North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TDD 701-328-2750 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

Meeting To Be Held At
Best Western Ramkota Hotel - Lamborn Room
Bismarck, North Dakota

December 5, 2014
9:00 A.M., CST

AGENDA

A. Roll Call

B. Consideration of Agenda *Information pertaining to the agenda items is available on the State Water Commission's website at http://www.swc.nd.gov*

C. Consideration of Draft Minutes of September 15, 2014 SWC Meeting **

D. State Water Commission Financial Updates:
   1) Agency Program Budget Expenditures
   2) 2013-2015 Biennium Resources Trust Fund and Water Development Trust Fund Revenues

E. 2015 State Water Management Plan - Final Draft **

F. North Dakota State Water Commission and Office of the State Engineer Strategic Plan, 2015-2017 - Final Draft **

G. SWC Cost Share Policy, Procedure, and General Requirements Update

H. Consideration of Following Requests for Cost Share:
   1) City of Grafton Flood Risk Reduction Project **
   2) Sheyenne River Snag and Clear - Reaches I, II, III **
   3) Valley City Flood Protection Project, Cost Overrun **
   4) USGS Cooperative Hydrologic Monitoring Program **

I. 2015 North Dakota Drinking Water State Revolving Loan Fund **

J. Proposed Amendments to North Dakota Administrative Code **

K. Sixty-Fourth Legislative Assembly - State Water Commission and Office of State Engineer Proposed Bill Drafts **

L. Southwest Pipeline Project:
   1) Project Update
   2) Capital Repayment and REM Rates for 2015 **

M. City of Grand Forks - Water Permit Application No. 6559 for 6,717.0 Acre-Feet of Water from the Red River of the North for Industrial Use **

N. City of Grand Forks - Water Permit Application No. 6560 for 11,755.0 Acre-Feet of Water from City Waste Water Treatment Lagoons for Industrial Use **

O. Fargo Moorhead Area Diversion Project Update

P. Mouse River Enhanced Flood Protection Project:
   1) Project Update
   2) Corps of Engineers Section 214 Funding **

Q. Northwest Area Water Supply Project Update

R. Missouri River Update

S. Devils Lake Update

T. Garrison Diversion Conservancy District Report

U. Other Business:
   1) Appreciation to Dave Koland, Garrison Diversion Conservancy District
   2) Future State Water Commission Meetings

V. Adjournment

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

To provide telephone accessibility to the State Water Commission meeting for those people who are deaf, hard of hearing, deaf and/or blind, and speech disabled, please contact Relay North Dakota, and reference ... TTY-Relay ND ... 1-800-366-6888, or 711.

MINUTES

North Dakota State Water Commission
Bismarck, North Dakota

December 5, 2014

The North Dakota State Water Commission held a meeting at the Best Western Ramkota Hotel, Bismarck, North Dakota, on December 5, 2014. Governor Jack Dalrymple, Chairman, called the meeting to order at 9:00 a.m., and requested Todd Sando, State Engineer, and Chief Engineer-Secretary to the State Water Commission, to call the roll. Governor Dalrymple announced a quorum was present.

STATE WATER COMMISSION MEMBERS PRESENT:
Governor Jack Dalrymple, Chairman
Tom Bodine, representing Commissioner Doug Goehring,
North Dakota Department of Agriculture, Bismarck
Arne Berg, Member from Devils Lake
Maurice Foley, Member from Minot
Larry Hanson, Member from Williston
George Nodland, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page

STATE WATER COMMISSION MEMBER ABSENT:
Douglas Vosper, Member from Neche

OTHERS PRESENT:
Todd Sando, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck
State Water Commission Staff
Approximately 75 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

The agenda for the December 5, 2014 State Water Commission meeting was presented. A request to discuss future State Water Commission meetings was accepted.

It was moved by Commissioner Berg, seconded by Commissioner Nodland, and unanimously carried, that the agenda be accepted as modified.

CONSIDERATION OF DRAFT MINUTES OF SEPTEMBER 15, 2014 STATE WATER COMMISSION MEETING - APPROVED

The draft final minutes of the September 15, 2014 State Water Commission meeting were approved by the following motion:

It was moved by Commissioner Foley, seconded by Commissioner Thompson, and unanimously carried, that the draft final minutes of the September 15, 2014 State Water Commission meeting be approved as prepared.

STATE WATER COMMISSION BUDGET EXPENDITURES, 2013-2015 BIENNIUM

In the 2013-2015 biennium, the State Water Commission has two line items - administrative and support services, and water and atmospheric resources expenditures. The allocated program expenditures for the period ending October 31, 2014, reflecting 67 percent of the 2013-2015 biennium, were presented and discussed by David Laschkewitsch, State Water Commission's Director of Administrative Services. The expenditures, in total, are within the authorized budget amounts. ***SEE APPENDIX "A"***

The Contract Fund spreadsheet, attached hereto as ***APPENDIX "B"***, provides information on the committed and uncommitted funds from the Resources Trust Fund and the Water Development Trust Fund. The total amount allocated for projects is $623,408,699 leaving an unobligated balance of $82,485,393 available to commit to projects in the 2013-2015 biennium.

RESOURCES TRUST FUND AND WATER DEVELOPMENT TRUST FUND REVENUES, 2013-2015 BIENNIUM

Oil extraction tax deposits into the Resources Trust Fund total $424,729,765 through November, 2014 and are currently $66,359,615 or 18.5 percent above budgeted revenues.

Deposits into the Water Development Resources Trust Fund (tobacco settlement) total $10,240,371 through August, 2014, and are currently $1,240,371, or 13.8 percent above budgeted revenues.

APPROVAL OF DRAFT 2015 NORTH DAKOTA STATE WATER MANAGEMENT PLAN (SWC Project No. 322)

By virtue of North Dakota Century Code, Section 61-02-14, Powers and Duties of the Commission; Section 61-02-26; Duties of State Agencies Concerned with Intrastate Use or Disposition of Waters; and Section 61-02-01.3, Comprehensive Water Development Plan, the State Water Commission is required to develop and maintain a comprehensive water development plan. Section 57-51.1-07.1(2) of the North Dakota Century Code (NDCC) requires that every legislative bill appropriating moneys from the Resources Trust Fund, pursuant to subsection one, must be accompanied by a State Water Commission report.

The draft 2015 North Dakota State Water Management Plan was presented for the State Water Commission's consideration. The purpose of the Plan is to:

* outline the planning process;
* provide an overview of North Dakota's water resources - including characteristics and extent, and factors affecting availability for beneficial uses;
* provide an overview of water appropriation responsibilities and evolving challenges associated with increasing demand for water;
* provide a progress report on the state's priority water management and development efforts;
* provide information regarding North Dakota's current and future water development project funding needs and priorities;
* provide information regarding North Dakota's revenue sources for water development;
* provide information regarding water management and development special topics; and
* identify goals and objectives to meet water management and development challenges.

It was the recommendation of Secretary Sando that the State Water Commission approve the draft 2015 North Dakota State Water Management Plan. The Plan will satisfy the requirements for funding from the Resources Trust Fund for the 2015-2017 biennium, and 1999 Senate Bill 2188 and 1999 House Bill 1475, codified in NDCC 61-02-14 and 61-02-26. The Plan and executive summary will be available to the Sixty-fourth Legislative Assembly of North Dakota (2015), and are available on the Commission's web site at www.swc.nd.gov.

It was moved by Commissioner Berg and seconded by Commissioner Nodland that the State Water Commission approve the draft 2015 North Dakota State Water Management Plan.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

DRAFT 2015-2017 NORTH DAKOTA STATE WATER COMMISSION AND OFFICE OF THE STATE ENGINEER STRATEGIC PLAN (SWC Project No. 322)

The draft 2015-2017 North Dakota State Water Commission and Office of the State Engineer Strategic Plan was presented to the State Water Commission. The draft Strategic Plan contains descriptions and overviews of the agency's key projects and programs that were deemed appropriate to be included in the strategic planning process through June 30, 2017, as well as specific tasks that will need to be completed to achieve the objectives. The Commission members were asked to provide comments relating to the draft Strategic Plan prior to December 5, 2014, so that the Plan can be finalized for presentation during the Sixty-fourth Legislative Assembly of North Dakota (2015).

It was the recommendation of Secretary Sando that the State Water Commission approve the draft 2015-2017 State Water Commission and Office of the State Engineer Strategic Plan. The Strategic Plan is available on the Commission's web site at www.swc.nd.gov.

It was moved by Commissioner Hanson and seconded by Commissioner Foley that the State Water Commission approve the draft 2015-2017 State Water Commission and Office of the State Engineer Strategic Plan.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

STATE WATER COMMISSION'S COST SHARE POLICY, PROCEDURE, AND GENERAL REQUIREMENTS (SWC Project No. 1753)

On September 15, 2014, the State Water Commission approved modifications to the State Water Commission's Cost Share Policy, Procedure, and General Requirements, effective October 1, 2014.

The Commission staff reported a limited number of new cost share requests have been submitted and processed under the new policy. Requirements specified in the new policy were discussed relating to: 1) the

cost share is greater than $25,000 for engineering services, the local sponsor is required to follow the engineering selection process codified in North Dakota Century Code 54-44.7 and provide a copy of the selection committee report to the Secretary of the State Water Commission; and 2) the cost share application must include a "sustainable operation, maintenance, and replacement plan to projects."

The State Water Commission's modified cost share policy relating to the acquisition of easement costs is applicable to all State Water Commission funded water projects. Crop damage claims are considered an easement acquisition cost and are determined ineligible for State Water Commission cost share reimbursement.

Gordon Johnson, Manager, Northeast Regional Water District, appeared before the State Water Commission to request the Commission reconsider its current policy and allow crop damage claims eligible for cost share reimbursement. Governor Dalrymple responded that the Commission would consider the request in future cost share policy discussion.

CITY OF GRAFTON FLOOD RISK REDUCTION PROJECT - APPROVAL OF ADDITIONAL STATE COST PARTICIPATION GRANT ($1,750,000) (SWC Project No. 1771)

On March 11, 2010, the State Water Commission adopted a motion approving a state cost participation grant as a flood control project at 70 percent of the eligible non-federal costs not to exceed $7,175,000 from the funds appropriated to the State Water Commission in the 2009-2011 biennium (H.B. 1020) to the City of Grafton project to support the Grafton flood control 2010 diversion channel and flood system works construction project as a match to a federally-funded project. Since that time, the federal funding has changed and there are no federal funds available.

The U.S. Army Corps of Engineers performed an initial study on the Park River in Grafton in the 1970s. The final document from that study was the "USACE 1983 General Design Memorandum Phase I and Final Supplement to the Final Environment Impact Statement." In 2003, the Corps of Engineers re-evaluated the original study and completed "USACE 2003 General Re-Evaluation Report and Environmental Assessment." Since this study, the city leaders have continued to work towards a solution to remove the city from the 100-year floodplain in Grafton.

Based on a review of 8 alternatives, the city decided to move forward with Plan 2A - flood bypass channel with tie back levees as the preferred alternative. The estimated project cost is $5,000,000, of which all is

determined eligible for a 35 percent state cost participation grant as a preconstruction engineering project ($1,750,000). A request from the City of Grafton was presented for the State Water Commission's consideration for a 35 percent state cost participation of the eligible costs.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a preconstruction engineering project at 35 percent of the eligible costs, not to exceed an additional allocation of $1,750,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the City of Grafton to support their preliminary and design engineering for the Grafton flood risk reduction project. The Commission's affirmative action would increase the total state cost participation grant to $8,925,000.

It was moved by Commissioner Thompson and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant as a preconstruction engineering project at 35 percent of the eligible costs, not to exceed an additional allocation of $1,750,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the City of Grafton to support their preliminary and design engineering for the Grafton flood risk reduction project. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

This action increases the total state cost participation allocation grant to $8,925,000 for the Grafton flood risk reduction project.

SHEYENNE RIVER SNAG AND CLEAR PROJECT, REACHES 1, 2, AND 3 - APPROVAL OF STATE COST PARTICIPATION ($294,000) (SWC Project No. 568)

A request from the Southeast Cass Water Resource District was presented for the State Water Commission's consideration for state cost participation for their project to snag and clear three reaches of the Sheyenne River. The removal of trees and woody debris would assist with the flow of the river and prevent future damage to structures.

Reach 1 consists of snagging and clearing the Sheyenne River from Highway 46 along the Cass County-Richland County line, proceeding downstream to the Horace diversion inlet structure in Section 19 of

Stanley Township. Reach 2 is from the Horace diversion inlet structure in Section 19 of Stanley Township proceeding downstream to the Sheyenne River closure structure north of County Road 10. Reach 3 is from the Sheyenne River closure structure, north of County Road 10 proceeding downstream to the Red River of the North.

The snagging and clearing work includes the removal of all fallen trees, standing trees in imminent danger of falling into the channel, driftwood, snags, loose stumps and trunks, and standing stumps which are encountered within the Sheyenne River channel and which are lodged and/or leaning on the immediate bank slopes between upstream and downstream limits. All snagged material will be properly disposed.

The project engineer's cost estimate is $588,000, of which all is determined eligible for a state cost participation grant as a snag and clear project at 50 percent of the eligible costs ($294,000).

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant for a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $294,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 2010), to the Southeast Cass Water Resource District to support the Sheyenne River Snag and Clear Project, Reaches 1, 2, and 3.

It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve a state cost participation grant for a snag and clear project at 50 percent of the eligible costs, not to exceed an allocation of $294,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 2010), to the Southeast Cass Water Resource District to support the Sheyenne River Snag and Clear Project, Reaches 1, 2, and 3. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

CITY OF VALLEY CITY PERMANENT FLOOD PROTECTION PROJECT - APPROVAL OF ADDITIONAL STATE COST PARTICIPATION ($1,634,607) (SWC Project No. 1504)

The City of Valley City began developing a permanent flood protection project in 2011 after suffering its worst flood in history in 2009 and its second worst flood in 2011. Due to the multiple years of back-to-back flooding the city has received from the Sheyenne River, their limited ability to pay due to expenses incurred on flood recovery efforts, and the effects of the Devils Lake floodwaters, the State Water Commission adopted a motion on June 19, 2013 to approve an allocation not to exceed $350,625 from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371 for the Sheyenne River Valley Flood Protection Program to the City of Valley City to assist with engineering design costs for the city's flood protection project.

On March 17, 2014, representatives from the City of Valley City appeared before the State Water Commission to discuss the status of the city's permanent flood protection project. The project engineer's estimated initial cost was $12,540,294, of which $10,849,600 was determined eligible for state cost participation as a flood control project at 60 percent of the eligible costs ($6,509,760). The 2013 Legislature earmarked $11,600,000 for the project, but the funds would not be allocated until the project is shovel-ready. On April 1, 2014, the Valley City Commission approved the Phase I project's final plans.

On May 29, 2014, the State Water Commission adopted an amended motion approving the following: 1) state cost participation as a flood control project at 60 percent of the eligible costs ($6,509,760); 2) state cost participation of 20 percent of the eligible costs ($2,169,920) to mitigate the flood risk from the Devils Lake outlets; and 3) a loan from the State Water Commission to the City of Valley City for the local cost share ($3,860,614), with an interest rate of one and one-half percent, and authorized the Secretary to the Commission to negotiate the term of the loan. These approvals included a total state cost participation grant of 80 percent not to exceed a total allocation of $8,679,680 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B 1020), and a loan in the amount of $3,860,614 to the City of Valley City for its permanent flood protection project.

As a result of the bid opening on November 6, 2014, the project engineer's revised estimated cost is $13,850,505, of which $12,696,296 is determined eligible for a total state cost participation grant of 80 percent of the eligible costs ($10,157,037). Engineering, legal and administrative costs are considered ineligible for a grant. The eligible costs includes a 60 percent cost participation grant for the flood control project, and a 20 percent state cost participation grant to mitigate the flood risk from the Devils Lake outlets. The city would also be eligible for a loan for the remaining costs, not to exceed $3,860,614 (previously approved on May 29, 2014). A request from the City of Valley City was presented for

the State Water Commission's consideration for an 80 percent state cost participation grant of the eligible costs.

The project engineer's revised estimated cost for the preliminary and design engineering portion of the project is $597,500, of which all is determined eligible for a state cost participation grant at 85 percent ($507,875). A request from the City of Valley City was also presented for the State Water Commission's consideration for an 85 percent state cost participation grant of the eligible costs for the preliminary and design engineering portion of the project. City officials explained that the scope and complexity of the project have changed significantly since the initial state cost participation funding was approved, and the city's requests for state cost participation grants reflect increases in the construction costs, completion of the design engineering for the project, and construction engineering.

It was the recommendation of Secretary Sando that the State Water Commission approve a total state cost participation grant of 80 percent of the eligible costs, not to exceed an additional allocation of $1,477,357 ($10,157,037 eligible costs less $8,679,680 approved May 29, 2014, of which 60 percent is for the flood control project, and 20 percent is to mitigate the flood risk from the Devils Lake outlets), from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020).

It was also recommended by Secretary Sando that the State Water Commission approve a total state cost participation grant of 85 percent of the eligible costs for the preliminary and design engineering portion of the project, not to exceed an additional allocation of $157,250 ($507,875 eligible costs less $350,625 approved on June 19, 2013) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020).

It was moved by Commissioner Foley and seconded by Commissioner Berg that the State Water Commission:

1) approve a total state cost participation grant of 80 percent of the eligible costs, not to exceed an additional allocation of $1,477,357 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020) ($10,157,037 eligible costs less $8,679,680 approved May 29, 2014, of which 60 percent is for the flood control project, and 20 percent is to mitigate the flood risk from the Devils Lake outlets; and

2) approve a total state cost participation grant of 85 percent of the eligible costs for preliminary and design engineering, not to exceed an additional allocation of $157,250

from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020) ($507,875 eligible costs less $350,625 approved on June 19, 2013), to the City of Valley City to support their permanent flood protection project.

These actions are contingent upon the availability of funds, and satisfaction of the required permits.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Thompson, and Governor Dalrymple voted aye. Commissioner Swenson voted nay. Recorded votes were 7 ayes, 1 nay. Governor Dalrymple announced the motion carried.

The above approvals include a total state cost participation grant of 80 percent of the eligible costs, not to exceed a total allocation of $10,157,037 (60 percent - flood control, and 20 percent - mitigate the flood risk from the Devils Lake outlets); a total state cost participation grant of 85 percent of the eligible costs for preliminary and design engineering, not to exceed a total allocation of $507,875 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020); and a loan from the State Water Commission in the amount of $3,860,614 (approved on May 29, 2014) to the City of Valley City for its permanent flood protection project.

SWC/USGS COOPERATIVE STATEWIDE HYDROLOGIC MONITORING PROGRAM - APPROVAL OF STATE COST PARTICIPATION ($505,895), AND DIRECT LABORATORY ANALYSIS SERVICES PROVIDED BY STATE WATER COMMISSION ($23,190) (SWC Project No. 1395)

A request from the U.S. Geological Survey was presented for the State Water Commission's consideration for state cost participation in the cooperative statewide hydrologic monitoring program. The data collection consists of three components: 1) stream gaging to measure flow rate and volume; 2) stream and lake water quality monitoring; and 3) aquifer water level and water quality monitoring.

The stream gaging network provides stream flow statistics that are needed for a wide variety of applications including the design of flood control structures, bridges, culverts, general water resource planning, floodplain mapping, water management, and permitting. Many of the gaging sites provide real-time data, which was crucial in responding to the flood events that occurred in 2009 and 2011.

Water samples are collected for chemical analysis at specific stream sites during high and low-flow periods and at selected lakes. This data is used to determine the suitability of the chemical quality for beneficial use, interpret area hydrology, and to assess changes in the quality resulting from the stresses of both man-induced activities and natural processes caused by climatic variations. The water quality data also provides planners with a basis to assess if waste water resulting from beneficial use can be discharged into surface water bodies.

Monitoring ground-water levels and quality in wells completed in selected aquifers throughout the state provides essential information used to allocate and manage the state's ground-water resources. The data collection system was recently upgraded to include real-time monitoring capabilities to the continuous recorder wells.

The State Water Commission has participated in the cooperative statewide hydrologic monitoring program since the 1950s. The total cost of the monitoring program for Fiscal Year 2015 is $980,930, of which the State Water Commission's obligation of this amount is $529,085 (51.5 percent) ($505,895 - state cost participation, and $23,190 - direct laboratory analysis services provided by the Commission in conjunction with the cooperative work); the remaining $451,845 will be provided by the U.S. Geological Service.

It was the recommendation of Secretary Sando that the State Water Commission approve a total 2015 Fiscal Year obligation of $529,085, of which an allocation not to exceed $505,895 would be provided from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), and $23,190 would be obligated as direct laboratory analysis services provided by the Commission in conjunction with the cooperative work.

It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a total 2015 Fiscal Year obligation of $529,085, of which an allocation not to exceed $505,895 would be provided from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the U.S. Geological Survey North Dakota Water Science Center, to support the cooperative statewide hydrologic monitoring program, and $23,190 would be obligated as direct laboratory analysis services provided by the Commission. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

SAFE DRINKING WATER ACT - APPROVAL OF PROJECT PRIORITY LIST IN FY 2015 INTENDED USE PLAN, DATED NOVEMBER 19, 2014 (SWC File AS-HEA)

The Drinking Water State Revolving Loan Fund was authorized by Congress in 1996 under the Safe Drinking Water Act with the intention of assisting public water systems in complying with the Act. Funding in North Dakota for public water systems is in the form of a loan program administered by the Environmental Protection Agency through the North Dakota Department of Health. North Dakota Century Code ch. 61-28.1, Safe Drinking Water Act, gives the Department the powers and duties to administer and enforce the Safe Drinking Water Act and to administer the program.

Section 1452(b) of the Safe Drinking Water Act requires each state to annually prepare an Intended Use Plan. The plan is to describe how the state intends to use the funds to meet the program objectives and further the goal of protecting public health. A public review period is required prior to submitting the annual plan to the Environmental Protection Agency as part of the capitalization grant application process. The North Dakota Department of Health held public hearings on the draft Intended Use Plan on November 12, 2014.

In accordance with North Dakota Century Code 61-28-1, the Department must administer and disburse the funds with the approval of the State Water Commission. The Department must establish assistance priorities and expend grant funds pursuant to the priority list for the Drinking Water State Revolving Loan Fund.

David Bruschwein, North Dakota Department of Health, presented the Fiscal Year 2015 Intended Use Plan for the North Dakota Drinking Water Revolving Loan Fund, dated November 19, 2014, for the State Water Commission's consideration. The 2015 Intended Use Plan is attached hereto as ***APPENDIX "C"***. The comprehensive project priority list includes 220 projects, with a cumulative total project cost of $724,200,000 for Fiscal Years 1997 through 2015. The fundable list for Fiscal Year 2015 is anticipated to be approximately $14,000,000 with 10 projects. The Commission's approval of the 2015 Comprehensive Project Priority List and Fundable List will allow the Department to submit an application to the U.S. Environmental Protection Agency for the program in order to proceed with disbursement of funds once the Agency has approved the capitalization grant.

It was the recommendation of Secretary Sando that the State Water Commission approve the comprehensive project priority list and the fundable list for Fiscal Year 2015 as listed in the 2015 Intended Use Plan, dated November 19, 2014, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2015 program funds pursuant to the 2015 Intended Use Plan.

It was moved by Commissioner Swenson and seconded by Commissioner Hanson that the State Water Commission approve the comprehensive project priority list and the fundable list for Fiscal Year 2015 as listed in the 2015 Intended Use Plan, dated November 19, 2014, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2015 program funds pursuant to the 2015 Intended Use Plan.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

APPROVAL OF PROPOSED AMENDMENTS TO NORTH DAKOTA ADMINISTRATIVE CODE

The North Dakota State Engineer and the North Dakota State Water Commission held a public hearing on September 9, 2014 to address proposed amendments to North Dakota Administrative Code Articles 89-02 (Drainage of Water), 89-03 (Water Appropriations), 89-04 (Water Management Plans for Surface Coal Mining Operations), 89-08 (Dikes, Dams, and Other Devices), 89-12 (Municipal, Rural and Industrial Water Supply Program), and 89-14 (Stream Crossings). Comments were accepted until September 19, 2014. The proposed rules were submitted to the Attorney General's office for approval, and pending before the Administrative Rules Committee hearing on December 8, 2014.

It was the recommendation of Secretary Sando that the State Water Commission approve the proposed amendments to North Dakota Administration Code §§ 89-08-01-01(3) & (4), 89-12-01-03(1)(d) & (e), 89-12-01-03(4), 89-12-01-06(4) & (5), 89-12-01-08(1) & (2), and 89-14-01-02(2)). Pending approval by the State Water Commission and the Administrative Rules Committee, the rules would become effective January 1, 2015.

It was moved by Commissioner Berg and seconded by Commissioner Nodland that the State Water Commission approve the proposed amendments to North Dakota Administration Code §§ 89-08-01-01(3) & (4), 89-12-01-03(1)(d) & (e), 89-12-01-03(4), 89-12-01-06(4) & (5), 89-12-01-08(1) & (2), and 89-14-01-02(2) to the extent the proposed rules are approved by the Administrative Rules Committee.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

PROPOSED LEGISLATION FOR SIXTY-FOURTH LEGISLATIVE ASSEMBLY OF NORTH DAKOTA (2015)

The following proposed bill drafts were presented for the State Water Commission's consideration, and prefiling with the Legislative Council as agency bills to be considered during the Sixty-fourth Legislative Assembly of North Dakota (2015). The proposed bill drafts were approved by staff of the Governor's office, and it was the recommendation of Secretary Sando that the State Water Commission concur with the proposed legislation:

1) A BILL for an Act to create and enact two new sections of chapter 61-03 of the North Dakota Century Code, relating to pending administrative actions and permits of the state engineer and an emergency action plan for high-hazard and medium-hazard dams; to amend and reenact section 61-03-22 of the North Dakota Century Code, relating to appeals from an action or decision of the state engineer; and to repeal section 61-03-05 of the North Dakota Century Code, relating to fees of the state engineer.

2) A BILL for an Act to create and enact a new subsection to section 61-04-01.1 of the North Dakota Century Code, relating to the definition of "domestic rural use"; and to amend and reenact sections 61-04-06.2, 61-04-09, 61-04-31, and subdivision i of subsection 2 of section 61-04.1-16 of the North Dakota Century Code, relating to the term and inspection of a water permit, reservation of waters, and weather modification permits.

3) A BILL for an Act to amend and reenact subsection 4 of section 61-21-01 and section 61-32-08, relating to the definition of "drain" and administrative hearings for drainage projects.

It was moved by Commissioner Nodland and seconded by Commissioner Swenson that the State Water Commission concur with the proposed bill drafts for consideration during the Sixty-fourth Legislative Assembly of North Dakota (2015). SEE APPENDIX "D"

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

SOUTHWEST PIPELINE PROJECT - PROJECT REPORT (SWC Project No. 1736-99)

The Southwest Pipeline Project report was presented, which is detailed in the staff memorandum dated November 17, 2014, and attached as ***APPENDIX "E"***.

SOUTHWEST PIPELINE PROJECT - APPROVAL OF CAPITAL REPAYMENT RATES, AND REPLACEMENT AND EXTRAORDINARY MAINTENANCE RATES FOR 2015 (SWC Project No. 1736-99)

Under the Agreement for the Transfer of Management, Operations, and Maintenance Responsibilities for the Southwest Pipeline Project, the Southwest Water Authority is required to submit a budget to the State Water Commission's secretary by December 15 of each year. The budget is deemed approved unless the Commission's secretary notifies the Authority of his disapproval by February 15. The Southwest Water Authority submitted its budget on November 21, 2014.

On October 19, 1998, the State Water Commission approved an amendment to the Transfer of Operations Agreement, which changed the Consumer Price Index (CPI) date used for calculating the project's capital repayment rates from January 1 to September 1. This amendment was necessary to bring the transfer of operations into line with the water service contracts and streamline the budget process. The agreement specifies that the water rates for capital repayment be adjusted annually based on the Consumer Price Index; the September 1, 2014 CPI was 237.9 versus 233.9 on September 1, 2013. The new capital repayment rates are $1.14 per thousand gallons for contract users and $34.88 per month for rural users. These compare with 2014 rates of $1.12 per thousand gallons for contract users and $34.30 per month for rural users. The State Water Commission has the responsibility of adjusting the capital repayment rates annually.

