

MINUTES

**North Dakota State Water Commission
Bismarck, North Dakota**

February 9, 1995

The North Dakota State Water Commission held a meeting in the lower level conference room in the State Office Building, Bismarck, North Dakota, on February 9, 1995. Governor-Chairman, Edward T. Schafer, called the meeting to order at 9:00 AM, and requested State Engineer and Chief Engineer-Secretary, David A. Sprynczynatyk, to call the roll. The Chairman declared a quorum was present.

MEMBERS PRESENT:

Governor Edward T. Schafer, Chairman
Sarah Vogel, Commissioner, Department of Agriculture, Bismarck
Mike Ames, Member from Williston
Florenz Bjornson, Member from West Fargo
Judith DeWitz, Member from Tappen
Jack Olin, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
David Sprynczynatyk, State Engineer and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck

MEMBER ABSENT:

Elmer Hillesland, Member from Grand Forks

OTHERS PRESENT:

State Water Commission Staff Members
Approximately 25 people interested in agenda items
(The attendance register is on file with the official minutes.)

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

CONSIDERATION OF AGENDA

There being no additional items for the agenda, the Chairman declared the agenda approved and requested Secretary Sprynczynatyk to present the agenda.

**CONSIDERATION OF MINUTES
OF DECEMBER 7, 1994, MEETING -
APPROVED**

The minutes of the December 7, 1994, meeting were approved by the following motion:

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Commissioner Vogel, seconded by Commissioner Bjornson, and unanimous carried, that the minutes of the December 7, 1994, State Water Commission meeting be approved as prepared.

**FINANCIAL STATEMENT -
AGENCY OPERATIONS**

Charles Rydell, Assistant State Engineer, presented and discussed the Program Budget Expendi-

tures, dated December 31, 1994, and reflecting 75.0 percent of the 1993-1995 biennium. **SEE APPENDIX "A"**.

**FINANCIAL STATEMENT -
CONTRACT FUND; AND
RESOURCES TRUST FUND UPDATE**

Dale Frink, Director of the State Water Commission's Water Development Division, reviewed and discussed the Contract Fund

expenditures for the 1993-1995 biennium. **SEE APPENDIX "B"**.

Mr. Frink reported that the oil and gas revenues into the Resources Trust Fund continue to fall below forecasts. The current unallocated balance in the Resources Trust Fund is approximately \$500,000. Approximately \$250,000 of MR&I loan funds that were approved for projects will not be needed because of other sources of funding.

Several high priority projects are in various stages of development and, traditionally, the State Water Commission holds about \$250,000 as unallocated through the spring snowmelt period of the second year of the biennium for emergency repair projects.

It was the recommendation of the State Engineer that the State Water Commission continue to defer approving cost share requests from the Contract Fund, except high priority requests, until such time as revenue forecasts show that adequate funds will be available.

**FINANCIAL STATEMENT -
1995-1997 BUDGET UPDATE**

On January 11, 1995, a hearing was held on the State Water Commission's proposed 1995-1997

budget before the Senate Appropriations Committee. Following the hearing, a subcommittee was appointed to further review the agency's budget. Several adjustments have been proposed by the subcommittee, which are awaiting review and approval by the full Senate Appropriations Committee.

**FUNDING FOR WATER
DEVELOPMENT PROJECTS
(SWC Project No. 322)**

At the December 7, 1994 meeting the State Water Commission approved the recommendation of the State Engineer to request the Legislature to appropriate \$6.9 million from the Resources Trust Fund for the 1995-1997 biennium for projects and programs. In addition, the list of the total amount needed for projects was to be provided to the Legislature for information purposes. The State Water Commission also requested that the Legislature provide additional spending authority if the revenues to the Resources Trust Fund exceeds \$6.9 million.

Secretary Sprynczynatyk reported to the Commission members that the Resources Trust Fund report was presented to the Senate Appropriations Committee on January 11, 1995; and it will likewise be presented to the House Appropriations Committee when the agency's proposed 1995-1997 biennium budget is heard.

At the December 7, 1994, meeting, the State Water Commission passed a motion to support an interim study resolution to be considered by the 1995 State Legislature identifying the long-term funding solutions for North Dakota's water resource revenue needs.

Secretary Sprynczynatyk reported Senate Concurrent Resolution 4033 was introduced in the Senate on January 26, 1995, and referred to the Senate Natural Resources Committee. The resolution hearing is scheduled for February 10, 1995.

**CONSIDERATION AND APPROVAL
OF REQUEST FROM CAVALIER
COUNTY WATER RESOURCE
DISTRICT FOR ADDITIONAL
COST SHARING FOR MT. CARMEL
DAM RECONSTRUCTION PROJECT
(SWC Project No. 1346)**

A request from the Cavalier County Water Resource District was presented for the Commission's consideration for additional cost sharing for the Mt. Carmel Dam reconstruction project.

On March 9, 1994, the State Water Commission considered a request for cost sharing in the Mt. Carmel Dam reconstruction project. The project costs were estimated at that time to be \$700,000. The Commission approved cost sharing, not to exceed 330,000, of which \$80,000 would be for in-kind services, and \$250,000 would come from the Contract Fund. It was also proposed at that time, that the State Game and Fish Department would contribute \$40,000 for a low-level drawdown, and the local sponsors would contribute \$330,000.

Mr. Frink said since that time, investigations have indicated a serious condition at the toe of the dam which will require additional costs for dewatering. He said it is necessary to upgrade the dam to meet current dam safety requirements, which increases the cost estimate to \$900,000. Mr. Frink said the State Game and Fish Department has indicated it does not have funds to cost share in the low-level drawdown.

In accordance with the State Water Commission's guidelines, the project is eligible for 50 percent cost sharing of the eligible items, which would be \$450,000. The request before the Commission is to cost share an additional \$120,000. The total cost share of \$450,000 would be \$80,000 for in-kind services and \$370,000 from the Contract Fund.

William Hardy, Chairman of the Cavalier County Water Resource District, commented on the project and requested the Commission's favorable consideration of the additional funding.

Commissioner Swenson expressed concern regarding the State Game and Fish Department's decision not to cost share in the low-level drawdown for the dam. He suggested the project be re-analyzed to determine if the benefits of a low-level drawdown are commensurate with the project costs.

It was the recommendation of the State Engineer that the State Water Commission cost share in 50 percent of the Mt. Carmel Dam project for a total cost of \$450,000, of which \$80,000 is estimated to be in-kind services and \$370,000 from the Contract Fund. This would require the State Water Commission to increase its present commitment from the Contract Fund by \$120,000.

It was moved by Commissioner Swenson and seconded by Commissioner Thompson that the State Water Commission approve additional cost sharing in 50 percent of the Mt. Carmel Dam reconstruction project, for a total project cost of \$450,000, of which \$80,000 is estimated to be in-kind services and \$370,000 is to be obligated from the Contract Fund. This will require the State Water Commission to increase its present commitment from the Contract Fund by \$120,000. This motion is contingent upon the availability of funds, and a re-analysis of the low-level drawdown.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**CONSIDERATION AND APPROVAL
OF REQUEST FROM SHEYENNE RIVER
JOINT WATER RESOURCE DISTRICT
FOR COST SHARING IN BALDHILL
DAM FLOOD POOL RAISE IN 1995
(SWC Project No. 300)**

A request from the Sheyenne River Joint Water Resource District was presented for the Commission's consideration to cost share in the eligible 1995 expenses concerning Baldhill Dam floodpool raise.

Dale Frink presented the request. The Sheyenne River Joint Water Resource District is the local sponsor for the proposed floodpool raise at Baldhill Dam. The Corps of Engineers has not provided a detailed cost estimate for the project, however, Mr. Frink said they have indicated the non-federal cost share could be approximately \$4 million. The Corps requires that the Local Cooperation Agreement be signed by October, 1996.

It was the recommendation of the State Engineer that the Commission favorably consider cost sharing with the Sheyenne River Joint Water Resource District for costs which will be incurred by the District in 1995 prior to execution of the Local Cooperative Agreement. He said these expenses will be necessary to obtain the required information necessary for the board to advance the project with the Corps of Engineers to make a final determination if the project should proceed.

The estimated project costs for 1995 are \$30,000. Present State Water Commission guidelines allow for 50 percent cost sharing of actual eligible items, which would include engineering, mitigation plan, and contingencies. The cost estimate for these items total \$20,000, of which 50 percent would be \$10,000.

It was moved by Commissioner Vogel and seconded by Commissioner Bjornson that the State Water Commission approve cost sharing with the Sheyenne River Joint Water Resource District in 50 percent of actual eligible 1995 expenses concerning Baldhill Dam floodpool raise, not to exceed \$10,000 from the Contract Fund. This motion is contingent upon the availability of funds.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
PROJECT UPDATE; CONTRACT
AND CONSTRUCTION STATUS
(SWC Project No. 1736)**

Tim Fay, Manager of the Southwest Pipeline Project, provided a contract and construction status report. Mr. Fay stated that construction has been generally inactive this winter. Some road and stream crossings have been completed on Contract 7-1B; however, little other construction has taken place. The following contracts have been completed: 2-7C; 4-3 General; 4-3 Mechanical; 2-6A; and 2-7B.

The active contracts at this time are 7-1B, the rural water distribution system in northern Stark and Dunn Counties; 7-2, the rural water distribution system in southern Stark and Hettinger Counties; and 8-1, the reservoirs near Halliday and New Hradec.

Mr. Fay stated Contract 2-5A/7-2B is currently advertised and bids will be opened on February 22, 1995. This is the transmission line and rural distribution system between Dickinson and Belfield. Following that, the Belfield reservoir will be bid, which will complete the construction program for 1995.

**SOUTHWEST PIPELINE PROJECT -
CONSIDERATION AND APPROVAL
OF MODIFICATION OF PROJECT
PHASED DEVELOPMENT PLAN
(SWC Project No. 1736)**

Tim Fay reported the cities of Hettinger and Reeder have recently learned they are in violation of the fluoride standard for drinking water and have requested service from the Southwest Pipeline Project as soon as possible.

Mr. Fay reviewed the Phased Development Plan, which is the document describing the order in which the service areas of the Southwest Pipeline Project will be developed. This plan was adopted jointly by the State Water Commission and the Southwest Water Authority. In its current form, Mr. Fay said the plan calls for the service area extending eastward from Richardton to be developed in 1996.

In order to be responsive to the needs of the people in the area, and to spend the construction dollars in the most efficient and effective manner for continued

development of the Southwest Pipeline Project, the Southwest Water Authority acted to modify the Phased Development Plan to raise the priority of Jung Lake service area to priority 3; raise the Bucyrus service area to priority 4; and lower the East Taylor and East Rainy Buttes service areas to priorities 5 and 6, respectively.

It was the recommendation of the State Engineer that the State Water Commission concur with the modification of the Southwest Pipeline Project Phased Development Plan as approved by the Southwest Water Authority.

It was moved by Commissioner Olin and seconded by Commissioner DeWitz that the State Water Commission approve the modification of the Southwest Pipeline Project Phased Development Plan to raise the Jung Lake service area to priority 3; to raise the Bucyrus service area to priority 4; and the lower the East Taylor service area and East Rainy Butte service area to priorities 5 and 6, respectively.

Commissioners Ames, Bjornson, DeWitz, Olin, Swanson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
OLIVER-MERCER-NORTH DUNN
SERVICE AREA
(SWC Project No. 1736)**

In the early 1980's when the Southwest Pipeline Project was in the process of preliminary design and authorization, the Oliver-Mercer-North Dunn area

exhibited little interest and, therefore, was not included in the project. Interest now has increased to the point that a rural water system in the area may be feasible. Even though the authorizing legislation refers to the preliminary engineering report, which does not include the area, it also describes the area south and west of the Missouri River. The act authorizing integration also gives some latitude for expansion into the area. The Southwest Water Authority has acted to recommend inclusion, although they have not recommended priorities for the new service areas.

Tim Fay said it appears that the most efficient way to deal with an incipient rural water system in the Oliver-Mercer-North Dunn area is to include it into the Southwest Pipeline Project. He stated that Senate Bill 2450 has been introduced by area legislators to clarify the authority to make this expansion.

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It was the recommendation of the State Engineer that the State Water Commission support Senate Bill 2450, allowing the State Water Commission to include the Oliver-Mercer-North Dunn service area in the Southwest Pipeline Project, if it so desires in the future.

It was moved by Commissioner Olin and seconded by Commissioner Ames that the State Water Commission support Senate Bill 2450, allowing the State Water Commission to include the Oliver-Mercer-North Dunn service area in the Southwest Pipeline Project, if it so desires in the future.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
EASTERN GRANT COUNTY
(SWC Project No. 1736)**

Eastern Grant County, including the City of Carson, is included in the Southwest Pipeline Project, although Tim Fay said

it will be some time before construction occurs there. Currently, the Missouri West Rural Water Supply system is planning an expansion into southwestern Morton County.

Mr. Fay said at this time, it seems necessary to consider whether from the perspective of the state and local users it would not be better to have eastern Grant county served from the Missouri West project rather than from the Southwest Pipeline Project due to the distances involved in each case. This subject has been reviewed recently in conjunction with the Southwest Water Authority and its members from Grant County.

Mr. Fay said it appears that, measured in construction costs from this point on, the cost to bring service to the area is roughly equal from either system. Operation costs for the Missouri West option would likely be less, since the transmission distance is much less. Mr. Fay said the Grant County representatives have indicated they would be willing to follow either option if the conditions of service remain comparable.

If the area was to be served from Missouri West, it would need to be a separate phase, since attempting to include it now would cause serious delay. Mr. Fay said if it was to be included as a separate phase, the current phase would have to include an increase in size of its main transmission pipe, at an estimated cost of \$1.8 million.

Mr. Fay said finding a source of funds for the \$1.8 million is a challenge at present. Possible funding strategies and options are being discussed with the Southwest Water Authority and Missouri West.

**SOUTHWEST PIPELINE PROJECT -
RURAL WATER SERVICE METER FEE
(SWC Project No. 1736)**

At the December 7, 1994 meeting the State Water Commission adjusted, for inflation, the monthly minimum rate to \$26.95 that is paid by the rural water users on the Southwest Pipeline Project. This fee includes a \$5.00 meter fee, which is not adjusted for inflation. Tim Fay stated there has been some ambiguity regarding the use of the meter fee, which was set to cover some of the "fixed costs" associated with service to each user. These "fixed costs" can be interpreted to be capital costs or operation and maintenance costs.

Mr. Fay said the Southwest Water Authority favors using the funds for operation and maintenance costs. At the same time, he said there is a capital cost for the meter itself, and other equipment, which are attributable to each individual service rather than to the project as a whole.

This matter has been discussed with the Southwest Water Authority. Mr. Fay said a compromise has been reached whereby for the first 24 months of a user's service from the Southwest Pipeline, the \$5.00 meter fee would be deposited in the Resources Trust Fund as a part of the capital repayment component. After 24 months of service, the user's meter fee would then be deposited in the operation and maintenance account.

It was the recommendation of the State Engineer that the State Water Commission approve the Southwest Pipeline Project policy of collecting the \$5.00 per month meter fee as a part of the capital repayment component for the first 24 months of service for each rural water user; after which time, the meter fee may be used by the Southwest Water Authority for operation and maintenance expenses.

It was moved by Commissioner Olin and seconded by Commissioner Swenson that the State Water Commission approve the Southwest Pipeline Project policy of collecting \$5.00 per month meter fee as part of the capital repayment component for the first 24 months of service for each rural water user; after which time, the meter fee may be used by the Southwest Water Authority for operation and maintenance expenses.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
APPROVAL OF WATER SERVICE
CONTRACT AMENDMENT FOR SOLE-
SOURCE SERVICE FOR CITY
OF REGENT
(SWC Project No. 1736)**

Tim Fay presented a request for the Commission's consideration from the City of Regent for sole-source service from the Southwest Pipeline Project. The project has the capacity to provide this type of service.

Service under these terms would be preferable for both the city and the project.

It was the recommendation of the State Engineer that the State Water Commission approve a sole-source amendment to the City of Regent's water service contract.

It was moved by Commissioner Vogel and seconded by Commissioner Ames that the State Water Commission approve the sole-source amendment to the City of Regent's water service contract. SEE APPENDIX "C".

