78-19	5000	2019-21	McLean-Sheridan Rural Water District	2019 Expansion	4/9/2020	669,008	669,008	-
SWC	2050-91-19	5000	2019-21	Agassiz Water Users District	2019 Expansion	4/9/2020	206,532	206,532	-
<b>TOTAL RURAL WATER SUPPLY CARRYOVER</b>							<b>902,248</b>	<b>902,248</b>	<b>81,544</b>
0	0	0	0	0	0	1/0/1900	0	0	-
<b>TOTAL RURAL WATER SUPPLY 2021-2023</b>							<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RURAL WATER SUPPLY</b>							<b>902,248</b>	<b>902,248</b>	<b>81,544</b>

SWC Board Approved to Continue



**DEPARTMENT OF WATER RESOURCES  
PROJECT SUMMARY  
2021-2023 Biennium  
Resources Trust Fund**

**FLOOD CONTROL**

						<b>Jun-22</b>			
Approver By	SWC No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Balance
<b>Flood Control:</b>									
#REF!	#REF!	5000	2019-21	Fargo Metro Flood Diversion	Fargo Metro Flood Diversion Authority 2019-2021	10/8/2020	44,000,000	29,449,199	14,550,801
#REF!	#REF!	Rural	2017-19	Souris River Joint WRD	Mouse River Rural Projects	6/19/2019	1,045,902	1,045,902	0
#REF!	#REF!	Rural	2019-21	Souris River Joint WRD	Mouse River Rural Projects	6/19/2019	21,913,543	8,761,945	13,151,598
#REF!	#REF!	M-15	2017-19	Souris River Joint WRD	Mouse River Municipal Projects carryover 2015-17	3/29/2017	415,310	415,310	0
#REF!	#REF!	M-17	2017-19	Souris River Joint WRD	Mouse River Municipal Projects carryover 2017-19	4/12/2018	8,992,670	4,146,692	4,845,978
#REF!	#REF!	M-19	2019-21	Souris River Joint WRD	Mouse River Municipal New Projects 2019-21	6/19/2019	5,907,657	3,034,250	2,873,407
#REF!	#REF!	5000	2017-19	City of Minot	SWIF 2018 Outfall Pipe Project	10/11/2018	131,415	101,965	29,450
#REF!	#REF!	5000	2019-21	Valley City	Permanent Flood Protection PH IV and V	4/9/2020	10,926,068	80,137	10,845,930
#REF!	#REF!	5000	2019-21	Valley City	Permanent Flood Protection Storage Building	6/8/2021	150,000	122,175	27,825
#REF!	#REF!	5000	2021-23	Lisbon	Levees C & E Liftstation	6/7/2022	80,489	0	80,489
#REF!	#REF!	5000	2019-21	Maple River WRD	Davenport Flood Risk Reduction	4/9/2020	2,012,115	63,254	1,948,861
#REF!	#REF!	5000	2017-19	Cass County Joint WRD	Sheldon Subdivision Levee	10/11/2018	370,200	0	370,200
#REF!	#REF!	5000	2019-21	City of Devils Lake	Devils Lake Flood Risk Management Levee	4/8/2021	266,250	0	266,250
#REF!	#REF!	5000	2017-19	City of Belfield	Heart River & Tributaries Flood Control Study	11/6/2018	27,000	0	27,000
#REF!	#REF!	5000	2019-21	Burleigh County WRD	Sibley Island Flood Control Project	8/8/2019	48,473	0	48,473
#REF!	#REF!	5000	2017-19	Lower Heart River WRD	Lower Heart Flood Risk Reduction	10/8/2020	781,430	505,501	275,929
<b>TOTAL FLOOD CONTROL CARRYOVER</b>							<b>97,068,522</b>	<b>47,726,330</b>	<b>49,342,192</b>
#REF!	#REF!	MRA-21	2021-23	Souris River Joint WRD	Mouse River Municipal, Rural, and Rural Acquisitions	8/12/2021	71,350,000	896,650	70,453,350
#REF!	#REF!	5000	2021-23	Steele County WRD	Golden Lake Complex Improvement Study	10/14/2021	60,000	38,165	21,835
#REF!	#REF!	5000	2017-19	Lower Heart River WRD	Lower Heart Flood Risk Reduction	10/8/2020	209,285	0	0
#REF!	#REF!	5000	2021-23	Bismarck	Wastewater Treatment Plant Effluent Flood Control	10/14/2021	72,000	36,889	35,111
#REF!	#REF!	5000	2021-23	Pembina County WRD	Drain 16 Expansion Analysis	6/7/2022	112,590	0	112,590
#REF!	#REF!	5000	2021-23	Emmons County WRD	Spring Creek Diversion Study	5/3/2022	36,300	0	36,300
<b>TOTAL FLOOD CONTROL 2021-2023</b>							<b>71,840,175</b>	<b>971,705</b>	<b>70,659,185</b>
<b>TOTAL FLOOD CONTROL</b>							<b>168,908,697</b>	<b>48,698,035</b>	<b>120,001,377</b>
<b>Floodway Property Acquisitions:</b>									
#REF!	#REF!	5000	2019-21	Minot Acquisitions	Minot Phase - Floodway Acquisitions	6/19/2019	7,035,716	4,878,487	2,157,229
#REF!	#REF!	5000	2019-21	Rural Floodway Acquisitions	Mouse River Rural - Floodway Acquisitions	6/19/2019	0	0	0
#REF!	#REF!	5000	2021-23	Valley City	Valley City - Floodway Acquisitions	1/19/2022	71,340	0	71,340
#REF!	#REF!	5000	2017-19	Lisbon	Lisbon - Floodway Acquisition	5/8/2019	20,759	0	20,759
<b>TOTAL FLOOD FLOODWAY PROPERTY ACQUISITIONS CARRYOVER</b>							<b>7,127,815</b>	<b>4,878,487</b>	<b>2,249,328</b>
#REF!	#REF!	MA-21	2021-23	Souris River Joint WRD	Minot Phase - Floodway Acquisitions 2021-23	8/12/2021	13,150,000	0	13,150,000
<b>TOTAL FLOOD FLOODWAY PROPERTY ACQUISITIONS 2021-2023</b>							<b>13,150,000</b>	<b>0</b>	<b>13,150,000</b>
<b>FLOODWAY PROPERTY ACQUISITIONS</b>							<b>20,277,815</b>	<b>4,878,487</b>	<b>15,399,328</b>
<b>TOTAL FLOOD CONTROL</b>							<b>189,186,512</b>	<b>53,576,521</b>	<b>135,400,705</b>
<b>Discretionary Funding Projects:</b>									
#REF!	#REF!	5000	2021-23	ND State Water Commission	Drought Disaster Livestock Water Supply Assistance	7/30/2021	2,000,000	0	2,000,000
#REF!	#REF!	5000	2021-23	ND State Water Commission	Emergency Livestock Water Supply Program	1/0/1900	2,000,000	110,559	1,889,441
<b>Basinwide Plan Implementation:</b>									
#REF!	#REF!	5000	2021-23	Upper Sheyenne River Joint WRB	Upper Sheyenne River Watershed Pilot Project	8/12/2021	1,100,000	162,574	937,426
<b>TOTAL</b>							<b>194,286,512</b>	<b>53,849,654</b>	<b>140,227,573</b>

PROGRESS REPORT REQUIRED

SWC Board Approved to Continue

	<u>BUDGET</u>	<u>APPROVED</u>	<u>BALANCE</u>
<b>FLOOD CONTROL</b>	<b>117,413,293</b>	<b>84,990,175</b>	<b>32,423,118</b>
<b>FLOOD CONTROL - COMPLETED</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>
<b>CONVEYANCE</b>	<b>5,056,707</b>	<b>5,056,707</b>	<b>0</b>
<b>BUDGET FLOOD CONTROL 2021-2023</b>	<b>122,500,000</b>	<b>90,076,882</b>	<b>32,423,118</b>

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**COMPLETED FLOOD CONTROL**

Approved By	SWC No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Jun-22 Balance
<b>Flood Control:</b>									
SB 2020	1928-17	5000	2017-19	Fargo Metro Flood Diversion	Fargo Metro Flood Diversion Authority 2017-2019	2/14/2019	6,966,383	6,966,383	0
SB 2371	1344-02	5000	2017-19	Lisbon	Sheyenne River Valley Flood Control Project	8/8/2016	78,000	78,001	0
SWC	1991-10	5000	2017-19	Lisbon	Permanent Flood Protection - Levee F Project	4/12/2018	16,090	16,090	0
SWC	1504-03	5000	2017-19	Valley City	Permanent Flood Protection PH II	12/9/2016	0	0	234,498
SWC	1504-08	5000	2017-19	Valley City	Permanent Flood Protection Erosion Sites	4/9/2019	44,560	44,462	0
SWC	1771-01	5000	2017-19	Grafton	Grafton Flood Control Project	10/12/2016	396,733	199,698	0
SWC	1771-01	5000	2017-19	Grafton	Grafton Flood Control Project	10/12/2016	0	0	1,864,788
<b>TOTAL FLOOD CONTROL CARRYOVER</b>							<b>7,501,767</b>	<b>7,304,634</b>	<b>2,099,286</b>
0	0	0	0		0	0	1/0/1900	0	0
<b>TOTAL FLOOD CONTROL 2021-2023</b>							<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FLOOD CONTROL</b>							<b>7,501,767</b>	<b>7,304,634</b>	<b>2,099,286</b>
<b>Floodway Property Acquisitions:</b>									
SB 2371	1504-05	5000	2017-19	Valley City	Valley City - Floodway Acquisitions	12/8/2017	0	0	260,280
<b>TOTAL FLOOD FLOODWAY PROPERTY ACQUISITIONS CARRYOVER</b>							<b>0</b>	<b>0</b>	<b>260,280</b>
Director	1504-05	5000	2021-23	Valley City	Valley City - Floodway Acquisitions	8/18/2021	30,000	30,000	0
<b>TOTAL FLOOD FLOODWAY PROPERTY ACQUISITIONS 2021-2023</b>							<b>30,000</b>	<b>30,000</b>	<b>0</b>
<b>FLOODWAY PROPERTY ACQUISITIONS</b>							<b>30,000</b>	<b>30,000</b>	<b>260,280</b>
<b>TOTAL FLOOD CONTROL</b>							<b>7,531,767</b>	<b>7,334,634</b>	<b>2,359,566</b>
<b>Discretionary Funding Projects:</b>									
0	0	0	0		0	0	0	0	0
<b>Basinwide Plan Implementation</b>									
								0	0
<b>TOTAL</b>							<b>7,531,767</b>	<b>7,334,634</b>	<b>2,359,566</b>

SWC Board Approved to Continue



**DEPARTMENT OF WATER RESOURCES  
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**WATER CONVEYANCE**

**Jun-22**

Approved SWC By No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Balance
<b><i>Drain &amp; Channel Improvement Projects:</i></b>								
SWC 1064	5000	2019-21	Rush River WRD	Cass County Drain 2 Channel Improvement	6/8/2021	605,379	473,597	131,783
SWC 1090	5000	2019-21	Southeast Cass WRD	Cass County Drain 40 Channel Improvements 2021	6/8/2021	320,017	21,798	298,219
SWC 1222	5000	2015-17	Sargent Co WRD	Drain No 11 Channel Improvements	10/12/2016	1,350,501	16,924	1,333,577
SWC 1951	5000	2015-17	Maple River WRD	Lynchburg Channel Improvements	7/6/2016	505,707	488,713	16,994
SWC 1975	5000	2019-21	Walsh Co. WRD	Walsh County Drain 31 Improvements	6/8/2021	287,349	59,440	227,909
SWC 1990	5000	2011-13	Mercer Co. WRD	Lake Shore Estates High Flow Diversion Project	3/7/2012	43,821	0	43,821
SWC 2084	5000	2019-21	Richland County WRD	Richland County Drain 31 Reconstruction	6/8/2021	174,771	34,216	140,555
SWC 2094	5000	2019-21	McLean County WRD	Fort Mandan/4H Camp Access Road	4/9/2020	67,996	0	67,996
SWC 2112	5000	2019-21	Pembina Co. WRD	Pembina Co Drain #81	2/13/2020	284,982	284,982	0
SWC 2135	5000	2019-21	Grand Forks-Traill County Joint WRD	Grand Forks County Legal Drain No.59	12/11/2020	2,783,837	2,525,360	258,477
SWC 2138	5000	2019-21	Pembina County WRD	Drain No. 82	12/6/2019	985,718	62,646	923,072
SWC 2140	5000	2019-21	Grand Forks-Traill County Joint WRD	Thompson Drainage	4/9/2020	613,751	564,013	49,738
SE 2143	5000	2019-21	Traill Co. WRD	Hillsboro Drain No. 26 Channel Improvements	3/27/2020	7,612	0	7,612
SWC 2157	5000	2019-21	Maple River WRD	Upper Swan Creek Channel Improvements	6/8/2021	698,468	31,086	667,382
SWC/SE 1413-01	5000	2019-21	Traill Co. WRD	Camrud Drainage Improvement District No. 79	4/9/2020	740,307	659,312	80,995
SWC 2152	5000	2019-21	Enderlin Park Board	Maple River Bank Stabilization Project	12/11/2020	132,500	90,875	41,625
SE 2153	5000	2019-21	Traill Co. WRD	Hong Drainage Improvement District No. 81	11/16/2020	2,279	779	1,501
SWC 2155	5000	2019-21	Richland County, Center Township	Wild Rice River Bank Stabilization	10/8/2020	44,423	40,929	3,494
SE 2159	5000	2019-21	North Cass WRD	Cass County Drain 18 Extension	10/14/2021	10,350	0	10,350
<b>TOTAL RURAL FLOOD CONTROL CARRYOVER</b>						<b>9,659,768</b>	<b>5,354,669</b>	<b>4,305,099</b>
SWC 1061	5000	2021-23	Bottineau County WRD	Stone Creek Lateral B Construction	2/23/2022	157,537	1,341	156,196
Director 1085	5000	2021-23	Maple River WRD	Cass County Drain 34 Planning Study	12/21/2021	22,500	20,871	1,629
Director 1088	5000	2021-23	Maple River WRD	Cass County Drain 37 Improvement Project	1/12/2022	12,375	9,375	3,000
SWC 1108	5000	2021-23	Grand Forks County WRD	Drain 9 Improvements	4/12/2022	230,983	0	230,983
SWC 1153	5000	2021-23	Pembina Co. WRD	Pembina Co Drain 34 Reconstruction Project	1/21/2022	961,125	0	961,125
SWC 1175	5000	2021-23	Richland County WRD	County Drain 1 Reconstruction Phase I	6/7/2022	99,355	0	99,355
SWC 1221	5000	2021-23	Sargent County WRD	County Drain No. 9/11	8/12/2021	35,618	0	35,618
SWC 1241	5000	2021-23	Traill Co. WRD	Blanchard-Norman Drain 23-40	4/12/2022	1,215,547	9,212	1,206,336
Director 1296	5000	2021-23	City of Walhalla	Pembina River Bank Stabilization	4/19/2022	3,750	0	3,750
SWC 1650	5000	2021-23	Sargent Co WRD	County Drain No.7	8/12/2021	185,927	20,684	165,243
SWC 1923	5000	2021-23	Pembina Co. WRD	Drain 66 Outlet Feasibility Review	5/4/2021	69,930	16,890	53,040
Director 1978	5000	2021-23	Richland-Sargent Joint WRD	Richland-Sargent Drain 1 Improvements Phase 3	3/18/2022	20,025	5,359	14,666
SWC 1999	5000	2021-23	Pembina Co. WRD	Tongue River Cut-off Channel Improvements	8/12/2021	145,980	69,286	76,694
SWC 2140	5000	2021-23	Grand Forks-Traill County Joint WRD	Thompson Drainage Improvement District 72	8/12/2021	168,148	0	168,148
SWC 2159	5000	2019-21	North Cass WRD	Cass County Drain 18 Extension	10/14/2021	147,149	0	147,149
SWC 2162	5000	2021-23	Steele County WRD	Drain 1 Lateral A - Construction Phase	9/30/2021	128,007	84,316	43,691
SWC 2163	5000	2021-23	Nelson County WRD	Petersburg Infrastructure and Flood Mitigation	10/14/2021	78,509	0	78,509
Director 2167	5000	2021-23	Steele County WRD	Steele County Drain 11 Outlet Improvements	8/18/2021	74,250	16,358	57,892
SWC 2171	5000	2021-23	Maple River WRD	Cornell Township Drainage Improvement District 80	12/10/2021	31,500	14,013	17,487
SWC 2078	5000	2021-23	Cass County Highway Dept	Wild Rice River Bank Stabilization	6/7/2022	732,950	0	732,950
Director 2179	5000	2021-23	Cass County Highway Dept	Normann Township Bank Stabilization - Precons	5/17/2022	25,000	0	25,000
<b>TOTAL RURAL FLOOD CONTROL 2021-2023</b>						<b>4,546,165</b>	<b>267,703</b>	<b>4,278,462</b>
<b>TOTAL RURAL FLOOD CONTROL</b>						<b>14,205,933</b>	<b>5,622,372</b>	<b>8,583,561</b>
<b><i>Snagging &amp; Clearing Projects:</i></b>								
SWC 568	5000	2019-21	Southeast Cass WRD	Sheyenne River Snag & Clear	8/8/2019	84,852	0	84,852
SE 1277	5000	2019-21	Emmons County WRD	2020-2021 Beaver Creek Snag & Clear	12/10/2020	74,000	0	74,000
SWC 1694	5000	2019-21	Pembina County WRD	Tongue River Snag and Clear, City of Cavalier	10/8/2020	98,400	89,093	9,307
SWC 1868	5000	2019-21	Southeast Cass WRD	2020-2021 Wild Rice River Snag & Clear	12/11/2020	9,956	1,548	8,407
SE 1945	5000	2019-21	Rush River WRD	Rush River Snagging & Clearing	2/10/2021	70,000	0	70,000
SE 2095	5000	2019-21	Barnes Co WRD	2019 Sheyenne River Snag & Clear Reach 1 - Project 2	9/16/2019	7,435	0	7,435
SWC 2095	5000	2019-21	Southeast Cass WRD	2020-2021 Sheyenne River Snag & Clear	12/11/2020	39,244	0	39,244
<b>TOTAL SNAGGING &amp; CLEARING CARRYOVER</b>						<b>383,887</b>	<b>90,642</b>	<b>293,245</b>
Director 662	5000	2021-23	Walsh County WRD	Park River Snag & Clear 2021	8/13/2021	40,538	784	39,754
Director 1271	5000	2021-23	Southeast Cass WRD	Rose Coulee Snagging and Clearing	8/18/2021	50,000	21,563	28,437
Director 1816	5000	2021-23	Barnes Co WRD	Sheyenne River Snag & Clear 2021-2022	1/19/2022	50,000	48,893	1,107
SWC 1868	5000	2019-21	Southeast Cass WRD	2021-2022 Wild Rice River Snag & Clear	12/10/2021	98,000	275	97,725
<b>TOTAL SNAGGING &amp; CLEARING 2021-2023</b>						<b>238,538</b>	<b>71,515</b>	<b>167,023</b>
<b>TOTAL SNAGGING &amp; CLEARING</b>						<b>622,425</b>	<b>162,157</b>	<b>460,268</b>
<b>TOTAL WATER CONVEYANCE</b>						<b>14,828,358</b>	<b>5,784,529</b>	<b>9,043,829</b>
<b>TOTAL</b>						<b>14,828,358</b>	<b>5,784,529</b>	<b>9,043,829</b>