At the June 22, 2005 meeting, the State Water Commission approved the 2005 capital repayment rate for rural users in Morton county receiving water through the Missouri West Water system transmission pipelines at $22.00 per month. Applying the Consumer Price Index adjustment to this figure results in a 2015 rate for these users from $27.17 to $27.63 per month.

The rate for replacement and extraordinary maintenance (REM) was approved by the State Water Commission at its February 9, 1999 meeting at $0.35 per thousand gallons. The original rate of $0.30 per thousand gallons was approved in 1991. The REM rate was increased to $0.40 per thousand gallons for the Southwest Water Authority's 2013 budget, and increased to $0.50 per thousand gallons in the 2014 budget. Based on a study conducted by Bartlett & West/AECOM to determine the REM rate, which included the entire present and future planned infrastructure for the Southwest Pipeline Project, the Southwest Water Authority board of directors voted to increase the REM rate to $0.55 from $0.50 per thousand gallons for the 2015 budget.

In preparation of the budget for 2015, the Southwest Water Authority proposed a $22.00 per thousand gallons water rate for oil industry contracts, which is an increase from the $20.00 per thousand gallons rate

approved for 2014. The capital repayment rate for oil industry contracts, other than the water depot built by the Southwest Water Authority, is proposed to increase to $7.33 from the $6.67 per thousand gallons approved in 2014, and increasing the REM rate to $7.33 from the $6.67 per thousand gallons. This is the same rate for the communities selling water to the oil industry.

The capital repayment rate for the Southwest Water Authority water depot is proposed to increase from $2.24 to $2.46 per thousand gallons. The percentage increase in the capital repayment rate is the same percentage as the rate increase. The REM rate was increased from $4.67 to $5.14 per thousand gallons.

It was the recommendation of Secretary Sando that the State Water Commission concur with the proposed 2015 Southwest Pipeline Project capital repayment and replacement and extraordinary rates as presented. These proposed rates were approved by the Southwest Water Authority board of directors at its December, 2014 meeting:

Capital repayment for contract and rural customers:

Contract users	$ 1.14 per thousand gallons
Rural customers	$ 34.88 per month
Morton county users with water service from Missouri West Water System	$ 27.63 per month

Capital Repayment for oil industry contracts:

Southwest Water Authority's Dickinson water depot	$ 2.46 per thousand gallons
Other oil industry contracts	$ 7.73 per thousand gallons

Replacement and extraordinary maintenance (REM):

Contract customers and rural users	$ 0.55 per thousand gallons
Southwest Water Authority's Dickinson water depot	$ 5.14 per thousand gallons
Other oil industry contracts	$ 7.73 per thousand gallons

It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve the proposed 2015 capital repayment and replacement and extraordinary maintenance rates for the Southwest Pipeline Project as recommended.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

CITY OF GRAND FORKS - APPROVAL OF CONDITIONAL WATER PERMIT APPLICATION NO. 6559 (Water Permit No. 6559)

The City of Grand Forks applied to the Office of the State Engineer, through conditional water permit application No. 6559, to divert 6,717.0 acre-feet of water annually from point(s) of diversion located in the SW1/4 of Section 2, Township 151 North, Range 50 West, at a maximum pumping rate of 4,165 gallons per minute for industrial use from the Red River of the North.

North Dakota Century Code 61-04-06 states, in part, "If an application is approved, the state engineer shall issue a conditional water permit allowing the applicant to appropriate water. Provided, however, the commission may, by resolution, reserve unto itself final approval authority over any specific water permit in excess of five thousand acre-feet."

The industrial use under conditional water permit application No. 6559 is to provide water for large industrial users receiving water from the City of Grand Forks. The appropriation would allow for water to be provided to industry beyond the amounts available from the city lagoons under conditional water permit application No. 6560.

It was the recommendation of Secretary Sando that the State Water Commission approve conditional water permit application No. 6559 for the appropriation of 6,717.0 acre-feet of water annually from point(s) of diversion located in the SW1/4 of Section 2, Township 151 North, Range 50 West, at a maximum pumping rate of 4,165 gallons per minute for industrial use from the Red River of the North.

It was moved by Commissioner Foley and seconded by Commissioner Berg that the State Water Commission approve conditional water permit application No. 6559 for the appropriation of 6,717.0 acre-feet of water annually from point(s) of diversion located in the SW1/4 of Section 2, Township 151 North, Range 50 West, at a maximum pumping rate of 4,165 gallons per minute for industrial use from the Red River of the North.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

CITY OF GRAND FORKS - APPROVAL OF CONDITIONAL WATER PERMIT APPLICATION NO. 6560 (Water Permit No. 6560)

The City of Grand Forks applied to the Office of the State Engineer, through conditional water permit application No. 6560, to divert 11,755.0 acre-feet of water annually from point(s) of diversion located in the SE1/4 and NW1/4 of Section 23, and the SW1/4 of Section 26, Township 152 North, Range 51 West, at a maximum pumping rate of 7,287 gallons per minute for industrial use from the City of Grand Forks waste water lagoons.

North Dakota Century Code 61-04-06 states, in part, "If an application is approved, the state engineer shall issue a conditional water permit allowing the applicant to appropriate water. Provided, however, the commission may, by resolution, reserve unto itself final approval authority over any specific water permit in excess of five thousand acre-feet."

The industrial use under conditional water permit application No 6560 is to provide water for a large industrial user to be supplied water from the Grand Forks waste water lagoons. This would provide for a re-use of the city's municipal waste water, which is currently treated and released back to the Red River of the North.

It was the recommendation of Secretary Sando that the State Water Commission approve conditional water permit application No. 6560 for the appropriation of 11,755.0 acre-feet of water annually from point(s) of diversion located in the SE1/4 and NW1/4 of Section 23, and the SW1/4 of Section 26, Township 152 North, Range 51 West, at a maximum pumping rate of 7,287 gallons per minute for industrial use from the City of Grand Forks waste water lagoons.

It was moved by Commissioner Nodland and seconded by Commissioner Hanson that the State Water Commission approve conditional water permit application No. 6560 for the appropriation of 11,755.0 acre-feet of water annually from point(s) of diversion located in the SE1/4 and NW1/4 of Section 23, and the SW1/4 of Section 26, Township 152 North, Range 51 West, at a maximum pumping rate of 7,287 gallons per minute for industrial use from the City of Grand Forks waste water lagoons.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

FARGO MOORHEAD AREA DIVERSION PROJECT REPORT (SWC Project No. 1928)

Keith Berndt, Fargo, representing Cass county, provided a report on the Fargo Moorhead Area Diversion project. An outline of the presentation is attached hereto as ***APPENDIX "F"***.

MOUSE RIVER ENHANCED FLOOD PROTECTION PROJECT - STATUS REPORT (SWC Project No. 1974)

The Mouse River Enhanced Flood Protection project status report was provided, which is detailed in the staff memorandum dated November 24, 2014 and attached as ***APPENDIX "G"***.

MOUSE RIVER ENCHANCED FLOOD PROTECTION PROJECT - APPROVAL OF STATE COST PARTICIPATION FOR CORPS OF ENGINEERS SECTION 214 FUNDING ($375,000) (SWC Project No. 1974)

A request from the Souris River Joint Board was presented for the State Water Commission's consideration for state cost participation for the Board to enter into a Section 214 agreement with the St. Paul District Corps of Engineers to allow the Corps to receive funds for the review of environmental, Section 408 permit, and design criteria of the Mouse River Enhanced Flood Protection project.

The Souris River Joint Board is proposing significant alterations to multiple federal projects within the Souris River Basin in conjunction with the Mouse River Enhanced Flood Protection project. The Board's proposed project alterations require a Section 408 evaluation, which authorizes the

Secretary of the Army to grant permission for the alteration, occupation, or use of Corps projects if the Secretary determines that such alteration, occupation, or use will not be injurious to the public interest and will not impair the usefulness of the project.

The Corps of Engineers Operation and Maintenance Inspection of Completed Works program is funded through the Corps' Civil Works program in the annual federal budget. Funding within this program is insufficient to completely fund the technical and policy reviews required for the evaluation of the Souris River Joint Board's proposed alterations pursuant to Section 408. Section 214 of the Water Resources Development Act of 2000, as amended, would allow the Corps of Engineers to accept funds from the Souris River Joint Board in order to expedite processing of the Board's proposed alterations. The estimated cost for the Section 214 funding is $500,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a 75 percent state cost participation grant, not to exceed an allocation of $375,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B.1020), to the Souris River Joint Board for Section 214 funding to enter into a Memorandum of Agreement with the Corps of Engineers for the Section 408 evaluation of the Mouse River Enhanced Flood Protection project.

It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a 75 percent state cost participation grant, not to exceed an allocation of $375,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Souris River Joint Board for Section 214 funding to enter into a Memorandum of Agreement with the Corps of Engineers for the Section 408 evaluation of the Mouse River Enhanced Flood Protection project. This action is contingent upon the availability of funds. SEE APPENDIX "H"

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Nodland, Swenson, Thompson, and Governor Dalrymple voted aye. There were no nay votes. Governor Dalrymple announced the motion unanimously carried.

NORTHWEST AREA WATER SUPPLY (NAWS) PROJECT - STATUS REPORTS (SWC Project No. 237-04)

The Northwest Area Water Supply (NAWS) project and construction status reports were provided, which are detailed in the staff memorandum dated November 24, 2014, and attached as ***APPENDIX "I"***.

MISSOURI RIVER REPORT (SWC Project No. 1392)

The Missouri River report was provided, which is detailed in the staff memorandum dated November 19, 2014, attached hereto as ***APPENDIX "J"***. The report also included comments presented by Todd Sando, State Engineer, at the Missouri River Annual Operating Plan meeting held in Bismarck on October 28, 2014.

DEVILS LAKE HYDROLOGIC AND PROJECT UPDATES (SWC Project No. 416-10)

The Devils Lake hydrologic report, and project updates were provided, which are detailed in the staff memorandum, dated November 17, 2014, and attached as ***APPENDIX "K".***

GARRISON DIVERSION CONSERVANCY DISTRICT (SWC Project No. 237)

Dave Koland, Garrison Diversion Conservancy District general manager, provided a status report relating to the District's current activities.

On May 29, 2014, the State Water Commission allocated $420,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020) to the Garrison Diversion Conservancy District to provide five-year term extensions for right-of-way options along the North Dakota Highway 200 corridor. Mr. Koland reported the extensions have been completed.

Dave Koland announced his retirement, effective January 31, 2015. Mr. Koland was recognized for his excellent leadership and expertise in water development and water policy issues in the state. Governor Dalrymple expressed his gratefulness stating that Dave Koland's "commitment and dedication was notably demonstrated throughout his career in the water industry and as a devout member of numerous boards and associations. His valuable and steadfast efforts in water resource development in the state are greatly acknowledged, and will continue to enhance the lives of people of the great State of North Dakota for generations to come."

FUTURE STATE WATER COMMISSION MEETINGS

The State Water Commission members expressed the need for more frequent meetings to be better informed in order to achieve effective decisions. The discussion included meeting every two months and the meeting dates be designated in advance for a calendar year; and that a minimum of

six meetings be held during the year allowing the Secretary to the Commission, at the discretion of Governor Dalrymple, to schedule the meetings when they would be the most beneficial. It was stated that the Commissioner-hosted meetings that were held in 2013-2014 were very informative, and the members expressed an interest in pursuing those types meetings.

It was moved by Commissioner Berg, seconded by Commissioner Nodland, and unanimously carried, that the Secretary to the State Water Commission be directed to work with Governor Dalrymple's staff to establish a tentative structured State Water Commission meetings schedule that would include a minimum of six meetings annually; and, at the discretion of Governor Dalrymple, the Secretary to the Commission have flexibility to schedule the dates that would provide for the most effective meetings.

There being no further business to come before the State Water Commission, Governor Dalrymple adjourned the December 5, 2014 meeting at 12:05 p.m.

Jack Dalrymple, Governor
Chairman, State Water Commission

Todd Sando, P.E.
North Dakota State Engineer,
and Chief Engineer-Secretary
to the State Water Commission

STATE WATER COMMISSION
ALLOCATED PROGRAM EXPENDITURES
FOR THE PERIOD ENDED OCTOBER 31, 2014
BIENNIUM COMPLETE: 67%

PROGRAM	SALARIES/ BENEFITS	OPERATING EXPENSES	GRANTS & CONTRACTS	21-Nov-14 PROGRAM TOTALS
ADMINISTRATION				
Allocated	2,492,011	2,323,966		4,815,977
Expended	1,630,345	1,278,047		2,908,392
Percent	65%	55%		60%
			Funding Source:	
			General Fund:	0
			Federal Fund:	41,505
			Special Fund:	2,866,887
PLANNING AND EDUCATION				
Allocated	1,334,304	301,110	107,000	1,742,414
Expended	816,605	104,346	21,322	942,473
Percent	61%	35%	20%	54%
			Funding Source:	
			General Fund:	0
			Federal Fund:	105,937
			Special Fund:	836,536
WATER APPROPRIATION				
Allocated	5,151,915	560,947	1,230,267	6,943,129
Expended	3,101,674	434,087	703,099	4,238,860
Percent	60%	77%	57%	61%
			Funding Source:	
			General Fund:	0
			Federal Fund:	15,630
			Special Fund:	4,223,230
WATER DEVELOPMENT				
Allocated	6,258,796	14,555,905	3,313,200	24,127,901
Expended	3,858,537	5,580,843	171,590	9,610,971
Percent	62%	38%	5%	40%
			Funding Source:	
			General Fund:	0
			Federal Fund:	992,909
			Special Fund:	8,618,062
STATEWIDE WATER PROJECTS				
Allocated			629,600,000	629,600,000
Expended			97,702,746	97,702,746
Percent			16%	16%
			Funding Source:	
			General Fund:	0
			Federal Fund:	0
			Special Fund:	97,702,746
ATMOSPHERIC RESOURCE				
Allocated	993,898	712,307	4,694,692	6,400,897
Expended	675,384	283,332	1,458,729	2,417,444
Percent	68%	40%	31%	38%
			Funding Source:	
			General Fund:	0
			Federal Fund:	0
			Special Fund:	2,417,444
SOUTHWEST PIPELINE				
Allocated	468,291	12,927,500	101,616,741	115,012,532
Expended	392,853	4,369,449	26,500,010	31,262,312
Percent	84%	34%	26%	27%
			Funding Source:	
			General Fund:	0
			Federal Fund:	741,378
			Special Fund:	30,520,934
NORTHWEST AREA WATER SUPPLY				
Allocated	650,021	16,498,500	53,800,540	70,949,061
Expended	348,364	1,284,602	730,534	2,363,500
Percent	54%	8%	1%	3%
			Funding Source:	
			General Fund:	0
			Federal Fund:	0
			Special Fund:	2,363,500
PROGRAM TOTALS				
Allocated	17,349,236	47,880,235	794,362,440	859,591,911
Expended	10,823,963	13,334,706	127,288,029	151,446,698
Percent	62%	28%	16%	18%

FUNDING SOURCE:	ALLOCATION	EXPENDITURES	REVENUE	
GENERAL FUND	0	0	GENERAL FUND:	622,825
FEDERAL FUND	37,310,283	1,897,358	FEDERAL FUND:	2,082,856
SPECIAL FUND	822,281,628	149,549,340	SPECIAL FUND:	161,756,881
TOTAL	859,591,911	151,446,698	TOTAL:	164,462,562

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2013-2015 BIENNIUM

Oct-14

	BUDGET	SWC/SE APPROVED	OBLIGATIONS EXPENDITURES	REMAINING UNOBLIGATED	REMAINING UNPAID
FLOOD CONTROL					
FARGO	136,740,340	136,740,340	10,033,402	0	126,706,938
GRAFTON	7,175,000	7,175,000	0	0	7,175,000
MOUSE RIVER FLOOD CONTROL	36,618,860	5,616,186	33,296	31,002,674	5,582,889
BURLEIGH COUNTY	1,469,900	1,469,900	859,112	0	610,788
VALLEY CITY	12,890,919	12,890,919	0	0	12,890,919
LISBON	3,325,650	3,325,650	0	0	3,325,650
FORT RANSOM	225,000	225,000	0	0	225,000
RICE LAKE RECREATION DISTRICT	2,842,200	2,842,200	0	0	2,842,200
RENWICK DAM	1,281,376	1,281,376	263,419	0	1,017,957
SHEYENNE RIVER FLOOD CONTROL	6,976,411			6,976,411	
FLOODWAY PROPERTY ACQUISITIONS					
MINOT	33,684,329	33,684,329	5,250,816	0	28,433,513
WARD COUNTY	9,698,169	9,698,169	2,157,559	0	7,540,610
VALLEY CITY	1,822,598	1,822,598	1,089,502	0	733,096
BURLEIGH COUNTY	442,304	442,304	209,655	0	232,649
SAWYER	184,260	184,260	0	0	184,260
LISBON	888,750	888,750	529,722	0	359,028
STATE WATER SUPPLY					
REGIONAL & LOCAL WATER SYSTEMS	103,165,741	103,165,741	26,640,910	0	76,524,831
FARGO WATER TREATMENT PLANT	27,864,069	27,864,069	1,981,866	0	25,882,203
SOUTHWEST PIPELINE PROJECT	102,106,673	102,106,673	30,520,934	0	71,585,739
NORTHWEST AREA WATER SUPPLY	21,241,433	7,241,433	1,031,096	14,000,000	6,210,337
COMMUNITY WATER LOAN FUND - BND	15,000,000	15,000,000	5,000,000	0	10,000,000
WESTERN AREA WATER SUPPY AUTHORITY	79,000,000	79,000,000	12,802,990	0	66,197,010
RED RIVER VALLEY WATER SUPPLY	11,000,000	3,295,000	375,034	7,705,000	2,919,966
IRRIGATION DEVELOPMENT	5,493,548	949,869	427,261	4,543,679	522,608
GENERAL WATER MANAGEMENT					
OBLIGATED	31,748,613	31,748,613	7,964,141	0	23,784,472
UNOBLIGATED	18,257,627			18,257,627	0
DEVILS LAKE					
BASIN DEVELOPMENT	68,085	68,085	7,107	0	60,978
OUTLET	872,403	872,403	1,601	0	870,802
OUTLET OPERATIONS	15,140,805	15,140,805	4,866,583	0	10,274,222
DL TOLNA COULEE DIVIDE	102,975	102,975	0	0	102,975
DL EAST END OUTLET	2,774,011	2,774,011	0	0	2,774,011
DL GRAVITY OUTFLOW CHANNEL	13,686,839	13,686,839	0	0	13,686,839
DL STANDPIPE REPAIR	1,300,000	1,300,000	342,595	0	957,405
WEATHER MODIFICATIONS	805,202	805,202	391,437	0	413,765
TOTALS	705,894,092	623,408,699	112,780,040	82,485,393	510,628,660

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2013-2015 Biennium

PROGRAM OBLIGATION

Approved By	SWC No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-14 Balance
				Flood Control:				
SB 2020	1928-01	5000	City of Fargo	Fargo Flood Control Project	6/23/2009	136,740,340	10,033,402	126,706,938
	1771	5000	City of Grafton	Grafton Flood Control Project	3/11/2010	7,175,000	0	7,175,000
SB 2371	1974-06	5000	Souris River Joint WRD	Mouse River Enhanced Flood - pd to SRJWRB	12/9/2011	16,257	16,257	0
	1974-06	5000	Souris River Joint WRD	Mouse River Enhanced Flood - pd to SRJWRB	3/17/2014	200,000	7,246	192,754
SB 2371	1974-08	5000	Souris River Joint WRD	Mouse River Reconnaissance Study to Meet Fed Guid	2/15/2013	10,603	9,793	809
	1974-09	5000	Souris River Joint WRD	4th Ave NE & Napa Valley/Forest Rd Flood Improveme	10/7/2013	3,830,400	0	3,830,400
	1974-10	5000	Souris River Joint WRD	International Joint Commission Study Board	5/29/2014	302,500	0	302,500
	1993-01	5000	City of Minot	Downtown Infrastructure Improvements	9/15/2014	1,256,426	0	1,256,426
SB 2371	1992-01	5000	Burleigh Co. WRD	Burleigh County's Tavis Road Storm Water Pump Stati	6/13/2012	1,469,900	859,112	610,788
SB 2371	1344-01	5000	Valley City	Sheyenne River Valley Flood Control Project	6/19/2013	350,625	0	350,625
	1504-01	5000	Valley City	Permanent Flood Protection Project	5/29/2014	10,032,235	0	10,032,235
	1504-02	5000	Valley City	Permanent Flood Protection Project (LOAN)	5/29/2014	2,508,059	0	2,508,059
SB 2371	1344	5000	City of Lisbon	Sheyenne River Valley Flood Control Project	6/19/2013	700,650	0	700,650
	1991-01	5000	City of Lisbon	Permanent Flood Protection Project	5/29/2014	1,918,698	0	1,918,698
	1991-02	5000	City of Lisbon	Permanent Flood Protection Project (LOAN)	5/29/2014	706,302	0	706,302
SB 2371	1344	5000	Fort Ranson	Sheyenne River Valley Flood Control Project	6/19/2013	225,000	0	225,000
	1997	5000	Rice Lake Recreation District	Renwick Dam Rehabilitation	6/13/2012	2,842,200	0	2,842,200
	849	5000	Pembina Co. WRD	Renwick Dam Rehabilitation	6/26/2014	1,281,376	263,419	1,017,957
				Subtotal Flood Control		***171,566,571***	***11,189,230***	***160,377,341***
				Floodway Property Acquisitions:				
SB 2371	1993-05	5000	City of Minot	Minot Phase 1 - Floodway Acquisitions	1/27/2012	9,276,071	5,250,816	4,025,255
	1993-05	5000	City of Minot	Minot Phase 2 - Floodway Acquisitions	10/7/2013	24,408,258	0	24,408,258
SB 2371	1523-05	5000	Ward County	Ward County Phase 1, 2 & 3 - Floodway Acquisitions	1/27/2012	9,525,664	1,985,054	7,540,610
SB 2371	1523-02	5000	Ward County	Chaparelle Highwater Berm Project	2/27/2013	172,505	172,505	0
SB 2371	1504-05	5000	ValleyCity	Valley City Phase 1 - Floodway Acquisitions	7/23/2013	1,822,598	1,089,502	733,096
SB 2371	1992-05	5000	Burleigh Co. WRD	Burleigh Co. Phase 1 - Floodway Acquisitions	3/7/2012	442,304	209,655	232,649
SB 2371	2000-05	5000	City of Sawyer	Sawyer Phase 1 - Floodway Acquisitions	6/13/2012	184,260	0	184,260
	1991-05	5000	City of Lisbon	Lisbon - Floodway Acquisition	9/27/2013	888,750	529,722	359,028
				Subtotal Floodway Property Acquisitions		***46,720,410***	***9,237,254***	***37,483,156***
SWC				***Water Supply Advances:***				
	2373-24	5000	Garrison Diversion	Traill Regional Rural Water (Phase III)	8/18/2009	1,368,000	1,205,019	162,981
				State Water Supply Grants:				
	2373-32	5000	North Central Rural Water Consortium	NCRW (Berthold-Carpio)	6/21/2011	2,807,902	2,807,902	0
	2373-33	5000	Stutsman Rural RWD	Stutsman Rural Water System - Phase II	3/17/2014	3,795,692	3,755,312	40,380
	2373-35	5000	Grand Forks - Traill RWD	Grand Forks - Traill County WRD	6/13/2012	2,725,415	1,782,624	942,790
	2373-36	5000	Stutsman Rural RWD	Stutsman Rural Water System - Phase IIB, III	2/27/2013	12,155,000	6,145,861	6,009,139
	2373-37	5000	North Central Rural Water Consortium	NCRW (Plaza)	2/27/2013	299,300	267,748	31,552
	1782-01	5000	McLean-Sheridan RWD	Blue & Brush Lakes Expansion Project	5/29/2014	0	0	0
	2373-38	5000	Stutsman Rural RWD	Kidder Co & Carrington Area Expansion	7/23/2013	1,207,000	0	1,207,000
	2373-39	5000	North Central Rural Water Consortium	Carpio Berthold Phase 2	5/29/2014	3,050,000	71,295	2,978,705
	2373-40	5000	South Central Regional Water System	Kidder County Expansion	5/29/2014	0	0	0
	2373-41	5000	North Central Rural Water Consortium	Granville-Deering Area	5/29/2014	4,980,000	58,786	4,921,214
	2050-01	5000	Missouri West Water System	South Mandan	3/17/2014	776,000	363,191	412,809
	2050-02	5000	Grand Forks Traill RWD	Improvements	10/7/2013	3,390,000	197,654	3,192,346
	2050-03	5000	Northeast Regional WD	Langdon RWD - ABM Pipeline Phase 1	10/7/2013	1,040,000	661,559	378,441
	2050-04	5000	Northeast Regional WD	Langdon RWD - North Valley Nekoma	10/7/2013	800,000	78,125	721,875
	2050-05	5000	Northeast Regional WD	North Valley WD - ABM Pipeline Phase 1	10/7/2013	565,000	111,916	453,084
	2050-06	5000	Northeast Regional WD	North Valley WD - 93 Street	10/7/2013	1,290,000	289,556	1,000,444
	2050-07	5000	Northeast Regional WD	North Valley WD - Rural Expansion	5/29/2014	1,800,000	169,916	1,630,084
	2050-08	5000	Walsh RWD	Ground Storage	10/7/2013	684,000	465,162	218,838
	2050-09	5000	City of Park River	Water Tower	10/7/2013	1,350,000	72,323	1,277,678
	2050-10	5000	City of Surrey	Water Supply Improvements	10/7/2013	1,500,000	584,923	915,077
	2050-11	5000	Cass RWD	Phase 2 Plant Improvements	10/7/2013	2,600,000	4,552	2,595,448
	2050-12	5000	Central Plains WD	Improvements	10/7/2013	1,450,000	5,438	1,444,563
	2050-13	5000	City of Mandan	New Raw Water Intake	10/7/2013	1,270,000	0	1,270,000
	2050-14	5000	City of Mandan	Water Treatment Plant Improvements	10/7/2013	726,000	180,435	545,565
	2050-15	5000	City of Washburn	New Raw Water Intake	10/7/2013	1,795,000	0	1,795,000
	2050-16	5000	Tri-County RWD	Improvements	10/7/2013	650,000	0	650,000
	2050-17	5000	Barnes Rural RWD	Improvements	10/7/2013	5,243,585	211,353	5,032,232
	2050-18	5000	City of Grafton	Water Treatment Plant Phase 3	10/7/2013	2,600,000	0	2,600,000
	2050-19	5000	City of Grand Forks	Water Treatment Plant Improvements	10/7/2013	4,990,000	291,787	4,698,213
	2050-20	5000	City of Dickinson	Capital Infrastructure	2/27/2014	17,765,348	0	17,765,348
	2050-21	5000	Watford City	Capital Infrastructure	2/27/2014	6,700,000	4,211,966	2,488,034
	2050-22	5000	City of Williston	Capital Infrastructure	2/27/2014	7,000,000	2,133,651	4,866,349
	2050-23	5000	Greater Ramsey RWD	SW Nelson County Expansion	3/17/2014	4,500,000	512,857	3,987,143
	2050-24	5000	All Seasons Water District	System 1 Well Field Expansion	9/15/2014	292,500	0	292,500
				Subtotal State Water Supply		***103,165,741***	***26,640,910***	***76,524,831***
	1984-02	5000	City of Fargo	Fargo Water Treatment Plant	3/17/2014	27,864,069	1,981,866	25,882,203
	1736-05	8000	SWPP	Southwest Pipeline Project	7/1/2013	102,106,673	30,520,934	71,585,739
	2374	9000	NAWS	Northwest Area Water Supply	7/1/2013	7,241,433	1,031,096	6,210,337
	2044-01	5000	Bank of North Dakota	Community Water Facility Fund	10/7/2013	15,000,000	5,000,000	10,000,000
	1973-02	5000	WAWSA	WAWSA- (GRANT)	10/7/2013	39,500,000	6,162,136	33,337,864
	1973-03	5000	Bank of North Dakota	WAWSA - (LOAN)	10/7/2013	39,500,000	6,640,854	32,859,146
	325-101	5000	RRVWSP	Red River Valley Water Supply - CH2MHill	2/27/2014	375,000	375,000	0
	325-102	5000	RRVWSP	Red River Valley Water Supply - Intake Design Study	5/29/2014	2,500,000	34	2,499,966
	325-103	5000	RRVWSP	Garrison Diversion - Easements	5/29/2014	420,000	0	420,000
				Subtotal State Water Supply		***234,507,175***	***51,711,921***	***182,795,254***