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
APPROVAL OF 1995 WATER RATES
(SWC Project No. 1736)**

Pinkie Evans-Curry, Assistant Project Manager for the Southwest Pipeline Project, reviewed the project's operating

income and expenses for 1994. She presented and discussed the projected operating cost for 1995 of \$1.62 per thousand gallons, based on delivery of 730,000,000 gallons, comprised of the following:

Operation and Maintenance	\$ 0.67
Replacement and Exterior Maintenance	0.30
Treatment	<u>0.65</u>
	\$ 1.62

Mrs. Evans-Curry said the December, 1994, Consumer Price Index inflation rate is 2.7 percent. The adjusted capital repayment rate for 1995 will be \$0.72. She said the overall increase for 1995 would be 2.2 percent.

It was the recommendation of the State Engineer that the State Water Commission approve the water service rate for 1995 to be \$2.34 per thousand gallons, comprised as follows:

Operation and Maintenance	\$ 0.67
Replacement and Exterior Maintenance	0.30
Treatment	0.65
Capital Repayment	<u>0.72</u>
	\$ 2.34

It was moved by Commissioner Ames and seconded by Commissioner Olin that the State Water Commission approve the water service rate for 1995 at \$2.34 per thousand gallons.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
OPERATIONS AND MAINTENANCE
RESERVE FUND
(SWC Project No. 1736)**

\$61,656 due in 1994, but paid in 1995. The reserve fund balance was projected at \$121,000 for 1994.

Pinkie Evans-Curry reviewed the operations and maintenance reserve fund for 1994. The fund ended the year with \$122,544, which includes the additional

It was the recommendation of the State Engineer that the operations and maintenance reserve fund remain at \$121,000 for 1995, which is approximately 10 percent of the total annual operation and maintenance expenses.

It was moved by Commissioner Bjornson and seconded by Commissioner Thompson that the operations and maintenance reserve fund remain at \$121,000 for 1995.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
1994 ANNUAL PROJECT REPORT
(SWC Project No. 1736)**

Pinkie Evans-Curry presented the 1994 Southwest Pipeline Project Annual Report, attached hereto as **APPENDIX "D"**.

**SOUTHWEST PIPELINE PROJECT -
FUTURE PROJECT FUNDING
(SWC Project No. 1736)**

Secretary Sprynczynatyk briefed the Commission members on options that are being considered for future funding for the

completion of the Southwest Pipeline Project. He said a plan is being explored to develop funding from the Rural Utilities Services Division of the U.S. Department of Agriculture. A North Dakota delegation, including the State Engineer, will be presenting the plan in Washington, DC to the Congressional Delegation and the U.S. Department of Agriculture on February 15 and 16, 1995.

**NORTHWEST AREA WATER
SUPPLY PROJECT -
STATUS REPORT; AND
WATER SERVICE CONTRACTS
(SWC Project No. 237-4)**

James Lennington, Project Coordinator for the Northwest Area Water Supply Project, reported 15 of the 41 cities participating in the Northwest Area Water Supply pre-final

design have entered into water service contracts. There are three cities which have not entered into contracts, but may be supplied by a proposed rural water system. The City of Souris, which had a tie vote in November, held another election, passed the measure, and recently signed a water service contract.

The Upper Souris Rural Water Association, one of the four established rural water systems, has signed a water service contract. Of the other three, North Prairie is supplied by Minot, which has signed the contract; All Seasons intends to sign after the contract has been reviewed by the Rural Economic and Community Development Service; and Williams Rural Water has declined to sign. Mr. Lennington said all five of the proposed rural water systems hope to get water from the project.

Contacts with the Three Affiliated Tribes have been re-established and discussions have begun about supplying tribal members on the Fort Berthold reservation through the Parshall system. Mr. Lennington noted the Three Affiliated Tribes has a new Natural Resources Director, Kyle Baker. Former director, Don Morgan, was a member of the NAWS advisory committee. Mr. Lennington indicated contacts will be made with the Tribal Commission for a recommendation for a representative to the advisory committee.

Mr. Lennington indicated cost estimates are being developed to supply only those cities and rural water associations signing contracts, and yet maintain capacity to supply systems which pipelines are constructed past. This will provide the project with flexibility to add some cities which decide to sign contracts later. The current cost estimate of the project is approximately \$110 million.

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Mr. Lennington stated that if efforts are successful with Canada and pre-treated water from Lake Audubon and Lake Sakakawea can be delivered to Minot for final treatment without a threat of inter-basin biota transfer, the pipeline segment to Minot can be constructed in as little as three years. If, on the other hand, final treatment within the Missouri Basin is necessary, Mr. Lennington said then construction of the pipeline to Minot and the water treatment plant could take as long as five years. He said the two years' difference in construction are very significant in that interest payments on bonds can be capitalized for three years, while bonds with five years of interest capitalized are not marketable. The end result is that if Minot's existing treatment plant can be utilized, the project will not need funding assistance to make interest payments and water will be delivered to Minot two years sooner.

**NORTHWEST AREA WATER
SUPPLY PROJECT -
CHLORAMINATION TESTING
OF WATER FROM LAKE AUDUBON
AND LAKE SAKAKAWEA
(SWC Project No. 237-4)**

James Lennington reported on the testing of the effectiveness of chloramination of raw water from Lake Audubon and Lake Sakakawea. Canadian representatives to the Garrison Joint Technical Committee (JTC)

have agreed that if chloramination can satisfy the disinfection requirements of the Environmental Protection Agency, then the project is potentially acceptable to Canada from the technical standpoint of biota transfer. Samples of Lake Audubon and Lake Sakakawea water were collected on November 7, 1994, and January 9, 1995.

Mr. Lennington said that the pre-final design engineering team and the Commission staff are examining the possibility of using ozonation of the lake water as an alternate to chloramination. He said ozone may have some definite advantages to either chlorine or chloramine. The engineering team is developing proposed modifications to the testing protocol already accepted by the Canadians to include ozonation.

**NORTHWEST AREA WATER
SUPPLY PROJECT -
PROJECT FUNDING AND
LEGISLATION
(SWC Project No. 237-4)**

On January 11, 1995, testimony on Senate Bill 2204 was presented to the Senate Finance and Taxation Committee. SB 2204 amends chapter 61-02 of the North Dakota Century Code to

update the revenue bonding authority of the State Water Commission. SB 2204 clarifies the language of chapter 61-02 and provides for the Industrial Commission to be the entity that would administer any water resource bonding program. The bill also provides that the State Water Commission will continue to be the

authorizing entity for any water resource bond program. Legislative approval is required for any bond issuance above \$2 million. Secretary Sprynczynatyk stated that SB 2204 came out of the committee with a "do pass" recommendation and was subsequently passed in the Senate (49-0).

On January 19, 1995, testimony on Senate Bill 2148 was presented to the Senate Natural Resources Committee. SB 2148 amends chapter 61-24.6 of the North Dakota Century Code to allow the Industrial Commission to issue revenue bonds to finance the construction costs of the Northwest Area Water Supply Project. SB 2148 gives the legislative approval necessary to move forward with bonding required under SB 2204. The existing language of chapter 61-24.6, passed in 1991, authorized the State Water Commission to construct the project. SB 2148 provides a feasible method of obtaining the non-federal funding for construction of the NAWS Project. Secretary Sprynczynatyk stated that SB 2148 came out of the committee with a "do pass" recommendation and was subsequently passed by the Senate (48-0).

**GARRISON DIVERSION PROJECT -
PROJECT AND COLLABORATIVE
PROCESS UPDATE
(SWC Project No. 237)**

Warren Jamison, Manager of the Garrison Diversion Conservancy District, provided a status report on the Garrison Project.

The North Dakota Water Management Collaborative process efforts to refocus the direction of the Garrison Diversion Project were discussed.

Technical groups are currently looking at the municipal, rural and industrial (MR&I) water needs of the more densely populated Red River Valley, the statewide MR&I needs, the total water needs on the three major Indian reservations, the feasibility of plans for canal-side irrigation in conjunction with a wetlands management program in the Turtle Lake area, and a study to address the needs for flood control and for stabilization of Devils Lake.

Mr. Jamison said the end result is likely to be a scaled-down and dramatically altered water project which reflects the current technologies for water use, but also respects the long history of disappointment that North Dakota has experienced in its relations with the Department of the Interior and the federal government on the Pick Sloan Missouri Basin Program. He said "we are hopeful that the results will be a water management program which finally meets North Dakota's long-term water needs, preserves and enhances the natural ecosystem of the prairie pothole region, and saves money over the previously authorized versions." Mr. Jamison said the responsibility for development of the plan and execution of the program appears to be shifting to the state and local authorities.

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Mr. Jamison stressed the need for continuation of the financial support that is necessary to carry through and further develop the consensus-building process, and to maintain the nearly \$400 million worth of facilities that have been constructed but have not been put to any significant beneficial use.

The Administration's Fiscal Year 1996 proposed budget includes \$24.9 million for the Garrison Diversion Project, of which approximately \$11.0 million is allocated for the MR&I Water Supply program.

The Garrison Diversion Conservancy District board of directors met on January 5 and 6, 1995. The MR&I program was discussed and concerns were heard from interest groups relative to funding and the priority ranking system. Mr. Jamison indicated a subcommittee from his board has been appointed to address the concerns relative to the MR&I program, and invited representation on the subcommittee from the State Water Commission.

It was the recommendation of the State Engineer that a subcommittee be appointed from the State Water Commission to work with the Conservancy District subcommittee to review the MR&I program. (Commissioners Swenson, Olin, Bjornson and Dewitz were appointed to the MR&I Interim Subcommittee. A meeting is scheduled for March 8, 1995, in Carrington.)

**GARRISON DIVERSION PROJECT -
CONSIDERATION AND APPROVAL TO
CONTINUE CONSULTING AGREEMENT
WITH WILL & CARLSON FOR PERIOD
OF FEBRUARY 1, 1995 THROUGH
DECEMBER 31, 1996
(SWC Project No. 237)**

Secretary Sprynczynatyk presented a request from the Garrison Diversion Conservancy District for the Commission's consideration to continue cost sharing in the consulting services of Peter Carlson, through the firm of Will & Carlson in Washington, DC.

The State Water Commission first entered into a cost share agreement for the services of Peter Carlson in August, 1991. Since that time, Peter Carlson has provided services to the state, in Washington, DC, on the Garrison Diversion Project, as well as other water resources projects such as Devils Lake, and on water resource issues such as the Clean Water Act, the Safe Drinking Water Act, and wetlands management. Secretary Sprynczynatyk said, "Mr. Carlson has provided us with timely information, and has served as a liaison with congressional committees staff, executive agencies and environmental agencies." He said, "he has helped us as we sought annual appropriations for

the various projects and as we sought authorizing legislation." Since 1991, the Commission has acted on three occasions to contract with Mr. Carlson; on August 22, 1991, July 2, 1993 and July 27, 1994.

Secretary Sprynczynatyk said Mr. Carlson has provided a valuable service to the State Water Commission and should continue in such capacity for the next two years. He said, "this service will be especially important as we seek out the appropriations for Fiscal Years 1996 and 1997. As the Garrison Project is re-defined, Mr. Carlson's efforts in Washington will be important."

It was recommended by the State Engineer that the State Water Commission approve \$25,000 from the Contract Fund toward the Will & Carlson contract for the period of February 1, 1995, through December 31, 1996. This amount would be used to cost share with the Garrison Diversion Conservancy District, with the State Water Commission paying one-half of the contract costs for this period, not to exceed \$25,000, contingent upon the availability of funds.

It was moved by Commissioner Thompson and seconded by Commissioner Ames that the State Water Commission approve \$25,000 from the Contract Fund toward the Will & Carlson contract for the period February 1, 1995, through December 31, 1996, contingent upon the availability of funds. This amount will be used to cost share with the Garrison Conservancy District, with the State Water Commission paying one-half of the contract costs for this period, not to exceed \$25,000.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

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

Jeffrey Mattern, MR&I Water Supply Program Coordinator, provided the following program status report:

Dickey Rural Water Project: The water system would provide water service to Dickey County and the southern portion of LaMoure County. Sign-ups include the communities of Ellendale, Edgeley, Fullerton, Kulm, Manango, and 429 rural users. The total estimated cost

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is \$17,200,000, and the project could be built in two phases. Phase I construction would include a new well field, main transmission pipeline, and a water treatment plant. Phase II would be the pipeline distribution system from the main transmission pipeline.

The water permit application has been denied because of the lack of quantity in the aquifer and concern over the possible changes to the water quality in the aquifer. The Dickey Rural Water Association is looking at other well field sites and will apply for another water permit when a site is located.

Fargo Water Supply Project: The high service pump station for this project has been completed. The raw water intake contractor is working on the building and will complete site work in the spring.

Garrison Rural Water Project: The water supply system serves 270 water users in the Garrison area, including the Fort Stevenson State Park. The City of Garrison provides bulk water to the rural water system.

Grand Forks Water Treatment Project: The project's purpose is to achieve compliance with disinfection requirements of the Surface Water Treatment Rule at the Grand Forks water treatment plant. The city will use a chlorine/chloramine disinfection system that requires construction of an additional seven million gallons in clearwell storage. The city is working on upgrading their water treatment plant control system that may help to reduce the size of the new clearwell. Plans and specifications have been submitted for review.

Langdon Water Treatment Project: The project's purpose is to achieve compliance with the disinfection requirements of the Surface Water Treatment Rule at the Langdon water treatment plant. The city will use a chlorine/chloramine disinfection system that requires construction of an additional 500,000 gallons in clearwell storage. The contractor will start construction in the spring.

Missouri West Rural Water, Phases I and II: Phase I of the water supply system serves 471 water users in northern Morton County, including New Salem, Crown Butte Subdivision, Riverview Heights Subdivision, Almont, and Captain's Landing Township. The City of Mandan provides bulk water service to Missouri West.

Phase II is proposed to serve the City of Flasher and 365 rural users in southern Morton County. The cultural resources survey and environmental requirements are being reviewed. Design is scheduled for 1995 with construction in the spring of 1996. The Phase II estimated project cost is \$7,729,400.

Ramsey County Rural Water Project: The project serves 760 water users in Ramsey County, which includes water users in Churchs Ferry, Garske, Penn, Starkweather, Webster, along with bulk service to Grahams Island State Park, Shelters Grove State Park, and the City of Tolna. The contractor has completed the water treatment plant and will complete the site work in the spring.

**GARRISON DIVERSION PROJECT -
PRESENTATION BY RANSOM-
SARGENT WATER USERS
(SWC Project No. 237)**

The Ransom-Sargent Water Users appeared before the State Water Commission to discuss a proposed rural water system that would provide rural water

service in Ransom, Sargent, Dickey, LaMoure, Cass and Barnes Counties, and service to the communities of Lisbon, Elliot, Forman, Cogswell, Kathryn, Fingal, Nome and Marion. The total population proposed to be served is 5300, with a potential additional population of 3500. The total estimated cost of the project is \$15,000 - \$20,000.

Don Smith, Chairman of the Ransom-Sargent Water Users, provided project information and said the preliminary engineering report is expected to be completed in March, 1995. He requested favorable support from the Commission.

**GARRISON DIVERSION PROJECT -
CONSIDERATION AND APPROVAL
OF MISSOURI WEST WATER SYSTEM,
CITY OF ALMONT AMENDMENT
(SWC Project No. 237-3)**

Jeffrey Mattern reported the Missouri West water system is operational and providing water service to Morton County residents. The project started with major construction in 1993, and

after delays due to the wet conditions, finalized construction of Phase I in 1994. This phase serves 471 water users in northern Morton County, including New Salem, Crown Butte Subdivision, Riverview Heights Subdivision, Almont, and Captain's Landing Township. The City of Mandan provides bulk water service to Missouri West.

The City of Almont and several rural users were added late in 1994. The unit bid prices were set in 1993, but with such a long time in adding these water users, the contractor had to increase the unit costs on the additional pipeline. Mr. Mattern said presently if additional costs are incurred in adding water users as a result of late sign-up by the water user, then this additional cost is not eligible for MR&I funding.

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Mr. Mattern indicated that the original Missouri West water system was approved for a 65 percent MR&I grant and a 35 percent State Water Commission loan on the eligible costs. The total project funding is, therefore, provided by this funding package. The increase in unit bid costs to add Almont and several rural users is \$54,031.25.

Mr. Mattern said it is proposed that this additional cost be made available to Missouri West in the form of a State Water Commission loan, without an additional MR&I grant. This loan would be made available so that the project can add these water users while not decreasing grant funds to other water projects. The approved State Water Commission loan for the Missouri West water system project has funds to cover a loan of \$54,031.25 for adding these water users. This loan would make the total project funding approximately 64 percent grant, 35 percent loan, and 1 percent Missouri West water system.

