

MINUTES**North Dakota State Water Commission
West Fargo, North Dakota****October 20, 1989**

The North Dakota State Water Commission held a meeting on October 20, 1989, in the City Council Chambers at West Fargo, North Dakota. Chairman, Lt. Governor, Lloyd Omdahl, called the meeting to order at 9:00 a.m., and requested State Engineer and Secretary, David Sprynczynatyk, to call the roll and present the agenda.

MEMBERS PRESENT:

Lt. Governor Lloyd Omdahl, Chairman
 Joyce Byerly, Member from Watford City
 Jacob Gust, Member from West Fargo
 Norman Rudel, Member from Fessenden
 Jerome Spaeth, Member from Bismarck
 David A. Sprynczynatyk, State Engineer and Chief Engineer-
 Secretary, North Dakota State Water Commission, Bismarck

MEMBERS ABSENT:

Sarah Vogel, Commissioner, Department of Agriculture
 Lorry Kramer, Member from Minot
 William Lardy, Member from Dickinson
 Daniel Narlock, Member from Oslo, MN

OTHERS PRESENT:

State Water Commission Staff Members
 Approximately 15 people interested in agenda items

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

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

**CONSIDERATION OF MINUTES
 OF AUGUST 24, 1989 MEETING -
 APPROVED**

The minutes of the August 24,
 1989 meeting were approved by
 the following motion:

It was moved by Commissioner Spaeth,
 seconded by Commissioner Byerly, and
 unanimously carried, that the minutes
 of the August 24, 1989 meeting be
 approved as circulated.

**SOUTHWEST PIPELINE PROJECT -
PROJECT MANAGER, TIM FAY,
EFFECTIVE OCTOBER 1, 1989
(SWC Project No. 1736)**

Secretary Sprynczynatyk announced Tim Fay was appointed Project Manager for the Southwest Pipeline Project, effective October 1, 1989. This position

was vacated when Dale Frink was appointed Director of Engineering for the State Water Commission on August 23, 1989.

**SOUTHWEST PIPELINE PROJECT -
CONSTRUCTION PROGRESS UPDATE
(SWC Project No. 1736)**

Tim Fay, Project Manager for the Southwest Pipeline Project, reported Contract 5-2, Dickinson Reservoir, is expected to

be completed at the end of this year. Contract 2-3B, the Main Transmission Line, is estimated to be completed in November, 1989.

Work is progressing on Contract 1-1/3-1A, the Intake Pump Station and Raw Water Reservoir. At the intake pump station, placement of the foundation and footings is complete and work is continuing on the remainder of the structure. At the raw water reservoir, most of the site work, piping encasements and tank foundation are complete. Installation of the steel tank has not yet begun. Completion of Contract 1-1/3-1A is estimated for June, 1990.

Construction and inspection on Contract 2-3A are complete, although some items relating to change of contractors have yet to be resolved.

**SOUTHWEST PIPELINE PROJECT -
1990 PLANS
(SWC Project No. 1736)**

Mr. Fay stated the remaining contracts necessary to deliver raw water to Dickinson in 1991 can be bid in 1990 if funds be-

come available. It is estimated that \$6.7 million will be required to complete the contracts.

**SOUTHWEST PIPELINE PROJECT -
POSITIONS ADOPTED BY WEST
RIVER JOINT BOARD, WEST RIVER
SUPPLY DISTRICT AND THREE
RURAL WATER COOPS ON
SEPTEMBER 18, 1989
(SWC Project No. 1736)**

On September 18, 1989, the West River Joint Board, the West River Supply District, and the three Rural Water Coops met jointly to discuss the Southwest Pipeline Project issues.

Secretary Sprynczynatyk briefed the Commission members on the following positions adopted at the September 18, 1989 joint meeting: that decisions on water treatment should be deferred for three or four years, or until at

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least after the Dickinson to Belfield and the Dickinson to New England service areas have been constructed; adoption of a proposed phased construction scheduled for the integrated Southwest Pipeline Project; efforts have been undertaken in the process of developing proposed rules and regulations, water rates, and water service agreements for all individual water users of the Southwest Pipeline Project; and, a vote has been approved to proceed and establish an interim Southwest Water Authority, which would be replaced by the statutory Southwest Water Authority after legislative approval.

**SOURIS RIVER FLOOD
CONTROL PROJECT UPDATE
(SWC Project No. 1408)**

Secretary Sprynczynatyk reported the U.S. Army Corps of Engineers has completed its environmental review process for the Souris River Flood Control Project. The Assistant Secretary of the Army has executed the Record of Decision for the purchase of flood control in Canada. On October 17, 1989, the U.S. Fish and Wildlife Service executed its Compatibility Statement for the refuges in Canada that are involved in the project.

Secretary Sprynczynatyk said when the International Agreement is executed the United States will then begin to make payments to Saskatchewan for the flood control work that has already been done on the project.

Secretary Sprynczynatyk reported he recently participated in a tour of the dam site at Estevan and Saskatchewan. Since the license was issued in August, the contractor has completed sufficient work to enable the dam to store water next spring.

The Canadian Wildlife Federation filed a lawsuit recently in an attempt to resolve a bench mark issue on the environmental law in Canada. Secretary Sprynczynatyk stated there was not a restraining order requested in the lawsuit and, thus, the project should be able to proceed.

