

MINUTES OF A REGULAR MEETING
of the
STATE WATER CONSERVATION COMMISSION
Held in the Governor's Conference Room
At Bismarck, North Dakota
January 12 and 13, 1938

Pursuant to the resolution adopted at the meeting of the Commission December 16, 1937 fixing the time for regular meeting of the Commission on the first Wednesday of each month, the State Water Conservation Commission met in the Governor's Conference Room in the State Capitol at Bismarck at 10 A. M., Wednesday, January 12, 1938. Notices reminding all Commissioners of this meeting were mailed to all members by the Secretary January 6, 1938.

The meeting was called to order at 10 A. M. by Vice Chairman Henry Holt. The Secretary called the roll showing Commissioners Holt, Simons, Whitney, Engen and Olson, present. Governor William Langer and Commissioner Einar H. Dahl, absent.

Typewritten copies of the minutes of the last meeting of the Commission (December 15 and 16, 1937) having been sent to each member of the Commission and no errors being noted, it was moved by Commissioner Simons, seconded by Commissioner Engen, that the minutes be approved. The motion carried, all Commissioners voting aye.

The Secretary stated that the Commission had been notified by the Works Progress Administration that it would be necessary for the land in the Lewis and Clark irrigation project to be on record in the name of a public agency before WPA labor could be used on such land. The Secretary read the following letter from Thomas H. Moodie, State Administrator of the WPA:

Mr. D. J. Beakey, Secretary
State Water Conservation Commission
State Capitol Building,
Bismarck, North Dakota

Dear Mr. Beakey:

The operation of all the water conservation projects by the Works Progress Administration must be under the following regulation which I am quoting to you from Chapter Ten, Section 7 of the WPA Handbook of Procedures:

"Before actual operation on projects is undertaken, the district office of the Works Progress Administration shall determine that necessary negotiations have been completed regarding the site of the project. Agreements shall have been secured for any necessary right-of-way and easements; options shall have been taken up by sponsors; and necessary legal documents shall have been filed."

Very truly yours,

Thomas H. Moodie
State WPA Administrator

Mr. C. C. Morrison, Agricultural Development Agent for the Great Northern Railway, Mr. Walter Maze, a director of the Lewis and Clark Irrigation Project, and Mr. Walter Burk, States Attorney of Williams County, appeared before the Commission in connection with difficulties encountered in regard to continuing WPA labor on the project. Mr. Burk appeared as spokesman for the group and stated that he appeared before the Commission as a representative of the Williston Chamber of Commerce and also as attorney for the Lewis and Clark irrigation district. He stated that they have been warned that WPA labor would be withdrawn from the project unless title was acquired to the land to be cleared and recorded in the name of the State, and that they wished to do everything possible to prevent WPA labor from withdrawing from the project. There was a general and lengthy discussion in regard to the best method

of handling the situation. Comm. Simons telephoned Judge A. M. Christianson, Chairman of the Rural Rehabilitation Committee, and arranged for a meeting to be held at his office at 3:45 P. M., to discuss the matter further

Mr. Knute Oss appeared before the Commission and stated his reasons for not signing the mortgage and other papers covering Project No. 4. He stated that there was a partnership agreement between him and Mr. W. A. Leach of Project No. 61 in regard to purchase of a pump for use on both projects. After some discussion, it was moved by Comm. Olson, seconded by Comm. Engen, that the matter be referred to the Irrigation Project Committee with power to act. On roll call the motion carried, all Commissioners voting aye.

At 12:30 P. M. the meeting adjourned until 1:30 P. M.

Pursuant to adjournment, the meeting was called to order at 1:30 P. M. by the Vice Chairman. The Secretary called the roll showing Commissioners Holt, Engen, Simons, Olson, Whitney and Dahl, present. Governor William Langer, Chairman, absent.

Chief Engineer Thomas brought up the matter of the request for four dams to be constructed on the Cannonball River in Grand County under the same terms and conditions as applied to the application for the dams in Sioux County, which was passed at the last meeting of the Board, and it was moved by Comm. Simons, seconded by Comm. Olson that the Commission approve the application of the Grant County Commissioners for four dams under the conditions stated and that the Chairman and Secretary be authorized to sign the necessary papers on behalf of the Commission. The roll was called, and the motion carried, all Commissioners voting aye.