It was the recommendation of the State Engineer that the State Water Commission approve the additional cost of \$54,031.25, above the unit bid prices, for adding the City of Almont and several rural water users, and funds be made available in the form of a State Water Commission loan to the Morton County Water Resource District for the Missouri West water system.

It was moved by Commissioner Vogel and seconded by Commissioner Thompson that the State Water Commission approve the additional cost of \$54,031.25, above the unit bid prices, for adding the City of Almont and several rural users, and that the additional cost be made available in the form of a State Water Commission loan to the Morton County Water Resource District for the Missouri West water system. This motion is contingent upon the availability of funds.

Commissioners Ames, Bjornson, DeWitz, Olin, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
RED RIVER VALLEY WATER
COALITION
(SWC Project No. 237)**

developed a mission statement and goals, which were addressed by Mr. Vein.

At the December 7, 1994 meeting Ken Vein, City Engineer for Grand Forks, presented information on the Red River Valley Coalition. The Coalition

Secretary Sprynczynatyk reported meetings have been held with the Coalition and progress is being made to address the concerns and issues raised by the Coalition.

**DEVILS LAKE STABILIZATION -
PROJECT UPDATE
(SWC Project No. 1712)**

Secretary Sprynczynatyk briefed the Commission members on the status of the US Army Corps of Engineers feasibility study to manage and stabilize Devils Lake. Stage 1 of the study is near completion and the decision to continue into Stage 2 of the study is being considered by the Corps. He reported the Congressional Delegation and the Governor met with Dr. John Zirschky, Acting Assistant Secretary for Civil Works for the Department of Army, urging the Corps' continued involvement in Devils Lake. As a result of the meeting, Secretary Sprynczynatyk said the Corps has expressed a willingness to re-evaluate the range of factors, which will become the basis of feasibility studies for the stabilization of the Devils Lake basin.

On February 6, 1995, a delegation from North Dakota, including the State Engineer, met with representatives of the Corps in St. Paul. Secretary Sprynczynatyk said he felt progress was made and, as a result of the meeting, the following statement was issued:

At the request of Senators Dorgan and Conrad, Representative Pomeroy, and Governor Schafer, the Corps of Engineers has taken a new look at its policy regarding continuing efforts for Devils Lake stabilization. The delegation and the state requested the Corps to take a leadership role in developing an inter-agency collaborative approach with the state and local interests to respond to the Congressional Delegation and the Governor's request to consider all of the benefits, not just flood control, to be derived from a comprehensive basin study. The Corps is considering the request and will work with the Bureau of Reclamation, the Office of Management and Budget, and other affected agencies to respond within a week or two.

Secretary Sprynczynatyk reported on the potential flooding and runoff problems in the Devils Lake basin. He made reference to legislation, Senate Bill 2463, which directs the State Engineer to develop contingency plans and begin work to implement these plans to contain and minimize the anticipated flood damages in the basin. He said the development of contingency plans have already begun in working with the Governor's office, the National Guard, the Division of Emergency Management, the Department of Transportation, county, city and township officials, and the Corps of Engineers. He said

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to date, four broad plans to reduce flood impacts around Devils Lake have been identified, ranging from storing water in the upper basin; raising the road system; constructing an outlet from Devils Lake to Stump Lake; to constructing an outlet from Devils Lake to the Sheyenne River.

Senate Bill 2463, if passed by the Legislature, would appropriate funds for a State Water Commission office in Devils Lake. Secretary Sprynczynatyk said the office would be patterned after the West Fargo office, which was opened in 1984, to address the water problems in the Red River basin. The objectives of the Devils Lake office would be to locate an engineer in the area to provide technical assistance in addressing water-related problems throughout the 3,800 square-mile Devils Lake basin.

Secretary Sprynczynatyk reported that Devils Lake continues to rise. Devils Lake is at elevation 1431.04, a record high for the lake for the past 110 years. He said since July, 1993, Devils Lake has risen steadily from an elevation of 1422.6. Based on existing conditions and assuming normal precipitation over the next few months, he said Devils Lake should reach at least 1432.5 msl in 1995.

**DEVILS LAKE BASIN WATER
MANAGEMENT PLAN
(SWC Project No. 1712)**

The Devils Lake Task Force was appointed by the State Engineer in 1991 to develop a comprehensive, coordinated water management plan for the Devils Lake basin that will protect the economic and biological values of the basin while providing optimum benefits for agriculture, wildlife and fisheries, outdoor recreation, and economic development.

Terry Gregoire presented a briefing to the State Water Commission on the basin management plan from the Devils Lake Task Force. A summary of the draft final plan is attached hereto as **APPENDIX "E"**.

**NORTH DAKOTA WATER
COALITION PRESENTATION
RELATIVE TO STATEWIDE
WATER NEEDS**

The following individuals, representing the North Dakota Water Coalition, made presentations to the State Water Commission relative to the statewide water needs: Michael Dwyer, Ken Vein, Rudy Radke, Dan Twichell, Jim Sweeney, Loren Myran, Bob Schempp, and Dave Koland. Representing various areas of the state, they explained their situation and the benefits that will accrue if the water needs of the area are addressed. In summary, the Coalition representatives said, "It is important that there be a statewide understanding of water needs, rather than each area understanding their own water needs. There must be a mutual statewide understanding."

The North Dakota Water Coalition passed a motion at its December 5, 1994, meeting recommending to the 1995 Legislature that it consider a legislative interim study resolution identifying the long-term funding solutions for North Dakota's water resource revenue needs. (Senate Concurrent Resolution 4033.)

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

Secretary Sprynczynatyk provided a status report on the Corps of Engineers draft Environmental Impact Statement for the Missouri River Master Control Manual review and update.

Secretary Sprynczynatyk provided a status report on the Corps of Engineers draft Environmental

Public meetings were held in September and October, 1994, in the Missouri basin states on the Preferred Alternative. The deadline for submitting comments to the Corps on the Preferred Alternative is March 1, 1995.

The Missouri River Basin Association met on December 2, 1994, and agreed to move forward with a collaborative process to develop a consensus on as much of the revised Master Manual as possible to present to the Corps for its consideration in developing a final plan. Secretary Sprynczynatyk indicated that if the Association is successful, litigation with the Corps and the lower basin states may be avoided.

The Missouri River Basin

Secretary Sprynczynatyk said that the Missouri Basin States Association will be meeting February 21, 1995, to interview three firms for facilitation services to develop a plan for a consensus-based revision of the Missouri River Master Manual.

Secretary Sprynczynatyk said

**CANNONBALL RIVER BASIN
COOPERATIVE STUDY UPDATE
(SWC Project No. 322-1)**

Linda Weispfenning, State Water Commission's Planning and Education Division, provided a status report on the Cannonball River Basin Study, which is attached hereto as **APPENDIX "F"**.

Linda Weispfenning, State Water Commission's Planning and Education Division, provided a status report on the Cannon-

**DICKINSON DAM AND
BASCULE GATES UPDATE
(SWC Project No. 263)**

At the October 14, 1994 meeting the Commission members were advised the City of Dickinson is interested in assuming ownership and responsibility of the Dickinson Dam and Patterson Lake from the Bureau of Reclamation. Charles Rydell stated the city owes the Bureau approximately \$3 million. Presently, the State Water Commission gives the city credit for 75 percent of the debt under the Southwest Pipeline Project's water service contract. The credit amounts to approximately \$12,000 per month for seven more years.

At the October 14, 1994 meeting the Commission members were advised the City of Dickinson is interested in assuming

The State Water Commission has drafted a plan, which addresses the issues associated with the transfer of Dickinson Dam and Patterson Lake. Mr. Rydell stated that comments on the draft plan have been received from the City of Dickinson and the Bureau of Reclamation and are being incorporated into the final draft plan, which is expected to be completed in March, 1995.

Mr. Rydell reported on a meeting held January 26, 1995, in Dickinson relative to environmental issues associated with the transfer of the dam and the lake. A specific issue discussed was the sponsorship of a sediment and nutrient budget study of the Patterson Lake watershed. The study is being proposed by the North Dakota State Department of Health and Consolidated Laboratories as the foundation for a watershed management plan. Mr. Rydell said that as a result of the meeting, the City of Dickinson, the Stark County Water Resource District, and the Western Soil Conservation District are considering providing the necessary local financial support for the study. The city intends to use the results of this study in developing a watershed management plan for the Patterson Lake watershed.

The City of Dickinson is in the process of assembling information on their past financial costs, along with their expected future costs if they assume ownership of the Dickinson Dam and Patterson Lake. This information, the information concerning the sediment and nutrient budget study, and the watershed management plan will be incorporated into the plan being drafted for submittal to the Congressional Delegation.

1995 LEGISLATION

The Commission members discussed legislation and requested that, in addition to the weekly bill status report, they also be provided copies of amendments to bills which have been filed by the State Water Commission and the State Engineer.

SOURIS RIVER APPORTIONMENT (SWC Project No. 1758)

Secretary Sprynczynatyk stated that in 1989, Canada and the United States negotiated an agreement for water supply and flood control for the Souris River basin. This agreement formed the basis for the 1992 Interim Measures as Modified for the apportionment of the water resources of the basin provided for in the Boundary Waters Treaty of 1909 and the 1959 Interim Measures.

In June, 1994, the International Souris River Board of Control sent a letter to the International Joint Commission requesting that it assist the board

in interpreting a section of the 1992 Interim Measures as Modified. Secretary Sprynczynatyk stated that the hydrologic and reservoir storage conditions existing in 1994 created a situation requiring, for the first time, a particular section of the Interim Measures as Modified to be interpreted. Secretary Sprynczynatyk is chairman of the United States Section of the International Souris River Board of Control.

Following consideration of the issue, the International Joint Commission, at its meeting with government officials in Ottawa on September 12, 1994, requested the governments provide the Commission with guidance in regard to the matter of interpretation.

Secretary Sprynczynatyk reported on international discussions held February 7, 1995, in St. Paul. A recommendation was forwarded to the Secretary of State and to the Canadian Secretary of Foreign Affairs to let the governments try to resolve the dispute issue. As a result, the Souris River Technical Committee has been formed by both governments. Secretary Sprynczynatyk will chair the United States committee, which is expected to meet in mid-March.

**NEXT MEETING OF STATE
WATER COMMISSION**

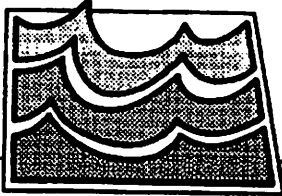
The next meeting of the State Water Commission is scheduled for April 5, 1995, in Bismarck.

There being no further business to come before the State Water Commission, it was moved by Commissioner DeWitz, seconded by Commissioner Olin, and unanimously carried, that the State Water Commission meeting adjourn at 12:15 PM.


Edward T. Schafer
Governor-Chairman

SEAL


David A. Sprynczynatyk
State Engineer and
Chief Engineer-Secretary



North Dakota State Water Commission

900 EAST BOULEVARD • BISMARCK, ND 58505-0850 • 701-224-2750 • FAX 701-224-3696

Meeting To Be Held At
State Office Building
Lower Level Conference Room
Bismarck, North Dakota

February 9, 1995
9:00 AM, Central Standard Time

AGENDA

- A. Roll Call
- B. Approval of Agenda
- C. *Consideration of Minutes of December 7, 1994, Meeting* **
- D. Financial Statement:
 - 1) Agency Operations **
 - 2) Resources Trust Fund **
 - 3) 1995-1997 Budget Update **
 - 4) Funding for Water Development Projects
- E. Consideration of Following Requests for Cost Sharing:
 - 1) *Mt. Carmel Dam - Cavalier County* **
 - 2) *Baldhill Dam Pool Raise* **
- F. Southwest Pipeline Project:
 - 1) Project/Construction Status Report **
 - 2) *Phased Development Plan* **
 - 3) *Oliver-Mercer-North Dunn Service Area* **
 - 4) Eastern Grant County **
 - 5) *Rural Water Service Meter Fee* **
 - 6) *1994 Operations Report/1995 Rate Schedule/
Transfer of Operations* **
 - 7) *City of Regent - Request for Sole Source Service* **
- G. Northwest Area Water Supply Project Update: **
 - 1) Water Service Contracts
 - 2) Chloramination Testing
 - 3) Legislation
- H. Garrison Diversion Project:
 - 1) Project Update: Collaborative Process **
 - 2) *Contract With Will & Carlson* **
 - 3) MR&I Water Supply Program Update **
 - 4) *Missouri West Water System - Almont Amendment* **
 - 5) Red River Water Supply Coalition **

GOVERNOR EDWARD T. SCHAFFER
CHAIRMAN

DAVID A. SPRYNCZYNYATYK, P.E.
SECRETARY & STATE ENGINEER

AGENDA - PAGE 2

- I. 11:00 AM - Devils Lake Stabilization:
 - 1) Update
 - 2) Devils Lake Basin Water Management Plan: **
 - a) Presentation by Devils Lake Task Force
- J. Presentation by North Dakota Water Coalition **
- K. Missouri River Update
- L. Cannonball River Basin Study Update **
- M. Dickinson Dam/Patterson Lake **
- N. 1995 Legislation
- O. Souris River Apportionment
- P. Other Business
- Q. Adjournment

** MATERIAL PROVIDED IN BRIEFING FOLDER

** *ITALICIZED, BOLD-FACED ITEMS REQUIRE SWC ACTION*

If auxiliary aids or services such as readers, signers, or Braille material are required, please contact the North Dakota State Water Commission, 900 East Boulevard, Bismarck, North Dakota 58505; or call (701) 328-4940 at least seven (7) working days prior to the meeting. TDD telephone number is (701) 328-2750.

NORTH DAKOTA STATE WATER COMMISSION

REGISTER

ATTENDANCE AT State Water Commission Meeting

DATE February 9, 1995 PLACE Bismarck, ND

PROJECT NO. _____

Your Name	Your Address	Who do you Represent? (Or Occupation)
CHARLES VEIN	GRAND FORKS	ADVANCED ENGINEERING
Doug Neibauer	6909 Harra LP Bismarck N.D. 58501	Barleigh Water Users COOP
Don Smith	Sismon ND.	PANSON-SARGENT WATER USERS
Tom Shultz	Sismon ND	Panson Sargent water users
Row Lloyd	Sismon ND	Panson Sargent water users
Allen Fish	11 277 Ave BW 73i.	Retired.
Maurice Am	Sturmy 7 Dak GCD Larson	G CDC
Ken Vein	Grand Forks	City of Grand Forks
Blue Eas Curry	Bismarck	SWC
Tex Lone Deer	HC 3, Box 2 New town, ND	Three Affiliated Tribes
Lloyd Huber	RK 2, Box 139 New Belton ND	Missouri Valley Water Systems
Willie Meitel	Dickinson	SW Activity
Tim Fay	Bismarck	SWC Staff
Tom S. Ford	Walhalla	Cavalier Co. WRB.
HANK TRANGSDUP	FARGO	HOUSTON ENGINEERING

NORTH DAKOTA STATE WATER COMMISSION

R E G I S T E R

ATTENDANCE AT SWC Meeting

DATE 2.9.95 PLACE _____

PROJECT NO. _____

Your Name	Your Address	Who do you Represent? (Or Occupation)
<i>Jim Lenoington</i>	<i>Bis</i>	<i>NDSWC</i>

