

MINUTES

North Dakota State Water Commission Bismarck, North Dakota June 8, 2023

The ND State Water Commission (Commission or SWC) held a meeting in the Lewis and Clark Room, Bank of North Dakota, 1200 Memorial Highway, Bismarck, ND, and via phone conference on June 8, 2023. Lt. Governor Miller called the meeting to order at 1:00 PM. A quorum was present. The board opened the meeting by reciting the Pledge of Allegiance.

STATE WATER COMMISSION MEMBERS PRESENT:

Lt. Governor Miller, Acting Chairman
Thomas Bodine, Deputy Commissioner, ND Dept. of Agriculture
Michael Anderson, Lower Red River Basin
James Odermann, Little Missouri, Upper Heart, and Upper Cannonball River Basins
Connie Ova, James River Basin (online)
Gene Veeder, Upper Missouri River Basin
Jay Volk, Lower Missouri River Basin
Jason Zimmerman, Mouse River Basin
April Walker, Upper Red River Basin

OTHERS PRESENT:

Dr. Andrea Travnicek, Director, ND Dept. of Water Resources (DWR) and Commission Secretary
DWR Staff
Jennifer Verleger, General Counsel, Attorney General's Office
Approximately 80 people present online and in person.

CONSIDERATION OF AGENDA

It was moved by Commissioner Zimmerman, seconded by Commissioner Volk, and carried unanimously the agenda for the June 8, 2023, Commission meeting was approved as presented.

CONSIDERATION OF DRAFT MEETING MINUTES

It was moved by Commissioner Zimmerman, seconded by Commissioner Anderson, and carried unanimously the minutes of the April 13, 2023, Commission meeting be approved as written.

It was moved by Commissioner Anderson, seconded by Commissioner Volk, and carried unanimously the minutes of the May 11, 2023, Pre-Commission meeting be approved as written.

CERTIFICATES OF APPRECIATION

In Appreciation to Jeffrey Mattern Resolution No. 2023-06-541

WHEREAS, Jeffrey Mattern began his career with the North Dakota State Water Commission in 1980 and has admirably served the people of North Dakota for over 42 years in four different agency divisions as an Assistant Hydrologist; an Assistant Drainage Engineer; the Federal, Municipal, Rural, and Industrial Water Supply Program Manager; and as the Water Supply Cost-Share Program Manager; and

WHEREAS, Jeffrey has demonstrated that he is a strong advocate for water management and development efforts that improve the lives of North Dakotans and strengthen the state's economy; and

WHEREAS, Because of Jeffrey's thoughtful approach to water development efforts, hundreds of rural, regional, and municipal water supply projects have been completed across the state that serve hundreds of thousands of our citizens with clean, reliable water supplies; and

WHEREAS, Because of the admiration and respect of his peers, Jeffrey has earned numerous awards for his professionalism and technical expertise; and

WHEREAS, Jeffrey's attention to improved business processes have made the Department of Water Resources incredibly efficient, particularly in today's hybrid work environment; and

WHEREAS, Jeffrey is retiring from the State of North Dakota's Department of Water Resources effective June 30, 2023.

NOW, THEREFORE, BE IT RESOLVED that Governor Doug Burgum, other members of the North Dakota State Water Commission, and the Department of Water Resources team, assembled this 8th day of June 2023, in Bismarck, North Dakota, hereby convey their gratitude and appreciation to Jeffrey Mattern for his admirable and dedicated service to the people of the Great State of North Dakota as a team member of the Department of Water Resources; and

BE IT FURTHER RESOLVED that we wish Jeffrey and his wife Kim the best of health and happiness in the future.

FOR THE NORTH DAKOTA DEPARTMENT OF WATER RESOURCES AND STATE WATER COMMISSION:

/s/Doug Burgum, Governor-Chairman

/s/Andrea Travnicek, Ph. D., Director-Secretary

It was moved by Commissioner Odermann, seconded by Commissioner Anderson, to approve Resolution No. 2023-06-541 for Jeffrey Mattern.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

**In Appreciation to Richard Johnson
Resolution No. 2023-06-542**

WHEREAS, Richard Johnson was appointed to the State Water Commission on August 10, 2017, by Governor Doug Burgum to represent the Devils Lake Basin and admirably served the people of North Dakota in his role as a Water Commissioner for more than five years; and

