

**MINUTES**

**Joint Meeting of  
North Dakota State Water Commission and  
Garrison Diversion Conservancy District  
Carrington, North Dakota**

**July 6, 1990**

The North Dakota State Water Commission and the Garrison Diversion Conservancy District held a joint meeting at the Conservancy District Headquarters in Carrington, North Dakota, on July 6, 1990. Chairmen, Lieutenant Governor Lloyd Omdahl and Charles Richter, called the meeting to order at 8:30 AM. The roll call of each Board was taken, and the agenda presented.

**STATE WATER COMMISSION MEMBERS PRESENT:**

Lieutenant Governor Lloyd Omdahl, Chairman  
Sarah Vogel, Commissioner, Department of Agriculture, Bismarck  
Joyce Byerly, Member from Watford City  
Jacob Gust, Member from West Fargo  
Lorry Kramer, Member from Minot  
William Lardy, Member from Dickinson  
Daniel Narlock, Member from Oslo, MN  
Norman Rudel, Member from Fessenden  
Jerome Spaeth, Member from Bismarck  
David Sprynczynatyk, State Engineer and Chief Engineer-  
Secretary, North Dakota State Water Commission, Bismarck

The attendance register is on file in the State Water Commission offices (filed with official copy of minutes).

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

**GARRISON DIVERSION PROJECT -  
UPDATE AND FUTURE PLANNING  
(SWC Project No. 237)**

Emerson Murry, Manager of the Garrison Diversion Conservancy District, gave a status report on the Garrison Diversion Project and future planning for the project. Priority planning of the project components will be required to meet the goals of the project. Mr. Emerson commented on the increased activity and interest expressed by state and local representatives relative to the project.

Mr. Murry reported on Canadian consultations relative to the biota transfer issue.

The organization of the Turtle Lake Irrigation District was discussed, consisting of approximately 13,000 acres. Mr. Murry said work has begun on the soils studies and engineering for the Irrigation District.

**GARRISON DIVERSION PROJECT -  
BUDGET FOR FISCAL YEAR 1991  
(SWC Project No. 237)**

Emerson Murry discussed the federal Fiscal Year 1991 budget for the Garrison Diversion Project. He alluded to the considerable effort that is being put forward by representatives of the State to include funding in the FY 1991 budget for the project. The US House of Representatives has approved \$30 million, with spending restrictions, for Fiscal Year 1991. Mr. Murry said the appropriation is now being considered by the Senate Appropriations Committee and is hopeful that the Senate will increase the amount of the appropriation. In order for the project to move forward a minimum of \$45 million has been requested.

Mr. Murry reported on the efforts to secure funding for the stabilization of Devils Lake. The environmental groups are opposed to having the Bureau of Reclamation become involved in the study for Devils Lake. These groups feel the Corps of Engineers has not satisfied the requirements of the 1986 Garrison Reformulation Act because it had not completed the outlet study for the lake.

The Senate Committee on Environmental and Public Works has included language in the appropriation for the Garrison Project that addresses the Corps of Engineers to do additional studies on the outlet for the lake. Mr. Emerson said it is important the Bureau of Reclamation become involved in this process and serve as a cooperating agency in the completion of this study. This would require the Corps budget to be increased by \$500,000 and would allow reimbursement of the Bureau by the Corps. State Engineer, David Sprynczynatyk, has forwarded the suggested language to the Senate Environment and Public Works Committee:

The Committee has provided \$500,000 for the Corps of Engineers to complete its study of an outlet for Devils Lake incorporating the scope of study as described in a study resolution approved by the Senate Environment and Public Works Committee, dated March 27, 1990. The Committee intends that the Bureau of Reclamation serve as a cooperating agency in the completion of this study.

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Mr. Murry said if this language is approved by Congress, the Corps of Engineers would be able to take the lead on October 1, 1990 to work with the Bureau of Reclamation as a cooperating agency as well as other federal and state agencies and complete the study for both an inlet and outlet that would allow for compliance with the environmental practices act. This would also allow for the design and construction of the project to proceed.

**GARRISON DIVERSION PROJECT -  
INSPECTOR GENERAL'S REPORT  
(SWC Project No. 237)**

Emerson Murry discussed the Inspector General's audit report that was published in February, 1990. The report indi-

cated the Bureau of Reclamation did not properly reconcile the reimbursable costs for the project and the non-reimbursable costs are overstated by approximately \$198 million. The Inspector General is recommending those costs be passed on to the users. Mr. Murry said concern exists with the report as it addressed only the irrigation features of the project and failed to recognize the other benefits of the project, mainly wildlife benefits. The Bureau of Reclamation has agreed to review this matter.

