

North Dakota State Water Commission

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**Meeting To Be Held At
State Office Building
900 East Boulevard Avenue
Lower Level Conference Room
Bismarck, North Dakota**

**March 11, 2015
1:30 P.M., CDT**

AGENDA

- A. Roll Call
- B. Consideration of Agenda --- *Information pertaining to the agenda items is available on the State Water Commission's website at <http://www.swc.nd.gov>*
- C. **Consideration of Draft Minutes of Following SWC Meetings:**
 - 1) **December 5, 2014 State Water Commission Meeting** **
 - 2) **January 7, 2015 SWC Telephone Conference Call Meeting** **
 - 3) **January 29, 2015 SWC Telephone Conference Call Meeting** **
- C I. Central North Dakota Water Supply Update
- D. State Water Commission Financial Reports:
 - 1) Agency Program Budget Expenditures
 - 2) 2013-2015 Biennium Resources Trust Fund and Water Development Trust Fund Revenues
 - 3) State Tax Department Presentation - Oil Extraction Tax/Triggers
- E. Consideration of Following Requests for Cost Share Participation:
 - 1) **Big Coulee Dam Repairs** **
 - 2) **Stump Lake Park Bank Stabilization Project - Nelson County** **
 - 3) **Cass County Drain No. 2 Channel Improvements** **
 - 4) **Rush River Watershed Detention Study, Phase II** **
 - 5) **Swan Creek Watershed Detention Study, Phase II** **
 - 6) **Upper Maple River Watershed Detention Study, Phase II** **
 - 7) **Pontiac Township Improvement District No. 73, Cost Overrun** **
 - 8) **Tri-County Drain Reconstruction** **
- F. Sheyenne River Valley Flood Control Program:
 - 1) **City of Lisbon, Levee C Project** **
 - 2) **City of Lisbon Property Acquisition, Cost Overrun** **
 - 3) **City of Valley City, Additional Property Acquisitions** **

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- G. State Water Supply Projects:
 - 1) ***Crop Reimbursement*** **
 - 2) ***Northeast Regional Water District, Cost Overrun*** **
 - 3) ***Grand Forks-Traill Rural Water District, Cost Overrun*** **
 - 4) ***City of Park River, Cost Overrun*** **
 - 5) ***Barnes Rural Water District, Cost Overrun*** **
 - 6) ***North Central Rural Water Consortium II, Cost Overrun*** **

- H. 2015 Federal MR&I Water Supply Project:
 - 1) ***Southwest Pipeline Project*** **

- I. Fargo Moorhead Area Diversion Project Update

- J. Southwest Pipeline Project:
 - 1) Project Update
 - 2) ***Contract 7-9G, Dunn Center and Halliday Service Area*** **
 - 3) ***Contract Amendments*** **

- K. Mouse River Enhanced Flood Protection Project:
 - 1) Project Update
 - 2) ***Funding for Environmental Work*** **

- L. Northwest Area Water Supply Project Update

- M. Devils Lake Hydrologic and Projects Updates

- N. Missouri River Update

- O. 2015 Legislative Report

- P. Garrison Diversion Conservancy District Report

- Q. Other Business

- R. Adjournment

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

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

MINUTES

North Dakota State Water Commission Bismarck, North Dakota

March 11, 2015

The North Dakota State Water Commission held a meeting at the State Office Building, Bismarck, North Dakota, on March 11, 2015. Governor Jack Dalrymple, Chairman, called the meeting to order at 1:30 p.m., and requested Todd Sando, State Engineer, and Chief Engineer-Secretary to the State Water Commission, to call the roll. Governor Dalrymple announced a quorum was present.

STATE WATER COMMISSION MEMBERS PRESENT:

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

OTHERS PRESENT:

Todd Sando, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck
State Water Commission Staff
Approximately 50 people interested in agenda items

The attendance register is on file with the official minutes.

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

CONSIDERATION OF AGENDA

The agenda for the March 11, 2015 State Water Commission meeting was presented; there were no modifications.

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

CONSIDERATION OF DRAFT MINUTES OF DECEMBER 5, 2014 STATE WATER COMMISSION MEETING - APPROVED

The draft final minutes of the December 5, 2014 State Water Commission meeting were approved by the following motion:

It was moved by Commissioner Foley, seconded by Commissioner Thompson, and unanimously carried, that the draft final minutes of the December 5, 2014 State Water Commission meeting be approved as prepared.

CONSIDERATION OF DRAFT MINUTES OF JANUARY 7, 2015 STATE WATER COMMISSION AUDIO TELEPHONE CONFERENCE CALL MEETING - APPROVED

The draft final minutes of the January 7, 2015 State Water Commission audio telephone conference call meeting were approved by the following motion:

It was moved by Commissioner Foley, seconded by Commissioner Thompson, and unanimously carried, that the draft final minutes of the January 7, 2015 State Water Commission audio telephone conference call meeting be approved as prepared.

CONSIDERATION OF DRAFT MINUTES OF JANUARY 29, 2015 STATE WATER COMMISSION AUDIO TELEPHONE CONFERENCE CALL MEETING - APPROVED

The draft final minutes of the January 29, 2015 State Water Commission audio telephone conference call meeting were approved by the following motion:

It was moved by Commissioner Foley, seconded by Commissioner Thompson, and unanimously carried, that the draft final minutes of the January 29, 2015 State Water Commission audio telephone conference call meeting be approved as prepared.

CENTRAL NORTH DAKOTA WATER SUPPLY PROJECT ALTERNATIVE STUDY - ENDORSE SUPPORT; AND DIRECT SECRETARY TO SWC/STAFF TO CONTINUE EFFORTS TO DEVELOP ACCEPTABLE SOLUTION TO MEET WATER SUPPLY NEEDS IN CENTRAL NORTH DAKOTA (SWC Project No. 2051)

On January 29, 2014, the State Water Commission adopted a motion authorizing the Secretary to the Commission to execute Amendment No. 1 to the contract for engineering with CH2M Hill; approved an allocation not to exceed \$346,000 to CH2M Hill to investigate the feasibility of delivering Missouri River water to the Jamestown area; and approved a state cost participation grant of

60 percent of the eligible costs, not to exceed an allocation of \$70,800 to the Garrison Diversion Conservancy District to support the engineering study efforts provided by Black and Veatch.

The Central North Dakota Water Supply Project Alternative Study is an evaluation of alternatives to supply Missouri River water to potential municipal, rural, and industrial users, and to irrigation users in the central North Dakota region. CHS, Inc., owner of a planned fertilizer manufacturing plant to be located in Spiritwood, North Dakota, has expressed interest in obtaining a reliable water supply from the Missouri River. The study will examine alternatives that combine the near-term water supply needs of the CHS facility with other potential needs in central North Dakota. The overall goal of the study is to assist the State of North Dakota in selection of a water source and pipeline alignment that can be designed, permitted, and constructed as soon as practicable, but no later than 2023, to meet the water supply needs of the CHS facility and other users.

The study will be coordinated through the joint efforts of the State Water Commission and the Garrison Diversion Conservancy District. The study will be performed by an engineering consultant team consisting of CH2M Hill and sub-consultant Advanced Engineering and Environmental Services, under contract with the State Water Commission, and Black & Veatch, under contract with the Garrison Diversion Conservancy District. Environmental compliance guidance will be provided by the law firm of Trout, Raley, Montañó, Witwer & Freeman, P.C., under contract with CH2M Hill. The final alternative study report is anticipated in April, 2015.

The Commission staff provided technical project information, the scope of study was explained as defined in the contract, and information was provided relative to the state's water permitting process. Infrastructure alternatives for delivering the water supply requirements, and preliminary cost estimates were discussed. A summary of the information provided by the staff is attached as **APPENDIX "A"**, which was discussed at length.

The Commission members expressed their general support for the proposed project and directed the Secretary to the Commission and the staff to continue their discussions with CHS, Inc. and the Garrison Diversion Conservancy District in an effort to develop an acceptable solution to meet the water supply needs of the CHS facility and other users.

It was moved by Commissioner Swenson and seconded by Commissioner Berg that the State Water Commission endorse support of the proposed Central North Dakota Water Supply project; and directed the Secretary to the Commission and the staff to continue their discussions with CHS, Inc. and the Garrison Diversion Conservancy District in an effort to develop a feasible solution to meet the water supply needs of the CHS facility and other users.

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

**STATE WATER COMMISSION
BUDGET EXPENDITURES,
2013-2015 BIENNIUM**

In the 2013-2015 biennium, the State Water Commission has two line items - administrative and support services, and water and atmospheric resources expenditures. The allocated program expenditures for the period ending January 31, 2015, reflecting 79 percent of the 2013-2015 biennium, were presented and discussed by David Laschkewitsch, State Water Commission's Director of Administrative Services. The expenditures, in total, are within the authorized budget amounts. **SEE APPENDIX "B"**

The Contract Fund spreadsheet, attached hereto as **APPENDIX "C"**, provides information on the committed and uncommitted funds from the Resources Trust Fund and the Water Development Trust Fund. The total amount allocated for projects is \$628,163,265, leaving a balance of \$77,730,827 available to commit to projects in the 2013-2015 biennium.

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

Oil extraction tax deposits into the Resources Trust Fund total \$492,260,076 through February, 2015 and are currently \$62,469,126 or 14.5 percent above budgeted revenues.

Deposits into the Water Development Resources Trust Fund (tobacco settlement) total \$10,240,371 through February, 2015, and are currently \$1,240,371, or 13.8 percent above budgeted revenues.

**NORTH DAKOTA TAX COMMISSIONER
PRESENTATION ON OIL EXTRACTION
TAX REVENUES/INCENTIVE TRIGGERS**

Ryan Rauschenberger, North Dakota Tax Commissioner, addressed the State Water Commission members with an update on the estimated oil tax revenue for the 2015-2017 biennium, and an explanation of the "small" and "large" tax incentive triggers. A summary of Mr. Rauschenberger's presentation is included as **APPENDIX "D"**.

North Dakota Century Code (N.D.C.C.) § 57-51.1-02 establishes an oil extraction tax at a rate of 6.5 percent, and subsequently §§ 57-51.1-02 and 57-51.1-03, passed by the 2009 North Dakota Legislature, provided

incentives for rate reductions and exemptions for various qualifying wells and projects located within the state. These code sections also contain what is referred to as a "trigger" provision that specifically inactivates some of the incentives if the average price of a barrel of crude oil exceeds the trigger price of \$52.59 for each month in any consecutive five-month period, and reinstates the incentives if the average price of a barrel of crude oil is less than the trigger price for each month in any consecutive five-month period.

On February 1, 2015, the 2 percent Horizontal New Well extraction tax incentive rate became effective with January 2015's computed average price of a barrel of crude oil falling below \$55.00 (referred to as the "small trigger"). This tax rate reduction lowers the oil extraction tax rate from 6.5 percent to 2 percent on the first 75,000 barrels of crude oil produced, or the first \$4.5 million of gross value during the first 18 months after completion of a well. The tax reduction only applies to wells completed after the incentive is triggered on and is effective through June 30, 2015 or until it is triggered off. Mr. Rauschenberger stated that "through this incentive, the state is acknowledging the importance of the oil and gas industry to the state's economy by easing a portion of the tax burden during times of low oil prices."

Mr. Rauschenberger explained N.D.C.C. § 57-51.1-03(3) relating to the oil extraction tax reduction, referred to as the "large trigger", which would take effect the first day of the month following five consecutive months below the trigger price of \$52.59 per barrel of crude oil. This tax incentive would reduce the oil extraction tax from 6.5 percent to 1 percent, and would result in approximately \$90 million per month less revenue.

The Resources Trust Fund is funded with 20 percent of the revenues from the oil extraction tax. A percentage of the Resources Trust Fund has been designated by the Legislature to be used for water-related projects and energy conservation. The November 2014 revenue forecast projected the Resources Trust Fund revenues for the 2013-2015 biennium to total \$676 million, and the 2015-2017 biennium forecast included \$872.4 million. Because revenues from the oil extraction tax are highly dependent on world oil prices and production, it is difficult to predict future funding levels. A February 2015 Legislative Council forecast reduced the 2013-2015 biennium revenue to \$345.5 million, and reduced the beginning balance in the Resources Trust Fund to \$150 million. On March 18, 2015, a new revenue forecast will be released according to Moody's Analytics.

***BIG COULEE DAM PROJECT
(TOWNER COUNTY) -
APPROVAL OF STATE COST
PARTICIPATION (\$862,218)
(SWC Project No. 1418)***

A request from the city of Bisbee was presented for the State Water Commission's consideration for state cost participation in the design and repair of Big Coulee Dam.

The Joint Bisbee Dam Operations Committee recently completed a feasibility study to identify potential solutions to the failing principal spillway and to assure the dam meets current dam safety criteria. The study recommended a repair to the principal spillway, its low level drawdown and drainage system, and armoring the exit slope of the emergency spillway to protect against erosive flows.

The project engineer's cost estimate is \$1,751,615, of which \$1,057,244 is determine eligible for state cost participation as a dam safety project at 75 percent of the eligible costs (\$792,933), and \$197,956 is determined eligible for state cost participation at 35 percent as preliminary and design engineering (\$69,285), for a total state cost participation of \$862,218. The city of Bisbee has made application for funding to the North Dakota Heritage Fund which, if approved, would reduce the state's cost participation allocation.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a dam safety project at a 75 percent grant of the eligible costs (\$792,933), and a 35 percent grant of the eligible costs for preliminary and design engineering (\$69,285), not to exceed a total allocation grant of \$862,218 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Bisbee to support the design and repair of Big Coulee Dam.

It was moved by Commissioner Berg and seconded by Commissioner Vosper that the State Water Commission approve state cost participation as a dam safety project at a 75 percent grant of the eligible costs (\$792,933), and a 35 percent grant of the eligible costs for preliminary and design engineering (\$69,285), not to exceed a total allocation grant of \$862,218 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Bisbee to support the design and repair of Big Coulee Dam. This action is contingent upon the availability of funds, and satisfaction of the required permits.

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

**STUMP LAKE PARK BANK
STABILIZATION PROJECT
(NELSON COUNTY) -
APPROVAL OF STATE COST
PARTICIPATION (\$115,436)
(SWC Project No. 1294)**

A request from the Nelson County Park Board was presented for the State Water Commission's consideration for state cost participation for their Stump Lake Park bank stabilization project.

Stump Lake Park was commissioned in the early 1900s and continues to provide recreational and financial benefits to Nelson county. The park has experienced severe erosion and loss of acreage due to the increasing water level of Stump Lake and the wave action it creates. The project is needed to stabilize the area and keep the park open to the year-round tourism.

The project would reestablish approximately 1,800 feet of west shoreline which has experienced the most erosion and contains the majority of the recreational attractions. The shoreline would be established at an approximate 6:1 slope with a riprap mat for erosion control and an additional riprap berm to further break large waves. Erosion control blankets would be installed along the top of the bank to allow vegetation to reestablish. The park board intends on adding trees along this area as future funding allows.

The project engineer's cost estimate is \$725,133. The project has received a grant from the North Dakota Outdoor Heritage Fund in the amount of \$472,912 leaving a balance of \$252,221, of which \$242,221 is determined eligible for state cost participation. Of this amount (\$242,221), \$204,388 is determined eligible as a bank stabilization project at 50 percent of the eligible costs (\$102,194); and \$37,833 is determined eligible for state cost participation at 35 percent for preliminary engineering (\$13,242), for a total state cost participation of \$115,436.

It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation as a bank stabilization project at a 50 percent grant of the eligible costs (\$102,194), and a 35 percent grant of the eligible costs for preliminary engineering (\$13,242), not to exceed a total allocation grant of \$115,436 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Nelson County Park Board to support the Stump Lake Park bank stabilization project.

It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a state cost participation grant as a bank stabilization project at 50 percent of the eligible costs (\$102,194), and 35 percent of the

eligible costs for preliminary engineering (\$13,242), not to exceed a total allocation grant of \$115,436 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Nelson County Park Board to support the Stump Lake Park bank stabilization project. This action is contingent upon the availability of funds.

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

**CASS COUNTY DRAIN NO. 2
CHANNEL IMPROVEMENTS
PROJECT - APPROVAL OF STATE
COST PARTICIPATION (\$106,989)
(SWC Project No. 1064)**

A request from the Rush River Water Resource District was presented for the State Water Commission's consideration for state cost participation in the Cass County Drain No. 2 channel improvements project.

Cass County Drain No. 2 is an existing legal drain constructed by the U.S. Army Corps of Engineers as part of the Lower Branch Rush River flood control project in the early 1970s. The channel capacity has decreased due to sedimentation, sloughing, and vegetative growth. The legal assessment drain is located southeast of the city of Amenia within Harmony Township. The project involves the reconstruction of approximately 1.1 miles of the existing legal assessment drain with a 10-foot channel bottom, 4:1 side slopes, and tied into the Drain No. 52 design.

The project engineer's cost estimate is \$278,000, of which \$210,375 is determined eligible for state cost participation as a rural flood control project at 45 percent of the eligible costs (\$94,669); and \$35,200 is determined eligible for state cost participation at 35 percent for preliminary engineering (\$12,320), for a total state cost participation of \$106,989.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs (\$94,669), and 35 percent of the eligible costs for preliminary engineering (\$12,320), not to exceed a total allocation of \$106,989 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Rush River Water Resource District to support the Cass County Drain No. 2 channel improvements project.

It was moved by Commissioner Vosper and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs (\$94,669), and 35 percent of the eligible costs for preliminary engineering (\$12,320), not to exceed a total allocation of \$106,989 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Rush River Water Resource District to support the Cass County Drain No. 2 channel improvements project. This action is contingent upon the availability of funds, and satisfaction of the required permits.

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

***RUSH RIVER WATERSHED
RETENTION PLAN STUDY -
RUSH RIVER WATERSHED
DETENTION STUDY, PHASE II -
APPROVAL OF ADDITIONAL STATE
COST PARTICIPATION GRANT (\$120,750)
(SWC Project No. 980)***

On June 13, 2012, the State Water Commission adopted a motion approving a request from the Rush River Water Resource District for state cost participation as an engineering feasibility study at a 50 percent grant of the eligible costs, not to exceed an allocation of \$67,500 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to support the Rush River Watershed Retention Plan Study, Phase I.

riated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to support the Rush River Watershed Retention Plan Study, Phase I.

In January, 2014, Moore Engineering completed the "Rush River Watershed Comprehensive Detention Plan" study which analyzed multiple potential detention sites throughout the Rush River watershed. The study identified detention sites within the Rush River watershed that could potentially provide flood reduction benefits in the watershed.

The Phase II study approach will generally involve the creation of project development teams tasked with identifying the local problems facing the watershed and the alternatives for addressing those problems. The preliminary designs, geotechnical investigations, and cost estimates will be developed once a solution has been identified. The team's findings will be presented to the Cass County Joint Water Resource District and the local stakeholders for consideration for further advancement of the project.

The project engineer's cost estimate for the Rush River Water Watershed Detention Study, Phase II, is \$400,000, of which \$345,000 is determined eligible for state cost participation as a feasibility engineering study at 35 percent of the eligible costs (\$120,750). A request from the Cass County Joint Water Resource District was presented for the State Water Commission's consideration for state cost participation for the Phase II study.

The State Water Commission expressed concerns relative to the state cost participation grants that are being requested for the Phases I and II detention studies. The Commission members were informed that the Cass County Joint Water Resource District is working with the U.S. Department of Agriculture for project feasibility and federal cost sharing through the 2014 Farm Bill. If the federal funds are approved, the state's cost participation allocation would be reduced.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a feasibility study at 35 percent of the eligible costs, not to exceed an additional allocation of \$120,750 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Cass County Joint Water Resource District to support the Rush River Watershed Detention Study, Phase II study. The Commission's affirmative action would increase the total state allocation grants to \$188,250 for the Rush River Watershed Detention Study, Phases I and II.

It was moved by Commissioner Thompson and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant as an engineering feasibility study at 35 percent of the eligible costs, not to exceed an additional allocation of \$120,750 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Cass County Joint Water Resource District to support the Rush River Watershed Detention Study, Phase II. This action is contingent upon the availability of funds.

In discussion of the motion, although the Commission members expressed support for the study, the Cass County Joint Board was urged to continue its discussions for federal funding through the 2014 Farm Bill for the project. As a result of the discussion, the following amendment to the main motion was offered:

It was moved by Commissioner Hanson to amend the main motion by inserting the words "that the Cass County Joint Water Resource Board is urged to continue its discussions for federal funding through the 2014 Farm Bill for the study." Commissioner Berg seconded the proposed amendment.

Governor Dalrymple called the question on the proposed amendment to the main motion and asked for a roll call vote:

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

Governor Dalrymple called the question on the adoption of the main motion as amended and asked for a roll call vote:

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

This action increases the total state allocation grants to \$188,250 to the Cass County Joint Water Resource District to support the Rush River Watershed Detention Study, Phases I and II.