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2013-2015 Biennium

PROGRAM OBLIGATION

Approved By	SWC No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-14 Balance
				Irrigation Development:				
SWC	222	5000	Buford Trenton Irrigation	Buford Trenton Irrigation Transmission Line Reroute	7/23/2013	350,000	350,000	0
SWC	1389	5000	Bank of ND	BND AgPace Program	10/23/2001	25,966	25,966	0
SWC	1389	5000	Bank of ND	BND AgPace Program	12/13/2013	200,000	1,295	198,705
SWC	AOC/IRA	5000	ND Irrigation Assoc	ND Irrigation Association	7/1/2013	100,000	50,000	50,000
SWC	1968	5000	Garrison Diversion	2009-11 McClusky Canal Mile Marker 7.5 Irrigation Pro	6/1/2010	17,582	0	17,582
SWC	1968	5000	Garrison Diversion	McClusky Canal Mile Marker 10 & 49 Irrigation Project	3/17/2014	256,321	0	256,321
				Subtotal Irrigation Development		***949,869***	***427,261***	***522,608***
				General Water Management				
				Hydrologic Investigations:		***900,000***		
SWC	1400/13	3000	Houston Engineering	Houston Engineering Water Permit Application Review	11/7/2011	1,975	1,975	0
SWC	1400/14	3000	Houston Engineering	Houston Engineering Water Permit Application Review	11/29/2012	10,910	3,991	6,919
SWC	1400	3000	Gordon Sturgeon	Consultant Services	3/23/2013	39,200	39,200	0
SWC	1400	3000	Gordon Sturgeon	Consultant Services	4/16/2014	24,800	24,800	0
SE	XXX	3000	Manikowski Well Drilling	Manikowski Well Drilling Inc.	3/20/2014	12,850	12,850	0
	862/859	3000	Arletta Herman	Arletta Herman- Well Monitor	3/13/2014	2,668	2,668	0
	862	3000	Lori Bjorgen	Lori Bjorgen - Well Monitor	3/13/2014	224	224	0
	967	3000	Holly Messmer - McDaniel	Holly Messmer - McDaniel - Well Monitor	4/19/2012	0	0	0
	1690	3000	Holly Messmer - McDaniel	Holly Messmer - McDaniel - Well Monitor	4/19/2012	936	936	0
	1703	3000	Thor Brown	Thor Brown- Well Monitor	3/27/2012	3,827	3,827	0
	1707	3000	Thor Brown	Thor Brown- Well Monitor	4/26/2011	2,947	2,947	0
	1761	3000	Gloria Roth	Gloria Roth - Well Monitor	4/19/2013	1,036	1,036	0
	1761	3000	Fran Dobits	Fran Dobits - Well Monitor	6/1/2011	1,764	1,763	0
	2041	3000	U. S. Geological Survey	Conversion of 17 groundwater recorder wells to real-tin	7/16/2013	34,000	34,000	0
	1395	3000	U. S. Geological Survey	Investigations of Water Resources in North Dakota	9/25/2013	491,275	491,275	0
	1395D	3000	U. S. Geological Survey	Eaton Irrigation Project on the Souris River	7/13/2012	15,300	0	15,300
				Hydrologic Investigations Obligations Subtotal		***643,711***	***621,492***	***22,220***
				Remaining Hydrologic Investigations Authority		***256,289***		
				Hydrologic Investigations Authority Less Payments				
				General Projects Obligated		***26,321,820***	***2,815,856***	***23,505,964***
				General Projects Completed		***4,526,794***	***4,526,794***	***0***
				Subtotal General Water Management		***31,748,613***	***7,964,141***	***23,784,472***
				Devils Lake Basin Development:				
SWC	416-01	5000	DLJWRB	DL Joint WRB Manager	7/1/2013	60,000	0	60,000
SWC	416-05	2000	Joe Belford	DL Downstream Acceptance	7/1/2013	8,085	7,107	978
SWC	416-07	5000	Multiple	Devils Lake Outlet	7/1/2013	872,403	1,601	870,802
SWC	416-10	4700	Operations	Devils Lake Outlet Operations	7/1/2013	15,140,805	4,866,583	10,274,222
SWC	416-13	5000	Multiple	DL Tolna Coulee Divide	7/1/2013	102,975	0	102,975
SWC	416-15	5000	Multiple	DL East End Outlet	7/1/2013	2,774,011	0	2,774,011
SWC	416-17	5000	Multiple	DL Emergency Gravity Outflow Channel	9/21/2013	13,686,839	0	13,686,839
SWC	416-19	5000	Multiple	DL Standpipe Repairs	12/13/2013	1,300,000	342,595	957,405
				Devils Lake Subtotal		***33,945,118***	***5,217,885***	***28,727,233***
SWC		7600		Weather Modification	7/1/2013	805,202	391,437	413,765
				TOTAL		***623,408,699***	***112,780,040***	***510,628,660***

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2013-2015 Biennium
Resources Trust Fund

GENERAL PROJECT OBLIGATIONS

Approved By	SWC No	Dept	Approved Biennum	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	*Oct-14* Balance
HB 1009	1986	5000	2013-15	USDA-APHIS,ND Dept Agricu	USDA Wildlife	8/20/2013	250,000	120,829	129,171
HB 2305	1963	5000	2009-11	Emmons County WRD	Beaver Bay Embankment Feasibilitly Study	8/10/2009	53,644	35,566	18,078
SB 2020	1131	5000	2009-11	Nelson Co. WRD	Flood Related Water Projects	6/1/2011	55,455	0	55,455
SE	1967	5000	2009-11	Grand Forks Co. WRD	Grand Forks County Legal Drain No. 55 2010 Contru	11/30/2010	9,652	0	9,652
SE	1301	5000	2009-11	City of Lidgerwood	City of Lidgerwood Engineering & Feasibility Study for	2/4/2011	15,850	0	15,850
SE	1607	5000	2011-13	Ward Co. WRD	Flood Inundation Mapping of Areas Along Souris & D	6/15/2011	13,011	0	13,011
SE	1301	5000	2011-13	City of Wahpeton	City of Wahpeton Water Reuse Feasibility Study/Rich	9/8/2011	2,500	0	2,500
SE	391	5000	2011-13	Sargent Co WRD	Sargent Co WRD, Silver Lake Dam Emergency Repa	10/12/2011	2,800	0	2,800
SE	1312	5000	2011-13	Walsh Co. WRD	Skyrud Dam 2011 EAP	12/15/2011	10,000	0	10,000
SE	1312	5000	2011-13	Walsh Co. WRD	Union Dam 2011 EAP	12/15/2011	10,000	0	10,000
SE	1998	5000	2011-13	Grand Forks Co. WRD	Upper Turtle River Dam #1 2012 EAP	6/28/2012	10,000	0	10,000
SE	1303	5000	2011-13	Sargent Co WRD	Shortfoot Creek Preliminary Soils Analysis & Hydrauli	6/29/2012	24,861	0	24,861
SE	2002	5000	2011-13	Grand Forks Co. WRD	Trutle River Dam #4 2012 EAP	6/29/2012	10,000	0	10,000
SE	2005	5000	2011-13	Grand Forks Co. WRD	Turtle River Dam #8 2012 EAP	6/29/2012	10,000	0	10,000
SE	2008	5000	2011-13	City of Mapleton	Mapleton Flood Control Levee Project	6/29/2012	24,410	0	24,410
SE	AOC/RRBC	5000	2011-13	Red River Basin Commission	Stream Gaging & Precipitation Network Study in the F	9/14/2012	20,000	0	20,000
SE	1991	5000	2011-13	City of Lisbon	Sheyenne River Snagging & Clearing Project	2/12/2013	5,000	0	5,000
SE	1461	5000	2011-13	Pembina Co. WRD	O'Hara Bridge Bank Stabilization	4/26/2013	24,633	0	24,633
SE	1289	5000	2011-13	McKenzie Co. Weed Control I	Control of Noxious Weeds on Sovereign Lands	6/11/2013	24,810	0	24,810
SE	1174	5000	2013-15	Richland Co. WRD	Drain No. 31 Reconstruction Project	8/30/2013	32,393	0	32,393
SE	1640	5000	2013-15	U.S. Geological Survey	Maintenance of gaging station on Missouri River belo	9/25/2013	8,710	0	8,710
SE	1296	5000	2013-15	Pembina Co. WRD	Bathgate-Hamilton & Carlisle Watershed Study	10/17/2013	38,500	0	38,500
SE	1291	5000	2013-15	Mercer County WRD	Antelope Creek Snagging & Clearing Project	3/27/2014	21,714	0	21,714
SE	867-01	5000	2013-15	NDSU	NDSU - Water sampling Dr. Xinhua Jia Dept of Ag	4/22/2014	5,000	0	5,000
SE	507	5000	2013-15	Grant County WRD	Raleigh Dam Emergency Action Plan	7/1/2014	12,000	0	12,000
SE	399	5000	2013-15	Barnes Co WRD	Kathryn Dam Feasibility Study	9/19/2014	21,250	0	21,250
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Bridge Locatio	10/16/2014	34,500	0	34,500
SE	274	5000	2013-15	City of Neche	FEMA Levee Certification Feasibility Study	10/17/2014	37,500	0	37,500
SWC	620	5000	2007-09	Lower Heart WRD	Mandan Flood Control Protective Works (Levee)	9/29/2008	125,396	0	125,396
SWC	1921	5000	2007-09	Morton Co. WRD	Square Butte Dam No. 6/(Harmon Lake) Recreation I	3/23/2009	821,058	32,616	788,442
SWC	1638	5000	2009-11	Mutiple	Red River Basin Non-NRCS Rural/Farmstead Ring D	6/23/2009	226,364	8,500	217,864
SWC	1069	5000	2009-11	North Cass Co. WRD	Cass County Drain No. 13 Improvement Reconstructi	8/18/2009	122,224	0	122,224
SWC	1088	5000	2009-11	Maple River WRD	Cass County Drain No. 37 Improvement Recon	8/18/2009	92,668	0	92,668
SWC	1960	5000	2009-11	Ward Co. WRD	Puppy Dog Coulee Flood Control Diversion Ditch Con	8/18/2009	796,976	0	796,976
SWC	322	5000	2009-11	ND Water Education Foundat	ND Water: A Century of Challenge	2/22/2010	36,800	0	36,800
SWC	1244	5000	2009-11	Traill Co. WRD	Traill Co. Drain No. 27 (Moen) Reconstruction & Exte	3/11/2010	336,491	0	336,491
SWC	1577	5000	2009-11	Mercer Co. WRD & City of Ha	Hazen Flood Control Levee (1517) & FEMA Accredita	3/11/2010	184,984	0	184,984
SWC	281	5000	2009-11	Three Affiliated Tribes	Three Affiliated Tribes/Fort Berthold Irrigation Study	10/26/2010	37,500	0	37,500
SWC	646	5000	2009-11	City of Fargo	Christine Dam Recreation Retrofit Project	10/26/2010	184,950	0	184,950
SWC	646	5000	2009-11	City of Fargo	Hickson Dam Recreation Retrofit Project	10/26/2010	44,280	0	44,280
SWC	347	5000	2009-11	City of Velva	City of Velva's Flood Control Levee System Certificat	3/28/2011	102,000	0	102,000
SWC	1161	5000	2009-11	Pembina Co. WRD	Drain 55 Improvement Reconstruction	3/28/2011	13,846	0	13,846
SWC	1245	5000	2009-11	Traill Co. WRD	Traill Co. Drain No. 28 Extenstion & Improvement Pro	3/28/2011	336,007	0	336,007
SWC	1969	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain #	3/28/2011	38,154	0	38,154
SWC	1970	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain #	3/28/2011	39,115	0	39,115
SWC	1101	5000	2011-13	Dickey Co. WRD	Yorktown-Maple Drainage Improvement Dist No. 3	9/21/2011	354,500	0	354,500
SWC	1101	5000	2011-13	Dickey-Sargent Co WRD	Riverdale Township Improvement District #2 - Dickey	9/21/2011	500,000	0	500,000
SWC	1219	5000	2011-13	Sargent Co WRD	City of Forman Floodwater Outlet	9/21/2011	31,472	0	31,472
SWC	1252	5000	2011-13	Walsh Co. WRD	Walsh Co. Reconstruction Drain No. 97	9/21/2011	24,933	0	24,933
SWC	1705	5000	2011-13	Red River Joint Water Resou	Red River Joint WRD Watershed Feasibility Study - F	9/21/2011	60,000	0	60,000
SWC	1975	5000	2011-13	Walsh Co. WRD	Walsh Co. Drain No. 31 Reconstruction Project	9/21/2011	37,742	0	37,742
SWC	1977	5000	2011-13	Dickey-Sargent Co WRD	Jackson Township Improvement Dist. #1	9/21/2011	500,000	0	500,000
SWC	829	5000	2011-13	Rush River WRD	Rush River WRD Berlin's Township Improvement Dis	10/19/2011	163,695	62,378	101,317
SWC	1224	5000	2011-13	Traill Co. WRD	Preston Floodway Reconstruction Project	10/19/2011	208,570	0	208,570
SWC	1978	5000	2011-13	Richland & Sargent Joint WRI	Richland & Sargent WRD RS Legal Drain No. 1 Exter	10/19/2011	245,250	0	245,250
SWC	1918	5000	2001-13	Maple River WRD	Normanna Township Improvement District No. 71	12/9/2011	287,900	0	287,900
SWC	1983	5000	2011-13	City of Harwood	City of Harwood Engineering Feasibility Study	12/9/2011	62,500	0	62,500
SWC	1396	5000	2011-13	U.S. Geological Survey	(USGS) Missouri River Geomorphic Assessment	3/7/2012	90,000	50,000	40,000
SWC	1989	5000	2011-13	Barnes Co WRD	Hobart Lake Outlet Project	3/7/2012	266,100	0	266,100
SWC	1990	5000	2011-13	Mercer Co. WRD	Lake Shore Estates High Flow Diverstion Project	3/7/2012	43,821	0	43,821
SWC	227	5000	2011-13	Eaton Flood Irrigation District	District's Mouse River Riverbank Stabilization Project	6/13/2012	120,615	0	120,615
SWC	1063	5000	2011-13	Rush River WRD	Amenia Township Improvement District Drain No. 74	6/13/2012	459,350	0	459,350
SWC	1344	5000	2009-11	Southeast Cass WRD	Sheyenne Diversion Exterior Pump Station	6/13/2012	3,751	0	3,751
SWC	2007	5000	2011-13	Maple River WRD	Pontiac Township Improvement District No. 73 Projec	6/13/2012	500,000	0	500,000
SWC	2010	5000	2011-13	Barnes Co WRD	Meadow Lake Outlet	6/13/2012	500,000	0	500,000
SWC	1878-02	5000	2011-13	Maple River WRD	Upper Maple River Dam Environmental Assessment	6/13/2012	112,500	0	112,500
SWC	2009-02	5000	2011-13	Southeast Cass WRD	Recertification of the Horace to West Fargo Diversior	9/17/2012	72,600	42,835	29,765
SWC	1401	5000	2009-11	Pembina Co. WRD	International Boundary Roadway Dike Pembina	9/27/2012	331,799	70,767	261,032
SWC	240	5000	2011-13	Eddy County WRD	Warwick Dam Repair Project	12/7/2012	110,150	0	110,150
SWC	1705	5000	2011-13	Red River Joint Water Resou	Red River Basin Distributed Plan Study	12/7/2012	560,000	0	560,000
SWC	2019	5000	2011-13	Valley City	Sheyenee River Snagging & Clearing Project	12/7/2012	75,000	0	75,000
SWC	346	5000	2011-13	Williams County WRD	Epping Dam Evaluation Project	2/27/2013	66,200	0	66,200
SWC	1135	5000	2011-13	Pembina Co. WRD	Drain #4 Reconstruction Project	6/19/2013	221,628	0	221,628
SWC	1207	5000	2011-13	Richland Co. WRD	Drain #65 Extension Project	6/19/2013	123,200	99,063	24,137
SWC	1312	5000	2011-13	Walsh Co. WRD	Forest River Flood Contral Feasibility Study	6/19/2013	79,956	0	79,956
SWC	1438	5000	2011-13	Cavalier County WRD	Mulberry Creek Phase IV Reconstruction Project	6/19/2013	324,010	0	324,010
SWC	1992	5000	2011-13	Burleigh Co. WRD	Burnt Creek Flood Restoration Project	6/19/2013	87,805	0	87,805
SWC	2022	5000	2011-13	Pembina Co. WRD	Drain #73 Project	6/19/2013	350,400	0	350,400
SWC	AOC/RRBC	5000	2013-15	Red River Basin Commission	Red River Basin Commission Contractor	7/1/2013	200,000	100,000	100,000
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Joint Water Board (MRRIC) T. FLECK	7/1/2013	40,000	19,266	20,734
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Joint Water Board, (MRJWB) Start up	7/1/2013	20,000	0	20,000
SWC	AOC/WEF	5000	2013-15	ND Water Education Foundat	ND Water Magazine	7/1/2013	36,000	18,000	18,000
SWC	PS/WRD/USRJ	5000	2013-15	Upper Sheyenne River Joint V	Upper Sheyenne River WRB Administration (USRJW	7/1/2013	12,000	2,876	9,124
SWC	1859	5000	2013-15	ND Dept of Health	NonPoint Source Pollution, Section 319	8/20/2013	200,000	143,287	56,713
SWC	1270	5000	2013-15	Burleigh Co. WRD	Apple Creek Industrial Park Levee Feasibility Study	10/7/2013	65,180	0	65,180

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2013-2015 Biennium
Resources Trust Fund

GENERAL PROJECT OBLIGATIONS

Approved By	SWC No	Dept	Approved Biennum	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	*Oct-14* Balance
SWC	2004	5000	2013-15	Grand Forks Co. WRD	Drain No. 57 Project	10/7/2013	413,576	0	413,576
SWC	2040	5000	2013-15	Walsh Co. WRD	Drain #74 Project	10/7/2013	317,852	0	317,852
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Coordinator	10/7/2013	175,000	62,269	112,731
SWC	1056	5000	2013-15	Bottineau Co. WRD	Scandia/Scotia Drain Project	12/13/2013	140,634	0	140,634
SWC	1242	5000	2013-15	Traill Co. WRD	Rust Drain No. 24 Project	12/13/2013	187,736	0	187,736
SWC	1554/2046?	5000	2013-15	McLean Co. WRD	City of Underwood Floodwater Outlet Project	12/13/2013	1,100,727	0	1,100,727
SWC	1758	5000	2013-15	USGS	Stochastic Model for the Mouse River Basin	12/13/2013	200,000	120,000	80,000
SWC	2043	5000	2013-15	Pembina Co. WRD	District's Drain 78 Outlet Extension Project	12/13/2013	287,778	0	287,778
SWC	2046	5000	2013-15	Walsch Co. WRD	North Branch Park River Comprehensive Flood Dam	12/13/2013	134,400	0	134,400
SWC	1878-02	5000	2011-13	Maple-Steele WRD	Upper Maple River Dam Construction Phase	12/13/2013	3,991,500	0	3,991,500
SWC	CON/WIL/CARL	5000	2013-15	Garrison Diversion Conserva	Will and Carlson Consulting Contract	12/13/2013	70,000	27,179	42,821
SWC	1082	5000	2013-15	Rush River WRD	Cass Co. Drain No. 30 Channel Improvement Project	3/17/2014	142,818	0	142,818
SWC	2008	5000	2013-15	City of Mapleton	Recertification of Flood Control Levee System Projec	3/17/2014	718,941	0	718,941
SWC	1140	5000	2013-15	Pembina Co. WRD	Drain No. 11 Outlet Extension Project	5/29/2014	125,760	0	125,760
SWC	1418	5000	2013-15	City of Bisbee	Big Coulee Dam Feasibility Study	5/29/2014	65,000	0	65,000
SWC	1444	5000	2013-15	City of Pembina	2014 Flood Protection System Modification Project	5/29/2014	1,031,981	178,982	852,999
SWC	1577	5000	2013-15	City of Killdeer & Dunn Co.	Floodplain Mapping Project	5/29/2014	55,000	0	55,000
SWC	1753/1523?	5000	2013-15	Ward Co. Hwy Dept	County Road 18 Flood Control Project	5/29/2014	325,208	0	325,208
SWC	2045	5000	2013-15	Mercer Co. WRD	LiDAR Collection Project	5/29/2014	117,000	106,575	10,425
SWC	2048	5000	2013-15	City of Marion	Marion Flood Mitigation & Lagoon Drainage Project	5/29/2014	188,366	0	188,366
SWC	1932	5000	2005-07	Nelson Co. WRD	Michigan Spillway Rural Flood Assessment	8/15/2014	2,588,924	1,419,796	1,169,128
SWC	1625	5000	2013-15	Houston Engineering	(OHWM) Ordinary High Water Mark Delineations	8/20/2014	134,418	86,362	48,056
SWC	1227	5000	2011-13	Traill Co. WRD	Mergenthal Drain No. 5 Reconstruction	9/15/2014	155,780	0	155,780
SWC	1285	5000	2013-15	Lamoure Co. Soil Conservatic	Lamoure Co Memorial Park Streambank Restoration	9/15/2014	91,042	0	91,042
SWC	1314	5000	2013-15	Wells Co. WRD	Oak Creek Drain Lateral E Reconstruction Project	9/15/2014	73,057	0	73,057
SWC	1613	5000	2013-15	North Cass Co. WRD	Cass County Drain No. 55 Channel Improvements Pr	9/15/2014	99,923	0	99,923
SWC	1613	5000	2013-15	Richland Co. WRD	Drain No. 15 Reconstruction Project	9/15/2014	60,300	0	60,300
SWC	1991	5000	2013-15	City of Lisbon	Sheyenne Riverbank Stabilization Project	9/15/2014	409,300	0	409,300
SWC	2042	5000	2013-15	Bottineau Co. WRD	Haas Coulee Drain Project	9/15/2014	500,000	0	500,000
SWC	2045	5000	2013-15	McKenzie Co WRD	LiDAR Collection Project	9/15/2014	262,308	0	262,308
SWC	2045	5000	2013-15	Federal Coalition Agencies	Federal/State LiDAR Collection Project	9/15/2014	75,000	0	75,000
SWC	PSWRDELM	5000	2013-15	Elm River Joint WRD	Dam #3 Safety Improvements Project	9/15/2014	65,208	0	65,208
SWC	228	5000	2013-15	USGS	Operation & Maint of Gaging Station on the Missouri I	10/2/2014	8,970	8,710	260
SWC	1296	5000	2013-15	Pembina Co. WRD	Bourbanis/Olson Dam Safety Project	10/29/2014	132,680	0	132,680
					TOTAL		26,321,820	2,815,856	23,505,964

STATE WATER COMMISSION
PROJECTS/GRANTS/CONTRACT FUND
2013-2015 Biennium
Resources Trust Fund

COMPLETED GENERAL PROJECTS

Approvec By	SWC No	Dept	Approved Biennum	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	*Oct-14* Balance
SE	1577	5000	2011-13	Burleigh Co. WRD	Fox Island 2012 Flood Hazard Mitigation Evaluation St	5/22/2012	23,900	23,900	0
SE	2003	5000	2011-13	Southeast Cass WRD	Re-Certification of the Horace to West Fargo Diversion	6/29/2012	42,835	42,775	60
SE	1732	5000	2011-13	City of Beulah	Beulah Dam Emergency Action Plan	7/26/2012	20,440	10,440	10,000
SE	2003	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee Sy	7/26/2012	45,879	45,879	0
SE	1993	5000	2011-13	Houston Engineering	Minot 100-yr Floodplain Map and Profiles	10/9/2012	10,000	0	10,000
SE	2001	5000	2011-13	Traill Co. WRD	Elm River Diversion Project	10/31/2012	10,423	6,076	4,347
SE	1992	5000	2011-13	Burleigh Co. WRD	Burleigh Co Flood Control Alternatives Assessment	1/30/2013	25,175	16,168	9,007
SE	871	5000	2011-13	Pembina Co. WRD	Pembina Snagging & Clearing Project	6/14/2013	7,500	7,500	0
SE	1395	5000	2013-15	U.S. Geological Survey	Operation & maintenance of seven water level monitori	7/16/2013	17,500	17,500	0
SE	2045	5000	2013-15	NCRS & Corps St. Louis	Joint LiDAR Collection	9/12/2013	40,000	40,000	0
SE	1289	5000	2013-15	McKenzie Co. Weed Cor	Control of Noxious Weeds on Sovereign Lands	9/20/2013	10,496	9,779	717
SE	1244	5000	2013-15	Traill Co. WRD	Traill Co. Drain No. 27 (Moen) Lateral Channel Improve	9/27/2013	29,914	23,723	6,191
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Reach 3	10/17/2013	49,500	48,493	1,007
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Reach 2	10/17/2013	49,500	49,375	125
SE	1987	5000	2013-15	City of Burlington	Interim Levee Project	11/22/2013	49,000	49,000	0
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Reach 4	12/13/2013	20,000	20,000	0
SE	BSC	5000	2013-15	Bismarck State College	2014 ND Water Qualitly Monitoring Conference	2/24/2014	1,000	1,000	0
SE	AOC/WEF	5000	2013-15	ND Water Education Fou	2014 Summer Water Tours Sponsorshi	3/5/2014	2,500	2,500	0
SE	1403	5000	2013-15	ND Water Resources Ins	Institute Fellowship Program 2014-15	3/20/2014	13,850	13,850	0
SE	1667	5000	2013-15	Traill Co. WRD	Goose River Snagging & Clearing Project	4/23/2014	46,750	46,750	0
SE	1311	5000	2013-15	Traill Co. WRD	Buffalo Coulee Snagging & Clearing Project	5/27/2014	25,000	23,363	1,637
SE	NDAWN	5000	2013-15	NDSU	ND Agricultural Weather Network	4/15/214	1,550	1,550	0
SWC	928/988/1508	5000	2011-13	SE Cass WRD	Wild Rice, Bois de Sioux, Antelope Creek Retention St	7/21/2008	60,000	30,415	29,585
SWC	1792	5000	2009-11	Southeast Cass WRD	SE Cass Wild Rice River Dam Study Phase II	12/11/2009	130,000	130,000	0
SWC	1966	5000	2009-11	City of Oxbow	City of Oxbow Emergency Flood Fighting Barrier Syste	6/1/2010	188,400	188,400	0
SWC	416-18	5000	2011-13	ND Game & Fish	DL Johnson Farms Water Storage Site	6/10/2011	125,000	4,316	120,685
SWC	1344	5000	2011-13	Southeast Cass WRD	Southeast Cass Sheyenne River Diversion Low-Flow C	6/14/2011	716,609	33,535	683,074
SWC	980	5000	2011-13	Maple River WRD	Maple River Watershed Food Water Retention Study/ I	9/21/2011	0	0	0
SWC	1219	5000	2011-13	Sargent Co WRD	District Drain No. 4 Reconstruction Project	9/21/2011	125,500	86,723	38,777
SWC	CON/WILL-CA	5000	2011-13	Garrison Diversion	Will/Carlson Consultant	10/17/2011	26,174	0	26,174
SWC	1138	5000	2011-13	Pembina Co. WRD	Drain No. 8 Reconstruction Project	3/7/2012	12,215	5,157	7,058
SWC	PS/WRD/JAM	5000	2011-13	James River Joint WRD	James River Engineering Feasibility Study Phase 1	3/7/2012	29,570	29,490	80
SWC	829	5000	2011-13	Rush River WRD	Rush River Watershed Retention Plan	6/13/2012	0	0	0
SWC	1344	5000	2011-13	Southeast Cass WRD	Sheyenne Diversion Phase VI - Weir Improvements	6/13/2012	225,050	224,192	858
SWC	1344	5000	2009-11	Southeast Cass WRD	Horace Diversion Channel Site A (Section 7 - Phase V	6/13/2012	1,812,822	1,810,744	2,078
SWC	1806-02	5000	2011-13	City of Argusville	Re-Certification of the City of Argusville Flood Control L	6/13/2012	84,164	20,101	64,063
SWC	228	5000	2011-13	U.S. Geological Survey	Additional USGS gage Missouri River- ANNUAL	9/17/2012	8,500	8,500	0
SWC	1996	5000	2011-13	Traill Co. WRD	Drain #62 - Wold Drain Project	9/17/2012	112,400	108,717	3,683
SWC	2012	5000	2011-13	Southeast Cass WRD	Lower Sheyenne River Watershed Retention Plan	9/17/2012	80,000	80,000	0
SWC	2013	5000	2011-13	Richland-Cass Joint WRI	Wild Rice River Watershed Retention Plan	9/17/2012	90,000	90,000	0
SWC	2014	5000	2011-13	Traill Co. WRD	Elm River Watershed Retention Plan	9/17/2012	75,000	62,371	12,629
SWC	2003-02	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee Sy	9/17/2012	91,400	91,400	0
SWC	1069	5000	2011-13	North Cass - Rush River	Drain #13 Channel Improvements	9/27/2012	217,000	217,000	0
SWC	1303	5000	2011-13	Sargent Co WRD	Frenier Dam Improvement Project	12/7/2012	158,373	112,027	46,346
SWC	1523	5000	2011-13	Ward Co. WRD	Souris River Minot to Burlington Snagging & Clearing	12/7/2012	109,000	109,000	0
SWC	2020	5000	2011-13	Minot Park District	Souris Valley Golf Course Bank Stabilization	12/7/2012	335,937	205,404	130,533
SWC	1444	5000	2011-13	City of Pembina	US Army Corps of Eng Section 408 Review City Flood	9/19/2013	73,200	62,833	10,367
SWC	1523	5000	2013-15	Ward Co. WRD	Mouse River Snagging & Clearing Project	12/13/2013	347,466	84,700	262,766
SWC	1523	5000	2011-13	Ward Co. WRD	Countryside Villas/Whispering Meadows Drainage Impı	2/21/2014	157,211	67,287	89,924
SWC	568	5000	2013-15	Southeast Cass WRD	Sheyenne River Snagging & Clearing Project Reaches	3/13/2014	165,000	164,861	139
					TOTAL		6,098,703	4,526,794	1,571,909

APPENDIX "C"
DECEMBER 5, 2014

2015 INTENDED USE PLAN
FOR THE
NORTH DAKOTA DRINKING WATER STATE REVOLVING LOAN FUND

PREPARED BY THE
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM
MUNICIPAL FACILITIES DIVISION
ENVIRONMENTAL HEALTH SECTION
NORTH DAKOTA DEPARTMENT OF HEALTH

November 19, 2014

TABLE OF CONTENTS

ATTACHMENTS

Attachment 1- Eligible and Ineligible Projects and Project-Related Costs Under the Drinking Water State Revolving Loan Fund (DWSRF) Program

Attachment 2- Comprehensive Project Priority List And Fundable List

Attachment 3- Priority Ranking System for Financial Assistance Through the Drinking Water State Revolving Loan Fund (DWSRF) Program

Attachment 4- Nonproject Set-Aside and Loan Fee Activity Table

Attachment 5- Amounts Available to Transfer Between State Revolving Fund Programs

Attachment 6- Sources and Uses Table

A. Introduction

On August 6, 1996, President Clinton signed into law the Safe Drinking Water Act (SDWA) Amendments of 1996 (P.L. 104-182). Section 1452 of the SDWA authorizes a Drinking Water State Revolving Loan Fund (DWSRF) program. It further requires the U.S. Environmental Protection Agency (EPA) to enter into agreements with and make capitalization grants to eligible states to assist public water systems (PWSs) in financing the costs of infrastructure needed to achieve or maintain compliance with the SDWA and to protect public health.