PROGRESS REPORT REQUIRED

SWC Board Approved to Continue

	BUDGET	APPROVED	BALANCE
<b>WATER CONVEYANCE</b>	4,784,703	4,784,703	0
<b>COMPLETED WATER CONVEYANCE</b>	272,004	272,004	0
<b>BUDGET WATER CONVEYANCE 2021-2023</b>	5,056,707	5,056,707	0

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**COMPLETED WATER CONVEYANCE**

						<b>Jun-22</b>				
Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Balance	
SWC	1059	5000	2017-19	Bottineau Co WRD	Baumann Legal Drain	12/7/2018	156,132	225	155,907	
SWC	1217	5000	2019-21	Tri-County WRD	Drain No 6	10/10/2019	174,013	71,180	102,833	
SE	1299	5000	2019-21	Ransom County	Maple River Bridge Bank Stabilization	6/11/2021	50,267	40,423	9,844	
SWC	1520	5000	2017-19	Walsh Co. WRD	Walsh County Drain 30-2	10/11/2018	82,318	308	82,010	
SE	1638	5000	2019-21	Rush River WRD	Auka Ring Dike	5/20/2021	55,000	55,000	0	
SE	1667	5000	2019-21	Traill County WRD	Goose River Snagging & Clearing	10/27/2020	44,683	44,683	0	
SE	1934	5000	2019-21	Traill County WRD	Elm River Snagging & Clearing	10/27/2020	45,739	45,739	0	
SWC	1999	5000	2019-21	Pembina Co. WRD	Tongue River Cutoff Channel Improvements	2/13/2020	6,812	6,082	730	
SE	2016	5000	2015-17	Pembina Co. WRD	Establishment of Pembina County Drain No. 80	4/10/2017	3,981	3,981	0	
SWC	2087	5000	2015-17	Walsh Co. WRD	Drain #87/McLeod Drain	3/29/2017	374,907	166,028	208,878	
SWC	2104	5000	2019-21	Bottineau Co. WRD	Overgaard Extension	2/13/2020	57,899	0	57,899	
SWC	2136	5000	2019-21	Pembina County WRD	Drain No. 39	4/9/2020	27,683	12,060	15,623	
Director	2144	5000	2019-21	Ransom County	Virgil Schultz Bridge Bank Slope Stabilization	5/5/2020	36,531	36,531	0	
SE	2149	5000	2019-21	Maple River WRD	Tower Township Improvement District No. 79	12/2/2020	8,051	0	8,051	
SWC	2156	5000	2019-21	Bottineau County WRD	McHenry Laterals A and B	10/8/2020	362,492	236,258	126,234	
SE	2162	5000	2019-21	Steele Couty WRD	Drain 1 Lateral A - Preliminary Design Phase	4/13/2021	9,000	9,000	0	
SWC	PS/WRD/MER	5000	2019-21	Mercer County WRD	Knife River Bank Stabilization	10/8/2020	87,831	80,173	7,658	
<b>TOTAL WATER CONVEYANCE CARRYOVER</b>								<b>1,583,338</b>	<b>807,670</b>	<b>775,668</b>
SWC	568	5000	2021-23	Southeast Cass WRD	2021-2022 Sheyenne River Snag & Clear	12/10/2021	98,000	98,000	0	
SWC	1061	5000	2021-23	Bottineau County WRD	Stone Creek Lateral B	10/14/2021	20,250	20,250	0	
SWC	1842	5000	2021-23	Richland County WRD	Wild Rice River Snagging and Clearing 2021	10/14/2021	85,000	85,000	0	
Director	2144	5000	2021-23	Ransom County	Virgil Schultz Bridge Bank Slope Stabilization	8/18/2021	18,754	18,754	0	
SWC	2170	5000	2021-23	Richland County WRD	Sheyenne River Snag & Clear	8/30/2021	50,000	50,000	0	
<b>TOTAL WATER CONVEYANCE 2021-2023</b>								<b>272,004</b>	<b>272,004</b>	<b>0</b>
<b>TOTAL</b>								<b>1,855,342</b>	<b>1,079,674</b>	<b>775,668</b>

SWC Board Approved to Continue

**DEPARTMENT OF WATER RESOURCES  
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**GENERAL PROJECTS**

Jun-22

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Balance
<b>Hydrologic Investigations:</b>									
SWC	2041	3000	2017-19	USGS	Stream Gage Joint Funding Agreement	6/7/2022	932,510	463,860	468,650
<b>TOTAL CARRYOVER</b>							<b>932,510</b>	<b>463,860</b>	<b>468,650</b>
<b>Subtotal Hydrologic Investigations</b>							<b>932,510</b>	<b>463,860</b>	<b>468,650</b>
<b>General Water Management:</b>									
SWC	269	5000	2017-19	Walsh Co. WRD	Fordville Dam Rehabilitation	6/19/2019	45,098	20,594	24,504
SWC	391	5000	2019-21	Sargent Co WRD	Silver Lake Dam Improvements	4/9/2020	46,047	17,491	28,556
SWC	394	5000	2019-21	Golden Valley Co WRD	Odland Dam Rehabilitation Project	12/11/2020	306,000	169,099	136,901
SE	477	5000	2019-21	City of Valley City	Mill Dam Rehabilitation	11/16/2020	74,625	0	74,625
SE	531	5000	2017-19	Benson Co WRD	Bouret Dam Rehabilitation	12/20/2018	8,124	8,124	0
SE	531	5000	2019-21	Benson Co WRD	Bouret Dam Rehabilitation	12/2/2020	75,000	24,962	50,038
SE	632	5000	2019-21	Bottineau County Highway Dept	Antler Dam Repair	1/16/2020	31,207	29,728	1,479
SWC	688	5000	2017-19	Grand Forks Co WRD	Larimore Dam Rehabilitation	6/19/2019	43,211	20,524	22,687
SWC	980	5000	2015-17	Cass Co. Joint WRD	Rush River Watershed Detention Study	1/7/2016	38,602	0	38,602
SE	1264	5000	2013-15	Barnes Co WRD	Little Dam Repurposing Feasibility Study	6/17/2015	5,797	0	5,797
SE/SWC	1267	5000	2019-21	Bottineau County WRD	Westhope Dam Rehabilitation	6/9/2020	71,293	0	71,293
SE	1289	5000	2015-17	McKenzie Co. Weed Board	Control of Noxious Weeds on Sovereign Land	3/23/2021	40,111	4,945	35,166
SWC	1303	5000	2015-17	Sargent Co WRD	Shortfoot Creek Watershed Planning Program	3/9/2016	45,560	22,239	23,321
SE	1378	5000	2019-21	Barnes Co WRD	Clausen Springs Dam EAP	2/7/2020	3,304	0	3,304
SWC	1389	5000	2013-15	Bank of ND	BND AgPace Program	2/11/2021	220,291	48,685	171,606
SE	1431	5000	2019-21	USGS/LaMoire County	Rapid Deployment Gages under FEMA Hazard Mit	10/17/2019	500	0	500
SE	1453	5000	2017-19	Hettinger County WRD	Karey Dam Rehabilitation Design & Planning	12/14/2018	48,284	48,284	0
SE	1453	5000	2017-19	Hettinger County WRD	Karey Dam Rehabilitation Project	4/9/2019	181,661	78,146	103,515
SWC	1785	5000	2019-21	Maple River WRD	Maple River Dam Site T-180 Improvements	2/13/2020	35,759	0	35,759
SWC	1851-01	5000	2015-17	ND State Water Commission	Drought Disaster Livestock Water Supply Assistance	6/8/2021	3,853,243	2,818,668	1,034,575
SWC	1968	5000	2017-19	Garrison Diversion	MM 0 and MM 0.4 Irrigation Project	12/7/2018	1,620,054	0	1,620,054
SE	2055	5000	2015-17	Red River Joint Water Resource District	Lower Red Basin Regional Detention Study	11/3/2020	77,905	25,839	52,066
SWC	2059	5000	2015-17	Park River Joint WRD	North Branch Park River NRCS Watershed Study	10/6/2015	4,904	0	4,904
SWC	2060	5000	2017-19	Walsh Co. WRD	Matejcek Dam Rehabilitation	10/11/2018	85,993	32,994	52,999
SE	2073	5000	2019-21	Walsh Co. WRD	BTAG Oslo, MN Area Hydraulic Analysis	4/15/2021	3,139	0	3,139
SE	2089	5000	2015-17	Maple River WRD	Tower Township Improvement District No. 77 Study	12/19/2016	11,769	0	11,769
SE	2090	5000	2015-17	International Water Institute	River Watch Program	8/2/2019	17,330	0	17,330
SWC	2103	5000	2017-19	Walsh Co. WRD	Bylin Dam Rehabilitation	6/19/2019	50,341	45,692	4,649
SE	2109	5000	2017-19	Logan County WRD	McKenna Lake Feasibility Study	6/21/2017	2,247	0	2,247
SE	2109	5000	2017-19	Logan County WRD	McKenna Lake Hydrologic Study	9/12/2018	4,271	4,270	2
SWC	2109-02	5000	2019-21	Logan County WRD	McKenna Lake Hydrologic Study Phase 2	10/8/2020	89,786	39,496	50,290
SWC	2115	5000	2017-19	Applied Weather Associates, LLC	(PMP) Probable Maximum Precipitation Estimates	10/11/2018	11,822	6,130	5,692
SWC	2121	5000	2017-19	Pembina Co. WRD	Senator Young Dam Rehabilitation	6/19/2019	53,205	22,146	31,059
SWC	2123	5000	2017-19	Geotech, Inc.	Airborne Electromagnetic (AEM) 2018	8/9/2018	23,104	0	23,104
SE	2164	5000	2019-21	City of Dickinson	East Broadway Dam Rehabilitation	4/1/2021	34,732	34,513	219
SE	1396-01	5000	2013-15	State Water Commission	Missouri River Recovery Program	11/17/2015	46,510	0	46,510
SWC	ARB-WMI-19-1	7600	2019-21	Weather Modification, Inc.	Atmospheric Resource Operations and Research Gr	6/19/2019	307,223	0	307,223
<b>TOTAL GENERAL WATER CARRYOVER</b>							<b>8,081,912</b>	<b>3,986,430</b>	<b>4,095,482</b>
Director	275	5000	2021-23	Ransom Co. WRD	Fort Ransom Dam Rehabilitation Feasibility Study	4/19/2022	37,500	0	37,500
Director	653	5000	2021-23	McLean County WRD	Katz Dam Spillway Safety Improvements	3/17/2022	13,088	0	13,088
SE	671	5000	2021-23	Wells Co. WRD	Harvey Dam Hydrologic and Hydraulics Analysis	7/23/2021	12,800	0	12,800
SWC	849-01	5000	2021-23	Pembina Co. WRD	Tongue River NRCS Watershed Plan Implementation	12/10/2021	441,086	0	441,086
SWC	1264	5000	2021-23	Barnes Co WRD	Valley City Little Dam Improvement Project	10/14/2021	102,000	0	102,000
SE	1403	5000	2021-23	NDSU	ND Water Resource Institute grant student stipends	5/23/2022	25,000	0	0
SWC	1859	5000	2021-23	ND Dept of Environmental Quality	NPS Pollution	8/12/2021	200,000	0	200,000
Director	1869	5000	2021-23	Burleigh County WRD	McDowell Dam Supplemental Water Supply	3/21/2022	45,177	0	45,177
Director	1968-21	5000	2021-23	Garrison Diversion	MM 9L Irrigation Project - Preconstruction	5/17/2022	2,500	0	2,500
SE	1923	5000	2019-21	Pembina Co. WRD	Drain 66 Outlet Feasibility Review	5/4/2021	69,930	0	69,930
SE	2165	5000	2021-23	USGS	Red River Low Flow Study	6/21/2021	25,000	0	25,000
SWC	2169	5000	2021-23	Minot	Water Supply Low Head Dam Remediation	6/7/2022	325,326	45,094	280,232
SWC	2172	5000	2021-23	Missouri River Joint WRB	Coordinator and Outreach	4/12/2022	73,835	0	73,835
SWC	2173	5000	2021-23	Elm River Joint WRD	Elm River Dams 1 and 2 Improvements	2/2/2022	213,000	31,950	181,050
Director	2174	5000	2021-23	Garrison Diversion	MM 7.4 Irrigation Project	3/17/2022	71,957	0	71,957
SWC	2176	5000	2021-23	University of North Dakota	Cold Region Hydrologic Modeling	4/12/2022	165,000	0	165,000
SE	AOC/WEF/MAG	5000	2021-23	ND Water Education Foundation	North Dakota Water Magazine	1/3/2022	26,000	13,000	13,000
SE	PS/WRD/DEV	5000	2021-23	Devils Lake Basin Joint WRB	Board Manager	8/18/2021	60,000	0	60,000
SWC	ARB-WMI-21-1	7600	2021-23	Weather Modification, Inc.	Atmospheric Resource Operations and Research Gr	8/12/2021	429,980	0	429,980
SE	PS/WRD/MRJ	5000	2021-23	Missouri River Joint WRB	MRRIC Terry Fleck	8/19/2021	42,000	0	42,000
SWC	AOC/ASS	5000	2019-21	Assiniboine River Basin Initiative	ARBI's Outreach Efforts 21-23	6/8/2021	100,000	50,000	50,000
SWC	AOC/RRB	5000	2019-21	Red River Basin Commission	Red River Basin Commission Contractor 21-23	6/8/2021	200,000	50,000	150,000
<b>TOTAL GENERAL WATER 2021-2023</b>							<b>3,149,829</b>	<b>190,044</b>	<b>2,934,785</b>
<b>TOTAL GENERAL WATER</b>							<b>11,231,741</b>	<b>4,176,474</b>	<b>7,030,267</b>
<b>TOTAL</b>							<b>11,231,741</b>	<b>4,176,474</b>	<b>7,030,267</b>

PROGRESS REPORT REQUIRED

SWC Board Approved to Continue

	BUDGET	APPROVED	BALANCE
GENERAL WATER	13,879,972	3,149,829	10,730,143
COMPLETED GENERAL WATER	347,303	288,803	58,500
<b>BUDGET GENERAL WATER 2021-2023</b>	<b>14,227,275</b>	<b>3,438,632</b>	<b>10,788,643</b>