STATE WATER COMMISSION
PROGRAM BUDGET EXPENDITURES DECEMBER 31, 1994
BIENNIUM TIME 75.0%

FINANCIAL STATEMENT
SWC File ACT/FIN
01-18-1995

AGENCY PROGRAM	SALARIES & WAGES	INFORMATION SERVICES	OPERATING EXPENSE	EQUIPMENT	CONTRACTS	PROGRAM TOTAL
Administration						
Budget	\$633,590	\$75,792	\$293,465	\$3,000	\$0	\$1,005,847
Expended	\$453,316	\$53,110	\$207,629	\$1,981	\$0	\$716,036
Percent	72	70	71	66	0	71
Water Education						
Budget	\$624,858	\$0	\$142,264	\$12,750	\$25,000	\$804,872
Expended	\$432,840	\$0	\$86,150	\$11,763	\$24,335	\$555,088
Percent	69	0	61	92	97	69
Water Appropriation						
Budget	\$2,178,891	\$3,955	\$408,500	\$33,000	\$660,000	\$3,284,346
Expended	\$1,638,829	\$300	\$249,828	\$9,526	\$410,170	\$2,308,652
Percent	75	8	61	29	62	70
Water Development						
Budget	\$2,486,884	\$2,500	\$316,700	\$57,100	\$8,612,509	\$11,475,693
Expended	\$1,874,167	\$0	\$207,285	\$22,619	\$3,720,221	\$5,824,291
Percent	75	0	65	40	43	51
Atmospheric Resources						
Budget	\$393,452	\$2,500	\$1,700,701	\$10,500	\$3,050,000	\$5,157,153
Expended	\$278,811	\$1,454	\$751,100	\$8,245	\$692,286	\$1,731,905
Percent	71	59	44	79	23	34
Southwest Pipeline						
Budget	\$727,047	\$9,000	\$4,617,020	\$110,000	\$26,500,000	\$32,063,067
Expended	\$493,435	\$6,856	\$2,520,818	\$11,578	\$11,408,284	\$14,440,971
Percent	68	76	55	11	43	45
Contract Carryover						
Budget	\$0	\$0	\$0	\$0	\$500,000	\$500,000
Expended	\$0	\$0	\$0	\$0	\$500,000	\$500,000
Percent	0	0	0	0	100	100
Agency Totals						
Budget	\$7,044,722	\$93,747	\$7,478,650	\$226,350	\$39,447,509	\$54,290,978
Expended	\$5,171,397	\$61,731	\$4,022,810	\$65,710	\$16,755,296	\$26,076,944
Percent	73	66	54	29	42	48
FUNDING SOURCE:						
General Fund	\$5,532,084	\$3,243,724	\$2,258,360		FEDERAL FUND REVENUE:	\$13,416,034
Federal Fund	\$32,775,404	\$14,445,510	\$18,329,894		SPECIAL FUND REVENUE:	\$8,603,775
Special Fund	\$15,983,490	\$8,387,710	\$7,355,780		GENERAL FUND REVENUE:	\$11,355
					TOTAL:	\$22,031,164
TOTAL	\$54,290,978	\$26,076,943	\$28,244,034			

STATE WATER COMMISSION
1993 - 1995 Grants/Contract Fund

Page 1
27-Jan-95

----- FUNDING SOURCES -----						
	RTP	General Funds	Federal Funds	Other Funds	Carryover	Totals
Inter Basin Transfer	\$0	\$25,000				\$25,000
Hydrologic Investigation	\$600,000			\$60,000		\$660,000
MR&I Program	\$3,106,110				\$500,000	\$3,606,110
EPA Wetlands Grant	\$0		\$399,299			\$399,299
NAWS	\$50,000					\$50,000
Devils Lake	\$500,000					\$500,000
Maple River Dam	\$326,610					\$326,610
Southwest Pipeline	\$1,525,678					\$1,525,678
General Projects	\$2,582,811	\$0	\$26,000	\$96,000		\$2,704,811

SWC Grants Totals	\$8,691,209	\$25,000	\$425,299	\$156,000	\$500,000	\$9,797,508

PROGRAM COMMITMENTS						
APPROVD BY	SWC No.	NAME	Date Approved	Amount Approved	Payments	Balance
SWC	1828	Inter Basin Transfer		\$25,000	\$10,876	\$6,124
SWC	1395	Hydrologic Investigations USGS Data Collections: FY '94 & FY '95		\$656,000	\$337,987	\$318,013
SWC	1389	High Value Irrigated Crop Development		\$4,000	\$2,000	\$2,000
HYDRO SUBTOTAL				\$660,000	\$339,987	\$320,013
NR&I Program						
SWC	237-5	Ramsey Co Rural Water	9-15-92	\$1,094,259	\$1,041,132	\$53,127
SWC	237-27	Missouri West	9-15-92	\$1,473,949	\$1,377,971	\$95,978
SWC	237-36	Stanley	10-21-91	\$513,672	\$301,273	\$212,399
SWC	237-42	Garrison Rural Water	9-15-92	\$524,230	\$518,296	\$5,934
NR&I SUBTOTAL				\$3,606,110	\$3,238,671	\$367,438
EPA WETLANDS GRANT						
SWC	1489-5	Wetlands Education	9-15-92	\$65,821	\$65,821	\$0
		Technical Services		\$8,873	\$8,873	\$0
		Water Quality Analysis		\$14,325	\$14,325	\$0
		Grand Harbor		\$57,587	\$57,587	\$0
		Private Lands		\$26,955	\$26,955	\$0
		Devils Lake Basin (Conservation Plan)		\$22,738	\$22,738	\$0
		Adopt-A-Pothole		\$25,000	\$25,000	\$0
	1489-9	Devils Lake Basin (Midwest Flood)		\$50,000	\$49,823	\$177
	1489-7	Health Dept		\$27,000	\$15,834	\$11,166
		Water Education Fundation		\$50,000	\$50,000	\$0
		Game & Fish (CRP)		\$17,000	\$6,064	\$10,936
		Game & Fish (Private Lands)		\$34,000	\$13,118	\$20,882
EPA SUBTOTAL				\$399,299	\$356,137	\$43,162
SWC	237-4	NARS	2-04-92	\$50,000	\$0	\$50,000
SWC	416-1	Devils Lake Flood Control	2-04-92	\$438,000	\$70,100	\$367,900
SWC	1712	Frequency Analysis Devils Lake	10-26-93	\$62,000	\$0	\$62,000
DEVILS LAKE SUBTOTAL				\$500,000	\$70,100	\$429,900
SWC	1344	Maple River Flood Control	2-04-92	\$326,610	\$48,163	\$278,447
SWC	1736	Southwest Pipeline Project	2-04-92	\$1,525,678	\$726,860	\$798,818

PROGRAM COMMITMENTS

APPROVD BY	SWC No.	NAME	Date Approved	Amount Approved	Payments	Balance
		Shortfall		\$1,359,343	\$0	\$1,359,343
SWC	237	Garrison Consultant (91-93)	8-22-91	\$7,842	\$7,842	(\$0)
SWC	1803	Belfield Flood Control (Stark)	12-20-91	\$38,800	\$0	\$38,800
SWC	1346	Mount Carmel (Cavalier)	4-02-92	\$4,395	\$0	\$4,395
SWC	662	Park River Snagging & Clearing (Walsh)	4-02-92	\$10,117	\$0	\$10,117
SWC	662	Park River #2 Snagging & Clearing (Walsh)	5-23-92	\$4,625	\$0	\$4,625
SWC	1496	Lake Elsie (Richland) (F)	8-05-92	\$11,500	\$2,811	\$8,689
SWC	1292	Willow Road Floodway (Morton)	8-26-93	\$32,641	\$32,641	\$0
SWC	300	Baldhill Dam (Barnes)	9-15-92	\$184,000	\$60,000	\$124,000
SE	1311	Bingham CAT (Trall)	9-15-92	\$4,900	\$0	\$4,900
SE	1311	Elm CAT (Trall) (F)	9-15-92	\$5,590	\$5,590	\$0
SWC	237	ND Water Coalition	12-09-92	\$10,000	\$10,000	\$0
SWC	1815-4	Sheyenne River Snagging & Clearing (Ransom)	12-09-92	\$4,836	\$0	\$4,836
SWC	1842-4	Wild Rice Snagging & Clearing (Richland)	12-09-92	\$725	\$0	\$725
SE	1751-H	Lower Forest River FP (Walsh)	1-26-93	\$5,200	\$0	\$5,200
SE	1751-C	Williston Floodplain (Williston)	2-24-93	\$2,000	\$1,000	\$0
SWC	1804	Grand Harbor #1 (Ramsey)	4-06-93	\$20,640	\$0	\$20,640
SWC	237	Garrison Consultant (93-95)	7-02-93	\$40,000	\$30,704	\$9,296
SWC	1822	Hammer - Sullivan (Ramsey)	7-02-93	\$21,231	\$0	\$21,231
SWC	1840	North Loma (Cavalier)	7-09-93	\$7,960	\$0	\$7,960
SE	543	North Lemmon Lake Dam (Adams)	7-08-93	\$9,933	\$9,933	(\$0)
SE	263	Patterson Lake Management (Stark)	8-24-93	\$500	\$500	\$0
SE	266	Tolna Dam (Nelson)	9-28-93	\$2,000	\$0	\$2,000
SWC	1588-1	International Coalition	10-26-93	\$10,000	\$10,000	\$0
SE	1392	Missouri River Master Manual Review	10-20-93	\$1,413	\$1,413	\$0
SWC	1865	Belfield Dam (Stark)	11-19-93	\$62,000	\$59,122	\$2,878
SE	1577	Langdon Floodplain Management Study (Cavalier)	12-20-93	\$4,100	\$0	\$4,100
SWC	1245	Nelson Drain (Trall)	12-08-93	\$37,627	\$0	\$37,627
SWC	1826	Wetlands Trust	12-08-93	\$3,330	\$3,330	\$0
SWC	1545	Drain #72 (Richland)	12-08-93	\$10,017	\$0	\$10,017
SE	1816-5	Sheyenne River Snagging & Clearing (Barnes)	01-19-94	\$8,500	\$0	\$8,500
SE	1868-4	Wild Rice Snagging & Clearing (Case)	01-25-94	\$5,875	\$0	\$5,875
SWC	1346	Nt Carmel Dam (Cavalier)	03-09-94	\$250,000	\$0	\$250,000
SWC	222	Buford-Trenton Irrigation (Williams)	04-07-94	\$39,240	\$0	\$39,240
SE	1270	Hay Creek Watershed (Durlough)	04-22-94	\$9,750	\$0	\$9,750
SE	1875	Castle Rock (Hettinger)	05-03-94	\$6,000	\$0	\$6,000
SE	820	Oak Creek Snagging & Clearing (Bottineau)	05-17-94	\$475	\$0	\$475
SE	1701-2	Red River UNET Study (Walsh)	05-23-94	\$6,250	\$0	\$6,250
SWC	1614	Lower Mauvais Coulee (Benson-Ramsey)	07-27-94	\$41,800	\$0	\$41,800
SE	1730	Sec 22 COE St Paul (Phase I Statewide)	10-05-94	\$5,200	\$5,200	\$0
SWC	1588-1	International Coalition	10-14-94	\$10,000	\$0	\$10,000
SE	870	Crown Butte Dam (Morton)	11-09-94	\$6,838	\$6,838	\$0
SE	1272	Wenegeler WPA (Cavalier)	11-25-94	\$2,000	\$2,000	\$0
SWC	1826	Wetlands Trust	12-07-94	\$15,000	\$15,000	\$0
SWC	1730	Section 22 (UNET FY 95)	12-07-94	\$11,600	\$0	\$11,600
SWC		ND Water Magazine	12-07-94	\$18,000	\$0	\$18,000
APPROVED GENERAL PROJECTS SUBTOTAL				\$593,450	\$263,926	\$729,526
Unallocated Balance (Total-Approved-Shortfall)				\$352,018		

SWC GRANTS TOTALS \$9,797,508 \$5,062,719 \$4,734,790

SOUTHWEST PIPELINE PROJECT
WATER SERVICE AGREEMENT AMENDMENT
REGENT
CONTRACT NO. 1736-9

Notwithstanding the provisions of Sections VII C, D.3, and E.3, if the City uses water from no other source than the Southwest Pipeline during the course of the year, the City will make payment based on the actual amount of water used, and the monthly payment shall be based on the actual amount used in the respective month.

NORTH DAKOTA STATE WATER COMMISSION
900 East Boulevard
Bismarck, N. Dak. 58505

By: David A. Sprynczynatyk

Title: State Engineer

Date: February 20, 1995

Approved and entered into by resolution of the State Water Commission this 20th day of February, 1995

David Sprynczynatyk
Secretary and State Engineer

CITY OF REGENT

PO Box 86
Regent, ND
58650

By: Barbara Burkhardt

Title: Mayor

Date: 12-1-94

Approved and entered into by resolution of the City of Regent this 10th day of October, 1994.