WHEREAS, Richard demonstrated a strong commitment to the people of the Devils Lake Basin and all areas of the state through his dedication to sound water management and sustainable water development; and

WHEREAS, Because of Richard's exceptional knowledge of the Devils Lake Basin, and because of his service as a Devils Lake City Commissioner and Mayor where he was directly involved in that region's decade long flood fight, he was uniquely experienced to approach water management challenges during his time with the State Water Commission; and

WHEREAS, Because of Richard's commitment of time, energy, and talent as a member of the State Water Commission, he is well-respected and admired in the water community; and

WHEREAS, Richard was selected by his peers to serve as Vice-Chairman of the State Water Commission because of his leadership; and

WHEREAS, Richard's expertise and guidance as a valued member of the State Water Commission will continue to enhance the lives of people in North Dakota for generations to come.

NOW, THEREFORE, BE IT RESOLVED that Governor Doug Burgum, other members of the North Dakota State Water Commission, and the Department of Water Resources team, assembled this 8th day of June 2023, in Bismarck, North Dakota, hereby convey their gratitude and appreciation to Richard Johnson for his admirable and dedicated service to the people of the Great State of North Dakota as a State Water Commissioner; and

BE IT FURTHER RESOLVED that we wish Richard and his wife Jackie the best of health and happiness in the future.

FOR THE NORTH DAKOTA DEPARTMENT OF WATER RESOURCES AND STATE WATER COMMISSION:

/s/Doug Burgum, Governor-Chairman

/s/Andrea Travnicek, Ph.D., Director-Secretary

It was moved by Commissioner Zimmerman, seconded by Commissioner Walker, to approve Resolution No. 2023-06-542 for Richard Johnson.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

COMMISSION SECRETARY UPDATE

Andrea Travnicek, Ph. D., Secretary, updated the Commission on HB 1218, stating the meeting for the NAWS Advisory Board was held last Friday and are hoping to have the names selected for the NAWS Advisory Board by August. Travnicek gave a short update on Devils Lake and the outlets. She thanked Lt. Governor Miller for coming out to Devils Lake along with other local leaders. Travnicek added her team is working on a draft for the Commission on the SWC ethics guidance and responsibilities and more discussion will take place at the July pre-commission meeting.

FINANCIAL REPORT

The Glossary of Terms, allocated program expenditures, and financial reports were presented by Chris Kadrmaz, DWR Administration Division Director (**APPENDIX A**).

The oil extraction tax deposits into the Resources Trust Fund (RTF) total \$464,548,837 estimated through May 2023, which is \$169,326,520 over projected biennium revenue of \$299,422,317. Funds available above projection will be transferred to the Water Project Stabilization Fund (WPSF). \$151,784,727 was transferred to the WPSF and all transfers were complete by March 2023. All transfers to the WPSF sunset February 28, 2023. Excess revenues deposited after February 28, 2023, remain in the RTF.

Commissioner Odermann questioned the projected potential shortfall as shown on the 2021-2023 Purpose Funding diagram. Odermann asked how it is rectified in the budget. Kadrmaz stated that is something the Commission would have to take into consideration when approving projects but in this case, they have the 2023-2025 funding they could utilize, if necessary, specifically because the emergency clause was passed.

COST-SHARE POLICY

Irrigation Cost-Share

Patrick Fridgen, DWR Planning and Education Division Director, discussed a letter from the North Dakota Irrigation Association (NDIA) requesting the SWC consider modifications to existing cost-share policies concerning irrigation development (**APPENDIX B**). Currently, DWR provides financial support in two (2) ways. First, irrigation districts or other eligible sponsors can receive 50 percent state cost-share for off-farm central supply works. Second, the Commission has provided funding in support of the BND's Ag PACE (Partnership in Assisting Community Expansion) program. The BND Ag PACE program provides interest rate buydown on loans to producers investing in on-farm works of up to four (4) percent with a cap of \$40,000 (with \$20,000 each from BND and DWR).

The NDIA's current request is for two (2) modifications; first an increase of the Water Commission's Cost-Share Program policy percentage from 50 percent to as much as 75 percent and BND's Ag PACE buydown cap be raised from \$40,000 to \$100,000. The NDIA request is in response to increased capital costs for irrigation equipment, and as an effort to identify ways to support further irrigation development, which will put additional water to beneficial use.