**MAPLE RIVER WATERSHED
FLOOD WATER RETENTION STUDY -
SWAN CREEK WATERSHED
DETENTION STUDY, PHASE II -
APPROVAL OF ADDITIONAL STATE
COST PARTICIPATION GRANT (\$120,750)
(SWC Project No. 980)**

On September 21, 2011, the State Water Commission adopted a motion approving a state cost participation grant as an engineering feasibility study at 50 percent of the eligible costs, not to exceed an allocation of \$82,500 from the funds appropriated to the State Water Commission in the 2011-2013

biennium (S.B. 2020), to the Maple River Water Resource District to support the Maple River Watershed Flood Water Retention Study, Phase I.

In January, 2014, Moore Engineering completed the "Maple River Watershed Comprehensive Detention Plan" study which analyzed multiple potential detention sites throughout the Maple River watershed. The study identified detention sites within the Maple River watershed that could potentially provide flood reduction benefits in the watershed.

The Phase II study approach will generally involve the creation of project development teams tasked with identifying the local problems facing the watershed and the alternatives for addressing those problems.

The preliminary designs, geotechnical investigations, and cost estimates will be developed once a solution has been identified. The team's findings will be presented to the Cass County Joint Water Resource District and the local stakeholders for consideration for further advancement of the project.

The project engineer's cost estimate is \$400,000 for the Maple River Watershed Flood Water Retention Study (Swan Creek Watershed Detention Study, Phase II), of which \$345,000 is determined eligible for state cost participation as a feasibility study at 35 percent of the eligible costs (\$120,750). A request from the Cass County Joint Water Resource District was presented for the State Water Commission's consideration for state cost participation for the Phase II study.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a feasibility study at 35 percent of the eligible costs, not to exceed an additional allocation of \$120,750 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Cass County Joint Water Resource District to support the Maple River Watershed Flood Water Retention Study (Swan Creek Watershed Detention Study, Phase II). The Commission's affirmative action would increase the total state allocation grants to \$203,250 for the Maple River Watershed Flood Water Retention Study (Swan Creek Watershed Detention Study, Phase II).

It was moved by Commissioner Thompson and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant as an engineering feasibility study at 35 percent of the eligible costs, not to exceed an additional allocation of \$120,750 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Cass County Joint Water Resource District to support the Maple River Watershed Flood Water Retention Study (Swan Creek Watershed Detention Study, Phase II). This action is contingent upon the availability of funds.

In discussion of the motion, although the Commission members expressed support for the project, the Cass County Joint Board was urged to continue its discussions for federal funding through the 2014 Farm Bill. As a result of the discussion, the following amendment to the main motion was offered:

It was moved by Commissioner Hanson to amend the main motion by inserting the words "that the Cass County Joint Water Resource Board is urged to continue its discussions for federal funding through the 2014 Farm Bill for the study." Commissioner Berg seconded the proposed amendment.

Governor Dalrymple called the question on the proposed amendment to the main motion and asked for a roll call vote:

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

Governor Dalrymple called the question on the adoption of the main motion as amended and asked for a roll call vote:

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

This action increases the total state allocation grants to \$203,250 to the Cass County Joint Water Resource District to support the Maple River Watershed Flood Water Retention Study (Swan Creek Watershed Detention Study, Phase II).

**MAPLE RIVER WATERSHED FLOOD
WATER RETENTION STUDY -
UPPER MAPLE RIVER WATERSHED
DETENTION STUDY, PHASE II -
APPROVAL OF ADDITIONAL STATE
COST PARTICIPATION GRANT (\$120,750)
(SWC Project No. 980)**

On September 21, 2011, the State Water Commission adopted a motion approving a state cost participation grant as an engineering feasibility study at 50 percent of the eligible costs, not to exceed an allocation of \$82,500 from the funds appropriated to the State Water Commission in the 2011-2013

biennium (S.B. 2020), to the Maple River Water Resource District to support the Maple River Watershed Flood Water Retention Study.

In January, 2014, Moore Engineering completed the "Maple River Watershed Comprehensive Detention Plan" study which analyzed multiple potential detention sites throughout the Maple River watershed. The study identified detention sites within the Upper Maple River watershed that could potentially provide flood reduction benefits in the watershed.

The Phase II study approach will generally involve the creation of project development teams tasked with identifying the local problems facing the watershed and the alternatives for addressing those problems.

The preliminary designs, geotechnical investigations, and cost estimates will be developed once a solution has been identified. The team's findings will be presented to the Cass County Joint Water Resource District and the local stakeholders for consideration for further advancement of the project.

The project engineer's cost estimate is \$400,000 for the Maple River Watershed Flood Water Retention Study (Upper Maple River Watershed Detention Study, Phase II), of which \$345,000 is determined eligible for state cost participation as a feasibility study at 35 percent of the eligible costs (\$120,750). A request from the Cass County Joint Water Resource District was presented for the State Water Commission's consideration for a state cost participation grant for the Phase II study.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as an engineering feasibility study at 35 percent of the eligible costs, not to exceed an additional allocation of \$120,750 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Cass County Joint Water Resource District to support the Maple River Watershed Flood Water Retention Study (Upper Maple River Watershed Detention Study, Phase II). The Commission's affirmative action would increase the total state allocation grants to \$203,250 for the Maple River Watershed Flood Water Retention Study (Upper Maple River Watershed Detention Study, Phase II).

It was moved by Commissioner Thompson and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant as an engineering feasibility study at 35 percent of the eligible costs, not to exceed an additional allocation of \$120,750 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Cass County Joint Water Resource District to support the Maple River Watershed Flood Water Retention Study (Upper Maple River Watershed Detention Study, Phase II). This action is contingent upon the availability of funds.

In discussion of the motion, although the Commission members expressed support for the project, the Cass County Joint Board was urged to continue its discussions for federal funding through the 2014 Farm Bill. As a result of the discussion, the following amendment to the main motion was offered:

It was moved by Commissioner Hanson to amend the main motion by inserting the words "that the Cass County Joint Water Resource Board is urged to continue its discussions for federal funding through the 2014 Farm Bill for the study." Commissioner Berg seconded the proposed amendment.

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Governor Dalrymple called the question on the proposed amendment to the main motion and asked for a roll call vote:

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

Governor Dalrymple called the question on the adoption of the main motion as amended and asked for a roll call vote:

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

This action increases the total state allocation grants to \$203,250 to the Cass County Joint Water Resource District to support the Maple River Watershed Flood Water Retention Study (Upper Maple River Watershed Detention Study, Phase II).

***PONTIAC TOWNSHIP IMPROVEMENT
DISTRICT NO. 73 PROJECT (CASS CO.) -
APPROVAL OF ADDITIONAL STATE
COST PARTICIPATION (\$747,093)
(SWC Project No. 2007)***

On June 13, 2012, the State Water Commission approved a request from the Maple River Water Resource District for state cost participation as a rural flood control project at 45 percent of the eligible costs, not to exceed an

allocation of \$500,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to support the Pontiac Township Improvement District No. 73 project. The project was developed to reduce the impacts of flooding conditions caused by high water levels on a series of sloughs south of the city of Alice. A drain permit and assessment vote passed after funding for the project was approved.

When the bids were completed in the fall of 2012, the lowest responsible bid exceeded the estimated cost for the project, which was attributed to the escalation in material and construction-related costs. In an effort to limit the additional costs, the District modified and eliminated some features of the project that did not substantially impact the operation and associated benefits. Issues with the suppliers of the pipe materials required were resolved by incorporating a different pipe material into certain portions of the project, which provides an added level of durability and life expectancy. Improvements to areas downstream of the outlet were added to address impacts raised during the permitting process.

The project engineer's revised estimated cost is \$3,385,000, of which \$2,771,318 is determined eligible for state cost participation at 45 percent (\$1,247,093). A request from the Maple River Water Resource District was presented for the State Water Commission's consideration for a 45 percent state cost participation of the eligible costs.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, not to exceed an additional allocation of \$747,093 (45 percent state cost participation of the eligible costs (\$2,771,318) less \$500,000 approved June 13, 2012) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Maple River Water Resource District to support the Pontiac Township Improvement District No. 73 project. The Commission's affirmative action would increase the total state cost participation grant to \$1,247,093.

It was moved by Commissioner Foley and seconded by Commissioner Vosper that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, not to exceed an additional allocation of \$747,093 (45 percent state cost participation of the eligible costs (\$2,771,318) less \$500,000 approved June 13, 2012) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Maple River Water Resource District to support the Pontiac Township Improvement District No. 73 project. This action is contingent upon the availability of funds, satisfaction of the required drain permit, and receipt of the final engineering plans.

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

This action increases the total State Water Commission state cost participation grant to \$1,247,093 to support the Pontiac Township Improvement District No. 73 project.

TRI-COUNTY DRAIN RECONSTRUCTION PROJECT - APPROVAL OF STATE COST PARTICIPATION (\$911,881) (SWC Project No. 1217)

A request from the Tri-County Water Resource District (Ransom, Richland, and Sargent counties) was presented for the State Water Commission's consideration for state cost participation in the Tri-County Drain reconstruction

project. The drain was constructed in the early 1900s and continues to function as a rural flood control measure for the local farming community. During spring runoff the drain has been flowing at or near capacity increasing the need for better flow characteristics and additional storage capacity. Tiling of adjacent farmland has also increased the flows into the drain.

The proposed project would reconstruct approximately 7 miles at the southeast end of the drain, flatten the channel slopes, re-grade the drain flow line, and increase the opening sizes at roadway crossings. The existing metal culverts at roadway crossings would be replaced with concrete box culverts.

It was the general consensus of the State Water Commission members that tiling of farmland and its downstream effects be discussed at a future cost share policy committee meeting.

The project engineer's cost estimate is \$2,041,401, of which \$2,026,401 is determined eligible for state cost participation as a rural flood control project at 45 percent of the eligible costs (\$911,881).

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, not to exceed an allocation of \$911,881 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Tri-County Water Resource District to support the Tri-County Drain reconstruction project.

It was moved by Commissioner Berg and seconded by Commissioner Swenson that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, not to exceed an allocation of \$911,881 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Tri-County Water Resource District to support the Tri-County Drain reconstruction project. This action is contingent upon the availability of funds, satisfaction of the required permits, and receipt of the final engineering plans.

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

**SHEYENNE RIVER VALLEY
FLOOD CONTROL PROGRAM -
CITY OF LISBON PERMANENT
FLOOD CONTROL PROJECT,
PHASE I - LEVEE C PROJECT -
APPROVAL OF ADDITIONAL
STATE COST PARTICIPATION
GRANTS (\$3,166,000)
(SWC Project No. 1991)**

On May 29, 2014, the State Water Commission adopted a motion to approve a state cost participation grant as a flood control project at 60 percent of the eligible costs (\$6,509,760); a state cost participation grant to mitigate the flood risk from the Devils Lake outlets at 20 percent of the eligible costs (\$309,675); and a loan to the city of Lisbon from the State Water

Commission for the local cost share (\$536,302), for a total state cost participation grant not to exceed an allocation of \$1,238,698 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Lisbon for its permanent flood protection project, Phase I - Levee A.

On September 18, 2014, the State Water Commission adopted a motion to approve a state cost participation grant as a flood control project at 60 percent of the eligible costs (\$510,000); a state cost participation grant to mitigate the flood risk from the Devils Lake outlets at 20 percent of the eligible costs (\$170,000); and a loan to the city of Lisbon from the State Water Commission for the local cost share (\$170,000), for a total state cost participation grant not to exceed an additional allocation of \$680,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Lisbon for its permanent flood protection project, Phase I - Levee A.

A request from the city of Lisbon was presented for the State Water Commission's consideration for state cost participation for their Phase I - Levee C project. The proposed project will be constructed in the northern portion of the city and involves 2,200 linear feet of permanent flood protection construction (1,700 feet will be earthen levee and 500 feet will be concrete floodwall). This levee will provide flood protection to homes and businesses in the downtown area of the city as well as the city's infrastructure. The project's engineer's estimated cost is \$4,052,500, of which \$3,957,500 is eligible for state cost participation at 60 percent of the eligible costs as a flood control project (\$2,374,500).

It was the recommendation of Secretary Sando that the State Water Commission: 1) approve a state cost participation grant as a flood control project at 60 percent of the eligible costs (\$2,374, 500); 2) deviate from its

current cost share policy to approve an additional state cost participation grant of 20 percent of the eligible costs (\$791,500) to mitigate the flood risk from the Devils Lake outlets, which would provide a total state cost participation grant of 80 percent not to exceed a total additional allocation of \$3,166,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Lisbon for its permanent flood protection project, Phase 1 - Levee C; and 3) approve a loan from the State Water Commission to the city of Lisbon for the local cost share (\$886,500), with an interest rate of one and one-half percent, and authorize the Secretary to the Commission to negotiate the term of the loan.

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

- 1) approve a state cost participation grant as a flood control project at 60 percent of the eligible costs (\$2,374,500);***

- 2) approve a state cost participation grant to mitigate the flood risk from the Devils Lake outlets at 20 percent of the eligible costs (\$791,500); and***

- 3) approve a loan to the city of Lisbon from the State Water Commission for the local cost share (\$886,500), at an interest rate of one and one-half percent; and, authorize the Secretary to the State Water Commission to negotiate the term of the loan.***

The above approvals include total state cost participation grants of 80 percent not to exceed a total allocation of \$3,166,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B.1020), and a loan in the amount of \$886,500 to the city of Lisbon for its permanent flood protection project, Phase 1-Levee C.

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

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

**SHEYENNE RIVER VALLEY
FLOOD CONTROL PROGRAM -
CITY OF LISBON FLOODWAY
PROPERTY ACQUISITION PROJECT -
APPROVAL OF ADDITIONAL STATE
COST PARTICIPATION (\$110,250)
(SWC Project No. 1991-05)**

On March 7, 2012, the State Water Commission approved a request from the city of Lisbon for a state cost participation grant at 75 percent of the eligible costs not to exceed an allocation of \$645,000 from the funds appropriated to State Water Commission in 2011 Senate Bill 2371, to support the acquisition

of 25 properties for the city's permanent flood protection project.

On February 27, 2013, the State Water Commission approved a request from the city of Lisbon for a state cost participation grant at 75 percent of the eligible costs not to exceed an additional allocation of \$243,750 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020) to support the acquisition of 3 additional properties for the city's flood protection project.

In January, 2014, the State Engineer approved one additional property for the project, no additional funding was requested from the city for this property.

Following completion of the detailed geotechnical engineering study, the alignment of the proposed levee was redesigned, and the footprint was moved further from the river because of slope stability concerns. A request from the city of Lisbon was presented for the State Water Commission's consideration for state cost participation for an additional \$110,250 for the acquisition of 8 additional properties for the city's flood protection project. The estimated purchase price for these properties is \$147,000, which is eligible for state cost participation. The city has provided the information required under the State Water Commission's floodway property acquisition cost share policy. The request before the State Water Commission is for a 75 percent state cost participation in the amount of \$110,250.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant at 75 percent of the eligible costs, not to exceed an additional allocation of \$110,250 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Lisbon to support the city's floodway property acquisition project. The Commission's affirmative action would increase the total state allocation grant to \$999,000.

It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve a state cost participation grant at 75 percent of the eligible costs, not to exceed an additional allocation of \$110,250 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Lisbon to support the city's floodway property acquisition project. This action is contingent upon the availability of funds, and the criteria stipulated in the State Water Commission's floodway property acquisition cost share policy.

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

This action increases the total state allocation grant to \$999,000 to the city of Lisbon to support the city's floodway property acquisition project.

***SHEYENNE RIVER VALLEY
FLOOD CONTROL PROGRAM -
CITY OF VALLEY CITY FLOOD
PROTECTION PROJECT, PHASE II -
ACQUISITION OF 7 PROPERTIES
(SWC Project No. 1504-05)***

On December 9, 2011, the State Water Commission approved a request from the city of Valley City for state cost participation at 75 percent of the eligible costs, not to exceed an allocation of \$3,000,000 from the funds appropriated to the State Water Commission in 2011

Senate Bill 2371, to support the acquisition of 32 properties in Phase I.

On July 23, 2013, the State Water Commission approved a request from the city of Valley City for state cost participation at 75 percent of the eligible costs, not to exceed an additional allocation of \$1,165,830 from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371, to support the acquisition of an additional 17 properties in Phase II.

The city intends to acquire 7 additional properties in Phase II, and a portion of a property that the landowner has agreed to allow the city to construct the floodwall on the east side of the property. The estimated purchase price for these properties is \$425,104, which is considered eligible for a 75 percent state cost participation grant (\$318,828). The city indicated there are adequate funds previously allocated for the purchase of the additional properties, therefore, no additional funds were requested. A request was presented for the State Water Commission's consideration for acquisition approval of the additional properties.

It was the recommendation of Secretary Sando that the State Water Commission approve the request from the city of Valley City for the acquisition of additional properties in Phase II of their flood protection project.

It was moved by Commissioner Nodland and seconded by Commissioner Vosper that the State Water Commission approve the acquisition of additional properties in the city of Valley City Flood Protection Project, Phase II.

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

2013-2015 STATE WATER SUPPLY PROJECTS - APPROVAL OF CROP REIMBURSEMENTS (SWC Project Nos. 2050-BAR, 2050-GFT, 2050-RAM, 2050-NOC, 2050-NOE, 237-03-STU)

Six regional water supply systems developed their funding packages to initiate their projects based on state cost participation which included crop reimbursement. Crop reimbursement is considered a project cost incurred relating to negotiations with landowners to

address claims related to easements. Under the State Water Commission's cost share policy, effective October 1, 2014, easement-related costs are considered an ineligible item and are excluded from cost share.

Representatives of the affected rural water districts requested that the State Water Commission reconsider the acquisition of easement-related costs eligible for state cost participation specifically relating to crop reimbursement.

Secretary Sando recommended that in an effort to financially assist the rural water districts in the construction of their projects, it would be appropriate for the State Water Commission to reconsider state cost participation for a one-time allowance to participate in the acquisition of easement costs to provide for the reimbursement of the actual eligible costs on crop reimbursement for the following projects. Future projects could obtain loans and establish water rates based on their responsibility to address crop reimbursement:

- 1) ***Barnes Rural Water District - 2014 water project:***
75 percent, not to exceed crop reimbursement of \$174,000
- 2) ***Grand Forks-Trail Water District, Phase I:***
75 percent, not to exceed crop reimbursement of \$136,500

Grand Forks-Trail Water District, Phase II:

50 percent, not to exceed crop reimbursement of \$35,000

3) **Greater Ramsey Water District - Expansion Project:**

75 percent, not to exceed crop reimbursement of \$60,000

4) **North Central Rural Water Consortium - Carpio-Berthold, Phase II:**

75 percent, not to exceed crop reimbursement of \$131,250

North Central Rural Water Consortium - Granville-Surrey-Deering:

75 percent, not to exceed crop reimbursement of \$187,500

5) **Northeast Regional Water District - 93rd Street/ABM:**

50 percent, not to exceed crop reimbursement of \$50,000

Northeast Regional Water District - Rural Expansion:

75 percent, not to exceed crop reimbursement of \$187,500

6) **Stutsman Rural Water District, Phase 2:**

70 percent, not to exceed crop reimbursement of \$13,580

Stutsman Rural Water District, Phase 2B:

75 percent, not to exceed crop reimbursement of \$22,500

Stutsman Rural Water District, Phase 3:

75 percent, not to exceed crop reimbursement of \$507,000

It was moved by Commissioner Berg and seconded by Commissioner Hanson that the State Water Commission approve a one-time allowance of previously-approved funding for the above-listed projects to be granted to the local sponsor to participate in the acquisition of easement-related costs and to be reimbursed at the above-listed-percentages of the actual eligible costs on crop reimbursement. This action is contingent upon the availability of funds, and that the issue of acquisition of easement-related costs be referred to the State Water Commission's cost share policy committee.

Commissioners Berg, Foley, Tom Bodine representing Commissioner Goehring, Hanson, Thompson, Vosper, and Governor Dalrymple voted aye. Commissioner Swenson voted nay. Commissioner Nodland was not available for the vote. Recorded votes were 7 ayes; 1 nay. Governor Dalrymple announced the motion carried.

NORTHEAST REGIONAL WATER DISTRICT, 2014 SYSTEM IMPROVEMENTS - APPROVAL OF ADDITIONAL COST PARTICIPATION GRANT (\$376,800) (SWC Project No. 2050-NOE)

On January 1, 2014, the North Valley Water District merged with the Langdon Rural Water District to form the Northeast Regional Water District. The District is currently working on its 2014 system improvements involving the following areas previously served by the Langdon Rural Water District and the North Valley Rural Water District:

following areas previously served by the Langdon Rural Water District and the North Valley Rural Water District:

North Valley Water District/Langdon Rural Water District Facilities Interconnection:

This project was originally referenced as the Langdon Rural Water District, North Valley Nekoma project. The project provides a pipeline interconnection between the North Valley Water District and the Langdon Rural Water District, and modifies the North Valley Water District system with the installation of 2.8 miles of 10" to 6" transmission pipeline. The project will provide an additional 200,000 gallons of storage to meet the required flow demand primarily around Nekoma and to the communities of Edinburg, Adams, and Fairdale. The project serves approximately 2,800 people with 950 users with water purchased from the city of Langdon.