**DEVILS LAKE FLOOD CONTROL
PROJECT UPDATE
(SWC Project No. 1712)**

At the August 24, 1989 Commission meeting, it was reported that the existing Devils Lake Management Committee, chaired by Francis Schwindt of the State Health Department, would take the lead in studying the technical aspects of management of Devils Lake. The Committee includes representatives of all federal, state and local government entities that might have an

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interest in the lake, as well as private groups from the area. The State Water Commission is providing engineering support to this Committee.

Secretary Sprynczynatyk reported the Devils Lake Management Committee met on September 15, 1989. The purpose of the meeting was to discuss alternatives for flood control and bringing water into Devils Lake, which is currently the most critical problem.

At the August 24, 1989 meeting, the State Water Commission went on record requesting the Corps of Engineers to complete the flood control study as quickly as possible; that Senator Burdick seek a directive to the Corps of Engineers for the authority to conduct a reconnaissance level study of the management of Devils Lake addressing water quality, water quantity, recreation and flood control; and, that the study be completed within twelve months.

Secretary Sprynczynatyk stated a response to the Commission's action has been received from Senator Burdick indicating he would request the Corps of Engineers to complete the flood control study as quickly as possible. Senator Burdick also stated a resolution would be considered by the Committee requesting the Corps of Engineers to conduct a reconnaissance level study within a twelve-month period addressing water management, stabilized lake levels, water supply, water quality, recreation, water pollution abatement, and enhancement and conservation of fish and wildlife.

**RED RIVER DIKES -
PROJECT UPDATE
(SWC Project No. 1638)**

At the August 24, 1989 meeting, the Commission members were briefed on the recent court decision concerning the Red River dikes requiring the lowering of the Wosick dike prior to October 1, 1989. The Commission approved setting aside \$6,500 based on the estimate to pay the expense necessary to bring the Wosick dike into compliance with the Corrective Plan.

Secretary Sprynczynatyk reported work on the Wosick dike was completed by October 1, 1989 as required by the Court. At this time, staff is reviewing the matter to determine why the bill submitted for the actual work was greater than the original \$6,500 estimate.

The natural ground issue is the only issue that remains to be resolved between the parties to the Red River dikes. The State of Minnesota has identified 22 areas in question because of North Dakota's interpretation and judge-

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ment on the natural ground issue. Landowners have been notified of the Corps of Engineers intent to make an on-site inspection and, hopefully, the Corps of Engineers can then make its judgement on natural ground.

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

River and the operations of the six reservoirs on the system in North Dakota, South Dakota and Montana.

Secretary Sprynczynatyk briefed the Commission members on problems relating to the Missouri

In September, 1989, the Assistant Secretary of the Army toured the Missouri River in North Dakota and South Dakota, Lake Sakakawea, and Lake Oahe. State officials stressed the problems being experienced relating to low lake levels, recreation access, and access to water supply for cities and irrigation, and pointed out what we considered to be the inequities and unfairness in the current operating plan for the Missouri River. Secretary Sprynczynatyk stated that during the tour, the Assistant Secretary could easily see the problems and agreed to the importance of reviewing the Master Manual.

The Master Manual for the operation of the river was first written in 1944 following the passage of the 1944 Flood Control Act. The Master Manual was last reviewed in 1979. Secretary Sprynczynatyk said a review of the Master Manual needs to take into consideration the contemporary water needs of the states, since it is an issue of upstream consumptive use of water versus downstream instream flow use.

Secretary Sprynczynatyk said it has been agreed that the Corps of Engineers will undertake a review of the Master Manual, which could take approximately two years to complete. On October 10, 1989, a meeting was held in Omaha at which time the Corps of Engineers submitted their plan for undertaking the review of the Master Manual. Secretary Sprynczynatyk commented that the factors listed by the Corps of Engineers contributing to the need for the review are essentially the same factors listed by the states in their argument for a review. The Corps of Engineers has determined the review will require considerable effort on the part of the states. Governor Mikkelson of South Dakota is contacting each of the upper basin Governors requesting them to designate a coordinator to work with the Corps in the technical review and development of various alternative plans for the Missouri River operation.

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**CONTINUED DISCUSSION ON
REQUEST FROM DAKOTA
GASIFICATION COMPANY TO
RESCIND CONDITION NO. 6
ON WATER PERMIT NO. 1901A
(SWC Water Permit No. 1901A)**

At the August 24, 1989 meeting, the Commission members considered a request from Dakota Gasification Company to rescind condition No. 6 of water permit No. 1901A. The condition states, as follows:

The Company shall make available, subject to approval of the Federal Power Commission or any other appropriate federal agency, if such approval is necessary, to North Dakota distributors or users, such gas and by-products as may be requested for use entirely within the State of North Dakota. Such gas shall supplement, but not replace, gas supplies normally available to users or distributors in this state. In its compliance with this condition, the price for the gas and by-products reserved for use within this state, shall be at a wholesale-well head or bus bar rate and not based on a so-called postage stamp rate."

Secretary Sprynczynatyk stated because water permit No. 1901A was approved by the State Water Commission at its meeting on February 19-20, 1974, under its authority to approve water permit applications of greater than 5,000 acre-feet, it was appropriate that the State Water Commission act on this request. It was the recommendation of the State Engineer that Condition No. 6 of water permit No. 1901A be rescinded.

Ken Ziegler, representing Basin Electric Power Cooperative, and Mark Foss, representing Dakota Gasification Company, were in attendance to present background and additional information on the request to rescind Condition No. 6 on water permit No. 1901A.