North Dakota's DWSRF federal allotments for fiscal years (FY) 1997 through 2014 totaled $171,083,767 and the anticipated 2015 allotment is $9,000,000. Allotted funds are provided by the EPA through capitalization grants and matched 20% by North Dakota.

DWSRF funds may be used for: loans, loan guarantees, as a source of reserve and security for leveraged loans (the proceeds of which must be placed in the DWSRF), to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993, and to earn interest prior to disbursement of assistance. To the extent that there are a sufficient number of eligible projects, at least 15 percent of the funds available for construction must be annually used to provide loan assistance to PWSs that serve fewer than 10,000 persons. Up to 30 percent of the funds available for construction may also be used to provide subsidized loans to disadvantaged communities. A portion of the DWSRF allotments may also be used for nonproject set-aside activities such as: administration (up to 4 percent), state program assistance (up to 10 percent), small system technical assistance (up to 2 percent), and local assistance and state programs including the delineation and assessment of source water protection areas (up to 10 percent for any one activity with a maximum of 15 percent for all activities combined).

PWSs eligible for DWSRF assistance include community water systems, both publicly- and privately-owned, and nonprofit noncommunity water systems. Federally-owned PWSs are not eligible to receive DWSRF assistance. Attachment 1 depicts the types of projects and project-related costs that are eligible and ineligible for DWSRF assistance.

Section 1452(b) of the SDWA requires each state to annually prepare an Intended Use Plan (IUP). The IUP must describe how the state intends to use the DWSRF funds to meet the objectives of the SDWA and further the goal of protecting public health. The IUP must be made available to the public for review and comment prior to submitting it to the EPA as part of the capitalization grant application. Specifically, the IUP must include:

1. A priority list of projects, including a description of the projects and the present size of the PWSs served.

2. A description of the criteria and methods to be used for the distribution of funds.

3. A description of the financial status of the DWSRF program, including the use of set-asides along with funds reserved, and the amount of funds that will be used to assist disadvantaged communities; and,

4. A description of the short and long-term goals of the DWSRF program, including how the capitalization grant funds will be used to ensure compliance and protect public health.

This document is intended to serve as the state of North Dakota's IUP for 2015 and will stay in effect until superseded by a subsequent IUP. As per the authority granted to the North Dakota Department of Health (NDDH) under NDCC Chapter 61-28.1, this document, as amended based on comments received from the public, will be incorporated into a capitalization grant application and submitted to the EPA to further capitalize the state's DWSRF program in the amount of $9,000,000 (anticipated amount). State match bonds were issued in 2011 to provide the 20 percent match for capitalization grants from FY2012-FY2017.

B. Priority List of Projects

Background

States are required to develop and maintain a comprehensive priority list of eligible projects for funding and identify projects that will receive funding in the first year after the capitalization grant award. In determining funding priority, states must ensure, to the maximum extent practicable, that priority for the use of funds be given to projects that: 1) address the most serious risks to human health, 2) are necessary to ensure compliance under the SDWA, and 3) assist systems most in need on a per household basis (i.e., affordability).

Development Process

As part of the IUP development process, all potential DWSRF loan recipients were requested to notify the NDDH if they had a drinking water project not presently on the list for which they were interested in pursuing DWSRF financial assistance. Systems with already ranked and listed projects were requested to provide the NDDH with a written update for each project either not yet under construction, or under construction using other than DWSRF funds. The updates were to include a detailed project description and cost estimate, the amount of DWSRF funds needed, and, as applicable, the anticipated construction start date. In lieu of this information, systems were asked to inform the NDDH if they no longer intended to complete a project, or no longer intended to complete a project using DWSRF assistance. Systems requesting

ranking of new projects were provided ranking questionnaires. Requests for project reranking or deletion were evaluated on a case-by-case basis, with ranking questionnaires provided as needed. Several projects were deleted due to completion (with or without DWSRF assistance) or the acquisition of other funding sources.

Finalized Project Priority Lists may be amended to include new non-emergency projects. Amendments are subject to public review and comment and may require State Water Commission approval.

Comprehensive Project Priority List

See Attachment 2.

Fundable List

The fundable list represents those projects from the comprehensive project priority list anticipated to receive loan assistance this year. The list of projects is based on anticipated start dates, projected funding needs, and expected available loan funds (see Section E). The list will change if such information or assumptions vary, if higher ranked projects not on the list become ready to proceed, or if projects on the list are bypassed (see Section C).

C. Criteria and Methods for the Distribution of Funds

Background

A DWSRF may provide assistance only for expenditures (excluding operation, maintenance, and monitoring) of a type or category which will facilitate compliance or otherwise significantly further health protection under the SDWA. Projects eligible for DWSRF financial assistance include investments to: address present SDWA exceedances, prevent future SDWA exceedances (of regulations presently in effect), replace aging infrastructure, restructure or consolidate water supplies, and buy or refinance existing debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993. Attachment 1 provides additional information concerning the types of projects and project-related costs that are eligible for DWSRF financial assistance.

To the maximum extent possible, states are required to prioritize projects needed for SDWA compliance, projects that provide the greatest public health protection, and those projects that assist systems most in need based on affordability. The information below describes the process used by the NDDH to select projects for potential DWSRF assistance.

Priority Ranking System

The priority ranking system was developed by the NDDH, the state agency with primary enforcement authority for the SDWA. The priority ranking system is designed to ensure that DWSRF funds are focused on projects that address the most serious risks to human health, rectify SDWA compliance problems, and assist those systems most in need based on affordability considerations. The priority ranking system has received both EPA Region VIII and Headquarter concurrence. The priority ranking system will be amended as needed to reflect the changing nature of the SDWA and the DWSRF Program. Any significant amendments will be presented for public review and comment in an IUP.

Ranking and Project Bypass Considerations

It is the intent of the NDDH that DWSRF funds are directed towards North Dakota's most pressing SDWA compliance problems and public health protection needs. To this end, the NDDH reserves the right to require the separation, if feasible, of project components into separate projects if necessary to focus on critical water supply problems. Project components which are separated will be ranked independently. Projects for existing PWSs, including refinancing projects, will be given preference over projects for the development of new water systems.

Under the SDWA, DWSRF funds may be used to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements. In the event of a tie in project rankings, new projects for existing systems will be given preference over refinancing projects.

The NDDH reserves the right to fund lower-ranked projects ahead of higher-ranked projects based on the considerations below. To the maximum extent possible, the NDDH will work with bypassed projects to ensure that they will be eligible for funding in the following fiscal year. Criteria reviewed in bypassing a project included:

1. Readiness to proceed

2. Willingness to proceed (i.e., applicant withdraws project from consideration, obtains other funding sources, or is nonresponsive)

3. Emergency conditions (i.e., an unanticipated failure occurs requiring immediate attention to protect public health)

4. Financial (includes inability to pay and loan repayment issues), technical, or managerial capability

5. Meet the 15 percent requirement (i.e., funding lower-ranked project would satisfy the requirement that at least 15 percent of the funds available for construction be annually used to provide loan assistance to PWSs that serve fewer than 10,000 persons)

6. Meet the Green Project Reserve requirement

7. Initial ranking score cannot be verified

The NDDH, without going through a public review process, reserves the right to fund unanticipated, non-ranked emergency projects determined to require immediate attention to protect public health. Such assistance will be limited to eligible PWS types and project features, and to situations involving acute contaminants, loss or potential loss of a water supply in the near future, or that otherwise represent an unreasonable risk to health.

Capacity

Section 1452 of the 1996 SDWA Amendments precludes states from providing DWSRF assistance to any eligible PWS that lacks the capacity to maintain SDWA compliance unless the PWS owner or operator agrees to undertake feasible and appropriate changes to ensure compliance over the long term. States are also precluded from providing DWSRF assistance to any eligible PWS that is in significant noncompliance with any requirement of a National Primary Drinking Water Regulation (NPDWR) or variance unless such assistance will ensure compliance. PWS capacity, in the context of the SDWA, refers to the overall technical, managerial, and financial capability of a PWS to consistently produce and deliver drinking water meeting all NPDWRs. The NDDH has the legal authority and responsibility under NDCC Chapter 61-28.1 to ensure PWS capacity.

The NDDH will use the DWSRF loan application as the principal control point for capacity assessment. Information from the loan application, and other available and relevant information (such as SDWA compliance data, sanitary survey reports, and operator certification status), will be evaluated to assess capacity at present and for the foreseeable future. The North Dakota Public Finance Authority (PFA), as financial agent for the DWSRF Program through formal agreement, will evaluate the financial information requested in the loan application. Based upon input provided by the DWSRF Program regarding technical and managerial capability, the PFA will make recommendations to the DWSRF Program concerning financial capability. The final decision regarding overall capacity will made by the DWSRF Program.

As required by the SDWA, DWSRF assistance will be denied to applicants that are considered a Priority System because they score eleven or higher in the Enforcement

Tracking Tool if it is determined that the project will not ensure compliance. Likewise, DWSRF assistance will be denied to applicants that lack capacity if they are unwilling or unable to undertake feasible and appropriate changes to ensure capacity over the long term. The lack of capacity at the time of loan application will not preclude DWSRF assistance if the project will ensure compliance, or the applicant agrees to implement changes that will rectify capacity problems. On a case-by-case basis, special conditions may be included in loan agreements to rectify compliance and/or capacity problems. As needed and appropriate, the NDDH will utilize other specific legal authorities as control points to ensure capacity. This includes the review and approval of plans and specifications. Under North Dakota Century Code Chapter 61-28.1 and North Dakota Administrative Code Chapters 33-03-08 and 33-18-01, the NDDH is both empowered and required to review and approve plans and specifications for all new or modified drinking water facilities prior to construction.

D. Set-Aside and Fee Activities

Background

Under the SDWA, states are required to set aside a certain percentage of their available DWSRF loan funds to provide financial assistance to small systems. States at their option may also set aside a portion of their federal DWSRF allotment for certain other project and nonproject activities, and assess fees on loans to help support administration costs. A description of the different set-asides and past/proposed activities related to both set-asides and fees follows.

Mandatory Small System Project Set-Aside

States must annually use at least 15 percent of all funds credited to the DWSRF loan fund to provide loan assistance to PWSs that serve fewer than 10,000 people to the extent that there are a sufficient number of eligible projects to fund. States that exceed the 15 percent requirement in any one year are permitted to bank the excess toward future years.

One hundred eighty four (184) loans totaling $413,683,545 have been approved to date. One hundred fifty nine (159) of these loans (totaling $196,757,315 or 48 percent of loan total) represent PWSs that serve fewer than 10,000 people. The NDDH envisions that additional loans will be made to small PWSs based on the comprehensive project list and fundable list (See Attachment 2).

Mandatory Additional Subsidization Set-Aside

Congress has mandated in several previous appropriations bills that 20 to 30 percent of assistance provided from DWSRF capitalization grants be in the form of additional subsidies. The DWSRF program provides these additional subsidies as loan

forgiveness. The NDDH has the authority under state law, N.D.C.C. Chapter 61-28.1, to provide financial assistance through the DWSRF as authorized by federal law and the USEPA.

Criteria for determining the amount of loan forgiveness is on a project specific basis. Loan forgiveness will be based on the relative future water cost index (RFWCI). The RFWCI is defined as the ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local median household income (based on 2008-2012 American Communities Survey (ACS) 5-Year Estimate).

Projects with a RFWCI of 2.0 percent or greater will qualify for 60 percent loan forgiveness. Projects with a RFWCI of 1.5 percent to 1.9 percent will qualify for 30 percent loan forgiveness. Projects with a RFWCI less than 1.5 percent will not qualify for any loan forgiveness. Projects that do not qualify for loan forgiveness still qualify for a traditional DWSRF loan. The loan forgiveness cap for any one project is $1.0 million.

Timely progression of additional subsidization projects is required. To ensure this, there will be an application deadline, a binding commitment deadline, and a loan forgiveness disbursement deadline. If projects identified as receiving additional subsidization do not meet these deadlines the additional subsidization set-aside will be used to fund lower ranked projects on the project priority list.

It is unknown at this time if mandatory additional subsidization will apply to the FY2015 DWSRF allotment. To address this potential requirement, the fundable portion of the 2015 comprehensive project priority list depicts at least 20 percent ($1,800,000) additional subsidization through loan forgiveness. Adjustments will be made, as necessary, based on the actual required subsidization level and capitalization grant amount.

Mandatory Green Project Reserve (GPR) Set-Aside

Congress has mandated in several previous appropriations bills that 10 to 20 percent of assistance provided from DWSRF capitalization grants, to the extent there are sufficient eligible project applications, be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Where it is not clear that a project or component qualifies to be included as counting towards the requirement, the files for such projects will contain documentation of the business case on which the project was judged to qualify, as described in the 2015 DWSRF capitalization grant requirements. Projects on the PPL meeting one or more objectives are designated as GPR.

It is unknown at this time if mandatory GPR will apply to the FY2015 allotment. To address this potential requirement, the fundable portion of the 2015 comprehensive

project priority list depicts at least 10 percent ($900,000) of GPR. Adjustments will be made, as necessary, based on the actual GPR requirement and capitalization grant amount.

Optional Project Set-Asides

States may provide additional loan subsidies (i.e., reduced interest or negative interest rate loans, principal forgiveness) to benefit communities meeting the definition of disadvantaged or which the state expects to become disadvantaged as the result of the project. A disadvantaged community is one in which the entire service area of a PWS meets affordability criteria established by the state following public review and comment. The value of the subsidies cannot exceed 30 percent of the amount of the federal capitalization grant for any fiscal year. The EPA is required to provide guidance to assist states in developing affordability criteria.

The NDDH has not developed a disadvantaged community program, and is not proposing to do so in this IUP. This decision is based primarily upon majority opinions obtained during initial development of the DWSRF Program, and the NDDH's desire to maximize the long-term availability of funds for construction purposes.

Optional Nonproject Set-Asides

States may use a portion of their federal DWSRF allotment (up to specified ceilings) for the following nonproject set-aside activities:

- DWSRF Administration - up to 4 percent
- State Program Administration - up to 10 percent
- Public Water Supply Supervision (PWSS) Program, source water protection program(s), capacity development program, and operator certification program
- Small System Technical Assistance (serving 10,000 or fewer people) - up to 2 percent
- Local Assistance and Other State Programs - up to 10 percent for any one activity with a maximum of 15 percent for all activities combined
- Loans to PWSs to acquire land or conservation easements for source water protection programs
- Loans to community water systems to implement source water protection measures, or to implement recommendations in source water petitions
- Assist PWSs in capacity development
- Assist states in developing/implementing an EPA-approved wellhead protection program

States may transfer funds among the nonproject set-aside categories, or between the loan fund and such set-aside categories, provided that the statutory set-aside ceilings are not exceeded. Nonproject set-aside funds may be transferred at any time to the

loan fund. However, loan commitments must be made for the transferred funds within one year of the transfer if payments have already been taken for the set-aside funds. Monies intended for the loan fund may be transferred to nonproject set-asides only if no payments have yet been taken for the monies to be transferred. Otherwise, funds in or transferred to the loan fund must remain in the loan fund. Transfers may be done only if described in an IUP and approved by the EPA as part of a capitalization grant agreement or amendment.

Nonproject Set-Aside and Fee Activity

Attachment 4 depicts nonproject set-aside and fee activity through 2015. The anticipated FY 2015 federal DWSRF allotment for North Dakota is $9,000,000. The NDDH intends to set aside $1,025,000 of the allotment for non-project activities. The NDDH also intends to reserve $415,000 of set-aside funds of the FY2015 capitalization grant for use in future years in addition to funds held in reserve from future years. The state program administration (PWSS Program) set-aside is $500,000 and an additional $400,000 will be held in reserve for future years. The 2 percent set-aside is for small system technical assistance is $165,000 and an additional 15,000 will be held in reserve for use in future years. The 4 percent set-aside for DWSRF administration is $360,000. The 4 percent set-aside will be held for ongoing and future DWSRF program administration. The 10 percent set-aside will also be held for ongoing and future PWSS administration. The 2 percent set-aside will be held for ongoing and future small system technical assistance. Should the FY2015 capitalization grant be different from $9,000,000, the set-aside for DWSRF program administration will be adjusted to 4 percent of the actual capitalization grant awarded. The amount held in reserve from the 2 percent and state program administration will be changed to hold in reserve the remainder of the set-aside that is not being taking in the FY2015 in addition to funds held in reserve from previous Intended Use Plans.

The NDDH has limited and will continue to limit the usage of set-asides to maximize funds available for construction. Set-aside usage has been restricted to that necessary to administer the program (4 percent set-aside), provide technical assistance to small PWSs (2 percent set-aside), to provide state program administration (10 percent set-aside), and to complete source water assessments mandated under the SDWA (15 percent set-aside).

The 4 percent set-aside is inadequate to cover the cost of administering the DWSRF Program. Also, Congress will choose at some point to no longer capitalize the program, at which time no new funds will be available for program administration. Based on these considerations, the NDDH considers it both prudent and necessary to set-aside and hold the full 4 percent from each grant, and to hold accumulated loan administration fees to enable ongoing and future administration of the program.

Funds from the 2 percent set-aside have been used to assist small PWSs in capacity development, financial capacity, operator certification, managerial capacity and source water protection. Funds from this set-aside will continue to be used for these purposes and for new initiatives such as assisting these communities with operator safety training. The NDDH closely monitors demand and need for this set-aside to avert over-accumulation of funds.

The 10 percent state program administration set-aside will be used to help fund administration of the PWSS program in pursuit of its mission. This set-aside requires 1:1 match by the state. One of the sources of funds for this 1:1 match is the 0.5 percent loan administration fee. Another source of funding for the 1:1 match is credit for state match funds spent in 1993 on administration of the PWSS program. This credit is good for up to half of the 1:1 match with a maximum credit of $236,359 per year. This match credit does not represent spendable funds.

Under the SDWA, states are permitted to assess fees on loans to support DWSRF administration costs. North Dakota DWSRF loan recipients are required to pay an annual loan administration fee presently set at 0.5 percent of the outstanding loan principal balance. This loan administration fee is payable semiannually on each loan payment date. The fees are held under the master trust indenture and are available to pay DWSRF program administration costs allowable under the SDWA. To enable continued management of the DWSRF once it is no longer annually capitalized through federal grants, loan administration fees will be held and used for loan-bond servicing and DWSRF Program administration as allowed under the SDWA. Also, starting in 2008 the loan administration fees are used as a source of 1:1 match that is required when using the state program administration set-aside to administer the PWSS program.

E. **Financial Status**

Background

States are required to provide a description of the financial status of their DWSRF Program. The information presented below describes the financial structure of the North Dakota DWSRF, the method used to generate the required state match, transfers between SRF's (State Revolving Loan Funds), the basis for approving loans, loan assistance terms including a discussion concerning market interest rates in North Dakota, sources and intended use of funds, and special considerations for State and Tribal Assistance Grants.

Financial Structure

Bonds for the 20 percent state match are issued by the PFA under a master trust indenture adopted by the Industrial Commission of North Dakota. The PFA may also

issue leveraged bonds under the master trust indenture, the proceeds of which can be used to fund loans.

The current demand for DWSRF loan assistance in North Dakota exceeds authorized federal DWSRF allotments and the required state match for those allotments. Under the financial structure initially established for the DWSRF, excess leveraging and higher loan interest rates would be needed to satisfy this excess demand.

A modified financial structure within the existing master trust indenture has been implemented to better satisfy the continuing high demand for DWSRF financial assistance, yet avert excessive leveraging and higher loan interest rates. Under the modified structure, DWSRF allotments and state match bond proceeds will be used first to fund loans. Leveraged bonds will be issued only if loan demand exceeds the amount of DWSRF allotments and state match available for loans or if deemed in the best interest of the program. If leveraged bonds are issued, they will be sized, together with DWSRF allotments and state match, to satisfy current cash flow needs as represented by the projected annual construction costs of eligible projects. This funding approach will expedite loan assistance to more projects that are ready to proceed to construction, avert premature or unnecessary bond issuances, and ensure a more reliable loan repayment stream to satisfy both bond debt service requirements and future loan demand.

The master trust indenture for the DWSRF provides that, in the event there are insufficient amounts available to make scheduled principal and interest payments on outstanding DWSRF bonds when payments are due, the trustee may transfer available excess revenues from the Clean Water State Revolving Fund (CWSRF) to the DWSRF bond fund to meet the deficiency. Following such a transfer, the DWSRF has an obligation to reimburse the CWSRF with future available DWSRF excess revenues.

State 20 Percent Match Requirement

Under the SDWA, states are required to match their DWSRF allotment at an amount at least equal to 20 percent. North Dakota has issued state match bonds to satisfy the FY 1997 through 2017 match requirements.

Anticipated Proportionality Ratio

Bonds were sold in late 2011 to provide the required 20 percent state match for 2012 through 2017. Payments were made using 100 percent state match funds until all of the match funds were disbursed. The program is in an over-matched condition at this time. Funds will be disbursed at a rate of 100 percent federal, leveraged, or FCLA funds because of this over-match condition.

Disbursement of Funds

Funds will be dispersed in the following order: federal, state match, leveraged bond proceeds, and FCLA. To increase the rate of draw for both capitalization grant and leveraged funds, leveraged bonds proceeds will be used to fund loan payment requests. Capitalization grant funds will be immediately requested to replace the disbursed leveraged bond proceeds and deposited into the FCLA account.

The DWSRF is currently over-matched with no state match funds available for disbursement. Set-asides are closely monitored and disbursed quickly when requests are made to ensure timely expenditure and over-accumulation. All federal funds are disbursed in a first-in, first-out manner.

Transfer of Funds Between DWSRF and CWSRF

At the governor's discretion, a state may transfer up to 33 percent of its DWSRF capitalization grant to the CWSRF or an equal amount from the CWSRF to the DWSRF. Transfers could not occur until at least one year after receipt of the first capitalization grant, which was August 24, 1998. This transfer authority was effective through fiscal year 2001. One-year extensions of this transfer authority were granted through the Veterans Administration, Housing and Urban Development, and Independent Agencies Appropriation Bill for fiscal years 2002 - 2005. This provision was made permanent in the FY06 appropriation bill. In addition to transferring grant funds, states can also transfer state match, investment earnings, or principal and interest repayments between SRF programs. These types of transfers were authorized by the Governor in 2002 and 2004. A combined total of $14.0 million was transferred from the CWSRF to the DWSRF and $10.0 million was transferred back from the DWSRF to the CWSRF.

Due to strong drinking water project demand, NDDH received authorization to transfer up to an additional $20.0 million from its CWSRF to its DWSRF in 2007. These funds will be transferred to the DWSRF program on an as needed basis. A total of $11,177,672 of this $20.0 million authorization has been transferred into the DWSRF program as of December 31, 2010. The source of CWSRF funds to be transferred will be unrestricted cumulative excess, restricted cumulative excess, FCLA, and grant funds. Since prior transfers have occurred between the two SRFs, NDDH will transfer funds on a net basis, as described by Attachment 5. With this transfer, the DWSRF Program will be able to fund additional drinking water projects during 2015. Transferring funds will not impact DWSRF set-aside funding. The long-term impact to the DWSRF with a $20.0 million transfer from the CWSRF authorized in 2007 is estimated to be an average revolving level increase of $2 million/year (from $19 million/year to $21 million/year) over the next 20 years. Attachment 5 itemizes the amount of funds transferred to and from the DWSRF program.

Funding Process

Projects may be submitted to the NDDH each year for consideration and inclusion into an IUP. A new IUP is developed for public review and comment in the fall of each year. New and eligible projects for which ranking questionnaires are submitted are evaluated, ranked (if possible), and included on the comprehensive project priority list. Requests for reranking of already-listed and ranked projects are evaluated on a case-by case basis, and may require the completion of an updated ranking questionnaire.

Loan approvals are based on project ranking, readiness to proceed, and availability of funds based on cash flow considerations including projected disbursements under already approved and potential new loans. The NDDH is prepared to issue leveraged bonds if the loan demand exceeds the amount of available DWSRF allotments and state match or if it is in the best interest of the program.

Loan Assistance Terms

The base repayment period for DWSRF loans under the SDWA is 20 years following project completion. The NDDH may utilize shorter repayment periods on a project-by-project basis. Candidate projects include low-cost projects for which minimal water rate increases will be required to retire the loan debt. The present loan interest rate is 2.0 percent for PWSs that qualify for tax-exempt financing and 3.0 percent for those that do not qualify for tax-exempt financing, with the exception of projects that use leveraged bond proceeds. Leveraged bonds will be discussed later in this section. As discussed under Section D, an annual loan fee of 0.5 percent is assessed on all loans to support DWSRF administration.

The SDWA requires that the interest rate for a loan be less than or equal to the market interest rate. The NDDH will monitor compliance with this requirement by establishing as the market interest rate the average interest rate received by the North Dakota political subdivisions on bond issues with twenty-year maturity sold on a competitive or negotiated basis during the prior quarter. This rate will be calculated and updated quarterly based upon the prior quarter bond sales. If there are no qualified bond sales, the market rate for that quarter will be calculated using comparable regional bond issues. Based upon fourth quarter 2014 North Dakota twenty-year competitive bond sales, the current market interest rate is 3.0 percent

Leveraging the fund is appropriate where financing needs significantly exceed available funds; however, it impacts the DWSRF by reducing the interest rate subsidy provided or reducing future loan capacity. By continuing to leverage, the program will be able to assist more communities currently on the priority list and help those communities achieve or remain in compliance with the SDWA. Loans necessitating leveraging will be subject to a loan interest rate (including the 0.5 percent administration fee) of 75 percent of the current market interest rate if needed to maintain program viability. The

interest rate on these loans will be more than regular DWSRF interest rate, which currently is 2.5 percent (which includes the 0.5 percent administration fee).