After discussion, the following motion was made:

It was moved by Commissioner Zimmerman and seconded by Commissioner Anderson the Commission provide a 14-day comment period on the proposed irrigation development cost-share percentage increase above 50 percent and to direct staff to work with BND on alternative interest buydown options for irrigation development.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

Rural Farmstead Ring Dike Criteria (HB 1076)

Fridgen discussed current criteria in place to guide construction efforts within Appendix A (**APPENDIX C**) of the SWC Cost-Share Program policy for individual rural and farmstead ring dikes, stating a DWR dike permit is only required for farmstead ring dikes if the interior volume of the dike consists of 50-acre-feet or more. HB 1076 was passed during the 2023 Legislative Assembly and has been signed into law. It now requires a DWR dike permit for any dike capable of protecting an occupied residence or structure or public infrastructure and it no longer requires a professional engineer to design farmstead dike rings. Fridgen explained Appendix A of the Cost-Share Program policy needs to be updated to reflect the statutory change.

It was moved by Commissioner Walker and seconded by Commissioner Anderson the State Water Commission update Appendix A of the Cost-Share Policy, Procedure, and General Requirements as attached to address new statutory requirements as provided for in HB 1076 with an effective date of August 1, 2023.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

WATER SUPPLY PROJECT PRIORITIZATION WITH DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ) RANKING

Fridgen presented the Commission a matrix (**APPENDIX D**) separated out by municipal and rural water supply projects. Projects are ranked using the Commission's Prioritization Guidance as high, moderate, and low and then by utilizing DEQ's priority ranking system for the Drinking Water State Revolving Fund (DWSRF). The DEQ rankings are secondary to the priorities established by the Commission's Water Project Prioritization Guidance but provide the Commission with a mechanism to rank projects numerically if needed for decision making. Fridgen added when the Commission begins to utilize 2023-2025 biennium funding, these rankings will be available as an additional reference for project considerations and approvals.

BASIC ASSET INVENTORIES & CAPITAL IMPROVEMENT PLANNING UPDATE

Duane Pool, DWR Economist, provided an update to the Commission on basic asset inventories and capital improvement planning that will provide consistency on the new requirements for the SWC Cost-Share Program. Pool stated the newly modified and approved Cost-Share Program policy will require water supply project sponsors to submit asset inventories, capital improvement plans, and demonstration of sustainable capital improvement funds. Initially the goal was to provide a guidance document and fillable model for Commission consideration at the June meeting. However, due to staff time commitments related to processing the large number of cost-share applications for the June meeting, and other unforeseen demands, the target timeframe is now August. Staff will continue to have discussions with the working group on the guidance and fillable model options that will meet SWC needs and requirements.

NORTHWEST AREA WATER SUPPLY (NAWS)

Contract 2-1E – Snake Creek Pumping Plant Discharge Pipeline – Construction Contract Award \$6,584,763

Tim Freije, NAWS Project Manager, provided an update on the Snake Creek Pumping Plant Discharge Pipeline Contract 2-1E. The bid opening was held on June 6, 2023. The following bid was received: Michels Construction - \$6,584,763. The engineer's estimate was \$4,700,000.

The bid tabulation and engineer's review letter are attached as **APPENDIX E**. The recommendation was to award the construction contract as outlined in Appendix E for \$6,584,763. Funding for the state share of this contract will be from the federal Municipal, Rural, and Industrial (MR&I) water supply funding allocated to NAWS at the December 2022 State Water Commission meeting. The estimated state funding needed for the award of the contract is \$4.5 million, which is 65 percent of the total bid cost including five (5) percent contingency.

It was moved by Commissioner Zimmerman and seconded by Commissioner Walker the Commission award NAWS Contract 2-1E Snake Creek Pumping Plant Discharge Pipeline to Michels Construction in the amount of \$6,584,763 pending review of the bidding documents and concurrence from Garrison Diversion Conservancy District and the Bureau of Reclamation with the State Water Commission allocating \$4.5 million from the approved federal Municipal, Rural, and Industrial supply funding.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

SOUTHWEST PIPELINE PROJECT (SWPP)

Contract 3-2F – Membrane Equipment Procurement for Southwest Water Treatment Plant Expansion – Award \$6,286,090.34

Sindhuja S. Pillai-Grinolds, DWR Water Development Division Director, explained SWPP Contract 3-2F is for procuring the membrane filtration systems needed for the 12 Million Gallons per Day (MGD) expansion of the Southwest Water Treatment Plant (SWTP) located in Dickinson. The scope of the contract includes design phase services to be completed during the final design of the expansion of the SWTP, furnishing two (2) 6 MGD primary filtration train along with two (2) secondary backwash recovery systems, ancillary systems to support membrane operations, and construction phase services as required by the contract documents.