The Secretary reported that he had received replies from Senators Nye and Frazier and Congressman Lemke and Burdick in answer to the resolution passed at the last meeting recommending the employment of George S. Knapp and having him assigned to the State Water Conservation Commission and that each of them had pressed for his appointment. He also stated that he had received replies from S. H. McCrory, Chief of the Bureau of Agricultural Engineering; Paul H. Appelby, assistant secretary of Agriculture; W. W. McLaughlin, Chief of the Division of Irrigation, Department of Agriculture; and Aubrey Williams, deputy WPA Administrator at Washington, all favorable to the appointment of Mr. Knapp as requested in the resolution. Inasmuch as Mr. Knapp is to be in Bismarck at the next meeting of the Board, January 25, it was decided to defer any further action until the Commission had an opportunity to consult with him.

Vice Chairman Holt gave a verbal report on the work of the Tri-State Commission stating that work on the projects in the Red River Basin is going ahead rapidly. Moved by Comm. Olson, seconded by Comm. Simons, that the report of the Tri-State Committee be approved. The motion carried, all Commissioners voting aye.

Chief Engineer Thomas read a letter from Ruth Scrivner in regard to the Cartwright Project. He stated that WPA officials had been contacted concerning this project and that they gave little encouragement for the reason that they have no labor available adjacent to the project. He also made a report on the Sidney Project. After some discussion it was moved by Comm. Olson, seconded by Comm. Engen, that the matter be referred to the Irrigation Projects Committee with the request that they report at the next meeting of the Commission. The motion carried, all Commissioners voting aye.

The Secretary read the following report submitted by the committee on Missouri River Diversion:

January 12, 1938

State Water Conservation Commission
Bismarck, North Dakota

Gentlemen:

This is a report of the Missouri River Diversion Committee on its activities since Sept. 27,

1937, when a hearing was had on the project at Washington, D. C., before the Board of Engineers for Rivers and Harbors.

The following additional reports with respect to the economic benefits of the project have been submitted since the date of such hearing:

A report on the generation of electric power by Robert W. Carlson, engineer of the State Board of Railroad Commissioners. The total benefits as shown by this report is \$1,147,140.

A report on benefits from improved facilities for migratory water fowl by Burnie Maurek, Acting Regional Director of the U. S. Biological Survey, showing benefits of \$1,245,000.

Two reports by M. D. Hollis, State Sanitary Engineer, Supplementing and clarifying statements in original reports with respect to methods of obtaining values of economic benefits.

Mr. George S. Knapp, Technical Advisor of the Commission, has given further thought and study to the matter of recreational benefits from the project. He has had a conference with Mr. Hathaway, an engineer of the War Department, who has evaluated the recreational benefits for a similar project, and Mr. Knapp will discuss with the Commission the matter of further investigations and reports in connection with such benefits.

The report of G. F. Lamb and H. L. Walster, Dean, Division of Agriculture, North Dakota Agricultural College, on general benefits to agriculture will be submitted to Captain Loper within a few days. This report will show a benefit to agriculture of \$11,317,675. Supplemental information, including estimate of acreage, increased land values and other pertinent information is being prepared by the State Engineer and this report will be attached to this report.

About November 1, the Board of Engineers for Rivers and Harbors instructed Captain Herbert Loper, District Engineer at Omaha, to undertake a restudy of the Missouri River. A field party was then assigned for work to obtain certain necessary field data along the route of the proposed diversion northwest of Harvey. Test borings to determine the character of the foundations for the proposed dam on the Sheyenne River west of Oberon was also undertaken. These surveys and test borings have been completed. Logs of the test borings will soon be made available to the Commission.

Arrangements have been made with Captain Loper, whereby a joint meeting of representatives of the War Department will confer with the State Water Conservation Commission on Jan. 26. In addition to Captain Loper there will be representatives of the Division Office at Kansas City and of the Regional Office at St. Paul. Arrangements have also been made whereby Mr. Geo. S. Knapp, Technical Advisor for the Commission, will be present at such conference. The purpose of this conference is to coordinate the work of the War Department and the State Water Conservation Commission in connection with the restudy now being made. It has been proposed by Mr. Knapp that a joint arrangement be made by the two agencies for ascertaining the economic benefits.

Respectfully submitted,
MISSOURI RIVER DIVERSION COMMITTEE OF THE
STATE WATER CONSERVATION COMMISSION

Signed by Henry Holt, Chairman, J. Arthur Engen and Gerald C. Olson.

Moved by Comm; Whitney, seconded by Comm. Olson, that the report of the Missouri River Diversion Committee be accepted and made a part of the minutes of this meeting. The motion carried, all Commissioners voting aye.