Mr. Murry said efforts were pursued by the District and the State to determine the wildlife and recreation benefits of the Garrison Diversion Project. He said it was explained to the people in Washington that all of the project's benefits must be considered before making an overall judgement on the project.

**GARRISON DIVERSION PROJECT -  
MR&I WATER SUPPLY PROGRAM UPDATE  
(SWC Project No. 237-3)**

Secretary Sprynczynatyk explained the background of the Garrison MR&I Water Supply Program. To date, 113 applications

have been received for funds from the MR&I Water Supply Program, of which 6 projects have been completed, at estimated project costs of \$6 million. Of the remaining projects that have requested assistance from the program, 8 projects are in the design and construction phase, 24 projects are in the feasibility study phase, and 41 have submitted applications for assistance. The total project cost to complete these projects is approximately \$400 million, not including the Southwest Pipeline Project.

Secretary Sprynczynatyk briefed the groups on the progress of the Southwest Pipeline Project. He said all of the construction contracts are in place to complete

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the system from Lake Sakakawea to the City of Dickinson. The only contract remaining in order to deliver raw water to Dickinson in 1991 is the telemetry system for the automatic operation of the system. It is anticipated the bid for the telemetry will be let this year. In order to start the system in 1991, an estimated \$2 million will be required. Secretary Sprynczynatyk said it is hoped funds can be made available through the MR&I Water Supply Program.

Secretary Sprynczynatyk discussed the interim Southwest Water Authority, created in June, 1990. The purpose of the Southwest Water Authority is to continue to develop the Southwest Pipeline Project serving as the local project sponsor throughout the entire nine-county area. The Southwest Water Authority will be working closely with the State Water Commission and the Garrison Diversion Conservancy District to continue to develop the project. Legislation is being prepared that will be submitted to the Legislature next year to create a permanent conservancy district in that area. The Southwest Water Authority has identified a plan for phased development beyond the City of Dickinson, with completion of the phased development dependent upon funding. Secretary Sprynczynatyk indicated that at the State Water Commission meeting on July 5, 1990, the Commission approved the expenditure of funds to work with the Industrial Commission to develop a financing plan for completion of the Southwest Pipeline Project within a three to five year period.

**NORTHWEST AREA WATER  
SUPPLY STUDY UPDATE  
(SWC Project No. 237-4)**

Secretary Sprynczynatyk gave a briefing on the background of the Northwest Area Water Supply Study. Originally, the NAWS covered the entire northwest area of North Dakota. The project has since been divided into smaller projects consisting of East NAWS, West NAWS, and a joint project between the City of Williston and Williams Rural Water. Secretary Sprynczynatyk said it has been the policy of the two groups not to fund individual projects in the NAWS area until the NAWS feasibility study was completed and the regional project area determined. At this point, Secretary Sprynczynatyk said it appears that the West NAWS and the Williston/Williams County joint project will not be a part of an overall NAWS project.

The estimated project cost of the West NAWS, Williston and Williams Rural Water system is \$34 million. The City of Williston has requested funding for completion of the feasibility study for the West NAWS area at an estimated cost of \$50,000. The West NAWS project has basically

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two alternatives for their water source; one, being the Missouri River by the City of Williston, and the other being a well field in the Grenora aquifer in northwestern Williams County.

It was the recommendation of the State Engineer that the State Water Commission and the Garrison Diversion Conservancy District Board of Directors approve the West Northwest Area Water Supply Study, and that the Williston and Williams Rural Water project be separated from the East NAWS project and be allowed to proceed with its own schedules. Funding for the projects would depend upon their priority rating and funds available in Fiscal Year 1991 and beyond.

Chairman Richter received a motion and a second from the Garrison Diversion Conservancy District Board of Directors to approve the State Engineer's recommendation. The Chairman declared the motion unanimously carried.

Chairman Omdahl called for a motion on the State Engineer's recommendation from the State Water Commission.

It was moved by Commissioner Kramer and seconded by Commissioner Byerly that the State Water Commission approve that the West Northwest Area Water Supply Project, and that the Williston and Williams Rural Water Project be separated from the East NAWS project and be allowed to proceed with its own schedules. Funding for the projects shall depend upon their priority rating and the availability of Fiscal Year 1991 funds and beyond.

The Chairman called for a voice vote on the motion. The Chairman stated the record shall indicate all members present voted aye; there was no opposition expressed; and declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -  
PROJECT PRIORITY POINTS SYSTEM  
(SWC Project No. 237-3)**

Secretary Sprynczynatyk explained the project priority point system that is used by the State Water Commission in making recommendations for a project requesting funds from the MR&I Water Supply Program. Secretary Sprynczynatyk noted that the Garrison Diversion Conservancy District Board of Directors

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has chosen not to formally adopt the project priority point system.