Barbara Burkhardt

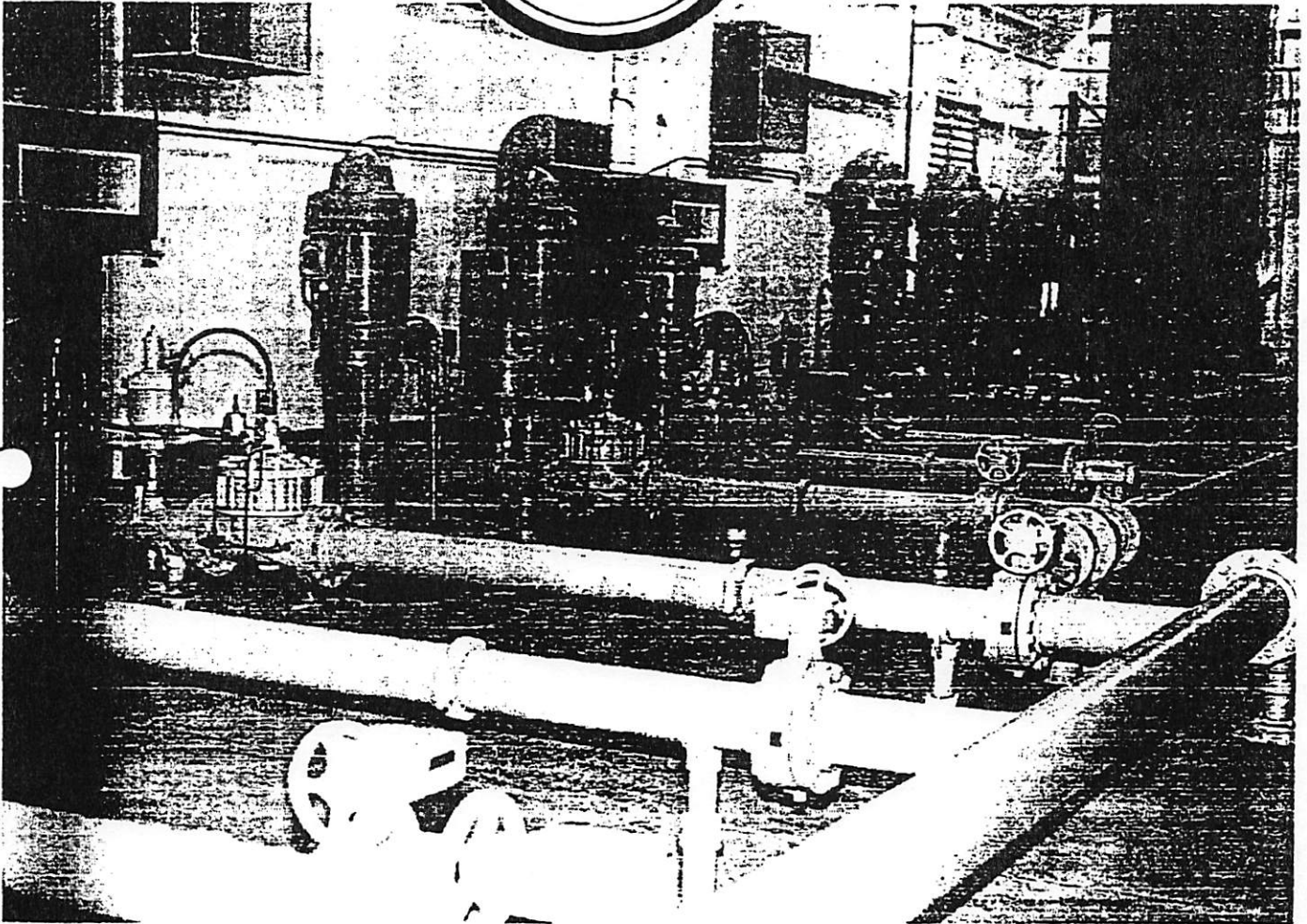


Photo: James Odeimann, Odeimann Communications

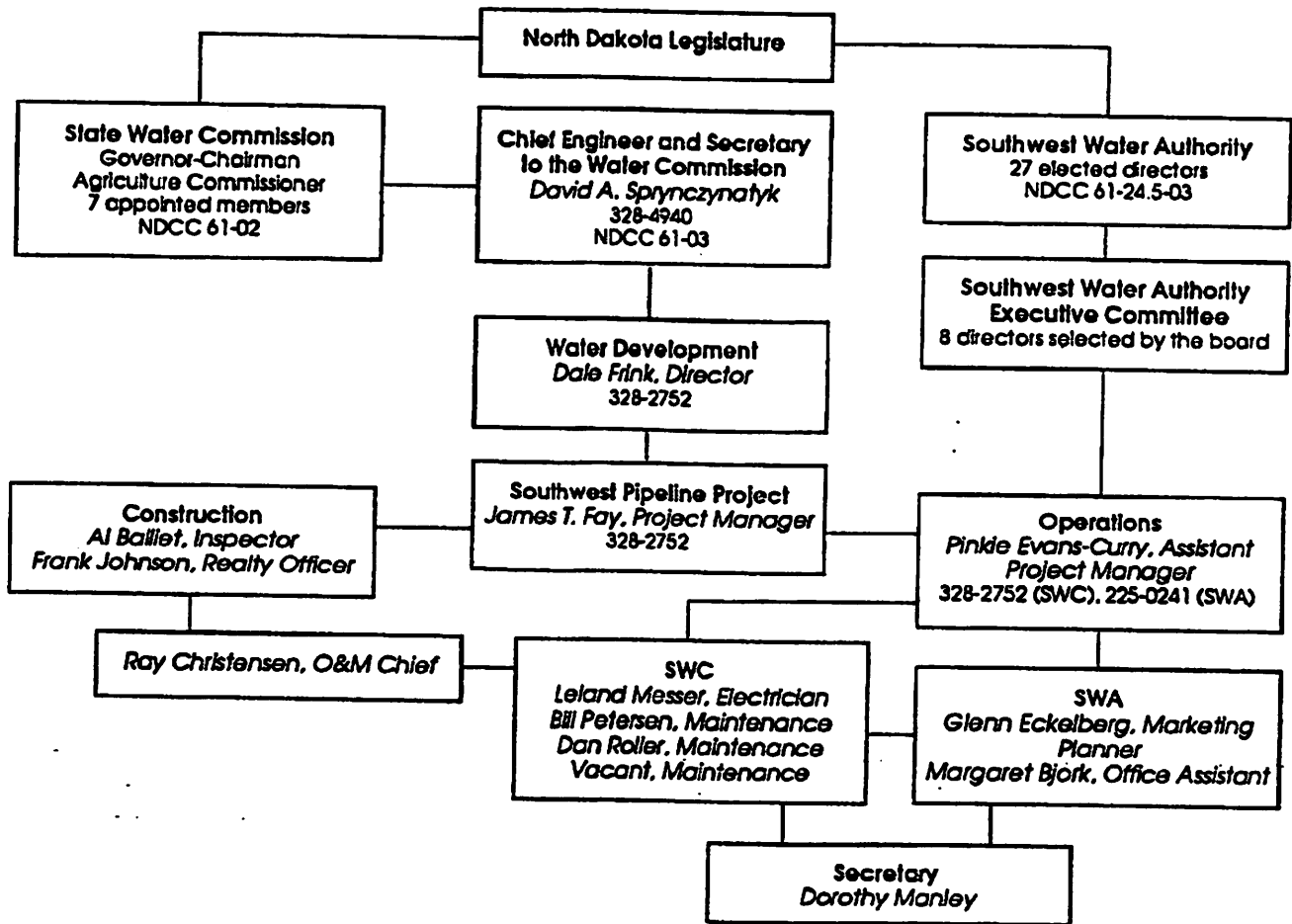
1994 Annual Operating Report

ND STATE WATER COMMISSION

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Southwest Pipeline Project Organizational Chart



State Water Commission Members As of December 31, 1994

Edward T. Schafer, Governor-Chairman
 Sarah Vogel, Department of Agriculture
 Elmer Hillesland Grand Forks
 Robert Thompson Page
 Jack Olin Dickinson
 Harley Swenson Bismarck
 Mike Ames Williston
 Florenz Bjornson West Fargo
 Judith DeWitz Tappen

Southwest Water Authority Directors As of December 31, 1994

Alfred Underdahl, Chairman* Morton Co.
 Loren Myran, Vice-Chairman* Stark Co.
 Leonard Jacobs, Secretary-Treasurer* Adams Co.
 Norbert Amann Dunn Co.
 Ray Bieber Hettinger Co.
 Donald Binstock Dunn Co.
 Joe Braun Grant Co.

Duane Bueligen Oliver Co.
 Gene Davison* Adams Co.
 Ken Dukart* City of Dickinson
 Dale Evoniuk Billings Co.
 Don Flynn* Bowman Co.
 Roger Hewson Billings Co.
 John Klein Mercer Co.
 Willie Mastel City of Dickinson
 Walter Mattson Golden Valley Co.
 Adolph Miller Mercer Co.
 Darrel Oech* Golden Valley Co.
 Lincoln Reinhiller Oliver Co.
 Arnold Rotering Slope Co.
 Brian Roth Grant Co.
 Mike Schaaf Morton Co.
 Joe Schneider Stark Co.
 Joe Steier* Slope Co.
 Chris Tarpo Hettinger Co.
 Ken Woodley** Bowman Co.
 Larry Ziegler City of Dickinson

*Member of Executive Committee

**Appointed by County Commissioners



ANNUAL OPERATING REPORT

Introduction

The Southwest Pipeline delivered 612,163,400 gallons of potable water in 1994. The amount delivered is 96.2 percent of the 636,530,000 gallons withdrawn from Lake Sakakawea.

The Southwest Pipeline was able to serve additional water users in 1994 because of the completion of the Dickinson Pump Station (pictured on the front cover). The Dickinson Pump Station can pump 6,000,000 gallons of water per day and serves the areas south, west, and north of Dickinson. This pump station along with the Davis Butte Reservoir provides service to 11 cities and 179 rural customers.

The cities of Dodge, Dunn Center, Golden Valley, Halliday, Gladstone, Taylor, and Mott were previously cited by the Environmental Protection Agency for excessive fluoride in their drinking water. The extension of service to these cities through the Southwest Pipeline eliminated the threat of fines to these cities. These cities as well as New England, Regent, Richardton, Sacred Heart Monastery, and Assumption Abbey are now served from the Dickinson Pump Station. There were also 179 rural users being served at the end of 1994.

1994 Service

Summary of Delivery

The Southwest Pipeline continued to serve the city of Dickinson and the Roshau Subdivision with potable water in 1994. Assumption Abbey, Sacred Heart Monastery, and the cities of Gladstone, Mott, New England, Regent, Richardton, and Taylor received service in November. Dodge, Dunn Center, Golden Valley, and Halliday began service in December.

Rural customers are being served in addition to the Roshau Subdivision. A total of 179 customers are being served as of December 31. Six are from the Taylor Watershed Project.

The Taylor Nursery of Taylor and the Sacred Heart Monastery of Richardton continue to be served with raw water. Potential users in the area of the Southwest Pipeline requested a change in the contract for raw water use. The State Water Commission approved the change in October, and now raw water users have an option in cost of initial service and number of minimum gallons billed. There will be additional raw water users in 1995.

Total water service to all types of users was 612,163,400 gallons. This represents 96.2 percent of the 636,530,000 gallons of water that was withdrawn from Lake Sakakawea.

Summary of 1994 Volume by User

TREATED WATER

City of Dickinson	599,687,000 gallons*
City of Dodge	178,900 gallons
City of Dunn Center	157,000 gallons
City of Gladstone	864,300 gallons
City of Golden Valley	174,700 gallons
City of Halliday	418,900 gallons
City of Mott	3,938,500 gallons
City of New England	327,700 gallons
City of Regent	677,600 gallons
City of Richardson	3,915,300 gallons
City of Taylor	849,000 gallons
Assumption Abbey	297,100 gallons
Sacred Heart Monastery	129,360 gallons
Additional Rural Usage	548,000 gallons

RAW WATER

Taylor Nursery	576,200 gallons
Sacred Heart Monastery	492,800 gallons

**Includes 1,751,000 gallons delivered to Roshau Subdivision before the Dickinson Pump Station and Davis Butte tank were placed into service at the end of September.*

Summary of Operations

The operations staff concentrated on preparation for and actual connection of new users to the system.

The staff held meetings for water and sewer contractors and plumbers interested in making connections to the system for individual users. These meetings and the establishment of guidelines enabled connections and service to be made with uniformity.

The State Water Commission began an On-Call and Call-Back Policy to have personnel available whenever necessary. This will ensure 24-hour service reliability.

The staff attended a number of training sessions in 1994. The entire staff is certified in CPR. The operations staff attended confined spaces and defensive driving seminars. The staff now has a safety officer. This safety officer is adapting the Southwest Pipeline Safety Manual to meet Risk Management requirements.

The Operations and Maintenance Chief received certification as a Water Distribution Operator III.

The Assistant Project Manager audited the Operations and Maintenance, Replacement and Extraordinary Maintenance, and Capital Repayment accounts this year. This audit resulted in adjusted beginning balances for the three accounts. The balances reflect when payments are actually received. Previously, the amounts were counted as income when billed.

The construction upgrade of the Dickinson Water Treatment Plant resulted in the installation of additional meters. The O&M staff was not aware of these meters until November. The Dickinson Water Treatment Plant staff and O&M staff worked together to determine the additional amount of water served from July to November. The adjusted billing amount to the city of Dickinson was \$70,901 for treatment; \$61,656 for O&M; \$30,828 for replacement and extraordinary maintenance; and \$71,937 for capital repayment. The total of \$235,322 will be part of 1995 income. There will also be an additional 1994 expense of \$70,901 for treatment paid in 1995.

Summary of Maintenance

Maintenance activities in 1994 included the routine exercise of air/vacuum and blowoff valves, equipment inspection, grounds maintenance, and minor repairs.

The Operations and Maintenance Chief has developed a schedule of maintenance activities that will facilitate maintenance of equipment.

1994 Rates

Operating the Southwest Pipeline enabled cities and rural customers to be provided with a total of 612,163,000 gallons of water in 1994 under the rate schedule described in the 1993 Annual Operating Report:

	Jan-Jun 1994	Jul-Dec 1994
Operation & Maintenance	\$0.60	\$0.60
Replacement & Ext. Maint.	\$0.30	\$0.30
Treatment	\$0.64	\$0.69
Capital Repayment	\$0.70	\$0.70
	\$2.24	\$2.29

FOR A TOTAL OF \$2.24 PER THOUSAND GALLONS

In June the city of Dickinson documented treatment cost as \$0.69 per thousand gallons, rather than \$0.64. This new treatment rate was applied beginning in July, resulting in a new rate of \$2.29 per thousand gallons.

An adjustment in the meter reading date allowed for better efficiency in billings. As a result, payments are received within the month after usage instead of two to three months later. The change in billing and subsequent prompt receipt of payments allows an operations and maintenance reserve of only six weeks instead of the three-month reserve held at the beginning of this year. The amount of the reserve will remain the same due to increased operation and maintenance expenses incurred with service to additional cities and because costs of rural operations and maintenance are unknown at this time. The rural costs are unknown because 1995 will be the first full year rural areas beyond the Roshau Subdivision will be served. However, accounting procedures have been implemented to account for rural distribution costs distinct from transmission costs. This will assure that service to contracted users will not be affected by the higher cost of O&M for rural distribution.

A total of 1,751,000 gallons was delivered to the users in the Roshau Subdivision under the rural water rules of service of the Southwest Water Authority. This water was purchased from the city of Dickinson at a rate of \$2.50 per thousand gallons. This water is delivered to users at a rate of \$2.50 per thousand gallons, plus \$25 per user per month, of which \$20 is for capital repayment and \$5.00 is for the replacement fund. The purchase of Roshau's water from Dickinson was a temporary arrangement that ended when the Dickinson Pump Station and Davis Butte Reservoir were brought into service.

The Roshau Subdivision and other rural areas were directly served an additional 548,000 gallons after service began at the Dickinson Pump Station and Davis Butte Reservoir. An amended agreement with the Southwest Water Authority will continue this service until the transfer of management, operations, and maintenance to the Authority expected on January 1, 1996. The water is currently delivered at a rate of \$2.50 per thousand gallons, for the first 10,000 gallons, plus \$26.95 per user per month of which \$21.95 is for capital repayment and \$5 is a meter fee. During the first 24 months of service to an individual customer, the \$5 meter fee would go to the Resources Trust Fund. After that 24 months it would be redirected to the operation and maintenance budget. This will allow a partial recovery from the individuals for the capital cost of their metered service, and would provide for the long-term increment to the operations and maintenance revenues.

The \$2.50 is distributed per thousand gallons as follows:

\$0.69	treatment
\$0.60	transmission O&M
\$0.81	distribution O&M
\$0.30	transmission replacement
\$0.10	distribution replacement

Raw water service in 1994 was 576,200 gallons to the Taylor Nursery and 492,800 gallons to the Sacred Heart Monastery. The rate for raw water is determined by subtracting the cost of treatment from the rate for water to contract users. In 1994, the rate was \$1.60 per thousand gallons.

1994 Fiscal Summary

1994 Revenue

	RATE	COLLECTED ¹
Operation and Maintenance	\$0.60	\$ 310,913
Treatment	0.69 ²	355,482
Replacement and Ext. Maint.	0.30	162,780
Capital Repayment	0.70 ³	288,535
Subtotal	\$2.29	\$1,057,710
Rural Water Service ⁴		7,230
SWA Contract ⁵		9,950
Total Revenue		\$1,074,890

¹ Amounts collected do not equal rate x gallons because of the following reasons:

(a) \$140,871 received in 1994 was for November and December 1993 billings;

(b) \$93,500 due for December 1994 billings was still outstanding as of December 31, 1994; and

(c) \$235,322 due for additional July-November billings was still outstanding as of December 31, 1994.

² Rate was \$0.64 January through June 1994.

³ A debt service credit against capital repayment in the amount of \$12,675 per month was applied to the billings to Dickinson. This amounts to a discount of \$.25 per thousand gallons, for an actual rate of \$2.04 per thousand gallons for the city of Dickinson.

⁴ Rural water rates vary with usage. Minimum monthly charge is \$25.00, then \$2.50/k gal. up to 10,000 gal, and \$2/k gal. over 10,000 gal. The minimum was adjusted for the Consumer Price Index in December. The current minimum is \$26.95.

⁵ Currently, the State Water Commission and the Southwest Water Authority share a secretary and telephone service at the O&M Center in Dickinson. This figure is the Southwest Water Authority share of these expenses in 1994.

1994 Expenses

	DISBURSEMENTS
Operations & Maintenance ¹	\$352,021
Treatment ²	357,552
Capital Repayment ³	228,535
Total Expenses	\$938,108

¹ Includes WAPA, wheeling, electricity, telephone, heat, fuel, and electric service for cathodic protection and incidental use, salaries, travel, insurance, building, supplies, equipment, vehicle, maintenance, and misc.

² Paid to Dickinson.

³ Deposited into Resources Trust Fund.

Account Summary

OPERATIONS & MAINTENANCE ACCOUNT

December 31, 1993 Balance	\$ 86,896 ¹
1994 Revenue	683,576 ²
1994 Expenses	709,573 ³
December 31, 1994 Balance	60,898 ⁴
1994 Revenue received in 1995	132,575 ⁵
1994 Expenses Paid in 1995	70,901 ⁶
Adjusted 1994 Balance	\$122,554

¹ Audited balance.

² Includes amounts collected from Operation and Maintenance (\$310,913), Treatment (\$355,482), Rural Water Service (\$7230), and Southwest Water Authority Contract (\$9950).

³ Includes expenses from Operations & Maintenance (\$352,051) and Treatment (\$357,552).

⁴ Reserve balance does not include amount due from July-November additional billings (\$61,656).

⁵ July-November additional income from O&M (\$61,656) and treatment (\$70,901).

⁶ Additional treatment expense.

REPLACEMENT & EXT. MAINTENANCE ACCOUNT

December 31, 1993 Balance	\$332,165 ¹
1994 Revenue	162,779
1994 Expenses	-0-
December 31, 1994 Balance	\$494,944
1994 Revenue received in 1995	30,828 ²
Adjusted 1994 Balance	\$525,772

¹ Audited balance.

² July-November additional income.

1994 Construction

Construction in 1994 included the culmination of three years of work and a new venture:

Contract 2-7B, the piping extending from Dickinson to Richardton, although begun in 1993, was completed in this year. Contract 2-6A, the piping extending from the junction of Highways 21 and 22 to Mott, was also completed this year. Contract 2-7C, extending from Taylor to the contracted cities north of the Knife River, was begun in the spring of 1994 and completed in December. With these contracts complete, piping

was in place to serve the cities of Mott, Gladstone, Taylor, Dunn Center, Halliday, Dodge, and Golden Valley, which had been under orders of the Environmental Protection Agency since 1991 to correct the high levels of fluoride in their drinking water. The cities of Richardton, New England and Regent were also in position to be served.