**DEPARTMENT OF WATER RESOURCES  
PROJECT SUMMARY  
2021-2023 Biennium  
Resources Trust Fund**

COMPLETED GENERAL PROJECTS

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Approved Date	Total Approved	Total Payments	Jun-22 Balance	
<b>Hydrologic Investigations:</b>										
0		0	0	0	0	1/0/1900	0	0	0	
							<b>0</b>	<b>0</b>	<b>0</b>	
SE		1378	5000	2019-21	Barnes Co WRD	Clausen Springs Dam Improvements	2/7/2020	17,258	2,748	14,510
SWC		160	5000	2017-19	McLean Co WRD	Painted Woods Lake Flood Damage Reduction & Habitat	8/9/2018	5,547	5,547	0
SWC		394	5000	2019-21	Golden Valley Co WRD	Odland Dam Rehabilitation Project	4/9/2020	571,582	571,582	0
SWC		531	5000	2017-19	Benson Co WRD	Bouret Dam Rehabilitation	4/9/2019	79,058	79,058	(0)
SWC		980	5000	2015-17	Cass Co. Joint WRD	Upper Maple River Watershed Detention Study	6/11/2021	35,910	35,910	0
SE		2072	5000	2015-17	Barnes Co WRD	Ten Mile Lake Flood Risk Reduction Project	6/8/2016	4,901	4,901	0
SWC		2141	5000	2019-21	Pembina Co. WRD	Weiler Dam Gate and Catwalk Retrofit	4/9/2020	28,661	20,505	8,156
SE		2154	5000	2019-21	Elm River Joint WRD	Elm River Watershed Study	11/3/2020	1,035	1,035	0
SWC		2161	5000	2019-21	AE2S	Strategic Governance and Finance Study	6/8/2021	115,975	115,975	0
<b>TOTAL GENERAL WATER CARRYOVER</b>								<b>859,926</b>	<b>837,260</b>	<b>22,666</b>
SE		249	5000	2021-23	City of Mott	Mott City Dam Feasibility Study	7/23/2021	57,344	0	57,344
SE		1403	5000	2021-23	NDSU	ND Water Resource Institute grant student stipends	6/11/2021	25,000	25,000	0
SWC		2154	5000	2021-23	Elm River Joint WRD	Elm River Watershed Study	8/12/2021	36,000	34,844	1,156
SWC		2161	5000	2021-23	AE2S	Strategic Governance and Finance Study	12/21/2021	74,959	74,959	(0)
SWC		2177	5000	2021-23	ND AGRICULTURAL WEATHER NET	NDAWN	3/28/2022	1,500	1,500	0
SE	AOC/WEF/TOURS		5000	2019-21	ND Water Education Foundation	2022 Summer Water Tours	4/20/2022	2,500	2,500	0
HB2009		1986	5000	2021-23	ND Dept of Agriculture	Wildlife Services	7/1/2021	125,000	125,000	0
Director	AOC/IRA		5000	2021-23	ND Irrigation Association	Strengthen and Expand Irrigation in ND	7/1/2022	25,000	25,000	0
<b>TOTAL GENERAL WATER 2021-2023</b>								<b>347,303</b>	<b>288,803</b>	<b>58,500</b>
<b>TOTAL GENERAL WATER</b>								<b>1,207,229</b>	<b>1,126,063</b>	<b>81,166</b>
<b>TOTAL</b>								<b>1,207,229</b>	<b>1,126,063</b>	<b>81,166</b>

**PURPOSE FUNDING SUMMARY**  
**State Water Commission Cost-Share**  
**for August 11, 2022**  
 August 4, 2022

**2021-2023**  
**Appropriation**  
**Remaining**  
**06-30-22**

		Appropriation Remaining	\$ 32,423,120
		<b>Cost-Share</b>	
Preconstruction	1	Maple River WRD: Drain 34 Final Design	\$ 82,800
Cost Increase	2	Pembina County WRD: Drain 66 Outlet Feasibility Review	\$ 13,050
Construction	3	Bismarck: Wastewater Treatment Effluent Flood Control	\$ 170,009
Construction	4	Casselton: Swan Creek Diversion Slope Repairs at Lagoon Cells 1 & 2	\$ -
Construction	5	Pembina County WRD: Tongue River Snagging and Clearing 2022-2023	\$ 98,500
Construction	6	Southeast Cass WRD: Sheyenne River Snagging and Clearing 2022-2023	\$ 98,000
Construction	7	Southeast Cass WRD: Wild Rice River Snagging and Clearing 2022-2023 (Use \$96,176 from Dec 10, 2021 approval)	\$ -
Other	8	Valley City: Floodway Acquisitions 2022	\$ 207,595
		<b>Current Requests</b>	<b>\$ 669,954</b>
		Anticipated Requests	\$ 8,703,701
		Anticipated Balance =	\$ 23,049,465

		Appropriation Remaining	\$ 10,788,643
		<b>Cost-Share</b>	
Precon & Const	1	Elm River Joint WRD: Elm River Dam 3 Improvements	\$ 213,000
Precon & Const	2	Pembina County WRD: Bourbanis Dam Partial Decommission and Removal Project	\$ 656,702
Construction	3	Western Heart River Irrigation District: Dahners Irrigation Project	\$ 45,980
		<b>Current Requests</b>	<b>\$ 915,682</b>
		Anticipated Requests	\$ 3,743,987
		Anticipated Balance =	\$ 6,128,974

		Appropriation Remaining	\$ 49,059,521
		<b>Cost-Share</b>	
Preconstruction	1	Bismarck: Water Treatment Plant Expansion (Anticipated Request Const \$35,000,000)	\$ 2,794,000
Construction	2	Bismarck: Water Treatment Plant Improvements	\$ 2,277,800
Construction	3	Riverdale: Raw Water Supply and Gate Valve Improvements	\$ 509,800
Construction	4	Stanley: Country Estates Water Main Extension	\$ 273,900
Cost Increase	5	Valley City: Water Main Improvement District 59	\$ 111,400
Construction	6	WAWSA: MCWRD System 4 Part 4	\$ 9,810,000
Cost Increase	7	WAWSA: Phase 6 - NWRWD 29 Mile	\$ 2,210,900
		<b>Current Requests</b>	<b>\$ 17,987,800</b>
		Anticipated Requests	\$ 19,392,070
		Anticipated Balance =	\$ 11,679,651

		Appropriation Remaining	\$ 31,087,985
		<b>Cost-Share</b>	
Preconstruction	1	Missouri West: South Mandan Expansion (Anticipated Request Const \$1,437,000)	\$ 81,000
Construction	2	East Central: Water Treatment Plant and Transmission Improvements	\$ 9,224,500
Construction	3	Walsh RWD: Interconnect with NRWD	\$ 2,013,500
Cost Increase	4	North Prairie RWD: Minot to Velva Highway 52	\$ 1,293,000
		<b>Current Requests</b>	<b>\$ 12,612,000</b>
		Anticipated Requests	\$ 20,169,200
		Anticipated Balance =	\$ (1,693,215)

		Appropriation Remaining	\$ 2,000,000
		<b>Cost-Share</b>	
	1		\$ -
		<b>Current Requests</b>	<b>\$ -</b>
		Anticipated Requests	\$ -
		Anticipated Balance =	\$ 2,000,000

		Appropriation Remaining	\$ 116,907,284
		<b>Cost-Share</b>	
		<b>SWPP</b>	
	1		\$ -
		<b>Current Requests</b>	<b>\$ -</b>
		Anticipated Requests	\$ 2,500,000
		<b>NAWS</b>	
Construction	1	NAWS: Service to Westhope Contract 2-4D	\$ 850,000
Other	2	NAWS: Snake Creek Special Use Permit	\$ 518,280
		<b>Current Requests</b>	<b>\$ 1,368,280</b>
		Anticipated Requests	\$ -
		<b>Capital Assets Current Requests</b>	<b>\$ 1,368,280</b>
		Anticipated Capital Assets Requests	\$ 2,500,000
		Anticipated Capital Assets Balance =	\$ 113,039,004

		Appropriation Remaining	\$ 56,903,215
		<b>Cost-Share</b>	
Construction	1	SWPP: Contract 2-3A Pipeline Replacement	\$ 4,500,000
		<b>Current Requests</b>	<b>\$ 4,500,000</b>
		Payments	\$ 18,096,785
		Anticipated Requests	\$ 20,489,000
		Anticipated Balance =	\$ 31,914,215

2021-2023 Appropriation Remaining for Purpose and Capital Assets	\$ 299,169,788
<b>Current Requests</b>	<b>\$ 38,053,716</b>
Anticipated Requests	\$ 74,997,958
Anticipated 2021-2023 Appropriation Balance =	\$ 186,118,094

## REPLACEMENT/CAPITAL IMPROVEMENT RESERVE FOR WATER PROJECTS

Infrastructure management is one of the focus areas necessary for a utility system to become viable or sustainable. State water infrastructure funding programs can promote viable utilities by recognizing that many entities can afford to incur some amount of debt and by encouraging utilities to transition to local funding solutions and end long term reliance on grant funding.

The 2021 Water Development Plan for North Dakota estimates a total 10-year water supply infrastructure funding need of over \$2.8 billion, with grant funding from the State expected at over \$2 billion. The Resources Trust Fund (RTF) is the primary revenue source for funding water projects in North Dakota. Though North Dakota is very fortunate for the infrastructure investments that RTF has helped realize, the future of RTF revenues cannot be predicted with certainty. The Water Development Plan demonstrated that funding shortfalls under multiple revenue scenarios for the RTF are likely under the current State Water Commission Cost Share Program.

Utilities can reduce the reliance on significant grant funding from the State by creating a reserve fund for replacement/capital improvement projects. State-owned regional water supply projects, Southwest Pipeline Project (SWPP) and Northwest Area Water Supply (NAWS), have reserve funds called Replacement and Extraordinary Maintenance (REM) funds, while other systems in the state have reserve funds with different names. It is the agency's understanding that most other systems in the State do not have a restricted reserve fund for replacement/capital improvement. Most other systems do have a debt service reserve fund dictated by loan programs from the United States Department of Agriculture (USDA) or North Dakota Department of Environmental Quality's- Drinking Water State Revolving Loan Program.

Century Code and State Water Commission (Commission) cost-share policy requirements regarding REM fund and capital improvement funds are briefly described below.

### **REM Fund For SWPP**

Century Code sections 61-24.3-16 and 61-24.5-21 stipulate that the SWPP maintain a fund designated as the SWPP reserve fund for replacement. Century Code also states that the revenues for replacement must be used to pay for replacement or extraordinary maintenance of works that are part of, or associated with, the SWPP. However, replacement or extraordinary maintenance is not defined in the Century Code.

The agreement that transferred the management, operations, and maintenance responsibilities of the SWPP from the Commission to the Southwest Water Authority (SWA) states that the reserve fund shall be accumulated with interest and maintained in an amount to be determined by the Commission and that the Commission shall determine whether or not a proposed project is replacement or extraordinary maintenance. At the time of transfer, the base water rate for replacement and extraordinary maintenance (REM) was \$0.30/1,000 gallons for transmission replacement and \$0.10/1,000 gallons for distribution replacement. The 2022 REM rate is \$.70/1,000 gallons for transmission replacement (contract users) and \$0.10/1,000

gallons for distribution replacement (rural users). Attachment 1 shows the history of the SWPP's REM rate. The REM fund balance as of April 20, 2022, is \$23.3 Million.

The Commission set the eligibility criterion for expenditure from the REM fund at its June 19, 1996, meeting and a single event with a repair or replacement cost of \$10,000 or more which was not normal maintenance was considered eligible for funding from the REM fund. At the Commission's March 29, 2017, meeting the \$10,000 threshold was increased to \$20,000.

Though SWPP has a REM fund which includes the term "Replacement," the intended use of the REM funds for replacement, guidance on projects eligible for using REM funds, and REM rate adjustments necessary to meet the REM guidance need to be developed. This exercise on the SWPP is also intended to develop a guidance for replacement reserves for other water supply projects throughout the State.

Over the years, the REM fund has been expended on various projects. Attachment 2 shows the actual expenses approved for reimbursement from the REM fund by the SWA Board of Directors and the Commission through February 2022.

SWPP's REM fund was used for two metallic line replacement projects as shown in Attachment 2. The two projects that used REM funds were for the Contract 2-3E pipeline, the 16-inch Ductile Iron Pipe (DIP) south of Dickinson. Attachment 3 is a map showing the metallic line and failure locations. In 2016, approximately 450 ft of the Contract 2-3E pipeline (16-inch diameter DIP) south of Dickinson was replaced following a leak repair that indicated the pipe had corroded in the vicinity. The leak location was near the location of an earlier leak repaired in 2004. The total cost for replacement in 2016 was \$435,000. In December 2019, another failure happened at a different location on the Contract 2-3E pipeline. Approximately, 1,600 ft of pipeline was replaced in 2020, and the total cost for replacement was approximately \$750,000.

In May 2020, a leak occurred on the Contract 2-3A pipeline involving 30-inch diameter DIP east of Dickinson near Taylor. The leak repair took more than 40 hours. A preliminary assessment of the pipeline indicated around 1,800 ft of pipeline needed replacement at an estimated cost of \$1.8 million. Testing confirmed that microbes that cause Microbiologically Induced Corrosion (MIC) were present at the 2016, 2019 and 2020 leak locations.

SWPP's has around 125 miles of metallic pipeline on the system. Out of the 125 miles, 78 miles is polyethylene encased DIP, while the remaining 47 miles is dielectric tape-wrapped, welded, steel pipe. Except for Contract 2-1B, which includes approximately 4 miles of 30-inch dielectric tape-wrapped, welded, steel parallel piping from the intake to the Oliver Mercer North Dunn Water Treatment Plant, the other metallic pipelines were installed between 1986-1994. Contract 2-1B was constructed between 2017-2018.

SWA requested using Capital Assets funding for the replacement of Contract 2-3A pipeline as SWA was concerned that these failures are not isolated, and more instances of metallic line

failure are possible in the future. This was discussed at the December 2020, Commission meeting and SWA was directed to use REM funds for this replacement project.

A condition assessment of around 2.8 miles of pipeline in the vicinity of the Contract 2-3A leak area using free swimming ultrasonic sensors called PipeDiver was completed by Pure Technology in March 2021. Preliminary review of the assessment report and validation through excavation indicates approximately 3,660 ft of pipeline needs to be replaced. SWA procured 30-inch bonded and coated ductile iron pipeline and some materials needed for the replacement project. The contract for the installation of the pre-purchased pipe and other materials was awarded at the April 2022, SWA board meeting. The current estimated project cost for the replacement project is \$5.7-\$6 million.

Since REM stands for Replacement and Extraordinary Maintenance, the question that needed to be answered was whether the term “replacement” in the REM fund meant replacement of capital projects.

The Commission’s cost-share policy defines “Extraordinary Maintenance” as “repair or replacement” of portions of facilities or components that extends the overall life of the system or component that are above and beyond regular or normal maintenance. Extraordinary maintenance activities extend the asset’s useful life beyond its originally predicted useful life. The “replacement” under the extraordinary maintenance category only includes components. Examples of extraordinary maintenance items include replacement of water treatment membranes, pumps, motors, VFDs, cathodic protection anode beds, roof membranes, polyvinyl chloride (PVC) pipeline in right-of-way etc. Examples of extraordinary maintenance items include tank recoating, pumps, motor rebuilding, repairs, condition assessment of pipeline etc. An analysis was completed for SWPP that projected the extraordinary maintenance expenses on the SWPP over the next 50 years.

Capital projects include replacements of large-scale assets such as metallic lines, water treatment plants, reservoirs, and pump stations. In order to determine the sustainability of REM funds to support both replacement of capital projects and extraordinary maintenance expenses in the future, a spreadsheet analysis was completed. As described before, an accounting of estimated extraordinary maintenance expenses anticipated over the next 50 years was completed by SWA. Replacement costs for the different capital projects were estimated using historic construction costs, construction cost inflation adjustments, and useful life of the capital project. The replacement cost estimation is very sensitive to the construction cost inflation assumption. The useful life assumed for the different projects are listed in the table below. Then the REM fund expenses to provide a certain percentage of the capital replacement costs and 100% of the extraordinary maintenance cost was compared to the REM fund balance based on a yearly increase in the REM rate, yearly water usage increases, and interest on the REM fund account. The REM fund balance is highly sensitive to the assumptions regarding capital replacement costs being covered from the fund, yearly water sales increases, interest earned by the fund balance, and yearly REM rate increases.

### Useful Life of Projects

Project Type	Useful Life (Years)
Metallic Main Transmission Line (MTL)	50
PVC MTL	100
Rural MTL	100
Reservoirs	50
Pump Stations	50
Water Treatment Plants	50

Attachment 4 are the charts that show the REM fund balance based on the assumptions listed on the charts including both capital replacement expenses and extraordinary maintenance expenses.

### Analysis Conclusion For SWPP

The analysis indicates that the SWPP's REM fund can sustainably fund 100% of the extraordinary maintenance expenses and 25% of the capital replacement cost expenses if the REM rate is increased annually at a nominal rate (between 0.5-9%) based on the assumptions indicated on the chart (Attachment 4 – Chart 1). For the REM fund to provide for 35% of the capital replacement cost expenses, the REM rate has to be increased annually between 0.5-10.5% based on the assumptions indicated on the chart (Attachment 4 – Chart 2).

### Northwest Area Water Supply

Northwest Area Water Supply's reserve fund for replacement is stipulated in Century Code section 61-24.6-08. Expenditures out of this fund are to be approved by the Commission. NAW's current REM rate is \$0.15/1,000 gallons. The REM rate analysis similar to the SWPP analysis should be completed to determine the annual REM rate increase necessary for NAW.

### Other Projects

Century Code stipulates that the Commission shall require a water project sponsor to maintain a capital improvement fund from rates charged to customers for future extraordinary maintenance projects as a condition of funding an extraordinary maintenance project.