The Secretary read a bill submitted by Leo A; Gauthier, member of the Tri-State Com-

mission for mileage and hotel and meals in connection with attending meetings of the Commission, and the question arose as to the right of this Commission to pay expenses for the Tri-State Waters Commission. The Secretary was instructed to write to the Attorney General requesting a written opinion to be presented at the next meeting. It was moved by Comm. Simons, seconded by Comm. Engen, that the bill presented by Mr. Gauthier be allowed if and when favorable opinion regarding the right of the Commission to pay it is received from the Attorney General's office. On roll call the motion carried, all Commissioners voting aye.

The Secretary read the following letter written to the Secretary of the State Planning Board under date of December 18, 1937.

December 18, 1937

Mr. Floyd Jennings, Secretary,
State Planning Board,
Bismarck, North Dakota

Dear Mr. Jennings:

This is to advise you that the State Water Conservation Commission at its meeting held December 15, 1937 took action endorsing Mr. Becker's letter to Mr. Abel Wolman by adopting the following motion:

"Moved by Comm. Olson, seconded by Comm. Engen, that the action requested in the letter to Abel Wolman written by Mr. Oscar Becker, Water Consultant for the State Planning Board, be endorsed by a telegram to Mr. Wolman urging action, and that copies of the letter and telegram be sent to the North Dakota Congressional delegation. The motion carried, all Commissioners voting aye."

The telegram and letters above referred to have been sent.

The Commission on the same date also adopted the following motion:

"Moved by Comm. Engen, seconded by Comm. Simons, that a letter be sent to Mr. Floyd Jennings, Secretary of the Planning Board, expressing the desire of the Commission to cooperate with them and suggesting a joint meeting. The motion carried, all Commissioners voting aye."

The Commission has adopted a motion for regular meetings on the second Wednesday each month, and accordingly, their next meeting will be January 12. If, however, it is more convenient and suits your purpose to have them meet with your Board, I am inclined to think that would be agreeable to them.

Very truly yours,

STATE WATER CONSERVATION COMMISSION

By
D. J. Beakey, Secretary

Ad per arrangement made at the last meeting of the Commission, at 3 P. M., the Commission went into a joint session with the State Planning Board. Vice Chairman Holt stated that the purpose of the meeting was to bring about better cooperation between the two Boards. He touched briefly on the Lewis and Clark Project and Missouri River Diversion. Comm. Simons explained the work of the Irrigation Projects Committee. Chairman J. P. Cain of the

State Planning Board, related the work of the Planning Board. He suggested that a Committee consisting of M. O. Ryan, Fargo; W. D. Lum, Wahpeton; Henry Holt, Grand Forks; Fred Fredrickson, Valley City; and Albert Moran, Walhalla, be appointed as a Committee to make such contacts as may be necessary to have the Red River program included in the Rivers and Harbors bill. He stated that he mentioned the Red River Program for the reason that it was ready for action, and the Committee should also push other projects. He further stated that, in his opinion, it was very necessary to have a representative in Washington, and that the Planning Board was considering sending Mr. Fred Fredrickson, and that the Planning Board had set aside \$500.00 for the purpose. A plan was suggested whereby the Planning Board and the State Water Conservation Commission would each pay part of the expenses of maintaining a representative in Washington, but no definite action was taken.

Moved by Comm. Olson, seconded by Comm. Whitney, that the Commission approve the Committee as suggested by the State Planning Board, to work in cooperation with the Tri-State Commission. The motion carried, all Commissioners voting aye.

At 3:45 P. M., the Commission adjourned to the offices of Supreme Court Justice A. M. Christianson, where the meeting was resumed.

Mr. O. W. Bergen was present by request and the Commission discussed the purchase of land owned by the Bank of Pine Island, Minnesota, with Mr. Bergen, its agent. It was moved by Comm. Simons, seconded by Comm. Olson, that the Bank be offered \$375.00 and taxes amounting to \$67.00 for the land. The roll was called and the motion carried, all Commissioners voting aye.

Mr. L. H. Belk was present representing the WPA and stated that unless the Commission acquired more brush land to be cleared and have the same recorded in the name of a public agency, by Friday, January 14, it would be impossible to keep the relief workers on the project. Comm. Simons presented the following list of brush acreage for clearing which had been prepared by engineers and showing the order in which an effort is to be made to purchase same:

PRIORITY OF PURCHASE FOR CLEARING LAND ON PROJECT #175.