On October 7, 2013, the State Water Commission adopted a motion to approve a state cost participation grant of 50 percent of the eligible costs, not to exceed an allocation of \$800,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Langdon Rural Water District to support the North Valley Nekoma project.

The project engineer's revised estimated cost is \$1,996,800, which is eligible for a state cost participation grant of 50 percent (\$998,400), for an additional allocation of \$198,400 (eligible costs of \$998,400 less \$800,000 approved on October 7, 2013). A request from the Northeast Regional Water District was presented for the State Water Commission's consideration for state cost participation of 50 percent of the eligible costs to support the North Valley Water District/Langdon Rural Water District facilities interconnection.

North Valley Water District ABM Pipeline Replacement:

On October 7, 2013, the State Water Commission adopted a motion to approve a state cost participation grant of 50 percent of the eligible costs, not to exceed an allocation of \$565,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Valley Water District to support the ABM, Phase I project. The project improves the system

capacity between the North Valley Water District and the Langdon Rural Water District. It is a supply route for North Valley Water District customers of Gardar, Milton, Osnabrock and Mountain, as well as for the Langdon Rural Water District customers of Edinburg, Adams, and Fairdale. The project involves the installation of 6 miles of 10" transmission pipeline. North Valley currently serves 8,300 people with 1,340 users. The water supply is permitted from the Icelandic River aquifer, and the water treatment plant is an iron/manganese removal greensand pressure system.

Because of increased construction bid costs, the project engineer's revised estimated cost is \$1,327,600, which is eligible for state cost participation of 50 percent of the eligible costs (\$663,800), for an additional allocation of \$98,800 (eligible costs of \$663,800 less \$565,000 approved on October 7, 2013). A request from the Northeast Regional Water District was presented for the State Water Commission's consideration for state cost participation of 50 percent of the eligible costs to support the North Valley Water District ABM Pipeline replacement.

North Valley Water District 93rd Street Expansion:

On October 7, 2013, the State Water Commission adopted a motion to approve a state cost participation grant of 50 percent of the eligible costs, not to exceed an allocation of \$1,290,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Valley Water District to support the 93rd Street project. The project would improve the system capacity in rural regions around the cities of Cavalier, Hamilton, Glasston, as well as the city of St. Thomas with the installation of 19 miles of 10" to 6" transmission pipeline and improvements made to the St. Thomas reservoir/pump station.

Because of increased construction bid costs, the project engineer's revised estimated cost is \$2,739,200, which is eligible for state cost participation of 50 percent of the eligible costs (\$1,369,600), for an additional allocation of \$79,600 (eligible costs of \$1,369,600 less \$1,290,000 approved on October 7, 2013). A request from the Northeast Regional Water District was presented for the State Water Commission's consideration for state cost participation of 50 percent of the eligible costs to support the North Valley Water District 93rd Street expansion.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 50 percent of the eligible costs, not to exceed a total additional allocation of \$376,800 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Northeast Regional Water District to support the North Valley Water District/Langdon Rural Water District facilities interconnection, the North Valley Water

District ABM pipeline replacement, and the North Valley Water District 93rd Street expansion projects.

It was moved by Commissioner Vosper and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant not to exceed a total additional allocation of \$376,800 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020) to the Northeast Regional Water District to support the following projects:

1) a 50 percent state cost participation grant of the eligible costs not to exceed an additional allocation of \$198,400 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Northeast Regional Water District to support the North Valley Water District/Langdon Rural Water District facilities interconnection;

2) a 50 percent state cost participation grant of the eligible costs not to exceed an additional allocation of \$98,800 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Northeast Regional Water District to support the North Valley Water District ABM pipeline replacement; and

3) a 50 percent state cost participation grant of the eligible costs not to exceed an additional allocation of \$79,600 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Northeast Regional Water District to support the North Valley Water District 93rd Street expansion.

These actions are contingent upon the availability of funds, subject to future revisions, and authorizes the Secretary to the State Water Commission to transfer funds within the project phases to facilitate project completion.

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

These actions increase the total state allocation grants to \$4,831,800 (North Valley Water District/Langdon Rural Water District facilities interconnect - \$998,400; North Valley Water District ABM pipeline replacement - \$663,800; North Valley Water District 93rd Street expansion - \$1,369,600; and Northeast Regional Water District - \$1,800,000 for 2013/2014 rural expansion approved on October 7, 2013 and May 29, 2014).

GRAND FORKS TRAILL WATER DISTRICT, SYSTEM IMPROVEMENTS PHASE 2 - APPROVAL OF ADDITIONAL STATE COST PARTICIPATION GRANT (\$362,000) (SWC Project No. 2050-GFT)

On June 13, 2012, the State Water Commission adopted a motion approving state cost participation of a 75 percent grant, not to exceed an allocation of \$3,700,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B.

2020) to the Grand Forks Traill Water District to support their 2012 rural expansion project, Phase 1. The project involved 121 miles of 4" to 2" pipeline for approximately 200 new users, at an estimated total project cost of \$4,920,000.

On October 7, 2013, the State Water Commission adopted a motion approving state cost participation not to exceed an additional allocation of \$3,390,000 (\$2,900,000 - 50 percent grant for system improvements; and \$490,000 - 75 percent grant for rural expansion) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), for the Grand Forks Traill Water District system improvements and the rural expansion, Phase 2 projects.

Because of increased construction bid costs for the system improvements project, Phase 2, the project engineer's revised estimated cost is \$6,524,000, which is eligible for state cost participation of 50 percent of the eligible costs (\$3,262,000). A request from the Grand Forks Traill Water District was presented for the State Water Commission's consideration for state cost participation of 50 percent of the eligible costs for the system improvements project, Phase 2.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 50 percent of the eligible costs of the system improvements project, Phase 2, not to exceed an additional allocation of \$362,000 (eligible costs of \$3,262,000 less \$2,900,000 approved on October 7, 2013), from the funds appropriated to the State Water Commission in the 2013-2015 biennium, to the Grand Forks Traill Water District to support their system improvements project, Phase 2. The Commission's affirmative action would increase the total state allocation grants to \$7,452,000 for the Grand Forks Traill Water District projects, Phases 1 and 2 (\$3,262,000-system improvements; and \$4,190,000-rural expansion).

It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a state cost participation grant of 50 percent of the eligible costs, not to exceed an additional allocation of \$362,000 (eligible costs of \$3,262,000 less \$2,900,000 approved on October 7, 2013), from the funds appropriated to the State Water Commission in the 2013-2015 biennium, to the Grand Forks Trill Water District to support their system improvements project, Phase 2. This action is contingent upon the availability of funds, and is subject to future revisions.

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

This action increases the total state allocation grants to \$7,452,000 for the Grand Forks Trill Water District projects, Phases 1 and 2 (\$3,262,000-system improvements; and \$4,190,000-rural expansion).

***CITY OF PARK RIVER WATER
SUPPLY IMPROVEMENTS PROJECT -
APPROVAL OF ADDITIONAL STATE
COST PARTICIPATION GRANT (\$203,000)
(SWC Project No. 2050-PAR)***

On October 7, 2013, the State Water Commission adopted a motion approving a state cost participation grant of 50 percent of the eligible costs, not to exceed an allocation of \$1,350,000 from the funds appropriated to the State

Water Commission in the 2013-2015 biennium (H.B. 1020), to the city of Park River to support their water supply improvements project.

Because of increased construction bid costs for removal of the existing 50,000 gallon water tower, construction of a new 250,000 gallon water tower, installation of new water mains, and the installation of a high service pump station to address current and future demands of the system, the project engineer's revised estimated cost is \$3,106,000, which is eligible for state cost participation of 50 percent of the eligible costs (\$1,553,000). A request from the city of Park River was presented for the State Water Commission's consideration for state cost participation of 50 percent of the eligible costs.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 50 percent of the eligible costs, not to exceed an additional allocation of \$203,000 (eligible costs of \$1,553,000 less \$1,350,000 approved on October 7, 2013), from the funds appropriated to the State Water Commission in the 2013-2015 biennium, to the city of Park River to support their water supply improvements project. The Commission's affirmative action would increase the total state allocation grants to \$1,553,000 for the city of Park River water supply improvements project.

It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a state cost participation grant of 50 percent of the eligible costs, not to exceed an additional allocation of \$203,000 (eligible costs of \$1,553,000 less \$1,350,000 approved on October 7, 2013), from the funds appropriated to the State Water Commission in the 2013-2015 biennium, to the city of Park River to support their water supply improvements project. This action is contingent upon the availability of funds, and is subject to future revisions.

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

This action increases the total state allocation grants to \$1,553,000 for the city of Park River's water supply improvements project.

***BARNES RURAL WATER DISTRICT,
RURAL EXPANSION PROJECT -
APPROVAL OF ADDITIONAL
STATE COST PARTICIPATION
GRANT (\$2,602,750)
(SWC Project No. 2050-BAR)***

On October 7, 2013, the State Water Commission adopted a motion approving a state cost participation grant of 75 percent of the eligible costs not to exceed an allocation of \$3,290,000 for their rural expansion project to provide service to 150 new rural

users in the un-served areas. The Barnes Rural Water District currently serves 4,057 people in Barnes county.

A request from the Barnes Rural Water District was presented for the State Water Commission's consideration for state cost participation of 75 percent to provide water service for 163 rural users and for the city of Kathryn. The water supply is from the wells in the Spiritwood aquifer and treated with an iron and manganese removal water treatment plant. The project engineer's revised estimated cost is \$7,857,000, which is eligible for state cost participation of 75 percent of the eligible costs (\$5,892,750).

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 75 percent of the eligible costs, not to exceed an additional allocation of \$2,602,750 (eligible costs of \$5,892,750 less \$3,290,000 approved on October 7, 2013) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Barnes Rural Water District to support their rural expansion project. The Commission's affirmative action would increase the total state allocation grants to \$7,846,335 (\$1,953,585 for the Barnes Rural Water District water treatment plant, and \$5,892,750 for the District's rural expansion project).

It was moved by Commissioner Thompson and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant of 75 percent of the eligible costs, not to exceed an additional allocation of \$2,602,750 (eligible costs of \$5,892,750 less \$3,290,000 approved on October 7, 2013) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Barnes Rural Water District to support their rural expansion project. This action is contingent upon the availability of funds, and is subject to future revisions.

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

This action increases the total state allocation grants to \$7,846,335 (\$1,953,585 for the Barnes Rural Water District water treatment plant, and \$5,892,750 for the District's rural expansion project).

***NORTH CENTRAL RURAL WATER
CONSORTIUM II, DEERING-GRANVILLE-
SURREY RURAL WATER SUPPLY -
APPROVAL OF ADDITIONAL STATE
COST PARTICIPATION GRANT (\$771,750)
(SWC Project No. 2050-NOC)***

On July 23, 2013, the State Water Commission adopted a motion approving a state cost participation grant of 75 percent, not to exceed an allocation of \$180,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020) to the

North Central Rural Water Consortium II for engineering and a cultural resource study of the Granville-Deering rural water supply project. The project addresses water supply service in northeastern Ward county and McHenry county. The project involves 147 miles of 3" to 2" pipeline for approximately 165 rural users and service for the city of Deering. The estimated total project cost was \$4,000,000.

On May 29, 2014, the State Water Commission adopted a motion approving a state cost participation grant of 75 percent, not to exceed an additional allocation of \$4,800,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Central Rural Water Consortium II to support the Deering-Granville-Surrey water supply project. The proposed project involved 147 miles of 6" to 2" pipeline for approximately 191 rural users and 69 service connections in the city of Deering.

The project was bid in 2014 but was delayed because of high bids. The project will be re-bid in 2015 with construction anticipated in 2015/2016. The project engineer's revised estimated cost is \$7,669,000,

which is eligible for state cost participation of 75 percent (\$5,751,750). A request from the North Central Rural Water Consortium II was presented for the State Water Commission's consideration for state cost participation of 75 percent of the eligible costs.

It was the recommendation of Secretary Sando that the State Water Commission approve a state cost participation grant of 75 percent of the eligible costs, not to exceed an additional allocation of \$771,750 (eligible costs of \$5,751,750 less \$4,800,000 approved on May 29, 2014) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Central Rural Water Consortium II to support the Deering-Granville-Surrey water supply project. The Commission's affirmative action would increase the total state allocation grants to \$5,751,750.

It was moved by Commissioner Thompson and seconded by Commissioner Hanson that the State Water Commission approve a state cost participation grant of 75 percent of the eligible costs, not to exceed an additional allocation of \$771,750 (eligible costs of \$5,751,750 less \$4,800,000 approved on May 29, 2014) from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the North Central Rural Water Consortium II to support the Deering-Granville-Surrey water supply project. This action is contingent upon the availability of funds, and is subject to future revisions.

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

This action increases the total state allocation grants to \$5,751,750 to the North Central Rural Water Consortium II to support the Deering-Granville-Surrey water supply project.

***2015 FISCAL YEAR FEDERAL MR&I
FUNDING APPROVAL FOR SOUTH-
WEST PIPELINE PROJECT (\$5,740,000)
(SWC Project No. 1736)***

Water Supply program. On May 29, 2014, the State Water Commission adopted a motion approving a federal Fiscal Year 2015 MR&I grant of 75 percent, not to exceed \$575,000, to the South Central Regional Water District, Phase V; and state administration - \$325,000.

The 2015 proposed federal budget includes funding for the Garrison Diversion Unit, of which \$6,640,000 is for funding projects under the North Dakota Municipal, Rural and Industrial (MR&I)

It was the recommendation of Secretary Sando that the State Water Commission approve the remaining 2015 federal Fiscal Year MR&I grant funds in the amount of \$5,740,000 to the Southwest Pipeline Project for the raw water intake. The estimated project cost is \$18,394,000, and involves the installation of a vertical concrete caisson, micro-tunneled intake pipe, and intake screen structure on the terminus of the intake pipe.

It was moved by Commissioner Berg and seconded by Commissioner Vosper that the State Water Commission approve 2015 federal Fiscal Year MR&I grant funds in the amount of \$5,740,000 to the Southwest Pipeline Project for the raw water intake. This action is contingent upon the availability of funds, satisfaction of the federal MR&I Water Supply program requirements, and is subject to future revisions.

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

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

Pat Zavoral, city of Fargo, provided updates on the local, state and federal efforts currently underway on the Fargo Moorhead Area Diversion project.

Considerable work has taken place locally to acquire land necessary for the diversion project, mitigate the impacts of the project, and construct levees that are a necessary piece of the operation of the project. Approximately 63 parcels of land and structures are in the process of being acquired, which about one-third of those parcels that have been purchased or pending final details. A majority of those parcels are in the city of Oxbow to provide that community with flood protection and mitigate the impacts of the larger diversion project, while the other parcels are in the city of Fargo. This makes up approximately 3,000 total acres of land.

It is anticipated that the second of four phases of the Oxbow ring levee will be bid and constructed in 2015 at a cost of approximately \$10,000,000. This entails work on local drainage features as land and homes are acquired to make way for future levee work in 2015 and finalized in 2017. Major utility relocation will be undertaken in 2015 in Fargo, with flood wall construction planned for 2016. The total cost of the diversion-related flood protection work in Fargo is estimated to be \$76 million.

Current efforts at the state level include seeking additional funding from the State Legislature through Senate Bill 2020, which is the legislation that carries the Governor's budget for the State Water Commission and contains funding for water projects across the state.

Efforts continue with the Minnesota Department of Natural Resources to complete that state's required Environmental Impact Statement (EIS) on the diversion project, which is anticipated in 2015.

The North Dakota congressional delegation and the Corps of Engineers are working to develop the most effective financing and implementation for the project. The Corps has identified the project as a "demonstration project" as it looks for ways to modernize its efforts and effectively construct the project. This new approach by the Corps was written into the 2014 federal legislation for water development as part of the Water Resources Reform and Development Act. Similar efforts are being discussed for funding legislation in 2015.

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

The Southwest Pipeline Project report was presented, which is detailed in the staff memorandum dated February 24, 2015, and attached as ***APPENDIX "E"***.

***SOUTHWEST PIPELINE PROJECT -
AWARD OF CONTRACT 7-9G,
DUNN CENTER/HALLIDAY SERVICE
AREAS RURAL DISTRIBUTION
SYSTEM - BID SCHEDULE 1 TO
SWANBERG CONSTRUCTION, INC.,
VALLEY CITY, ND (\$5,663,889.00);
AND BID SCHEDULE 2 TO
NORTHERN IMPROVEMENT COMPANY,
FARGO, ND (\$6,767,881.10)
(SWC Project No. 1736-99)***

Southwest Pipeline Project 7-9G, Halliday and Dunn Center Service Areas Rural Distribution System, includes furnishing and installing approximately 330 miles of 6" - 1 1/2" ASTM D2241 PVC gasketed joint pipe, 395 services, road crossings, connections to existing pipelines, and other related appurtenances. The project is located in Mercer and Dunn counties.

The contract consists of two Bid Schedules, which may be awarded individually to separate contractors or as a combination of both Schedules to one contractor. Bid Schedule 1 consists of furnishing and installing approximately 170 miles of 6" - 1 1/2" ASTM D2241 PVC gasketed joint pipe, and 171 services. The area is east of the city of Halliday. Bid Schedule 1 has an intermediate completion date of November 1, 2015 for a portion identified as "Intermediate Completion Area" on the drawings. This area includes installation of ap-

proximately 37 miles of pipeline and 32 new services. The substantial completion date for Bid Schedule 1 is August 1, 2016. The engineer's estimate using the average bid price from the most recent Southwest Pipeline Project rural water distribution bid for Bid Schedule 1 is \$5,800,000.

Bid Schedule 2 consists of furnishing and installing approximately 160 miles of 6" - 1 1/2" ASTM D2241 PVC gasketed joint pipe, and 224 services. The area is west of the city of Halliday. The substantial completion date for Bid Schedule 2 is September 15, 2016. For Bid Schedule 2, the average bid price for the most recent Southwest Pipeline Project rural water distribution bid was increased by 10 percent to account for the cost of the installation in the oil exploration area. The estimated bid cost for Bid Schedule 2 is \$7,200,000.

Four bid packages were received and all were opened for Bid Schedule 1. Bids were received from: Eatherly Constructors, Inc., Leawood, KS; JMAC Resources, Inc., Williston, ND; Northern Improvement Company, Fargo, ND; and Swanberg Construction, Inc., Valley City, ND. For Bid Schedule 2, bids were received from: Eatherly Constructors, Inc., Leawood, KS; JMAC Resources, Inc., Williston, ND; Northern Improvement Company, Fargo, ND; and Swanberg Construction, Inc., Valley City, ND. The apparent low bid received for Bid Schedule 1 was \$5,663,889.00 from Swanberg Construction, Inc., Valley City, ND. The apparent low bid received for Bid Schedule 2 was \$6,082,119.27 from JMAC Resources, Inc., Williston, ND.

The Southwest Pipeline Project engineer, Bartlett & West/AECOM (BW/AECOM) informed the Commission staff in February, 2015, of a potential conflict of interest with JMAC Resources, Inc., Williston, ND.

The contract documents allow the State Water Commission to select the most advantageous bid. Because of the conflict of interest between JMAC Resources and BW/AECOM, the North Dakota Office of Attorney General hired Houston Engineering, Inc., to review the bids received and provide a recommendation. The memorandum from the Assistant Attorney General dated March 10, 2015, the review of the bids, and recommendation letter from Houston Engineering, Inc. dated March 10, 2015 are included herewith as **APPENDIX "F"**.

Based on the review of bids received and the recommendation provided by Houston Engineering, Inc., it was the recommendation of Secretary Sando that the State Water Commission authorize the Secretary to the Commission to award Southwest Pipeline Project Contract 7-9G, Bid Schedule 1 in the amount of \$5,663,889.00, to Swanberg Construction, Inc., Valley City, ND, and Contract 7-9G, Bid Schedule 2 in the amount of \$6,767,881.10 to Northern

Improvement Company, Fargo, ND. The award of the contract and notice to proceed are dependent on the satisfactory completion and submission of the contract documents by Swanberg Construction, Inc. and Northern Improvement Company, and review/approval by the Commission's legal counsel.

It was moved by Commissioner Nodland and seconded by Commissioner Berg that the State Water Commission authorize the Secretary to the Commission to award Southwest Pipeline Project Contract 7-9G, Bid Schedule 1 in the amount of \$5,663,889.00, to Swanberg Construction, Inc., Valley City, ND, and Contract 7-9G, Bid Schedule 2 in the amount of \$6,767,881.10 to Northern Improvement Company, Fargo, ND. This action is contingent upon the satisfactory completion and submission of the contract documents by Swanberg Construction, Inc. and Northern Improvement Company, and review/approval by the Commission's legal counsel.