The Commission's cost-share policy requires a summary of the project sponsor's Capital Improvement Fund be included with the cost-share application for water supply projects. At the March 2022 pre-commission meeting, Commissioners expressed the desire to require all projects to submit a summary of Capital Improvement Fund information. Cost-share policy will be modified in the future upon further discussion and feedback. Currently, neither the DWR nor the Commission comment on Capital Improvement Fund summary information provided by the sponsor.

### **Guidance for SWPP**

SWPP and SWA historically have not received the typical cost-share for construction from the Commission because of SWPP's capital repayment model for initial construction. The Commission, as the owner of the SWPP, provides 100% funding for initial construction costs with the local share paid back to the State through capital repayment.

For capital replacement projects, analysis shows that REM funds can provide for a certain percentage of the replacement costs and 100% of the extraordinary maintenance costs with a nominal annual increase in REM. The Commission could consider the SWPP's capital replacement projects similar to other water supply projects seeking cost-share funding and provide cost-share assistance for the replacement project instead of funding it 100% as the owner of the project. The local share for the SWPP's replacement projects will be provided by the REM fund instead of capital repayment.

Use of SWPP's REM funds could be restricted to extraordinary maintenance and capital replacement projects. The traditional SWPP funding model with 100% construction costs paid by the Commission and the local share paid back by capital repayment could be continued for new construction, capacity upgrades, and expansions or a traditional cost-share percentage can be implemented.

### **Suggested Approach For Other Projects Based On SWPP Analysis**

Water supply projects in North Dakota generally seek grants from the Commission for capital replacement projects, and the local share for the replacement project is typically met through debt financing. The REM analysis for SWPP shows that water supply projects can fund a portion of the capital replacement costs from a restricted reserve fund for replacement, and in turn, can accommodate a lower grant assistance from the Commission if funding for water supply projects are limited due to other funding needs, or due to reductions in RTF funds or other water funding sources in the future.

### **Guidance For Other Projects**

- Commission could require water supply cost-share applicants to have a separate restricted capital improvement fund, strictly to provide for local cost-share for future capital replacement projects.
- Commission could consider requirements be met by cost-share applicants when completing the summary of the capital improvement fund.
- The capital improvement fund could include all assets that are owned by the applicant, date constructed, cost when constructed, estimated time for replacement, estimated replacement cost, and estimated cost to be met from the capital improvement fund.

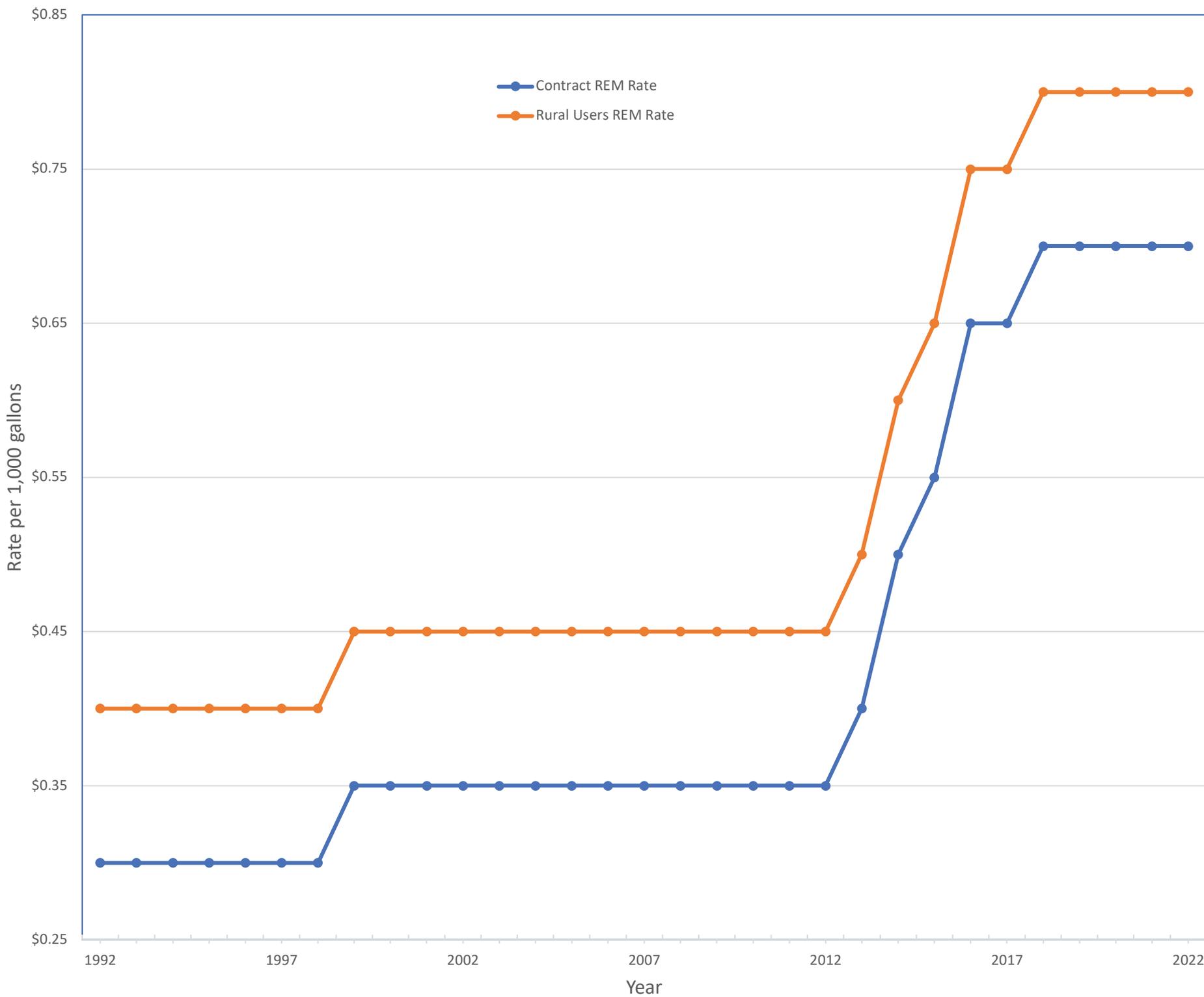
## **Proposed Policy Options for Commission Discussion and Consideration**

### **Capital Improvement Plan For Water Supply Projects**

- Commission could require all water supply cost-share applicants to complete a capital improvement plan.
- Commission could consider developing uniform parameters for developing replacement cost estimation for applicants to complete the capital improvement plan.
- Commission could consider a funding program similar to North Carolina's Asset Inventory and Assessment (AIA) program to help cost-share applicants complete the capital improvement plan. Details of the AIA program were discussed in the write-ups included with the February and April 2022 Commission meeting packets. In brief, the AIA grant program provides grant assistance for developing an inventory of water infrastructure, to assess the condition of the assets, prioritize the most critical infrastructure needs, and to develop a capital improvement plan to fund the projects. Having this information empowers utilities to become more proactive in managing and financing their systems by identifying their most critical needs, thus ensuring that financing for capital improvements is used most efficiently.
- Commission could consider other policy parameters.

# SWPP REM Rate History

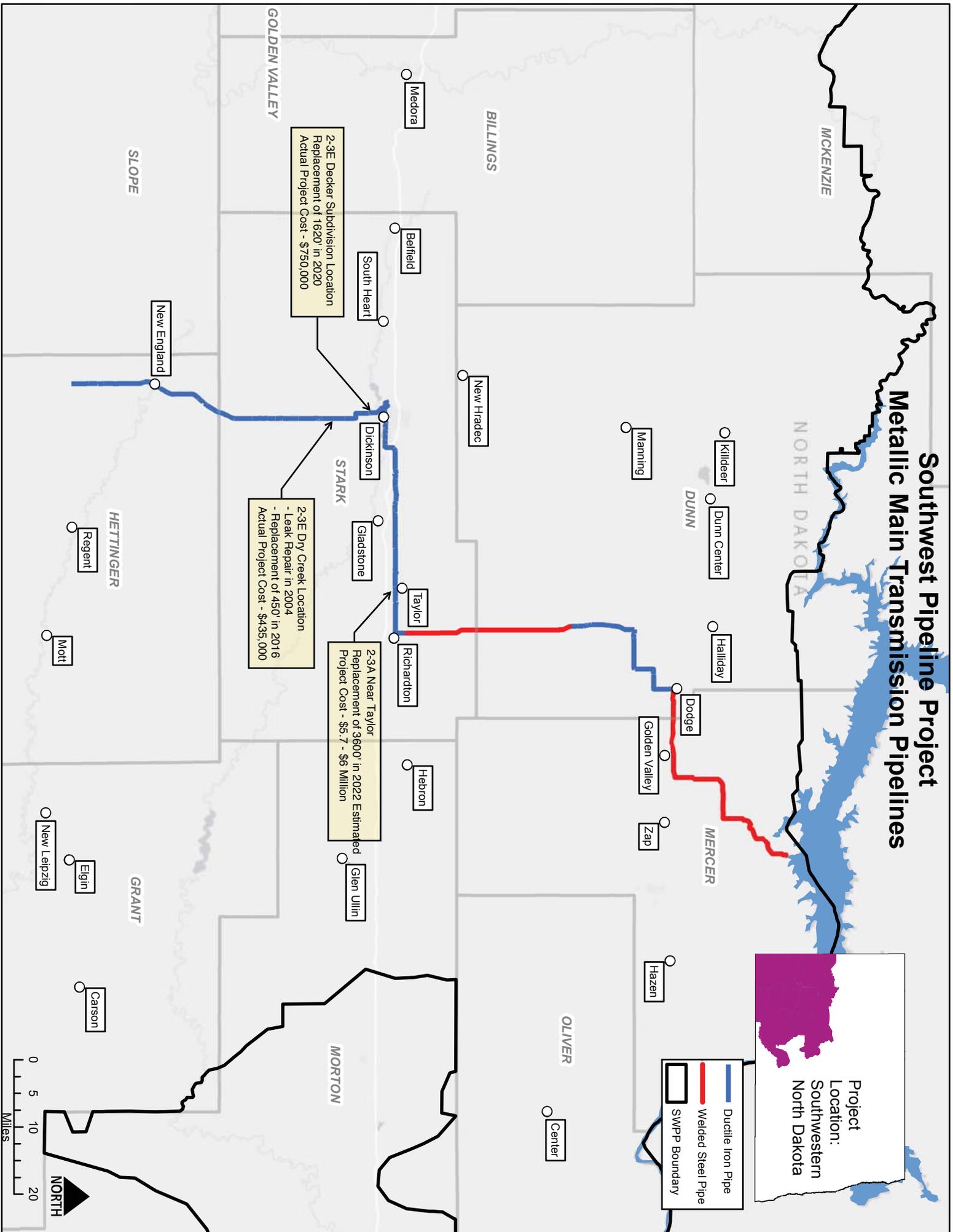
Attachment 1



## REM Reimbursement History

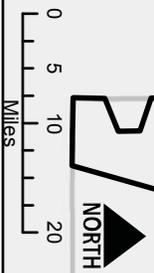
Date SWA Approved	Date SWC Approved	Date of Disbursement	Amount	Reason
		1/30/97	\$ 16,945.00	to O&M acct (for main transmission air valve replacement)
2/2/98	2/13/98	5/13/98	\$ 26,820.29	telemetry upgrade in 1997 approved by SWC in part on 2/13/98 & 4/30/98
7/6/98	8/13/98	9/21/98	\$ 27,617.25	blow off replacement in 1998
	do not count	1/22/99	\$ 55,536.51	Disbursement of Debt Service Credit in REM
1/4/99	1/27/99	2/24/99	\$ 40,250.00	JD Tractor - pipeline alignment reclamation tractor
	9/13/99	9/22/99	\$ 16,025.00	O&M Center Roof Repair
9/1/99	1/27/99	1/19/00	\$ 21,881.50	payment for sludge pond removal
4/3/00	4/10/00	5/5/00	\$ 13,042.00	alumimun sub-flashing on ventilon seal at Dkn Res
9/1/99	1/27/99	5/10/00	\$ 127,590.75	payment for sludge pond removal
9/1/99	1/27/99	7/21/00	\$ 6,930.27	final payment on sludge ponds
	12/8/00	12/28/00	\$ 4,750.00	man hole replacement
	3/6/01	4/24/01	\$ 13,098.08	blow off replacement 1 in 1999 & 2 in 2000
	12/8/00	8/22/01	\$ 5,350.00	man hole replacement
11/4/02	12/6/02	12/11/02	\$ 41,783.65	blow off replacement - 3 in 2001 & 6 in 2002
1/6/03	3/5/03	4/16/03	\$ 14,874.00	motor rewind at the Richardton Pump Station
3/1/04	8/16/04	11/9/04	\$ 28,260.16	replacement of voltage regulators at Richardton Substation
12/6/04	6/12/03	12/15/04	\$ 164,859.05	WTP paving project - SWC approval letter dated 11/4/04
2/7/05	3/10/05	3/24/05	\$ 31,753.50	blow off replacement - 6 in 2004 (total of 24 complete so far)
2/6/06	3/22/06	4/11/06	\$ 20,925.55	blow off replacement - 4 in 2005 (total of 28 complete so far)
6/5/06	8/30/05	7/6/06	\$ 82,846.00	lime slaker replacement at WTP
5/1/06	3/22/06	10/3/06	\$ 45,313.00	replacement transformer at Richardton Substation/pd by SWA 9/13/06
10/5/09	6/23/08	2/18/10	\$ 98,640.00	lime slaker replacement at WTP
10/5/2009 & 11/2/09	12/11/09	2/18/10	\$ 43,278.84	VFD pumps in the New Hradec BPS and the W Medora BPS
11/1/10	12/10/10	1/10/11	\$ 313,332.59	Phase I Replacement of the Card Rack Telemetry Units
10/3/11	11/10/11	11/25/11	\$ 35,363.32	Disaster Items not paid by FEMA
11/7/11	1/4/12	1/9/12	\$ 171,567.61	Rectifiers and Anode Beds for Taylor and Gladstone and WTP Scraper Drive Repair
9/6/12	9/17/12	10/1/12	\$ 719,714.70	Dickinson WTP Rehabilitation
8/4/14	9/18/14	10/21/14	\$ 582,414.78	Replacement of telemetry units, Dickinson WTP rehab, October 2013 storm related damages, asphalt replacement north and south of the O&M building, motor replacement at the Intake and Dodge pump station, pipe relocation and repair of the raw water MTL
11/2/15	12/11/15	1/8/16	\$ 311,265.74	SWA's portion of the Rhame Booster Pump Station, costs not covered by insurance at the RO concentrate discharge vault, a pump motor replacement at the Intake, replacement of the electrical service at the WTP in Dickinson, an electrical bushing and pump motors at the Richardton pump station and the control valve at the Dodge pump station.
12/6/16 & 2/6/17	3/29/17	3/31/17	\$ 924,579.42	The VFD repair at the Jung Lake BPS, the electrical service to the WTP in Dickinson, two contactors for the Intake, pump motors at the Intake, pipeline relocation in right-of-ways, repair of the 6MG reservoir at the WTP in Dickinson, the Egly two inch CL200 service line, replacing the steam unit heaters and steam traps at the WTP in Dickinson, pipeline relocation at the railroad crossing and repair of the Tooz PRV vault and Dry Creek 2-3E.
7/2/18	8/9/18	8/17/18	\$ 647,318.17	Egly line repair, the pipeline relocation in the right-of-way in Dunn County, the 2-2C, 2-2D and 2-2E Dry Creek Crossing cathodic protection facility improvements and the East Lime Sludge pond berm raise.
11/5/18 & 5/6/19	6/20/19	6/25/19	\$ 174,687.65	The balace on the anode replacement on 2-2C, 2-2D and 2-2E contracts, the balance on the east lime sludge pond berm raise, additional cathodic protection at the Tesoro Crossing on Contract 2-2B and replacement of the variable frequency drive on the 350 hp motor at the Jung Lake Pump Station
10/1/18	10/11/18	8/1/19	\$ 117,896.60	Contract 4-1E/4-2B, Dodge and Richardton Upgrades to include the 12" control valve and the HVAC systems at Dodge and Richardon. Request No. 1
10/1/18	10/11/18	7/24/20	\$ 230,202.04	Contract 4-1E/4-2B, Dodge and Richardton Upgrades to include the 12" control valve and the HVAC systems at Dodge and Richardon. Request No. 2
08/03/2020 & 09/08/2020	10/14/20	10/29/20	\$ 194,949.99	Replacement of pump motor #5 at the Richardton PS, pump motor PA2 at the Intake, pump motor #2 at the Scranton BPS, rebuild pump motor PA3 at the Intake, replacement of bypass valve at the Jung Lake BPS and repair of Contract 2-4A/2-4C Connection.
10/1/2018 & 4/24/20	10/11/2018 & 04/24/20	7/30/21	\$ 108,476.17	Contract 4-1E/4-2B, Dodge and Richardton Upgrades to include the 12" control valve and the HVAC systems at Dodge and Richardon. Request No. 3
10/4/21	12/10/21	12/28/21	\$ 1,286,852.17	Contract 2-3E Replacement of Ductile Iron Pipeline, Contract 2-3A Leak Repair & Initial Corrosion Assessment
12/6/21	2/23/22		\$ 823,662.39	IDT AMR replacements
			<b>\$ 7,590,653.74</b>	<b>Total from REM Fund to date</b>

