

Reference #	Option & Description
REPLACEMENT PROJECT OPTIONS	
1A	<ul style="list-style-type: none"> Adjust replacement project cost-share percentage to 25%. (Eligibility would be limited only to systems and components past their useful life as defined in SWC’s Life Cycle Cost Analysis schedule.) All projects must first apply for loan assistance through the Water Infrastructure Revolving Loan Fund or Drinking Water State Revolving Fund (DWSRF) to demonstrate affordability challenges before applying for SWC grants. “Replacement” is proposed to be defined as <i>“installing parts, systems, or components similar to what currently exists with the intention of preserving or enhancing service levels.”</i>
1B	<ul style="list-style-type: none"> Deferred maintenance not eligible for cost-share. “Deferred maintenance” is proposed to be defined as <i>“maintenance and repairs that were not performed as scheduled and were put off or delayed for a future period.”</i> Extraordinary maintenance not eligible for cost-share. “Extraordinary maintenance” is proposed to be defined as <i>“non-routine maintenance and repair work performed to restore an existing facility, system, or component to an operating condition when needs arise beyond normal maintenance—including work prompted by unexpected failures, accelerated deterioration, accidents, or force majeure/acts of God (e.g., weather/climate related).”</i>
1C	<ul style="list-style-type: none"> Limit individual sponsors to \$2 million (M) for replacement projects through June 30, 2039.
1D	<ul style="list-style-type: none"> Replacements not eligible for cost-share through DWR. Or, water supply replacements not eligible for cost-share through DWR but rather are considered by ND Department of Environmental Quality (DEQ) for DWSRF financing and supplemental grants to address demonstrated affordability challenges (as determined by DEQ). Grant funding revenue at DEQ would likely have to come from a legislative transfer through DWR.
FUNDING CEILINGS FOR MREFPP & RRVWSP, & BONDING FOR REMAINING STATE COMMITMENTS	
2	<ul style="list-style-type: none"> Implement Legislative funding ceilings for MREFPP and RRVWSP as provided for in HB 1020 (2025 Legislative Assembly). Includes \$304M for the MREFPP and \$773M for the RRVWSP beginning with the 2025-2027 biennium.
3	<ul style="list-style-type: none"> Leverage Legacy Fund earnings to issue bonds to aid in funding remaining Legislative commitments to MREFPP (\$223M after 2025-2027 SWC approval of \$81.1M) and RRVWSP (\$568M after 2025-2027 SWC approval of \$205M) totaling \$791M.
REALIGNMENT OF COST-SHARE PERCENTAGES AS A FUNCTION OF PRIORITY	
4A	<ul style="list-style-type: none"> Adjust cost-share percentages to a function of SWC’s Prioritization Guidance rather than basing percentages on project type. Percentages would be adjusted accordingly: 50% for high priority projects, 45% for moderate priority projects, and 40% for low priority projects. (Replacement projects would remain at the recommended cap of 25%.) Exception projects per Legislative intent include NAW, SWPP, RRVWSP, WAWS, MREFPP, VCPFP, and BSFP.
4B	<ul style="list-style-type: none"> Implement a funding ceiling of \$5M per project through 2039. (Excludes exception projects identified in 4A.)

BSFP (Bismarck South Flood Protection), MREFPP (Mouse River Enhanced Flood Protection Project), NAW (Northwest Area Water Supply), RRVWSP (Red River Valley Water Supply Project), SWPP (Southwest Pipeline Project), WAWS (Western Area Water Supply), VCPFP (Valley City Permanent Flood Protection)

DELAY MODERATE & LOW PRIORITY PROJECTS	
5	<ul style="list-style-type: none"> • Delay moderate priority projects until the 2029-2031 biennium. • Delay low priority projects until the 2031-2033 biennium. This includes replacement projects.
OBLIGATION OF LINES OF CREDIT	
6	<ul style="list-style-type: none"> • Fully obligate \$260M in lines of credit authorized by the 2025 Legislative Assembly. This includes \$50M for SWPP and \$210M for other projects.
DELAY WATER INFRASTRUCTURE REVOLVING LOAN FUND (WIRLF) REIMBURSEMENT FROM RESOURCES TRUST FUND (RTF)	
7A	<ul style="list-style-type: none"> • Includes utilization of the entire \$100M available through the state's WIRLF by project sponsors by 2031.
7B	<ul style="list-style-type: none"> • Includes delayed reimbursement of the \$100M in loans through the WIRLF from RTF revenues until 2031. This will allow \$100M in RTF revenues to be made available for project cost-share until 2031 – instead of being used to repay the WIRLF in the short-term.
OTHER PROGRAM OPTIONS	
8	<ul style="list-style-type: none"> • Clarify definitions of deferred maintenance, extraordinary maintenance, and replacement. Also clarify that deferred maintenance and extraordinary maintenance projects are not eligible. Replacements are proposed for varying levels of eligibility as described in options 1A-1D.
9	<ul style="list-style-type: none"> • For cost-share increase requests – implement dollar or percentage caps.
10	<ul style="list-style-type: none"> • For engineering-related costs – implement dollar or percentage caps. • Engineering fees associated with cost increases not eligible.
11	<ul style="list-style-type: none"> • Implement per user maximum hook-up thresholds for rural and municipal expansion projects. Costs beyond the maximum established thresholds would be a local sponsor responsibility.
12	<ul style="list-style-type: none"> • Establish a capital repayment structure back to the state for water supply projects that have received grants. The repayment would likely come from water use fees charged to system customers and would be for a portion of the grant received. The required percentage of repayment would need to be determined.
13	<ul style="list-style-type: none"> • Require projects to be included/submitted during the Water Development Plan project inventory process to be eligible for cost-share assistance during each biennial budget cycle. Rare exceptions could be approved at the SWC's discretion.
14	<ul style="list-style-type: none"> • Require cost-share applicants to have all easements and bids in hand before applying for construction cost-share assistance.
15	<ul style="list-style-type: none"> • Eliminate the requirement of sponsors having to submit Basic Asset Inventory Assessments (BAIA) with water supply project construction cost-share requests. The SWC's BAIA management tool would continue to be made available to sponsors for inventory efforts as they choose to use it.
16	<ul style="list-style-type: none"> • Cost-share sponsors that have not requested reimbursement or have shown no activity for two years after SWC approval would be required to: 1) report back to the SWC to continue with an active agreement; or 2) have funding deobligated.
17	<ul style="list-style-type: none"> • Sponsors who are not in compliance with DWR permit requirements or have not completed necessary Emergency Action Plans for high or significant hazard dams would be considered ineligible to apply for cost-share assistance. (Exceptions would include eligible efforts related to achieving compliance.)

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