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

***SOUTHWEST PIPELINE PROJECT -
AUTHORIZE SECRETARY TO SWC TO
EXECUTE AMENDMENTS TO WATER
SERVICE CONTRACTS FOR MISSOURI
WEST WATER SYSTEM, AND MISSOURI
BASIN WELL SERVICE (1736-SWA-09)
(SWC Project No. 1736-99)***

On May 29, 2014, the State Water Commission adopted a motion authorizing the Secretary to the Commission to execute amendments to water service contracts with Southwest Pipeline Project customers to enforce the industrial permit conditions and increased the rate for water used for the oil industry.

Water service contract amendments to customers prohibiting the resale of water include the Assumption Abbey, Home on the Range, Sacred Heart Monastery - potable, Sacred Heart Monastery - raw, Theodore Roosevelt Medora Foundation, and Red Trail Energy. The Perkins County Rural Water System water service contract will be amended to enforce the industrial permit conditions and increased rate for water used for the oil industry; and the Lake Shore Estate water service contract will be amended to prohibit the sale of industrial water.

Draft amendment No. 1 to the water service contract between the Missouri West Water System, Southwest Water Authority, and the State Water Commission was presented for the State Water Commission's consideration. The amendment enforces the industrial permit conditions and increased

rate for water used for the oil industry, and includes the third point of connection with additional flow rate (approved by the State Water Commission on September 15, 2014).

Draft amendment No. 1 to the water service contract between the Missouri Basin Well Service, Southwest Water Authority, and the State Water Commission was presented for the State Water Commission's consideration. The amendment enforces the industrial permit conditions and increased the rate for water used for the oil industry. Because the customer is allowed to utilize water for industrial purposes under the water service contract amendment, the State Water Commission is a party to the water service contract.

It was the recommendation of Secretary Sando that the State Water Commission finalize and authorize the Secretary to the Commission to execute amendment No. 1 to the water service contract between the Missouri West Water System, Southwest Water Authority, and the State Water Commission; and amendment No. 1 to the water service contract, 1736-SWA-09, between the Missouri Basin Well Service, Southwest Water Authority, and the State Water Commission.

It was moved by Commissioner Nodland and seconded by Commissioner Thompson that the State Water Commission finalize and authorize the Secretary to the Commission to execute amendment No. 1 to the water service contract between the Missouri West Water System, Southwest Water Authority, and the State Water Commission; and amendment No. 1 to water service contract, 1736-SWA-09, between the Missouri Basin Well Service, Southwest Water Authority, and the State Water Commission. This action is contingent upon review/approval by the Commission's legal counsel. SEE APPENDIX "G"

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

***MOUSE RIVER ENHANCED
FLOOD PROTECTION PROJECT -
STATUS REPORT
(SWC Project No. 1974-01)***

The Mouse River Enhanced Flood Protection project status report was provided, which is detailed in the staff memorandum dated February 27, 2015, and attached as ***APPENDIX "H"***.

**MOUSE RIVER ENHANCED
FLOOD CONTROL PROJECT -
ENVIRONMENTAL ENGINEERING -
APPROVAL OF STATE COST
PARTICIPATION GRANT (\$3,000,000)
(SWC Project No. 1974-01)**

A request from the Souris River Joint Water Resource Board was presented for the State Water Commission's consideration for state cost participation for environmental work associated with the Mouse River Enhanced Flood Protection project. In order for the project to

advance, the Board is required to comply with the National Environmental Policy Act (NEPA) and develop environmental documentation for the various segments of the project that can demonstrate independent utility, particularly the project reach that spans from upstream of Burlington to downstream of Minot. The work on the preliminary engineering report, as well as the basin-wide hydrologic and hydraulic evaluation have identified this reach of the project as being hydraulically independent, and is the reach of the river where the urban damages were most heavily concentrated.

The work will include developing impact mitigation strategies, overall project design guidelines, a system-wide improvement framework per the requirements of the Corps of Engineers, independent external peer review of documents per the requirement of the Corps, and other system-wide analyses related to drainage and utility systems that will be used throughout the various phases of design as the project progresses toward construction. The estimated cost for the work associated with the development of an environmental impact statement and the associated system-wide planning efforts is estimated to cost \$5,000,000.

It was the recommendation of Secretary Sando that the State Water Commission approve a 60 percent state cost participation grant not to exceed an allocation of \$3,000,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Souris River Joint Water Resource District to support the environmental engineering efforts for the Mouse River Enhanced Flood Protection project.

It was moved by Commissioner Foley and seconded by Commissioner Vosper that the State Water Commission approve a 60 percent state cost participation grant not to exceed an allocation of \$3,000,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Souris River Joint Water Resource District to support the environmental engineering efforts for the Mouse River Enhanced Flood Protection project. This action is contingent upon the availability of funds, and satisfaction of the required permits.

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

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

The Northwest Area Water Supply (NAWS) project and construction status reports were provided, which are detailed in the staff memorandum dated March 3, 2015, and attached hereto as **APPENDIX "I"**.

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

The Devils Lake hydrologic report, and project updates were provided, which are detailed in the staff memorandum, dated February 27, 2015, and attached as **APPENDIX "J"**.

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

The Missouri River report was provided, which is detailed in the staff memorandum dated March 2, 2015, and attached hereto as **APPENDIX "K"**.

**2015 SIXTY-FOURTH LEGISLATIVE
ASSEMBLY OF NORTH DAKOTA -
UPDATE**

The State Water Commission staff provided a legislative update relative to bills being considered in the 2015 Sixty-Fourth Legislative Assembly of North

Dakota that have a direct impact on water issues.

Senate Bill 2020, the State Water Commission appropriation bill, was heard before the Senate Appropriations Committee on January 15, 2015. Engrossed Senate Bill 2020 is scheduled to be heard before the Education and Environment Division of the House Appropriations Committee on March 19, 2015.

Other bills discussed were H.B. 1095, administrative hearings for drainage permits and clarification of quick take authority; H.B. 1096, water and weather modification permits; H.B. 1097, high or medium hazard dams; H.B. 1145, tracking of water used for oil and gas development; H.B. 1249, Missouri River Empower Council; H.B. 1415, Fargo flood control project funding; H.B. 1456, relating to negotiations for the transfer of excess lands around Lake Sakakawea and Lake Oahe; and S.B. 2336, approval of State Water Commission for expansion of the Western Area Water Supply project.

**GARRISON DIVERSION
CONSERVANCY DISTRICT
(SWC Project No. 237)**

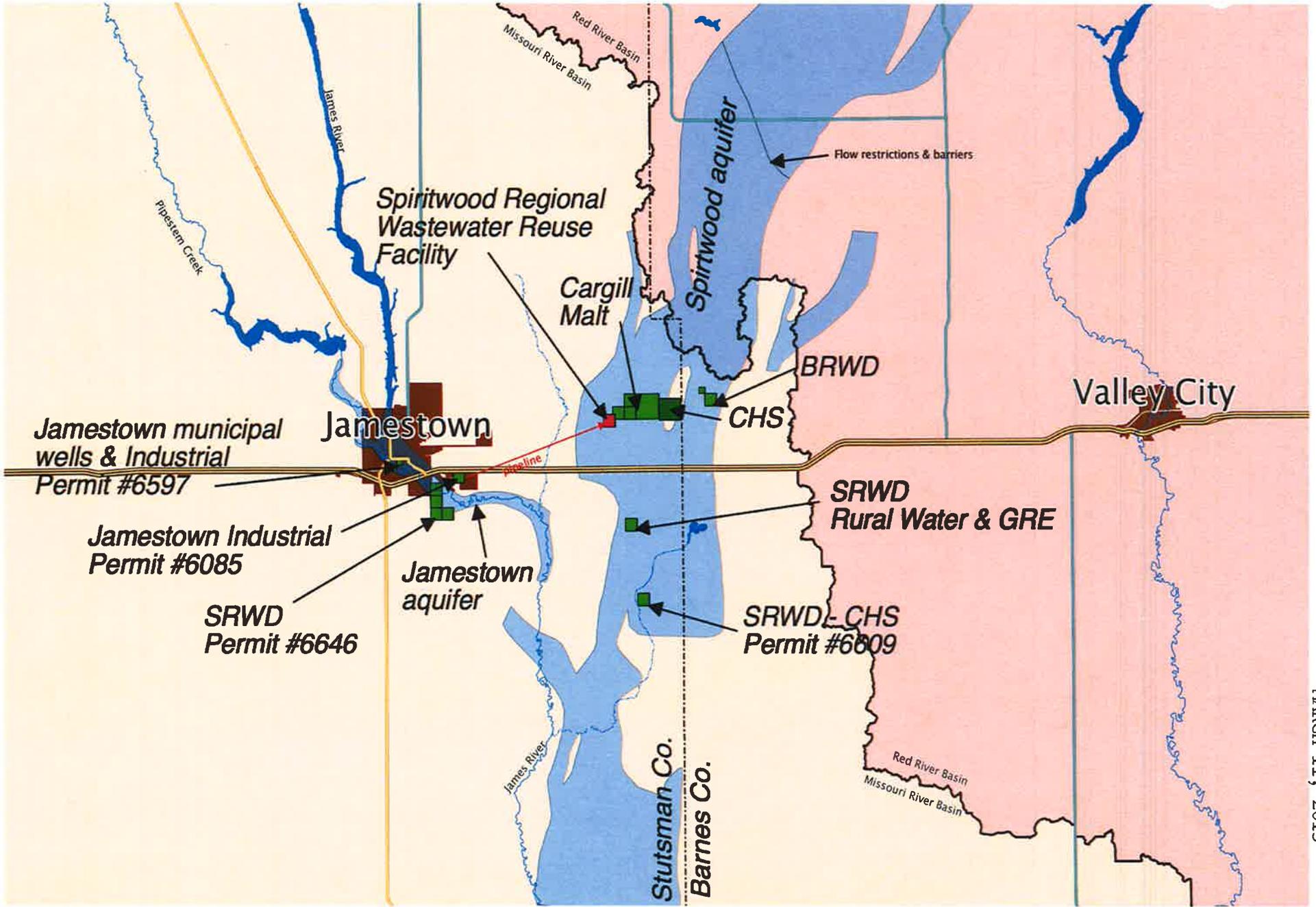
Duane DeKrey, Garrison Diversion Conservancy District general manager, provided a status report relating to the District's current activities.

There being no further business to come before the State Water Commission, Governor Dalrymple adjourned the March 11, 2015 meeting at 5:10 p.m.




Jack Dalrymple, Governor
Chairman, State Water Commission

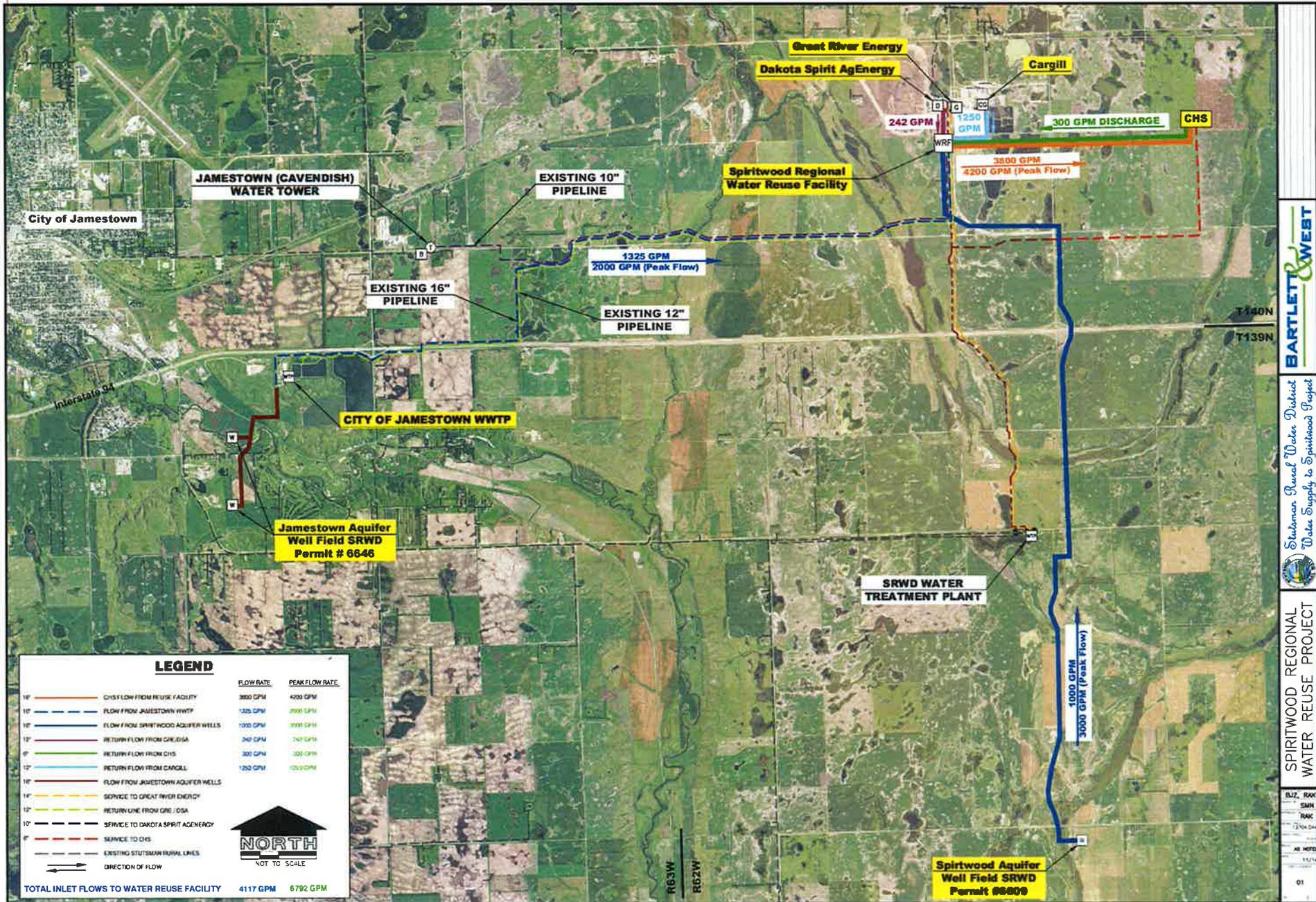

Todd Sando, P.E.
North Dakota State Engineer,
and Chief Engineer-Secretary
to the State Water Commission



SPIRITWOOD REGIONAL WATER REUSE FACILITY PROJECT

March 2015 Project Information





LEGEND

	FLOW RATE	PEAK FLOW RATE
18"	3800 GPM	4200 GPM
10"	1325 GPM	2000 GPM
10"	1000 GPM	3000 GPM
12"	242 GPM	242 GPM
8"	300 GPM	300 GPM
12"	1250 GPM	1250 GPM
18"	3000 GPM	3000 GPM
14"	3000 GPM	3000 GPM
12"	3000 GPM	3000 GPM
10"	3000 GPM	3000 GPM
8"	3000 GPM	3000 GPM

18" CHS FLOW FROM REUSE FACILITY
 10" FLOW FROM JAMESTOWN WWTP
 10" FLOW FROM SPIRITWOOD AQUIFER WELLS
 12" RETURN FLOW FROM CHS
 8" RETURN FLOW FROM CHS
 12" RETURN FLOW FROM CARGILL
 18" FLOW FROM JAMESTOWN AQUIFER WELLS
 14" SERVICE TO GREAT RIVER ENERGY
 12" RETURN LINE FROM GRE / OSA
 10" SERVICE TO DAKOTA SPIRIT AGENCY
 8" SERVICE TO CHS
 --- EXISTING SPIRITWOOD RURAL LINES
 ← DIRECTION OF FLOW

TOTAL INLET FLOWS TO WATER REUSE FACILITY
 4117 GPM 6792 GPM



BARTLETT & WEST

*Sustainable Rural Water District
Water Supply to Spiritwood Project*

**SPIRITWOOD REGIONAL
WATER REUSE PROJECT**

BUZ, RAK
 SMH
 RAK
 12/04/24
 AS NOTED
 11/14
 01

WATER REUSE FACILITY CAPEX & OPEX SUMMARY

Alternative No. 1 - Zero Liquid Discharge (Worst Case)

Conveyance and Pumping	\$21,000,000
DyVar	\$10,150,000
Water Reuse Facility	
Wastewater Unit Processes	\$22,000,000
Water Unit Processes	\$66,000,000
HERO Unit Process	\$25,000,000

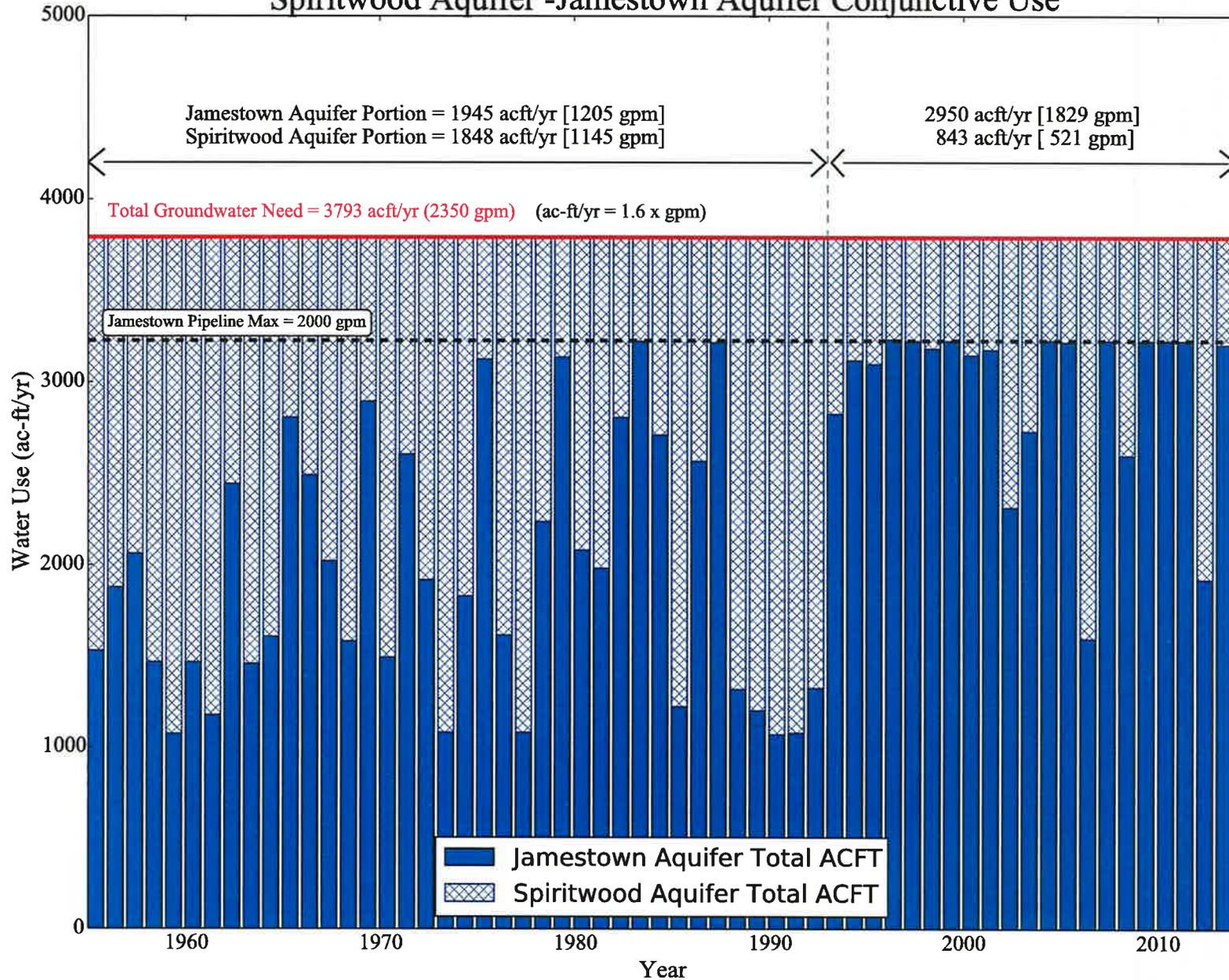
Total Capital Cost	\$144,150,000
Estimated Treatment Cost / 1,000 Gallons	\$3.25

Alternative No. 2 - Surface Discharge of Waste (Best Case)

Conveyance and Pumping	\$22,500,000
DyVar	\$0
Water Reuse Facility	
Wastewater Unit Processes	\$23,000,000
Water Unit Processes	\$69,000,000
HERO Unit Process	\$0