<u>Parcel</u>	<u>Owner</u>	<u>Description</u>	
(1)	Pine Island Bank	E $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$ & Lots 1 & 4, Section 18-----	\$413.00
(2)	A. C. Thraal	SW $\frac{1}{2}$ SW $\frac{1}{2}$ Section 17-----	319.00
(3)	A. C. Thrall	E $\frac{1}{2}$ of SE $\frac{1}{4}$ Section 18-----	102.80
(4)	Leona Myrhow	N $\frac{1}{2}$ of SW $\frac{1}{4}$ Section 17-----	547.60
(6)	W. Maze	NE $\frac{1}{4}$ SE $\frac{1}{4}$: SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 5--405.75) NW $\frac{1}{4}$ SW $\frac{1}{4}$: SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 4--608.00)-----	1013.75
(7)	R. J. Browning	NE $\frac{1}{4}$ SW $\frac{1}{4}$: SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 4-----	477.00
(8)	Joseph Wegley	W $\frac{1}{2}$ SW $\frac{1}{4}$ Section 3-----	474.00
(9)	Henry Kelter	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 9. N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 10-----	561.25
(10)	G. M. Fossum	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 20-----	373.00
(11)	Joseph Wegley	W $\frac{1}{2}$ NE $\frac{1}{4}$ Section 20-----	326.80
(12)	Cloyd Wegley	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 20. SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 21-----	227.80
(13)	Chicago Title & Trust	S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 16. W $\frac{1}{2}$ SE $\frac{1}{4}$ Section 16-----	606.50
(14)	Sam Ferrell, Jr.	Lot 8, Section 7-----	40.40
(15)	Helen Vohs	Lots 1, 4 & 5, Section 7-----	644.20
(16)	A. H. Hoffner	W $\frac{1}{2}$ SE $\frac{1}{4}$ Section 5. E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 5-----	1411.24
(17)	Helen Vohs	E $\frac{1}{2}$ E $\frac{1}{2}$ Section 7-----	718.46
(18)	Henry Kelter	N $\frac{1}{2}$ NW $\frac{1}{4}$ Section 11-----	378.75
(19)	Thelma Wood	S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 2; SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 2; NW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 11-----	840.00
(20)	C. L. Demster	E $\frac{1}{2}$ SE $\frac{1}{4}$ Section 2; NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 2; NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 1-----	648.12

PRIORITY OF PURCHASE FOR CLEARING LAND ON PROJECT #175--CONTINUED:

<u>Parcel</u>	<u>Owner</u>	<u>Description</u>	
(21)	Peter Tough	NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 2-----	\$525.50
(22)	Wm. & Mary Bott	S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 2; S $\frac{1}{2}$ N $\frac{1}{2}$ Section 2-----	672.46
(23)	Henry Kelter	NW $\frac{1}{4}$ SW $\frac{1}{4}$ (less 15 acres) Section 2-----	108.00
(24)	John Brown	S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 1-----	370.10

ORDER OF PURCHASEParcel Numbers

1-2-3-4	(immediately)
6-7-8-9	(within two weeks)
10-11-12-13	(within one month)
18 to 24 inclusive	(within six weeks)
14-15-16-17	(within two months)

It was moved by Comm. Simons, seconded by Comm. Whitney, that Mr. E. G. Schollander, Fieldman for the Commission, and Mr. Walter O. Burk, Attorney-at-Law, be designated to take over the negotiations for the purchase of the above land at its appraised value. The roll was called and the motion carried, all Commissioners voting aye.

The question was raised that there might be some difficulty encountered in purchasing of the land, and it was moved by Comm. Olson, seconded by Comm. Whitney, that Comm. Simons be appointed as a committee of one to confer with Judge Christianson with power to act, on questions that might arise concerning the purchase of land in the project. The roll was called and the motion carried, all Commissioners voting aye.

The Secretary then read the following letter written to Attorney J. P. Cain in regard to plans for issuing revenue bonds by the Commission:

December 31, 1937

Mr. J. P. Cain,
Attorney-at-Law,
Dickinson, N. Dak.

My dear Senator:

At a meeting of the State Water Conservation Commission, held December 15, the following motion was approved:

"Moved by Comm. Olson, seconded by Comm. Dahl, that the Secretary notify attorneys who have done work for the Commission that no bills will be allowed unless a direct written request for such legal services is given. The motion carried, all Commissioners voting aye"

The Commission also conferred with Attorney General Strutz in regard to legal services to be rendered to the Commission in the matter of issuing bonds, etc., and stated that his office would be very glad to cooperate with the Commission at all times along the lines suggested.

The Commission now wishes to complete plans for issuing bonds in the sum of \$2,000.00, more or less, on the Grantier Project in McKenzie County and in favor of the Rural Rehabilitation Corporation, and also another series to cover the Lewis and Clark Project in McKenzie County, the amount not yet having been determined and also in favor of the Rural Rehabilitation Corporation as per the agreement entered into in November by the Rural Rehabilitation

Corporation and the State Water Commission.