New in 2015 is the option for extended term financing beyond the base 20-year loan repayment period. Extended term financing allows for repayment periods to be 30 years or the useful life of the project, whichever is less. A 30-year repayment period will be granted if it is determined that the principal portion of the loan for project components that have a useful life of 20 years or less will be paid off within 20 years. If the loan does not qualify for a full 30-year repayment period, the loan repayment period will be based on the useful life of project components. Project components that are considered to have a 20-year or less useful life are: process equipment, pumps, electrical equipment, controls, and auxiliary equipment. Project components that are considered to have a 30-year or more useful life are: buildings, concrete, other structures, conveyance structures (piping), and earthen structures.

Extended term financing will be given to the extent that loans to projects on the fundable list with repayment periods of more than 20 years do not decrease expected DWSRF program repayments by more than 10% annually over the next 5 years, as compared to 20-year repayment at the same rate. Allowing extended term financing for projects on the 2015 Fundable List could cause the loan repayments over the next five years to decline by an average 9.61%. Refinancing of existing DWSRF loans will not be allowed using extended term financing.

Sources and Uses of Funds

Attachment 6 depicts a detailed breakdown of sources and uses of funds from FY1997 through FY2015. Sources of funds include $6,022,442 in funds available from prior years. An additional $7,975,000 of new funds are anticipated to become available in 2015. Thus $13,997,442 of funds is available for projects. All of the funds are allocated to projects as shown in the Comprehensive Project Priority List and Fundable List (Attachment 2). This amount does not include any leveraged bonds, but the NDDH is prepared to issue bonds if the near-term loan demand exceeds available funds.

State and Tribal Assistance Grants

State and Tribal Assistance Grants (STAG grants) are grants that pass through EPA and go straight to drinking water systems. These grants are for 55 percent of the project. The system must provide the remaining 45 percent of the project as a local match. To avoid the higher cost of issuing municipal bonds, most systems wish to utilize DWSRF loan funds to satisfy the match requirement for these grants. By EPA policy, only non-federal DWSRF funds may be used toward the match. Non-federal funds are limited to loan repayments, earnings, bond proceeds in excess of the capitalization grants, and other state contributions in excess of the required 20 percent state match. Initially the North Dakota DWSRF had insufficient non-federal funds to satisfy match requirements for

these grants. Consequently, the NDDH in the past has transferred $14.0 million from the CWSRF to the DWSRF to acquire sufficient non-federal funds to assist systems in this matter. The DWSRF has transferred back $10 million in federal funds to the CWSRF.

Currently Grafton and BDW have open STAG grants and must provide a 45 percent local match. Systems in North Dakota have received a combined $28.7 million in STAG grants since 1999 and must provide a combined $23.0 million in matching funds. The NDDH will fund loans to these and other systems that are awarded STAG grants as long as the program has non-federal funds available. Should the program not have non-federal funds to make loans, loans will be made in future years as these funds become available.

F. Short- and Long-Term Goals

Background

The 1996 SDWA Amendments authorize a DWSRF Program to assist PWSs finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. The objectives of the NDDH's DWSRF Program include addressing public problems and priorities, ensuring compliance with the SDWA, assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the fund. To address these objectives, the DWSRF Program will help ensure that North Dakota's public water supplies remain safe and affordable through prioritized financial assistance, enhanced source water protection activities, and increased technical assistance to small systems. The short and long-term goals set forth below are established to accomplish these objectives.

Short-Term Goals

1. On December 5, obtain North Dakota State Water Commission approval of this IUP.

2. Continue to implement the DWSRF program for the state of North Dakota by funding projects for systems that are having problems maintaining compliance with the total coliform rule, ground water treatment rule, the arsenic rule, the disinfection byproduct rule series and the surface water treatment rule series.

Long-Term Goals

1. Help North Dakota PWSs achieve and maintain compliance with the SDWA. This is accomplished by coordinating with the PWSS Program and targeting those rules that systems in the state are having problems maintaining in compliance. These include total coliform rule, ground water treatment rule, arsenic, disinfection

byproduct rule series and the surface water treatment rule series.

2. Assist the PWSS Program meet their goals. The DWSRF program assistance includes providing technical support on infrastructure issues, capacity reviews and small system technical assistance. Through the small system technical assistance set-aside the DWSRF Program helps operators become certified, systems return to compliance, and systems maintain capacity.

3. Administer the DWSRF Program in a manner that will maximize the long-term availability of funds for eligible and needed drinking water infrastructure improvements.

4. Assist North Dakota PWSs in improving drinking water quality, quantity, and dependability by providing reduced interest rate, long-term financial assistance for eligible and needed drinking water infrastructure improvements. This infrastructure assistance helps with compliance of drinking water rules, regionalization/consolidation and replacement of aging infrastructure.

5. Continue to integrate to the maximum extent possible DWSRF funding with other available funding to maximize the benefits to public water systems and needed drinking water projects statewide. The cooperating agencies include the United States Department of Agriculture, Community Development Block Grant Program, North Dakota Department of Land Trusts, and the North Dakota State Water Commission.

Environmental Results

3. Loan Fund
   a. Through 12/31/13, the fund utilization rate, as measured by the ratio of executed loans to funds available for projects, was 95 percent, which is above the national average of 90 percent. For 2015, the goal of the DWSRF program is to maintain the fund utilization rate at 90 percent or above.
   b. Through 12/31/13, the rate at which projects progressed as measured by disbursements as a percentage of assistance provided was 75 percent. This is below the national average of 80 percent. The FY 2015 goal is to return the construction pace to 80 percent.
   c. The DWSRF program funded 14 projects in the first nine months of 2014 totaling $24.6 million and serving a population of 58,559. For 2015, the goal of the DWSRF program is to fund 10 loans, totaling $14.0 million and serving a population of 9,000.

4. Set asides, Small System Technical Assistance
   a. The goal for systems receiving training is 120.
   b. The goal for systems receiving on-site technical assistance is 50.

G. Public Participation

Background

States are required to make their annual IUP available to the public for review and comment prior to submitting it to the EPA as part of its capitalization grant application. States are also required to describe the public review process used and how it responded to major comments and concerns that were received.

Process

The public was invited to comment on the draft 2015 IUP at a public hearing held in Bismarck on November 12, 2014. Written comments were also accepted until November 18, 2014. No comments were received at the November 18 hearing. One written comment was received. The Public Finance Authority requested the planning estimate for three projects be reevaluated as the estimated repayment period did not appear to correspond to the type of project listed. These projects were reevaluated and changes were made to the Comprehensive Project Priority List.

ATTACHMENT 1

ELIGIBLE AND INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS UNDER THE DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM

EXAMPLES OF ELIGIBLE PROJECTS AND PROJECT-RELATED COSTS

- Projects that address present Safe Drinking Water Act (SDWA) exceedances
- Projects that prevent future SDWA exceedances (applies only to regulations in effect)
- Projects to replace aging infrastructure
  -rehabilitate or develop drinking water sources (excluding reservoirs, dams, dam rehabilitation and water rights) to replace contaminated sources
  -install or upgrade drinking water treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary SDWA standards
  -install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system
  -install or replace transmission and distribution piping to prevent contamination caused by leaks or breaks, or to improve water pressure to safe levels
- Projects to restructure and consolidate water supplies to rectify a contamination problem, or to assist systems unable to maintain SDWA compliance for financial or managerial reasons (assistance must ensure compliance)
- Projects that purchase a portion of another system's capacity, if such purchase will cost-effectively rectify a SDWA compliance problem
- Land acquisition
  -land must be integral to the project (i.e., needed to meet or maintain compliance and further public health protection such as land needed to locate eligible treatment or distribution facilities)
  -acquisition must be from a willing seller
  Note: The cost of complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) is an eligible cost.
- Planning (including required environmental assessment reports) , design, and construction inspection costs associated with eligible projects

EXAMPLES OF INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS

- Dams, or rehabilitation of dams
- Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy
- Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located
- Drinking water monitoring costs
- Operation and maintenance costs
- Projects needed mainly for fire protection
- Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance
- Projects for priority systems in the Enforcement Tracking Tool, unless funding will ensure compliance
- Projects primarily intended to serve future growth

Attachment 2
State of North Dakota
Drinking Water State Revolving Loan Fund Program
Comprehensive Project Priority List and Fundable List for 2015[1]

Shaded projects are on the fundable list

Priority Ranking	Priority Points	Project No.	*System Name*	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project		Est. Loan Term[4]
							Project	Cumulative	Type	Cost($1000)	
1	37	3100838-02	Ross(2)	97	New water supply, storage and watermain replacement	2015	699	699			30 yr
2	31	0901530-01	Leonard	223	Consolidation of existing users to regional water system (arsenic)	2016	3,600	4,299			
3	30	0901530-00	Alexander	1,100	Replacement of aging distribution, water treatment, wells, meters and looping of mains	2016	3,000	7,299			
4	29	0500620-01	Maxbass(2)	120	WTP replacement, new well and storage tanks	2015	266	7,565			30 yr
5	26	2600556-01	Lehr(2)	80	Well and watermain replacement	2015	400	7,965			30 yr
6	25	4100428-01	Gwinner(3)	753	FE/MN removal equipment, membrane treatment and WTP renovation	2015	2553	10,518	Cat, nrg effcy	500	23 yr
7	24	3201072-02	TCWD(3)	2,475	WTP rehabilitation and expansion	2015	1,399	11,917	Cat, nrg effcy	400	20 yr
8	22	5201309-02	CPWD	2,607	Booster station improvements and back up generation	2015	1,820	13,737			20 yr
9	21	1001380-02	NEWD	2,350	New WTP and wellfield	2017	25,000	38,737			
10	21	5100593-02	Makoti	154	New reservoir	2015	1,400	40,137			30 yr
11	21	2900789-04	Pick City	123	Watermain replacement	2015	1,500	41,637			30 yr
12	21	4800152-01	Cando	1,115	Water treatment plant improvements and well replacement	2015	1,500	43,137			20 yr
13	21	4000834-02	Rolla	1,280	WTP upgrade	2015	3,700	46,837			20 yr
14	20	2701506-01	Arnegard	700	Distribution system improvements	2016	4078	50,915			
15	20	2300535-02	Kulm	354	Water tower replacement	2015	1,200	52,115			
16	20	1100306-01	Ellendale	1,394	Water tank replacement	2015	1,365	53,480			
17	20	0300553-04	Leeds	427	WTP improvements	2015	325	53,805			
18	19	0900217-01	Davenport	252	New transmission main, increased storage and control replacement	2015	511	54,316			
19	19	1000543-06	Langdon	1,878	New well field	2016	6,000	60,316			
20	19	0700344-01	Flaxton	66	Watermain replacement and additional well	2015	197	60,513			
21	19	2000446-02	Hannaford	131	Water tower replacement	2015	1,200	61,713			
22	19	1900162-01	Carson	293	Watermain replacement	2015	4,201	65,914			
23	19	0300553-03	Leeds	427	Upgrade wells, transmission lines, pumps	2015	325	66,239			
24	19	0300553-06	Leeds	427	Watermain replacement and looping	2015	575	66,814			
25	19	1500571-03	Linton	1,097	Watermain replacement	2015	1,197	68,011			
26	18	2900074-01	Beulah	3,121	WTP improvements and water storage	2015	6,000	74,011			
27	18	0700198-03	Columbus	125	Watermain replacement, smart meters, treated water storage reservoir	2015	1585	75,596			
28	18	4701303-05	SRWD	3,048	Treated water reservoir, booster station, watermain and WTP improvements	2015	7,295	82,891			
29	18	5201309-03	CPWD	2,607	WTP improvements and membrane softening	2015	2,913	85,803			
30	18	3700314-06	Enderlin	886	New lime softening WTP & storage	2015	8,065	93,868			
31	18	4700922-03	Streeter	170	New well	2015	350	94,218			
32	18	5200458-04	Harvey	1,783	Water reservoir replacement	2015	1,300	95,518			
33	18	4000833-02	Rolette	594	Watermain replacement	2015	4,600	100,118			

Priority Ranking	Priority Points	Project No.	*System Name*	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project		Est. Loan Term[4]
							Project	Cumulative	Type	Cost($1000)	
34	17	3700574-09	Lisbon	2,154	WTP rehabilitation	2015	1,000	101,118			
35	17	5001075-03	Walsh RWD	3,404	Distribution system upgrade	2016	1,887	103,005			
36	17	5000691-01	Minto	604	Watermain replacement	2016	699	103,704			
37	17	2500446-01	Towner	620	WTP improvements and well replacement	2015	1,616	105,320			
38	17	5100593-03	Makoti	154	Watermain replacement	2015	2,750	108,070			
39	17	4700922-01	Streeter	170	Watermain replacement	2015	500	108,570			
40	17	4700922-02	Streeter	170	WTP improvements	2015	500	109,070			
41	16	1000543-04	Langdon	1,878	Intake structure and raw water transmission line improvements	2015	3,200	112,270			
42	16	3400170-01	Cavalier	1,302	Water tower rehabilitation	2017	1,993	114,263			
43	16	0501057-03	All Seasons WUD	764	Water supply increase by paralell and looping	2015	796	115,059			
44	16	4000834-03	Rolla	1,280	New well	2015	180	115,239			
45	16	1700059-01	Beach	1,300	Distribution system repair, water tower rehabilitation	2015	1,225	116,464			
46	15	5101189-02	NPRWD	5,903	Water storage rehabilitation	2015	1,820	118,284			
47	15	3900333-01	Fairmount	367	Water tower and controls replacement	2015	950	119,234			
48	15	0900999-05	West Fargo	28,500	New SW/GW WTP	2015	52,685	171,919			
49	15	3700574-08	Lisbon	2,154	Upgrade to well #1	2015	150	172,069			
50	15	5000408-07	Grafton	4,913	Pretreatment and advanced oxidation WTP improvements	2020	9,000	181,069			
51	15	4701303-06	SRWD	5,000	Reservoir expansion, water tower, pipeline improvements	2015	3,951	185,020			
52	15	5200927-02	Sykeston	117	Watermain replacement	2016	2,400	187,420			
53	15	3000342-01	Flasher	230	Watermain replacement	2015	211	187,631			
54	15	0900035	Arthur	337	Watermain, hydrant, gate valve, and service replacement	2015	1,910	189,541			
55	15	3000400-01	Glen Ullin	804	Watermain replacement	2015	479	190,020			
56	15	2100726-01	New England	600	Watermain replacement	2015	3,000	193,020			
57	15	4900465-01	Hatton	777	Water tower replacement	2016	1,100	194,120			
58	15	2000203-07	Cooperstown	984	Water transmission line replacement	2015	3,000	197,120			
59	14	4100357-02	Forman	504	New well, well upgrades and transmission line replacement	2015	400	197,520			
60	14	3900183-02	Christine	150	Watermain replacement and looping	2015	580	198,100			
61	14	0900524-01	Kindred	692	Water tower and watermain replacement	2015	1,100	199,200			
62	14	3900443-03	Hankinson	919	Watermain looping	2015	575	199,775			
63	14	2300537-01	LaMoure	889	Water tower replacement, reservoir upgrade and pumping upgrade	2015	1,200	200,975			
64	14	0200858-01	Sanborn	194	Watermain replacement	2016	500	201,475			
65	14	2500415-02	Granville	241	Water main replacement	2015	341	201,816			
66	14	3700314-07	Enderlin	886	Water tower replacement	2015	1,957	203,773			
67	14	4800152-02	Cando	1,115	Watermain replacement	2015	1,750	205,523			
68	14	1400732-05	New Rockford	1,391	Watermain replacement	2015	5,000	210,523			
69	14	1100758-04	Oakes	1,856	WTP expansion	2015	1,700	212,223			
70	14	5000773-04	Park River	5,042	Watermain replacement	2015	1,988	214,211			
71	14	2601055-01	Zeeland	141	Water meter replacement	2015	200	214,411			
72	14	0501057-04	All Seasons WUD	1,130	Water system improvements	2015	27,919	242,330			
73	13	2300969-02	Verona	85	Water reservoir and pump house replacement	2015	300	242,630			
74	13	5300809-05	Ray	1600	New treated water storage reservoir, transmission main and watermain replacement	2015	4501	247,131			

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project		Est. Loan Term[4]
							Project	Cumulative	Type	Cost($1000)	
75	13	2300969-01	Verona	85	Watermain and water meter replacement	2015	515	247,646			
76	13	0900134-02	Buffalo	225	Replace existing watermains, gate valves and hydrants	2015	1,085	248,731			
77	13	0900035-01	Arthur	337	Water tower replacement	2015	850	249,581			
78	13	3901043-01	Wyndmere	429	Watermain looping	2015	340	249,921			
79	13	0900945-02	Tower City	253	Watermain replacement	2015	1,750	251,671			
80	13	3700314-05	Enderlin	886	Watermain replacement (first loan in 2002)	2015	773	252,444			
81	13	2000203-06	Cooperstown	984	Reservoir replacement	2016	600	253,044			
82	13	1100758-05	Oakes	1,856	Well and well house replacement	2015	400	253,444			
83	13	1400879-01	Sheyenne	204	Water tower rehabilitation	2016	115	253,559			
84	12	5100138-01	Burlington	1,060	New water tower, transmission main and pump station	2016	1,695	255,254			
85	12	1800410-03	Grand Forks	55,158	WTP, facility plan, and design	2016	137,000	392,254			
86	12	3500842-01	Rugby	2,900	WTP rehabilitation	2015	500	392,754			
87	12	3700876-01	Sheldon	116	Pump and control replacement	2015	175	392,929			
88	12	0900387-01	Gardner	74	Watermain replacement and looping	2015	400	393,329			
89	12	5100593-01	Makoti	154	Well repair, new well and transmission line	2015	375	393,704			
90	12	2801487-04	NPRWD	4,110	Expansion of water distribution system	2015	2,600	396,304			
91	12	0900336-15	Fargo	105,549	Ground storage reservoir #2 and pump station	2028	14,774	411,078			
92	12	4000833-01	Rolette	594	New well	2015	125	411,203			
93	12	1000543-05	Langdon	1,878	WTP rehabilitation and equalization basin upgrade	2015	7,000	418,203			
94	12	3700574-11	Lisbon	2,154	Watermain replacement	2016	2,500	420,703			
95	12	4600487-02	Hope	303	Service to west side of railroad tracks	2015	185	420,888			
96	12	1100758-06	Oakes	1,856	Water tower rehabilitation	2015	400	421,288			
97	12	1801062-03	GF-Traill RWD	8,477	SCADA improvements	2015	3,500	424,788			
98	12	0501057-05	All Seasons WUD	1,130	New well	2015	390	425,178			
99	11	3800397-01	Glenburn	380	Watermain replacement and looping	2015	1,122	426,300			
100	11	0700804-01	Powers Lake	400	Water treatment plant	2015	1,545	427,845			
101	11	4100357-03	Forman	504	WTP rehabilatation and new conrols	2015	500	428,345			
102	11	3400269-02	Drayton	824	Replace clearwell, replace chemical feed and rehab water tower	2018	2,000	430,345			
103	11	5300936-03	Tioga	1,230	Reservoir, transmission main and watermain replacement	2015	7,800	438,145			
104	11	0901060-01	CRW	7,750	Reservoir expansion, watermain upgrade and expansion (refinance)	2015	1,650	439,795			
105	11	3000473-01	Hebron	747	Water tower replacement	2016	3,000	442,795			
106	11	0801031-01	Wilton	750	Watermain replacement	2015	681	443,476			
107	11	0600119-02	Bowman	1,800	Watermain replacement	2017	955	444,431			
108	11	3100744-01	New Town	2,500	Clearwell, well, sludge pond, and WTP expansion	2015	4,000	448,431			
109	11	2001061-01	Dakota RWD	3,523	Watermain replacement, upgrade vaults	2016	2,700	451,131			
110	11	3900973-05	Wahpeton	7,766	Watermain replacement and looping	2016	440	451,571			
111	11	1800410-05	Grand Forks	55,158	Watermain looping	2018	4,600	456,171			
112	11	0900769-03	Page	232	Watermain replacement	2015	2,500	458,671			
113	11	1400732-03	New Rockford	1,391	Watermain replacement	2015	950	459,621			
114	11	1400732-04	New Rockford	1,391	WTP upgrades	2015	500	460,121			
115	11	2800389-03	Garrison	1,453	New elevated tower	2015	1,335	461,456			
116	11	3700574-10	Lisbon	2,154	New well field and raw water transmission main	2016	560	462,016			

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project		Est. Loan Term[4]
							Project	Cumulative	Type	Cost($1000)	
117	11	3700314-04	Enderlin	886	New wells & transmission line	2015	1,648	463,664			
118	10	1000768-01	Osnabrock	160	Watermain rehabilitation	2015	200	463,864			
119	10	4700498-07	Jamestown	16,000	Phase 3 - Transmission line	2017	3,695	467,559			
120	10	4700498-06	Jamestown	16000	North east pressure zone improvements	2015	1725	469,284			
121	10	0900999-01	West Fargo	28,500	Transmission main from new WTP	2015	28,325	497,609			
122	10	0200763-01	Oriska	128	Pump house and reservoir replacement	2015	550	498,159			
123	10	3900196-01	Colfax	141	Watermain replacement and looping	2015	478	498,637			
124	10	5000408-06	Grafton	4,913	Park River water intake improvements	2018	1,100	499,737			
125	10	3900973-03	Wahpeton	7,766	Lime storage, slaker additions & misc WTP improvements	2016	1,373	501,110			
126	10	1800410-04	Grand Forks	55,158	Watermain and water tower improvements	2018	250	501,360			
127	10	0900336-07	Fargo	105,549	Water tower level controls	2015	363	501,723			
128	10	2800389-04	Garrison	1,453	WTP expansion, new intake and pumps	2015	5,000	506,723			
129	10	2800389-05	Garrison	1,453	Watermain Replacement	2015	4,500	511,223			
130	10	0801036-01	Wing	160	Water storage rehabilitation	2015	80	511,303			
131	10	1501310-02	State Line WC	260	Water tower rehabilitation	2015	75	511,378			
132	10	1001380-01	NEWD	2,350	Water distribution expansion	2016	8,000	519,378			
133	10	0900336-05	Fargo	105,549	Water system regionalizaion project	2016	15,000	534,378			
134	10	5000691-02	Minto	604	Portion of new public works building that is directly related to the drinking water system	2016	100	534,478			
135	10	1100758-07	Oakes	1,856	New reservoir, pump station and transmission main	2015	720	535,198			
136	9	3900703-01	Mooreton	197	Replace gate valves and add bladder tank	2015	216	535,414			
137	9	0900030-03	Argusville	475	Watermain replacement and looping	2015	1,005	536,419			
138	9	1300276-01	Dunn Center	174	Watermain replacement	2015	300	536,719			
139	9	3900333-02	Fairmount	367	Watermain replacement and looping	2015	655	537,374			
140	9	0901060-05	CRW	7,750	System elevated tower	2016	3,584	540,958			
141	9	4700498-01	Jamestown	16,000	Watermain replacement	2015	1,675	542,633			
142	9	4700498-12	Jamestown	16,000	Watermain replacement (WTP to State Hospital)	2016	2,620	545,253			
143	9	3901068-12	SEWUD	16,672	Distribution system expansion	2016	7,200	552,453			
144	9	2300508-01	Jud	74	Watermain replacement	2015	110	552,563			
145	9	4600341-02	Finley	445	Water tower replacement	2015	1,100	553,663			
146	9	0900613-03	Mapleton	762	Watermain replacement	2016	2,885	556,548			
147	9	2300537-02	LaMoure	889	Chemical feed replacement	2015	206	556,754			
148	9	2300537-03	LaMoure	889	Watermain replacement	2015	500	557,254			
149	9	0100476-01	Hettinger	1,226	Watermain replacement	2015	600	557,854			
150	9	0600119-01	Bowman	1,800	Watermain replacement	2016	1,635	559,489			
151	9	3000596-09	Mandan	23,827	WTP expansion	2017	4,260	563,749			
152	9	0900945-01	Tower City	253	Water tower rehabilitation	2015	160	563,909			
153	8	5100868-04	Sawyer	367	Water treatment plant upgrade and new well	2016	501	564,410			
154	8	3000596-06	Mandan	24,227	Transmission main replacement	2016	5,425	569,835			
155	8	3000596-07	Mandan	25,227	Pressure problem correction and water tower rehabilitation	2017	2,239	572,074			
156	8	4700498-10	Jamestown	16000	Filter bay renovations and media replacement	2015	800	572,874			
157	8	3200653-01	Michigan	294	Water meter replacement and WTP upgrades	2015	88	572,962			
158	8	3200653-02	Michigan	294	Water tower rehabilitation	2015	75	573,037			
159	8	3200653-03	Michigan	294	Curb stop replacement	2015	25	573,062			
160	8	5200338-01	Fessenden	479	Water reservoir rehabilitation	2015	300	573,362			
161	8	2400715-02	Napoleon	792	Extend water service to residents with wells	2015	900	574,262			

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project		Est. Loan Term[4]
							Project	Cumulative	Type	Cost($1000)	
162	8	1400732-02	New Rockford	1,391	Water tower rehabilitation	2015	233	574,495			
163	8	5101189-03	NPRWD	5,903	Distribution, storage & pumping improvements	2015	1,600	576,095			
164	8	0801154-04	SCRWD	17,044	Water service distribution expansion	2015	7,416	583,511			
165	8	0900336-04	Fargo	105,549	Water tower rehabilitation 3	2015	1,329	584,840			
166	8	0900336-06	Fargo	105,549	Water tower rehabilitation 1 & 2	2016	1,807	586,647			
167	8	0900336-09	Fargo	105,549	Water tower rehabilitation 4 & 5	2017	3,110	589,757			
168	8	0900336-10	Fargo	105,549	Radio read water metering improvements	2017	8,636	598,393			
169	8	0900336-11	Fargo	105,549	Low lift transfer pump station	2020	8,221	606,614			
170	8	0900336-12	Fargo	105,549	WTP residuals facility	2018	23,361	629,975			
171	8	0900336-13	Fargo	105,549	Water tower rehabilitation 6 & 7	2018	2,257	632,232			
172	8	0900336-14	Fargo	105,549	Water tower rehabilitation 8 & 9	2021	2,178	634,410			
173	7	2800650-01	Mercer	120	Watermain replacement	2015	416	634,826			
174	7	5101447-01	West River WD	625	Service line replacement (from water main to curb stop)	2015	447	635,273			
175	7	3000596-08	Mandan	24,827	New raw water intake	2017	15,000	650,273			
176	7	4100357-01	Forman	504	Water tower replacement	2015	1,000	651,273			
177	6	5100868-03	Sawyer	367	Watermain replacement	2015	500	651,773			
178	6	3300174-02	Center	580	Watermain replacement (4th St, Lincoln Ave)	2015	682	652,455			
179	6	3300174-03	Center	580	Watermain replacement (Main St)	2015	1,024	653,479			
180	6	4500242-01	Dickinson	28,000	Booster station (River Drive)	2015	1,330	654,809			
181	6	4500242-02	Dickinson	28,000	Booster station (State Ave)	2015	2,200	657,009			
182	6	0900999-02	West Fargo	28,500	Underground storage reservoir	2015	2,493	659,502			
183	6	4900803-01	Portland	606	Water tower replacement	2015	850	660,352			
184	6	0900166-02	Casselton	2,329	Water tower replacement	2016	1,895	662,247			
185	6	3800397-02	Glenburn	380	Water tower rehabilitation	2015	495	662,742			
186	6	2400715-01	Napoleon	792	Water meter replacement	2015	600	663,342			
187	6	2900074-03	Beulah	3,121	Water tower rehabilitation	2015	1,000	664,342			
188	6	0901060-06	CRW	7,750	Increased capacity to Casselton Area - wellfield, WTP, reservoir, and transmission main improvements	2015	5,600	669,942			
189	6	4700498-08	Jamestown	16,000	Water meter replacement	2017	2,550	672,492			
190	6	4700498-09	Jamestown	16000	SCADA Improvements	2015	403	672,895			
191	6	4700498-11	Jamestown	16000	East end reservior renovations	2016	495	673,390			
192	6	4700498-13	Jamestown	16,000	Transmission main	2016	5,140	678,530			
193	6	4700498-14	Jamestown	16,000	Water tower rehabilitation	2015	490	679,020			
194	6	4700498-15	Jamestown	16,000	WTP filter rehabilitation	2015	800	679,820			
195	6	3901068-11	SEWUD	16,673	Water meter replacement	2015	1,100	680,920			
196	5	2900470-02	Hazen	2,534	Watermain replacement	2015	426	681,346			
197	5	3000596-10	Mandan	23,827	High service pump capacity upgrade	2016	2,984	684,330			
198	5	3800877-02	Sherwood	242	Watermain replacement	2015	406	684,736			
199	5	1000543-02	Langdon	1,878	Water main replacement	2015	700	685,436			
200	5	1000543-03	Langdon	1,878	Water tower rehabilitation	2015	450	685,886			
201	5	2700990-03	Watford City	2,556	Fox Hills water tower	2016	4,600	690,486			
202	5	2700990-02	Watford City	2,566	Looping and transmission main project	2015	730	691,216			
203	5	2700990-04	Watford City	2,566	New water tower (SE)	2016	3,700	694,916			
204	4	0501001-02	Westhope	429	Watermain replacement	2015	456	695,372			
205	4	3800695-02	Mohall	812	Water tower replacement	2016	1,145	696,517			
206	4	2900074-02	Beulah	3,121	Watermain, hydrant, and gate valve replacement	2015	1,225	697,742			
207	4	0900999-06	West Fargo	28,500	Surface water intake structure	2015	3,900	701,642			
208	3	5100868-04	Sawyer	367	Transmission line and well replacement	2016	560	702,202			

Priority Ranking	Priority Points	Project No.	*System Name*	Present Population	Project Description	Construction Start Date	Cost ($1000)		Green Project		Est. Loan Term[4]
							Project	Cumulative	Type	Cost($1000)	
209	3	3401157-02	Harwood	790	Underground storage reservoir	2015	850	703,052			
210	3	3800695-01	Mohall	812	New watermain	2015	284	703,336			
211	3	4500242-03	Dickinson	28,000	Water pump replacement	2016	1,500	704,836			
212	3	5301012-06	Williston	30,000	4 MG of storage on reservoirs	2016	4,400	709,236			
213	2	0900488-01	Horace	2,430	Gate valve and fire hydrant replacement, new watermain	2015	460	709,696			
214	2	5301012-07	Williston	30,000	Distribution improvements (Hi-Land Heights)	2016	5,087	714,783			
215	2	5301012-08	Williston	30,000	Distribution improvements (Williston Park)	2016	1,050	715,833			
216	2	5301012-05	Williston	30,000	Distribution Improvements (16th Ave)	2015	1,145	716,978			
217	2	5301012-09	Williston	30,000	Distribution improvements (Wegley)	2016	1,415	718,393			
218	1	2801430-03	Garrison RWD	1,525	New reservoir and pump station	2015	1,244	719,637			
219	1	0900999-03	West Fargo	28,500	South side water tower	2015	2,266	721,903			
220	1	0900999-07	West Fargo	28,500	North side water tower	2015	2,266	724,169			

(1) - It is unknown at this time if mandatory additional subsidization and GPR will apply to the 2014 DWSRF allotment. To address these potential requirements, funding levels of $1,800,000 and $900,000 have been assumed for additional subsidization (as loan forgiveness) and GPR, respectively. Adjustments will be made, as necessary, based on the actual requirements and capitalization grant amount.
(2) - These projects appear eligible for 60% loan forgiveness with a cap of $1,000,000 of loan forgiveness. The actual loan forgiveness amount is dependant upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.
(3) - These projects appear eligible for 30% loan forgiveness with a cap of $1,000,000 of loan forgiveness. The actual loan forgiveness amount is dependant upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.
(4) - Estimated length of the loan term only. The loan term will be set at the time of facility plan approval.