Ken Ziegler responded to an inquiry if Basin Electric Power Cooperative and Dakota Gasification Company have plans to attract businesses to North Dakota to utilize the by-products that might be made from the plant. Mr. Ziegler said Basin Electric has been involved in trying to attract businesses to the state for some time, including the development of feasibility studies for various products and he said the long-range plans are to continue this involvement. He said "we are currently searching out the markets for by-products world-wide in attempting to sell the initial by-products that we can market. Wherever the markets are at, whether they are in North Dakota or not, our intent is certainly to seek those opportunities where they arise to 'root' them out and bring them to North Dakota. It is our intent to continue to work very hard with the State of North as we have in the past."

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On October 11, 1989, the Dakota Gasification Company Board of Directors passed a resolution, which pledges to utilize the water, energy and other resources at its disposal to help enhance and diversify the economy of the State of North Dakota and to help maintain stable electric rates for Basin Electric Power Cooperative's rural electric consumers by continuing and expanding development of the Great Plains Synfuels Plant. The resolution is attached hereto as Appendix "A".

In response to a concern that the Commission may be setting a precedence with the rescision of this condition, Patrick Stevens, Assistant Attorney General for the State Water Commission, said the State Water Commission has the broad authority to impose conditions the Commission or the State Engineer may deem necessary for water permits and, therefore, the Commission would not be setting a precedence if it were to approve the request.

It was moved by Commissioner Spaeth and seconded by Commissioner Rudel that Condition No. 6, as previously stated, stipulated on water permit No. 1901A be rescinded.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

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

Secretary Sprynczynatyk indicated \$30 million has been approved for FY 1990 for the Garrison Project. Twelve million dollars is appropriated for the Garrison MR&I Water Supply Program, of which \$6 million is for the State's component and \$6 million for the Indian component of the program. The remaining \$18 million will be for continued construction and project development. Secretary Sprynczynatyk stated although this is the same amount appropriated in FY 1989, the budget level has had a tremendous impact on the Bureau of Reclamation and, thus, it has been necessary to reduce the work force at the Bismarck office.

Secretary Sprynczynatyk reported on a meeting held in Ottawa with representatives from the United States Department of State and the Canadian Department of External Affairs to reopen the consultations on the Garrison Diversion Project. As a result of this meeting, the Garrison Diversion Technical Committee was reorganized with four represen-

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tatives each from the United States and Canada. Secretary Sprynczynatyk commented this is the same procedure that was used several years ago when the Garrison Diversion Technical Committee was organized. In 1984, its efforts were halted with the authorization of the Garrison Commission.

**GARRISON DIVERSION PROJECT -
UPDATE ON INTERBASIN WATER
TRANSFER STUDIES PROGRAM
(BIOTA TRANSFER)
(SWC Project No. 1828)**

Gene Krenz, Project Coordinator for the Interbasin Water Transfer Studies Program (Biota Transfer), presented a progress report. Mr. Krenz reported on a meeting held at the Univer-

sity of Manitoba at the request of the Canadian member of the Technical Advisory Committee, which is a group of scientists selecting the study research projects to be funded. Mr. Krenz indicated the State Water Commission, the Garrison Diversion Conservancy District and the Bureau of Reclamation contribute to that funding of the process but virtually do not have a choice in the projects which will get funded. Status reports from some of the projects were heard at the meeting, and Mr. Krenz briefed the State Water Commission members on some of the results from the reports.

Mr. Krenz stated it appears the Canadian people are taking more of an interest in the project and one encouraging aspect from the meeting in Manitoba was the fact that the Canadian representative stated he was going to pursue efforts with the University of Manitoba to become involved in the project.

In summary, Mr. Krenz said the Interbasin Water Transfer Studies Program (Biota Transfer) is progressing well.

**GARRISON DIVERSION PROJECT -
RESIGNATION OF MR&I WATER
SUPPLY PROGRAM COORDINATOR,
RANDALL BINEGAR
(SWC Project No. 237)**

Dale Frink, Director of Engineering for the State Water Commission, stated that Randall Binigar, MR&I Water Supply Program Coordinator, has resigned from this position, effective

October 20, 1989. Jeffrey Mattern has been appointed to replace Mr. Binigar, effective November 1, 1989.

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

Randall Binigar, MR&I Water Supply Program Coordinator, reported 108 applications have been received for MR&I Program funds. Of the 108 total applications, 70 have completed prelim-

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inary engineering work on the project and 32 of those projects have been approved for funding by the State Water Commission and the Garrison Diversion Conservancy District. Twelve of the 32 projects approved for funding have proceeded into the design and construction phases. The estimated total project costs of the 70 applications having completed preliminary engineering work is \$171 million, which does not include costs involved in the Southwest Pipeline Project and the Northwest Area Water Supply Project.

Mr. Binegar stated the MR&I Water Supply Program received \$7.33 million in FY 1989, with an additional \$10.5 million of year-end funds received at the end of FY 1988. With the \$6 million appropriated for FY 1990, the total funds appropriated for the MR&I Water Supply Program to date is \$39 million.

**GARRISON DIVERSION PROJECT -
CONSIDERATION OF REQUEST FOR
MR&I FUNDS FOR FEASIBILITY STUDY
FOR GRANDIN WATER SUPPLY PROJECT
(SWC Project No. 237-38)**

Randall Binegar stated an application for MR&I funding was received from the City of Grandin on February 9, 1989. A preliminary engineering report for the proposed project has been supplied.