Completion of the Dickinson Triple Pump Station and installation of low-service pumps in the Dickinson Water Treatment Plant enabled these newly installed pipes to be put into service. These features were ready for operational testing in September. After testing, the system was ready for use, and cities began connecting.

The new venture was construction of rural water distribution systems. Although the Roshau Subdivision was constructed as a rural system in 1992, it was a relatively densely populated, small area. The widely dispersed, low density service which generally characterize rural water construction was encountered on Contract 7-1B. This rural water contract included the Davis Butte, New Hradec, and part of the Taylor service areas, and will bring service to 473 rural users and the towns of New Hradec and Manning. The contract spans two construction seasons, with the New Hradec service area to be completed in 1995.

Although difficulties have been encountered, by the end of the year, the contractor was on schedule, with 179 new rural users served by the end of the year.

Another new venture in 1994 was a cooperative project with the Natural Resources Conservation Service (formerly Soil Conservation Service). This project was developed under the PL-566 small watershed program, and was targeted at developing a rural water distribution system for livestock watering. Such a system would reduce soil erosion in pasture and range land by distributing watering points on the topography, and produce other incidental benefits as well. The Southwest Pipeline Project's goal of providing domestic water service was easily incorporated into this scope, and a pilot project, the Taylor Watershed Project, was formulated.

The Taylor Watershed project was under construction in 1994, and it, too will be completed in 1995. Approximately 200 rural users will be served when it is complete.

These advances make the Southwest Pipeline Project a truly regional water supply system. With the rural water distribution construction, the integration of rural water service has also become a tangible reality.

1995 Service

Summary of Delivery

The project development plan calls for potable water service to be extended to the cities of Manning, New Hradec, South Heart, and Belfield. In addition, rural water service will extend to approximately 1000 users by the end of 1995. Projected water delivery for all users in 1995 is 730,000,000 gallons.

Summary of Operations

Service to the additional cities and rural areas of the project will require at least one new staff position, to be filled some time in 1995. The salary for this position is included in the projected operation costs for 1995.

It is planned that management, operation, and maintenance of the Southwest Pipeline Project will be transferred to the Southwest Water Authority on January 1, 1996. During 1995, the Assistant Project Manager will work closely with the State Water Commission and the directors of the Southwest Water Authority to facilitate a smooth transition. The Assistant Project Manager will become the manager for the Southwest Water Authority. The employees of the State Water Commission who are employed by the Southwest Pipeline Project in operations and maintenance will become employees of the Southwest Water Authority. Continuity of personnel will help the transition so that changes do not interfere with service.

The State Water Commission will retain ownership of the Southwest Pipeline Project, but equipment necessary for operations and maintenance will be transferred to the Southwest Water Authority.

Smooth transition of the project along with excellent service to the customers is the goal for 1995.

Summary of Maintenance

The addition of the rural service areas necessitates an inventory of spare parts not previously required. Failure to have these spare parts on hand would mean that some rural customers would be without service for the period of time required to obtain these parts, a period of time ranging from days to months.

The costs of minimum spare parts has been included in the operation costs for 1995.

1995 Rates

The projected water user fee for operation and maintenance for 1995 is:

Operation & Maintenance	\$0.67
Treatment	\$0.65
Replacement & Ext. Maintenance	\$0.30
Total Operation & Maintenance	\$1.62

The operations and maintenance fund will maintain a six weeks cash reserve. This is necessary for cash flow for bill payment, to meet unexpected expenses, and because rural maintenance repairs are currently unknown. Other costs have been projected based on current operations practices.

The Consumer Price Index for December 1994 was 149.7, for an annual inflation rate of 2.7 percent. Applying this inflation rate to the capital repayment fee results in a rate of \$.72 for 1995.

The schedule of debt service credits approved for Dickinson calls for a total of \$149,787 to be credited over the year. This amounts to a monthly discount against capital repayment of \$12,482.

Total Water Use Fee for 1995

The combined water use fee for 1995, not including debt service credits, is \$2.34 per thousand gallons.

1995 Fiscal Summary

1995 Revenue

	RATE	INCOME
Operation & Maintenance	\$0.67	\$489,100
Due from 1994		61,656
Due from Rural Distribution		20,000
Treatment	0.65	474,500
Due from 1994		70,901
Replacement & Ext. Maint.	0.30	219,000
Due from 1994		30,828
Capital Repayment	0.72	375,813
Due from 1994		71,937
Due from Rural		94,500
Total Revenue	\$2.34	\$1,908,235

1995 Expenses

Operations & Maintenance	\$512,500
Treatment	545,401
Capital Repayment	692,037
Total Expenses	\$1,749,938

Projected 1995 Account Summary

OPERATIONS & MAINTENANCE ACCOUNT

December 31, 1994 Balance	\$ 60,898
1995 Projected Revenue	570,756
1995 Projected Expenses	512,500
December 31, 1995 Projected Balance	\$119,154

REPLACEMENT & EXT. MAINTENANCE ACCOUNT

December 31, 1994 Balance	\$494,944
1995 Projected Revenue	249,828
1995 Projected Expenses	-0-
December 31, 1995 Projected Balance ...	\$744,772

1995 Construction

Construction for 1995 will include the New England and the Belfield service areas. The New England service area includes about 390 rural water users. The Belfield service area includes the transmission line from Dickinson to Belfield and about 80 users.

With these two contracts in place, the project will be in service to 15 communities and over 1,000 rural users by the end of 1995.

Attachment 1

Southwest Pipeline Project

Phased Development Plan

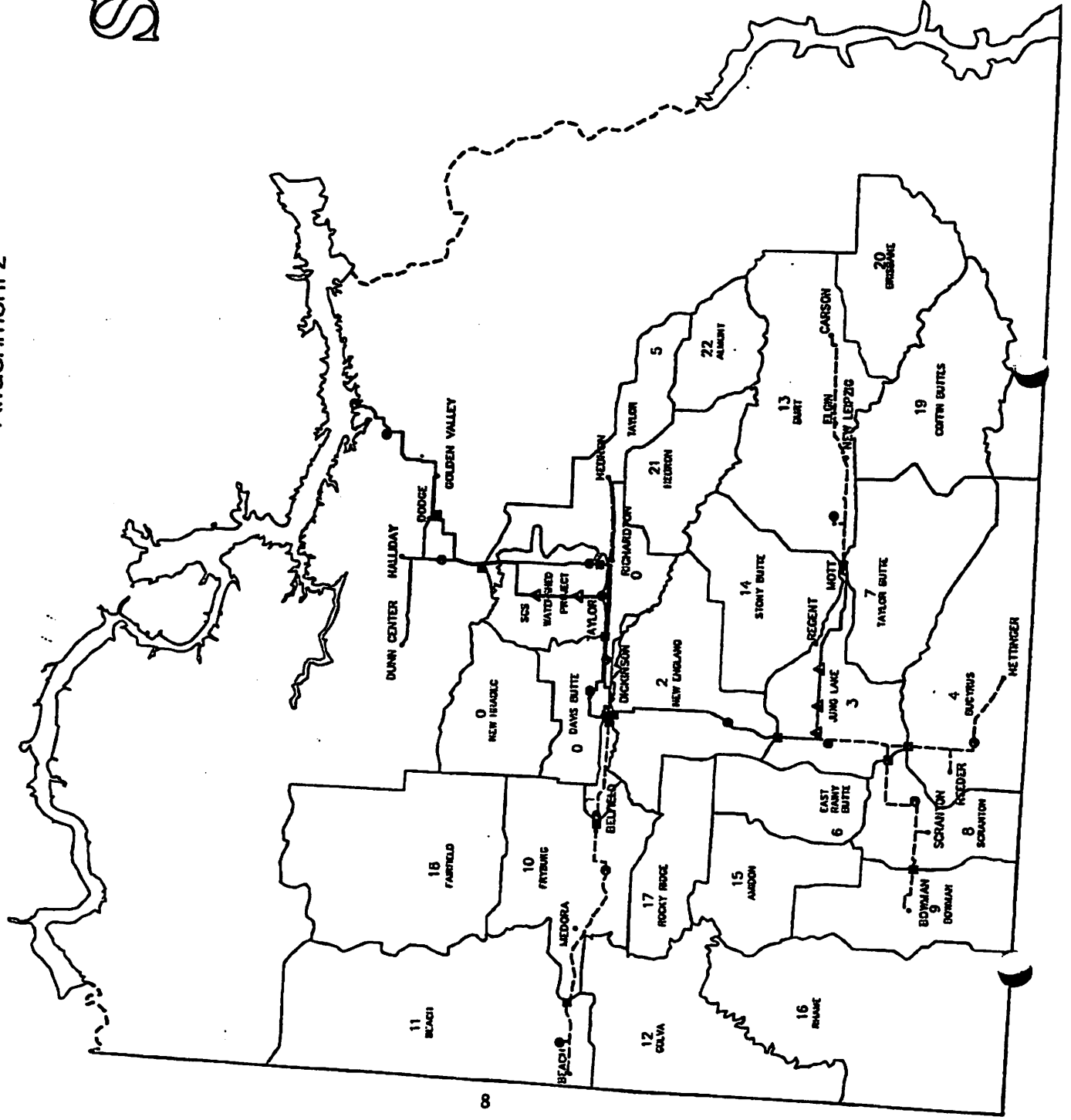
SERVICE AREA	ZONE	PRIORITY NUMBER	ESTIMATED S. A. COST
Contract 7-1B			\$ 6,408,700
Davis Buttes North 0			
New Hradec	North	0	
Taylor w/o NRCS	North	0	
Belfield	West	1	2,496,000
New England	South	2	4,465,000
Jung Lake	South	3	6,070,700
Bucyrus	South	4	7,303,100
Remaining Taylor w/o NRCS	North	5	4,638,900
East Rainy Butte	South	6	1,916,300
Taylor Butte	South	7	3,798,500
Scranton	South	8	3,850,500
Bowman	South	9	3,814,900
Fryburg	West	10	4,961,200
Beach	West	11	6,553,700
Golva	West	12	2,584,700
Burt	South	13	7,369,800
Stony Butte	South	14	2,670,300
Amidon	South	15	1,852,000
Rhame	South	16	2,240,800
Rocky Ridge	West	17	857,400
Fairfield	West	18	557,800
Coffin Buttes	South	19	3,200,600
Brisbane	South	20	1,612,700
Hebron	North	21	1,031,400
Almont	North	22	706,000
Total Estimated Cost			\$80,961,000

Southwest Pipeline Project

LEGEND

- PIPELINE IN PLACE
- - - PROPOSED PIPELINE

- ⊙ STORAGE TANK
- ⊞ BOOSTER PUMP
- ⊞ CONTROL VALVE
- △ PRESSURE REDUCING STATION



Attachment 3

Southwest Pipeline Project

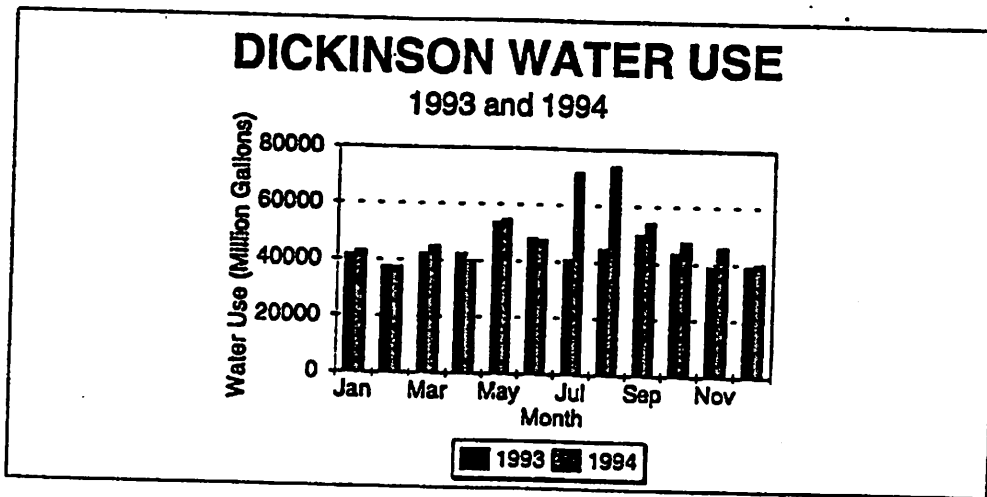
Water Service Bills Summary

DICKINSON 1994

Debt Service Credit: \$12,675.00

Month	Billed (kga)	O&M \$0.60	Treatment* \$0.64	Replacement \$0.30	Capital Repayment \$0.70	Cap Repay (adj)	Total*
Jan	42920	\$25,752.00	\$27,468.80	\$12,876.00	\$30,044.00	\$17,369.00	\$83,465.80
Feb	37220	\$22,332.00	\$23,820.80	\$11,166.00	\$26,054.00	\$13,379.00	\$70,697.80
Mar	44810	\$26,886.00	\$28,678.40	\$13,443.00	\$31,367.00	\$18,692.00	\$87,699.40
Apr	36780	\$23,868.00	\$25,459.20	\$11,934.00	\$27,846.00	\$15,171.00	\$76,432.20
May	54540	\$32,724.00	\$34,905.60	\$16,362.00	\$38,178.00	\$25,503.00	\$109,494.60
Jun	47550	\$28,530.00	\$30,432.00	\$14,265.00	\$33,285.00	\$20,610.00	\$93,837.00
Jul	71772	\$43,063.20	\$45,834.08	\$21,531.60	\$50,240.40	\$37,565.40	\$148,094.28
Aug	73888	\$44,332.80	\$47,269.32	\$22,166.40	\$51,721.60	\$39,046.60	\$152,834.12
Sep	53976	\$32,385.60	\$34,544.64	\$16,192.80	\$37,783.20	\$25,108.20	\$108,231.24
Oct	47404	\$28,442.40	\$30,338.56	\$14,221.20	\$33,182.80	\$20,507.80	\$93,509.96
Nov	45770	\$27,462.00	\$29,292.80	\$13,731.00	\$32,039.00	\$19,364.00	\$89,849.80
Dec	40057	\$24,034.20	\$25,636.48	\$12,017.10	\$28,039.90	\$15,364.90	\$77,052.68
TOTAL	599687	\$359,812.20	\$383,789.68	\$179,908.10	\$419,780.90	\$407,105.90	\$1,330,623.88

*\$0.69 July-Dec
*\$2.29 July-Dec



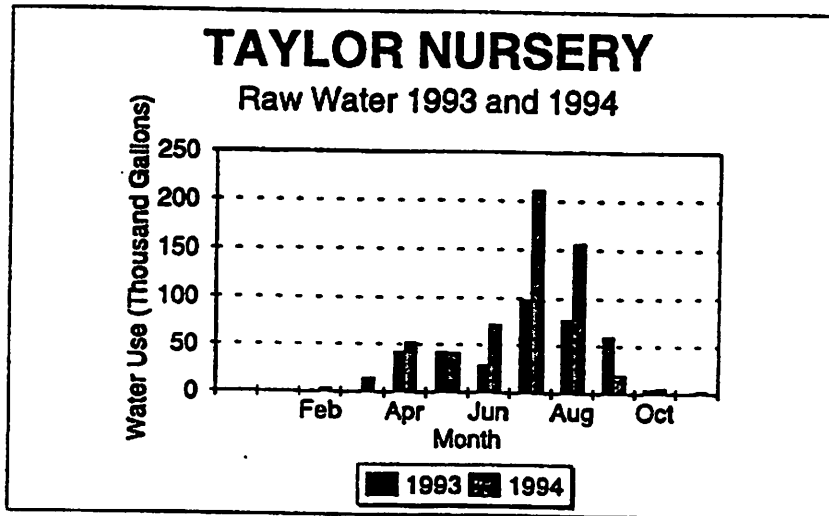
Attachment 4

Southwest Pipeline Project

Raw Water Service Bills Summary

TAYLOR NURSERY

Month	Billed (kgal)	O&M	Treatment	Replacement	Capital Repayment	Total
		\$0.60	\$0.00	\$0.30	\$0.70	\$1.60
Jan	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Feb	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mar	3.4	\$2.04	\$0.00	\$1.02	\$2.38	\$5.44
Apr	14.6	\$8.76	\$0.00	\$4.38	\$10.22	\$23.36
May	52.1	\$31.26	\$0.00	\$15.63	\$36.47	\$83.36
Jun	41.1	\$24.66	\$0.00	\$12.33	\$28.77	\$65.76
Jul	72.3	\$43.38	\$0.00	\$21.69	\$50.61	\$115.68
Aug	211.3	\$126.78	\$0.00	\$63.39	\$147.91	\$338.08
Sep	155.5	\$93.30	\$0.00	\$46.65	\$108.85	\$248.80
Oct	18.8	\$11.28	\$0.00	\$5.64	\$13.16	\$30.08
Nov	5.1	\$3.06	\$0.00	\$1.53	\$3.57	\$8.16
Dec	2	\$1.20	\$0.00	\$0.60	\$1.40	\$3.20
TOTAL	576.2	\$345.72	\$0.00	\$172.86	\$403.34	\$921.92