Total Capital Cost	\$114,500,000
Estimated Treatment Cost / 1,000 Gallons	\$1.75

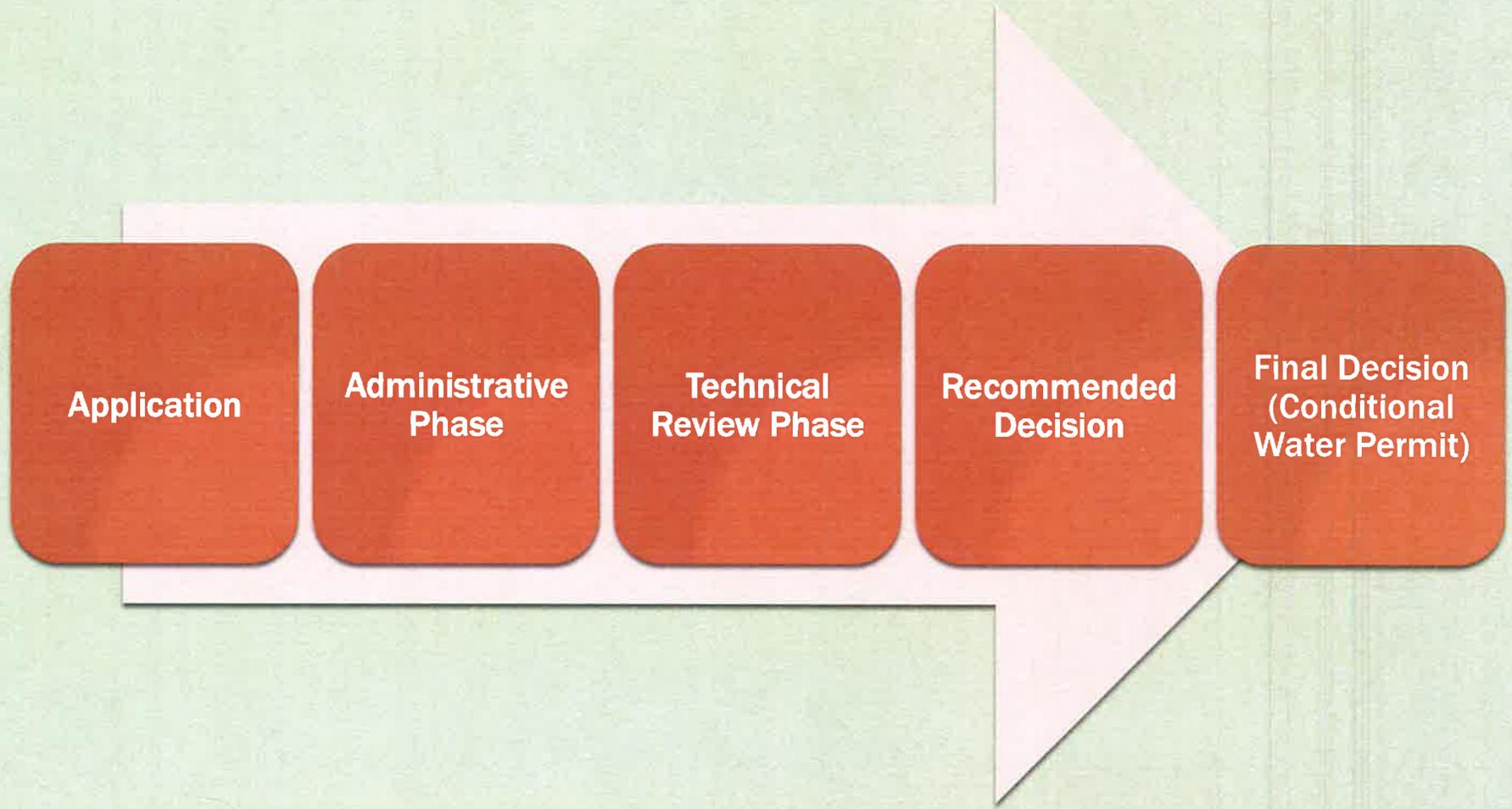
Spiritwood Aquifer -Jamestown Aquifer Conjunctive Use



INDUSTRIAL WATER PERMITS IN THE JAMESTOWN AREA

Application	Amount	Source	Purpose
City of Jamestown #6597	692 acre-feet (432 gpm)	Jamestown Aquifer	DSA (ethanol plant)
Stutsman Rural Water District #6646	4000 acre-feet (2500 gpm)	Jamestown Aquifer	CHS (re-use facility) Conjunctive use with permit #6609
Stutsman Rural Water District #6609	4800 acre-feet (3000 gpm)	Spiritwood Aquifer	CHS (re-use facility) Conjunctive use with permit #6646

STEPS TO A CONDITIONAL WATER PERMIT



PENDING INDUSTRIAL WATER PERMITS FOR CHS NEED THROUGH WATER RE-USE FACILITY

Jamestown aquifer (#6646) Conditions:

- to be used in conjunction with #6609
- require 5 cfs minimum flow in the James River at the USGS gage (at Jamestown) in the April through November time period.
- agreement to replace water in James River with Jamestown's industrial waste-water permit
- Rates above replacement water will be subject to a 100 cfs minimum flow at the James River USGS gage at Lamoure during the irrigation season (May 15th – September 15th).

Spiritwood aquifer (#6609) Conditions:

- to be used in conjunction with #6646
- condition to allow all use to come from this source to cover short term peaking needs and upset conditions

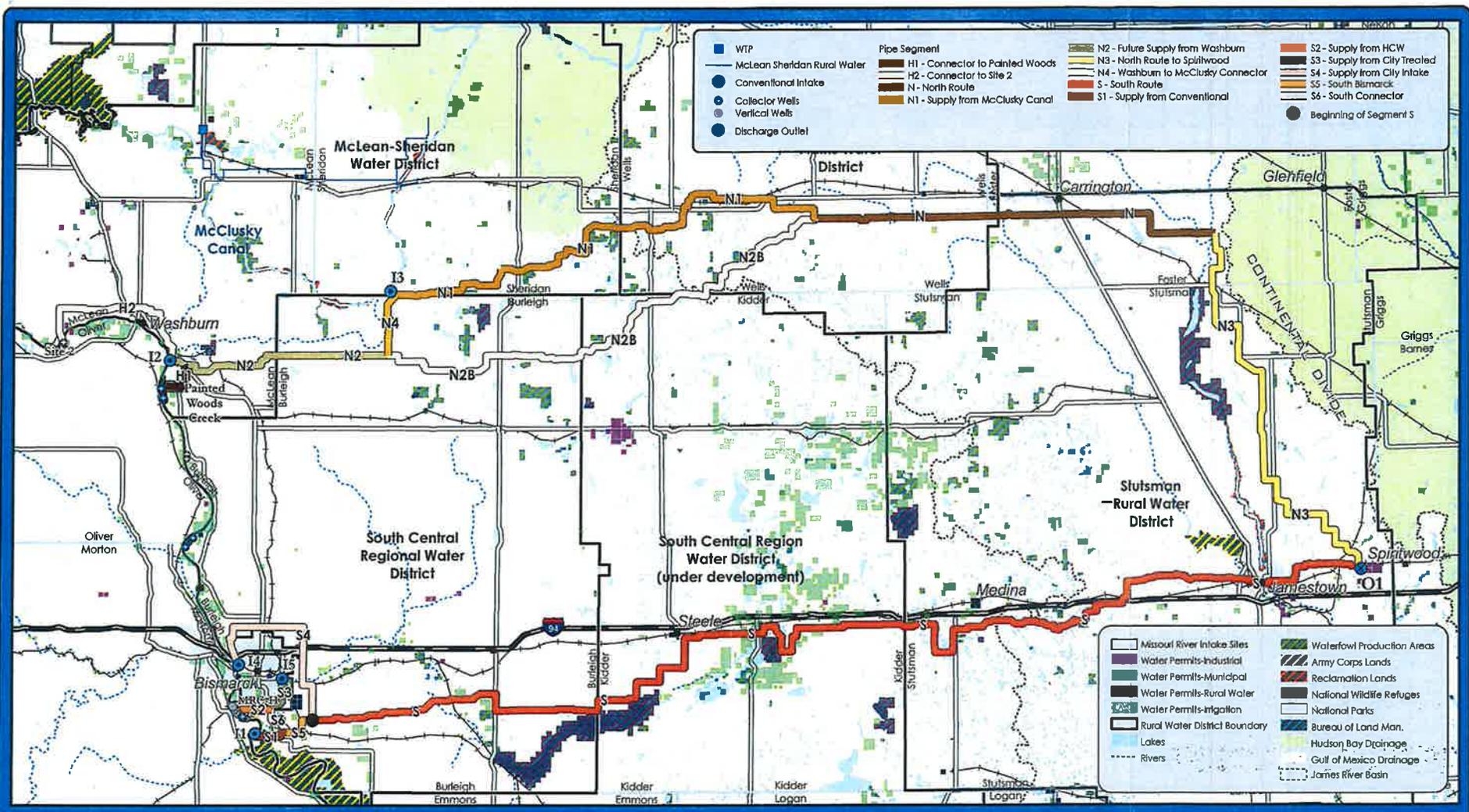


Figure 4-1
Central North Dakota Water Supply Project
Water Supply Evaluation

North Dakota

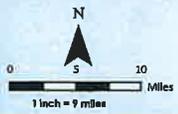


TABLE 7-2
Alternative Comparison Relative to Intake and Pipeline Risk Factors Affecting Schedule and/or Project Functionality
Central North Dakota Water Supply Project Alternative Study

ALTERNATIVE DESCRIPTION				SCHEDULE RISK FACTORS				FUNCTIONALITY		COST FACTORS		
Alternative	Water Source	Intake	Pipe Segments	Environmental Compliance	Total Length (miles)	Project Size (Flow/Diameter)	Certainty of Supply Capacity	Susceptibility to Supply Disruption	Water Quality	Total Construction Cost (\$M)	\$M / cfs of Capacity	Electrical \$ / Acre-Ft Delivered
MCC-C-11	McClusky Canal	Conventional	N1, N, N3		152	11 cfs / 24-inch				\$267	\$24	\$116
MCC-C-58	McClusky Canal	Conventional	N1, N, N3		152	58 cfs / 48-inch				\$449	\$8	\$66
MCC-C-100	McClusky Canal	Conventional	N1, N, N3		152	100 cfs / 60-inch				\$593	\$6	\$57
WAS-C-11	Washburn (MO River)	Conventional	N2, N2B, N, N3		187	11 cfs / 24-inch				\$323	\$29	\$192
WAS-C-58	Washburn (MO River)	Conventional	N2, N2B, N, N3		187	58 cfs / 48-inch				\$564	\$10	\$125
WAS-C-100	Washburn (MO River)	Conventional	N2, N2B, N, N3		187	100 cfs / 60-inch				\$750	\$7	\$120
WAS-H-11	Washburn (MO River)	HCW	H1, N2, N2B, N, N3		190	11 cfs / 24-inch				\$341	\$30	\$197
WAS-H-58	Washburn (MO River)	HCW	H1, H2, N2, N2B, N, N3		211	58 cfs / 48-inch				\$649	\$11	\$136
WAS-H-100	Washburn (MO River)	HCW	H1, H2, N2, N2B, N, N3		211	100 cfs / 60-inch				\$867	\$9	\$135
SBIS-C-11	South Bismarck (MO River)	Conventional	S1, S5, S		143	11 cfs / 24-inch				\$301	\$27	\$164
SBIS-C-58	South Bismarck (MO River)	Conventional	S1, S5, S		143	58 cfs / 48-inch				\$520	\$9	\$127
SBIS-C-100	South Bismarck (MO River)	Conventional	S1, S5, S		143	100 cfs / 60-inch				\$689	\$7	\$122
MRC-H-11	MRC (MO River)	HCW	S2, S6, S5, S		145	11 cfs / 24-inch				\$324	\$29	\$175
BIS-C-11	City of Bismarck (MO River)	Conventional (existing)	S4, S		157	11 cfs / 24-inch				\$335	\$30	\$175
BIS-T-11	City of Bismarck (MO River)	Treated Water (existing)	S3, S6, S5, S		146	11 cfs / 24-inch				\$306	\$27	\$152

BIS = Bismarck

MCC = McClusky Canal

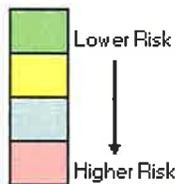
MO River = Missouri River

MRC = Missouri River Correctional Facility

SBIS = South Bismarck

WAS = Washburn

LEGEND



STATE WATER COMMISSION
ALLOCATED PROGRAM EXPENDITURES
FOR THE PERIOD ENDED JANUARY 31, 2015
BIENNIUM COMPLETE: 79%

PROGRAM	SALARIES/ BENEFITS	OPERATING EXPENSES	GRANTS & CONTRACTS	26-Feb-15 PROGRAM TOTALS
ADMINISTRATION				
Allocated	2,492,011	2,323,966		4,815,977
Expended	1,951,352	1,589,190		3,540,542
Percent	78%	68%		74%
			Funding Source:	
			General Fund:	0
			Federal Fund:	50,148
			Special Fund:	3,490,394
PLANNING AND EDUCATION				
Allocated	1,334,304	301,110	107,000	1,742,414
Expended	989,513	130,961	21,322	1,141,796
Percent	74%	43%	20%	66%
			Funding Source:	
			General Fund:	0
			Federal Fund:	129,332
			Special Fund:	1,012,465
WATER APPROPRIATION				
Allocated	5,151,915	560,947	1,230,267	6,943,129
Expended	3,741,488	546,663	703,099	4,991,249
Percent	73%	97%	57%	72%
			Funding Source:	
			General Fund:	0
			Federal Fund:	15,630
			Special Fund:	4,975,619
WATER DEVELOPMENT				
Allocated	6,258,796	14,555,905	3,313,200	24,127,901
Expended	4,626,497	7,163,511	181,210	11,971,218
Percent	74%	49%	5%	50%
			Funding Source:	
			General Fund:	0
			Federal Fund:	1,143,819
			Special Fund:	10,827,399
STATEWIDE WATER PROJECTS				
Allocated			629,600,000	629,600,000
Expended			148,234,882	148,234,882
Percent			24%	24%
			Funding Source:	
			General Fund:	0
			Federal Fund:	0
			Special Fund:	148,234,882
ATMOSPHERIC RESOURCE				
Allocated	993,898	712,307	4,694,692	6,400,897
Expended	775,135	308,287	1,506,414	2,589,837
Percent	78%	43%	32%	40%
			Funding Source:	
			General Fund:	0
			Federal Fund:	0
			Special Fund:	2,589,837
SOUTHWEST PIPELINE				
Allocated	468,291	12,927,500	101,616,741	115,012,532
Expended	466,875	6,233,426	33,812,937	40,513,238
Percent	100%	48%	33%	35%
			Funding Source:	
			General Fund:	0
			Federal Fund:	738,512
			Special Fund:	39,774,726
NORTHWEST AREA WATER SUPPLY				
Allocated	650,021	16,498,500	53,800,540	70,949,061
Expended	418,302	1,473,978	730,534	2,622,814
Percent	64%	9%	1%	4%
			Funding Source:	
			General Fund:	0
			Federal Fund:	0
			Special Fund:	2,622,814
PROGRAM TOTALS				
Allocated	17,349,236	47,880,235	794,362,440	859,591,911
Expended	12,969,162	17,446,016	185,190,398	215,605,577
Percent	75%	36%	23%	25%
FUNDING SOURCE:	ALLOCATION	EXPENDITURES	REVENUE	
GENERAL FUND	0	0	GENERAL FUND:	622,901
FEDERAL FUND	37,310,283	2,077,440	FEDERAL FUND:	2,408,221
SPECIAL FUND	822,281,628	213,528,137	SPECIAL FUND:	227,571,587
TOTAL	859,591,911	215,605,577	TOTAL:	230,602,709

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

	BUDGET	SWC/SE APPROVED	OBLIGATIONS EXPENDITURES	REMAINING UNOBLIGATED	REMAINING UNPAID
<i>Jan-15</i>					
FLOOD CONTROL					
FARGO	136,740,340	136,740,340	17,031,605	0	119,708,735
GRAFTON	8,925,000	8,925,000	0	0	8,925,000
MOUSE RIVER FLOOD CONTROL	36,618,860	5,991,186	133,566	30,627,674	5,857,620
BURLEIGH COUNTY	1,469,900	1,469,900	875,037	0	594,863
VALLEY CITY	14,525,526	14,525,526	0	0	14,525,526
LISBON	3,325,650	3,325,650	2,258,650	0	1,067,000
FORT RANSOM	225,000	225,000	0	0	225,000
RICE LAKE RECREATION DISTRICT	2,842,200	2,842,200	0	0	2,842,200
RENWICK DAM	1,281,376	1,281,376	831,605	0	449,771
SHEYENNE RIVER FLOOD CONTROL	5,341,804			5,341,804	
FLOODWAY PROPERTY ACQUISITIONS					
MINOT	33,684,329	33,684,329	6,346,395	0	27,337,934
WARD COUNTY	9,698,169	9,698,169	3,651,579	0	6,046,590
VALLEY CITY	1,822,598	1,822,598	1,089,502	0	733,096
BURLEIGH COUNTY	442,304	442,304	209,655	0	232,649
SAWYER	184,260	184,260	0	0	184,260
LISBON	888,750	888,750	887,682	0	1,068
STATE WATER SUPPLY					
REGIONAL & LOCAL WATER SYSTEMS	102,719,856	102,719,856	36,554,827	0	66,165,028
FARGO WATER TREATMENT PLANT	27,864,069	27,864,069	2,338,844	0	25,525,225
SOUTHWEST PIPELINE PROJECT	102,552,559	102,552,559	39,774,726	0	62,777,832
NORTHWEST AREA WATER SUPPLY	21,241,433	7,241,433	1,062,310	14,000,000	6,179,122
COMMUNITY WATER LOAN FUND - BND	15,000,000	15,000,000	5,000,000	0	10,000,000
WESTERN AREA WATER SUPPLY AUTHORITY	79,000,000	79,000,000	25,155,140	0	53,844,860
RED RIVER VALLEY WATER SUPPLY	11,000,000	3,641,000	1,809,451	7,359,000	1,831,549
CENTRAL NORTH DAKOTA WATER SUPPLY	70,800	70,800	0	0	70,800
IRRIGATION DEVELOPMENT	5,493,548	949,869	472,261	4,543,679	477,608
GENERAL WATER MANAGEMENT					
OBLIGATED	32,326,772	32,326,772	9,161,683	0	23,165,089
UNOBLIGATED	15,858,668			15,858,668	0
DEVILS LAKE					
BASIN DEVELOPMENT	68,085	68,085	7,107	0	60,978
OUTLET	872,403	872,403	1,601	0	870,802
OUTLET OPERATIONS	15,140,805	15,140,805	6,366,022	0	8,774,783
DL TOLNA COULEE DIVIDE	102,975	102,975	0	0	102,975
DL EAST END OUTLET	2,774,011	2,774,011	0	0	2,774,011
DL GRAVITY OUTFLOW CHANNEL	13,686,839	13,686,839	0	0	13,686,839
DL STANDPIPE REPAIR	1,300,000	1,300,000	342,595	0	957,405
WEATHER MODIFICATIONS	805,202	805,202	455,242	0	349,960
TOTALS	705,894,092	628,163,265	161,817,086	77,730,827	466,346,179