I talked the matter over with members of the Commission and with the Attorney General and it has been decided to ask you to act as attorney for the Commission in arranging all the necessary procedure and plans for issuing at least two series of bonds as above stated. In engaging your services for this work, the Commission prefers that you consult with the Attorney General whenever necessary rather than with any outside attorneys, which would mean an additional cost to the Commission. I have explained to the Attorney General that the bill for your services is to be paid by the State Water Conservation Commission.

Some months ago when the Commission sent a delegation to Washington, it was thought that it might be necessary to issue bonds at that time, and we had Mr. Kelsch in consultation with Mr. Knapp and Mr. Lewis, prepare a resolution and a list of requirements of the statute relative to the issuance of water conservation revenue bonds and I am enclosing a copy of the resolution and list of requirements as prepared by Mr. Kelsch at that time. I am also sending a copy of the same resolution and the list of requirements to each member of the Commission in order that they will have an opportunity to read them over prior to the next meeting which will be held in the Governor's Conference Room, Wednesday, January 12, 1938.

As the bonds are to be issued to go to the Rural Rehabilitation Corporation, it will, of course, be necessary that the whole transaction meet with the approval of Supreme Court Justice A. M. Christianson and the members of his committee.

As stated before, the State Water Conservation Commission will meet in the Governor's Conference Room in the State Capitol Building at Bismarck, North Dakota, Wednesday, January 12, 1938, and I am notifying you in advance so that you may be prepared to go into the matter in detail with the Commission at its meeting on that date.

Yours very truly,

STATE WATER CONSERVATION COMMISSION
By

D. J. Beakey, Secretary

b/h

Mr. Cain discussed the matter with the Commission and stated that he would be ready to report to the Commission at its next meeting January 25.

At 6:30 P. M., it was moved by Comm. Engen, seconded by Comm. Olson, that the meeting adjourn until 10 A. M., Thursday morning, January 13, 1938. The motion carried, all Commissioners voting aye.

In pursuance to adjournment, the Commissioners convened at 10 A. M., Thursday, January 13. The roll was called showing Commissioners Holt, Simons, Engen, Whitney, Dahl, and Olson, present. Governor William Langer, Chairman, absent.

The Secretary read a statement for \$661.00 presented by Mr. Gus F. Lamb of Michigan, for services rendered and expenses in connection with gathering statistics on the benefits to agriculture in connection with Missouri River Diversion.

Moved by Comm. Engen, seconded by Comm. Olson that the bill for \$661.00 be allowed. On roll call the motion carried, all Commissioners voting aye.

Judge Christianson, Chairman of the Rural Rehabilitation Committee came into the meeting and reopened the discussion in regard to the purchase of land on the Lewis and Clark Project owned by the Pine Island Bank. He suggested that Mr. Burk be given authority to stop in Minot and discuss the matter with Mr. Bergen and that he be authorized to pay the appraised value of the land and taxes. He also suggested that a Mutual Aid Corpora-

tion be organized to promote development of the project so that the Corporation could give mortgages, thus eliminating the possibility that the whole matter might not look strictly ethical and legitimate. He further suggested that Mr. Ivar Acker be asked to assist the Commission and that he would request him to do so.

Moved by Comm. Simons, seconded by Comm. Whitney, that Attorney Walter Burk, with the approval of the Commission and the consent of the Rural Rehabilitation group, be authorized to offer a cash price of up to \$400 for the land in the Lewis and Clark district owned by the Pine Island Bank. The roll was called and the motion carried, all Commissioners voting aye.

Moved by Comm. Engen, seconded by Comm. Whitney, that Comm. Simons and Comm. Dahl, be appointed to request the State Land Commission to immediately advertise their acreage situated in the Lewis and Clark project for sale in order that the Commission may secure title to it, and that they be further instructed to take up the matter as to whether the State Land Commission would make some of their surplus funds available for loans to the people in the district. The motion carried, all Commissioners voting aye.

The Secretary stated that McKenzie County had title to some acreage in the Lewis and Clark District which could be purchased for \$100. It was moved by Comm. Whitney, seconded by Comm. Engen, that this land be acquired. The roll was called and the motion carried, all Commissioners voting aye.