The sealed proposals were opened and evaluated on May 25, 2023. Four proposals were received from three bidders. Bid Alternate 1 is for extended 12-month warranty on all equipment in addition to the 24-month warranty specified on the contract.

It was moved by Commissioner Zimmerman and seconded by Commissioner Anderson the Commission authorize the Secretary to award SWPP Contract 3-2F—Southwest Water Treatment Plant Expansion Membrane Equipment Procurement to Westech Engineering, LLC including Bid Alternate 1 in the amount of \$6,286,090.34. The award of the contract is dependent on the satisfactory completion and submission of the Procurement Contract Documents by Westech Engineering, LLC including registration with the North Dakota Secretary of State and the North Dakota Office of Management

and Budget, and legal review of the documents. Also, the Commission approve \$6.9 million to the Southwest Pipeline Project from the capital assets funds appropriated for the 2021-2023 biennium.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

Contract 3-2G – Softening Equipment Procurement for Southwest Water Treatment Plant Expansion – Award \$1,899,956

S. Pillai-Grinolds stated SWPP Contract 3-2G is for procuring the softening equipment systems needed for the 12 MGD expansion of the SWTP located in Dickinson. The scope of the contract includes design phase services to be completed during the final design of the expansion of the SWTP, furnishing two (2) 6.5 MGD high rate softening clarifiers, ancillary equipment, and construction phase services as required by the contract documents.

The sealed proposal was opened and evaluated on May 25, 2023. Bid Alternate 1 is for extended 12-month warranty on all equipment in addition to the 24-month warranty specified on the contract.

It was moved by Commissioner Walker and seconded by Commissioner Anderson the Commission authorize the Secretary to award SWPP Contract 3-2G—Southwest Water Treatment Plant Expansion High-Rate Clarifier Systems Equipment Procurement to Westech Engineering, LLC including Bid Alternate 1 in the amount of \$1,899,956. The award of the contract is dependent on the satisfactory completion and submission of the Procurement Contract Documents by Westech Engineering, LLC including registration with the North Dakota Secretary of State and the North Dakota Office of Management and Budget, and legal review of the documents. Also, the Commission approve \$2.1 million to the Southwest Pipeline Project from the capital assets funds appropriated for the 2021-2023 biennium.

Commissioners Anderson, Odermann, Ova, Veeder, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

CONSENT AGENDA

The Consent Agenda included the following cost-share projects with requested funding amounts for approval:

General Water

- L1. Red River Basin Commission: 2023-25 Biennium Flood Solutions - \$300,000
- L2. DWR: Artificial Aquifer Recharge Opportunities Analysis - \$148,432
- L3. DWR/USGS Cooperative Monitoring Program FY2024 - \$521,440

Water Supply (Municipal/Regional)

- M1. Napoleon: Water System Improvements 2023 - \$163,400
- M2. Bismarck: Water Main Rehabilitation (Water Utility 142) - \$842,000
- M3. Mapleton: Water Main Improvements District 2023-1 - \$441,500

- M4. Ray: Surge Tank - \$257,600
- M5. Tioga: 3rd Street NW & North Hanson Street - \$419,700

Water Supply (Rural)

- N1. North Prairie RWD: Minot to Velva Highway 52 - \$306,900

There were no questions, and the following motion was made:

It was moved by Commissioner Zimmerman and seconded by Commissioner Veeder the Commission approve the Consent Agenda items as presented.

Commissioner Walker voted aye on the consent agenda, abstaining from L1. Red River Basin Commission due to Barr Engineering having an open contract with them.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

STATE COST-SHARE REQUESTS

FLOOD CONTROL

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

**Mapleton: Flood Protection Lift Station - \$0
(SWC Project No. 1271)**

The City of Mapleton is requesting cost-share for construction costs associated with improvements to their 2nd Street lift station, which is part of the city's permanent flood control levee system and is located along the Maple River on the west side of the city. The lift station is one component of an overall effort by the city to upgrade its water supply, street, sanitary sewer, and stormwater facilities. The project will include increasing pumping capacity, installing automated controls and a new slide gate, and repairs to a leaking force main.