# Southwest Pipeline Project Metallic Main Transmission Pipelines



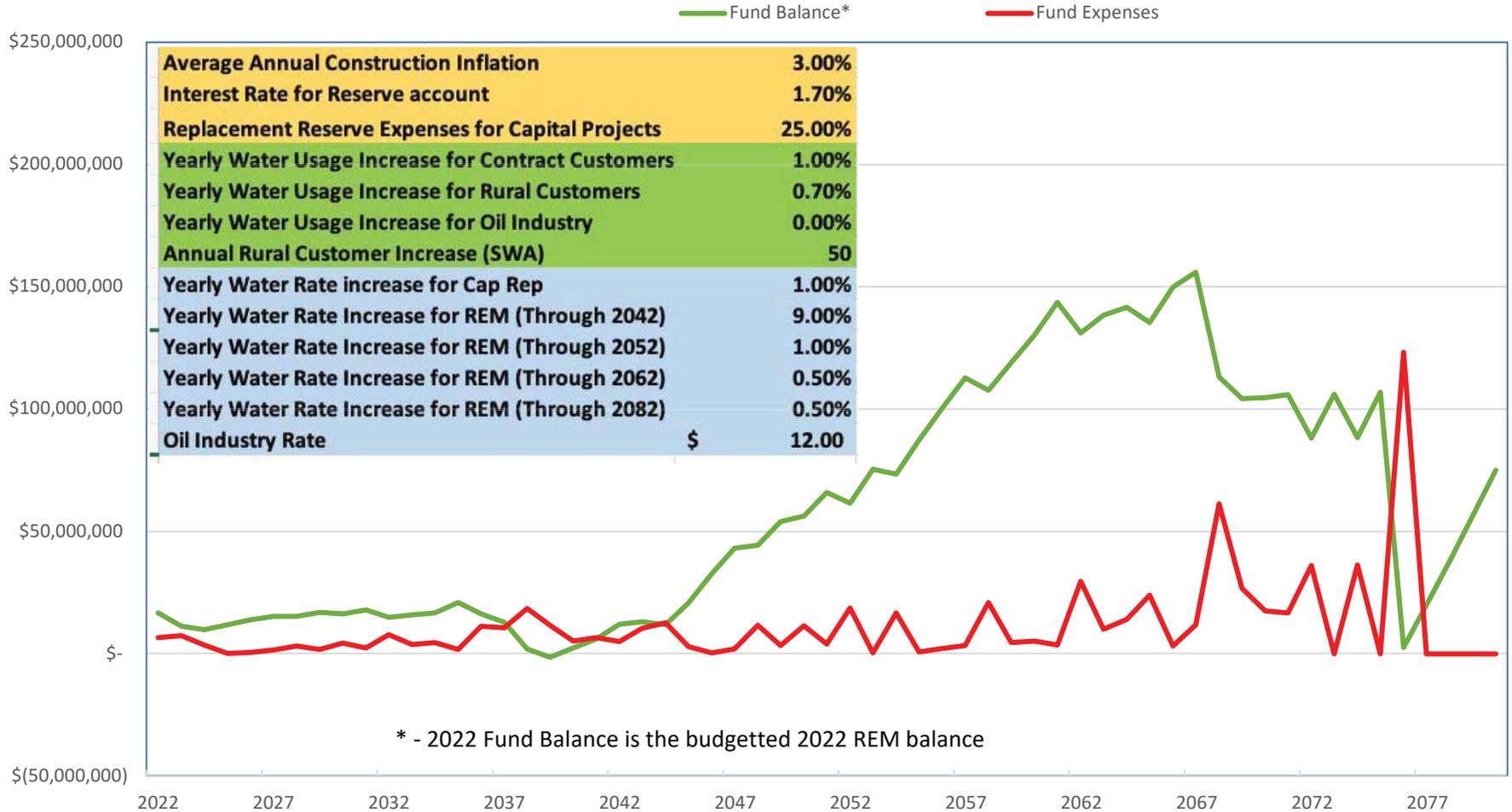
Project Location:  
Southwestern North Dakota

- Ductile Iron Pipe
- Welded Steel Pipe
- SWPP Boundary



# SWPP REM (CAPITAL REPLACEMENT & EXTRAORDINARY MAINTENANCE) CHART

Attachment 4 - Chart 1

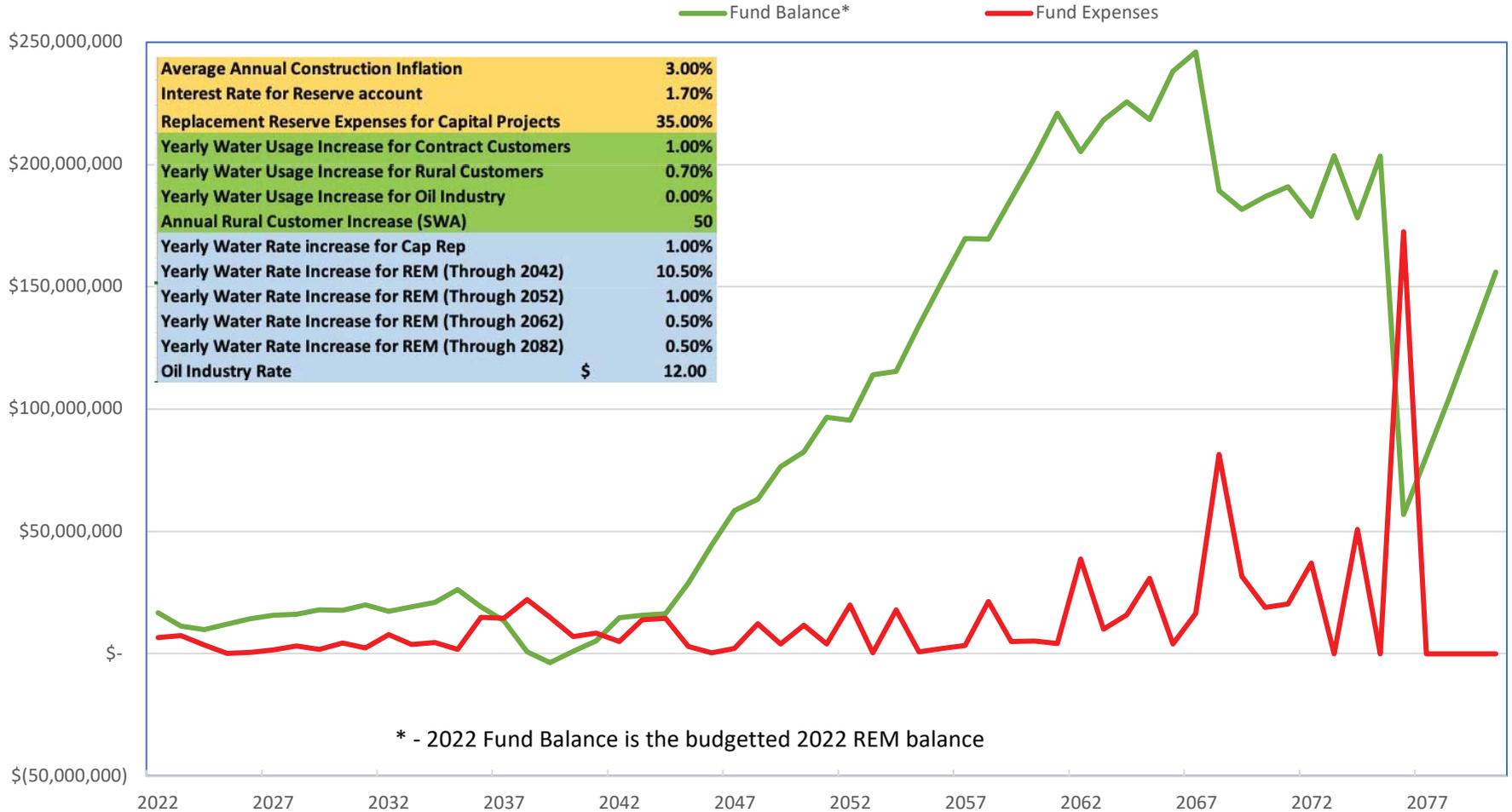


<b>Average Annual Construction Inflation</b>	<b>3.00%</b>
<b>Interest Rate for Reserve account</b>	<b>1.70%</b>
<b>Replacement Reserve Expenses for Capital Projects</b>	<b>25.00%</b>
<b>Yearly Water Usage Increase for Contract Customers</b>	<b>1.00%</b>
<b>Yearly Water Usage Increase for Rural Customers</b>	<b>0.70%</b>
<b>Yearly Water Usage Increase for Oil Industry</b>	<b>0.00%</b>
<b>Annual Rural Customer Increase (SWA)</b>	<b>50</b>
<b>Yearly Water Rate increase for Cap Rep</b>	<b>1.00%</b>
<b>Yearly Water Rate Increase for REM (Through 2042)</b>	<b>9.00%</b>
<b>Yearly Water Rate Increase for REM (Through 2052)</b>	<b>1.00%</b>
<b>Yearly Water Rate Increase for REM (Through 2062)</b>	<b>0.50%</b>
<b>Yearly Water Rate Increase for REM (Through 2082)</b>	<b>0.50%</b>
<b>Oil Industry Rate</b>	<b>\$ 12.00</b>

\* - 2022 Fund Balance is the budgetted 2022 REM balance

# SWPP REM (CAPITAL REPLACEMENT & EXTRAORDINARY MAINTENANCE) CHART

Attachment 4 - Chart 2



May 24, 2022

Dr. Andrea Travnicek  
ND Department of Water Resources  
900 East Boulevard Avenue  
Bismarck, ND 58505

Dr. Travnicek,

During the Special Session of the North Dakota Legislature in the Fall of 2021, \$75 million in State Fiscal Recovery Funds were secured for water and wastewater infrastructure. Southwest Water Authority (SWA) is requesting funding from the State Fiscal Recovery Funds in an amount of \$4.5 million, or 75% of the total cost of \$6 million for the replacement of approximately 3,500 lineal feet of Southwest Pipeline Project (SWPP), Contract 2-3A pipeline, near the City of Taylor. Contract 2-3A is a 30" raw water main transmission Ductile Iron Pipeline (DIP).

The SWPP is a state-owned project authorized by the legislature and administered by the State Water Commission (SWC). The SWPP has been under construction since 1986 and continues to grow. SWA has the responsibility of operations, maintenance and management of the SWPP. The existing infrastructure for the SWPP includes 125 miles of metallic pipelines, 78 of which are DIP. The integrity of some areas of DIP have been compromised by what is believed to be microbiologically induced corrosion. The pipeline system was designed to have a lifespan of at least 50 years but the pipes themselves were expected to last indefinitely with maintenance and an impressed current cathodic protection system.

The existing 30" DIP near the City of Taylor is the raw water main transmission line that brings water to SWPP's water treatment plants located within the City of Dickinson for treatment and distribution to 23 communities and thousands of rural customers. It also delivers raw water to contract customers, including Red Trail Energy. This line has experienced two failures. The first occurred in May of 2020 and took more than 40 hours to repair. The second failure occurred in August of 2021, just 85 feet away from the first leak. The second failure took more than 20 hours to repair. The preliminary assessment of the pipeline estimated around 1,800 feet of pipeline needed to be replaced at an estimated cost for replacement of \$1.8 million. The SWA Board of Directors approved requesting Capital Assets funding from the total 2019-2021 biennium funding allocation for SWPP for this replacement project. This request was discussed at the December 2020 SWC meeting, and the SWC directed SWA to use Replacement and Extraordinary Maintenance (REM) funds for this replacement and to conduct an assessment of all metallic lines on the SWPP.

The assessment of metallic lines began at the location of the 30" DIP near the City of Taylor. SWA hired Pure Technologies to run their PipeDiver Ultra™ ultrasonic pipeline testing tool through 5.5 miles of the pipeline with data analyzed for 2.8 miles in March 2021. The cost for this assessment was around \$100,000/mile. Using this tool for 78 miles of DIP on SWPP will be cost prohibitive. An assessment program for all DIP on the SWPP is currently under development. The program is expected to include soil sampling for chemical

composition, resistivity, water quality sampling, and excavation of the pipeline in selected locations to test for presence of bacteria that can cause microbiologically induced corrosion.

The PipeDiver tool indicated widespread areas of corrosion. An additional 1,700 lineal feet were identified for replacement. The results of the PipeDiver tool were then verified by excavation of selected locations in the fall of 2021.

A quote for the DIP with Pritec™ bonded coating system was obtained in February 2021. An updated quote was received in August 2021 which showed that the material price for the pipe had increased by 31% since the quote received in February. The expected lead time for the manufacture of the DIP was four to five months. SWA ordered 3,700 of 30" Class 250 DIP to ensure the DIP would be delivered prior to the upcoming construction season. Cost of the DIP is in excess of \$1.3 million.

During development of the plans and specifications for this replacement project it was also brought to attention that other materials may be difficult to obtain due to pandemic related and other ongoing supply chain issues. So these materials were also ordered in advance at a cost of over \$600,000.

Bids for installing the pre-purchased pipe and the related materials were opened on March 31, 2022. The engineers estimate, based on comparable construction for this replacement, was \$1,535,353. Three bids were received, and all three bids were within 10% of each other. The low bid was just over \$3 million, or twice the estimate.

When directed to use REM funds for this project, the replacement project cost was estimated at \$1.8 million. This would have been the most expensive project reimbursed from the REM fund since its inception. The current length of DIP identified to be replaced has doubled since that initial direction but the cost has more than tripled. Today, the cost of the replacement is nearing \$6 million with engineering expenses. This amount has a significant impact on the SWPP Replacement and Extraordinary Maintenance fund which has a current balance of \$23,230,341.

SWA in cooperation with Department of Water Resources has completed an analysis of the SWPP's REM funds. It is evident from the analysis that the REM fund would not be sustainable for funding 100% replacement costs for capital projects like MTL replacement. The analysis indicated that the REM fund can sustainably support 25 -35% of the replacement costs for capital projects if the REM rate is increased annually at a nominal rate. Decisions regarding the future of SWPP's REM fund are yet to be made. But because of the increased costs for the replacement project due to the unprecedented market conditions, SWA respectfully requests funding for 75% of the Contract 2-3A DIP replacement project. This funding request is in addition to the Capital Assets funding allocated for construction of the SWPP for the 2021-2023 biennium.

The increased financial impacts are an effect of the pandemic and other global supply chain disruptions. One of the intended uses of the American Rescue Plan Act (ARPA) funds which is the funding source for the State Fiscal Recovery Funds is for projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission lines. Replacement of the 30" DIP is essential, as an imminent water supply loss to an existing multi-user system is at risk. Replacement of this line not only improves drinking water infrastructure, it ensures that 23 communities, thousands of rural customers, two additional rural water systems, and agricultural and industrial customers continue to have access to quality water. The SWPP is the sole-source of drinking water for most of these customers.

This replacement will put the State Fiscal Recovery Funds to use immediately as the contract for construction is already awarded and construction expected to begin soon. The replacement of the 30" DIP is an urgent recovery need and through this funding we can positively impact our communities and rural water customers now and into the future.

Southwest Water Authority (SWA) respectfully requests the allocation of State Fiscal Recovery Funds in an amount of \$4.5 million (75% of \$6 million) for the replacement of approximately 3,500 lineal feet of 30" DIP near the City of Taylor.

Thank you for your consideration. We are grateful water projects and water infrastructure have been included as a supported use of the State Fiscal Recovery Funds.

Sincerely,

A handwritten signature in black ink that reads "Jen Murray". The signature is written in a cursive, flowing style.

Jen Murray  
Manager/CEO

Southwest Water Authority

CC: Sindhuja S.Pillai-Grinolds, P.E., SWPP Project Manager, DWR  
Jonathan Kelsch, Director of Water Development, DWR

**TO:** Governor Doug Burgum  
Members of the State Water Commission  
**FROM:** Andrea Travnicek, Ph.D., Secretary   
**SUBJECT:** NAWS – 2023 NAWS Interim Water Rate  
**DATE:** July 28, 2022

The NAWS Water Service Agreements require an annual review and adjustment of water rates to go into effect January 1 of the following year.

The NAWS system started water service to Berthold, Minot's South Hill, and North Prairie Rural Water near Burlington and Minot in August 2008; Kenmare and Upper Souris Water District at Donnybrook in December 2009; West River Water District and North Prairie Rural Water in Des Lacs in 2010; and Burlington in August 2010. Mohall, Sherwood, and All Seasons Water Users District near Antler received service in the fall of 2011. Upper Souris started taking water for the city of Glenburn, near Mohall, and the rural system near Glenburn in 2012 along with Minot's North Hill and the Minot Air Force Base. Two turnouts for North Prairie Rural Water near the Air Force Base were also installed. Service to All Seasons Water Users District at the Westhope corner was added in 2020. Overall, the project is currently serving customers through 29 water meters with more coming in the next few years. We anticipate adding service to Bottineau in late 2022. Water service to Westhope and additional service to Upper Souris Water District is expected in late 2022 or early 2023.