The current MR&I priority point rating system allows 12 discretionary points to be added. Past discussions have been to allow a portion of these points to be used for economic development. A draft point system was presented to the State Water Commission at its January 25, 1990 meeting.

Secretary Sprynczynatyk said it may be beneficial to allow an additional 2 points, again discretionary, for any phase of a project under construction. In past discussions, it has become evident that such a priority should be given in order to complete a project rather than have many projects under construction at the same time. Secretary Sprynczynatyk said when discretionary points are recommended by staff, it will be brought before the State Water Commission for consideration and approval.

It was the recommendation of the State Engineer that the State Water Commission approve the following MR&I Water Supply Program economic development priority point rating system; and that 2 additional discretionary points be allowed for any phase of a project under construction:

<u>Points</u>	<u>Description</u>
7	Project will result in immediate large scale economic development
6	Project will result in immediate moderate scale economic development
5	Project will result in immediate low scale economic development
4	Project will result in the potential for large scale development
3	Project will result in the potential for moderate scale economic development
2	Project will result in the potential for low scale development
1	Project does not provide potential for additional economic development, but improves the water supply for existing business and community

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0           Project will have no effect on economic development

**It was moved by Commissioner Gust and seconded by Commissioner Rudel that the State Water Commission approve the recommendation of the State Engineer for the MR&I Water Supply Program economic development priority point rating system.**

In discussion of the motion, concern was expressed regarding granting MR&I funds to a large commercial firm that may have its own resources for development when these funds may be needed by municipalities having a greater need.

Secretary Sprynczynatyk said this concern is protected within the authorizing legislation because the primary purpose of the MR&I Water Supply Program is to provide money for water supply development for the people of North Dakota for communities and rural water systems.

**The Chairman called for a voice vote on the motion. The Chairman stated the record shall indicate all members present voted aye; there was no opposition expressed; and the motion was declared unanimously carried.**

Secretary Sprynczynatyk reviewed the cost sharing arrangements for the MR&I Water Supply Program for project feasibility studies.

**GARRISON DIVERSION PROJECT -  
MR&I WATER SUPPLY PROGRAM -  
PREAPPROVAL OF PROJECTS  
(SWC Project No. 237-3)**

Secretary Sprynczynatyk stated the funding levels for the MR&I Water Supply Program have not been received at an adequate rate, which is resulting in unnecessary project delays. In their efforts to provide the needed water in a timely fashion, project sponsors have suggested using interim financing for the design and construction of projects determined eligible for MR&I assistance and meeting all program requirements, and later be reimbursed for project expenditures when federal funds become available.

Secretary Sprynczynatyk indicated this proposal has been discussed with the Bureau of Reclamation. The Bureau of Reclamation has given approval for

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the State Water Commission and the Garrison Diversion Conservancy District to approve a project, and approve reimbursement of funds for the project at a later date. That reimbursement could only be for expenditures exceeding the 25 percent non-federal share, up to 75 percent of total eligible project costs, when adequate federal funds become available and priorities are met.

It was the recommendation of the State Engineer that the State Water Commission and the Garrison Diversion Conservancy District Board of Directors approve a policy that will allow an MR&I water supply project to receive reimbursement for project expenditures, contingent upon receiving prior approval from the State Water Commission and the Garrison Diversion Conservancy District; meeting all program requirements; and, the availability of funds. When funds become available there is no guarantee of approval of funds unless the project meets the requirements for priority ranking at that time.

Chairman Richter called for a motion and a second from the Garrison Diversion Conservancy District Board of Directors to approve the State Engineer's recommendation. By voice vote, all members voted aye. There was no opposition to the motion expressed. The Chairman declared the motion unanimously carried.

Chairman Omdahl called for action by the State Water Commission on the recommendation of the State Engineer.

It was moved by Commissioner Gust and seconded by Commissioner Narlock that the State Water Commission approve the State Engineer's recommendation relative to the policy for reimbursement of MR&I project costs.

The Chairman called for a voice vote on the motion. The Chairman stated the record shall indicate that all members present voted aye; there was no opposition expressed; and the motion was declared unanimously carried.

**GARRISON DIVERSION PROJECT -  
PREAPPROVAL OF AGASSIZ RURAL  
WATER SUPPLY PROJECT PHASE II  
FOR DESIGN AND CONSTRUCTION  
(SWC Project No. 237-3)**

Jeffrey Mattern, MR&I Water Supply Program Coordinator, presented a request from the Agassiz Rural Water Users for approval of design and construction of Phase II of the

Agassiz Rural Water Supply Project using interim financing. Then, when federal funds become available be reimbursed for project expenditures.