Prescott noted by the nature of the project it is eligible for cost-share consideration. However, the economic analysis performed for the project returned a benefit-to-cost ratio of zero (0) because the area that is inundated with water does not affect any structures or assets of value. Therefore, the project is eligible for a modified cost-share of 0%.

There were no questions, and the following motion was made:

It was moved by Commissioner Anderson and seconded by Commissioner Zimmerman the Commission not approve funding for state cost participation in the City of Mapleton's Flood Protection Lift Station project based on the benefit-to-cost ratio of zero (0), resulting in a modified cost-share of 0%.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

Richland-Sargent Joint Water Resource District: Drain No. 1 Improvements Ph. 3 - \$975,812 (SWC Project No. 1978)

The Richland-Sargent Joint Water Resource District is requesting cost-share for their Richland-Sargent Drain 1 Improvements Phase 3 construction. The project is improvements to approximately 4.5 miles of Richland-Sargent Drain 1, and will include establishing a new grade line, flattening side slopes, and replacement of three (3) road crossings. The purpose of the project is to reduce flooding of agricultural land.

This project meets the requirements of the Water Commission's cost-share policy for flood control projects. There were no questions, and the following motion was made:

It was moved by Commissioner Volk and seconded by Commissioner Bodine the Commission approve the request from the Richland-Sargent Joint Water Resource District for state cost-share participation in the Richland-Sargent Drain 1 Phase 3 Improvement – Construction project at 45 percent of eligible costs, not to exceed \$975,812. This approval is contingent on available funding.

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

WATER SUPPLY (MUNICIPAL/REGIONAL)

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

Napoleon: Water Meter Replacement - \$0 (SWC Project No. 2050NAP)

The City of Napoleon is requesting a change in scope to the Water Tower Replacement project to include adding the replacement of water meters within the city. The existing meters are over 50 years old and are outdated. Napoleon is requesting the use of the anticipated cost-share balance of \$85,000 on this project towards the water meter costs. The Water Tower Replacement project also received a USDA Rural Development Grant in the amount of \$776,000 and will use the anticipated balance of \$90,000 towards the water meter costs. Any cost above the anticipated balances from the cost-share and USDA grant, the city will fund. The meters will be added to an existing construction contract.

This project meets requirements of the Water Commission's cost-share policy for municipal water supply projects. There were no questions, and the following motion was made:

It was moved by Commissioner Walker and seconded by Commissioner Odermann the Commission approve the request to add water meters to the City of Napoleon's existing water tower replacement project scope of work with the state cost-share participation at 60 percent of eligible costs, and no additional funding. The total state cost-share will not exceed \$1,794,000. This approval is contingent on available funding.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

**Fargo: Regional Water System Distribution Extensions - \$4,414,000
(SWC Project No. 2050FAR)**

The City of Fargo is requesting construction cost-share to install approximately 21,800 feet of 12-inch water main north and 1,700 feet of 36-inch water main south of the city. The north side connection will provide additional capacity for future Cass Rural Water District (CRWD) users and will loop the system in the north to provide for redundancy. The south side is for pump station improvements and an additional bulk service connection to CRWD for service to new users and users in the Horace area.

This project meets requirements of the Water Commission's cost-share policy for municipal water supply projects. There were no questions, and the following motion was made:

It was moved by Commissioner Anderson and seconded by Commissioner Walker the Commission approve the request from the City of Fargo for state cost-share participation at 60 percent of eligible costs for Regional Water System Distribution Extensions project for an additional \$4,414,000, with the total amount not to exceed \$4,586,000. This approval is contingent on available funding.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

**Ashley: Water Tower Improvements - \$36,000
(SWC Project No. 2050ASH)**

The City of Ashley is requesting preconstruction cost-share for the replacement of the city's existing 65,000-gallon elevated storage tank with a 300,000-gallon elevated storage tank. The city has 300,000-gallons of in-ground storage that is in good condition with pumps sufficiently sized for domestic peak daily needs of twice the daily use of 120,000 gallons. The project includes demolition of the treatment plant, water tower, and ground storage reservoir. A separate project with South Central Regional Water District to bring bulk service to the City of Ashley with a planned completion date of Fall 2025 would require the city to have storage. Under current policy, the project is cost-shared only to meet peak demand storage requirements of 240,000-gallons (twice daily use), which is 80 percent of the requested 300,000-gallons. This results in 80 percent of the maximum 60 percent, or 48 percent cost-share.