The City of Grandin is presently entirely dependent upon the Traill County Rural Water System for their water supply. Grandin has been advised by Traill County to look for an alternate water source because they cannot meet the city's water supply needs. Grandin has been rationing water to its users for several years.

Mr. Binegar said the City of Grandin is considering two alternatives. One alternative is to construct a new well in the Hillsboro aquifer, which is approximately 3 1/2 miles west of town, and a new water line to the city, at an estimated cost of \$352,000. The second and preferred alternative would be to connect to the Cass County Rural Water System, at an estimated cost of \$91,900. The purchase price of water through the Cass Rural Water System would be slightly higher than the current costs of purchasing water through the Traill Rural Water System. The city hopes to contract approximately 300,000 gallons per month through the Cass Rural Water System, which is the amount currently contracted with Traill Rural Water Users. The city would continue to purchase water from Traill County.

The feasibility study for the Grandin Water Supply Project is estimated to cost \$10,000, and

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Mr. Binegar said the proposed project is consistent with the requirements of the MR&I Program.

It was the recommendation of the State Engineer that the Grandin Water Supply Project be approved for MR&I Water Supply Program funds for the feasibility study in the amount of \$2,500 (25% of \$10,000).

It was moved by Commissioner Rudel and seconded by Commissioner Byerly that the State Water Commission approve MR&I Water Supply Program funds in the amount of \$2,500 for the feasibility study for the Grandin Water Supply Project. This motion is contingent upon the availability of funds.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
CONSIDERATION OF MR&I FUNDS
FOR FEASIBILITY STUDY FOR
KINDRED WATER SUPPLY PROJECT
(SWC Project No. 237-40)**

Randall Binegar indicated an application has been received from the City of Kindred for participation in the MR&I Water Supply Program. The preliminary engineering report has also been supplied.

The basic components of the City of Kindred's water supply system consist of distribution pipe, 40,000-gallon elevated storage, iron filtration plant, and three wells. The city's main well, which is located approximately four miles northwest of town, is able to produce at approximately 130 gallons per minute. The two older wells, which are located in town, are each able to produce approximately 30 gallons a minute and are used strictly for standby purposes. The water supply which is being used by the City of Kindred meets the primary standards as established by the Safe Drinking Water Act, but does not meet five of the secondary standards including: Total Dissolved Solids, Sodium, Manganese, Sulfate, and Chloride. Alternate plans for improving the Kindred water quality include: 1) add additional facilities to the filtration plant to provide for complete removal of iron and manganese, at an estimated cost of \$165,000, or 2) construct a new underground storage reservoir and pumphouse, and obtain water from the Cass Rural Water System, at an estimated cost of \$225,000. Both alternatives would be considered during the feasibility study phase of the project.

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The cost of the feasibility study for the project is estimated at \$8,000. Mr. Binegar said in reviewing the Kindred Water Supply Project, it has been determined that the proposed project is consistent with the requirements of the MR&I Program.

It was the recommendation of the State Engineer that the State Water Commission approve MR&I Water Supply Program funds in the amount of \$2,000 (25% of \$8,000) for the Kindred Water Supply Project feasibility study, contingent upon the availability of funds.

It was moved by Commissioner Rudel and seconded by Commissioner Byerly that the State Water Commission approve MR&I Water Supply Program funds in the amount of \$2,000 for the feasibility study phase for the Kindred Water Supply Project. This motion is contingent upon the availability of funds.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
CONSIDERATION OF MR&I FUNDS
FOR FEASIBILITY STUDY FOR
FARGO WATER SUPPLY PROJECT
(SWC Project No. 237-37)**

Randall Binegar indicated an application has been received from the City of Fargo for participation in the MR&I Water Supply Program. A preliminary engineering report for the proposed project has been supplied.

The City of Fargo is faced with a growing population and expanding commercial and industrial businesses that all require additional water. The city has been experiencing increasing incidences of drinking water taste and odor problems over the last few years. These incidences have caused customer complaints as well as negative media attention to the city's water department. The current treatment operations at the water plant are inadequate in addressing the taste and odor problems. On some occasions, the disinfection process may have contributed to the objectionable tastes and odors experienced by the consumers.

Mr. Binegar said the economic effects of not being able to supply treated water during the heavy user months has hindered the industrial growth in Fargo.

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The city has been on water rationing the past several years and even with rationing is barely able to keep up. The feasibility study would provide several combinations of alternatives as a solution to Fargo's water requirements.

The feasibility study for the Fargo Water Supply Project is estimated to cost \$20,000. The cost estimates given for the proposed project range from \$28,396,000 to \$56,899,500. After reviewing the proposed project, Mr. Binegar said it has been determined that the proposed project is consistent with the requirements of the MR&I Program.

It was the State Engineer's recommendation that the State Water Commission approve the receipt of MR&I Water Supply Program funds in the amount of \$5,000 (25% of \$20,000), for the feasibility study phase of the Fargo Water Supply Project, contingent upon the availability of funds.

It was moved by Commissioner Rudel and seconded by Commissioner Byerly that the State Water Commission approve MR&I Water Supply Program funds in the amount of \$5,000 for the feasibility study phase of the Fargo Water Supply Project. This motion is contingent upon the availability of funds.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
CONSIDERATION OF MR&I FUNDS
FOR FEASIBILITY STUDY FOR
KENSAL WATER SUPPLY PROJECT
(SWC Project No. 237-39)**

An application was received on October 29, 1987 from the City of Kensal for participation in the MR&I Water Supply Program. The preliminary engineering report for the proposed project has been supplied.