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

PROGRAM OBLIGATION

Approved SWC By	No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Jan-15 Balance
Flood Control:								
SB 2020	1928-01	5000	City of Fargo	Fargo Flood Control Project	6/23/2009	136,740,340	17,031,605	119,708,735
	1771	5000	City of Grafton	Grafton Flood Control Project	3/11/2010	7,175,000	0	7,175,000
	1771	5000	City of Grafton	Grafton Flood Risk Reduction Project	12/5/2014	1,750,000	0	1,750,000
SB 2371	1974-06	5000	Souris River Joint WRD	Mouse River Enhanced Flood - pd to SRJWRB	11/24/2014	216,257	43,623	172,634
SB 2371	1974-08	5000	Souris River Joint WRD	Mouse River Reconnaissance Study to Meet Fed Guid	2/15/2013	10,603	9,793	809
	1974-09	5000	Souris River Joint WRD	4th Ave NE & Napa Valley/Forest Rd Flood Improve	10/7/2013	3,830,400	80,149	3,750,251
	1974-10	5000	Souris River Joint WRD	International Joint Commission Study Board	5/29/2014	302,500	0	302,500
	1974-11	5000	Souris River Joint WRD	Funding of 214 agreement between SRJB & USACE	12/5/2014	375,000	0	375,000
	1993-01	5000	City of Minot	Downtown Infrastructure Improvements	9/15/2014	1,256,426	0	1,256,426
SB 2371	1992-01	5000	Burleigh Co WRD	Burleigh County's Tavis Road Storm Water Pump Stati	6/13/2012	1,469,900	875,037	594,863
SB 2371	1344-01	5000	Valley City	Sheyenne River Valley Flood Control Project	12/5/2014	507,875	0	507,875
	1504-01	5000	Valley City	Permanent Flood Protection Project	12/5/2014	10,157,037	0	10,157,037
	1504-02	5000	Valley City	Permanent Flood Protection Project (LOAN)	12/5/2014	3,860,614	0	3,860,614
SB 2371	1344	5000	City of Lisbon	Sheyenne River Valley Flood Control Project	6/19/2013	700,650	423,895	276,755
	1991-01	5000	City of Lisbon	Permanent Flood Protection Project	5/29/2014	1,918,698	1,128,453	790,245
	1991-02	5000	City of Lisbon	Permanent Flood Protection Project (LOAN)	5/29/2014	706,302	706,302	0
SB 2371	1344	5000	Fort Ransom	Sheyenne River Valley Flood Control Project	6/19/2013	225,000	0	225,000
	1997	5000	Rice Lake Recreation District	Rice Lake Flood Control Project	6/13/2012	2,842,200	0	2,842,200
	849	5000	Pembina Co. WRD	Renwick Dam Rehabilitation	6/26/2014	1,281,376	831,605	449,771
Subtotal Flood Control						175,326,178	21,130,463	154,195,714
Floodway Property Acquisitions:								
SB 2371	1993-05	5000	City of Minot	Minot Phase 1 - Floodway Acquisitions	1/27/2012	9,276,071	6,346,395	2,929,676
	1993-05	5000	City of Minot	Minot Phase 2 - Floodway Acquisitions	10/7/2013	24,408,258	0	24,408,258
SB 2371	1523-05	5000	Ward County	Ward County Phase 1, 2 & 3 - Floodway Acquisitions	1/27/2012	9,525,664	3,479,074	6,046,590
SB 2371	1523-02	5000	Ward County	Chaparelle Highwater Berm Project	2/27/2013	172,505	172,505	0
SB 2371	1504-05	5000	Valley City	Valley City Phase 1 - Floodway Acquisitions	7/23/2013	1,822,598	1,089,502	733,096
SB 2371	1992-05	5000	Burleigh Co. WRD	Burleigh Co. Phase 1 - Floodway Acquisitions	3/7/2012	442,304	209,655	232,649
SB 2371	2000-05	5000	City of Sawyer	Sawyer Phase 1 - Floodway Acquisitions	6/13/2012	184,260	0	184,260
	1991-05	5000	City of Lisbon	Lisbon - Floodway Acquisition	9/27/2013	888,750	887,682	1,068
Subtotal Floodway Property Acquisitions						46,720,410	12,184,813	34,535,597
Water Supply Advances:								
SWC	2373-24	5000	Garrison Diversion	Trail Regional Rural Water (Phase III)	8/18/2009	1,368,000	1,205,019	162,981
State Water Supply Grants:								
	2373-32	5000	North Central Rural Water Consortium	NCRW (Berthold-Carpio)	6/21/2011	2,807,902	2,807,902	0
	2373-33	5000	Stutsman Rural RWD	Stutsman Rural Water System - Phase II	3/17/2014	3,795,692	3,795,692	0
	2373-35	5000	Grand Forks - Traill RWD	Grand Forks - Traill County WRD	6/13/2012	2,725,415	2,145,386	580,029
	2373-36	5000	Stutsman Rural RWD	Stutsman Rural Water System - Phase IIB, III	2/27/2013	12,155,000	7,941,405	4,213,595
	2373-37	5000	North Central Rural Water Consortium	NCRW (Plaza)	2/27/2013	299,300	271,744	27,556
	1782-01	5000	McLean-Sheridan RWD	Blue & Brush Lakes Expansion Project	5/29/2014	0	0	0
	2373-38	5000	Stutsman Rural RWD	Kidder Co & Carrington Area Expansion	7/23/2013	1,207,000	0	1,207,000
	2373-39	5000	North Central Rural Water Consortium	Carpio Berthold Phase 2	5/29/2014	3,050,000	71,295	2,978,705
	2373-40	5000	South Central Regional Water System	Kidder County Expansion	5/29/2014	0	0	0
	2373-41	5000	North Central Rural Water Consortium	Granville-Deering Area	5/29/2014	4,980,000	71,911	4,908,089
	2050-01	5000	Missouri West Water System	South Mandan	3/17/2014	776,000	711,906	64,094
	2050-02	5000	Grand Forks Traill RWD	Improvements	10/7/2013	3,390,000	254,335	3,135,666
	2050-03	5000	Northeast Regional WD	Langdon RWD - ABM Pipeline Phase 1	10/7/2013	1,040,000	671,605	368,395
	2050-04	5000	Northeast Regional WD	Langdon RWD - North Valley Nekoma	10/7/2013	800,000	91,974	708,027
	2050-05	5000	Northeast Regional WD	North Valley WD - ABM Pipeline Phase 1	10/7/2013	565,000	436,109	128,891
	2050-06	5000	Northeast Regional WD	North Valley WD - 93 Street	10/7/2013	1,290,000	291,990	998,010
	2050-07	5000	Northeast Regional WD	North Valley WD - Rural Expansion	5/29/2014	1,800,000	259,876	1,540,124
	2050-08	5000	Walsh RWD	Ground Storage	10/7/2013	684,000	558,454	125,546
	2050-09	5000	City of Park River	Water Tower	10/7/2013	1,350,000	884,808	465,192
	2050-10	5000	City of Surrey	Water Supply Improvements	10/7/2013	1,500,000	712,368	787,632
	2050-11	5000	Cass RWD	Phase 2 Plant Improvements	10/7/2013	2,600,000	50,437	2,549,563
	2050-12	5000	Central Plains WD	Improvements	10/7/2013	1,450,000	5,438	1,444,563
	2050-13	5000	City of Mandan	New Raw Water Intake	10/7/2013	1,270,000	72,270	1,197,730
	2050-14	5000	City of Mandan	Water Treatment Plant Improvements	10/7/2013	726,000	335,493	390,507
	2050-15	5000	City of Washburn	New Raw Water Intake	10/7/2013	1,795,000	0	1,795,000
	2050-16	5000	Tri-County RWD	Improvements	10/7/2013	650,000	0	650,000
	2050-17	5000	Barnes Rural RWD	Improvements	10/7/2013	5,243,585	335,693	4,907,892
	2050-18	5000	City of Grafton	Water Treatment Plant Phase 3	10/7/2013	2,600,000	0	2,600,000
	2050-19	5000	City of Grand Forks	Water Treatment Plant Improvements	10/7/2013	4,990,000	346,966	4,643,034
	2050-20	5000	City of Dickinson	Capital Infrastructure	2/27/2014	17,319,462	4,648,442	12,671,020
	2050-21	5000	Watford City	Capital Infrastructure	2/27/2014	6,700,000	4,697,896	2,002,104
	2050-22	5000	City of Williston	Capital Infrastructure	2/27/2014	7,000,000	2,133,651	4,866,349
	2050-23	5000	Greater Ramsey RWD	SW Nelson County Expansion	3/17/2014	4,500,000	744,762	3,755,238
	2050-24	5000	All Seasons Water District	System 1 Well Field Expansion	9/15/2014	292,500	0	292,500
Subtotal State Water Supply						102,719,866	36,554,827	66,165,028
	1984-02	5000	City of Fargo	Fargo Water Treatment Plant	3/17/2014	27,864,069	2,338,844	25,525,225
	1736-05	8000	SWPP	Southwest Pipeline Project	7/1/2013	102,552,559	39,774,726	62,777,832
	2374	9000	NAWS	Northwest Area Water Supply	7/1/2013	7,241,433	1,062,310	6,179,122
	2044-01	5000	Bank of North Dakota	Community Water Facility Fund	10/7/2013	15,000,000	5,000,000	10,000,000
	1973-02	5000	WAWSA	WAWSA- (GRANT)	10/7/2013	39,500,000	12,132,948	27,367,052
	1973-03	5000	Bank of North Dakota	WAWSA - (LOAN)	10/7/2013	39,500,000	13,022,192	26,477,808
	325-101	5000	RRVWSP	Red River Valley Water Supply - CH2Mhill	2/27/2014	375,000	375,000	0
	325-102	5000	RRVWSP	Red River Valley Water Supply - Intake Design Study	5/29/2014	2,846,000	1,434,451	1,411,549
	325-103	5000	RRVWSP	Garrison Diversion - Easements	5/29/2014	420,000	0	420,000
	2051	5000	Central ND Water Supply	Black & Veatch Investigation	1/27/2015	70,800	0	70,800
Subtotal State Water Supply						235,389,860	75,140,472	160,229,388

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

PROGRAM OBLIGATION

Approved SWC By	No	Dept	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Jan-15 Balance
Irrigation Development:								
SWC	222	5000	Buford Trenton Irrigation	Buford Trenton Irrigation Transmission Line Reroute	7/23/2013	350,000	350,000	0
SWC	1389	5000	Bank of ND	BND AgPace Program	10/23/2001	25,966	25,966	0
SWC	1389	5000	Bank of ND	BND AgPace Program	12/13/2013	200,000	21,295	178,705
SWC	AOC/IRA	5000	ND Irrigation Assoc	ND Irrigation Association	7/1/2013	100,000	75,000	25,000
SWC	1968	5000	Garrison Diversion	2009-11 McClusky Canal Mile Marker 7.5 Irrigation Pro.	6/1/2010	17,582	0	17,582
SWC	1968	5000	Garrison Diversion	McClusky Canal Mile Marker 10 & 49 Irrigation Project	3/17/2014	256,321	0	256,321
Subtotal Irrigation Development						949,869	472,261	477,608
General Water Management								
Hydrologic Investigations:						900,000		
SWC	1400/13	3000	Houston Engineering	Houston Engineering Water Permit Application Review	11/7/2011	1,975	1,975	0
SWC	1400/14	3000	Houston Engineering	Houston Engineering Water Permit Application Review	11/29/2012	10,910	3,991	6,919
SWC	1400	3000	Gordon Sturgeon	Consultant Services	3/23/2013	39,200	39,200	0
SWC	1400	3000	Gordon Sturgeon	Consultant Services	4/16/2014	24,800	24,800	0
SE	XXX	3000	Manikowski Well Drilling	Manikowski Well Drilling Inc.	3/20/2014	12,850	12,850	0
	862/859	3000	Arletta Herman	Arletta Herman- Well Monitor	3/13/2014	2,668	2,668	0
	862	3000	Lori Bjorgen	Lori Bjorgen - Well Monitor	3/13/2014	224	224	0
	967	3000	Holly Messmer - McDaniel	Holly Messmer - McDaniel - Well Monitor	4/19/2012	0	0	0
	1690	3000	Holly Messmer - McDaniel	Holly Messmer - McDaniel - Well Monitor	4/19/2012	936	936	0
	1703	3000	Thor Brown	Thor Brown- Well Monitor	3/27/2012	4,623	4,622	0
	1707	3000	Thor Brown	Thor Brown- Well Monitor	4/26/2011	3,430	3,429	0
	1761	3000	Gloria Roth	Gloria Roth - Well Monitor	4/19/2013	1,152	1,152	0
	1761	3000	Fran Dobits	Fran Dobits - Well Monitor	6/1/2011	1,965	1,965	0
	2041	3000	U. S. Geological Survey	Conversion of 17 groundwater recorder wells to real-tim	7/16/2013	34,000	34,000	0
	1395	3000	U. S. Geological Survey	Investigations of Water Resources in North Dakota	9/25/2013	491,275	491,275	0
	1395D	3000	U. S. Geological Survey	Eaton Irrigation Project on the Souris River	7/13/2012	15,300	0	15,300
Hydrologic Investigations Obligations Subtotal						646,307	623,088	22,220
Remaining Hydrologic Investigations Authority						254,693		
Hydrologic Investigations Authority Less Payments								
General Projects Obligated						26,876,883	3,988,706	22,888,177
General Projects Completed						4,549,889	4,549,889	0
Subtotal General Water Management						32,326,772	9,161,683	23,165,089
Deviils Lake Basin Development:								
SWC	416-01	5000	DLJWRB	DL Joint WRB Manager	7/1/2013	60,000	0	60,000
SWC	416-05	2000	Joe Belford	DL Downstream Acceptance	7/1/2013	8,085	7,107	978
SWC	416-07	5000	Multiple	Deviils Lake Outlet	7/1/2013	872,403	1,601	870,802
SWC	416-10	4700	Operations	Deviils Lake Outlet Operations	7/1/2013	15,140,805	6,366,022	8,774,783
SWC	416-13	5000	Multiple	DL Tolna Coulee Divide	7/1/2013	102,975	0	102,975
SWC	416-15	5000	Multiple	DL East End Outlet	7/1/2013	2,774,011	0	2,774,011
SWC	416-17	5000	Multiple	DL Emergency Gravity Outflow Channel	9/21/2013	13,686,839	0	13,686,839
SWC	416-19	5000	Multiple	DL Standpipe Repairs	12/13/2013	1,300,000	342,595	957,405
Deviils Lake Subtotal						33,945,118	6,717,324	27,227,794
SWC		7600		Weather Modification	7/1/2013	805,202	455,242	349,960
TOTAL						628,163,265	161,817,086	466,346,179

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

GENERAL PROJECT OBLIGATIONS

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Jan-15 Balance	
HB	1009	1986	5000	2013-15	USDA-APHIS,ND Dept Agrici	USDA Wildlife	8/20/2013	250,000	150,114	99,886
HB	2305	1963	5000	2009-11	Emmons County WRD	Beaver Bay Embankment Feasibility Study	8/10/2009	53,644	35,566	18,078
SB	2020	1131	5000	2009-11	Nelson Co. WRD	Flood Related Water Projects	6/1/2011	55,455	0	55,455
SE	1967	5000	2009-11	Grand Forks Co. WRD	Grand Forks County Legal Drain No. 55 2010 Contru	11/30/2010	9,652	0	9,652	
SE	1301	5000	2009-11	City of Lidgerwood	City of Lidgerwood Engineering & Feasibility Study for	2/4/2011	15,850	0	15,850	
SE	1607	5000	2011-13	Ward Co. WRD	Flood Inundation Mapping of Areas Along Souris & D	6/15/2011	13,011	0	13,011	
SE	1301	5000	2011-13	City of Wahpeton	City of Wahpeton Water Reuse Feasibility Study/Rich	9/8/2011	2,500	0	2,500	
SE	391	5000	2011-13	Sargent Co WRD	Sargent Co WRD, Silver Lake Dam Emergency Repa	10/12/2011	2,800	0	2,800	
SE	1312	5000	2011-13	Walsh Co. WRD	Skyrud Dam 2011 EAP	12/15/2011	10,000	0	10,000	
SE	1312	5000	2011-13	Walsh Co. WRD	Union Dam 2011 EAP	12/15/2011	10,000	0	10,000	
SE	1998	5000	2011-13	Grand Forks Co. WRD	Upper Turtle River Dam #1 2012 EAP	6/28/2012	10,000	0	10,000	
SE	1303	5000	2011-13	Sargent Co WRD	Shortfoot Creek Preliminary Soils Analysis & Hydrauli	6/29/2012	24,861	0	24,861	
SE	2002	5000	2011-13	Grand Forks Co. WRD	Trulle River Dam #4 2012 EAP	6/29/2012	10,000	0	10,000	
SE	2005	5000	2011-13	Grand Forks Co. WRD	Turtle River Dam #8 2012 EAP	6/29/2012	10,000	0	10,000	
SE	AOC/RRBC	5000	2011-13	Red River Basin Commission	Stream Gaging & Precipitation Network Study in the F	9/14/2012	20,000	0	20,000	
SE	1991	5000	2011-13	City of Lisbon	Sheyenne River Snagging & Clearing Project	2/12/2013	5,000	0	5,000	
SE	1289	5000	2011-13	McKenzie Co. Weed Control I	Control of Noxious Weeds on Sovereign Lands	6/1/2013	24,810	12,296	12,514	
SE	1174	5000	2013-15	Richland Co. WRD	Drain No. 31 Reconstruction Project	8/30/2013	32,393	0	32,393	
SE	1640	5000	2013-15	U.S. Geological Survey	Maintenance of gaging station on Missouri River belo	9/25/2013	8,710	0	8,710	
SE	1296	5000	2013-15	Pembina Co. WRD	Bathgate-Hamilton & Carlisle Watershed Study	10/17/2013	38,500	0	38,500	
SE	1291	5000	2013-15	Mercer County WRD	Antelope Creek Snagging & Clearing Project	3/27/2014	21,714	0	21,714	
SE	867-01	5000	2013-15	NDSU	NDSU - Water sampling Dr. Xinhua Jia Dept of Ag	4/22/2014	5,000	0	5,000	
SE	507	5000	2013-15	Grant County WRD	Raleigh Dam Emergency Action Plan	7/1/2014	12,000	0	12,000	
SE	399	5000	2013-15	Barnes Co WRD	Kathryn Dam Feasibility Study	9/19/2014	21,250	0	21,250	
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Bridge Locatio	10/16/2014	34,500	0	34,500	
SE	274	5000	2013-15	City of Neche	FEMA Levee Certification Feasibility Study	10/17/2014	37,500	0	37,500	
SE	1934	5000	2013-15	Trails Co. WRD	Elm River Snagging & Clearing Project	1/20/2015	50,000	0	50,000	
SE	1667	5000	2013-15	Trails Co. WRD	Goose River Snagging & Clearing Project	1/23/2015	50,000	0	50,000	
SE	841	5000	2013-15	Maple River WRD	Garsteig Dam Repair Project	1/26/2015	40,163	0	40,163	
SE	1287	5000	2013-15	McHenry Co. WRD	Souris River Snagging & Clearing Project	2/3/2015	15,000	0	15,000	
SE	1842	5000	2013-15	Southeast Cass WRD	Wild Rice River Snagging & Clearing - Bridge Locatio	2/3/2015	57,000	0	57,000	
SWC	620	5000	2007-09	Lower Heart WRD	Mandan Flood Control Protective Works (Levee)	9/29/2008	125,396	0	125,396	
SWC	1921	5000	2007-09	Morton Co. WRD	Square Butte Dam No. 6/(Harmon Lake) Recreation I	3/23/2009	821,058	32,616	788,442	
SWC	1638	5000	2009-11	Multiple	Red River Basin Non-NRCS Rural/Farmstead Ring D	6/23/2009	226,364	8,500	217,864	
SWC	1069	5000	2009-11	North Cass Co. WRD	Cass County Drain No. 13 Improvement Reconstructi	8/18/2009	122,224	0	122,224	
SWC	1088	5000	2009-11	Maple River WRD	Cass County Drain No. 37 Improvement Recon	8/18/2009	92,668	0	92,668	
SWC	1960	5000	2009-11	Ward Co. WRD	Puppy Dog Coulee Flood Control Diversion Ditch Cor	8/18/2009	796,976	0	796,976	
SWC	322	5000	2009-11	ND Water Education Foundat	ND Water: A Century of Challenge	2/22/2010	36,800	0	36,800	
SWC	1244	5000	2009-11	Trails Co. WRD	Trails Co. Drain No. 27 (Moen) Reconstruction & Exte	3/11/2010	336,491	0	336,491	
SWC	1577	5000	2009-11	Mercer Co. WRD & City of He	Hazen Flood Control Levee (1517) & FEMA Accredite	3/11/2010	184,984	0	184,984	
SWC	281	5000	2009-11	Three Affiliated Tribes	Three Affiliated Tribes/Fort Berthold Irrigation Study	10/26/2010	37,500	0	37,500	
SWC	646	5000	2009-11	City of Fargo	Christine Dam Recreation Retrofit Project	10/26/2010	184,950	0	184,950	
SWC	646	5000	2009-11	City of Fargo	Hickson Dam Recreation Retrofit Project	10/26/2010	44,280	0	44,280	
SWC	347	5000	2009-11	City of Velva	City of Velva's Flood Control Levee System Certificat	3/28/2011	102,000	0	102,000	
SWC	1161	5000	2009-11	Pembina Co. WRD	Drain 55 Improvement Reconstruction	3/28/2011	13,846	0	13,846	
SWC	1245	5000	2009-11	Trails Co. WRD	Trails Co. Drain No. 28 Extension & Improvement Prc	3/28/2011	336,007	0	336,007	
SWC	1969	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain #	3/28/2011	38,154	0	38,154	
SWC	1970	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain #	3/28/2011	39,115	0	39,115	
SWC	1101	5000	2011-13	Dickey Co. WRD	Yorktown-Maple Drainage Improvement Dist No. 3	9/21/2011	354,500	0	354,500	
SWC	1101	5000	2011-13	Dickey-Sargent Co WRD	Riverdale Township Improvement District #2 - Dickey	9/21/2011	500,000	0	500,000	
SWC	1219	5000	2011-13	Sargent Co WRD	City of Forman Floodwater Outlet	9/21/2011	31,472	0	31,472	
SWC	1252	5000	2011-13	Walsh Co. WRD	Walsh Co. Reconstruction Drain No. 97	9/21/2011	24,933	0	24,933	
SWC	1705	5000	2011-13	Red River Joint Water Resou	Red River Joint WRD Watershed Feasibility Study - F	9/21/2011	60,000	0	60,000	
SWC	1975	5000	2011-13	Walsh Co. WRD	Walsh Co. Drain No. 31 Reconstruction Project	9/21/2011	37,742	0	37,742	
SWC	1977	5000	2011-13	Dickey-Sargent Co WRD	Jackson Township Improvement Dist. #1	9/21/2011	500,000	0	500,000	
SWC	829	5000	2011-13	Rush River WRD	Rush River WRD Berlin's Township Improvement Dis	10/19/2011	163,695	62,378	101,317	
SWC	1224	5000	2011-13	Trails Co. WRD	Preston Floodway Reconstruction Project	10/19/2011	208,570	0	208,570	
SWC	1978	5000	2011-13	Richland & Sargent Joint WRI	Richland & Sargent WRD RS Legal Drain No. 1 Exter	10/19/2011	245,250	0	245,250	
SWC	1918	5000	2001-13	Maple River WRD	Normanna Township Improvement District No. 71	12/9/2011	287,900	0	287,900	
SWC	1983	5000	2011-13	City of Harwood	City of Harwood Engineering Feasibility Study	12/9/2011	62,500	0	62,500	
SWC	1396	5000	2011-13	U.S. Geological Survey	(USGS) Missouri River Geomorphic Assessment	3/7/2012	90,000	50,000	40,000	
SWC	1989	5000	2011-13	Barnes Co WRD	Hobart Lake Outlet Project	3/7/2012	266,100	0	266,100	
SWC	1990	5000	2011-13	Mercer Co. WRD	Lake Shore Estates High Flow Diversion Project	3/7/2012	43,821	0	43,821	
SWC	227	5000	2011-13	Eaton Flood Irrigation District	District's Mouse River Riverbank Stabilization Project	6/13/2012	120,615	0	120,615	
SWC	1344	5000	2009-11	Southeast Cass WRD	Sheyenne Diversion Exterior Pump Station	6/13/2012	3,751	0	3,751	
SWC	2007	5000	2011-13	Maple River WRD	Pontiac Township Improvement District No. 73 Projec	6/13/2012	500,000	0	500,000	
SWC	2006	5000	2011-13	Rush River WRD	Amenia Township Improvement District Drain No. 74	6/13/2012	459,350	0	459,350	
SWC	2010	5000	2011-13	Barnes Co WRD	Meadow Lake Outlet	6/13/2012	500,000	0	500,000	
SWC	2009-02	5000	2011-13	Southeast Cass WRD	Recertification of the Horace to West Fargo Diversior	9/17/2012	72,600	42,835	29,765	
SWC	1401	5000	2009-11	Pembina Co. WRD	International Boundary Roadway Dike Pembina	9/27/2012	331,799	70,767	261,032	
SWC	240	5000	2011-13	Eddy County WRD	Warwick Dam Repair Project	12/7/2012	110,150	0	110,150	
SWC	1705	5000	2011-13	Red River Joint Water Resou	Red River Basin Distributed Plan Study	12/7/2012	560,000	0	560,000	
SWC	2019	5000	2011-13	Valley City	Sheyenne River Snagging & Clearing Project	12/7/2012	75,000	0	75,000	
SWC	346	5000	2011-13	Williams County WRD	Epping Dam Evaluation Project	2/27/2013	66,200	0	66,200	
SWC	1135	5000	2011-13	Pembina Co. WRD	Drain #4 Reconstruction Project	6/19/2013	221,628	174,995	46,633	
SWC	1207	5000	2011-13	Richland Co. WRD	Drain #65 Extension Project	6/19/2013	123,200	99,063	24,137	
SWC	1438	5000	2011-13	Cavalier County WRD	Mulberry Creek Phase IV Reconstruction Project	6/19/2013	324,010	177,255	146,755	
SWC	1992	5000	2011-13	Burleigh Co. WRD	Burnt Creek Flood Restoration Project	6/19/2013	87,805	0	87,805	
SWC	2022	5000	2011-13	Pembina Co. WRD	Drain #73 Project	6/19/2013	350,400	0	350,400	
SWC	AOC/RRBC	5000	2013-15	Red River Basin Commission	Red River Basin Commission Contractor	7/1/2013	200,000	150,000	50,000	
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Joint Water Board (MRRIC) T. FLECK	7/1/2013	40,000	19,266	20,734	
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Joint Water Board, (MRJWB) Start up	7/1/2013	20,000	0	20,000	
SWC	AOC/MEF	5000	2013-15	ND Water Education Foundat	ND Water Magazine	7/1/2013	36,000	27,000	9,000	
SWC	PS/WRD/USRJW	5000	2013-15	Upper Sheyenne River Joint v	Upper Sheyenne River WRB Administration (USRJW	7/1/2013	12,000	2,876	9,124	
SWC	1859	5000	2013-15	ND Dept of Health	NonPoint Source Pollution, Section 319	8/20/2013	200,000	143,287	56,713	