Jerod Klabunde, Moore Engineering, and Erich Schock, City of Ashley Mayor, gave the Commission an overview of the project. After discussion, the following motion was made:

It was moved by Commissioner Veeder and seconded by Commissioner Bodine the Commission approve the request from the City of Ashley for state cost-share participation at 48 percent of eligible costs for the Water Tower Replacement project with a total amount not to exceed \$36,000. This approval is contingent on available funding.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

WATER SUPPLY (RURAL)

Mattern presented the requests for the rural water supply projects.

South Central Regional Water District: Service to Ashley - \$338,250 (SWC Project No. 2050SOU)

South Central Regional Water District is requesting cost-share for preconstruction costs to upgrade the district's system to serve the City of Ashley and improve the district's system capacity within McIntosh, Emmons, and Logan counties. A parallel 31,000-foot of 10-inch polyvinyl chloride (PVC) water main will be installed east of the Jacob Butte Tank, east of Linton. The project will also include upgrades to the existing McIntosh booster station, a second McIntosh ground storage tank, a new booster station northwest of Ashley, and a parallel 65,600-foot of 6-inch PVC water main west of the Ashley. The City of Ashley will abandon their wells and existing water treatment plant with completion of this project.

This project meets requirements of the Water Commission's cost-share policy for rural water supply projects. There were no questions, and the following motion was made:

It was moved by Commissioner Zimmerman and seconded by Commissioner Odermann the Commission approve the request from South Central Regional Water District for state cost-share participation at 75 percent of eligible costs for the Service to Ashley project, with total cost-share not to exceed \$338,250. This approval is contingent on available funding.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

Northeast Regional Water District: Wellfield and Water Treatment Plant Expansion - \$1,145,000 (SWC Project No. 2050NOE)

Northeast Regional Water District is requesting preconstruction cost-share for improvements to the water treatment plant and wellfield due to poor water quality and flow variability from the wells. Currently, individual wells cannot be isolated when water quality is poor. This project will update the system with new control panels and a fiber optic system. The water treatment plant will also be upgraded with a new motor control center and control panels, an automated filtration system, and automated chemical treatment system to manage the variability from the wells. The district may be eligible for 75 percent loan forgiveness from the Drinking Water State Revolving Loan Fund (DWSRLF) with the maximum rate of 90 percent federal grant limitation with funding review scheduled to be completed September 2023.

This project meets requirements of the Water Commission's cost-share policy for rural water supply projects. There were no questions, and the following motion was made:

It was moved by Commissioner Anderson and seconded by Commissioner Volk the Commission approve the request from Northeast Regional Water District for state cost-share participation at 75 percent of eligible costs for the Wellfield and Water Treatment Plant Expansion project with total cost-share not to exceed \$1,145,000, with cost-share reduced to 15 percent or \$229,000 with confirmation of DWSRLF loan forgiveness. This approval is contingent on available funding.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

**East Central Regional Water District: Service to Galesburg - \$1,632,000
(SWC Project No. 2050EAS)**

East Central Regional Water District is requesting cost-share for construction costs of replacing the City of Galesburg distribution lines and upgrading the Galesburg reservoir. Galesburg has been experiencing numerous water main leaks and failing valves due to the aging water system built in the 1960s. The city currently receives water from the district but will transition water users to be direct customers of the district.

Commissioner Anderson expressed his concern for the 38 smaller communities within North Dakota that haven't regionalized with a larger system stating he is fearful due to lack of planning these communities may be in distress with their water supply. Anderson suggested taking inventory on these smaller communities that may have problems with their water supply, infrastructure, aged pipes, and water mains that would create an additional expense over and above what they can take care of internally.

