

**State Water Commission Meeting
#238 Lewis and Clark Room, Bank of North Dakota
1200 Memorial Hwy., Bismarck, ND
Thursday, October 9, 2025 – 1:00 p.m. CT**

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AGENDA

BOLD ITEMS REQUIRE SWC ACTION

PC Pre-Construction

C Construction

L Legislative

CI Cost Increase

O Other

MINUTES

North Dakota State Water Commission Bismarck, North Dakota October 9, 2025

The ND State Water Commission (Commission or SWC) held a meeting at the Bank of North Dakota, 1200 Memorial Highway, Bismarck, ND, and via phone conference on October 9, 2025. Lt. Governor Strinden 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 Strinden, Acting Chairman
Doug Goehring, Commissioner, ND Agriculture Commissioner
Michael Anderson, Lower Red River Basin
Jeff Frith, Devils Lake Basin (online)
Steve Hansen, James River Basin (online)
James Odermann, Little Missouri, Upper Heart, and Upper Cannonball River Basins
Gene Veeder, Upper Missouri River Basin
Jay Volk, Lower Missouri River Basin
April Walker, Upper Red River Basin (online)
Jason Zimmerman, Mouse River Basin

Others Present:

Reice Haase, Director, ND Dept. of Water Resources (DWR or Department) and
Commission Secretary
Patrick Fridgen, DWR Deputy Director
John Paczkowski, DWR State Engineer
Jen Verleger, DWR General Counsel
DWR Staff
Approximately 65 people present online and in person.

Consideration of Agenda

Commissioner Volk moved to approve the October 9, 2025, meeting agenda as presented. The motion was seconded by Commissioner Zimmerman and passed by unanimous vote.

Disclosure of Potential Conflicts of Interest

No Conflicts of Interest were disclosed.

Consideration of Meeting Minutes

Commissioner Zimmerman moved to approve the August 14, 2025, State Water Commission meeting minutes as written. The motion was seconded by Commissioner Anderson and passed by unanimous vote.

Commissioner Zimmerman moved to approve the September 17, 2025, Pre-Commission meeting minutes as written. The motion was seconded by Commissioner Veeder and passed by unanimous vote.

Conflicts of Interest Reporting Process

Jen Verleger, DWR General Counsel, discussed the Conflicts of Interest Reporting process. Verleger noted three (3) changes. The policy adds reference to North Dakota Century Code (NDCC) 61-02-04.1, removes the requirement to fill out forms as the minutes will record all disqualifying conflicts of interest, potential conflicts of interest, and the abstention decision for any relevant agenda item, and adds definitions from the Supreme Court case similar to statute for direct personal pecuniary interest.

There was no discussion, and the following motion was made:

Moved by Commissioner Odermann and seconded by Commissioner Veeder the Commission adopt the Conflicts of Interest Reporting process as presented.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

Commission Secretary Update

Reice Haase, DWR Director, Commission Secretary, reviewed the allocated cost-share funds to date in the 2025-2027 biennium along with the current carryover amount. Haase discussed legislative engagement, noting the next Water Topics Overview Committee meeting will be on December 9, 2025, and the next Agriculture and Water Management Committee will be on November 13th. Haase noted DWR will begin work on the 2027 Water Development Plan in January 2026 and begin to schedule basin meetings for summer of 2026.

Financial Report

The Glossary of Terms, allocated program expenditures, and financial reports were presented by Chris Kadrmas, DWR Administration Division Director.

The oil extraction tax deposits total \$48,674,835 estimated through September 2025 for the 2025-27 biennium, which is \$1.2 million over the projected biennium revenue of \$47,385,728 through September 2025.

The 69th Legislative Assembly estimated oil extraction tax deposits for the 2025-2027 biennium to total \$354,510,000 through June 2027. It also provided for the transfer of oil extraction tax deposits in excess of the legislative forecast for the 2025-2027 biennium to be transferred quarterly to the Water Projects Stabilization Fund.

Kadrmas also presented updated numbers on the funds budgeted for the Commissioners' operations.

Southwest Pipeline Project (SWPP)

Contract 7-2B – Hydraulic Upgrades in the North New England Service Area

Contract 7-2B, Hydraulic Upgrades in the North New England Service Area, encompasses the installation of water infrastructure to improve hydraulic capacity and to expand service to rural users located between the City of New England and Dickinson. The project is designed to support over 100 new rural service connections in this region.

The construction bid with alternate sums up to \$1.94 million. Adding five (5) percent for construction contingency and 15-percent for construction management services, the total funding needed is \$2.33 million.

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

Moved by Commissioner Goehring and seconded by Commissioner Anderson the Commission allocate \$2.33 million to the Southwest Pipeline Project from funds appropriated in the 2025-2027 biennium.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

Supplementary Intake Contract 1-2A

Justin Froseth, SWPP Project Manager, stated the settlement agreements for the Supplementary Intake Contract 1-2A have been fully executed and SWC can expect to receive all funds by mid-October.