The Operations and Maintenance fee charged to NAWS contract customers (\$1.34/1,000 gallons for 2022) needs a minor adjustment to \$1.35/1,000 gallons for 2023 to cover projected electrical and maintenance costs. The Operations and Maintenance fee charged to the City of Minot for their connections should increase to \$0.30/1,000 gallons from the current \$0.26/1,000 gallons rate. The Replacement and Extraordinary Maintenance (REM) rate has been \$0.15/1,000 gallons since service began with the Phase I project in Rugby in 1998. We feel this REM rate should increase to \$0.30/1,000 gallons as the amount of infrastructure for the project has increased dramatically and much of it is approaching the end of its useful life. The cost for Supply and Treatment from the City of Minot is likely increasing from \$1.80/1,000 gallons in 2022 to an estimated \$1.90/1,000 gallons for 2023. The Supply and Treatment rate is a straight pass-through to the NAWS contract customers. The NAWS Advisory Committee approved an overall water rate of \$3.45 to \$3.65 per thousand gallons for 2023 at its July 26, 2022, meeting. I recommend an overall water rate for the NAWS contract customers of \$3.55/1,000 gallons. Minot's water rate from NAWS should increase to \$0.60/1000 gallons. If the 2023 water rate results in more revenue than expenses for the year, then the excess revenue would be factored into the rate for 2024. A revised rate will be provided at the State

Water Commission meeting if final Supply and Treatment rate from Minot and additional information becomes available.

The NAWS water rate is based on capital costs, supply and treatment costs, operation and maintenance costs, and reserve for replacements and extraordinary maintenance (REM). The recommendations for the NAWS water rate to Minot and the NAWS Region (including Berthold, Kenmare, Upper Souris Water District, Burlington, West River Water District, Mohall, Sherwood, and All Seasons Water Users District) are broken down as follows:

Capital Costs - \$0.00/1,000 gallons. Minot paid 35 percent of capital costs during construction and there are no capital costs to recover in the water rate.

Supply and treatment costs - The City of Minot is currently developing a supply and treatment rate for 2023 and have provided an estimated cost of \$1.90/1,000 gallons. Minot water moved through the NAWS facilities will be metered and billed at the NAWS turnouts. Water moved through the NAWS facilities to Minot turnouts will not be charged a supply and treatment cost.

Operation and maintenance costs - \$0.30/1,000 gallons for Minot, \$1.35/1,000 gallons for NAWS contract customers. The difference is power/pumping costs for the NAWS Region and maintenance staff costs.

REM costs - \$0.30/1,000 gallons. The REM cost was set at \$0.15/1,000 in 1998 during Rugby Phase I. It is recommended that this rate increase to \$0.30/1,000 gallons.

**I recommend the State Water Commission approve the following NAWS Interim Water Rates for the 2023 calendar year with the understanding that the Supply and Treatment rate and Operations and Maintenance rate for NAWS Contract Customers may be adjusted by staff pending the finalized Supply and Treatment rate from the City of Minot.**

**\$3.55/1,000 gallons, which is an increase from \$3.29/1,000 gallons for 2022, for the NAWS Contract Customers.**

**\$0.60/1,000 gallons for the Minot Contract Customers, which is an increase from the 2022 rate of \$0.41/1,000 gallons.**



— BUREAU OF —  
RECLAMATION

**NAWS Intake within  
Snake Creek Pumping Plant,  
Garrison Diversion Unit**

**Special Use Permit**

Contract Number:	<u>20-LM-60-2802</u>
Effective Date:	<u>Month 00, 2022</u>
Expiration Date:	<u>December 31, 2061</u>
Exhibits Attached:	<u>Exhibit A, Map</u>
Permit Fee:	<u>App. Fee: Waived</u>
	<u>Annual Use Fee: \$12,957</u>
	<u>2022 Admin. Cost: \$13,000</u>

**Permittee:**

North Dakota State Water Commission  
900 E Boulevard Ave Dept. 770  
Bismarck, ND 58505-0850

**Purpose:** The Bureau of Reclamation is granting a special use permit to North Dakota State Water Commission (Commission) to install, operate, and maintain the Northwest Area Water Supply (NAWS) intake equipment within Snake Creek Pumping Plant (SCPP). The Commission will remove SCPP's main pumping unit #1 to install their NAWS intake, pumps, discharge piping, controls, and other appurtenant facilities. A Record of Decision for the NAWS Final Supplemental Environmental Impact Statement was signed August 21, 2015.

This Permit shall become effective upon the date of execution and extend for a period of 40 (forty) years therefrom unless terminated sooner in accordance with the General Conditions Section 9 Termination. A permit may be reissued to the Commission upon expiration or other entity if agreed upon by both parties.

**Notices:**

Any notice, demand, or request authorized or required by this permit shall be directed to:

Bureau of Reclamation  
Attn: Area Manager  
304 East Broadway  
Bismarck, ND 58501-4082

And on behalf of the United States, to the Commission's address listed above.

**Special Conditions:**

**1 General Definitions**

Where used in this Permit, the terms:

- a. "Permit" shall mean this Special Use Permit No. 20-LM-60-2802.
- b. "Commission" shall mean the North Dakota State Water Commission, a public agency of the State of North Dakota, duly organized, existing, and acting pursuant to the laws thereof, with its principal place of business in Bismarck, North Dakota and its duly authorized representative.
- c. "Snake Creek Pumping Plant" or "SCPP" shall mean Snake Creek Pumping Plant No. 1 constructed as a part of the Garrison Diversion Unit principal supply works including facilities and property permitted to occupy by the US Army Corps of Engineers (USACE). Owned by the United States and operated and maintained by Garrison Diversion under contract 20XX620109, signed June 19, 2020.
- d. "NAWS equipment" shall mean the State-owned Northwest Area Water Supply project including the intake, pumps and associated equipment installed by the Commission at the SCPP.

e. “Operation, Maintenance and Replacement Costs” or “OM&R Costs” shall mean those expenses incurred in connection with the water control, and activities and actions necessary to ensure the continued structural integrity and operational reliability of SCPP or NAWS equipment, including major nonrecurring maintenance on a project facility that is intended to ensure the continued safe, dependable, and reliable delivery of authorized project benefits and appropriate charges for associated indirect costs and administration as determined by Reclamation, and shall include such additional costs as hereinafter provided. Such expenses shall include those required to remedy conditions brought about by ordinary use of the facility or to restore or replace components of the existing facility and shall not include expenses to increase or enlarge such facilities beyond the purposes for which they were originally authorized and constructed.

f. “Reclamation” or “United States” shall mean the Department of the Interior, Bureau of Reclamation, Dakotas Area Office.

## **2 Limitations**

a. Nothing in this Permit is to be construed to affect any contractual commitments under any long-term contract in effect at the date of execution of this Permit, including, but not limited to, the Garrison Diversion Unit Master Contract No. 14-06-600-8948, dated January 26, 1966, as amended.

b. Nothing in this Permit is to be construed to require a change in SCPP operations, except as outlined herein.

c. Nothing in this Permit is to be construed to require the Reclamation to take any action which in his or her sole determination may cause harm to the SCPP, authorized SCPP purposes, or SCPP beneficiaries.

## **3 Use Fee And Administration Cost Methodology**

a. The Commission will be responsible for all fees and costs associated with installation of the NAWS equipment, including any costs incurred by Reclamation for work associated solely with the installation of the NAWS equipment. The Commission agrees to pay 100 (one hundred) percent of any costs incurred by Reclamation for work, approved by the Commission, associated solely with the OM&R of the NAWS equipment. Payments will be due within 30 (thirty) days from the date of billing.

b. The Commission will make 40 annual payments of \$12,957 in the form of a Use Fee for SCPP to which the Commission may pay in advance of the annual billing at the time of signing. Payments will be due within 30 (thirty) days from the date of billing. The Use Fee is calculated based on the proportion of the Commission’s permitted utilization to the design capacity of SCPP – 37.9 cfs (24.5 MGD) divided by 2,050 cfs (1.8488%). The costs of the SCPP are calculated by taking the current construction cost from the Statement of Construction Cost Report multiplied by the functional rate for Interest During Construction. The current construction cost for the SCPP is \$26,373,921.00 (2018 Statement of Project Construction Cost Report). The functional rate for Interest During Construction (IDC) is 6.29% (See Garrison Diversion Unit Interim Cost Allocation Report dated May 2012, Exhibit A, pages 17 and 24 and Table 16). The current IDC is \$1,658,919.63 ( $\$26,373,921 \times 6.29\%$ ), and the total construction cost with IDC is therefore \$28,032,840.63 ( $\$26,373,921 + \$1,658,919.63$ ). These payments will be deposited into the Reclamation Fund as a credit to the reimbursable costs associated with SCPP.

c. The Commission, without expense to the United States, shall care for, operate, and maintain the NAWS in full compliance with the terms of this Permit and in such a manner that the NAWS equipment remain in good and efficient condition. The Commission is responsible for all costs related to OM&R of the NAWS equipment. The Commission is responsible for all costs related to the OM&R of United States-owned facilities and equipment essential to the operation of the NAWS equipment, including, but not limited to, the Unit #1 trash

rack, Unit #1 intake gate, hydraulic system and controls, Unit #1 intake suction tube, Unit #1 discharge pipe, Unit #1 electrical components (supply cables, circuit breaker 118, protection and control relays and circuits).

d. The Commission will make annual payments to the United States in the form of an Administration Cost. The Administration Cost is calculated based on the proportionate share of the OM&R Costs for SCPP, inlet channel, and appurtenant facilities which are used by the Commission to provide water to the NAWS. The Commission agrees to pay to the United States a proportionate share of the actual annual OM&R costs of the SCPP, including replacements, additions and extra ordinary items. The Commission's proportionate share is based on the proportion of the Commission's utilization to the design capacity of SCPP – 37.9 cfs (24.5 MGD) divided by 2,050 cfs (1.8488%). Reclamation will provide a bill to the Commission based on an estimate of annual OM&R expenses for the succeeding calendar year. Each year's bill will be adjusted by the over or under payment of actual allocated expenses of the prior fiscal year. Payments will be due within 30 (thirty) days from the date of billing.

e. The Commission will be responsible for the costs of providing energy to the NAWS equipment installed in the SCPP and other appurtenant facilities. The NAWS equipment energy will be metered separately from SCPP's pump and station service meters.

#### **4 Pre-Construction/Construction**

a. The following shall apply to the initial construction activities and any subsequent construction or replacement activities associated with the NAWS intake pumps and appurtenant facilities.

b. The Commission shall:

(1) Provide design data necessary for Reclamation to modify its USACE permit to include the NAWS intake facilities.

(2) Secure all other necessary water rights, permits, licenses, and approvals necessary for construction and operation of the NAWS and provide copies of such permits, licenses, and approvals to Reclamation prior to construction.

(3) In co-operation and consultation with Reclamation, prepare designs, construction specifications, and schedules for the modification of the existing SCPP structure and surrounding lands to accommodate the equipment necessary to pump water for the NAWS purposes.

(4) Submit all plans and specifications for the modification and use of the SCPP to Reclamation for review and concurrence prior to any construction advertisement or award. The Commission shall provide Reclamation 45 (forty-five) days for the review and concurrence or to provide comments indicating changes needed prior to concurrence. In some cases, due to unusual or complicated design issues, Reclamation may require additional time to evaluate the proposed plans. In those circumstances, Reclamation will notify the Commission of the additional time required and will expeditiously proceed with evaluations to avoid any unreasonable delays.

(5) Develop, coordinate, and carry out construction safety plans (including hazardous energy control program) in consultation with Reclamation. The Commission or its contractor representatives shall not override or bypass established lock-out tag-out programs without Reclamation's prior approval.

(6) Provide proposed construction schedules to Reclamation on a bi-weekly basis and coordinate construction activities with Reclamation operations to minimize impacts to operations as much as practical.

(7) Provide any additional measures needed, as determined by Reclamation, to secure the facility and site during construction. Reclamation will provide sufficient notice to the Commission to comply with all requirements.

(8) Provide, or otherwise reimburse Reclamation, for repairs to any facilities, including, but not limited to, the pumping plant structure, roads, grounds, and associated appurtenances, damaged by the Commission's or its contractor's construction activities.

(9) During construction, make reasonable attempts to modify NAWS to eliminate potential conflicts with existing operations or facilities which were not anticipated or addressed during the design phase.

(10) Provide Reclamation with record drawings of all modifications to SCPP facilities within 6 months after construction is declared substantially complete.

(11) Will not construct, modify, or otherwise change any Reclamation facilities without written consent from Reclamation.

(12) Pay for Reclamation's costs involved in review, concurrence, and approval activities, including additional staff or time necessary to supervise, coordinate, inspect, or otherwise facilitate NAWS construction activities.

(13) Provide any information and/or undertake any activities that Reclamation identifies necessary to comply with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), and any other pertinent environmental laws and regulations. The Commission will notify Reclamation and, only when on tribal land, also notify the appropriate tribal official, immediately upon the discovery of any potential historic properties or Native American human remains, funerary objects, sacred objects, or objects of cultural patrimony.

(14) Following installation, but prior to releasing their contractor from work, provide Reclamation a final inspection of the work to assure that the installation meets accepted standards. Any deficiencies found by Reclamation would be addressed by the Commission before Reclamation would deem the installation satisfactory.

(15) Be responsible for all costs associated with removing the existing SCPP pump, motor, all appurtenant equipment, plumbing, wiring and all other parts associated with the removed pump and motor. These items shall be salvaged as directed by Reclamation and/or as detailed in the designs and specifications. Any net proceeds from the sale of these items shall be returned to Reclamation.

c. Reclamation shall:

(1) Request modification of its permit with the USACE, as needed, in order to accommodate the NAWS construction and operation.

(2) Provide access to SCPP grounds and facilities, in accordance with the terms and conditions of Reclamation's permit with the USACE, for the Commission and their authorized agents as needed to perform construction activities related to the NAWS.

(3) Review all plans and specifications submitted by the Commission for the modification and use of the SCPP and provide concurrence or comments indicating changes needed prior to concurrence within 45 (forty-five) days of receiving the plans and specifications from the Commission. In some cases, due to unusual or complicated design issues, Reclamation may require additional time to evaluate the proposed plans. In those

circumstances, Reclamation will notify the Commission of the additional time required and will expeditiously proceed with evaluations to avoid any unreasonable delays.

(4) During construction, inspect the work and provide information to the Commission regarding any installations that may conflict with existing operations and unmodified facilities that were not anticipated or addressed during the design phase.

(5) Conduct final inspection of construction activities or modifications to ensure that installation meets accepted standards. In case of unusual conditions or serious deficiencies in the construction Reclamation may issue to the Commission a special written notice of those repairs. Except in the case of an emergency or of conditions of the NAWS/SCPP modifications threatening or causing interruption of water service to non-NAWS water users, the Commission will be given 30 (thirty) days to either make the necessary repairs or submit a plan for accomplishing the repairs acceptable to Reclamation. In the case of an emergency, or conditions outlined above, or if the Commission fails to either make the necessary repairs or submit a plan for accomplishing the repairs acceptable to Reclamation within 30 (thirty) days of receipt of the notice, Reclamation may cause the repairs to be made, and the cost of those repairs shall be paid by the Commission as directed by Reclamation. Reclamation's determination of such expense shall be final and binding upon the parties hereto.

(6) Be responsible for compliance with NEPA, NHPA or any other relevant environmental laws and regulations prior to construction and operation of the NAWS. Reclamation will inform the Commission of any activities that the Commission must undertake or any information it must provide for Reclamation to comply.

(7) Not override or bypass Commission lock-out tag-out programs without the Commission's approval.

d. Both Parties agree to:

(1) Coordinate construction activities no less than bi-weekly to minimize conflicts to the NAWS construction activities and Reclamation operations at the SCPP.

## **5 Operation, Maintenance, And Replacement**

a. The Commission shall:

(1) Employ or contract for the staff necessary to conduct OM&R on the NAWS equipment.

(2) Provide any information and undertake any activities that Reclamation identifies as necessary to comply with NEPA, NHPA, and any other pertinent environmental laws and regulations for the OM&R of the NAWS equipment.

(3) Maintain NAWS equipment according to accepted industry standards for MR&I water systems and requirements of the National Electrical Safety Code.

(4) Safeguard all keys and entrance security codes for the SCPP facility to prevent unauthorized access into the facility. Keys are not to be duplicated and security codes are not to be provided to others without prior approval from Reclamation. Only Reclamation may issue keys and provide authorization for use of security codes.

(5) If OM&R on the NAWS equipment involves any future modification or contracts, provide Reclamation all plans and specifications to Reclamation for review and concurrence prior to any construction advertisement or award. The Commission shall provide Reclamation 45 (forty-five) days for the review and concurrence or to provide comments indicating changes needed prior to concurrence. In some cases, due to

unusual or complicated design issues, Reclamation may require additional time to evaluate the proposed plans. In those circumstances, Reclamation will notify the Commission of the additional time required and will expeditiously proceed with evaluations to avoid any unreasonable delays. A final inspection of the work to assure that the installation meets accepted standards prior to the Commission releasing its contractor from its work.

(6) Not override or bypass established lock-out tag-out programs without Reclamation's prior approval.