Randall Binegar said the Kensal water distribution system is composed of three wells, a 50,000-gallon overhead reservoir, and water mains ranging in size from 4-inch to 8-inch asbestos cement pipe. Well No. 1 is directly adjacent to the tower; Well No. 2 is located 600 feet south of Well No. 1; and, Well No. 3 has been abandoned. Well No. 1 is the primary supply of water and is constructed to a 153-foot depth and produces approximately 60 gallons per minute out of an

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upper level sand and gravel aquifer system. An overall review of the existing city facilities indicates that they are in fairly good shape. The water's main deficiency is that it has very high manganese and iron contents. The present plan is to construct a water treatment plant facility adjacent to the water tower and next to Well No. 1. The facility is well suited for small communities and will most certainly upgrade the quality of the existing water.

The feasibility study for the Kensal Water Supply Project is estimated to cost \$9,000. The estimated total project cost for construction of a water treatment plant facility is \$320,000. Mr. Binegar said that after reviewing the Kensal Water Supply Project, it has been determined that the proposed project is consistent with the requirements of the MR&I Program.

It was the recommendation of the State Engineer that the State Water Commission approve receipt of MR&I Water Supply Program Funds in the amount of \$2,250 (25% of \$9,000) for the feasibility study phase of the Kensal Water Supply Project, contingent upon the availability of funds.

It was moved by Commissioner Rudel and seconded by Commissioner Byerly that the State Water Commission approve MR&I Water Supply Program funds in the amount of \$2,250 for the feasibility study phase of the Kensal Water Supply Project. This motion shall be contingent upon the availability of funds.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
CONSIDERATION OF REQUEST FOR
MR&I FUNDS FOR FEASIBILITY
STUDY FOR PARK RIVER
WATER SUPPLY PROJECT
(SWC Project No. 237-41)**

An application was received from the City of Park River on December 19, 1986 for participation in the MR&I Water Supply Program. A preliminary engineering report for the proposed project has been supplied.

The City of Park River is presently faced with problems of providing an adequate quantity and quality of water necessary in servicing the residents within

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the community. Several potato washing plants use untreated water from the city's intake line during wash season, which occurs from September to May. This creates a problem for the city in obtaining an adequate supply of water through the gravity feed line. In addition, a mushroom plant has been developed within a new industrial park located in a subdivision on the north side of town, which is placing more demand on the existing system.

Randall Binegar said the city is in need of upgrading its system to provide adequate treatment to eliminate the stale taste and odor and to provide an adequate supply of water for domestic needs. Alternative plans for improving the Park River water supply include: 1) upgrading the supply and treatment for the existing surface water supply, at an estimated cost of \$1,316,000; 2) developing a new ground-water source for raw water (Fordville Aquifer, approximately eight miles southwest), at an estimated cost of \$1,751,000; or, 3) renovate the existing supply line and develop a new ground-water supply for backup and peak demands, at an estimated cost of \$1,720,000. Mr. Binegar stated that all three alternatives would be considered during the feasibility study phase of the project.

The cost of the feasibility study for the project is estimated at \$14,000. In reviewing the Park River Water Supply Project, Mr. Binegar said it has been determined that the proposed project is consistent with the requirements of the MR&I Program.

It was the recommendation of the State Engineer that the State Water Commission approve MR&I Water Supply Program funds in the amount of \$3,500 (25% of \$14,000) for the feasibility study phase of the Park River Water Supply Project, contingent upon the availability of funds.

It was moved by Commissioner Rudel and seconded by Commissioner Byerly that the State Water Commission approve MR&I Water Supply Program funds in the amount of \$3,500 for the feasibility study phase of the Park River Water Supply Project. This motion shall be contingent upon the availability of funds.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

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**DISCUSSION ON GOVERNOR
SINNER'S MEMO ON GRANTS**

Secretary Sprynczynatyk informed the Commission members that Governor Sinner has requested all state agencies to delay the dispersion of grants using state general or special fund money under the agency's authority which are not bound by a certain time requirement in the authorizing legislation. Secretary Sprynczynatyk explained the purpose of the Governor's request is a result of the referral issues which will be voted on December 5, 1989.

**CONSIDERATION OF ALLOCATION OF
1989-1991 GRANT/CONTRACT FUND
(SWC Project No. 1)**

The 1989 State Legislature appropriated \$4,036,433 to the Engineering Contract Fund from the Resources Trust Fund. The authorizing legislation (House Bill 1024) did not allocate these funds to specific projects, although testimony during the appropriation committee hearings did provide a breakdown of specific projects.

It was the recommendation of the State Engineer that the State Water Commission consider the following allocation of the Resources Trust Fund, contingent upon the availability of funds:

Local Water Project Cost Share	\$1,240,433
Sheyenne-Maple Flood Control Project	900,000
Garrison MR&I Water Supply Program	1,450,000
Southwest Pipeline Project	446,000
Hydrologic Investigations	486,446
GDU Biota Transfer Studies	<u>100,000</u>
Total	\$4,622,879

It was explained by Secretary Sprynczynatyk that this was only an allocation for planning purposes and that specific project requests would have to be considered by the Commission at a future meeting.