Abbreviations

B/C = Business Case for Green Project Reserve Required
Cat = Categorically Approved Green Project Reserve Project
FE/MN = Iron and Manganese
GPR = Green Project Reserve
GW = Groundwater
nrg effcy = Energy Efficiency
SCADA = Supervisory Control and Data Acquisition
SW = Surface Water
WTP = Water Treatment Plant
wtr effcy = Water Efficiency

BRWD = Barnes Rural Water District
CPWD = Central Plains Water District
CRW = Cass Rural Water
GRWD = Greater Ramsey Water District
NPRWD = North Prairie Rural Water District
NVWD = North Valley Water District
SCRWD = South Central Regional Water District
SEWUD = Southeast Water Users District
SRWD = Stutsman Rural Water District
TCWD = Tri-County Water District
WRWD = Williams Rural Water District
RWD = Rural Water District
NEWD = Northeast Regional Water District

Attachment 3

STATE OF NORTH DAKOTA

PRIORITY RANKING SYSTEM FOR FINANCIAL ASSISTANCE THROUGH THE DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM

DWSRF PROGRAM
DIVISION OF MUNICIPAL FACILITIES
ENVIRONMENTAL HEALTH SECTION
NORTH DAKOTA DEPARTMENT OF HEALTH

OCTOBER, 2014

The following criteria and point system is utilized by the DWSRF Program to rank eligible projects for potential financial assistance through the DWSRF Program:

1. Water Quality (Maximum Points Limited to 35)
2. Water Quantity (Maximum Points = 20)
3. Affordability (Maximum Points = 15)
4. Infrastructure Adequacy (Maximum Points Limited to 15)
5. Consolidation or Regionalization of Water Supplies (Maximum Points = 10)
6. Operator Safety (Maximum Points = 5)

Maximum Total Points = 100

DWSRF funds may be used to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and the construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements.

Creation of New Systems - Eligible projects are those that, upon completion, will create a community water system (CWS) to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources. Eligible projects are also those that create a new regional CWS by consolidating existing systems that have technical, financial, or managerial difficulties. Projects to address existing public health problems associated with individual wells or surface water sources must be limited in scope to the specific geographic area affected by contamination. Projects that create new regional CWSs by consolidation existing systems must be limited in scope to the service area of the systems being consolidated. A project must be a cost-effective solution to addressing the problem. Applicants must ensure that sufficient public notice has been given to potentially affected parties and consider alternative solutions to addressing the problem. Capacity to serve future population growth cannot be a substantial portion of the project.

	CATEGORY	POINTS
1.	Water Quality - Select All That Apply (Maximum Points Limited to 35)[1,3]	
	A. Documented waterborne disease outbreak(s) within last 2 years	20
	B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s), OR acute microbiological MCL exceedance(s) within last 12 months	15
	C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite)	10
	D. Disinfection treatment inadequate to satisfy the Surface Water Treatment Rule (SWTR), the enhanced SWTR or ESWTR, or the groundwater disinfection rule (GWDR) once finalized, OR groundwater source(s) deemed by the DWP to be under the direct influence of surface water, OR multiple turbidity treatment technique requirement (TTR) violations within last 2 years (includes at least one event where the maximum allowed turbidity was exceeded)	8
	E. Multiple turbidity TTR violations within last 2 years (no events where the maximum allowed turbidity was exceeded), OR 3 or more non-acute microbiological MCL violations within last 12 months	7
	F. MCL or TTR exceedance(s) (no URTH level exceedances) within last 4 years (excludes microbiological contaminants, nitrate, nitrite, and turbidity)	6
	G. Potential MCL or TTR compliance problems based on most recent 4 year period (excludes microbiological contaminants and turbidity)	
	75% to 100% of MCL or TTR	5
	50% to 74% of MCL or TTR	4
	H. General water quality problem (see page 7)	
	significant general water quality problem	4
	moderate general water quality problem	3
	minor general water quality problem	2

2. Water Quantity - Select One If Applicable (Maximum Points = 20)[2,3]

A. Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future	20
B. Correction of an extreme water supply problem Maximum water available <150 gallons per capita per day (gpcd) (community water systems only), OR continuous water shortages during all periods of operation (nonprofit noncommunity water systems only)	10
C. Correction of a serious water supply problem Maximum water available <200 gpcd (community water systems only), OR daily water shortages, or inability to meet peak daily water demand, at a frequency of at least once per week during all periods of operation (nonprofit noncommunity water systems only)	7
D. Correction of a moderate water supply problem Maximum water available <250 gpcd (community water systems only), OR occasional daily water shortages, or occasional inability to meet peak daily water demands, on a seasonal basis (nonprofit noncommunity water systems only)	4
E. Correction of a minor water supply problem Maximum water available <300 gpcd (community water systems only), OR sporadic water shortages or occasional inability to meet peak water demands (nonprofit noncommunity water systems only)	2

3. Affordability - For the Applicable Sub-Category, Select One For Each Item (Maximum Points = 15)

A. Community Water Systems

1. Relative income index - ratio of local or service area annual median household income (AMHI) to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates)

< 60%	8
61% to 70%	7
71% to 80%	5
81% to 90%	3
91% to 100%	1

2. Relative future water cost index - ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local AMHI (based on 2006-2010 ACS 5-Year Estimates)

>2.5%	7
2.0% to 2.5%	6
1.5% to 1.9%	5
1.0% to 1.4%	3
0.5% to 0.9%	1

B. Nonprofit Noncommunity Water Systems

1. Relative income index - ratio of local or service area AMHI to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates)

≤ 60%	8
61% to 70%	7
71% to 80%	5
81% to 90%	3
91% to 100%	1

2. Relative future water cost index - ratio of expected annual water service expenditures resulting from the project to total annual operating expenses

>20%	7
15% to 20%	6
10% to 14%	5
5% to 9%	3
2% to 4%	1

4. Infrastructure Adequacy - Select All That Apply (Maximum Points Limited to 15)

A. Correction of general disinfection treatment deficiencies - excludes improvements necessary to directly comply with the SWTR, the ESWTR, or the GWDR (once finalized) 3

B. Correction of well construction or operating deficiencies 3

C. Correction of distribution system pressure problems (dynamic pressure <20 psi) 3

D. Replacement of deteriorated water mains 3

E. Replacement of deteriorated finished water storage structures	3
F. Replacement of distribution system piping/materials shown via DWP-approved testing to contribute unacceptable levels of lead or asbestos	3
G. Water treatment plant operating at or above design capacity	3
H. Water treatment plant operating at or beyond useful or design life	3
I. Correction of specific design or operating deficiencies associated with water treatment plant unit processes (excludes disinfection treatment)	2
J. Correction of specific design or operating deficiencies associated with surface water intake facilities	2
K. Correction of specific or design or operating deficiencies associated with finished water storage facilities	2
L. Correction of specific design or operating deficiencies associated with raw or finished water pumping facilities	2
M. Correction of specific design or operating deficiencies associated with raw or finished water distribution system piping	2
N. Correction of specific design or operating deficiencies associated with chemical feed installations (excludes disinfection)	2
O. For systems relying solely on their own groundwater supply, provision of a second well where only one functional well exists	2
P. Replacement of inoperative, obsolete, or inadequate instrumentation or controls	2

5. Consolidation or Regionalization of Water Supplies - Select All That Apply (Maximum Points = 10)

A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s), or extreme to critical water supply problem(s), for 1 or more PWS through consolidation with or regionalized service by another PWS	4
B. Correction of contamination problems (regulated contaminants), or extreme water quantity problems (no water, imminent loss of water supply, or continuous/ frequent daily water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS	3
C. Correction of potential MCL or TTR compliance problems, general water quality problems, or moderate to serious water quantity problems for 1 or more PWSs through consolidation with or regionalized service by another PWS	2
D. Correction of general water quality problems, or moderate water quantity problems (occasional daily or seasonal water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS	1

6. Operator Safety - Select One If Applicable (Maximum Points = 5)[2]

A. Correction of a problem that poses a critical and chronic safety hazard for operators	5
B. Correction of a problem that poses an intermittent safety hazard for operators	3
C. Correction of a potential significant safety hazard for operators	1

[1] Applies to community and nonprofit noncommunity public water systems only. Water quality problems must be ongoing and unresolved under the present system configuration. Analysis applies to finished water after all treatment (raw water if no treatment is provided).

[2] Applies to community and nonprofit noncommunity public water systems only. Projects intended mainly to increase water availability for or to improve fire protection are not eligible for DWSRF assistance. Fire protection features, in order to be eligible, must represent an ancillary project benefit or secondary project purpose.

[3] Projects intended to address multiple community and/or nonprofit noncommunity public water system water quality and/or quantity problems will be ranked based on the highest level problem to be solved.

GENERAL WATER QUALITY

DEFINITIONS

Significant General Water Quality Problem (4 points) = Score of 6 or greater
Moderate General Water Quality Problem (3 points) = Score of 4 or 5
Minor General Water Quality Problem (2 points) = Score of 3 or less
All values expressed in milligrams per liter

Total Dissolved Solids (TDS)	
500 - 999	Score of 1
1,000 - 1,499	Score of 2
≥1,500	Score of 3
Total Hardness as Calcium Carbonate (TH)	
200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3
Iron (FE)	
0.3 - 0.89	Score of 1
0.9 - 2.0	Score of 2
>2.0	Score of 3
Manganese (MN)	
0.05 - 0.25	Score of 1
0.26 - 1.00	Score of 2
>1.00	Score of 3
Sodium (NA)	
200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3
Sulfate (SO_4)	
250 - 499	Score of 1
500 - 750	Score of 2
>750	Score of 3

Attachment 4
Nonproject Set-Aside and Fee Activity (1)
North Dakota Drinking Water State Revolving Loan Fund Program

Set-Aside	Set Aside Through 9/30/2014	Transferred To Loan Fund	Expended Through 9/30/2014	Balance Available as of 9/30/2014	Planned Set-Asides For 2015	Total Set-Aside Funds Available 2015	Reserved Through 2014	Reserved From 2015 Allotment	Total Reserved Through 2015
4% Administration	7,072,684	0	6,933,476	139,208	360,000	499,208	0	0	0
10% State Program Assistance									
PWSS Supervision	2,370,000	0	1,216,998	1,153,002	500,000	1,653,002	384,500	400,000	784,500
Source Water Protection									
Capacity Development									
Operator Certification									
2% Small System Technical Assistance	2,639,332	0	2,402,632	236,700	165,000	401,700	82,900	15,000	97,900
15% Local Assistance (2)									
Land Acquisition									
Capacity Development									
Wellhead Protection									
Source Water Petition Programs									
Source Water Protection (3)	1,255,880	820,612	435,268	0	NA	0	0	NA	0
Totals	13,337,896	820,612	10,988,374	1,528,910	1,025,000	2,553,910	467,400	415,000	882,400

Fee Type	Collected Through 9/30/14	Transferred to Loan Fund	Expended Through 09/30/14	Balance Available 09/30/14	Projected Funds 01/01/15 - 12/31/15	Total Funds Available Through 12/31/15	Total Funds Held Through 12/31/15
Loan Fee	7,205,779	0	909,854	6,295,925	839,487	8,045,266	7,135,412

(1) The set-aside amounts are based on percentages (4%, 2%, or 10%) of the respective federal DWSRF allotments. The FY 1997 through 2014 allotments have been awarded. The anticipated allotment for FY 2015 is $9,000,000. The FY 2015 allotment will be applied for by July 1, 2015. The loan fee amounts reflect loans approved up to September 30, 2014. The amounts may increase based upon repayments due (if any) under loans approved after this date. (2) No more than 10% may be used for any one activity with a maximum of 15% for all activities combined. (3) Only the FY 1997 allotment may be used to complete the mandatory source water assessments. All funds not used by April 25, 2003, from this set aside were transferred to the Loan Fund.

Attachment 5
Amounts Available to Transfer Between State Revolving Fund Programs
North Dakota Drinking Water State Revolving Loan Fund Program

Year	Transaction Description	Banked Transfer Ceiling	Transferred from DWSRF to CWSRF	Transferred from CWSRF to DWSRF	DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
1998	DW Grant	4.1			4.1	4.1
1998	DW Grant	6.5			6.5	6.5
2000	DW Grant	9.0			9.0	9.0
2000	DW Grant	11.5			11.5	11.5
2001	DW Grant	14.1			14.1	14.1
2002	DW Grant	16.7			16.7	16.7
2002	Transfer	16.7	10	3	9.7	23.7
2003	DW Grant	19.4			12.4	26.4
2003	Transfer	19.4	0	5.9	18.3	20.5
2004	DW Grant	22.1			21.0	23.2
2004	Transfer	22.1	0	2.6	23.6	20.6
2005	DW Grant	24.9			26.4	23.4
2005	Transfer	24.9	0	0.1	26.5	23.3
2006	DW Grant	27.6			29.2	26.0
2006	Transfer	27.6	0	1.5	30.7	24.5
2007	DW Grant	30.3			33.4	27.2
2007	Transfer	30.3	0	4.9	38.3	22.3
2008	DW Grant	33.0			41.0	25.0
2008	Transfer	33.0	0	3	44.0	22.0
2009	DW Grant	35.7			46.7	24.7
ARRA	DW Grant	42.1			53.1	31.1
ARRA	Transfer	42.1		2.6	55.7	28.5
2009	Transfer	42.1	0	0.7	56.4	27.8
2010	DW Grant	46.6			60.9	32.3
2010	Transfer	46.6	0	0.8	61.7	31.5
2011	DW Grant	49.7			64.8	34.6
2012	DW Grant	52.7			67.8	37.6
2013	DW Grant	55.4			70.5	40.3
2014	DW Grant	58.3			73.4	43.2
2015	DW Grant	61.3			76.4	46.2
2015	Transfer	61.3	**0**	**0**	76.4	46.2

Attachment 6
Sources and Uses Table
North Dakota Drinking Water State Revolving Loan Fund Program
Cumulative Amounts as of September 30, 2014

SOURCES	
Federal Capitalization Grants	171,083,767
State Match	35,932,137
Transfers from CWSRF	25,177,672
Net Leveraged Bonds	103,941,728
Investment Earnings	36,926,449
Interest Payments	36,453,471
Principal Repayments	107,166,000
TOTAL SOURCES OF FUNDS	516,681,224

USES	
4% Administration	7,072,684
2% SSTA	2,639,332
10% DW Program Set-Aside	2,370,000
15% Local Asst. Set-Aside	435,268
Transfers to CWSRF	10,000,000
Reserves	7,025,831
Bond Principal Repayments	28,165,130
Bond Interest Expense	38,476,573
Arbitrage	790,419
Closed Agreements	413,683,545
Loans Approved by Industrial Commission	0
TOTAL USES OF FUNDS	510,658,782

DWSRF Funds Available for Projects in 2015	$6,022,442

ANNUAL SOURCES FOR 2015	
FY15 Capitalization Grant	9,000,000.00
Set-asides taken from FY15 Capitalization Grant	(1,025,000.00)
State Match (if applicable)	-
Leveraged Bonds (if applicable)	-
Transfers with CW +/- (if applicable)	-
Total New 2015 Funds	$7,975,000
TOTAL DWSRF FUNDS AVAILABLE FOR 2014	$13,997,442
TOTAL DWSRF PROJECTS ON FUNDABLE LIST	$13,997,442
AVAILABLE FUNDS	$0

Sixty-fourth
Legislative Assembly
of North Dakota

Introduced by

Office of the State Engineer

A BILL for an Act to create and enact two new sections to chapter 61-03 of the North Dakota Century Code, relating to pending administrative actions and permits of the state engineer and an emergency action plan for high-hazard and medium-hazard dams; to amend and reenact section 61-03-22 of the North Dakota Century Code, relating to appeals from an action or decision of the state engineer; and to repeal section 61-03-05 of the North Dakota Century Code, relating to fees of the state engineer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-03-22 of the North Dakota Century Code is amended and reenacted as follows:

61-03-22. Hearing – Appeals from decision of state engineer. ~~Except as more specifically provided in this title, any~~ Any person aggrieved ~~because of any~~ by an action or decision of the state engineer under ~~the provisions of~~ this title has the right to a hearing ~~by the~~. The state engineer ~~if no~~ must receive a request for a hearing ~~on the matter resulting in~~ within thirty days of the action or decision ~~has been held~~. ~~If~~ Once a hearing has been held or if the hearing request is denied, the person aggrieved has the right to petition for reconsideration ~~and to~~ or appeal~~, all in accordance with the provisions of~~ under chapter 28-32.

SECTION 2. A new section to chapter 61-03 of the North Dakota Century Code is created and enacted as follows:

Pending administrative actions and permits.

If an applicant for any permit processed by the state engineer has an unresolved administrative order or complaint under this title, the permit will not be processed until the order is complied with or complaint is resolved. At the state engineer's discretion, the permit may be processed if issuing the permit would resolve the administrative order or complaint. If an applicant is a business, this section applies if the business is at least twenty-five percent owned by an individual with an unresolved administrative order or complaint under this title.

SECTION 3. A new section to chapter 61-03 of the North Dakota Century Code is created and enacted as follows:

Emergency action plan – High-hazard or medium-hazard dam.

The owner of a high-hazard or medium-hazard dam shall develop, periodically test, and update an emergency action plan to be implemented if there is an emergency involving the dam. The emergency action plan and any subsequent updates must be submitted to the state engineer for approval.

SECTION 4. REPEAL. Section 61-03-05 of the North Dakota Century Code is repealed.

§ 61-03-05. Fees of state engineer

The state engineer shall be paid and receive the following fees to be collected in advance and shall be paid by the state engineer into the general fund of the state treasury:

1. Repealed by S.L. 1977, ch. 569, § 27.

2. For recording any permit, certificate of construction or license issued, or any other water right instrument, two dollars for the first hundred words and twenty-five cents for each additional hundred words or fraction thereof.

3. For filing any other paper, two dollars.

4. For issuing a certificate of construction or a license to appropriate water, three dollars each.

5. For providing computer disks or copies of documents, including copies of blueprints of maps or drawings, government land office plats, benchmark books, survey notes, and water laws, a reasonable fee to be determined by the state engineer.

6. For transmitting documents electronically, a reasonable fee to be determined by the state engineer.

7. For certifying copies, two dollars for each certificate.

8. For examining and approving in connection with water right applications, plans, and specifications for any dam, not exceeding ten feet [3.05 meters] in extreme height from the foundation, twenty dollars, for a dam higher than ten feet [3.05 meters] and not exceeding thirty feet [9.14 meters], forty dollars, for a dam higher than thirty feet [9.14 meters] and not exceeding fifty feet [15.24 meters], fifty dollars, and for a dam higher than fifty feet [15.24 meters], seventy-five dollars.

9. For examining and approving in connection with water right applications, plans and specifications for a canal or other water conduit of an estimated capacity exceeding fifty and not more than one hundred cubic feet [1.42 and not more than 2.83 cubic meters] per second, forty dollars, and for a canal or other water conduit exceeding one hundred cubic feet [2.83 cubic meters] per second, sixty dollars.

10. For inspecting damsites and construction work when required by law, or when necessary in the judgment of the state engineer, twenty-five dollars per day and actual and necessary traveling expenses. The fees for any inspection deemed necessary by the state engineer and not paid on demand shall be a lien on any land or other property of the owner of the works, and may be recovered by the state engineer in any court of competent jurisdiction.

11. Rating ditches or inspection plans and specification of works for the diversion, storage, and carriage of water, at the request of private parties, not in connection with an application for the right to appropriate water, actual cost and expenses. The state engineer shall attach the state engineer's approval to such plans and specifications if found satisfactory.

12. For such other work as may be required of the state engineer's office, the fees provided by law.

13. For testifying personally in civil litigation involving private parties, or through the engineer's employees, in response to a subpoena in a case in which the engineer is not a party, the actual cost incurred, including mileage and travel expenses reimbursement, equal to the reimbursement rates provided for state employees in sections 44-08-04 and 54-06-09.

Sixty-fourth
Legislative Assembly
of North Dakota

Introduced by
Office of the State Engineer and State Water Commission

A BILL for an Act to create and enact a new subsection to section 61-04-01.1 of the North Dakota Century Code, relating to the definition of "domestic rural use"; and to amend and reenact sections 61-04-06.2, 61-04-09, 61-04-31, and subdivision i of subsection 2 of section 61-04.1-16 of the North Dakota Century Code, relating to the term and inspection of a water permit, reservation of waters, and weather modification permits.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subsection to section 61-04-01.1 of the North Dakota Century Code is created and enacted as follows:

"Domestic rural use" means two or more family units or households obtaining water from the same system for personal needs and for household purposes, including heating, drinking, washing, sanitary, and culinary uses; irrigation of land not exceeding five acres [2.0 hectares] in area for each family unit or household for noncommercial gardens, orchards, lawns, trees, or shrubbery; and for household pets and domestic animals kept for household sustenance and not for sale or commercial use.

SECTION 2. AMENDMENT. Section 61-04-06.2 of the North Dakota Century Code is amended and reenacted as follows:

61-04-06.2. Terms of permit. The state engineer may issue a conditional permit for less than the amount of water requested~~, but in no case may~~. Except for water permits for incorporated municipalities or rural water systems, the state engineer may not issue a permit for more water than can be beneficially used for the purposes stated in the application ~~except that water~~. Water permits for incorporated municipalities or rural water systems may contain water in excess of present needs ~~if~~ based upon ~~reasonable projections of~~ what may reasonably be necessary for the future water ~~needs~~ requirements of the municipality or the rural water system. The state engineer may require modification of the plans and specifications for the appropriation. The state engineer may issue a permit subject to fees for water use~~, terms,~~ and conditions~~, restrictions, limitations, and termination dates~~ the state engineer considers necessary to protect the rights of others and the public interest. Conditions ~~and limitations so attached~~ must be related to matters within the state engineer's jurisdiction ~~of the state engineer; provided~~, however, ~~that~~ all conditions attached to any permit issued ~~prior to~~ before July 1, 1975, are binding upon the permittee.

SECTION 3. AMENDMENT. Section 61-04-09 of the North Dakota Century Code is amended and reenacted as follows:

61-04-09. Application to beneficial use – Inspection – Perfected water permit. ~~On or before the date set for the application of the water to a~~ After the permit's beneficial use date, or upon notice from the ~~owner~~ permit holder that water has been applied to a beneficial use, the state engineer shall ~~cause~~ notify the conditional water

permit holder and inspect the works ~~to be inspected, after due notice to the holder of the conditional water permit. Such~~. The inspection shall ~~be thorough and complete, in order to~~ determine the safety, efficiency, and actual capacity of the works~~, its safety, and efficiency~~. If the works are not properly and safely constructed, the state engineer may require the necessary changes to be made within ~~such time as the state engineer deems~~ a reasonable ~~and shall not issue a perfected water permit until such changes are made~~ time. Failure to make the changes within the time prescribed by the state engineer shall cause postponement of the permit's priority ~~under the water permit~~ date to the date the changes are ~~actually~~ made to the satisfaction of the state engineer~~, and any~~. Any intervening application submitted ~~prior to~~ before the date the changes are ~~actually~~ made ~~may~~ will have the benefit of ~~such~~ the priority postponement ~~of priority~~. When the works are ~~found in satisfactory condition, after inspection~~ properly and safely constructed and inspected, the state engineer shall issue the perfected water permit, setting forth the actual capacity of the works and ~~such~~ the limitations or conditions upon the water permit as stated in the conditional water permit ~~as~~ authorized by section 61-04-06.2~~; provided, however, that all~~. All conditions attached to any permit issued ~~prior to~~ before July 1, 1975, ~~shall be~~ are binding upon the permittee.

SECTION 4. AMENDMENT. Section 61-04-31 of the North Dakota Century Code is amended and reenacted as follows:

61-04-31. Reservation of waters – Public hearing – Notice.

1. Whenever it appears necessary to the state engineer, or when ~~so~~ directed by the commission, the state engineer may by regulation~~:~~

~~a. Reserve~~ reserve and set aside waters for beneficial ~~utilization~~ use in the future~~; and~~

~~b. When sufficient information and data are lacking to allow for the making of sound decisions, withdraw various waters of the state from additional appropriations until such data and information are available~~.

~~2.~~ a. Prior to the adoption of a regulation under this section, the state engineer shall conduct a public hearing in each county ~~in which~~ where waters relating to the regulation are located. ~~The~~ At least seven days before the date set for the public hearing ~~shall be preceded by~~, a notice ~~placed in a newspaper of general circulation~~ must be published in the official county newspapers within each of the counties.

~~3.~~ b. Regulations adopted hereunder ~~shall be~~ are subject to chapter 28-32.

2. When sufficient information or data is lacking to allow for sound decision-making on a water permit application, the state engineer may withdraw various waters of the state from additional appropriations until such data or information is available. Water permit applications pending from these sources will be placed in a deferred status.