STATE WATER COMMISSION
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GENERAL PROJECT OBLIGATIONS

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Jan-15 Balance
SWC	1270	5000	2013-15	Burleigh Co. WRD	Apple Creek Industrial Park Levee Feasibility Study	10/7/2013	65,180	0	65,180
SWC	2004	5000	2013-15	Grand Forks Co. WRD	Drain No. 57 Project	10/7/2013	413,576	0	413,576
SWC	2040	5000	2013-15	Walsh Co. WRD	Drain #74 Project	10/7/2013	317,852	0	317,852
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Coordinator	10/7/2013	175,000	94,725	80,275
SWC	1056	5000	2013-15	Bottineau Co. WRD	Scandia/Scotia Drain Project	12/13/2013	140,634	0	140,634
SWC	1242	5000	2013-15	Traill Co. WRD	Rust Drain No. 24 Project	12/13/2013	187,736	162,584	25,152
SWC	1554/2046?	5000	2013-15	McLean Co. WRD	City of Underwood Floodwater Outlet Project	12/13/2013	1,100,727	0	1,100,727
SWC	1758	5000	2013-15	USGS	Stochastic Model for the Mouse River Basin	12/13/2013	200,000	120,000	80,000
SWC	2043	5000	2013-15	Pembina Co. WRD	District's Drain 78 Outlet Extension Project	12/13/2013	287,778	0	287,778
SWC	2046	5000	2013-15	Walsch Co. WRD	North Branch Park River Comprehensive Flood Dam	12/13/2013	134,400	0	134,400
SWC	1878-02	5000	2011-13	Maple-Steele WRD	Upper Maple River Dam Construction Phase	12/13/2013	3,991,500	0	3,991,500
SWC	CON/WIL/CARL	5000	2013-15	Garrison Diversion Conserva	Will and Carlson Consulting Contract	12/13/2013	70,000	32,481	37,519
SWC	1082	5000	2013-15	Rush River WRD	Cass Co. Drain No. 30 Channel Improvement Project	3/17/2014	142,818	0	142,818
SWC	2008	5000	2013-15	City of Mapleton	Recertification of Flood Control Levee System Projec	3/17/2014	718,941	0	718,941
SWC	1140	5000	2013-15	Pembina Co. WRD	Drain No. 11 Outlet Extension Project	5/29/2014	125,760	0	125,760
SWC	1418	5000	2013-15	City of Bisbee	Big Coulee Dam Feasibility Study	5/29/2014	65,000	0	65,000
SWC	1444	5000	2013-15	City of Pembina	2014 Flood Protection System Modification Project	5/29/2014	1,031,981	558,858	473,123
SWC	1577	5000	2013-15	City of Killdeer & Dunn Co.	Floodplain Mapping Project	5/29/2014	55,000	0	55,000
SWC	1753/1523?	5000	2013-15	Ward Co. Hwy Dept	County Road 18 Flood Control Project	5/29/2014	325,208	0	325,208
SWC	2045	5000	2013-15	Mercer Co. WRD	LiDAR Collection Project	5/29/2014	117,000	106,575	10,425
SWC	2048	5000	2013-15	City of Marion	Marion Flood Mitigation & Lagoon Drainage Project	5/29/2014	188,366	0	188,366
SWC	1932	5000	2005-07	Nelson Co. WRD	Michigan Spillway Rural Flood Assessment	8/15/2014	2,588,924	1,419,796	1,169,128
SWC	1625	5000	2013-15	Houston Engineering	(OHWM) Ordinary High Water Mark Delineations	8/20/2014	134,418	104,873	29,545
SWC	1227	5000	2011-13	Traill Co. WRD	Mergenthal Drain No. 5 Reconstruction	9/15/2014	155,780	0	155,780
SWC	1285	5000	2013-15	Lamoure Co. Soil Conservatio	Lamoure Co Memorial Park Streambank Restoration	9/15/2014	91,042	0	91,042
SWC	1314	5000	2013-15	Wells Co. WRD	Oak Creek Drain Lateral E Reconstruction Project	9/15/2014	73,057	0	73,057
SWC	1613	5000	2013-15	North Cass Co. WRD	Cass County Drain No. 55 Channel Improvements Pr	9/15/2014	99,923	0	99,923
SWC	1613	5000	2013-15	Richland Co. WRD	Drain No. 15 Reconstruction Project	9/15/2014	60,300	0	60,300
SWC	1991	5000	2013-15	City of Lisbon	Sheyenne Riverbank Stabilization Project	9/15/2014	409,300	0	409,300
SWC	2042	5000	2013-15	Bottineau Co. WRD	Haas Coulee Drain Project	9/15/2014	500,000	0	500,000
SWC	2045	5000	2013-15	McKenzie Co WRD	LiDAR Collection Project	9/15/2014	262,308	0	262,308
SWC	2045	5000	2013-15	Federal Coalition Agencies	Federal/State LiDAR Collection Project	9/15/2014	75,000	0	75,000
SWC	PSWRDELM	5000	2013-15	Elm River Joint WRD	Dam #3 Safety Improvements Project	9/15/2014	65,208	0	65,208
SWC	1296	5000	2013-15	Pembina Co. WRD	Bourbanis/Olson Dam Safety Project	10/29/2014	132,680	0	132,680
SWC	568	5000	2013-15	Southeast Cass WRD	Sheyenne River Reaches Snagging & Clearing Projec	12/5/2014	294,000	0	294,000
SWC	228	5000	2013-15	USGS	Operation & Maint of Gaging Station on the Missouri I	12/8/2014	8,970	0	8,970
SWC	1792	5000	2009-11	Southeast Cass WRD	SE Cass Wild Rice River Dam Study Phase II	1/29/2015	162,252	130,000	32,252
SWC	1878-02	5000	2011-13	Maple River WRD	Upper Maple River Dam Environmental Assessment	1/29/2015	128,147	0	128,147
TOTAL							26,876,883	3,988,706	22,888,177

**STATE WATER COMMISSION
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COMPLETED GENERAL PROJECTS

Approved By	SWC No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Jan-15 Balance
SE	1577	5000	2011-13	Burleigh Co. WRD	Fox Island 2012 Flood Hazard Mitigation Evaluation St	5/22/2012	23,900	23,900	0
SE	2003	5000	2011-13	Southeast Cass WRD	Re-Certification of the Horace to West Fargo Diversion	6/29/2012	42,835	42,775	60
SE	2008	5000	2011-13	City of Mapleton	Mapleton Flood Control Levee Project	6/29/2012	24,410	24,410	0
SE	1732	5000	2011-13	City of Beulah	Beulah Dam Emergency Action Plan	7/26/2012	20,440	10,440	10,000
SE	2003	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee Sy	7/26/2012	45,879	45,879	0
SE	1993	5000	2011-13	Houston Engineering	Minot 100-yr Floodplain Map and Profiles	10/9/2012	10,000	0	10,000
SE	2001	5000	2011-13	Trails Co. WRD	Elm River Diversion Project	10/31/2012	10,423	6,076	4,347
SE	1992	5000	2011-13	Burleigh Co. WRD	Burleigh Co Flood Control Alternatives Assessment	1/30/2013	25,175	16,168	9,007
SE	1461	5000	2011-13	Pembina Co. WRD	O'Hara Bridge Bank Stabilization	4/26/2013	24,633	24,633	0
SE	871	5000	2011-13	Pembina Co. WRD	Pembina Snagging & Clearing Project	6/14/2013	7,500	7,500	0
SE	1395	5000	2013-15	U.S. Geological Survey	Operation & maintenance of seven water level monitori	7/16/2013	17,500	17,500	0
SE	2045	5000	2013-15	NCRS & Corps St. Louis	Joint LiDAR Collection	9/12/2013	40,000	40,000	0
SE	1289	5000	2013-15	McKenzie Co. Weed Cor	Control of Noxious Weeds on Sovereign Lands	9/20/2013	10,496	9,779	717
SE	1244	5000	2013-15	Trails Co. WRD	Trails Co. Drain No. 27 (Moen) Lateral Channel Improve	9/27/2013	29,914	23,723	6,191
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Reach 3	10/17/2013	49,500	48,493	1,007
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Reach 2	10/17/2013	49,500	49,375	125
SE	1987	5000	2013-15	City of Burlington	Interim Levee Project	11/22/2013	49,000	49,000	0
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Reach 4	12/13/2013	20,000	20,000	0
SE	BSC	5000	2013-15	Bismarck State College	2014 ND Water Quality Monitoring Conference	2/24/2014	1,000	1,000	0
SE	AOC/WEF	5000	2013-15	ND Water Education Fou	2014 Summer Water Tours Sponsorshi	3/5/2014	2,500	2,500	0
SE	1403	5000	2013-15	ND Water Resources Ins	Institute Fellowship Program 2014-15	3/20/2014	13,850	13,850	0
SE	1667	5000	2013-15	Trails Co. WRD	Goose River Snagging & Clearing Project	4/23/2014	46,750	46,750	0
SE	1311	5000	2013-15	Trails Co. WRD	Buffalo Coulee Snagging & Clearing Project	5/27/2014	25,000	23,363	1,637
SE	NDAWN	5000	2013-15	NDSU	ND Agricultural Weather Network	4/15/214	1,550	1,550	0
SWC	928/988/1508	5000	2011-13	SE Cass WRD	Wild Rice, Bois de Sioux, Antelope Creek Retention Sti	7/21/2008	60,000	30,415	29,585
SWC	1966	5000	2009-11	City of Oxbow	City of Oxbow Emergency Flood Fighting Barrier Syste	6/1/2010	188,400	188,400	0
SWC	1882-07	5000	2009-11	NDSU	NDSU Development of SEBAL	9/1/2010	15,387	15,387	0
SWC	416-18	5000	2011-13	ND Game & Fish	DL Johnson Farms Water Storage Site	6/10/2011	125,000	4,316	120,685
SWC	1344	5000	2011-13	Southeast Cass WRD	Southeast Cass Sheyenne River Diversion Low-Flow C	6/14/2011	716,609	33,535	683,074
SWC	980	5000	2011-13	Maple River WRD	Maple River Watershed Food Water Retention Study/ t	9/21/2011	0	0	0
SWC	1219	5000	2011-13	Sargent Co WRD	District Drain No. 4 Reconstruction Project	9/21/2011	125,500	86,723	38,777
SWC	CON/WILL-CA	5000	2011-13	Garrison Diversion	Will/Carlson Consultant	10/17/2011	26,174	0	26,174
SWC	1138	5000	2011-13	Pembina Co. WRD	Drain No. 8 Reconstruction Project	3/7/2012	12,215	5,157	7,058
SWC	PS/WRD/JAM	5000	2011-13	James River Joint WRD	James River Engineering Feasibility Study Phase 1	3/7/2012	29,570	29,490	80
SWC	829	5000	2011-13	Rush River WRD	Rush River Watershed Retention Plan	6/13/2012	0	0	0
SWC	1344	5000	2011-13	Southeast Cass WRD	Sheyenne Diversion Phase VI - Weir Improvements	6/13/2012	225,050	224,192	858
SWC	1344	5000	2009-11	Southeast Cass WRD	Horace Diversion Channel Site A (Section 7 - Phase V,	6/13/2012	1,812,822	1,810,744	2,078
SWC	1806-02	5000	2011-13	City of Argusville	Re-Certification of the City of Argusville Flood Control L	6/13/2012	84,164	20,101	64,063
SWC	228	5000	2011-13	U.S. Geological Survey	Additional USGS gage Missouri River- ANNUAL	9/17/2012	8,500	8,500	0
SWC	1996	5000	2011-13	Trails Co. WRD	Drain #62 - Wold Drain Project	9/17/2012	112,400	108,717	3,683
SWC	2012	5000	2011-13	Southeast Cass WRD	Lower Sheyenne River Watershed Retention Plan	9/17/2012	80,000	80,000	0
SWC	2013	5000	2011-13	Richland-Cass Joint WRD	Wild Rice River Watershed Retention Plan	9/17/2012	90,000	90,000	0
SWC	2014	5000	2011-13	Trails Co. WRD	Elm River Watershed Retention Plan	9/17/2012	75,000	62,371	12,629
SWC	2003-02	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee Sy	9/17/2012	91,400	91,400	0
SWC	1069	5000	2011-13	North Cass - Rush River	Drain #13 Channel Improvements	9/27/2012	217,000	217,000	0
SWC	1303	5000	2011-13	Sargent Co WRD	Frenier Dam Improvement Project	12/7/2012	158,373	112,027	46,346
SWC	1523	5000	2011-13	Ward Co. WRD	Souris River Minot to Burlington Snagging & Clearing	12/7/2012	109,000	109,000	0
SWC	2020	5000	2011-13	Minot Park District	Souris Valley Golf Course Bank Stabilization	12/7/2012	335,937	205,404	130,533
SWC	1312	5000	2011-13	Walsh Co. WRD	Forest River Flood Control Feasibility Study	6/19/2013	79,956	79,956	0
SWC	1444	5000	2011-13	City of Pembina	US Army Corps of Eng Section 408 Review City Flood	9/19/2013	73,200	62,833	10,367
SWC	1523	5000	2013-15	Ward Co. WRD	Mouse River Snagging & Clearing Project	12/13/2013	347,466	84,700	262,766
SWC	1523	5000	2011-13	Ward Co. WRD	Countryside Villas/Whispering Meadows Drainage Imp	2/21/2014	157,211	67,287	89,924
SWC	568	5000	2013-15	Southeast Cass WRD	Sheyenne River Snagging & Clearing Project Reaches	3/13/2014	165,000	164,861	139
SWC	228	5000	2013-15	USGS	Operation & Maint of Gaging Station on the Missouri Ri	10/2/2014	8,970	8,710	260
TOTAL							6,122,058	4,549,889	1,572,169

ESTIMATED OIL TAX REVENUE – 2015-17

Fund	Est. Amount (Millions)	Est. %
General Fund	\$300.0	7.0%
Legacy Fund	\$1,326.7	31.1%
Property Tax Relief	\$341.8	8.0%
Strategic Investment	\$421.3	9.9%
Local Governments	\$574.5	13.5%
Tribes	\$314.1	7.4%
Education Funds	\$345.5	8.1%
Resources Trust Fund	\$345.5	8.1%
Impact Grant Fund	\$240.0	5.6%
Other State Funds	<u>\$58.7</u>	<u>1.4%</u>
Total	\$4,268.1	100.0%

6.5% OIL EXTRACTION TAX



30%
Legacy Fund



30%
State Share
(General Fund, Property Tax Relief, Oil and Gas Research, State Disaster, Strategic Investment and Improvements)



20%
Resources Trust Fund



20%
Education Purposes



50%
Foundation Aid Stabilization Fund

50%
Common School Trust Fund



OIL TAX INCENTIVES – PRICE TRIGGERS

OET = 6.5%; GPT = 5%

ALL TRIGGERS RELATED TO OET ONLY

SMALL TRIGGER – N.D.C.C. § 57-51.1-03(9)

- WTI < \$57.50 average for single month
- Takes effect first day of following month
- Ends first day of month following a single month with average price of \$72.50 or more, or July 1, 2015 due to statutory sunset
- Only applies to wells completed after incentive is triggered on
- Remains in effect for qualifying wells, no matter what happens to price, for duration of incentive period
- 4.5% reduction – OET goes from 6.5% to 2% on first 75,000 barrels produced or the first \$4.5 million of gross value during first 18 months after completion
- Adopted in 2009 – was effective one time
- Took effect on February 1st; first impact to state revenues will be April
- Estimated impact:
 - 75,000 barrels at \$45 at 4.5% rate savings = \$152,000 per well
 - Could be another \$76 million for new wells if 100 per month completed from February to June

LARGE TRIGGER – N.D.C.C. § 57-51.1-03(3)

- WTI < \$55.09 for 5 consecutive months (\$55.09 based on trigger price of \$52.59 (\$35 trigger fixed in law and adjusted for inflation) + \$2.50
- Takes effect first day of month following five consecutive months below trigger
- Ends first day of month following five consecutive months of prices above trigger
- Applies to all wells in first 24 months of production, even if drilled prior to incentive triggering on
- If wells are beyond first 24 months of production, they go to a rate of 4% OET if drilled after April 27, 1987 (covers nearly all producing wells)
- If within first 24 months of production or completed after incentive triggers on, they go to a rate of 0% OET for up to 24 months
- Incentive was triggered on for 17 years and has been triggered off for past 10 years, since 2004
- Could take effect in June if January through May WTI price averages less than \$55.09; first impact to state revenues would be July or August
- Would reduce effective OET rate from 6.5% to 1%
 - 0% for all new wells
 - 0% for all wells within first 24 months of production
 - 4% for nearly all older wells
- Estimated impact:
 - 1,200,000 BOPD at \$45; effective OET rate goes from 6.1% to 1% = \$90 million per month less revenue due to incentive
- Average monthly prices for 2015:
 - January – \$47.98
 - February – \$50.86



North Dakota State Water Commission

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

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: *TSS* Todd S. Sando, P.E., Chief Engineer - Secretary
SUBJECT: SWPP Project Update
DATE: February 24, 2015

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

Center SA Rural Distribution System 7-9E & 7-9F:

The State Water Commission (SWC), awarded Contract 7-9F to Eatherly Constructors, Inc. at its October 7, 2013, meeting. This contract consists of 250 miles of 8" -1½" PVC pipe serving 330 rural water customers. The preconstruction conference for this contract was held on May 2, 2014, and the contractor started construction on June 16, 2014. This contract has an intermediate completion date of September 15, 2014, for a portion of the service area identified in the plans and has a substantial completion date of September 15, 2015, for the entire contract. The contractor turned over all the users within the intermediate completion area by December 15, 2014. The contractor sent a letter requesting an 93-day time extension on the intermediate, substantial and final completion dates because of wet weather in summer 2014. The contractor has also not accepted any change orders because of the dispute in additional time warranted in the added work.