It was moved by Commissioner Byerly and seconded by Commissioner Gust that the State Water Commission approve the State Engineer's recommendation for allocation of the Resources Trust Fund.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

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**CONSIDERATION OF REQUEST FOR
COST SHARING IN SHEYENNE RIVER
FLOOD CONTROL DIVERSION PROJECT
(SWC Project No. 1544)**

feature of the Sheyenne-Maple River Flood Control Project. Secretary Sprynczynatyk stated that in the previous biennium, the State Water Commission approved funding of \$2,358,248, on the West Fargo-Riverside Diversion portion of the project. The estimated non-federal cost for the Horace Diversion is \$3.5 million, with \$2,580,000 eligible for assistance. The costs are for right-of-way, roads and bridges, utilities relocation, and miscellaneous expenses. The allocation for the 1989-1991 biennium is \$900,000, subject to the availability of funds.

Secretary Sprynczynatyk stated normally it would be the State Engineer's recommendation that the State Water Commission provide funding for the eligible non-federal costs. Because of the possible budget reductions after the December 5, 1989 referral election and the Governor's policy memo on the dispersion of grants, dated September 25, 1989, it was the recommendation of the State Engineer that the Commission defer action on the request for funding assistance for the Horace-West Fargo Diversion project until its next meeting in December.

Brad Joret, Mayor of the City of Horace, stated the City of Horace has strong support for the Horace-West Fargo Diversion Project, and the people of the community and the surrounding area realize the great impacts the project has on the area.

Florenz Bjornson, Mayor of the City of West Fargo, said it was very gratifying for West Fargo when approval was authorized for the diversion around the city to protect the people and at an same time were able to see the materialization of protection for the people from the Horace to West Fargo area. Ms. Bjornson expressed strong support for this project and urged that any assistance provided for this project will be very much appreciated.

Fred Selberg, Southeast Cass Water Resource District, stated he lives north of West Fargo which is in the impacted area. Mr. Selberg said he initially took the position to support the entire Sheyenne-Maple River Flood Control Project and made a plea to the State Water Commission for continued support of this project.

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William Spychalla, St. Paul Corps of Engineers, stated the Horace and West Fargo Diversion projects received new-start construction funds for this fiscal year. On the West Fargo project, Mr. Spychalla said plans are to begin construction in the spring of 1990, with the first contract awarded in March, 1990. On the Horace-West Fargo unit, plans are to advertise for bids in March, 1990 with the award of the first contract in May, 1990. It is anticipated construction can be completed in 1992. Prior to advertising for bids, the financial arrangements for the non-federal costs need be completed, rights-of-way acquired, and the plans and specifications for the project approved.

Jeff Volk, Moore Engineering, briefed the Commission members on the technical aspects and components of the Horace Diversion project.

**CONSIDERATION OF REPAYMENT
OF MCLEAN-SHERIDAN WATER
SUPPLY PROJECT LOAN
(SWC Project No. 1782)**

On July 28, 1988, the State Water Commission approved a \$165,000 Resources Trust Fund loan to the McLean-Sheridan Joint Water Resources Board for the design of the McLean-Sheridan Water Supply Project. Secretary Sprynczynatyk stated at that time it was believed loan payments from the McLean-Sheridan Joint Water Resource Board could be deposited back into the Resources Trust Fund. It has now recently been learned that no legal mechanism exists to allow loan payments to be returned to the Resources Trust Fund. Therefore, any loan payments received from the McLean-Sheridan Joint Water Resource Board could not be deposited to the Resources Trust Fund and would have to be deposited in the State's General Fund.

Secretary Sprynczynatyk said one way to fulfill the intent to allow the \$165,000 loan to be repaid to the Resources Trust Fund, would be to allow for credit on the loan and reduce a subsequent Resources Trust Fund grant to the project. On May 10, 1989, the State Water Commission approved a \$502,750 grant to McLean-Sheridan for 12 1/2 percent of the project's construction costs. The State Water Commission has not made a payment to McLean-Sheridan for this grant. Secretary Sprynczynatyk said the option would involve reducing the \$502,750 grant payment to McLean-Sheridan by \$165,000, plus interest, and considering the loan fully paid. The option would require an amendment to the loan agreement with the McLean-Sheridan Joint Water Resource Board.

October 20, 1989

It was the recommendation of the State Engineer that the repayment of the \$165,000 loan, plus interest, made to the McLean-Sheridan Joint Water Resource Board for the design of the McLean-Sheridan Water Supply Project, be made through a deduction of the \$502,750 Resources Trust Fund grant provided for the construction of the project.

It was moved by Commissioner Rudel and seconded by Commissioner Gust that the State Water Commission approve the repayment of the \$165,000 loan, plus interest, made to the McLean-Sheridan Joint Water Resource Board for the design of the McLean-Sheridan Water Supply Project, be made through a deduction of the \$502,750 Resource Trust Fund grant provided for the construction of the project.

Commissioners Byerly, Gust, Rudel, Spaeth, and Chairman Omdahl voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
RED RIVER MUNICIPAL
WATER SUPPLY STUDY UPDATE
(SWC Project No. 1828)**

Gene Krenz, Director of Planning for the State Water Commission, presented a progress report on the Red River Municipal Water Supply Study. Mr. Krenz

briefed the Commission members on the study history and on activities the Technical Committee has been involved in to determine the long-term adequacy of the 100 cfs diversion to the Red River, authorized in the Garrison Reformulation Act. In the course of the study the committee will project the Red River Valley's municipal water needs 50 years into the future.