SECTION 5. AMENDMENT. Subdivision i of subsection 2 of section 61-04.1-16 of the North Dakota Century Code is amended and reenacted as follows:

i. The applicant has registered, with the North Dakota aeronautics commission, any aircraft ~~and pilots~~ intended to be used in connection with the operation.

Sixty-fourth
Legislative Assembly
of North Dakota

Introduced by

Office of the State Engineer

A BILL for an Act to amend and reenact subsection 4 of section 61-21-01 and section 61-32-08, relating to the definition of "drain" and administrative hearings for drainage projects.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 4 of section 61-21-01 is amended and reenacted as follows:

4. "Drain" means any natural watercourse opened, or proposed to be opened, and improved for ~~the purpose of~~ drainage and any artificial drains of any nature or description constructed for ~~such~~ the purpose, including dikes and appurtenant works. This definition may include more than one watercourse or artificial channel constructed for the aforementioned purpose when the watercourses or channels drain land within a practical drainage area as determined by the written petition called for in section 61-21-10 and the survey and examination called for in section 61-21-12. "Drain" also means reducing the capacity of a land feature to retain water.

SECTION 2. AMENDMENT. Section 61-32-08 of the North Dakota Century Code is amended and reenacted as follows:

61-32-08. Appeal of board decisions – State engineer's review – Closing of

noncomplying drains. The board shall make the decision required by section 61-32-07 within a reasonable time, but not to exceed one hundred twenty days, after receiving the complaint. The board shall notify all parties of its decision by certified mail. ~~The~~ Any aggrieved party may appeal the board's decision ~~may be appealed~~ to the state engineer ~~by any aggrieved party~~. The appeal to the state engineer must be made within thirty days from the date notice of the board's decision has been received. If no decision is made within one hundred twenty days, the appeal to the state engineer must be made within one hundred fifty days of the complaint. The appeal must be made by submitting a written notice to the state engineer, which must specifically set forth the reason why the board's decision is erroneous. The appealing party shall also submit copies of the written appeal notice to the board and to the nonappealing party. Upon receipt of this notice the board, if it has ordered closure of a drain, lateral drain, or ditch, is relieved of its obligation to procure the closing or filling of the drain, lateral drain, or ditch. The state engineer shall handle the appeal by conducting an independent investigation and making an independent determination of the matter. The state engineer may enter property affected by the complaint ~~for the purpose of investigating~~ to investigate the complaint.

If the board fails to investigate and make a determination concerning the complaint within a reasonable time, but not to exceed one hundred twenty days, the person filing the complaint may file ~~such~~ the complaint with the state engineer. The state engineer shall, without reference to chapter 28-32, cause the investigation and determination to be made, either by action against the board~~,~~ or by ~~personally~~ conducting the investigation and ~~personally~~ making the determination.

If the state engineer determines that a drain, lateral drain, or ditch has been opened or established by a landowner or tenant contrary to title 61 or any rules adopted by the board, the state engineer shall take one of three actions:

1. Notify the landowner by certified mail at the landowner's post-office address of record;
2. Return the matter to the jurisdiction of the board along with the investigation report; or
3. Forward the drainage complaint and investigation report to the state's attorney.

If the state engineer decides to notify the landowner, the notice must specify the nature and extent of the noncompliance and ~~must~~ state that if the drain, lateral drain, or ditch is not closed or filled within ~~such~~ a reasonable time as determined by the state engineer ~~shall determine~~, but not less than thirty days, the state engineer shall procure the closing or filling of the drain, lateral drain, or ditch and assess the cost thereof, against the property of the landowner responsible. The notice from the state engineer must state that the affected landowner may, within fifteen days of the date the notice is mailed, demand~~,~~ in writing, a hearing on the matter. Upon receipt of the demand, the state engineer shall set a hearing date within fifteen days from the date the demand is received. If, in the opinion of the state engineer, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners. Upon assessment of costs, the state engineer shall certify the assessment to the county auditor of the county where the noncomplying drain, lateral drain, or ditch is located. The county auditor shall extend the assessment

against the property assessed. Each assessment must be collected and paid as other taxes are collected and paid. Assessments collected must be deposited with the state treasurer and are ~~hereby~~ appropriated out of the state treasury and must be credited to the contract fund established by section 61-02-64.1. Any person aggrieved by action of the state engineer under the provisions of this section may appeal the decision of the state engineer to the district court ~~in accordance with~~ under chapter 28-32. A hearing by the state engineer as provided for in this section ~~shall be~~ is a prerequisite to ~~such~~ an appeal.

If the state engineer, after completing the investigation required under this section, decides to return the matter to the board, a complete copy of the investigation report shall be forwarded to the board and it shall include the nature and extent of the noncompliance. Upon having the matter returned to its jurisdiction, the board shall carry out the state engineer's decision ~~in accordance with~~ under the terms of this section.

If the state engineer, after completing the investigation required under this section, decides to forward the drainage complaint to the state's attorney, a complete copy of the investigation report must also be forwarded, which must include the nature and extent of the noncompliance. The state's attorney shall prosecute the complaint ~~in accordance with~~ under the statutory responsibilities prescribed in chapter 11-16.

In addition to the penalty imposed by the court ~~in the event of~~ if conviction under this statute, the court shall order the drain, lateral drain, or ditch closed or filled within ~~such~~ a reasonable time period as the court determines, but not less than thirty days. If the drain, lateral drain, or ditch is not closed or filled within the time prescribed by the court, the court shall procure the closing or filling of the drain, lateral drain, or ditch, and

assess the cost thereof against the property of the landowner responsible, in the same manner as other assessments under chapter 61-16.1 are levied. If, in the opinion of the court, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in proportion to the responsibility of the landowners.

North Dakota State Water Commission
900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TTY 800-366-6888 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd S. Sando, P.E., Chief Engineer - Secretary
SUBJECT: SWPP Project Update
DATE: November 17, 2014

Oliver, Mercer, North Dunn (OMND) Regional Service Area

Zap Service Area (SA) Rural Distribution System 7-9C & 7-9D:
Contracts 7-9C and 7-9D are closed out.

Center SA Rural Distribution System 7-9E & 7-9F:
The State Water Commission (SWC), at its October 7, 2013, meeting, awarded Contract 7-9F to Eatherly Constructors, Inc. This contract consists of 250 miles of 8" -1½" PVC pipe serving 330 rural water customers. The preconstruction conference for this contract was held on May 2, 2014, and the contractor started construction on June 16, 2014. This contract has an intermediate completion date of September 15, 2014, for a portion of the service area identified in the plans and has a substantial completion date of September 15, 2015, for the entire contract. As of the end of October, the contractor had installed 66.5 miles of pipe and 112 user connections with 78 turned over for service to Southwest Water Authority (SWA). The contractor has not met the intermediate completion date and liquidated damages are being withheld from the partial pay estimates. The contractor sent a letter requesting an 85-day time extension on the intermediate, substantial and final completion dates because of wet weather in summer 2014. The contractor has also not accepted any change orders because of the dispute in additional time warranted in the added work.

Contract 7-9E is the west Center SA rural distribution system. This contract includes furnishing and installing approximately 267 miles of 6"-1 ½ " ASTM D2241 gasketed joint pipe; 251 services; road crossings; connections to existing pipelines and other related appurtenances. The SWC at its May 29, 2014, meeting awarded this contract to Swanberg Construction, Valley City, North Dakota. This contract has an intermediate completion date of July 15, 2015, for a portion of the contract consisting of about 44 miles of pipe serving 54 rural customers. The substantial completion date for the remaining contract is November 15, 2015. The contractor started construction on October 13, 2014.

Contract 2-8E/2-8F Dunn Center SA Main Transmission Line (MTL):
Contract 2-8E is the MTL from the OMND WTP to a combination reservoir and booster station north of Halliday (Dunn Center booster station). This contract was awarded on May 21, 2013, to Carstensen Contracting Inc., and the contractor started construction on July 24, 2013. This contract involves furnishing and installing approximately 25 miles of pipe, an above grade booster station with concrete reservoir, PRV/Control vault, road crossings and related

appurtenances. All pipe on this contract has been installed. The segment of pipeline from the OMND WTP to the Dunn Center Booster Station has been turned over for service. Testing, disinfection and startup of the Dunn Center booster pump station and the pipeline segment from Dunn Center booster station remains to be completed on this contract. Liquidated damages are being withheld from the partial pay estimates as the contractor has not met the completion date.

Contract 2-8F is the MTL west of Halliday to west of Killdeer. This contract involves furnishing and installing approximately 40 miles of 16"-6" PVC pipe, connections to existing pipelines, 2 prefabricated steel meter vaults, road crossings and related appurtenances. This contract has two intermediate completion dates. The first intermediate completion date is August 15, 2014, for Bid Schedule 1, which is from north of Halliday to the Dunn Center Elevated tank. The second intermediate completion date is November 15, 2014, for Bid Schedule 2A which will provide connections to the Cities of Dunn Center and Killdeer. The Bid Schedule 2B and the entire project is to be substantially complete on or before August 1, 2015, which includes 2 prefabricated below grade booster pump stations and will enable the Killdeer Mountain, Grassy Butte and a portion of Fairfield service areas to be served from the OMND Water Treatment Plant (WTP).

The Commission awarded Contract 2-8F to Carstensen Contracting, Inc., at its February 27, 2014, conference call meeting. The contractor started construction on June 17, 2014, and has completed installation of approximately 18 miles of pipe. The contractor has not met the intermediate completion dates for Bid Schedule 1 and Bid Schedule 2A. Liquidated damages are being withheld from the partial pay estimates.

Contract 4-6 Dunn Center SA Pumps inside OMND WTP:
Administrative items remain before this contract can be closed out.

Contract 5-17 Dunn Center Elevated Reservoir:
This contract includes furnishing and installing a 1,000,000 gallon elevated composite reservoir. The substantial completion date on this contract was August 15, 2014. The welding of the tank bowl was completed on ground and it was lifted into place on July 22, 2014. Painting of the tank remains to be completed. The contractor submitted a letter requesting a 95 day extension because of abnormal 2013-2014 weather conditions. Bartlett and West/AECOM has responded to their extension request, indicating only 16 days in 2013-2014 winter season can be considered abnormal. Painting of the tank is not complete. Completion of this tank yet this year is unlikely because of the onset of cold temperatures.

Contract 5-15B 2nd Zap Reservoir:
This contract includes furnishing and installing a 1,650,000 gallon ground storage reservoir. The substantial completion date was August 15, 2014. The tank was placed in service on October 24, 2014. This is 71 days after the substantial completion data. However, some of the delay in putting the tank into service was the flow rate available from the water treatment plant for filling the tank.

Contract 8-3 Killdeer Mountain Elevated Reservoir:
This contract includes furnishing and installing a 250,000-gallon elevated reservoir. This contract was bid on October 18, 2013. The SWC awarded this contract to Maguire Iron, Inc. of Sioux Falls, South Dakota at its December 13, 2013, meeting. The substantial completion date is October 1, 2014. The preconstruction conference for this contract was held on April 16, 2014. Tank installation is complete. Painting of the tank is mostly complete. Some of the exterior coating on the tank was applied in unfavorable weather conditions. Changes in temperatures and humidity while the coating was curing led to blushing spots on the tank exterior, which needs corrective measures. The interior coating requires touch up and other items like overflow pipe still require coating.

OMND Water Treatment Plant (WTP) Phase II Expansion:
The SWC awarded Contract 3-1H, OMND WTP Phase II expansion to Northern Plains Contracting, Inc., and Edling Electric, Inc. at its December 13, 2013, meeting. The preconstruction conference for Contract 3-1H was held on January 29, 2014. The substantial completion date on this contract was August 1, 2014. The completion is delayed because of the coordination involved with keeping the WTP operational. The primary and secondary UF membranes and the RO membranes are operational. The startup of the Ozone systems is tentatively scheduled for the end of November.

Other Contracts

Contract 7-1C/7-8H Hydraulic Improvements in the Davis Buttes, New Hradec and South Fryburg SA:
The contractor for 7-1C/7-8H, Manitou Construction, Inc., has turned over the contract to its bonding company, Philadelphia Insurance Company. The bonding company's subcontractor has completed the punch list items. Discussion is ongoing with the bonding company regarding the liquidated damages being withheld on the contract.

Contract 8-1A New Hradec Reservoir:
This contract involves furnishing and installing a 296,000 gallon fusion powder coated bolted steel reservoir. The contract documents were executed on May 16, 2013, and the Notice to Proceed was issued on June 3, 2013. The substantial completion date on this contract was September 15, 2013. The tank was put into service on February 20, 2014. A partial pay estimate withholding $207,750 was sent to the contractor. The contractor responded by informing that he does not agree with the liquidated damages that are being assessed and will not sign the partial pay estimate. A pre-final inspection was conducted the week of September 8, 2014, and a punch list of remaining items was forwarded to the contractor. The contractor has attempted to work on the punch list items, but the quality of work is sub-standard.

Contract 4-5 Finished Water Pumping Station (FWPS):
This contract consists of the construction of a 60' by 85' reinforced concrete and precast concrete building, and the installation of pumping, piping, mechanical, and electrical and instrumentation systems. The SWC at its May 29, 2014, meeting awarded this contract to John T. Jones Construction Company. The preconstruction conference for this contract was held on

June 19, 2014. The contractor mobilized to the site on July 7, 2014. The contractor has completed a new sanitary line connection and a sanitary lift station. The excavation for the reservoir is complete. The concrete pour for the base slab was completed in two sections. The concrete pours for the walls of the reservoir will be completed in eight sections and three out of the eight pours are complete.

Contract 1-2A Supplemental Raw Water Intake:

Construction update: The shaft collar construction is complete. The ground freezing operation was completed on August 22, 2014. The contractor J.W. Fowler (JWF), has placed and grouted 22 caisson rings. Excavation is ongoing for the 23rd ring. There are total 45 caisson rings. Fowler's initial schedule anticipated placing one ring per day and grouting after every two rings. Excavation is much slower than anticipated due to the frozen ground and excavation methods. An updated project schedule received from JWF indicates the completion of the project in November 2015. The substantial completion date on this contract is November 30, 2014.

An application for a Corps of Engineers easement and construction license for the Supplemental Intake screen and micro-tunneling boring machine (MTBM) receiving pit in the lake bottom was submitted on July 23, 2014. Drawings of the proposed excavation for the MTBM receiving pit was forwarded to the Corps of Engineers on August 29, 2014. Fowler has since revised the elevation of the proposed recovery trench twice and has now indicated that the final plan will be to have a level intake that terminates at the design screen location at the depth of approximately 18 feet below the lake bottom. This plan is to provide firm soil material for the MTBM and to have enough cover to counteract buoyancy and to prevent the machine from migrating upwards towards the softer material. The Corps permit requires a NEPA document for this activity and a permit from the ND Department of Health.

Differing Subsurface Claim: The contractor has sent multiple written notices with claim of differing subsurface conditions based on the technical data included by reference with the Contract Documents. The technical data referred to in the letter is the geotechnical report by BW/AECOM's sub consultant Braun Intertec. The Contract Documents also included the geotechnical report completed by Shannon & Wilson for the existing Basin Electric Power Cooperative intake. The Shannon & Wilson report describes two aquifers present at the BEPC intake caisson, an upper fine grained sand aquifer with relatively low transmissivity and a deeper sand and gravel aquifer with much higher transmissivity. The two aquifers are separated by a confining layer of stiff and hard lake deposits about 30-40 feet thick. The bottom of the proposed Supplemental Intake is located within this confining layer. The geotechnical report by Braun Intertec did not include a dewatering analysis. The report said dewatering may be required depending on the construction technique for the caisson and quoted the dewatering flow rate to dewater the upper aquifer from the Shannon & Willson report. The supplemental intake contract with JWF specifically includes design of the intake caisson and the means and methods required to construct the caisson, including any dewatering.

JWF has indicated that the cost and schedule impact because of the differing subsurface conditions is $4.2 Million and the delay in the completion of the contract would be from November 30, 2014, to October 28, 2015. The supporting documentation from JWF for the

differing subsurface condition include county groundwater studies and JWF's reliance on the geological unit classification by Braun Intertec which indicated the Sentinel Butte formation. JWF's letter stated that the county studies indicate that the Sentinel Butte formation does not bear any water and they did not anticipate higher volumes of ground water during caisson construction. JWF's claim was rejected by BW/AECOM. JWF then requested mediation which is scheduled for December 10, 2014.

In early October 2014, JWF encountered a boulder which had an approximate volume of 70 cubic feet during the caisson excavation at a depth of approximately 50 feet. JWF sent in a claim of differing subsurface condition because of the boulder even though its removal took less than a day. The claim was rejected by BW/AECOM and Braun as the geotechnical report warned that boulders could be encountered in the glacial alluvium down to depths of 55-60 feet. JWF has requested that the claim of differing subsurface conditions because of the encountered boulder be included in the mediation scheduled. It is possible that JWF's strategy for this is in anticipation of future claims due to boulders encountered during tunneling.

Contract 3-2 Six (6) MGD Water Treatment Plant at Dickinson:

Contract 3-2A Membrane Equipment Procurement – The SWC awarded this contract to Tonka Water from Plymouth, Minnesota at its February 27, 2014, conference call meeting. BW/AECOM has received submittal drawings.

Contract 3-2B Softening Equipment Procurement – Contract documents have been executed with WesTech Engineering, Inc.

Contract 3-2C Ozone Equipment Procurement – Contract documents have been received from the contractor S.Roberts & Company.

Contract 3-2D Dickinson WTP Contract – We have received the 50 percent submittal set of drawings from BW/AECOM. We anticipate bidding this contract in Summer of 2015.

Contract 3-2E Residual Handling Building – We have received the Preliminary Design Report for this contract. The residual handling building will process the blow down waste from the lime softening basins and backwash waste from the filtration systems. We anticipate bidding this contract in March 2015. The estimated cost for this contract is substantially higher than initially anticipated. When additional funding for the SWPP was sought at the September SWC meeting, the estimated project cost for this contract was $5.6 Million. The updated cost estimate for this contract is between $7.9 Million to $9.9 Million. The lower cost option eliminates the redundant filter press equipment and the Clean in place system and uses a less expensive air mixing system for the holding tanks. It is anticipated that the second filter press would be bid as a bid alternate.

Some of higher cost is because of the increased scope of the project. About 1100 feet of 30" raw water pipe line in included in this Contract. The existing 24-inch raw water pipeline will be impacted by the construction of this facility and paralleling of this pipeline to improve hydraulics is in the plans for increasing the raw water capacity to 18 MGD. Therefore, while the site is being impacted by construction replacing the raw water line and paralleling a portion of the line

is included in this contract. Additionally, since construction of the Residual Handling Building is expected to be underway before the adjacent WTP facility some of the site piping and stormwater facilities that are shared between the two facilities have been included in this Contract.

Project Update

Raw Water Line Capacity Upgrade Implementation Plan:

BW/AECOM completed a report detailing the plan for implementing the upgrades necessary to increase the capacity of the raw water MTL to deliver 18 MGD from the current 13.1 MGD for the Dickinson WTP. This plan includes pump station and surge protection facility upgrades along with parallel pipeline segments. The report identified improvements needed to achieve an intermediate capacity of an additional 2.2 MGD downstream of the OMND WTP. The intermediate capacity hydraulic improvements will be Phase 1 and the hydraulic improvements for the total capacity will be Phase II. Both phases will be pursued next biennium for an estimated project cost of $90 Million. In addition to the raw water MTL upgrades, the Supplemental Intake contract that is currently under construction and the Supplemental Intake pump station with an estimated cost of approximately $7.2 Million needs to be completed to realize the additional capacity.

In order to realize 2.2 MGD additional capacity to the Dickinson WTP, the following hydraulic improvements are necessary

1. Approximately 4 miles of 30" parallel pipeline from the Intake to the Zap reservoirs
2. Dodge pumps station upgrades – Replace existing 700 HP pumps with 900 HP pumps
3. Richardton pump station upgrades – Replace existing 900 HP pumps with 1200 HP pumps
4. Richardton Reservoir – Construct additional 1.25 MG reservoir
5. Approximately 5.3 miles of 24" parallel pipeline between Richardton reservoir and Dickinson reservoir

In order to realize full 18 MGD capacity at the Dickinson WTP, in addition to the above hydraulic improvements the following improvements are necessary

1. Dodge pumps station upgrades – Add a 900 HP pump
2. Approximately 15 miles of 30" parallel pipeline between Dodge pump station and Richardton pump station
3. Approximately 1.7 miles of 30" parallel pipeline between Dickinson reservoir and Dickinson WTP
4. Dickinson reservoir – Construct additional 4.8 MG reservoir.

We have signed Specific Authorizations for the design of the pump station upgrades at Dodge and Richardton and for parallel piping between the intake and the Zap reservoir and from Richardton to Dickinson reservoir.

TSS:SSP:pdh/1736-99

Fargo-Moorhead Area Diversion Project

Presentation to:
North Dakota State Water Commission
December 5, 2014

FLOOD DIVERSION AUTHORITY

Update of Ongoing Activities

- Oxbow, Hickson, Bakke Levee and Replacement Housing Work
- Downtown Fargo Work
- Split Delivery Discussions with Corps of Engineers
- Continued Efforts to Secure Federal Funding
- Continued Upstream Mitigation Efforts
- Land Acquisition

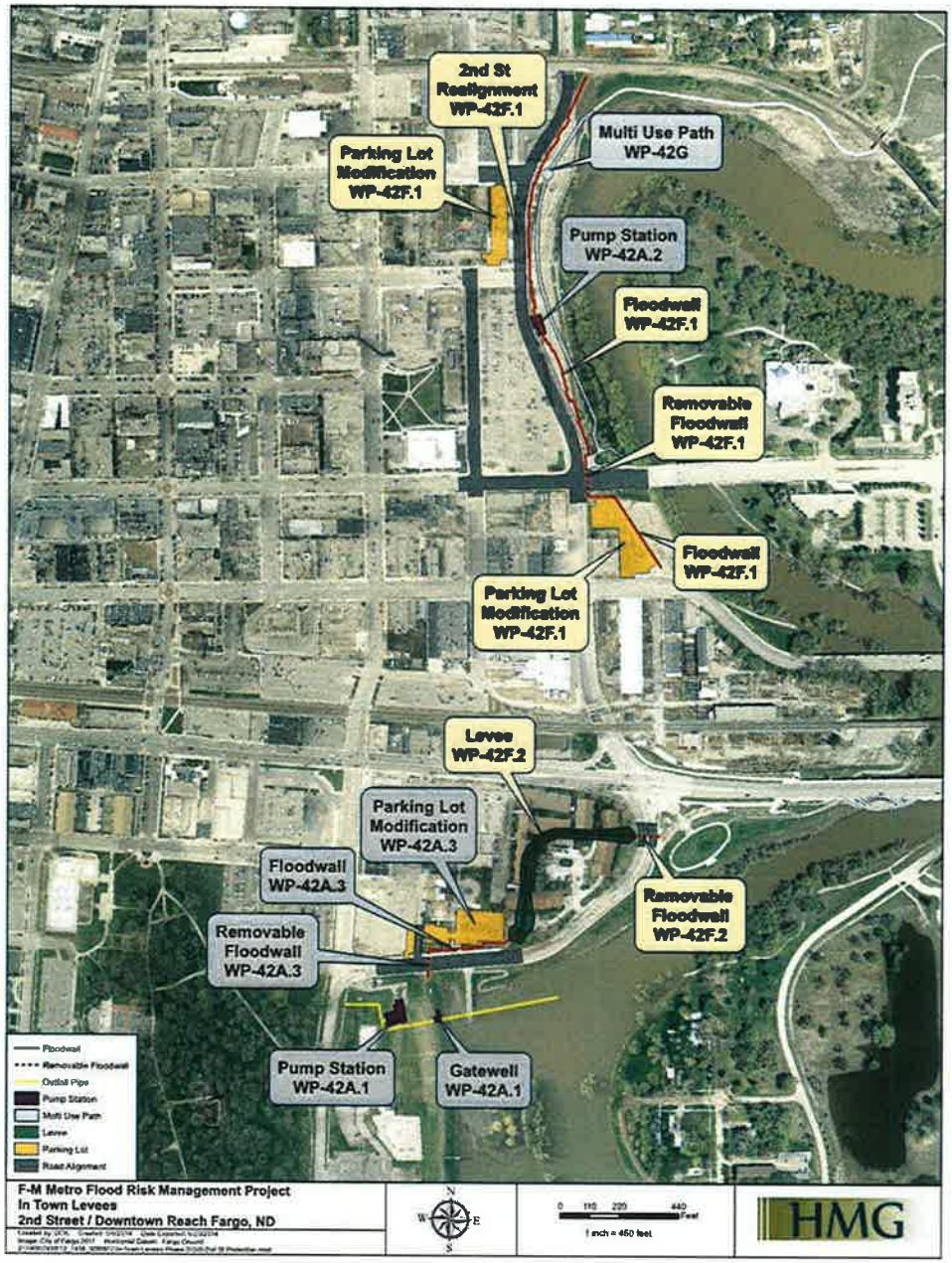
OHB Ring Levee Construction - November 2014

Oxbow Replacement Home Construction - November 2014

Material Pre-load for Stormwater Pumping Faclity

Intown Levee Construction Continues

- Intown levees are a key aspect of federal Diversion Project
- Over 700 home buyouts have occurred metro-wide
- Construction on downtown work underway and will continue throughout the winter



FLOOD DIVERSION AUTHORITY

Sheet Piling near City Hall Downtown for Lift Station – December 2014

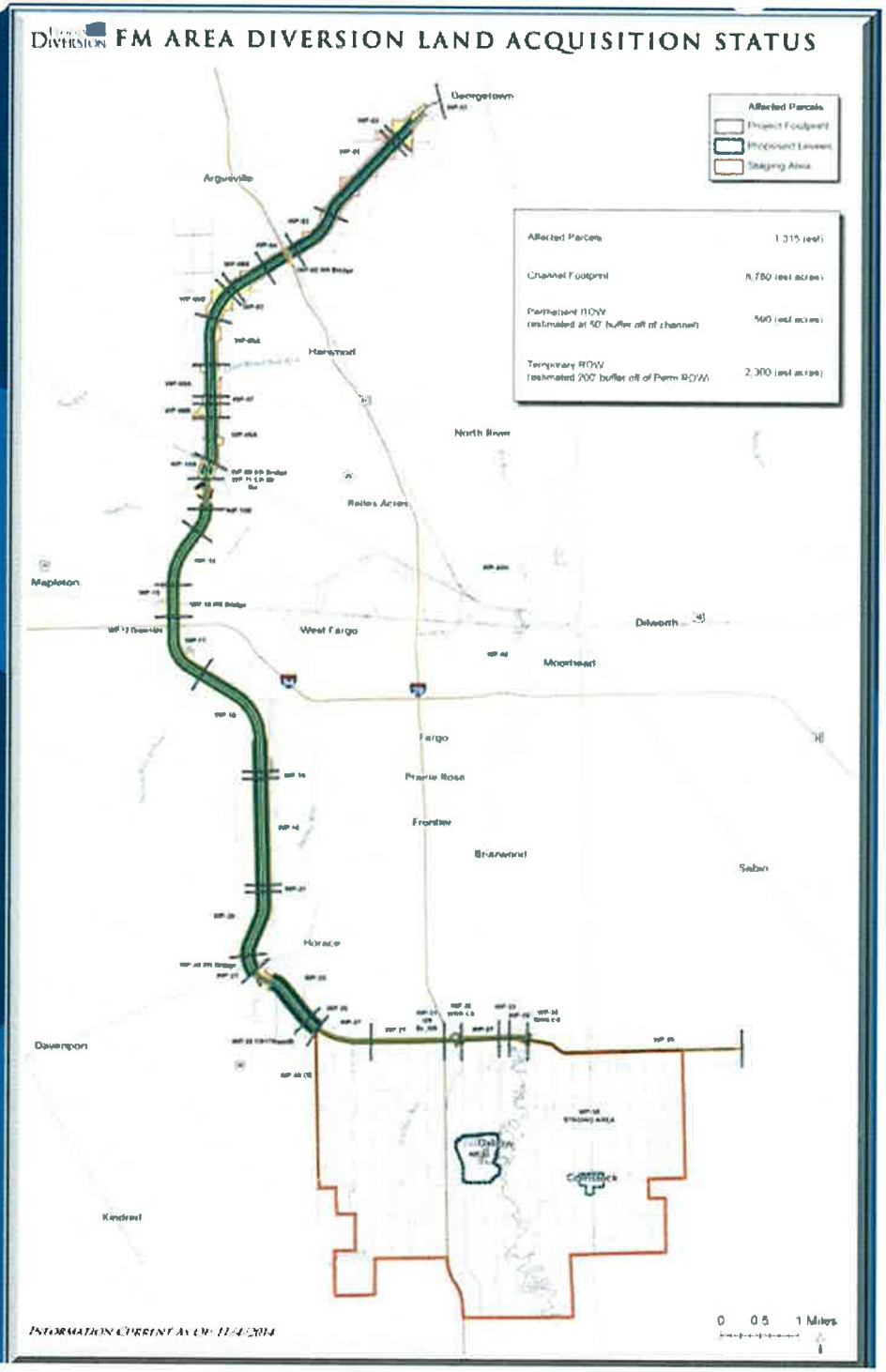
Split Delivery Plan

- **Possible Option being discussed with the Corps of Engineers**
- Diversion Channel - non-Federal Sponsors
- Southern Embankment (dam) and mitigation - USACE
- Reduces Total Project Cost
- Optimal delivery schedule
- Plan works well in current market environment

FLOOD DIVERSION AUTHORITY

Land Acquisition Scope of Work

- Project Requires Land Rights to Over:
  - *–1,300 parcels*
  - *–7,000 acres (channel footprint)*
  - *–700 property owners*
  - *–$350M value*
- Land Rights: Fee Title, Permanent Easement, and Temp Easement
- Timing: Planned, Opportunistic, Condemnation
- CH2M HILL / AE2S has Contracts with DA and CCJWRD
- Managing a Complex Organization
- Goals: Friendly, Flexible, Fair



North Dakota State Water Commission
900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TTY 800-366-6888 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd S. Sando, P.E., Chief Engineer - Secretary
SUBJECT: Mouse River Status Report
DATE: November 24, 2014

ISRB:
The International Agreement governing operations of the Souris River Flood Control Project contains language calling for periodic review of the operations plans and minor changes and clarifications. It also implies the need for Reservoir Regulation Manuals (RRM's) and an operating plan for rainfall. A "Core Group" was identified by the International Souris River Board to review and clarify Annex A within the scope of this language. This group met in St. Paul on October 7th and 8th. Numerous editorial changes were recommended and several passages dealing with conditions in the early history, which no longer exist, were identified.