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Mr. Mattern indicated the Agassiz Water completed Phase I with 100 percent funding from FmHA and the Bank of North Dakota. This phase was necessary because of low water pressure and short water supply to a major portion of their users. Agassiz Water has applied for MR&I funding to complete Phase II of the project which would allow them to deliver water from the Inkster well field to the entire system. The project would enhance the quality of water to the system.

Clark Cronquist, President of the Agassiz Rural Water Users, indicated he was very pleased that the State Water Commission and the Garrison Diversion Conservancy District Board of Directors approved the policy change to allow for the design and construction of a project to proceed with interim financing and when federal funds become available the project could be considered for reimbursement of project expenditures. Mr. Cronquist elaborated on the Agassiz Water Supply Project and said it is essential this phase move forward as soon as possible in order to provide quality and quantity water to their users. He urged favorable consideration by both boards on their request for preapproval of the project.

It was the recommendation of the State Engineer that the State Water Commission and the Garrison Diversion Conservancy District Board of Directors approve the Agassiz Rural Water Supply Project for future reimbursement of project costs, contingent upon meeting all program requirements, and the availability of funds. Preapproval of this project is no guarantee of approval of funds unless the project meets the requirements for priority ranking at the time funds become available.

Chairman Richter called for a motion and a second from the Garrison Diversion Conservancy District Board of Directors to approve the recommendation of the State Engineer for the Agassiz Rural Water Supply Project. By voice vote, all members voted aye; there was no opposition expressed. The Chairman declared the motion unanimously carried.

Chairman Omdahl called for action from the State Water Commission.

It was moved by Commissioner Narlock and seconded by Commissioner Gust that the State Water Commission preapprove the eligibility of the Agassiz Rural Water Supply Project for future reimbursement of project costs, contingent upon meeting all program requirements, and the availability

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of funds. Preapproval of this project shall not guarantee approval of funds unless the project meets the requirements for priority ranking at the time funds become available.

The Chairman called for a voice vote on the motion. The Chairman stated the record shall indicate all members present voted aye; there was no opposition expressed; and declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -  
PREAPPROVAL OF DESIGN AND  
CONSTRUCTION PHASE FOR  
LANGDON RURAL WATER SUPPLY  
PROJECT, PHASE II, PART II  
(SWC Project No. 237-34)**

Jeffrey Mattern presented a request from the Langdon Rural Water Users Board of Directors to use FmHA loan money on a portion of its water supply project and have it considered eligible for MR&I program reim-

bursement at a later date. The estimated cost is \$90,193.95 and allows eight users to be added to the system.

Mr. Mattern indicated this would be added to the current construction in Phase II, Part I, of the project and would be accomplished by change order. The additional users would be in the area located between Hampden and Edmore.

Howard Roeder, President of the Langdon Rural Water Users, discussed the request and said the eight users to be added to the system are currently hauling their water and the water quality and quantity is extremely poor.

It was the recommendation of the State Engineer that the State Water Commission and the Garrison Diversion Conservancy District Board of Directors approve the Langdon Rural Water Supply project for future reimbursement of eligible project costs, contingent upon meeting the requirements of reimbursement. Preapproval of this project is no guarantee of approval of funds unless the project meets the requirements for priority ranking at the time funds become available.

Chairman Richter called for a motion and a second from the Garrison Diversion Conservancy District Board of Directors on the State Engineer's recommendation for the Langdon Rural Water Supply Project. All members voted aye; there was no opposition expressed. The Chairman declared the motion unanimously carried.

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Chairman Omdahl called for action from the State Water Commission.

It was moved by Commissioner Lardy and seconded by Commissioner Rudel that the State Water Commission approve the Langdon Rural Water Supply Project for future reimbursement of eligible project costs for Phase II, Part II, contingent upon the project meeting the requirements of reimbursement, and the availability of funds. Approval of this project shall not guarantee the approval of funds unless the project has met the requirements for priority ranking at the time funds become available.

The Chairman called for a voice vote on the motion. The Chairman stated the record shall indicate all members present voted aye; there was no opposition expressed; and the motion was declared unanimously carried.

**GARRISON DIVERSION PROJECT -  
PREAPPROVAL OF NORTH VALLEY  
WATER PROJECT  
(SWC Project No. 237-15)**

Jeffrey Mattern presented a request from the North Valley Water Association for future reimbursement of project costs from the MR&I Program while

using interim financing to advance their construction schedule. The estimated project cost is \$1,251,100. Mr. Mattern said the project would solve a diminishing underground water supply problem in the Gardar system and a pipeline capacity problem in the Akra supply system.