On June 7, 1989, the State Water Commission authorized the State Engineer and staff to enter into a contract with the North Dakota State University to conduct a study of the economic and population projections for the Red River Municipal Water Supply Study. The Commission also approved cost sharing from the Garrison MR&I needs assessment fund not to exceed 12 1/2 percent of the total study costs. Mr. Krenz stated the economic and population projections have been presented to the technical committee for review and comment. Mr. Krenz briefed the Commission members on some of the results determined in the review of the projections. State Water Commission ground water and surface water hydrologists are in the process of analyzing the projections in terms of availability of water, estimate of peak demand, etc, to try to establish a systematic way in determining if the 100 cfs will be adequate.

October 20, 1989

Mr. Krenz stated it is the intent of the technical committee to have a draft report available by January 1, 1990 for presentation to the State Engineer and the Garrison Diversion Conservancy District.

Mr. Krenz reported on a meeting held in Grand Forks on October 19, 1989 with representatives of State, Provincial and local water resource leaders to discuss the long-term water supply needs in the Red River Valley.

**CONTINUED DISCUSSION
RELATIVE TO POLICY FOR
REIMBURSEMENT FOR STATE
WATER COMMISSION MEMBERS**

At the August 24, 1989 meeting, the Commission members discussed the policy for reimbursement for State Water Commission members and the budget allowance for reimbursement. It was

agreed this item be on the agenda for the Commission's next meeting for continued discussion.

Secretary Sprynczynatyk stated some of the Commission members have expressed a desire to change the policy on reimbursement of expenses for members. Although Secretary Sprynczynatyk was not aware of ever having set a formal policy on this matter, there have been several occasions when the Commission acted on specific requests for travel and attendance at meetings.

Section 61-02-12 of the North Dakota Century Code provides the Commission members are to receive compensation "while attending official business of the Commission, including time of travel between his home and the place at which he performs such duties." Secretary Sprynczynatyk said it is clear that expenses can be paid but the Commission needs to decide what its official business is in each case.

Secretary Sprynczynatyk said his greater concern relates to the budget. Prior to the expansion from a seven-member Commission to a nine-member Commission, the Legislature allowed about three Commission member days per month. Although the size of the Commission was increased, the budget was not. Only about two Commission member days are now budgeted per month. Secretary Sprynczynatyk reported that approximately \$35,000 had been spent during the last biennium for Commissioners salaries and expenses.

To reduce travel expenses, a suggestion was made that those expenses incurred for meetings, not including per diem, be itemized and presented for approval at each Commission meeting.

October 20, 1989

It was the recommendation of the Chairman this item be placed on the agenda for the Commission's December meeting for continued discussion.

**CONSIDERATION OF AGENCY
FINANCIAL STATEMENT**

Programs/Projects Authorized, dated September 30, 1989.

Secretary Sprynczynatyk presented and discussed the Program Budget Expenditures and the

**CONSIDERATION AND APPROVAL
OF RESOLUTION OF APPRECIATION
TO ROSELLEN M. SAND
(SWC Resolution No. 89-10-434)**

of the State and Local Government Division for the North Dakota Attorney General's office.

Secretary Sprynczynatyk stated Rosellen M. Sand has transferred from her position with the State Water Commission to accept an appointment as Director

A draft resolution was presented for the Commission's consideration in appreciation to Rosellen for the valuable and dedicated contributions she made in her service to the State Water Commission and the State Engineer and to the wise management and protection of the water resources of this state.

It was moved by Commissioner Byerly, seconded by Commissioner Rudel, and unanimously carried, that the State Water Commission approve Resolution No. 89-10-434, In Appreciation To Rosellen M. Sand. (See Appendix "B")

**WATER EDUCATION FOR
TEACHERS PROGRAM (WET)
(SWC Project No. 1757)**

from his position, effective November 15, 1989.

Secretary Sprynczynatyk announced that Dennis Nelson, Water Education for Teachers Program (WET) Coordinator, has resigned

Fay Waxler, North Dakota Rural Water Systems Association, discussed the efforts of the Rural Water Users Association relative to the water education program. He expressed the importance of the education program and urged the coordination of efforts by those agencies involved in the program.

October 20, 1989

**NEXT MEETING OF STATE
WATER COMMISSION SCHEDULED
FOR DECEMBER 6, 1989 IN
GRAND FORKS, ND**

The next meeting of the State Water Commission is scheduled for December 6, 1989, in Grand Forks. This meeting will be held in conjunction with the

North Dakota Water Users Association and the North Dakota Water Resource Districts Association Annual Joint Water Convention scheduled for December 4 and 5, 1989.

**TOUR OF SHEYENNE RIVER
FLOOD CONTROL PROJECT
(SWC Project No. 1544)**

The Commission members participated in a tour of the Sheyenne River Flood Control Project.

It was moved by Commissioner Byerly, seconded by Commissioner Spaeth, and unanimously carried, that the State Water Commission meeting adjourn at 12:00 noon.