The following resolution was presented:

WHEREAS, the State Water Conservation Commission has undertaken the construction of, and now has under construction, an irrigation project near the Lewis and Clark Bridge in McKenzie County;

AND WHEREAS, the construction of such project requires the expenditure by the State Water Conservation Commission of large sums of money;

AND WHEREAS, there has heretofore been organized an irrigation district which includes the lands to be benefited by the irrigation project so undertaken and now under consideration;

AND WHEREAS, such irrigation district will issue its warrants or bonds to the State Water Conservation Board for the cost of construction of such project and will cause to be levied and spread assessments against the lands benefited for the amount of the warrant or bonds so issued;

AND WHEREAS, it is contemplated that the irrigation district will pledge with the State Water Conservation Commission, in addition to such warrants or bonds and the assessments to be assessed and spread against such lands, certain contracts or mortgages received from persons within the district;

AND WHEREAS, the State Water Conservation Commission has authority to issue its revenue bonds to obtain funds to defray the cost of the construction of irrigation projects;

NOW THEREFORE, Be it resolved that the State Water Conservation Commission shall issue at once its revenue bonds in the sum of up to \$50,000.00 to defray costs incident to the construction of such irrigation project, with the understanding that the warrants or bonds of said irrigation district and any mortgages or contracts that may be received by it shall be pledged as security for the payment of such bonds and such other bonds as may hereafter be issued by the State Water Conservation Commission incident to the construction of such project. It is understood that such bonds shall not exceed the amount of warrants or bonds received from the irrigation district and the face amount of mortgages and contracts for the purchase of lands as may be delivered to the State Water Conservation Commission by said irrigation district.

It is understood that such bonds shall be issued in denominations of \$5.00, \$10.00, \$25.00, \$50.00, \$100.00, \$500.00 and \$1,000.00, and shall bear interest at the rate of 3% per annum, with maturities at not more than 10 years. It is understood that the bonds may be issued in such form that the interest shall not be paid annually but shall be added to the redemption value of the bond at any one given time, the same as is now being done with so-called "baby bonds" issued by the United States of America. It is understood also that each of the bonds shall contain a provision to the effect that the bond may be paid on a certain date in each year with the interest that is accumulated up to that time.

AND WHEREAS, it is highly desirable that moneys be obtained immediately to carry on effectively the work incident to the construction of such irrigation project, therefore
BE IT RESOLVED THAT _____ and _____ and _____
be authorized and directed to at once take subscriptions for such bonds from such persons as may desire to purchase them; and that there be delivered to each of such purchasers an interim receipt or certificate signed by the Secretary of the State Water Conservation Commission certifying that the person to whom such receipt is delivered has purchased and paid for such bond and that such bond will be delivered to him as and when issued.

Moved by Comm. Whitney, seconded by Comm. Dahl, that the above resolution be adopted. The roll was called and the motion carried, all Commissioners voting aye.

Comm. Simons then presented the following resolution:

WHEREAS, it is necessary that the North Dakota Water Conservation Commission acquire certain lands in the proposed Lewis and Clark Irrigation District for the economic development of this project.

AND WHEREAS, some landholders are reluctant to sell their lands to the Commission without guarantee that they will be permitted to purchase their lands, after development, at reasonable prices,

AND WHEREAS, certain factors affecting the proposed development have not heretofore been made clear to the landowners now living in the area,

NOW THEREFORE, Be it Resolved by the North Dakota Water Conservation Commission, that this resolution be adopted to clarify the policy to be followed in acquiring land, reselling the same and providing for the security of persons now residing in the area:

1. The Commission hereby agrees and authorizes its agents to enter into contracts with land owners to resell to them such acreages as may be mutually agreed upon, after the land is cleared and made ready for irrigation. The maximum increase in price, in case the land is cleared and grubbed of brush only, will be \$10 per acre for No. 1 land as listed in the classification made for the Commission by soils experts. Land of lower classification shall be resold by the Commission to the original owner at increase which will be such part of \$10 as the classified value of the land bears to No. 1 land.

2. The Commission also hereby advises residents of the area that they will be given preference in locating on the land after it is prepared for irrigation, under the terms and conditions outlined above, or under such terms as may be generally offered to other persons wishing to settle there.

3. The Commission also hereby advises present landowners in the district and such others as may be interested that it contemplates adoption of a system for the settlement of such lands which will insure to settlers a reasonable chance of success. Said system contemplates the cooperation of the Farm Security Administration, the North Dakota Farm Tenancy Committee and other federal agencies with a view to making loans to farmers

settling on the land in the irrigation district with a view to equipping them with such machinery and farm animals as will assure them if they exercise proper industry, the best chance to succeed. The contemplated plan also will provide such assistance to the Commission and affiliated agencies may find it possible to give in the construction of homes, barns and other buildings and structures as may be necessary to the conduct of irrigated farming operations in the Lewis and Clark Irrigation District.