(7) To the extent allowable by law, agree to indemnify the United States for, and to hold the United States and all of its representatives harmless from, all damages resulting from suits, actions, or claims of any character brought on account of any injury to any person or property arising out of any act, omission, neglect, or misconduct in the manner or method of performing any construction, care, operation, maintenance, supervision, examination, inspection, or other duties of the Commission or the United States required under this Permit, regardless of who performs those duties. The Commission does not agree to indemnify the United States for any damages arising from intentional torts or malicious actions committed by employees of the United States.

b. Reclamation shall:

(1) Provide access and space within the SCPP facility to the Commission and their authorized agents as needed to perform OM&R activities related to the NAWS equipment and in accordance with the terms and conditions in Reclamation's permit with the USACE.

(2) Employ or contract for staff necessary to OM&R all other SCPP facilities, excluding single purpose NAWS equipment.

(3) Be responsible for compliance with NEPA, NHPA or any other relevant environmental laws and regulations for the OM&R of the NAWS equipment. Reclamation will inform the Commission of any activities that the Commission must undertake or any information the Commission must provide for Reclamation to comply.

(4) Conduct final inspection of major modifications to ensure that the modifications meet accepted standards.

(5) Not override or bypass Commission lock-out tag-out programs without the Commission's approval.

(6) Reclamation may perform examinations, inspections, and audits of NAWS equipment, records, and reports for determining adequacy of OM&R.

i. Reclamation has the right to inspect and evaluate the Commission's books, records, and reports, work performed or being performed under this, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If Reclamation performs inspection or evaluation on the premises of the Commission or a subrecipient, the Commission shall furnish and shall require subrecipients to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

ii. The Reclamation may, or the Commission, conduct special inspections of any NAWS equipment being operated by the Commission and special audits of the Commission's books and records to ascertain the extent of any operation and maintenance deficiencies to determine the remedial measures required for their correction and to assist the Commission in solving specific problems. Except in an emergency, any special inspection or audit shall be made only after written notice thereof has been delivered to the Commission by Reclamation.

- iii. The Commission shall provide access to the NAWS equipment, operate any mechanical or electrical equipment, and be available to assist in the examination, inspection, or audit.
- iv. Reclamation shall prepare reports based on the examinations, inspections, or audits and furnish copies of such reports and any recommendations to the Commission.
- v. Expenses incurred by the Commission, as applicable, in participating in the operation and maintenance site examination will be borne by the Commission.
- vi. Requests by the Commission for consultations, design services, or modification reviews, and the completion of any operation and maintenance activities identified in the formal recommendations resulting from the examination (unless otherwise noted) are to be funded as project operation and maintenance and are reimbursable by the Commission to the extent of current project operation and maintenance allocations.
- vii. Site visit special inspections that are beyond the regularly scheduled operation and maintenance examinations conducted to evaluate particular concerns or problems and provide assistance relative to any corrective action (either as a follow up to an operation and maintenance examination or when requested by the Commission shall be nonreimbursable.
- viii. Necessary repairs of any NAWS/SCPP modifications made by the Commission necessary to facilitate NAWS uses shall be made promptly by the Commission. In case of unusual conditions or serious deficiencies in the care, operation, and maintenance, Reclamation may issue to the Commission a special written notice of those repairs. Except in the case of an emergency or of conditions of the NAWS/SCPP modifications threatening or causing interruption of water service to non-NAWS water users the Commission will be given 60 (sixty) days to either make the necessary repairs or submit a plan for accomplishing the repairs acceptable to Reclamation. In the case of an emergency, or conditions outlined above, or if the Commission fails to either make the necessary repairs or submit a plan for accomplishing the repairs acceptable to Reclamation within 60 (sixty) days of receipt of the notice, Reclamation may cause the repairs to be made, and the cost of those repairs shall be paid by the Commission as directed by Reclamation.

c. Both Parties agree to:

- (1) The use of the SCPP, inlet channel and other appurtenant facilities, grounds and equipment for NAWS and other authorized purposes will be periodically monitored to ascertain the then current percentage of use. The Parties further agree that this Permit may be periodically modified as necessary to reflect then current uses.
- (2) During the term of this Permit, the priority of use of the SCPP, inlet channel and all appurtenant facilities, grounds and equipment will be first to Reclamation for meeting the current and future authorized purposes of the Garrison Diversion Unit, and second to the Commission for operation of the NAWS. Reclamation and the Commission will coordinate all activities and operations of facilities to minimize the potential for operational conflicts. Reclamation will, to the extent possible, schedule OM&R activities to avoid creating water shortages to the NAWS system.
- (3) Jointly develop an Annual Work Plan and Budget to assure that the activities affecting the Commission and Reclamation facilities are coordinated and that the funds needed to carry out these activities are programmed consistent with authorizations and appropriations. Budgets and funding responsibilities of specific activities will be identified in the work plan. Any additional costs to accommodate NAWS OM&R will also be identified. Work plans will be completed by November 15 of each year.

(4) Jointly prepare a monthly list of proposed work activities and schedules to coordinate on-going work.

(5) Participate in OM&R reviews of NAWS and SCPP facilities and cooperate in completing the resulting recommendations, including those that affect the safety and security of the facility.

(6) Jointly develop and carry out safety programs that affect individuals working in SCPP, as well as visitors. Toolbox safety meetings and job hazard analysis will be reviewed with those working in the plant prior to conducting specific OM&R jobs.

(7) Jointly develop procedures to ensure the facilities, equipment and property are only used for authorized purposes. Procedures will also be developed to insure only authorized personnel have access to the facility and proper security measures are maintained.

(8) Jointly develop housekeeping practices which ensure facilities, equipment, tools and other property are safeguarded and the facilities are neat, orderly and respectable.

(9) Pursue and implement processes and procedures which save costs and improve efficiencies, including cross training of employees to perform certain operations of all facilities within the SCPP.

## **6 Safety, Emergency, and Security Plans**

a. The Commission shall not require any of its employees or subcontractor employees, employed in the performance of the construction or OM&R of the NAWS equipment to work under conditions which are unsafe or unhealthy, as determined under 29 CFR Part 1926, Safety and Health Regulations for Construction and "Reclamation Safety and Health Standards," published by Reclamation.

b. The Commission shall fully comply with the "Reclamation Safety and Health Standards" and any current or future amendments, supplements, or revisions thereto. Copies of this handbook are currently available at <http://www.usbr.gov/ssle/safety/RSHS/rshs.html>. Construction Safety and Health Standards promulgated by the Secretary of Labor may be obtained from any regional or area office of the Occupational Safety and Health Administration (OSHA) of the U.S. Commission of Labor.

c. The Commission shall submit in writing a proposed safety program in the form and at time intervals prescribed in Sections 2, 3, and Appendix B of the "Reclamation Safety and Health Standards." The Commission's safety program shall be site-specific, submitted, and made acceptable to Reclamation as it relates to the portions of the NAWS equipment prior to commencing on-site construction activities.

d. The Commission shall insert Subarticles 6.a.-c. in all subcontracts that involve the performance of construction or OM&R of the NAWS equipment.

e. The Commission is responsible for being cognizant of and ensuring compliance with the requirements set forth in Subarticles 6.a.-c. above. Such responsibility shall apply to both the Commission's operations and those of the Commission's contractors and/or subcontractors. When violations of the safety and health requirements contained in the standards referenced in Subarticles 6.a.-c. are called to the Commission's attention by the United States, the Commission shall immediately correct the condition to which attention has been directed. Such notice, either oral or written, when served on the Commission or the Commission's representative, shall be deemed sufficient. Should Reclamation consider the Commission's safety effort inadequate, Reclamation may require the Commission to employ a full-time safety professional at no cost to the United States. Further, the Commission is subject to Federal OSHA regulations and standards while performing construction and OM&R work in SCPP.

f. In the event the Commission fails or refuses to promptly comply with the compliance directive issued under Subarticles 6.a.-c. above, Reclamation may issue an order to stop all or any part of the work. When satisfactory corrective action is taken, an order to resume work will be issued. The Commission shall not be entitled to any claim for damage due to either the directive or the stop order. Failure of Reclamation to order discontinuance of any or all of the Commission's operations shall not relieve the Commission of its responsibility for the safety of personnel and property.

g. The Commission shall maintain an accurate record of and shall report to Reclamation, all cases incurred in the performance of this Permit, which occur in SCPP, of: (1) death; (2) occupational illnesses; (3) personal injuries to employees or the public; and (4) property damage in excess of \$500 per incident.

h. The rights and remedies of the United States provided in this Article are in addition to any other rights and remedies provided by law or under this Permit.

i. In the event there is a conflict in the requirements contained in the "Reclamation Safety and Health Standards," the Commission's safety program, referenced safety and health codes and standards; or 29 CFR Part 1926, Safety and Health Regulations for Construction, the more stringent requirement will prevail.

j. The Commission, in coordination with Reclamation and Garrison Diversion, shall develop an emergency plan setting forth the procedures to be followed in case of accident to, or failure of, the NAWS equipment. The emergency plan shall be subject to the approval of Reclamation. In the event of an emergency at SCPP, the noticing party shall notify the other party. Reclamation may take appropriate action as necessary to prevent or minimize damage to SCPP. Reclamation may take further action as necessary to prevent or minimize damage to the NAWS equipment. The emergency plan shall be reviewed annually by both the Commission and Reclamation to ensure the document is current and sufficient.

k. Reclamation, in coordination with the Commission and Garrison Diversion, shall develop a Site Security Plan. The Site Security Plan shall be implemented to ensure that SCPP, the NAWS equipment, and Reclamation information and documents are secure from unauthorized access and activity. The Site Security Plan shall be subject to the approval of Reclamation. The Site Security Plan shall be reviewed annually by Reclamation, Commission and Garrison Diversion to ensure the document is current and sufficient.

l. Reclamation, and the Commission shall insert Site Security Plan, Subarticle 6.k, requirements in all subcontracts that involve the performance of construction or OM&R of the SCPP or NAWS equipment.

## **7. Irrevocable Letter of Credit**

a. The Commission shall, or require their contractor to, furnish a bond secured by an Irrevocable Letter of Credit (ILC) for the protection of the United States in the amount of **\$3,000,000.00**. This protection is for the initial construction period of the NAWS equipment. This ILC shall remain in effect during the construction period and until the NAWS equipment construction is determined substantially complete by the Commission and Reclamation.

b. The Commission shall, or require their contractor to, furnish an additional bond secured by an ILC for any future modifications to SCPP or the NAWS equipment. The ILC amount of any the Commission's future modification contracts to the NAWS equipment will be determined by Reclamation during the review and concurrence of the plans and specifications.

c. The ILC shall be irrevocable, require presentation of no document other than a written demand by Reclamation and the ILC, and be issued and confirmed by an acceptable federally insured financial institution. ILC means a written commitment by a federally insured financial institution to pay all or part of a stated amount of money, until the expiration date of the letter, upon presentation by United States (the beneficiary) of a written

demand therefore. Neither the financial institution nor the Commission can revoke or condition the letter of credit. The Commission shall provide the ILC form only from federally insured financial institutions rated investment grade or higher. The Commission shall provide Reclamation a credit rating from a recognized commercial rating service as specified in Office of Federal Procurement Policy Pamphlet No. 7 that indicates the financial institution has the required rating as of the date of issuance of the ILC. If Reclamation learns that a financial institution's rating has dropped below the required level, Reclamation shall give the Commission 30 days to substitute an acceptable ILC or shall draw on the ILC. The ILC shall provide that, unless the issuer provides Reclamation written notice of non-renewal at least 60 days in advance of the current expiration date, the ILC is automatically extended without amendment for one year from the expiration date, or any future expiration date, until the period of required coverage is completed and Reclamation provides the financial institution with a written statement waiving the right to payment.

### **8. Emergency Reserve Fund**

a. The Commission shall maintain an emergency reserve fund for NAWS of at least \$500,000. This emergency reserve fund shall be available to meet costs incurred during the NAWS OM&R period caused by emergencies threatening or causing interruption to SCPP or NAWS equipment. The money in the emergency reserve fund shall be available within a reasonable time to meet expenses.

b. Upon mutual written agreement between the Commission and Reclamation, the required minimum amount of the emergency reserve fund may be adjusted to account for risk and uncertainty.

c. Reclamation may request from the Commission a current statement of the emergency reserve fund.

### **9. Miscellaneous Provisions**

a. This Permit, has been drafted, negotiated and reviewed by the Parties hereto, each of whom is sophisticated in the matters to which the Permit pertain, and no one Party shall be considered to have drafted the stated articles.

b. The expenditure or advance of any money or the performance of any obligation of the United States under this Permit shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Commission from any obligations under this Permit. No liability shall accrue to the United States in case funds are not appropriated or allotted.

c. In the event that any one or more of the provisions of this Permit shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability, shall not affect any other provisions of this Permit. The Permit shall be construed as if such invalid, illegal or unenforceable provisions had never been, unless deletion of such provision or provisions would result in such a material change so as to cause the fundamental benefits afforded the Parties by this Permit to become unavailable or materially altered.

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**General Conditions:**

This permit is issued as authorized by Reclamation Law, and subject to all conditions contained herein.

1. **Payments.** All payments shall be made to the issuing office of the U.S. Bureau of Reclamation on or before the date of issue by a postal money order or a check made payable to the U.S. Bureau of Reclamation.
2. **Use Limitations.** The permitted use: (a) is limited to the purposes and premises herein specified; (b) does not unless specified in the permit grant any rights to water; (c) does not unless provided for in the permit allow restriction of public entry or uses or to the area; (d) is subject to existing easements, rights-of-way, or reservations; (e) is subject to the right of Reclamation to grant other permits for the same premises upon a finding by the Issuing Officer that the additional use is compatible with the use permitted herein; and (f) shall not impede Reclamation, its agents or assigns from carrying on whatever activities are necessary, to (1) protect and maintain the premises, facilities, and adjacent lands administered by the United States and its agencies and (2) manage all resources located on the premises and other Reclamation lands.
3. **Damages.** The United States shall not be responsible for any loss or damage to property arising from the issuance of this permit, including but not limited to damages to growing crops, animals, and machinery; or injury to the permittee or its associates, officers, agents, employees, or any others who are on the premises; or for damages or interference caused by natural phenomena. The permittee agrees to save the United States or any of its assigns or agencies harmless from any and all claims for damages or losses that may arise from or be incident to any activity associated with this permit. The permittee also agrees to save the United States, its assigns and agencies, harmless from any damage to the permittee or third parties resulting from project activities of Reclamation, its agents and assigns.
4. **Operating Rules and Laws.** The permittee shall keep the premises in a neat and orderly condition at all times, and shall comply with all municipal, county, State and Federal laws, rules and regulations applicable to their operations under the permit. Also, the permittee shall take all reasonable precautions to prevent the escape of fires to suppress fires and shall render all reasonable assistance in the suppression of fires.
5. **Responsibility of Permittee.** The permittee, by operating on the premises, shall be considered to have accepted these premises with all the facilities, fixtures, or improvements in their existing condition as of the date of this permit. At the end of the period specified or upon earlier termination the permittee shall give up the premises in like condition as when received except for reasonable wear, tear, or damage occurring without fault or negligence. The permittee will fully repay Reclamation for any and all damage, directly or indirectly, resulting from the permittee's negligence or failure to use reasonable care.
6. **Revocation.** (a) Violation: This permit may be revoked on the tenth day following written notice to the permittee upon a finding by Reclamation that the permittee has violated any of the terms herein or made use of the premises for purposes not herein prescribed: Provided, that if said violation or non-prescribed use of the premises ceases within 10 days of receipt of notice, the permittee will be allowed to maintain occupancy under this permit. (b) Non-use and project purposes: This permit may also be revoked with 30 days written notice to the permittee upon a finding by Reclamation that: (1) the permittee has failed to use or discontinued use of the premises, or (2) the premises are needed for project purposes. (c) Possession: Upon any such revocation, Reclamation, by and through any authorized representative may take possession of said premises for its own and sole use in accordance with Section 10.
7. **Cultural Values.** Should evidence of historical, archaeological, or paleontological sites be discovered during use of the premises, the Permittee immediately shall suspend operations and advise the issuing officer.