Lloyd Omdahl
Lt. Governor-Chairman

ATTEST:



David A. Spryoczyniatyk
State Engineer and
Chief Engineer-Secretary

October 20, 1989

NORTH DAKOTA STATE WATER COMMISSION

REGISTER

ATTENDANCE AT State Water Commission Meeting

DATE October 20, 1989 PLACE West Fargo, ND

PROJECT NO. _____

Your Name	Your Address	Who do you Represent? (Or Occupation)
Randall Singer	Bismarck	SWC
Pat Stevens	"	"
Ellen Crawford	Fargo	The Forum
Irene Selberg	Harwood ND	SE Cass
Robert Bosley	605 11 th St S, Fargo	S/E Cass W. R.
F. J. Buckley	Bismarck ND	ND Rural Water Assn
Bill Appelh	St. Paul	Crops of Egypt
Cherise Kuehn	Davenport IA	Mayor A W R B
Joseph Harbick	Page ND	" " "
Jerry Hoffart	Horace	City of Horace
David Jordan	Horace	City of Horace, Mayor
Jeff Volk	W Fargo	SE Cass, W. R.
Liberty Jones	West Fargo	W. Fargo City Commission
Jim McLaughlin	St. Paul Fargo	SE Cass Water Bd.
Wesley Beech	Buffalo	Mopk River W. R. B



**DAKOTA
GASIFICATION
COMPANY**

1600 East Interstate Avenue
Bismarck, ND 58501-0961 (701) 221-4400

WHEREAS, Basin Electric Power Cooperative has encouraged and supported economic development efforts by its member systems since its incorporation in Bismarck as a North Dakota cooperative corporation in 1961,

WHEREAS, Basin Electric Power Cooperative is itself a story of growth and economic development in the State of North Dakota, today employing over 1,500 people within the State.

WHEREAS, Basin Electric Power Cooperative has a history of cooperation with the North Dakota State Water Commission which includes a contractual relationship which will provide water for the Southwest Water Pipeline,

WHEREAS, faced with the U.S. Department of Energy decision to sell the Great Plains plant, Basin Electric Power Cooperative incorporated its subsidiary, Dakota Gasification Company, in September of 1988, to own and operate the plant so as to assure that the plant would continue to operate for the long term and to realize the return of the investment by Basin Electric Power Cooperative of the over \$100 million in joint facilities to serve the Great Plains Synfuels Plant and Basin Electric's adjacent Antelope Valley Station,

WHEREAS, with respect to by-products, Dakota Gasification Company has taken important steps including the continuation of sales of anhydrous ammonia, sulfur and liquid nitrogen and the development of new markets for krypton, argon, xenon and phenol which will result in the investment of over \$25 million dollars in capital facilities at Great Plains, and is pursuing the potential for utilizing carbon dioxide in the tertiary recovery of oil in the Williston Basin oil fields in the mid to late 1990s,

WHEREAS, Dakota Gasification Company has submitted an application to the U.S. Department of Energy under the Clean Coal Technology Program for a methanol demonstration plant to be constructed at the Great Plains site near Beulah, North Dakota which, if selected by the Department of Energy, would continue the leadership role the Great Plains plant has taken in U.S. synfuels research and technology development,

WHEREAS, Dakota Gasification Company has a strong desire to accelerate the development of by-products and the location of facilities in North Dakota, which development should benefit the local and State economies and it is anticipated that revenues from such by-product development will assist in stabilizing electric rates for consumers while maintaining Great Plains plant operations;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Dakota Gasification Company pledges to utilize the water, energy and other resources at its disposal to help enhance and diversify the economy of the State of North Dakota and to help maintain stable electric rates for Basin Electric Power Cooperative's rural electric consumers by continuing and expanding development of the Great Plains Synfuels Plant.

DATED: October 11, 1989

Equal
Employment
Opportunity
Employer
Affirmative
Action

APPENDIX "B"

RESOLUTION NO. 89-10-434

ROSELLEN M. SAND
IN APPRECIATION

WHEREAS, Rosellen M. Sand has transferred from her position with the North Dakota State Water Commission to accept an appointment as Director of the State and Local Government Division for the North Dakota Attorney General's office; and

WHEREAS, Rosellen served as legal advisor since 1982, during which time she has done an outstanding job of promoting sound policies and recommending legal positions to protect the rights of North Dakota through its State Water Commission to manage, control, and utilize its water resources; and

WHEREAS, the excellent and diligent service provided by Rosellen M. Sand furthered the water resources policy of the State of North Dakota found in Section 61-01-26 of the North Dakota Century Code, which provides that the "public health, safety and general welfare, including without limitation, enhancement of opportunities for social and economic growth and expansion, of all of the people of the state, depend in large measure upon the optimum protection, management and wise utilization of all of the water and related land resources of the state." As a result, Rosellen's efforts as legal advisor have not only greatly benefited the North Dakota State Water Commission and the North Dakota State Engineer, but have also greatly benefited all of the people of the State of North Dakota; and

WHEREAS, Rosellen has dedicated a great amount of time and effort to resolve conflicts involving dikes along the Red River.

NOW, THEREFORE, BE IT RESOLVED that the North Dakota State Water Commission and the North Dakota State Engineer assembled at West Fargo, North Dakota, this 20th day of October, 1989, express their thanks and appreciation for the valuable and dedicated contribution of Rosellen M. Sand in her service to the North Dakota State Water Commission and the North Dakota State Engineer and to the wise management and protection of the water resources of this state.

BE IT FURTHER RESOLVED that the North Dakota State Water Commission and the North Dakota State Engineer convey to Rosellen M. Sand their best wishes in her future endeavors.

FOR THE NORTH DAKOTA STATE WATER COMMISSION:

SEAL

/S/ George A. Sinner
George A. Sinner, Governor-Chairman

/S/ David A. Sprynczynatyk
David A. Sprynczynatyk, State Engineer