And Be it Further Resolved, that the North Dakota Water Conservation Commission hereby adopts and makes public the policy that all lands within the Lewis and Clark irrigation district which are not developed at this time in accord with the policies heretofore enunciated by this Board, will be forever barred from irrigation service from the ditches and structures which it proposes to construct.

This declaration of policy is made to forestall any disposition toward speculation in land, or in land values, by residents of the district or others and to the end that only those who show, by proper cooperation with the Commission, a disposition to further this development, may benefit by it.

And Be it Further Resolved that this Commission hereby calls upon the directors of the Lewis and Clark irrigation district to approve this policy and to accept it as a condition of the purchase by the North Dakota Water Conservation Commission of the bonds to be issued by such district in payment of its share of the cost of the proposed works.

The public and everyone interested is hereby notified that this policy has been adopted with the complete approval of the North Dakota Rural Rehabilitation Corporation which is providing the money for the purchase of the bonds which this Commission proposes to issue in payment for the construction of irrigation works and structures on the Lewis & Clark Project.

Moved by Comm. Whitney, seconded by Comm. Dahl, that the resolution above written be adopted. The roll was called, the motion carried, all Commissioners voting aye.

It was moved by Comm. Olson, seconded by Comm. Simons, that Messrs. Burk and Schollander contact the outside land owners in the Lewis and Clark Project immediately and bring to their attention the extent to which the Commission has gone to have a proper and fair appraisal put upon their land and that the price is above the Federal Land Bank appraisals. The motion carried, all Commissioners voting aye.

Moved by Comm. Whitney, seconded by Comm. Dahl, that the Commission subscribe to a \$100.00 membership in the National Reclamation Association, the same to be credited to the quota for the State of North Dakota, and that the Secretary be instructed to notify Mr. M. O. Ryan, Secretary of the Greater North Dakota Association of the action taken by the Commission. The roll was called and the motion carried, all Commissioners voting aye.

Moved by Comm. Engen, seconded by Comm. Dahl, that Comm. Simons be appointed as a member of the steering committee to cooperate with affiliated organizations. The motion carried, all Commissioners voting aye.

There was a general discussion as to the possibility of selling revenue bonds to be issued in the sum of \$25,000 in the City of Williston and territory adjacent to the Lewis and Clark Project and it was moved by Comm. Simons, seconded by Comm. Whitney, that the Vice Chairman, Henry Holt, or such member or members of the Commission as he may designate, be authorized and directed to go to Williston to present the proposal to sell bonds to citizens in that area. The roll was called and the motion carried, all Commissioners voting aye.

At 12:30 P. M. it was moved by Comm. Olson, seconded by Comm. Engen, that the meeting adjourn until 1:30 P. M. The motion carried, all Commissioners voting aye.

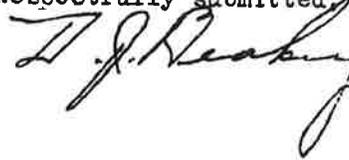
As per adjournment, the Commission reconvened at 1:30 P. M., in the Governor's conference

room. The roll was called showing Commissioners Governor Langer, Holt, Simons, Whitney, Olson, Engen and Dahl present. None absent.

The Commission discussed the matter of sending a representative to Washington, D. C. The Governor stated that in his opinion Technical Advisor George S. Knapp would be the best one to represent the Commission. The Secretary read a letter from Mr. Knapp stating that he would be in Bismarck January 25 and could meet with the Commission at that time, and therefore the matter was laid on the table until the next meeting.

No further business appearing, it was moved by Comm. Whitney, seconded by Comm. Dahl, that the meeting adjourn until 2 P. M., Tuesday, January 25. The motion carried, all Commissioners voting aye.

Respectfully submitted,



D. J. Beakey, Secretary

APPROVED:



Henry Holt
Vice Chairman

b/h

FINANCIAL STATEMENT OF THE STATE WATER COMMISSION

As of January 1, 1938

	<u>Bal. Dec. 1, 1937</u>	<u>Dec. Expenditures</u>	<u>Bal. Jan. 1, 1938</u>	
Admin. Approp. Plus Deposits				\$113,713.46
Administrative Salaries	\$ 8,057.54	\$ 806.67	\$ 8,864.21	
Administrative Mileage & Expense	1,334.90	189.77	1,524.67	
Administrative Office Equipment	2,776.95		2,776.95	
Administrative Office Supplies	858.35	45.13	903.48	
Engineering Salaries	13,953.39	1773.27	15,726.66	
Engineering Mileage & Expense	5,883.66	1157.29	7,040.95	
Engineering Office Equipment	1,182.80	367.20	1,550.00	
Engineering Field Equipment	974.21	5.11	979.32	
Engineering Office Supplies	609.13	48.86	657.99	
Maps	184.34	40.86	225.20	
Buford-Trenton Irrigation Project	1,000.00		1,000.00	
Commissioners Per Diem	880.00	325.00	1,205.00	
Commissioners Mileage & Expense	900.12	246.34	1,146.46	
Tri-State Per Diem & Expense	709.40		709.40	
Washington Trip Per Diem & Expense	1,750.19		1,750.19	
Legal Service	997.50	175.00	1,172.50	
Legal Service - Mileage & Expense	99.40	6.47	105.87	
Printing	316.69	5.43	322.12	
Telephone & Telegraph	440.46	101.90	542.36	
Postage and Express	79.24		79.24	
Missouri River Diversion	1,319.19		1,319.19	
Fieldmen	2,775.61	508.91	3,284.52	
Projects	11,853.16	2,421.17	14,274.33	
Preliminary Investigation & Research				
Charges	222.92		222.92	
Insurance	321.36	6.00	327.36	
Construction Supplies	898.72		898.72	
Bonding of Employees		2.50	2.50	
	<u>\$60,379.23</u>	<u>\$8,232.88</u>	<u>\$68,612.11</u>	
		Exp. to Jan. 1		<u>68,612.11</u>
		UNEXPENDED FUNDS AS OF JAN. 1, 1938		\$ 45,101.35

FINANCIAL STATEMENT OF THE STATE WATER COMMISSION
As of January 7, 1938

APPORTIONMENT

	<u>To Commission</u>	<u>To Project</u>
Administrative Salaries	\$ 8,864.21	
Administrative Mileage & Expense	1,524.67	
Administrative Office Equipment	2,776.95	
Administrative Office Supplies	903.48	
Engineering Salaries, Mileage & Expense	14,583.93	\$ 8,567.33
Engineering Office Equipment	1,550.00	
Engineering Field Equipment	979.32	
Engineering Office Supplies	657.99	
Maps	225.20	
Buford-Trenton Irrigation Project		1,000.00
Commissioners Per Diem	1,205.00	
Commissioners Mileage & Expense	1,146.46	
Tri State Per Diem & Expense	709.40	
Washington Trip Per Diem & Expense	1,750.19	
Legal Service	1,172.50	
Printing	322.12	
Legal Service Mileage & Expense	105.87	
Telephone & Telegraph	542.36	
Postage & Express	79.24	
Missouri River Diversion	1,319.19	
Fieldmen	1,771.96	1,128.91
Projects		14,274.33
Preliminary investigation & Research Chgs.	222.92	
Insurance	327.36	
Construction Supplies	898.72	
Bonding of Employees	2.50	
TOTAL EXPENDITURES (B)	\$43,641.54	(C) \$24,970.57
Total Expenditures of Commission & Projects as of January 7, 1938 (B & C)		\$ 68,612.11
Total Appropriation by Legislature	\$112,500.00	
Amount Credited to the Comm. as Application Fees	1,195.20	
Amount Credited to the Commission as Beneficiary Returns	18.26	
Total of Administrative Appropriation Plus Deposits	(A)	<u>113,713.46</u>
Total Expenditures Charged to Commission (Nonrepayable)	(B)	\$ 43,641.54
Actual Balance of Administrative Fund (Disregarding any Project Charges)		\$ 70,071.92
Total Expenditures Charged to Projects (Repayable to Commission)	(C)	\$ 24,970.57
Balance of Administrative Appropriation Plus Deposits (A) Less Commission (B) And Project Expenditures (C).		\$ 45,101.35

October 29, 1937

Mr. E. J. Thomas,
State Engineer,
Bismarck, North Dakota

Dear Mr. Thomas:

If, after I leave here, the Commission should want me for further work, I believe I can probably arrange to come to Bismarck from time to time for probably not to exceed a month at any one time.

Or, if they desire to have me do so, I can probably examine plans which you might prepare for the Lewis & Clark tract or other projects of that kind, doing the work at Topeka.

For such future engagements I believe I should make the following charges:

For work in North Dakota \$400.00 per month with travel and hotel expenses from Topeka, or for shorter periods \$100.00 per week with travel and hotel expenses from Topeka. For work which I might do at Topeka, \$15.00 per day.

In leaving let me say that I have greatly enjoyed my summers work with you. I appreciate having had the opportunity to make your acquaintance and work with you, and desire to cooperate with you in all possible ways for the good of North Dakota.

Sincerely yours,

STATE WATER CONSERVATION COMMISSION

(signed)
George S. Knapp
Technical Advisor

GSK:pm