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8. **Compliance.** Failure of Reclamation to insist upon strict compliance with any of this permit's terms, conditions, and requirements shall not constitute a waiver or relinquish Reclamation's right to thereafter enforce any of the permit's terms, conditions, or requirements.
  9. **Termination.** At the termination of this permit, the permittee shall immediately give up possession to Reclamation, reserving, however, the rights specified in Paragraph 10. Upon failure to do so, the permittee shall pay the Government, as liquidated damages, an amount double the rate specified in this permit, for the entire time possession is retained. The acceptance of any fee for liquidated damages or any other act of administration relating to the continued tenancy is not to be considered as an approval of the permittee's possession.
  10. **Removal of Permittee's Property.** Upon the expiration, termination, or revocation of this permit, if all rental charges and damage claims due the Government have been paid, the permittee may remove all structures, machinery, or other property, from the premises. Upon failure to remove any of the said property within 365 days of expiration, termination, or revocation, it shall become the property of the United States, and the permittee shall pay the United States for all expenses related to property removal and to restore SCPP as nearly as practicable to its original condition.
  11. **Transfer of Privileges.** This permit is transferable, if agreed upon by both parties.
  12. **Refunds.** All money paid under this permit shall be retained by the Government. If Section 6 (b) (2) is exercised, the fee paid under this permit shall be refunded by a pro rata share, as determined by Reclamation.
  13. **Official Barred from Participating.** No Member of Congress or Resident Commissioner shall participate in any part of this contract or to any benefit that may arise from it, but this provision shall not pertain to this contract if made with a corporation for its general benefit.
  14. **Nondiscrimination in Employment.** The permittee agrees to be bound by the equal opportunity clause of Executive Order 11246.
  15. **Liability.** The permitted activities shall be conducted so as not to interfere with the operation, maintenance, and administration of Reclamation Projects. Any additional repairs, maintenance, or expense to Reclamation Projects as a result of the permitted activities shall be reimbursed to the United States by the permittee. The Secretary of the Interior's determination of such expense shall be final and binding upon the parties hereto.
  16. **Trespass.** Any use of the premises not herein prescribed shall be considered a trespass. Any violation or trespass on any Reclamation lands by the permittee shall be cause for revocation of this permit, in accordance with Section 6 (a). The permittee shall be liable for any damages resulting therefrom and an approximate charge as determined by the issuing officer shall be made to the permittee. Any property constructed in trespass shall be considered property of the United States.
  17. **Disclosure.** In accordance with the Privacy Act of 1974 (PL 93-579) please be advised that: (a) Participation is voluntary; however, failure to answer all questions fully may delay processing of this application or result in denial of this permit (b) information will be used as a criteria for the issuance of special use permits and for identification of personnel having special use permits on Reclamation lands. (c) In the event there is indicated a violation of a statute, regulation, rule, order, or license, whether civil, criminal, or regulatory in nature, the requested information may be transferred to the appropriate Federal, State, or local agency charges with investigation or processing such violations.
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*Sign name or names as written in body of permit. For co-partnership, permittees should sign as members of firm; for corporation the officer authorized to execute contracts, etc., should sign, with title the sufficiency of such signature being attested by the Secretary and with corporate seal, in lieu of witness.*

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*The Permittee hereby accepts this permit subject to the terms, covenants, obligations, and reservations, expressed or implied herein.*

<b>Bureau of Reclamation</b>	
Signature: _____	Print Name: _____
Title: _____	Date: _____

<b>Permittee North Dakota State Water Commission</b>	
Signature: _____	Print Name: _____
Agency: _____	Date: _____



BUREAU OF RECLAMATION

# Snake Creek Pumping Plant

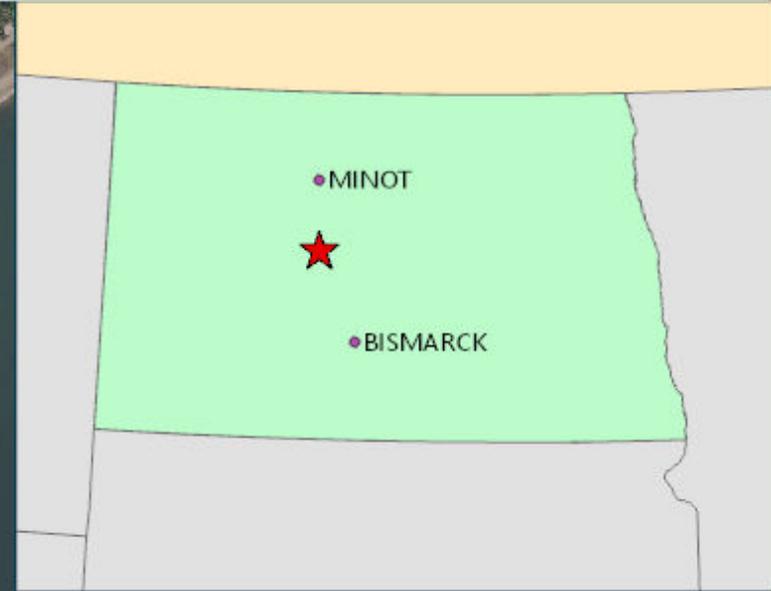
20-LM-60-2802

## NAWS Intake and Pipeline Location



Lake Sakakawea

Audubon Lake



### Legend

- ★ Snake Creek Pumping Plant
- NAWS INTAKE PIPELINE

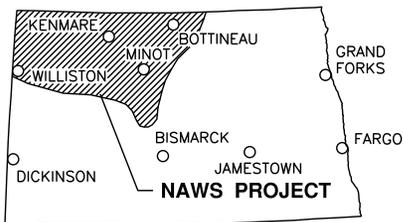


# APPENDIX G



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NORTH DAKOTA



**PRELIMINARY**  
 NOT FOR CONSTRUCTION

H:\BWS\3553\CITY of Westhope\Connection\CAD\Plans\Cover Sheet\Location Map & Index.dwg Location and Vicinity Map: 7/27/2022 11:41 AM (rlafshaver)

No.	Revision	Date	By



MINOT  
 P: 701.852.7931  
 F: 701.858.5655



DESIGNED CM  
 DRAWN IT

CHECKED JAR  
 DATE 7-27-2022



NAWS CONTRACT 2-4D  
 WATER TRANSMISSION PIPELINE  
 CITY OF WESTHOPE SEGMENT

LOCATION AND VICINITY MAP  
 PROJECT NUMBER: 3553-0000

SHEET  
 G-2

## **Northwest Area Water Supply Advisory Committee Legislative Management Report - Relative To House Bill 1063**

### **Presented To The Interim Water Topics Overview Committee**

**[Insert Date]**

House Bill (HB) 1063 was passed by the 67<sup>th</sup> Legislative Assembly and was signed into law by Governor Doug Burgum in March 2021. The bill modified the Northwest Area Water Supply (NAWS) Advisory Committee and refined the project area. The NAWS Advisory Committee was also tasked by HB 1063 to: 1) report to legislative management regarding recommendations for transition of the long-term operation and management of NAWS; and 2) to report to an interim committee designated by legislative management regarding the status of the NAWS Advisory Committee's responsibilities under Section 2. The purpose of this report is to meet the aforementioned requirements of HB 1063.

#### **Additional HB 1063 Background**

House Bill 1063 modified the NAWS project area to only include areas to be served by the project as it is currently envisioned. The initial project area included a ten-county area which could potentially have been served by the then proposed NAWS project. The areas eliminated from the original scope have been served by other systems in the intervening time since the authorizing legislation was passed.

House Bill 1063 also modified the constituency of the NAWS Advisory Committee. Representatives from the City of Williston and the Three Affiliated Tribes were removed as neither entity will receive water from the project. The representatives for the rural water districts, county water resource districts, and municipalities in the service area outside of Minot were also modified to remove Williams, Divide, and Mountrail Counties. The bill also added a nonvoting member from the Turtle Mountain Band of Chippewa.

## **Project History**

To provide context for the NAWS project as it exists today, it is important to provide historical background regarding the project's evolution over the last several decades into the project it has become today. This includes the original and ongoing need for the project, how it relates to the Garrison Diversion Project, and the background of NAWS itself.

### *Need For The Project*

Many areas and localities in northwestern North Dakota do not enjoy safe drinking water. The water in these areas and localities contains iron, sulfates, alkali, salt, nitrates, fluoride, and other hazardous and discoloring substances. Other areas and localities in northwestern North Dakota do not have sufficient quantities of water to ensure a dependable, long-term supply.

Supplementation of the water resources of northwestern North Dakota with water supplies from the Missouri River, utilizing a pipeline transmission and delivery system, were determined to be the only alternative to provide northwestern North Dakota with a safe, good quality, dependable, and adequate supply of water.

### *The Garrison Diversion Project*

The Garrison Diversion Project included delivery of Missouri River water to the Minot area. A 50-year agreement between the City of Minot, the Bureau of Reclamation, and the Garrison Diversion Conservancy District to construct a water supply line from the Sindre Aquifer to the Minot Water Treatment Plant was approved January 26, 1972. The agreement was part of the Garrison Diversion Project and it promised that water would be available "as soon as needed" from the Velva Canal – which never materialized. The Sindre line, recently rebuilt by Minot, is still being used today.

### *Northwest Area Water Supply Project*

Planning studies for NAWS were initiated by the State Water Commission in November 1987 upon abandonment of the Garrison Diversion Project coming from the 1986 Garrison Diversion Reformulation Act. The final NAWS study report was completed on November 30, 1988. During

Project planning, environmental issues associated with the construction, operation and maintenance of the Project were evaluated through an Environmental Assessment. The scope of this study included the nine-county area (increased to ten counties in 1993) of northwestern and northcentral North Dakota. The 1991 North Dakota Legislative Assembly created a NAWS Advisory Committee and gave its full support to development of the NAWS project. In February 1993, Houston Engineering, in association with American Engineering and Montgomery Watson, were retained as the engineering team for the NAWS prefinal design.

A Secretarial Determination that the project complies with the Boundary Waters Treaty Act of 1909 was signed by the Secretary of the Interior in 2001. An Environmental Assessment was prepared by the Bureau of Reclamation and a Finding of No Significant Impact (FONSI) was issued in September 2001. In response, construction began on the 45-mile raw water pipeline between Lake Sakakawea and Minot in April 2002. By October 2002, the Canadian Province of Manitoba filed a lawsuit against the Department of the Interior in U.S. District Court challenging the FONSI issued for the Project and requesting federal funds and construction activities on the Project be halted.

On February 3, 2005, the court ordered Reclamation to revisit the FONSI upon completion of further environmental analysis. The order stated that additional analyses should consider potential impacts associated with not fully treating the Missouri River water at its source, and potential impacts that could occur due to pipeline leaks and possible failure of water treatment facilities. A second ruling from the court on April 15, 2005, denied the request for an injunction on construction work. With approval from the Court, construction of the 45 miles of main water transmission pipeline between Lake Sakakawea and Minot continued.

Motions were granted by the court in March 2006 (following Reclamation's announcement that they would complete an Environmental Impact Statement (EIS) for the Project) and in March 2008 (following the release of the NAWS Draft EIS) to continue construction on Project features north of the Hudson Bay and Missouri River drainages divide that did not affect treatment decisions.

The Draft EIS was released for public review in December 2007. The EIS evaluated four water treatment alternatives that would further reduce the risk of transferring invasive species from the Missouri River drainage to the Hudson Bay drainage through the construction and operation of the Project. Construction continued in 2006 through 2008 on a pipeline from Minot's water treatment plant to Berthold, two storage reservoirs, and a high service pump station. The Final EIS was published in 2008 and a Record of Decision was signed in 2009. Shortly thereafter, the Province of Manitoba filed a supplemental complaint contending the Final EIS was insufficient. The state of Missouri also filed a complaint against the U.S. Department of the Interior and the U.S. Army Corps of Engineers in the same District Court. The state of Missouri alleged Reclamation's Final EIS was insufficient and that the U.S. Army Corps of Engineers failed to complete a separate National Environmental Policy Act (NEPA) assessment of the Project. These two complaints were joined by the District Court.

In March 2010, the court remanded the case to Reclamation and ordered that the injunction imposed in 2005 remain in effect. Reclamation subsequently initiated a Supplemental Environmental Impact Statement (SEIS). A Draft SEIS was published in June 2014 and a Final SEIS was published in April 2015, followed by a Record of Decision in August 2015. The court ruled in favor of the Department of the Interior and the State of North Dakota and vacated the injunction in August 2017. Manitoba's motion for summary judgement was dismissed and Missouri's complaint was dismissed for a lack of standing in the case. Both plaintiffs appealed the decision to the District of Columbia Circuit Court of Appeals. Manitoba later reached a settlement agreement with Reclamation after which they withdrew their appeal. Missouri continued their appeal, and the Circuit Court upheld the District Court's ruling in May 2019 – clearing the way for NAWS to proceed after almost seventeen years of litigation.

Construction on the project progressed during the litigation through multiple modifications to the injunction granted by the court. Water service through an interim water supply contract with Minot began in 2008 and has continued since then. Customers served include Minot, the Minot

Air Force Base, Berthold, Burlington, Kenmare, Sherwood, Mohall, Upper Souris Water District, All Seasons Water Users District, and North Prairie Regional Water District. Over eleven trillion gallons of water have been distributed through the system in that time.

## **Committee Actions And Recommendations**

The NAWS Advisory Committee met throughout 2021 to make recommendations for the long-term operations and management as required by HB 1063. In doing so, the Advisory Committee developed thirteen motions they thought were requisite to the NAWS project's success.

- *Motion 1 - NAWS must be recognized as a State owned project.*

Throughout the development of the NAWS project, the State Water Commission has played a key role, in conjunction with the Advisory Committee, not only in the planning, development, construction, and operation of the Project, but also throughout the NEPA process and litigation and as a contracting agency. Changing the ownership of the project could jeopardize the NEPA success and subject the project to additional litigation. The Advisory Committee feels this role must be maintained for the long-term success of the project.

Additionally, there are competing interests existent in the operations of a large, regional water supply. Operational parameters or structures of management which benefit one group of customers would very likely come at the expense of another group of customers, potentially leading to division amongst the stakeholders and failure of the Project.

- *Motion 2 - Existing contracts must be honored.*

Numerous contracts have been in place for several decades, not only as water service contracts, but also regarding the financing and interim water supply. Water user entities have entered into water supply agreements with the State Water Commission, the terms and conditions of which are set - and have been for decades. All Water User Entity

Contracts and amendments need to be reviewed by the Advisory Committee or a Sub-Committee.

- *Motion 3 - The NAWS Biota Plant is a federal responsibility, both for capital and operation.*

As outlined in the SEIS, ROD, and the Dakota Water Resources Act of 2000, the federal government is responsible for the capital, and operation and maintenance expenses for any facilities whose sole purpose is Boundary Waters Treaty Act compliance. The purpose of the NAWS Biota Water Treatment Plant (WTP), as laid out in the SEIS, is to mitigate the possibility of transfer of invasive species. Therefore, the capital and operational expenses associated with the facility are a federal responsibility.

- *Motion 4 - The NAWS WTP and Sundre aquifer wellfield must be under control of the Minot WTP.*

The operations and maintenance of the Biota WTP is a federal responsibility. However, the Biota WTP, Sundre aquifer well field, and Minot WTP must operate at a single system. The unique scenario of having two treatment plants operating in series on a public water system results in a situation where both facilities being operated by a single entity greatly simplifies compliance with primary drinking water regulations. Significant capital improvements would likely be necessary and operational difficulties would likely be encountered if the two plants were not operated under one management structure.

- *Motion 5 - Minot WTP ownership must remain with Minot.*

Use of the Minot WTP by the NAWS project was established and agreed upon early in the development of the Project, similar to how the Dickinson WTP is utilized by the Southwest Pipeline Project. While several improvements were made, and yet more remain to be made to the plant under NAWS contracts, the ownership of the Minot WTP will remain with the City of Minot.

- *Motion 6 - Expansion of NAWS shall only be accomplished by mutual consent of all water user entities.*

Any additional users connected to the system would have the potential to compromise the ability of the project to deliver contracted quantities to existing customers. Policy already exists that existing customers must approve any additional customers and should continue as such. Care must also be taken that any future construction complies with all NEPA documents, applicable federal law, case law, and state law.

- *Motion 7 - Maintenance availability and eligibility should be identified and understood by all water user entities.*

The eligibility and availability of any work to be completed using funds collected by the NAWS project through water rates should be clearly defined.

- *Motion 8 - Payment to the State for operation and maintenance (O&M) and replacement and extraordinary maintenance (REM) will continue as defined by law and current water user entity contracts.*

The NAWS project should be self-supporting, with payments for O&M and REM continuing as defined in the water user contracts. O&M and REM will be funded by revenues generated by the NAWS water sales, and those revenues will not be used for any other purpose. Since NAWS is a state-owned project, funds for O&M and REM must be appropriated by the state legislature, with the funding source being water rate revenues.

- *Motion 9 - Minot's share of local costs will end when the project described by the 1999 agreement between Minot and the Water Commission is completed.*

The agreements between the State and the City of Minot have evolved over the years, but the underlying principle has not changed. The local share of the capital cost of the Project, as well as operational costs related to the construction and management of the project, have been paid in cash monthly since construction first began, with funds obtained through sales taxes collected by the City of Minot.

The initial interim financing agreement committed the City of Minot to partially underwrite the Commission's cost initially for the project works from the intake on Lake Sakakawea or Lake Audubon to the City's water treatment plant. Later amendment extended the City's responsibility to include 35% of the Commission's cost to build further segments of the Project.

- *Motion 10 - Water user entities agreements should be extended, and they should establish a long-term O&M plan that incorporates legislative, Water Commission, and NAWS Advisory Committee recommendations.*

Standardized language should be utilized in water service contracts highlighting responsibilities and obligations of the parties to the contracts.

- *Motion 11 – NAWS is a wholesale transmission line and is not a rural distribution system. Existing rural water districts and customers must be recognized.*

Customers eligible to be direct customers of NAWS must meet the conditions outlined in North Dakota Administrative Code Chapter 89-13. No individual users are eligible to be a NAWS customer.

## **Conclusion**

From the beginning of the NAWS project until now, water user entities have depended on government entities to follow the terms of the previously outlined agreements. The NAWS Advisory Committee's recommendations are based upon the fundamental concept of continued government ownership and control of NAWS.

The Advisory Committee appreciates the opportunity to provide methods for addressing the long-term needs of NAWS, and we look forward to working with the Legislature to ensure the continued success of NAWS for years to come.