The major effort in this process will be the RRM's, which falls upon the dam owner. Saskatchewan Water Security is in the process of developing these documents. The next face-to-face meeting of the ISRB will be in February and the Core Group will report progress and seek further direction at that time.

MREFP:
The Mouse River Enhanced Flood Protection Plan is currently in a phase of intense, but easily overlooked activity.

Design proceeds on the three components (2 levees and 1 floodwall) currently approved. Since these features would modify or abut existing works constructed by the Corps of Engineers, they must receive a permit to do so. This is referred to as a Section 408 Permit. We have had several meetings with Corps staff developing the process of applying for this permit. It is critical since the permit will need to cover all the works needed within the scope of the existing federal works, but should not extend to include all the other actions needed to accomplish the total basin goal. Taking this approach we have scoped the project for 408 purposes as extending from Burlington through the downstream (East) side of Minot. This area contains all potential impacts from the protective works, and the federal works of concern are discontinuous here. There is a federal levee at Velva, but that structure is self-contained and can be addressed separately when we get there. At this point it seems the Corps is amenable to this approach. This process will also probably identify and launch whatever other permitting and environmental work is required.

We are also seeking ways to coordinate these developments into the requirements of the System Wide Improvement Framework program, which identifies repair and maintenance obligations of the local sponsor. If some of these obligations can be met by the new construction, we can avoid much duplication.

One feature of the 408 permitting process mentioned above is that if the Corps is not funded for a particular project (which is the case here) they must enter into an agreement with the local sponsors to do the necessary reviews. This is referred to as a "Section 214 Agreement" and there is a cost associated. This will be addressed in another memo.

TSS:JTF:pdh/1974

MEMORANDUM OF AGREEMENT
BETWEEN
THE SOURIS RIVER JOINT WATER RESOURSE BOARD, NORTH DAKOTA
AND
THE U.S. ARMY CORPS OF ENGINEERS
FOR THE SECTION 408 EVALUATION OF
THE MOUSE RIVER ENHANCED FLOOD PROTECTION PROJECT

ARTICLE I - PURPOSE AND AUTHORITY

This Memorandum of Agreement (MOA) is entered into by and between the St. Paul District U.S. Army Corps of Engineers (Corps) and the Souris River Joint Water Resource Board, North Dakota (SRJB) (together, "the parties") for the purpose of establishing a mutual framework governing the respective responsibilities of the parties for the acceptance and expenditure of funds provided by SRJB to expedite evaluation of its proposed alteration of a Corps project in accordance with 33 U.S.C. 408 (Section 408). Section 408 authorizes the Secretary of the Army to grant permission for the alteration, occupation, or use of Corps projects if the Secretary determines that such alteration, occupation, or use will not be injurious to the public interest and will not impair the usefulness of the project.

This MOA is entered into pursuant to Section 214 of the Water Resources Development Act of 2000 (WRDA 2000, Public Law No. 106-541), as amended. Section 214 allows the Secretary of the Army, after public notice, to accept and expend funds contributed by a non-federal public entity to expedite the evaluation of the entity's request to make alterations to, or to temporarily or permanently occupy or use, a federally authorized civil works project pursuant to Section 408. In doing so, the Secretary must ensure that the use of such funds will not impact impartial decision making with respect to the entity's request, either substantively or procedurally. The authority provided in Section 214 is in effect from October 1, 2000 to December 31, 2016.

ARTICLE II - SCOPE

The SRJB is proposing significant alterations to multiple federal projects within the Souris River Basin in conjunction with a project locally referred to as the Mouse River Enhanced Flood Protection (MREFP) project. The MREFP project was initiated after the record-breaking June 2011 flood on the Mouse River. As currently designed, the proposed project will pass a flow of 27,400 cubic feet per second, which approximates the peak flow during the 2011 flood event. The proposed alterations include raising, relocating, and/or otherwise altering portions of the authorized Corps channelization and levee projects within the Souris Basin from upstream of Burlington, ND down to Minot, ND. The proposed project would be implemented in phases, with each phase including one or more reaches. The proposed project may include as many as 30 reaches and would likely take approximately 20 years to complete. The parties anticipate that most of the project phases will require Section 408 permission as much of the work being contemplated would require alterations to existing federal projects.

The Corps' Operation and Maintenance Inspection of Completed Works program is funded through the Corps' Civil Works program in the annual federal budget. Funding within the Inspection of Completed Works program is insufficient to completely fund the technical and policy reviews required for the evaluation of proposed alterations pursuant to Section 408. This MOA provides a framework for the Corps to accept funds from SRJB to expedite processing of SRJB's proposed alterations when the Corps' Inspection of Completed Work Program budget is insufficient to complete the design reviews within the SRJB's desired implementation schedule. The additional funds from the SRJB under this MOA and phase-specific agreements executed pursuant to this MOA will be used to augment the Inspection of Completed Works budget of the St. Paul District and supporting Districts (if required) in accordance with the provisions of Section 214 of WRDA 2000, as amended. Funding to the supporting Districts may be required to facilitate independent reviews by staff outside the St. Paul District.

Funds will be expended primarily on the direct labor and overhead of Corps' Civil Works personnel evaluating the engineering plans and report prepared by SRJB's engineering consultants. Such review and processing activities would include, but not be limited to, the following: technical analyses and writing, real estate evaluation, risk analysis, copying or other clerical/support tasks, acquisition of GIS data, site visits, training, travel, coordination activities, additional personnel (including support/clerical staff), contracting, environmental documentation preparation and review. Funds will not be used for drafting, negotiating, or issuing any necessary real estate instruments. The funding under this MOA and phase-specific agreements executed pursuant to this MOA does not cover any Corps quality assurance inspections that may be required during construction for any proposed alteration that is approved for implementation.

The work will be performed within the framework of the General Scope of Work attached to this MOA, and in accordance with phase-specific agreements to be executed pursuant to this MOA.

ARTICLE III – PHASE-SPECIFIC AGREEMENTS

Phase-specific agreements will be negotiated under this MOA for each phase for which Section 408 permission is required if insufficient Inspection of Completed Works funding is available to accomplish the evaluation in the timeframe desired by the SRJB. Each phase-specific agreement will identify a scope of work and provide an itemized budget estimate for the phase to which it applies.

ARTICLE IV - INTERGOVERNMENTAL COMMUNICATIONS

To provide for consistent and effective communication between the Corps and the SRJB, each party shall appoint a Principal Representative to serve as its central point of contact on matters relating to this MOA and any phase-specific agreement entered into pursuant to this MOA. Additional representatives may also be appointed to serve as technical points of contact for the Section 408 review.

ARTICLE V - RESPONSIBILITIES OF THE PARTIES

A. Responsibilities of the Corps of Engineers

1. The Corps shall provide the SRJB with services in accordance with the purpose, terms, and conditions of this MOA and phase-specific agreements entered into pursuant to this MOA.

2. The Corps shall provide detailed periodic progress, financial, and other reports to the SRJB as agreed to by the Principal Representatives. Financial reports shall include information on all funds received and expended and on forecast expenditures.

3. The Corps will establish a separate financial account to track receipt and expenditure of funds associated with this MOA and phase-specific agreements entered into pursuant to this MOA. Corps employees will charge their time against this account when doing work to expedite the processing of the SRJB's alteration requests.

4. The Corps will follow procedures to ensure impartial decision-making. Approval of the SRJB's Section 408 alteration requests has been determined to be at the Director of Civil Works level. To ensure the funds will not impact impartial decision-making, the following procedures would apply:

a. No funds received under a Section 214 agreement shall be expended for the District Commander or the Division Commander's consideration and recommendation to the Director of Civil Works regarding the SRJB's Section 408 alteration requests.

b. Draft technical documents or draft decision documents resulting from the use of funds obtained from the SRJB under Section 214 will be reviewed and signed by a reviewer who is not funded by funds received under Section 214 for the SRJB's alteration requests.

c. All final decisions for cases where Section 214 funds are used will be made available on the St. Paul District web page.

d. The Corps will not eliminate any procedures or decisions that would otherwise be required for the type of project and alteration request under consideration.

e. The Corps will comply with all applicable laws and regulations.

f. Section 214 funds will only be expended to provide expedited review of the participating non-federal entity's alteration requests.

B. Responsibilities of the SRJB

1. Upon receipt of each signed phase-specific agreement entered into pursuant to this MOA, the SRJB will transmit an advance payment equal to estimated funding necessary for the scope of work associated with the signed phase-specific agreement.

2. For each alteration request, the SRJB will coordinate with the Corps, through its Principal Representative or engineering consultant, a schedule of required submittals and reviews.

3. For each alteration request, the SRJB will submit, through its Principal Representative or engineering consultant, all required engineering and environmental documents required by the Section 408 guidance provided by the Corps including an Independent External Peer Review report.

ARTICLE VI - FUNDING

The SRJB shall pay all costs associated with the Corps' provision of services under this MOA and phase-specific agreements executed pursuant to this MOA. The funding estimated to support the services described in Article II of this MOA will be provided under subsequent phase-specific agreements that include a detailed scope of work and an itemized budget estimate for the phase being addressed by that agreement. Funds for the services to be provided by the Corps shall be provided by a check payable to "FAO, USAED ST. PAUL". Funds will be deposited with the US Treasury prior to incurrence of any obligation by the Corps.

If the Corps forecasts its actual costs under this MOA and subsequent phase-specific agreements to exceed the amount of funds available, it shall promptly notify the SRJB of the amount of additional funds necessary to complete the work. The SRJB shall either provide the additional funds to the Corps or the parties will agree to terminate this MOA or any phase-specific agreement for which the Corps' services are ongoing. See Article XII – Amendment, Modification, or Termination for additional information on termination of the MOA. The lack of or delay in funding under this agreement or the termination of this agreement (or any phase-specific agreement) shall in no way relieve the Corps of its obligation to evaluate the SRJB's Section 408 requests. However, the evaluation of any such request will proceed on a timeframe consistent with the Corps' work priorities and available (non-Section 214) budgetary resources.

Within 90 days of completing the work under each phase-specific agreement entered into pursuant to this MOA, the Corps shall conduct an accounting to determine the actual costs of the work conducted under that phase-specific agreement. Within 30 days of completion of this accounting, the Corps shall return to the SRJB any funds advanced in excess of the actual costs as then known, or the SRJB shall provide any additional funds necessary to cover the actual costs as then known. Such an accounting shall in no way limit the SRJB's duty in accordance with Article X to pay for any costs which may become known after the final accounting.

ARTICLE VII - APPLICABLE LAWS

This MOA and all documents and actions pursuant to it shall be governed by the applicable statutes, regulations, directives, and procedures of the United States.

ARTICLE VIII - DISPUTE RESOLUTION

The parties agree that, in the event of a dispute between the parties (excluding a dispute regarding the Corps' final decision on the SRJB's alteration requests for any phase of the proposed project), the SRJB and the Corps shall use their best efforts to resolve that dispute in an informal fashion through consultation and communication, or other forms of non-binding alternative dispute resolution mutually acceptable to the parties.

Any disputes arising from or relating to this agreement not resolved by the informal nonbinding procedures in the paragraph above shall be resolved in an appropriate federal court applying federal law. Nothing in the preceding sentence suggests that any particular disagreement or dispute is subject to judicial review under federal law.

ARTICLE IX - RESPONSIBILITY FOR COSTS

If liability of any kind is imposed on the United States relating to the Corps' provision of services under this MOA and phase-specific agreements executed pursuant to this MOA, the Corps will accept accountability for its actions, but the SRJB shall remain responsible as the program proponent for providing such funds as are necessary to discharge the liability, and all related costs. This obligation extends to all funds legally available to discharge this liability, including funds that may be made legally available through transfer, reprogramming or other means. Should the SRJB have insufficient funds legally available, including funds that may be made legally available through transfer, reprogramming or other means, it remains responsible for seeking additional funds.

Notwithstanding the above, this MOA does not confer any liability upon the SRJB for claims payable by the Corps under the Federal Torts Claims Act. Provided further that nothing in this MOA is intended or will be construed to create any rights or remedies for any third party and no third party is intended to be a beneficiary of this MOA.

ARTICLE X - PUBLIC INFORMATION

In general, the SRJB is responsible for all public information regarding its proposed undertakings. The SRJB or the Corps shall make its best efforts to give the other party advance notice before making any public statement regarding work contemplated, undertaken, or completed pursuant to this MOA or phase-specific agreements executed pursuant to this MOA.

ARTICLE XI - MISCELLANEOUS

A. Other Relationships or Obligations: This MOA shall not affect any pre-existing or independent relationships or obligations between the SRJB and the Corps.

B. Severability: If any provision of this MOA is determined to be invalid or unenforceable, the remaining provisions shall remain in force and unaffected to the fullest extent permitted by law and regulation.

C. In undertaking its review of Section 408 alteration requests under this MOA, the Corps is acting in its sovereign capacity and not as a contractor, agent, employee or servant of the SRJB. The evaluations and work product generated by the Corps, its officers, agents, employees, and contractors in evaluating the SRJB's Section 408 requests is within the exclusive jurisdiction of the United States Government acting under federal law and is not subject to examination, review, or release under any provision of state law.

ARTICLE XII - AMENDMENT, MODIFICATION AND TERMINATION

This MOA may be modified or amended only by written, mutual agreement of the parties. Either party may terminate this MOA or any given phase-specific agreement by providing written notice to the other party. The termination shall be effective upon the sixtieth calendar day following notice, unless another date is agreed upon by the parties. In the event of termination, the SRJB shall continue to be responsible for all costs incurred by the Corps under this MOA and phase-specific agreements executed pursuant to this MOA and for the costs of closing out or transferring any ongoing contracts. If the MOA is terminated prior to the Corps' completion of the processing of one or more of the SRJB's alteration requests, the Corps' remaining work on the SRJB's alteration requests will be handled like that of any other entity requesting approval for an alteration of a Corps project.

ARTICLE XIII - EFFECTIVE DATE

This MOA shall become effective when signed by both the SRJB and the Corps. A phase-specific agreement shall become effective when signed by both the SRJB and the Corps.

SOURIS RIVER JOINT WATER RESOURCE BOARD

_____

DAVID ASHLEY
Chairman

DATE:_____

U.S. ARMY CORPS OF ENGINEERS

_____

DANIEL C. KOPROWSKI
Colonel, Corps of Engineers
District Commander

DATE:_____

North Dakota State Water Commission
900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TTY 800-366-6888 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, P.E., Chief Engineer-Secretary
SUBJECT: NAWS – Project Update
DATE: November 24, 2014

Supplemental EIS

Reclamation continues to work on the Supplemental Environmental Impact Statement (SEIS). The draft SEIS was released for public comment June 20, 2014, and the public comment period ended September 10, 2014. The State Water Commission submitted a comment letter and continues to work with the Bureau of Reclamation to provide information to aid in responding to comments received from other entities. A meeting is planned for December 9, 2014, with the Environmental Protection Agency, Reclamation, North Dakota Department of Health, City of Minot, and SWC staff to discuss concerns raised by EPA in their comment letter. A cooperating agency team (CAT) meeting is planned for after the holidays to go through responses to comments received. We anticipate a draft version of the Final SEIS being shared with the CAT members for their review prior to publication. Current estimates would have this process extending into March 2015.

Manitoba & Missouri Lawsuit

The Federal Court issued an order on March 5, 2010, requiring Reclamation to take a hard look at (1) the cumulative impacts of water withdrawal on the water levels of Lake Sakakawea and the Missouri River, and (2) the consequences of biota transfer into the Hudson Bay Basin, including Canada. The order dated October 25, 2010, allowed construction on the improvements in the Minot Water Treatment Plant and pipelines to the Minot Air Force Base and Glenburn to proceed. However, it did not allow design work to continue on the intake. The court ordered a conference call on November 15, 2012. The court expressed concerns about construction taking place under the previously approved and unopposed injunction modifications possibly affecting the outcome of the SEIS. A briefing explaining the additional construction on the northern tier, justifying the need and explaining the independence from supply or biota treatment alternatives was filed December 6, 2012. Missouri and Manitoba filed responses January 6, 2013, and our response was filed January 22, 2013. The Court issued an opinion on March 1, 2013, modifying the injunction to not permit 'new pipeline construction or new pipeline construction contracts'. We provided notice to the Court in September of our intention to begin design work on replacement of the softening facilities and associated equipment at the Minot water treatment facility.

TS:TF:ph/237-04

North Dakota State Water Commission
900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TTY 800-366-6888 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, P.E., Chief Engineer/Secretary
SUBJECT: Missouri River Update
DATE: November 19, 2014

System/Reservoir Status

System volume on November 19 in the six mainstem reservoirs was 57.1 million acre-feet (MAF), 1.0 MAF above the base of flood control. This is 3.0 MAF above the average system volume for the end of November, and 6.3 MAF more than last year. The volume of water in the system on November 19, 2011, was 57.9 MAF.

On November 19, Lake Sakakawea was at an elevation of 1841.9 feet msl, 4.4 feet above the base of flood control. This is 7.2 feet higher than a year ago and 7.0 feet above its average end of November elevation. The minimum end of November elevation was 1808.9 feet msl in 2006 and the maximum end of November elevation was 1846.7 feet msl in 1972. The elevation of Lake Sakakawea on November 19, 2011, was 1840.8 ft msl.

On November 19, the elevation of Lake Oahe was 1609.1 feet msl, 1.6 feet above the base of flood control. This is 7.2 feet higher than last year and 10.4 feet higher than the average end of November elevation. The minimum end of November elevation was 1573.2 feet msl in 2006, and the maximum end of November elevation was 1612.4 feet msl in 1997. The elevation of Lake Oahe on November 19, 2011, was 1608.1 feet msl.

On November 19, the elevation of Fort Peck was 2232.9 feet msl, 1.1 feet below the base of flood control. This is 9.1 feet higher than a year ago and 3.4 feet higher than the average end of November elevation. The minimum end of November elevation was 2199.8 feet msl in 2004, and the maximum end of November elevation was 2245.3 feet msl in 1975. The elevation of Fort Peck on November 19, 2011, was 2237.4 feet msl.

Releases from Garrison Dam are currently about 19,000 cfs. During freeze-in, it is normal for the river stage to increase and releases will be reduced during this period to compensate for the stage increase. After the ice forms, releases will be gradually increased to approximately 22,000 cfs and stay at that level during January and February. It is expected that a flow of 22,000 cfs under ice-affected conditions will cause a river stage of about 9 feet at Bismarck on the Missouri River.

The State Engineer sent letters on September 11 and October 14, urging the Corps to increase releases at that time during open water conditions, instead of during ice-affected conditions. Open water conditions allow for greater discharges at lower stages, and therefore, provide more flexibility in evacuating water in Lake Sakakawea. The Corp responded by increasing releases

slightly during the middle of October. The Corps has stated that they will coordinate closely with the National Weather Service office in Bismarck, as well as other federal, state, and local agencies during periods of freeze-in and ice-out to reduce flood risk and ensure the public is aware of rapidly changing conditions.

Annual Operating Plan

The fall Annual Operating Plan public meeting in Bismarck was held at the Civic Center on October 28. The State Engineer provided comments, which are attached to this memo. The Corps' public comment period closes on November 21.

NOAA Outlooks for this Winter

The Missouri River basin is predominantly drought free and soil moisture in most of the basin is wetter than average entering the winter because of heavy summer and fall precipitation. For this upcoming winter, the temperature outlook shows an increased chance of being warmer than normal in the upper basin and equal chances of above and below normal temperatures in the lower basin. The precipitation outlook shows no strong indicators, meaning equal chances of dry, wet, or close to normal precipitation for most of the basin.

Missouri River Recovery Implementation Committee (MRRIC)

In Section 5018 of the 2007 Water Resources Development Act (WRDA) Congress authorized the Missouri River Recovery Implementation Committee (MRRIC). The Committee is to make recommendations and provide guidance on activities resulting from the Missouri River Recovery Program (MRRP). The Committee was established in 2008. MRRIC has nearly 70 members representing local, state, tribal, and federal interests throughout the Missouri River Basin.

During a meeting in Omaha, NE from November 4 to 6, MRRIC reached tentative consensus on a recommendation to the Corps to take action on Section 4013 of the Water Resources Reform Development Act (WRRDA) of 2014. Section 4013 provides that the MRRIC members may be reimbursed travel expenses. Limited resources have been a significant impediment to member participation and engagement on MRRIC, most notably of the tribal representatives appointed to the committee.

MRRIC received an update on the Missouri River Recovery Management Plan (MRRMP) and Environmental Impact Statement (EIS). The MRRMP and EIS is a three-year effort that will evaluate the effectiveness of actions taken by the Corps to recover the least tern, piping plover, and pallid sturgeon. The evaluation will determine modifications to current recovery efforts, if necessary, and will result in an adaptive management plan for Missouri River Recovery Management Plan actions. The MRRMP and EIS are scheduled to be complete in May 2016.

MRRIC had discussions with the U.S. Fish and Wildlife Service and the Independent Science Advisory Panel regarding population targets for the least tern, piping plover, and pallid sturgeon. These targets will be used in deciding upon management strategies to be implemented, and are

critical for measuring the overall success of the MRRMP. MRRIC also discussed using human considerations "proxy metrics" for the initial screening of alternatives. It is expected that the first round of alternatives will be provided to MRRIC in the spring.

Surplus Water/Reallocation

The Reallocation Study has been put on hold until the five remaining Surplus Water Reports are finalized and the associated Rulemaking has been released to the public. A timeline of these events has not been provided. We continue the effort to educate the Corps that storage contracts are inappropriate as the natural flow of the Missouri River provides for the water use in North Dakota and stored water is not necessary.

LCA/1392

North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TTY 800-366-6888 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

Missouri River AOP Meeting

Todd Sando, Chief Engineer and Secretary
North Dakota State Water Commission

October 28, 2014, 11am
Bismarck Civic Center

Welcome to North Dakota, my name is Todd Sando; I am the North Dakota State Engineer.

The common theme this year has been above normal. The mountain snowpack peaked in April at 132 and 140 percent of normal for the "Above Fort Peck" and "Fort Peck to Garrison" reaches, respectively. Summer and fall runoff this year has also been above normal. According to the Corps' September 4th, press release, the runoff in August was the third highest since 1898 at 241 percent of normal. The volume of runoff that occurred in August was not anticipated as the August 1st runoff forecast predicted it to be 121 percent of normal for that month. The runoff for the remainder of the year is predicted to be above normal and there is no reason to not anticipate even higher than expected runoff.

On September 11th and October 14th, I sent letters to the Corps urging them to increase releases from Garrison Dam now during open water conditions, instead of during the winter when river stages are affected by ice. I want to thank the Corps for responding to our concerns and increasing releases slightly by 2,000 cfs. Open water conditions allow for greater discharges at lower stages, and therefore, provide more flexibility in evacuating flood water. The reason for the recommendation to increase releases now is because of the above-normal runoff in the Missouri River Basin so far

this year, the forecasted above-normal runoff for the remainder of the year, and the potential for higher than forecasted runoff.

The forecasted winter releases of 24,000 cfs from Garrison Dam will most likely cause a stage of approximately nine to ten feet under ice-affected conditions. If winter releases are increased further, the higher river stages will exacerbate groundwater conditions and increase the chances of ice-induced flooding. I urge the Corps to further increase releases from Garrison Dam before freeze-in. If runoff continues to be higher than forecasted, even more water will need to be evacuated before next spring, resulting in increased winter releases. I also recommend continued communication with other federal, state, and local entities during periods of freeze-in and ice-out to ensure awareness of rapidly changing conditions.

Open water and ice jam induced flooding are concerns on the Missouri River in North Dakota. Although ice-induced flooding can occur anywhere along the Missouri River in North Dakota, there is heightened concern in the Bismarck-Mandan area. The AOP (page 14) states that winter releases will be increased to accommodate winter power loads and to draw down Lake Sakakawea to the base of the annual flood control pool. It also specifies that releases will be temporarily reduced, most likely in December, to prevent ice-induced flooding during freeze-in followed by a gradual increase as conditions permit. The flood stage at the Missouri River at Bismarck stream gage station is 14.5 feet. In both the AOP (page 14) and Master Manual (page VII-21), the Corps has indicated that they plan on preventing the exceedance of a stage of 13 feet. The Master Manual, however, states that the flood stage at the Bismarck gage is 16 feet (page VII-40). Because the flood stage has been lowered 1.5 feet since the

last update of the Master Manual, I suggest that the Corps plan on preventing the exceedence of a stage of 11.5 feet, rather than 13 feet.

While it is not really an AOP issue, I remind the Corps that the State of North Dakota is adamantly opposed to any effort by the Corps to charge our water users, or interfere with water use, for water that rightfully belongs to the people of our state. The basin states and tribes have a clear right to the use of the natural flow of the Missouri River without obligation to the federal government.

LCA:pdh/1392

North Dakota State Water Commission
900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850
701-328-2750 • TTY 800-366-6888 • FAX 701-328-3696 • INTERNET: http://swc.nd.gov

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: Todd Sando, P.E., Chief Engineer – Secretary
SUBJECT: Devils Lake Hydrologic Update
Devils Lake Outlet Update
DATE: November 17, 2014

The current water surface elevation of Devils Lake and Stump Lake is 1451.6 ft-msl. This is approximately 0.7 feet below the water surface elevation from a year ago.

It has been a dry fall this year with precipitation values in the basin much lower than normal. The dry soils and lower wetlands should help capture spring runoff. The next forecast from the National Weather Service will be available in mid January 2015.

West and East Outlets: The outlets were shut down for the winter on November 9th. Following is a table with the monthly and total volumes pumped in 2014:

MONTH	West End Outlet	East End Outlet	Outlets Combined
---	Acre-Feet	Acre-Feet	Acre-Feet
May	1,874	5,581	7,455
June	4,884	4,061	8,944
July	14,013	18,042	32,055
August	15,002	22,613	37,615
September	14,423	21,698	36,121
October	14,541	20,121	34,662
November	3,812	5,172	8,984
TOTAL	68,548	97,288	165,837

The total pumped Devils Lake water of nearly 166,000 acre-feet is a record for the outlets, the previous annual high was in 2012 when approximately 158,000 acre-feet were pumped. Using the area for lake elevation of 1452.0 ft-msl, the depth reduction in 2014 is about 11 inches.

TS:JK:EC:ph/416-10