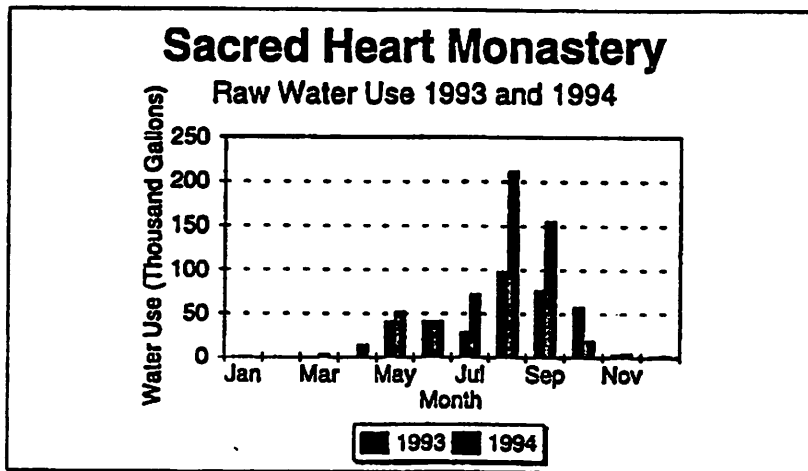
Attachment 5

Southwest Pipeline Project

Raw Water Service Bills Summary

SACRED HEART MONASTERY

Month	Billed (kgal)	O&M	Treatment	Replacement	Capital Repayment	Total
		\$0.60	\$0.00	\$0.30	\$0.70	\$1.60
Jan	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Feb	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mar	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Apr	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
May	56.4	\$33.84	\$0.00	\$16.92	\$39.48	\$90.24
Jun	39.6	\$23.76	\$0.00	\$11.88	\$27.72	\$63.36
Jul	72.9	\$43.74	\$0.00	\$21.87	\$51.03	\$116.64
Aug	174.8	\$104.88	\$0.00	\$52.44	\$122.36	\$279.68
Sep	74.5	\$44.70	\$0.00	\$22.35	\$52.15	\$119.20
Oct	74.6	\$44.76	\$0.00	\$22.38	\$52.22	\$119.36
Nov	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dec	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	492.8	\$295.68	\$0.00	\$147.84	\$344.96	\$788.48



Attachment 6

Southwest Pipeline Project

Water Service Bills Summary

NEW COMMUNITIES 1994

	Billed (kgal)	O&M \$0.60	Treatment \$0.69	Replacement \$0.30	Capital Repayment \$0.70	Total \$2.29
Assumption Abbey	297.1	\$178.26	\$205.00	\$89.13	\$207.97	\$680.36
Dodge	178.9	\$107.34	\$123.44	\$53.67	\$125.23	\$409.68
Dunn Center	157	\$94.20	\$108.33	\$47.10	\$109.90	\$359.53
Gladstone	864.3	\$518.58	\$596.37	\$259.29	\$605.01	\$1,979.25
Golden Valley	174.7	\$104.82	\$120.54	\$52.41	\$122.29	\$400.06
Halfiday	418.9	\$251.34	\$289.04	\$125.67	\$293.23	\$959.28
Mott	3938.5	\$2,363.10	\$2,717.57	\$1,181.55	\$2,756.95	\$9,019.17
New England	327.7	\$196.62	\$228.11	\$98.31	\$229.39	\$750.43
Regent	677.6	\$406.58	\$467.54	\$203.28	\$474.32	\$1,551.70
Richardton	3915.3	\$2,349.18	\$2,701.56	\$1,174.59	\$2,740.71	\$8,966.04
Sacred Heart Monastery *	129.36	\$77.62	\$89.26	\$38.81	\$90.55	\$296.23
Taylor	849	\$509.40	\$585.81	\$254.70	\$594.30	\$1,944.21
	11928.38	\$7,157.02	\$8,230.57	\$3,578.51	\$8,349.85	\$27,315.94

*Sacred Heart began potable water service in 1994

Attachment 7

Southwest Pipeline Project

Capital Repayment Adjustment for Inflation

December 1994 CPI	149.7
Adjustment to Base	0.333828
Change from 274.4	448.4
Correction	1.63
Base Capital Repayment Rate	\$0.28
	\$0.44
Adjusted Capital Repayment Rate	\$0.72

Debt Service Credit

YEAR	ANNUAL	MONTHLY
1991	\$29,252	
1992	\$153,177	\$12,765
1993	\$150,626	\$12,552
1994	\$152,100	\$12,675
1995	\$149,787	\$12,482
1996	\$147,309	\$12,276
1997	\$93,654	\$7,805
1998	\$93,654	\$7,805
1999	\$93,654	\$7,805
2000	\$93,654	\$7,805
2001	\$93,654	\$7,805

Attachment 8

Southwest Pipeline Project

Operations and Maintenance Budget 1993-1995

TRANSMISSION	1,993	Projected 1994	Adjusted 1994	Projected 1995
Water Delivered (kgal)	523,308	580,000	612,163	730,000
Utilities				
Utilities	82,703	90,000	98,342	124,000
Power (pump stations incl.wheeling)	6,860	8,000	10,500	14,000
O&M, Cathodic Prot, resevoirs	872	6,500	1,874	2,300
Phone	3,134	3,500	1,867	3,000
Heat		500		
Misc. Utilities				
TOTAL UTILITIES	93,569	108,500	112,583	143,300
Operations				
Salaries	99,288	150,000	150,324	213,000
Travel	13,717	17,800	14,785	14,000
Insurance	4,196	7,000	5,414	7,500
Supplies	887	1,000	1,222	1,400
Building	5,036	5,500	1,965	2,500
Equipment	8,864	24,600	8,804	58,000
Vehicle Maintenance	1,276	2,000	992	1,000
Fuel	3,115	4,000	1,486	1,800
Basin Site Service	33	25,000	7,500	7,500
Maintenance	2,321	3,000	1,171	1,900
Telephone	0	0	4,688	4,000
Miscellaneous	505	750	1,315	6,500
Other	29	100		100
Equipment Maintenance/transmission			39,772	30,000
TOTAL OPERATIONS SUPPORT	139,267	240,750	239,438	349,200
REPL. & EXTRAORDINARY MAINTENANCE	171,169	174,000	193,607	219,000
TREATMENT	330,530	371,200	428,456	474,500
TOTALS	734,535	894,450	974,084	1,186,000
COST PER KGAL	1.40	1.54	1.59	1.62
DISTRIBUTION				
Distribution Expense				21,300
GRAND TOTAL				1,207,300

Attachment 9

Southwest Pipeline Operations and Maintenance Report 1994 Expenses

EXPENSES	Jan-94	Feb-94	Mar-94	Apr-94	May-94	Jun-94	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	TOTAL
A. UTILITIES INTAKE													
1. WAPA	1729	1797	1869		2749	3969			5244	3104	1995	4366	26523
2. Wheeling (Oliver-Mercer)	1643	1837	1983	1688	1737	3984		2265	2726	2604	1983	2019	24508
3. Telephone (West River)	22	41	19	51	40	25		59	40	1	20	42	340
4. Fuel				290	2029								290
SUBTOTAL	3413	3674	3872		4546	7979		2365	8010	5708	3998	6427	51961
DOGGE													
1. WAPA	50	52	51		56	171			917	409	48	110	1864
2. Wheeling (West Plains)	1000	1000	1000	1000	1000	2000		1000	1000	1000	1000	1000	12000
3. Telephone (Consolidated)			3	30	22	27	23	96	23	21	23	29	297
4. Fuel			290								294	321	905
5. Other													0
SUBTOTAL	1050	1052	1344	1030	1078	2198	23	1096	1940	1430	1365	1460	15066
RICHARDSON													
1. WAPA	1281	1268	1297		1409	3081			3400	1650	1533	3197	18133
2. Wheeling (West Plains)	1000	1000	1000	1000	1000	2304		1305	1663	1473	1134	1152	14051
3. Telephone (Consolidated)			22	23	24	24	24	24	35	24	26	24	252
4. Fuel			338										334
5. Other													672
SUBTOTAL	2201	2268	2656	1623	2433	5409	24	1329	5097	3147	2734	4707	35110
O & M HQ													
1. Electricity (West Plains)	677506503		39	325	320	797		404	616	551	430	341	3622
2. Gas (MOU)	3490913549903	693	747	545	326	131	32	29	28	59	170	440	3200
3. Meter													0
4. Telephone--Messer	20	20	25	19	19	38		21	19	19	19	19	230
5. Telephone--Peterson	22	22	33	20	21	42		19	21	21	21	21	263
6. Telephone--Christensen			5										5
7. Mobile Phone				11		58							287
SUBTOTAL	734	827	929	376	491	968	29	444	685	704	639	983	7611
DICKINSON RES													
1. Electricity (West Plains)	660400800		15	15		15		15	15	15	15	15	150
2. Other													0
DAVIS BUTTE RES (West Plains)													
	542304001								22	11	17	18	68
DICKINSON PUMP STATION													
1. Electricity (MOU)	5691010531801											185	185
2. Telephone (US West)	225-0225										152	40	192
3. WAPA												700	760
SUBTOTAL	0	15	15	0	15	30		15	37	27	184	1038	1377
NDV ENGLAND													
1. Electricity (Slope)	7126000	12	10	10	10	20			11	11	0	30	125
2. Other													0
SUBTOTAL	12	10	10	10	10	20	0	0	11	11	0	30	125
HALLIDAY													
1. Electricity (MOU)	4211500508500												44
2. Other													0
SUBTOTAL													44
CATHODIC PROTECTION													
1. Anode Cr (MOU)	10000100	12	12	12	12	13	11	12	23	11	10	9	135
2. Gold Val (MOU)	21001100	13	13	12	13	13	13		25	13	13	13	133
3. Dod So (West Plains)	24040200	27	27	30	28	33		28	27	23	23	23	281
4. My & West Plains)	232100200	19	19	19	18	36		19	18	19	16	18	183
5. Alt Fl (West Plains)	472700100	16	14	14	15	28		14	13	13	15	14	142
6. East Tay (West Plains)	513500100	48	47	48	48	93		48	47	49	41	47	463
7. Gladstone (West Plains)	523200100	24	23	24	24	43		24	22	20	23	23	228
8. East Auto (West Plains)	671200400	50	51	51	51	57		50	29	31	20	28	295
9. Zap (MOU)	18018100	63	59	59	55	17	16	32	32	16	24	37	354
10. Gladstone prv (West Plains)	523304100		10	10	10	63		36	31	23	13	12	214
11. Regent (MOU)	5411701003830								9	16	12	17	50
12. Holt (MOU)	5100202505330								2	14	15		30
13. N England (Slope)	35214000								28	28			56
14. N England (Slope)	34214000								10	10			20
15. N England (Slope)	37167000								10	14			24
16. N England (Slope)	59033000								10	10			20
17. Gladstone (MOU)	4070200313901								8	20	16	13	57
18. Richardson (MOU)	5640400512761								10	20	14	16	59
19. McKenzie Ave (MOU)	5221502004050									13	13	26	52
20. PRV 18-10 (West Plains)	543203100										13	34	47
21. PRV 29-10 (West Plains)	543100200										13	38	51
22. PRV Gval (MOU)	21077100											20	20
SUBTOTAL	88	246	237	59	224	417	41	198	363	368	287	563	3091
TOTAL UTILITIES	7379	8092	9062	4529	8796	17020	117	5387	16144	11394	9207	15255	112543
B. Salaries													
	13633	12879	12475	13159	11478	11624	12837	12435	14339	11677	11377	12389	130324
C. Travel													
	1391	821	637	1308	1151	2667		1950	1347	1230	604	1310	14785
D. Insurance													
								5414					5414
E. Office Supplies													
	599	190	37	70		42				190	48	47	1222
F. Building													
	148	234	146	155	202	294		152	166	140	174	157	1985
G. Equipment													
	3208		1933	2337	-1938	2485			614	0			8004
H. Equip Main													
	7047	1022	867	1824	13670	896			314	11959	134	2040	39772
I. Fuel													
	1350					87							1486
J. Training & Education													
		60	55	123	90				500		120	32	992
K. Maintenance													
				185		138		566			131	130	1169
L. Miscellaneous													
		370				106			183	181	24	432	1315
M. Telephone--ISD													
			1911	479	370	491		274	273	279	280	312	4608
N. Basin Site Service													
			7503										7503
TOTAL OPERATIONS	27348	13576	25817	19587	24973	18829	12927	20811	17755	25654	12972	16668	239438
M. Treatment													
1. Dickinson	50106			23782	28717	91307		26226	37860	54938	21169	18900	353065
2. Roshau Purchase	313	350		438	385	644		731	755	872			4487
TOTAL TREATMENT	50419	350		24220	29102	91950		26957	38615	55810	21169	18900	357332
TOTAL EXPENSES	85365	24019	34879	48636	62871	127800	13044	53136	72514	92859	43347	51104	709573
													780474

Attachment 10

Southwest Pipeline Operations and Maintenance Report 1994 Income

INCOME	Jan-94	Feb-94	Mar-94	Apr-94	May-94	Jun-94	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	TOTAL	Adj Total
A. Income -- Cities														
1. Treatment	24979	25126	51290		28678	60365	30432	26206	37860	27469	21169	21907	355482	426583
2. O & M	19519	19450	41442		26086	36592	20530	22760	32922	23006	18400	19950	309649	371305
3. Replacement Fund	11709	11778	22721		13443	20296	14265	11994	16461	11943	9204	9525	160739	191567
4. Capital Repayment	13988	16145	38712		18692	40674	20410	13911	25734	15192	5801	9550	220009	291946
TOTAL CITIES	70192	70679	154164		87699	185927	95837	74299	112977	78490	57582	60352	1045078	1281200
B. Income -- Rural Water														
1. Service	281	310	362	295	357	359	425	597	650	620		2952	7230	
2. Secretarial Services	705	705	705	705	705	705	705	705	705	1842	797	797	9785	
3. Replacement Fund	170	170	158	119	151	127	138	150	160	115		280	1719	
4. Capital Repayment	600	650	762	656	719	698		825		635		1520	7475	
5. Telephone						127	8	8		14		8	165	
TOTAL RURAL WATER	1836	1873	1947	1773	1912	2016	1277	2285	1544	3233	605	5049	26374	
C. Income -- Raw Water														
1. O & M					14	58	31	112	232	138	56	3	643	
2. Replacement Fund					7	29	16	56	116	69	28	2	322	
3. Capital Repayment					17	67	36	130	270	161	65	334	1051	
TOTAL RAW WATER					38	154	83	298	618	368	149	338	2016	
D. Income -- Other														
1. HDU rebate									787				787	
TOTAL OTHER INCOME									787				787	
Treatment	24979	25126	51290	0	28678	60365	30432	26206	37860	27469	21169	21907	355482	
O & M	20501	20453	42509	1000	27962	37714	20672	24202	35304	26493	19261	22832	328053	
Replacement Fund	11879	11948	22819	119	13561	20432	14419	11600	16757	12127	9232	9827	162779	
Capital Repayment	14468	16829	39478	836	19428	41639	20646	14867	26004	15868	8846	11673	225513	
TOTAL INCOME	72628	72353	156131	1773	29650	187969	95189	76875	115926	62077	56329	64189	1074890	
Operating Income	45480	45780	93798	1000	36641	110878	60124	50400	73164	53962	40450	44709	603376	816113
-EXPENSES	85363	24019	34579	4836	62871	127800	13044	53136	72514	92839	43347	51104	709573	780474
Net Operating Income	66895	47011	60772	127691	50355	73025	64103	111103	105456	109106	70209	67292	60380	12254
D. Replacement Fund Balance	332165	344044	353992	378850	378949	392550	421002	435421	447020	463778	475905	485137	494944	494944
E. Resources Trust Fund	408915	423504	438408	477882	478538	497964	539405	574919	600923	616911	625777	637450	637450	709357

(1) Balance forward reflects audited account balance since beginning of O & M account in November, 1991
 * Adjusted totals include 1994 amount due from City of Dickinson received in 1995 as explained in the text of the report.