Mr. Mattern said North Valley serves 5,000 people from several small communities and rural users, with the Gardar well field serving approximately 830 people. The Gardar system has two wells and is interconnected with the Akra system. The Akra system currently has a pipeline capacity problem, with some relief being realized by developing a supplemental water supply from the Corps of Engineers ABM pipeline, with a short-term contract that expires on October 1, 1990.

Mr. Mattern said North Valley requested that its project receive a commitment of FY 1991 appropriation. Since the Garrison Diversion Unit FY 1991 budget is in the early appropriation phase, Mr. Mattern said it is not possible to commit funds at this time. Also, North Valley re-

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quested an emergency status consideration for their MR&I priority rating, but there is no emergency status designation. North Valley is rated as a project with a problem which could cause a loss of a water supply for an existing multiple user delivery system in the near future and this in essence is an emergency consideration. Mr. Mattern said changing the points of North Valley would provide little benefit with the FY 1990 appropriation expended and no guarantee of FY 1991 funding.

Gordon Johnson, Manager of the North Valley Rural Water Association, stated the system was constructed approximately 14 years ago and the distribution system has been outgrown. Mr. Johnson further discussed the North Valley project and the rates that are being charged to the users.

Fay Waxler, Executive Director of the North Dakota Rural Water Systems, discussed the procedure used for treating rural water. He discussed water rates and he said the biggest problem facing the older rural water systems is that the system was not constructed for population growth and they are now being faced with upgrading expenses.

It was the recommendation of the State Engineer that the State Water Commission and the Garrison Diversion Conservancy District Board of Directors approve the North Valley Water Association Water Supply Project for future reimbursements for eligible project costs, contingent upon the project meeting the requirements of reimbursement and the availability of funds. Preapproval of this request does not guarantee approval of funds unless the project meets the requirements for priority ranking at the time funds become available.

Chairman Richter called for a motion and a second from the Garrison Diversion Conservancy District Board of Directors to approve the recommendation of the State Engineer for the North Valley Water Supply Project. By voice vote, all members voted aye; there was no opposition. The Chairman declared the motion unanimously carried.

Chairman Omdahl called for action from the State Water Commission.

**It was moved by Commissioner Lardy and seconded by Commissioner Gust that the State Water Commission approve the North Valley Water Association Water Supply Project for future reimbursement for eligible project costs, contingent upon**

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meeting all program requirements and the availability of funds. This approval shall not guarantee the approval of funds unless the project meets the requirements for priority ranking at the time funds become available.

The Chairman called for a voice vote on the motion. The Chairman stated the record shall indicate all members present voted aye; there was no opposition expressed; and the motion was declared unanimously carried.

**GARRISON DIVERSION PROJECT -  
GOLDEN LAKE RESORT  
WATER SUPPLY PROJECT  
(SWC Project No. 237-20)**

Jeffrey Mattern indicated the Golden Lake Resort Water Supply Project has been bid, with a low bid of approximately \$74,000, which is \$28,000 over the engineer's estimate. The

project has received approval for \$49,500 from the federal MR&I funding at this time. The Steele County Commissioners are presently discussing if they should continue with the project as bid, knowing that the increase will be the local responsibility.

Michael Schneider of Kadrmas, Lee and Jackson, appeared before the groups to discuss the project and to request direction regarding the construction bid. He said the area has been enhanced by paving the access roads and the county wants to continue to work with the State Water Commission and the Garrison Diversion Conservancy District to bring a good supply of water to the area.

Secretary Sprynczynatyk said because he was just recently made aware of the high bids it is his recommendation that staff review the project and work with the local project sponsor to reevaluate the project. The State Engineer's recommendation regarding the Golden Lake Resort Water Supply Project was agreed to by both groups.

**DEVILS LAKE MANAGEMENT PROJECT -  
PRESENTATION BY DEVILS LAKE  
PRESERVATION COALITION  
(SWC Project No. 1712)**

Rick LeFleur and Curtis Brekke, Co-Chairmen of the Devils Lake Preservation Coalition, showed a video of the Devils Lake Management Project. The Coalition

has filed a resolution with the Congressional Delegation regarding the stabilization of Devils Lake directing the Corps of Engineers to study the stabilization of the lake, and that an authorization is justified for the project.

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**RED RIVER WATER SUPPLY  
STUDY UPDATE  
(SWC Project No. 1731)**

Secretary Sprynczynatyk briefed the Boards on the Red River Water Supply Study. The purpose of the study was to determine the long-term municipal water supply needs of Fargo, Grand Forks and the surrounding communities in the Red River Valley. This information will be used to determine the adequacy of the Garrison Diversion Unit authorized 100 cubic feet per second supply.