Northwest Area Water Supply (NAWS)

City of Minot NAWS Authority Representative Appointment

Minot City Council took action and appointed the city's Mayor position as one of City of Minot's representatives to the NAWS Authority. In accordance with NDCC 61-24.6-02, NAWS Authority Members recommended by the different entities are appointed by the SWC.

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

Moved by Commissioner Zimmerman and seconded by Commissioner Odermann the Commission approve the appointment of the City of Minot's Mayor as one of Minot's representatives on the NAWS Authority.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

Four-Year Progress Reports

Julie Prescott, DWR Engineer Manager, and Abigail Franklund, DWR Cost-Share Program Manager, reported to the Commission the following two (2) project sponsors have opted to give progress reports and have requested an extension:

Western Area Water Supply Authority (WAWSA) Phase 6 Projects

The cost-share for the project was approved on June 19, 2019, in the amount of \$3,000,000. The remaining cost-share balance is \$96,890.24. WAWSA requested an extension to the Phase 6 Project Agreement to December 31, 2026. Of the multiple projects under Phase 6, the preconstruction phase of the Williston Regional Water Treatment Plant Expansion from 21 million gallons per day to 35 million gallons per day and the warranty phase of the NWRWD 29-Mile Rural Distribution project remain active.

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

Moved by Commissioner Veeder and seconded by Commissioner Anderson the Commission extend the cost-share agreement for the Western Area Water Supply Authority Phase 6 through December 31, 2026, based on the project sponsor making progress toward completion of the project.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

Upper Sheyenne River Joint Water Resource District Watershed Pilot Project

The cost-share for the project was approved on August 27, 2021, in the amount of \$1,100,000. The remaining cost-share balance is \$400,256.84. The Upper Sheyenne River Joint Water Resource Board has completed construction at two (2) pilot project sites in Nelson County while completing final design and permitting at two (2) additional sites located in Eddy and Sheridan Counties. The Joint Board requested to extend the Watershed Pilot Project by up to four (4) years until August 2029.

After discussion, the following motion was made:

Moved by Commissioner Anderson and seconded by Commissioner Zimmerman the Commission extended the cost-share agreement for the Upper Sheyenne River Watershed Pilot Project to December 31, 2027.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. Commissioner Walker abstained. There were no nay votes. The motion carried.

State Cost-Share Requests

Water Supply (Municipal/Rural)

Prescott presented the following municipal/regional water supply projects.

City of McVille: Water Treatment Plant Rehabilitation (SWC Project No. 2050MCV)	\$111,600
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The City of McVille requested preconstruction cost-share for their Water Treatment Plant Rehabilitation project. The project is replacement of outdated and deteriorated

components at the City of McVille's water treatment plant, including facility meters, underdrains, piping, valves, and filter components. The project will also include installation of upgraded pumps and motors, control systems, and process instrumentation at the water treatment plant.

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

Moved by Commissioner Goehring and seconded by Commissioner Zimmerman the Commission approve the request from the City of McVille for state cost-share participation in the Water Treatment Plant Rehabilitation project at 60% of eligible costs, not to exceed \$111,600. This approval is contingent on available funding.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

**Northeast Rural Water District: User and Facility Expansion
(SWC Project No. 2050NOE)** \$473,989

The Northeast Regional Water District is requesting preconstruction cost-share for their User and Reservoir Expansion project. The project is installation of approximately 35 miles of water main to add 53 users and will also include pump station upgrades at Reservoirs 11 through 14, Mountain Reservoir, and at the Walhalla Meter.

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

Moved by Commissioner Goehring and seconded by Commissioner Veeder the Commission approve the request from the Northeast Regional Water District for state cost-share participation in the User and Reservoir Expansion project at 75% of eligible costs, not to exceed \$473,989. This approval is contingent on available funding.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

**Walsh Rural Water District: Walsh County Water Supply
(SWC Project No. 2050WAL)** \$939,000

The Walsh Rural Water District requested preconstruction cost-share for their Walsh County Water Supply project. The project is construction of eight (8) new wells, a raw water transfer station, approximately 32 miles of raw water pipeline and three (3) miles of finished water pipeline, and upgrades at the Park River and Grafton water treatment plants. The district anticipates receiving DWSRF loan forgiveness and Emerging Contaminants grant funding to be used toward project costs.

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

Moved by Commissioner Goehring and seconded by Commissioner Zimmerman the Commission approve the request from the Walsh Rural Water District for state cost-share participation in the Walsh County Water Supply project in the amount of \$939,000, or 30% of eligible costs, with total cost-share not to exceed \$1,021,500. This approval is contingent on available funding.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

City of Medora: Pacific Avenue Water Main Replacement \$575,637
(SWC Project No. 2050MDA)

The City of Medora is requesting construction cost-share for their Pacific Avenue Water Main Replacement project. The project is replacement of approximately 900 feet of aging cast iron and asbestos cement water main along Pacific Avenue, Main Street, Broadway Avenue, and 4th Street, concurrent with Pacific Avenue road overlay work by the North Dakota Department of Transportation.