**PRESENTATION TO THE
STATE WATER COMMISSION**

BY

**THE DEVILS LAKE WATER MANAGEMENT
TASK FORCE**

CONCERNING

**THE DRAFT PLAN CONCERNING WATER
MANAGEMENT IN THE
DEVILS LAKE BASIN**

FEBRUARY 9, 1995

The draft plan addresses the issues involved in water management from the perspectives of agriculture, fish and wildlife, recreation and economic development interests in the basin. Over sixty people were asked by the task force to represent their interests in the identification of strategies and issues involved with water management in the Devils Lake Basin.

These interests were bound to seek strategies for potential solutions within the boundaries of three rules agreed upon in the earlier discussions.

1. All action in the plan is voluntary or based on current regulation or law.
2. Damage to property resulting from voluntary action is to be reimbursed.
3. No one loses, a win-win scenario is necessary.

The plan addresses water management from two perspectives; times when excess water causes damage, and times when extremely low water supplies cause damage. The idea is to provide strategies that result in manageable water most years and a lake level stabilized within agreed upon low and high boundaries. Much of the plan concerns management in excess (flood potential) water situations as this concern involves all interests in the basin. Low water year management may involve the addition of water from outside the basin. This, if achievable, is easily controlled and flood damage is preventable and is not a concern to upstream water managers.

Strategies to deal with both water runoff quantity and quality is addressed. The plan recognizes that Devils Lake - Stump Lake chain has exceeded it's natural outlet level of approximately of 1455 several times and that it has also been dry several times since the last glacier. The need for a comprehensive plan is essential to arrive at a management process that preserves the natural beauty and resources of today's basin ecology.

The draft plan does not attempt to arrive at solutions to the issues identified. The draft plan does however identify entities and procedures that would begin the process of resolving the issues with advice and consent of all affected interests. The draft plan if implemented, provides the framework to direct the energies of all interested parties to discover and implement strategies to manage all the waters entering the Devils Lake Basin. It is the vision of the Devils Lake Water Management Task force that this draft plan will in the next one to two decades:

"direct the talents and abilities of Devils Lake basin citizens into positive, cooperative and coordinated efforts, that result in water management that embraces agricultural, fish and wildlife, recreation, and economic development efforts and ultimately the quality of individual lives in and outside the Devils Lake basin."

The following objectives have been developed initially by four committees and subsequently reviewed and changed by a combined group representing all four committees.

AGRICULTURE OBJECTIVES

- 1. ENSURE THE RIGHTS OF PRIVATE PROPERTY OWNERS ARE PROTECTED**
- 2. INCREASE ECONOMIC AND ENVIRONMENTAL BENEFITS OF AGRICULTURE BY USING BETTER LAND AND WATER MANAGEMENT PRACTICES.**
- 3. PROVIDE FLOOD PROTECTION FOR PRIVATE AND PUBLIC LANDS SUFFICIENT FOR A SPECIFIC FLOOD EVENT.**
- 4. MINIMIZE EROSION**
- 5. IDENTIFY LOCAL, STATE, AND FEDERAL REGULATIONS THAT PERTAIN TO THE IMPLEMENTATION OF THE DEVILS LAKE BASIN WATER MANAGEMENT PLAN.**
- 6. INCREASE FARM INCOME THROUGH INCREASED COMMODITIES PRODUCTION BY USING BETTER WATER MANAGEMENT PRACTICES.**

RECREATION OBJECTIVES

- 1. STABILIZE DEVILS LAKE TO ENHANCE RECREATION OPPORTUNITIES IN AND AROUND DEVILS LAKE.**
- 2. DEVELOP RECREATION OPPORTUNITIES IN AND AROUND DEVILS LAKE.**
- 3. DEVELOP RECREATION OPPORTUNITIES IN THE DEVILS LAKE BASIN.**

WILDLIFE AND FISHERIES OBJECTIVES

- 1. ENHANCE GRASSLAND, WOODLAND, AND WETLAND ACRES FOR WILDLIFE HABITAT.**
- 2. IMPROVE WATER QUALITY FOR THE BENEFIT OF BASIN FISHERIES AND WILDLIFE.**
- 3. FUND EXISTING VOLUNTARY PROGRAMS AND CREATE NEW INCENTIVES TO IMPROVE THE QUALITY AND DIVERSITY OF HABITAT ON PRIVATE LANDS.**
- 4. IMPLEMENT PREDATOR MANAGEMENT STRATEGIES TO PROTECT RESIDENT AND MIGRATORY BIRDS.**
- 5. IMPLEMENT CONTINUATION AND INTENSIFICATION OF AGRICULTURAL CONSERVATION PRACTICES THAT WILL BE BENEFICIAL TO AGRICULTURE, WILDLIFE, AND BASIN FISHERIES.**
- 6. IMPLEMENT PROGRAMS THAT ENCOURAGE INCREASED YOUTH PARTICIPATION IN HUNTING, FISHING, AND OUTDOOR RECREATION.**
- 7. IMPROVE THE PUBLIC RELATIONS BETWEEN AGRICULTURE AND OUTDOOR ENTHUSIASTS.**

ECONOMIC DEVELOPMENT OBJECTIVES

- 1. STABILIZE DEVILS LAKE'S WATER LEVEL.**
- 2. INCREASE ECONOMIC DEVELOPMENT OPPORTUNITIES THROUGH IMPROVED WATER MANAGEMENT.**
- 3. USE BASIN RESOURCES TO ATTRACT NEW BUSINESS AND INDUSTRIES.**

Each of the objectives have strategies to address issues involved within each objective. Tables following identify the number of strategies and issues that have been identified with each objective.

Table 1 AGRICULTURE SECTION

<u>Objective</u>	<u>Strategies identified</u>	<u>Issues to resolve</u>
I	1	1
II	4	27
III	6	34
IV	3	13
V	1	5
Total	15	80

Table 2 WILDLIFE AND FISHERIES SECTION

<u>Objective</u>	<u>Strategies identified</u>	<u>Issues to resolve</u>
I	2	12
II	2	6
III	2	3
IV	1	5
V	1	6
VI	1	5
VII	2	8
Total	11	45

Table 3 RECREATION SECTION

<u>Objectives</u>	<u>Strategies identified</u>	<u>Issues to resolve</u>
I	1	8
II	13	47
III	8	27
Total	22	82

Table 4 ECONOMIC DEVELOPMENT SECTION

<u>Objectives</u>	<u>Management strategies</u>	<u>Issues to resolve</u>
I	1	2
II	9	28
III	1	2
Total	11	32

TOTAL FOR THE PLAN

<u>Objectives</u>	<u>Management strategies</u>	<u>Issues</u>
18	59	239

Entities identified to lead or develop solutions.

**Basin farm organizations
Basin regulatory agencies
NDSU Extension Service
U.S. Soil Conservation Service
U.S. Fish and Wildlife Service
N.D. Department of Agriculture
N.D. Game and Fish Department
N.D. Department of Health and Consolidated Laboratories
Devils Lake Basin Joint Board
County Water Resource districts
County Commissions
N.D. State Water Commission
Devils Lake Sioux Tribe
Various Wildlife and Natural Resource Groups
North Central Planning Council
Community Development Corporation
Area Chamber of Commerce
Lake Region Anglers
N.D. Parks and Recreation and tourism
Basin Recreation committee
Devils Lake Yacht Club
N.D. Highway Department
Lake Preservation Coalition
Garrison Conservancy District.**

Observations

**Long term view is important
Work has just begun
Much data needed to replace myths
Long term coordination needed
Long term commitments need to be made and kept
Commitment of funds needs to be made
 operating fund
 trust fund**

The plan is viewed as a working evolving document that will achieve objectives by involving interest groups in management decisions.

Where to from here?

- 1. Plan presentation to Devils Lake Basin Joint Board for action**
- 2. Plan introduction and explanation to basin County Commissions?**
- 3. Introduction and explanation of plan contents to public?**
- 4. Formal public input?**
- 5. Adoption and beginning implementation?**
- 6. Solicitation of Agency (group) help and agency commitment to achieve objectives?**
- 7. Coordination of agency and public involvement into solutions?**
- 8. Implement agreed upon solutions?**



North Dakota State Water Commission

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M E M O R A N D U M

TO: Governor Edward T. Schafer
North Dakota State Water Commission Members

FROM: *David* David A. Sprynczynatyk, State Engineer

SUBJECT: Cannonball River Basin Study - Status Report

DATE: January 30, 1995

The following is a progress report involving the Cannonball River Basin Water Management Study:

The Cannonball River Basin Study Management Team met in early January to discuss the detailed 1995 Work Plan and identify work tasks to be completed this year. The Work Plan will be completed in early February.

The Work Plan is being refined and work tasks will be determined by the amount of money the Bureau will have available in 1995 for the study. The Bureau has \$250,000 in the Missouri River Basin Tribes Water Management Study budget. The Standing Rock Sioux Tribe (Tribe) would like the money split between the Cannonball River Study and the Grand River Study which is just being initiated. The Bureau is discussing both of the study budget requirements with the Tribe. The decision will then be made as to how much money will be available for the Cannonball River Study. The Tribe will then use the remaining money for the Grand River Study. When the final budget has been determined, the work tasks must be further refined and completion dates established for each work task. The Bureau would like to spend between \$150,000 and \$175,000 on the Cannonball River Study for 1995.

The Water Resources Draft Report involving the compilation of existing hydrologic data is expected to be completed by the US Geological Survey by early February. In order to reduce study costs, the Bureau's Denver office will do the additional hydrologic data development that is needed for the model development. It is anticipated that the model could be operational by the end of 1995, if budget requirements can be met.

The Geographic Information System database development is progressing very well. A great deal of data has been obtained and digitized. The information has been used to develop detailed maps involving water and land resources in the Cannonball River/Cedar Creek basin. The study group is in the process of identifying critical and unique habitat for wildlife and fish. The ND Parks and Recreation Department has provided information concerning the

GOVERNOR EDWARD T. SCHAFFER
CHAIRMAN

DAVID A. SPRYNCZYNATYK, P.E.
SECRETARY & STATE ENGINEER

Natural Heritage Program. The information will be used to evaluate the environmental effects of the various the project/program alternatives that will be developed from the study process.

The questionnaire survey has been completed (see attachment). It will be sent out in early February to a random number of individuals in the basin who have ND drivers licenses. The survey will be sent to 300 individuals per county totaling 2,400 individuals. It is anticipated that the results will be compiled and analyzed prior to the public involvement meeting that is tentatively scheduled for late March or early April. The Tribe has decided to use the survey in their public involvement process on the Reservation. The Tribe will include a few additional questions specific to Indian cultural water issues.

The ND State Historical Society has been contacted to determine if there may be some grant money available to do cultural resources modeling in the basin. There is cultural information available involving the extreme eastern and western portions of the basin. However, little information is available involving the majority of the basin. Development of a cultural resources model would be helpful in predicting the occurrence of cultural resources throughout the basin. A predictive model could be very useful in the study, if funding is available to develop the model.

LW:dp/322-1
Attachment

9. Please rank the importance of managing water resources for:
(most important #1, least important #10)

- | | | |
|--|---|---|
| <input type="checkbox"/> Maintain river "as is" | <input type="checkbox"/> Household uses | <input type="checkbox"/> Flood protection |
| <input type="checkbox"/> Recreation | <input type="checkbox"/> Irrigation | <input type="checkbox"/> Increasing tourism |
| <input type="checkbox"/> Industrial purposes | <input type="checkbox"/> Wildlife/Fisheries | <input type="checkbox"/> Livestock |
| <input type="checkbox"/> Small town and rural uses | | |

10. Do you feel the Cannonball River Basin has a need to build the following types of projects?

- | | | | |
|-------------------------|------------------------------|-----------------------------|--------------------------------------|
| Recreational: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Indifferent |
| Flood control: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Indifferent |
| Power generation: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Indifferent |
| Irrigation: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Indifferent |
| Municipal water supply: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Indifferent |
| Other _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |

11. Do you currently use water conservation techniques?

- Very much so Somewhat Not at all

12. How do you feel about water conservation practices (i.e., limited watering of lawns, installation of water saving faucets, shower heads, or toilets) as a substitute for domestic water supply projects?

- Very supportive Supportive Indifferent
 Unsupportive Very unsupportive

13. Does flooding on the Cannonball River or any of its tributaries have an effect on your life?

- Yes No

14. If you answered Yes to Question 13, in what way does the flooding effect you?

- Damage to personal property
 Lost work time for flood fighting or clean up
 Increased personal revenue from spending caused by flooding
 Access problems to your home
 Inconveniences from road detours
 Increased crop revenues from water saturation or siltation
 Other _____
 Other _____

15. Please list, in order of importance, any water-related needs of the basin.

1. _____
2. _____

Please attach an extra sheet for any further comments regarding development of water resources in the basin.



North Dakota State Water Commission

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Telephone Conference Call Meeting
Governor's Conference Room - Ground Floor
State Capitol
Bismarck, North Dakota

March 16, 1995
4:45 PM, Central Standard Time

AGENDA

- A. Roll Call
- B. Consideration of Agenda
- C. *Consideration of Southwest Pipeline Contract 2-5A/7-2A,
Transmission Line from Dickinson to Belfield and the
Rural Distribution System for the Surrounding Area* **
- D. Other Business
- E. Adjournment

* * * * *

** *ITALICIZED, BOLD-FACED ITEMS REQUIRE SWC ACTION*

If auxiliary aids or services such as readers, signers, or Braille material are required, please contact the North Dakota State Water Commission, 900 East Boulevard, Bismarck, North Dakota 58505; or call (701) 328-4940 at least seven (7) working days prior to the meeting. TDD telephone number is (701) 328-2750.

GOVERNOR EDWARD T. SCHAFER
CHAIRMAN

DAVID A. SPRYNCZYNYTYK, P.E.
SECRETARY & STATE ENGINEER

ADMISSION OF NOTICE AND CONSENT TO HOLD MEETING

I, Sarah Vogel, Commissioner of Agriculture, received notice of the telephone conference call meeting of the North Dakota State Water Commission held on March 16, 1995, prior to the meeting and consented to holding the meeting.

Sarah Vogel

Sarah Vogel
Commissioner of Agriculture

3/20/95

Date

ADMISSION OF NOTICE AND CONSENT TO HOLD MEETING

I, Mike Ames, received notice of the telephone conference call meeting of the North Dakota State Water Commission held on March 16, 1995, prior to the meeting and consented to holding the meeting.



Mike Ames

3-20-95

Date

ADMISSION OF NOTICE AND CONSENT TO HOLD MEETING

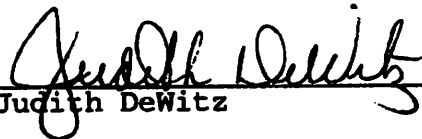
I, Florenz Bjornson, received notice of the telephone conference call meeting of the North Dakota State Water Commission held on March 16, 1995, prior to the meeting and consented to holding the meeting.


Florenz Bjornson

March 15, 1995
Date

ADMISSION OF NOTICE AND CONSENT TO HOLD MEETING

I, Judith DeWitz, received notice of the telephone conference call meeting of the North Dakota State Water Commission held on March 16, 1995, prior to the meeting and consented to holding the meeting.



Judith DeWitz



Date

ADMISSION OF NOTICE AND CONSENT TO HOLD MEETING


I, Elmer Hillesland, received notice of the telephone conference call meeting of the North Dakota State Water Commission held on March 16, 1995, prior to the meeting and consented to holding the meeting.


Elmer Hillesland

3/20/95
Date

ADMISSION OF NOTICE AND CONSENT TO HOLD MEETING

I, Jack Olin, received notice of the telephone conference call meeting of the North Dakota State Water Commission held on March 16, 1995, prior to the meeting and consented to holding the meeting.



Jack Olin



Date

ADMISSION OF NOTICE AND CONSENT TO HOLD MEETING

I, Robert Thompson, received notice of the telephone conference call meeting of the North Dakota State Water Commission held on March 16, 1995, prior to the meeting and consented to holding the meeting.

Robert Thompson
Robert Thompson

Mar 20, 1995
Date