The larger cities involved in the study, in addition to Fargo and Grand Forks, are West Fargo, Moorhead and East Grand Forks. The Red River currently furnishes about 68 percent of the water these cities require to meet their needs. Twenty-one percent (21%) comes from the Red Lake River and 11 percent comes from ground water. There is very little, if any, potential for increased ground water development. The Red Lake River is controlled by treaty with the Red Lake Board of the Chippewa Indian tribe and could be a major problem in drought years.

Considering the population growth rates explained in the preliminary draft report, Secretary Sprynczynatyk said these five cities could need a total flow, including existing sources and supplemental sources, of about 101 cubic feet per second to meet average daily needs and 181 cubic feet per second to meet maximum daily use needs by the year 2040.

Secretary Sprynczynatyk said the draft report is near completion and the technical committee should have copies of the report within the next two weeks. Completion has been delayed by demands placed on the staff from the Missouri River Reservoir management issues and the Devils Lake water level crisis.

**GARRISON DIVERSION PROJECT -  
FINANCING OPTIONS FOR MR&I  
WATER SUPPLY PROJECTS  
(SWC Project No. 237)**

At the January 25, 1990 meeting Chairman Omdahl stated that it was obvious the federal MR&I Water Supply Program funds would not be sufficient to meet the requests for funding assistance from this program. He said it may be necessary to increase the local cost share and consider alternate sources of funding. The State Engineer and staff were directed to develop information and recommendations on MR&I Water Supply Program cost share funding options and alternate sources of funding for the Commission's consideration. The State Engineer was also directed to discuss with the Garrison Diversion Conservancy District the proposal to change the federal-local cost sharing formula for MR&I Water Supply Program funds.

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At the March 19, 1990 meeting, the briefing paper "Financing Options for Water Supply Projects" was presented for the Commission's consideration. It was explained the report was prepared for the purpose of investigating options available to finance water supply projects in the State of North Dakota. This is a result of the demonstrated need for water supply projects as indicated by the interest in the water supply program of the Garrison Diversion Project. Because there will not be enough money available to fund all of the water supply projects, the briefing paper analyzes revenue sources that are currently available and funding options that will allow the money to be leveraged to assist the maximum number of people and to accomplish the most good.

It was the consensus of the State Water Commission members at its March 19, 1990 meeting that the briefing paper on the financing options for water supply projects be presented to the Garrison Diversion Conservancy District Board of Directors at its summer meeting.

On July 5, 1990, the briefing paper on financing options for water supply projects was presented to the Garrison Diversion Conservancy District Board of Directors.

Secretary Sprynczynatyk reviewed the options that have been identified for financing water supply projects, and discussed the possibility of developing a revolving fund. There was also discussion regarding the possibility of a water use fee for all metered hookups in the state, placing the burden on the people who are using the water.

The briefing paper refers to an estimated \$453 million required to meet the current water supply needs in North Dakota. In discussion, it was pointed out this figure only "begins to touch the surface" of what the future water problems could be. The concept of a water facility revolving fund received support and worthy of pursuing further.

Chairman Omdahl expressed concern that cities are underselling water and do not have funds available for future replacement and upgrading costs. He said "we would be foolish going into the future thinking we aren't going to have to develop some kind of a concrete plan that will revolve money for this purpose."

**It was moved by Commissioner Rudel and  
seconded by Commissioner Byerly that the  
State Water Commission direct the State**

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Engineer and staff to continue to study the financing options for water supply development in North Dakota and develop recommendations for the Commission's consideration.

The Chairman called for a voice vote on the motion. The Chairman stated the record shall indicate all members present voted aye; there was no opposition expressed; and the motion was unanimously carried.

**REPORT ON ACTIVITIES  
OF NORTH DAKOTA WATER  
USERS ASSOCIATION AND  
WETLANDS COORDINATION  
REPORT BY MICHAEL DWYER**

Michael Dwyer, Executive Director of the North Dakota Water Users Association, briefed the groups on activities involving the North Dakota Water Users Association relating to the

Garrison Diversion Project, the National Water Resources Association, Resources Trust Fund, wetland issues, US Fish and Wildlife Service agreements and the North Dakota Water Coalition. The report on the Wetlands Coordination is attached hereto as APPENDIX "A".