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

Moved by Commissioner Goehring and seconded by Commissioner Veeder the Commission approve the request from the City of Medora for state cost-share participation in the Pacific Avenue Water Main Replacement project in the amount of \$575,637, or 60% of eligible costs, with total cost-share not to exceed \$619,137. This approval is contingent on available funding.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. There were no nay votes. The motion carried.

Water Supply (Regional)

Prescott presented the following regional water supply project.

**GDCD: Red River Valley Water Supply Project 2025-2027 Funding \$55,000,000
(SWC Project No. In/325)**

The Garrison Diversion Conservancy District (GDCD) is requesting \$55,000,000 in cost-share for the Red River Valley Water Supply (RRVWS) project. This request is for construction costs of the 7A transmission pipeline and final design costs for the McClusky facilities. Section 13 of House Bill 1020, approved during the 69th Legislative Assembly, specifies funding for the project and states in part: "It is the intent of the sixty-ninth legislative assembly that of the \$773,000,000 yet to be designated, \$205,000,000 is provided from funds appropriated to the Department of Water Resources for regional water supply in section 1 of this Act."

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

Moved by Commissioner Goehring and seconded by Commissioner Volk the Commission approve the request from the Garrison Diversion Conservancy District for state cost participation in the Red River Valley Water Supply project in the amount of \$55,000,000, or 75% of eligible costs, with a total cost-share not to exceed \$205,000,000. This approval is contingent on available funding.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. The motion carried.

GDCD: Red River Valley Water Supply Project 2025-2027 Loan Request \$18,330,000 (SWC Project No. In/325)

The Garrison Diversion Conservancy District (GDCD) is requesting a loan in the amount of \$18,330,000 from the Water Infrastructure Revolving Loan Fund (WIRLF) through the Bank of North Dakota (BND) for the RRVWS project. The district intends to apply this loan toward the 25% local share requirement.

The current cost-share request is for the pipeline contract 7A and McClusky facility design portions of the project. Based on its initial review of the Financing Resolution to be executed by the district and project nominations and participants, BND indicated that debt service capacity for the requested loan amount has been demonstrated.

Per the passage of HB 1431 during the 2021 Legislative Assembly, the Water Commission is tasked with the review of loan requests from the WIRLF. Following recommendation of a loan amount from the WIRLF by the State Water Commission, BND will proceed with formally reviewing the loan in accordance with BND loan policy.

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

Moved by Commissioner Goehring and seconded by Commissioner Odermann the Commission approve the request from the Garrison Diversion Conservancy District to apply for a loan in the amount of \$18,330,000 from the Water Infrastructure Revolving Loan Fund through the Bank of North Dakota to be used toward the Red River Valley Water Supply project. This approval is contingent on available funding.

Commissioners Anderson, Frith, Hansen, Odermann, Veeder, Volk, Walker, Zimmerman, Goehring, and Lt. Governor Strinden voted aye. The motion carried.

Project Updates

DWR staff provided updates on the following projects:

- Devils Lake: Yaping Chi, Water Resources Engineer
- Mouse River: Laura Ackerman, Water Resource Engineer
- Missouri River: Clay Carufel, Missouri River Engineer
- NAWS: S.Pillai-Grinolds, DWR Water Development Division Director
- SWPP: Justin Froseth, SWPP Manager

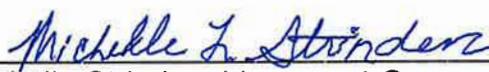
Legal Update

Jen Verleger, DWR General Counsel, provided an update on current legal matters involving the SWC and DWR.

Deloitte Consulting – Cost-Share Program and Governance and Finance Studies

Kara Harris, Deloitte Consulting, gave an overview to the Commissioners of the two (2) legislative studies mandated under Sections 21 and 22 of House Bill 1020. Deloitte will assess if current cost-share policy meets projected funding needs, evaluate deferred maintenance and replacement needs, and recommend solutions to address funding and timing gaps. Harris explained they will develop a financial model to forecast funding needs and simulate potential cost-share adjustments and recommend data-driven options regarding program and policy updates, cost-share percentages, eligibility criteria, and procedural changes for long-term sustainability. Harris stated they will also evaluate the governance and financing models for three (3) major water supply systems: NAWS, SWPP, and RRVWS project. Deloitte will perform a third-party SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, conduct benchmarking of other regional systems, summarize stakeholder input through interviews and document analysis, assess current organizational structures, funding mechanisms, and oversight, and recommend future state governance models, enhanced performance metrics, and strategies for continuous improvement. Both studies kicked off in September. The draft reports are targeted for December, and the final findings will align with legislative deadlines in the spring of 2026. Harris noted stakeholder interviews will proceed with advance notice and transparency and encouraged commissioners to engage further during upcoming stakeholder interviews.

There being no further business to come before the Commission, Lt. Governor Strinden adjourned the October 9, 2025, meeting at 3:10 PM. The next State Water Commission meeting will be held on December 16, 2025, at 1:00 PM CT at the Bank of North Dakota, Lewis & Clark Room #238, 1200 Memorial Highway, Bismarck, North Dakota.



Michelle Strinden, Lieutenant Governor
Acting Chairman, State Water Commission



Reice Haase, Director, DWR
Secretary to the State Water Commission