This project meets requirements of the Water Commission's cost-share policy for rural water supply projects. After discussion, the following motion was made:

It was moved by Commissioner Odermann and seconded by Commissioner Walker the Commission approve the request from East Central Regional Water District for state cost-share participation at 75 percent of eligible costs for the Service to Galesburg project, for an additional \$1,632,000, with total cost-share not to exceed \$1,752,000. This approval is contingent on available funding.

Commissioners Odermann, Ova, Veeder, Volk, Walker, Zimmerman, and Lt. Governor Miller voted aye. As a member of East Central, Commissioner Anderson abstained. There were no nay votes. The motion carried.

**Missouri West Water System: South Mandan Expansion Project - \$2,814,000
(SWC Project No. 2050MIS)**

Missouri West Water System is requesting cost-share for construction costs to add 22 new users in the Lyons area west of Mandan and to install 13 miles of 4-inch water main along Highway 1806 to increase capacity in the system's southern area.

This project meets the requirements of the Water Commission's cost-share policy for rural water supply projects. There were no questions, and the following motion was made:

It was moved by Commissioner Volk and seconded by Commissioner Veeder the Commission approve the request from Missouri West Water System for state cost-share participation at 75 percent of eligible costs for the South Mandan Expansion project for an additional \$2,814,000, with total cost-share not to exceed \$2,895,000. This approval is contingent on available funding.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

PROJECT UPDATES

DWR staff provided brief updates on the following projects:

- Chris Korkowski, DWR Investigations Chief: Devils Lake Outlet, Missouri River, and Mouse River.
- Tim Freije, NAWS Project Manager, NAWS.
- Sindhuja S. Pillai-Grinolds, DWR Water Development Division Director, SWPP.

LEGAL UPDATE

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

EXECUTIVE SESSION UNDER AUTHORITY OF NDCC § 44-04-19.1(9) FOR ATTORNEY CLIENT CONSULTATION REGARDING SWPP - INTAKE. CONTRACT 1-2A

It was the recommendation of Lt. Governor Miller that the discussion relating to the SWPP/Fowler Intake to be held in Executive Session, under the provisions of NDCC § 44-04-19.1(9), for the purpose of attorney consultation. The Commission invited the following to participate in the Executive Session:

STATE WATER COMMISSION MEMBERS PRESENT:

Lt. Governor Miller, Acting Chairman
Michael Anderson, Lower Red River Basin
James Odermann, Little Missouri, Upper Heart, and Upper Cannonball River Basins
Connie Ova, James River Basin (via phone)
Gene Veeder, Upper Missouri River Basin
Jay Volk, Lower Missouri River Basin
April Walker, Upper Red River Basin
Jason Zimmerman, Mouse River Basin

OTHERS PRESENT:

Andrea Travnicek, Ph.D., DWR Director
Jennifer Verleger, General Counsel, Attorney General's Office
Sindhuja S.Pillai-Grinolds, DWR Water Development Division Director
Abby Ebach, DWR Policy Advisor
Chris Kadrmas, DWR Administrative Services Director
Shana Brost, DWR Executive Assistant
Ben Gehrig, DWR Data & Technology Services
John Reiten, Policy Advisor, Governor's Office

It was moved by Commissioner Zimmerman and seconded by Commissioner Walker that under the provision of NDCC § 44-04-19.1(9), the Commission proceed into Executive Session on June 8, 2023, at 3:11 PM for the purpose of attorney consultation relating to the Southwest Pipeline Project/Fowler Intake—Contract 1-2A.

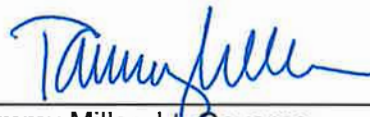
Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

Following attorney consultation regarding the Southwest Pipeline Project/Fowler Intake, Contract 1-2A, Lt. Governor Miller reconvened the open session of the Commission meeting at 3:18 PM.

It was moved by Commissioner Odermann and seconded by Commissioner Veeder the Commission approve \$270,000 in additional funds be allocated and approved from the SWPP's professional services account for mediation expenses.

Commissioners Anderson, Odermann, Ova, Veeder, Volk, Walker, Zimmerman, Bodine, and Lt. Governor Miller voted aye. There were no nay votes. The motion carried.

There being no further business to come before the Commission, Lt. Governor Miller adjourned the June 8, 2023 meeting at 3:21 PM.



Tammy Miller, Lt. Governor
Acting Chairman, State Water Commission



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