**GARRISON DIVERSION PROJECT -  
BIOTA TRANSFER STUDY UPDATE  
BY JAY LEITCH, NORTH DAKOTA  
STATE UNIVERSITY  
(SWC Project No. 1828)**

Dr. Jay Leitch, Water Resource Research Institute, North Dakota State University, briefed the groups on the work the scientists are doing on the biota transfer study. The first

round of Request For Proposals was completed in January, 1990 and the information was presented at the Ground-Water Symposium held in Fargo on March 20-21, 1990. Dr. Leitch also reported on the second round of Request For Proposals studies, which began in April, 1989 and is approximately one-third complete. The first and second rounds of Request For Proposals have been funded by the US Bureau of Reclamation, the Garrison Diversion Conservancy District and the State Water Commission.

Dr. Leitch indicated the third round of Request For Proposals will be sent out in August, 1990 and the preproposals will be requested by November 1. Three areas will be emphasized: ecosystem, model scoping and a continuation of filter and the baseline of Lake Winnipeg. Dr. Leitch indicated that the scientists will be asked to obtain supplementary funding for these studies.

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Dr. Leitch discussed the history of income and expenses for the biota study and the projected expenses. He also talked about the newsletter and concluded his remarks by saying the study is progressing well.

**COMMENTS BY REPRESENTATIVE  
GORDON BERG**

Representative Gordon Berg presented comments to the groups relative to the biota transfer study, no-net wetlands loss, Devils Lake Management Project, and the Garrison Diversion Project.

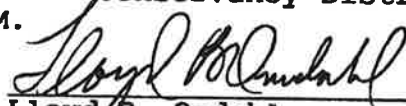
**GARRISON DIVERSION PROJECT -  
OAKES TEST AREA  
(SWC Project No. 237)**

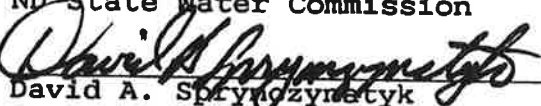
Progress on Phase I of the Oakes Test Area was discussed, which will be completed by the State Water Commission in August, 1990. A motion was made, seconded, and unanimously carried by the Garrison Diversion Conservancy District Board of Directors that funds be made available in the Fiscal Year 1991 federal budget for Phase II of the Oakes Test Area and that a recommendation be made to the Bureau of Reclamation to contract with the North Dakota State Water Commission for the design, contracting, supervision and installation of the wells.

There being no further business to come before the groups, Chairman Richter called for a motion from the Garrison Diversion Conservancy District Board of Directors, which was unanimously carried, to adjourn the joint meeting.

It was moved by Commissioner Vogel, seconded by Commissioner Lardy, and unanimously carried, that the joint meeting adjourn.

Chairmen Omdahl and Richter declared the joint meeting of the North Dakota State Water Commission and the Garrison Diversion Conservancy District Board of Directors adjourned at 12:30 PM.

  
Lloyd B. Omdahl  
Lieutenant Governor-Chairman  
ND State Water Commission

  
David A. Spryngozynetyk  
State Engineer and  
Chief Engineer-Secretary

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## REPORT

## WETLANDS COORDINATION

Introduction.

This is the second report for the Wetlands Coordination efforts initiated by the State Water Commission, the Game & Fish Department, and the Garrison Conversion Conservancy District. This report covers the period of time from January 1, 1990 through June 30, 1990. This report will identify primary areas of work, plus miscellaneous efforts and targeted future efforts. Attached as Exhibit 1 is a document setting forth the purpose, long term goals, and short term goals of the North Dakota water and wildlife cooperative effort, and Exhibit 2 is the itemized statement of work during the report period.

Primary Areas Of Work

1. Governors Wetlands Management Committee. Efforts for the Governors Wetlands Management Committee have continued to include preparation of materials for meetings, letters, and other tasks to implement recommendations of the committee. Meetings with the Lieutenant Governor and general coordination have been a part of this task.
2. Refuge Revenue Sharing. Another area of work is the efforts to resolve the Refuge Revenue Sharing Fund issue. A trip to Washington D.C. to meet with Congressmen, Congressional staffers, and Federal Agencies was fruitful. Letters were prepared for the Governor to all other affected states seeking support for this issue. Hopefully, Congressional appropriations for FY 1991 will provide 100% entitlement payments.
3. Garrison Wildlife Issues. An effort was undertaken in April to develop the report entitled "Fish and Wildlife Component-Mitigation and Enhancement Benefits of the Garrison Diversion Units". This involves meetings with Jay Leitch and agency people to develop perimeters, identify data, and develop the final report.
4. ND/FWS Agreements. The ND/FWS agreements were renegotiated during this report period, and were executed by the Governor and Galen Buterbaugh on April 24, 1990. The agreements have been reprinted.
5. No Net Loss. Meetings with Federal and State agency people to implement the no net loss/minimal effect Swampbuster exemption

have been held. One of the primary purposes of no net loss was to provide a window for additional flexibility from Swampbuster. Swampbuster amendments in the 1990 Farm Bill will effect this issue. In addition, presentation on no net loss have made to the Nevada Legislature and the North Dakota Farm Bureau Mock Legislature. Other presentations on no net loss have also been made.

6. Miscellaneous Efforts. The coordination tasks have included preparation of correspondence, telephone communications, appearances before interim legislative committees, and a variety of activities to explain the achievement of the cooperative effort between water, wildlife and agriculture interests.

#### FUTURE EFFORTS.

The document attached as Exhibit 1 set forth the long term/short term goals. We are currently preparing a North Dakota Wetlands Management Handbook as part of a grant from the North Dakota Wetlands Trust and we have received a grant from EPA for furthering of the Wetlands Cooperative effort. This will involve meetings with Water Resource Districts and county commissioners and other groups throughout the state.

Let me know if there are any questions concerning this report.

Following people were in attendance at a meeting held at Woods Headquarters  
 on July 5, 1940, at 1:30 PM. Called by the Garrison Diversion Conservancy District for the purpose of Board of Directors Meetings

No.	NAME	REPRESENTING OR OCCUPATION	ADDRESS
1.	Jim Gland	NDSU Extension	Carrington
2.	Roy Doherty	NDFU -	Michigan, N.D.
3.	Walter Smith	New York <sup>71 104</sup>	BY 1380
4.	John	Bismarck	
5.	Chas Sylvest	W. Dist	Wahpeton, N.D.
6.	Dick Thomas	ND Pub & Lec Dist	Devils Lake
7.	Howard P. Fore	N. Dak Long Dist	Folsom, N.D.
8.	Harold Johnson	Winnish - W. V. Dist	Tilman, N.D.
9.	JACK G. BYERS	USBR - ASST PM	Bis
10.	Harold Ford	Harney Pumping Dist	Harney, N.D.
11.	Bill Sallee	Middle Souris	Thornville, N.D.
12.	M. L. Seaman	GDCD	Bismarck
13.	Harold Rader	Langdon Rural Water	Langdon
14.	Paul Cronquist	Ogessis Water	Hilby
15.	Langdon	Langdon Rural Water	Langdon
16.	John Bae	Langdon Rural Water	Langdon
17.	CHARLES VEIN	KRM INC.	GRAND FORKS
18.	D. B. 3 Halok	S. W. C	Oslo
19.	DALE ESSER	GDCD	DAKES
20.	Roger Bira Beer	Three Affiliated Tr. Dist	New Town
21.	Mike Reed	WDLR-TV	D.L. - S.F.
	F. J. Waples	ND Rural Water Com	Bismarck
	Brian Kramer	ND Farm Bureau	<sup>Box 511</sup> Turtle Lake, N.D.
	Harold Rader	State Water Com	Newseman, N.D.
	Edith S. Johnson	Winnish - W. V. Dist	Winnish
	Jordan Berg	Dist 15 Leg	D. Lake
	Miles Lund	Comm	Finley, N.D.
	John Salo	State Water Com	Thompson, N.D.
	Ray Partridge	SWC DE	Bismarck
	Jack Hill	USBR	Bismarck

The following people were in attendance at a meeting held at \_\_\_\_\_  
 on \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ M. Called by the Garrison Diversion Conservancy District for the purpose of \_\_\_\_\_

No.	NAME	REPRESENTING OR OCCUPATION	ADDRESS
1.	Carl Bunker	LPC	DC
2.	Frank LaFleur	LPC	DC
3.	Frank Leberg	CASS County WRD	Harwood ND
4.	Joe Anderson	New Rockford Fire Dist	New Rockford
5.	Neil Stearns	Bureau of Reclamation	Billings
6.	Daniel Trenchard	S.E. Cass WRD	West Fargo
7.	Mike Schneider	Kadomas, Lee & Jackson	Valley City
8.	Dale Friick	State Water Commission	Bismarck
9.	Gordon Johnson	North Valley Water	Cavalier
10.	Webb Warcher	Assoc	"
11.	Ron Brown	North Valley Water	Ba. Chicago
	Joe Parten	Southwest Water Authority	Scranton, N.D. OK.
13.	HANK TRANGSPAD	HOUSTON ENG	Fargo
14.	Rade Dagg	Power	Dognatch
15.	Dwates		"
16.	High House	Skiline Flight	New Rockford
17.	Leah	Missouri	SEWERSVILLE
18.			
19.			
20.			
21.			