Contract 7-9E is the west Center SA rural distribution system. This contract includes furnishing and installing approximately 267 miles of 6"-1 ½ " ASTM D2241 gasketed joint pipe; 251 services; road crossings; connections to existing pipelines and other related appurtenances. The SWC awarded this contract to Swanberg Construction, Valley City, North Dakota at its May 29, 2014, meeting. This contract has an intermediate completion date of July 15, 2015, for a portion of the contract consisting of about 44 miles of pipe serving 54 rural customers. The substantial completion date for the remaining contract is November 15, 2015. The contractor started construction on October 13, 2014 and installed approximately 10 miles of pipeline.

Contract 2-8E/2-8F Dunn Center SA Main Transmission Line (MTL):

Contract 2-8E is the MTL from the OMND WTP to a combination reservoir and booster station north of Halliday (Dunn Center booster station). This contract was awarded to Carstensen Contracting Inc., on May 21, 2013, and the contractor started construction on July 24, 2013. This contract involves furnishing and installing approximately 25 miles of pipe, an above grade booster station with concrete reservoir, PRV/Control vault, road crossings and related appurtenances. The contract specified a substantial completion date of July 1, 2014 and a final completion date of August 1, 2014. The contract was considered substantially complete on December 4, 2014.

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

The Commission awarded Contract 2-8F to Carstensen Contracting, Inc. at its February 27, 2014 conference call meeting. The contractor started construction on June 17, 2014, and has completed installation of approximately 18 miles of pipe. The contractor has not met the intermediate completion dates for Bid Schedule 1 and Bid Schedule 2A. Pipe installation is complete from the Dunn Center booster station to just west of the Highway 22 crossing north of Killdeer. Pipeline has been installed to both Killdeer and Dunn Center and meter vaults have been installed. All except 2 miles of pipeline in Bid Schedule 1 is hydro tested. Hydro testing of the pipeline in Bid Schedule 2 has not commenced.

Contractor has requested time extension for both contract 2-8E and 2-8F. The time extensions were based on weather conditions. Additional documentation on how weather conditions affected the production was requested.

Contract 5-17 Dunn Center Elevated Reservoir:

This contract includes furnishing and installing a 1,000,000 gallon elevated composite reservoir. The substantial completion date on this contract was August 15, 2014. The welding of the tank bowl was completed on ground and it was lifted into place on July 22, 2014. Painting of the tank remains to be completed. The contractor submitted a letter requesting a 95 day extension because of abnormal 2013-2014 weather conditions. Bartlett and West/AECOM has responded to their extension request, indicating only 16 days in 2013-2014 winter season can be considered abnormal. Painting of the tank is not complete. A "work stop" request due to environmental conditions was received from the contractor. BW/AECOM responded denying their "work stop" request.

Contract 5-15B 2nd Zap Reservoir:

This contract includes furnishing and installing a 1,650,000 gallon ground storage reservoir. The substantial completion date was August 15, 2014. The tank was placed in service on October 24, 2014. This is 71 days after the substantial completion data. Contract closeout letter and final change order have been forwarded to the contractor.

Contract 8-3 Killdeer Mountain Elevated Reservoir:

This contract includes furnishing and installing a 250,000-gallon elevated reservoir. This contract was bid on October 18, 2013. The SWC awarded this contract to Maguire Iron, Inc. of

Sioux Falls, South Dakota at its December 13, 2013 meeting. The substantial completion date was October 1, 2014. The preconstruction conference for this contract was held on April 16, 2014. Tank installation is complete. Painting of the tank is mostly complete. Some of the exterior coating on the tank was applied in unfavorable weather conditions. Changes in temperatures and humidity while the coating was curing led to blushing spots on the tank exterior, which needs corrective measures. The interior coating requires touch up and other items like overflow pipe still require coating. The tank was considered substantially complete on November 23, 2014. A letter was received from the contractor requesting an extension of time for weather delay and relief from liquidated damages, as there was no "loss of use". A response was sent informing that they might be entitled to some time for weather delays but waiver of all liquidated damages is unlikely.

OMND Water Treatment Plant (WTP) Phase II Expansion:

The SWC awarded Contract 3-1H, OMND WTP Phase II expansion to Northern Plains Contracting, Inc., and Edling Electric, Inc. at its December 13, 2013, meeting. The preconstruction conference for Contract 3-1H was held on January 29, 2014. The substantial completion date on this contract was August 1, 2014. The completion is delayed because of the coordination involved with keeping the WTP operational. The primary and secondary UF membranes and the RO membranes are operational. When the ozone system was commissioned some programming issues were identified and the ozone contractor is working on resolving them.

Other Contracts

Contract 7-1C/7-8H Hydraulic Improvements in the Davis Buttes, New Hradec and South Fryburg SA:

The contractor for 7-1C/7-8H, Manitou Construction, Inc., has turned over the contract to its bonding company, Philadelphia Insurance Company. The bonding company's subcontractor has completed the punch list items. Discussion is ongoing with the bonding company regarding closing out the contract.

Contract 8-1A New Hradec Reservoir:

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

Contract 4-5 Finished Water Pumping Station (FWPS):

This contract consists of the construction of a 60' by 85' reinforced concrete and precast concrete building, and the installation of pumping, piping, mechanical, and electrical and

instrumentation systems. The SWC awarded this contract to John T. Jones Construction Company at its May 29, 2014 meeting. The preconstruction conference for this contract was held on June 19, 2014. The concrete pours for the wall and the floor slab for the underground reservoir is complete. The bottom 10 feet of the reservoir was filled for leak testing. Cracks were discovered and the contractor is fixing the cracks identified using an epoxy resin. The contractor is installing sheet waterproofing on the exterior basin walls. Backfilling around the reservoir will happen soon. Anticipated work in the next few months are installation of the shored slab followed by precast walls and the roof.

In order to accommodate the tie-in to the existing six million gallon reservoir during off peak water usage season, the current contract completion date of August 15, 2015 is modified to be a milestone completion date for substantial completion of all other contract items other than those associated with the reservoir tie-in. The new contract substantial completion date would be October 31, 2015 and the new final completion date would be December 31, 2015.

Contract 1-2A Supplemental Raw Water Intake:

Construction update: The shaft collar construction is complete. The ground freezing operation was completed on August 22, 2014. The contractor, J.W. Fowler (JWF), has placed and grouted 38 caisson rings. Excavation is ongoing for the 42nd ring. There are a total 43 caisson rings. Excavation for the bottom plug is anticipated in early March.

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

Differing Subsurface Claim: The change order that incorporates the settlement agreement for the differing subsurface claim has been signed by all parties.

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

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

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

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

Contract 3-2D Dickinson WTP Contract – We have received the 50 percent submittal set of drawings from BW/AECOM. Information from the submittals from contract 3-2A, 3-2B and 3-2C are being used in the design. We anticipate bidding this contract in Summer of 2015.

Contract 3-2E Residual Handling Building – Bid ready contract documents for this contract are mostly complete. The bidding of this contract may be delayed depending on funding availability in the 2015-2017 biennium.

Project Update

Raw Water Line Capacity Upgrade:

Design of the pump station upgrades at Dodge and Richardton, parallel piping between the intake and the Zap reservoir and from Richardton to Dickinson reservoir and generator upgrades at the pump stations are ongoing. SWA has indicated their preference to build the additional raw water reservoirs before the parallel piping upgrades and that is being considered in the project priority for the 2015-2017 biennium.

TSS:SSP:pdh/1736-99

MEMORANDUM

TO: Todd Sando, State Engineer
Bruce Engelhardt, Water Development Division Director
Sindhuja S.Pillai-Grinolds – SWPP Project Manager

FROM: Jennifer Verleger *JLV*
Assistant Attorney General

SUBJECT: SWPP Contract 7-9G Conflict of Interest

DATE: March 10, 2015

Bartlett & West, Inc./AECOM (B&W/AECOM) is the engineer for the Southwest Pipeline Project (SWPP). On February 23, 2015, State Water Commission (Commission) staff received a letter from B&W/AECOM indicating that JMAC Resources (JMAC) had purchased the bid documents for the SWPP Contract 7-9G Halliday and Dunn Center Service Areas Rural Distribution System. The letter indicates B&W has a 12% ownership in West Dakota Water, LLC, in which JMAC has the remaining 88% ownership share. On March 5, 2015 (after the bid opening had occurred), B&W/AECOM sent me a follow-up email to correct and clarify their previous letter. The email indicated that the B&W partnership was not with JMAC, but instead with Jon McCreary as a private individual. Jon McCreary is the President of JMAC.

Although bids are typically turned over to the engineer to review and make a recommendation of award at the conclusion of bid openings, I directed Commission staff on March 4, 2015, that all bids should be retained by the Commission at the conclusion of the bid opening. On March 5, 2015, the Commission opened bids for Contract 7-9G. The Commission received four bids, with JMAC being the apparent low bidder.

Immediately following the bid opening, I met with Commission staff to discuss the conflict of interest and legal ramifications presented by JMAC being the apparent low bidder. Typically the engineer would review the bids and make a recommendation to Commission staff about which bidder is the lowest responsible bidder in accordance with N.D.C.C. ch. 48-01.2. The Commission staff then uses the engineer's recommendation to make a recommendation to Commission, who makes the final decision about which contractor to award the contract to.

I advised that because of the conflict of interest, B&W/AECOM should not perform the assessment or make a recommendation on the lowest responsible bidder. Additionally, because a conflict of interest would cause additional problems for Commission staff, I recommended that the assessment and recommendation not be conducted internally. Therefore a decision was made that I would coordinate with an engineer to determine who the lowest responsible bidder was in accordance with N.D.C.C. ch. 48-01.2.

As I have noted in previous memos, the "lowest bidder" and the "lowest responsible bidder" are not necessarily the same. The court has noted "[t]he term 'responsible,' as used in the statute, means something more than mere financial responsibility. It means responsibility as regards the duty to be assumed by the contractor by the particular contract under consideration, and includes all the various elements that bear on that question, such as the integrity of the bidder and his skill, ability, and capacity to perform that particular work." *Ellingson v. Cherry Lake Sch. Dist.*, 212 N.W. 773 (N.D. 1927).

Additionally, the court has noted “statutes allow[] the [Owner] to exercise discretion to consider the ability, experience, integrity, efficiency, reputation, and capacity of the bidders.” *Baukol Builders, Inc. v. Cnty. of Grand Forks*, 2008 ND 116, 751 N.W.2d 191.

I hired Houston Engineering to perform the bid assessment and make a recommendation because Houston performs this same type of work on the Northwest Area Water Supply pipeline project. Houston forwarded their recommendation to me on March 10, 2015. Houston’s recommendation was that Swanberg Construction is the lowest responsible bidder for Schedule 1 and Northern Improvement is the lowest responsible bidder for Schedule 2.

Based on the court’s interpretations of “lowest responsible bidder” and Houston’s recommendation, I advise you that Swanberg Construction and Northern Improvement are the lowest responsible bidders for Contract7-9G.

*Note – This memo was revised on March 13, 2015, to correct an error that the partnership with West Dakota Water is with B&W only, not B&W/AECOM.



March 10, 2015

VIA EMAIL & US MAIL

Jennifer Verleger, PE
Office of the Attorney General
600 East Boulevard Avenue
Dept. 125
Bismarck, ND 58505

**Subject: Bid Review Opinion
Contract 7-9G
Southwest Pipeline Project**

Dear Jennifer:

As you requested, the following bid review was performed for the referenced contract. Please find attached the bid tabulation for the four bids provided to me that were opened and read on March 5, 2015. As we discussed last week, since the Engineer for the referenced Project is Bartlett & West/AECOM I am obligated to notify you that Houston Engineering, Inc. has an ongoing Prime/Sub-Consultant Agreement with Bartlett & West to provide surveying services. The agreement is structured such that either company can perform as the Prime or Sub consultant for services as opportunities arise.

BACKGROUND:

The Instructions for Bidders (EJCDC C-200) Article 14 listed the criteria for the basis and comparison of received bids, while Article 15 same section listed specific information to be included in each bid for the referenced project and Article 19 same section lists criteria for evaluation of bids and contract award. Completeness and inclusion of certain types of information is open to the discretion of the OWNER (in this case, the State of North Dakota Water Commission) in determining award, as the verbiage of 48-1.02 of the NDCC states the "lowest responsible bidder", in addition to the language contained within Article 19.01 that provides the OWNER reserved rights to reject any and all bids, non-responsible bidders, bids not in the best interest of the project, and to waive informalities not involving price, time, or changes in the WORK, all of which provide a significant degree of latitude when evaluating and determining if and to whom a bid will be awarded.

The qualifications demonstration documentation requested as part of the Advertisement for Bids generally plays a significant role in determining a recommendation for award, as does Agency history and experience with specific contractors performing similar work. It should also be noted that past Agency history and experience are no guarantee of success, nor are similar metrics such as ability to obtain Performance and Payment Bonds and positive references. Essentially, the recommendation process consists of evaluating the criteria required to complete a specific type of project and comparing it to the experience, historical success,

Jennifer Verleger, PE

March 10, 2015

Re: Bid Review Opinion

Page 2 of 5

problems encountered, and past performance of the bidders as well as hard data such as financial solvency and bonding capacity. It is the cumulative view of that criteria that is provided to the Owner as an opinion to assist the Owner in awarding to the lowest responsive, responsible bidder in an effort to maximize the probability of project success.

BIDDING INFORMATION REVIEW:

I was provided four (4) bids for the referenced project as part of the review: (1) Swanberg Construction, Inc.; (2) Eatherly Constructors, Inc.; (3) JMAC Resources, Inc.; and (4) Northern Improvement Company. A summary of each bidder's information provided is as follows:

Swanberg Construction, Inc.

- 1) No irregularities were noted in the Bid Bond or Acknowledgement of Surety
- 2) A North Dakota Class A Contractors License Certificate of Renewal was provided.
- 3) Receipt of Addendum 1 and 2 was acknowledged.
- 4) The ConsensusDOCS 220 Qualification Statement was provided, however Schedule C – Direct Construction Experience of Principals was missing.
- 5) Dispute History Certification was provided with "None" indicated.
- 6) Equal Opportunity Compliance Statement and Subcontractor Certification for Non-Segregated Facilities was provided.
- 7) Certification regarding Debarment was provided.
- 8) Anti-Lobbying Certification was provided.
- 9) The list of subcontractors and suppliers was provided.

Eatherly Constructors, Inc.

- 1) No irregularities were noted in the Bid Bond or Acknowledgement of Surety
- 2) A North Dakota Class A Contractors License Certificate of Renewal was provided.
- 3) Receipt of Addendum 1 and 2 was acknowledged.
- 4) The ConsensusDOCS 220 Qualification Statement was provided, however Schedule C – Direct Construction Experience of Principals was missing.
- 5) Dispute History Certification was provided with "None" indicated.
- 6) Equal Opportunity Compliance Statement and Subcontractor Certification for Non-Segregated Facilities was provided.
- 7) Certification regarding Debarment was provided.
- 8) Anti-Lobbying Certification was provided.
- 9) The list of subcontractors and suppliers was provided.

Jennifer Verleger, PE

March 10, 2015

Re: Bid Review Opinion

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JMAC Resources, Inc.

- 1) No irregularities were noted in the Bid Bond or Acknowledgement of Surety
- 2) A North Dakota Class A Contractors License Certificate of Renewal was provided.
- 3) Receipt of Addendum 1 and 2 was acknowledged.
- 4) The ConsensusDOCS 220 Qualification Statement was provided, however Schedule B – Current Projects Under Construction appeared intermingled with Schedule A and Schedule C – Direct Construction Experience of Principals were missing.
- 5) Dispute History Certification was provided with "None" indicated.
- 6) Equal Opportunity Compliance Statement and Subcontractor Certification for Non-Segregated Facilities was provided.
- 7) Certification regarding Debarment was provided.
- 8) Anti-Lobbying Certification was provided.
- 9) The list of subcontractors and suppliers was provided.

Northern Improvement Company

- 1) No irregularities were noted in the Bid Bond or Acknowledgement of Surety
- 2) A North Dakota Class A Contractors License Certificate of Renewal was provided.
- 3) Receipt of Addendum 1 and 2 was acknowledged.
- 4) The ConsensusDOCS 220 Qualification Statement was provided and complete.
- 5) Dispute History Certification was provided with "None" indicated.
- 6) Equal Opportunity Compliance Statement and Subcontractor Certification for Non-Segregated Facilities was provided.
- 7) Certification regarding Debarment was provided.
- 8) Anti-Lobbying Certification was provided.
- 9) The list of subcontractors and suppliers was provided.

BID SUMMARY:

Bid tabulation (attached) was performed to verify mathematical accuracy of total prices as unit prices control for any discrepancies. Analysis indicated that Swanberg Construction, Inc. had four errors on extended prices and a total error of (\$ 74,380.00) on Bid Schedule 2. Eatherly Construction, Inc. had one error on each schedule for a total error of (\$ 37,395.10). None of the multiplicative errors changed relative price position for either contractor on either Schedule or combination of schedules. A summary table of the bid tabulation is provided below:

Contractor	Bid Schedule 1	Amount Greater Than Low Bid	Bid Schedule 2	Amount Greater Than Low Bid	Combined Schedules 1 and 2
Swanberg Construction, Inc. Valley City, ND	\$5,663,889.00	\$ -	\$6,918,796.00	\$836,676.73	\$12,582,685.00
JMAC Resources, Inc. Williston, ND	\$5,892,352.02	\$228,463.02	\$6,082,119.27	\$ -	\$11,974,471.29
Northern Improvement Co. Fargo, ND	\$6,228,281.50	\$564,392.50	\$6,767,881.10	\$685,761.83	\$12,996,162.60
Eatherly Constructors, Inc. Leawood, KS	\$6,731,604.50	\$1,067,715.50	\$7,815,912.00	\$1,733,792.73	\$14,547,516.50
ENGINEER'S OPCC	\$5,784,995.50		\$7,162,721.50		

Based on the corrected bid tabulation, Swanberg Construction Inc. is the apparent low bidder for Schedule 1, JMAC Resources Inc. is the apparent low bidder for Schedule 2, and JMAC Resources is the apparent low bidder for Combined Schedules 1 and 2. The Engineer's OPCC provided is shown as well and indicates that both Swanberg and JMAC's bids are lower than the OPCC for Schedule 1, while all bidders with the exception of Eatherly submitted bids lower than the Engineer's OPCC for Schedule 2.

BID ASSESSMENT:

Three of the four bidders – Swanberg Construction, Northern Improvement, and Eatherly – are either currently or have historically performed the same rural water distribution work for the NDSWC that is encompassed within these Schedules. In fact, I have personal experience with both Swanberg Constructon and Northern Improvement as a project engineer and project manager extending back in time nearly 20 years. The concern I encountered when reviewing the bids was with JMAC Resources, as all the relevant project work listed on Schedule A of the ConsensusDOCS 220 is, I believe, West Dakota Water and therefore solely raw water supply for industrial use. While the contract values are sizeable, the difference between installing potable water infrastructure compared to untreated industrial water is significant and relevant.

I contacted Jason Ekblad with JMAC Resources to obtain the resume of the proposed project superintendent (attached) as this individual's background and experience are, in my opinion, essential for obtaining a successful project. While Mr. Webster has a significant history in construction, including some municipal utility work, the differences associated with coordination and implementation of a successful rural water construction project are significant – especially considering the degree of performance required from

Jennifer Verleger, PE

March 10, 2015

Re: Bid Review Opinion

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contractors working on NDSWC projects. This opinion is based on my 24 years of experience with multiple municipal utility contracts, non-State owned rural water system contracts, and as a member of the NAWS project team for 11 years. Simply put, the level of performance required by the NDSWC for contractors considering the level of observation and quality control demanded by the NDSWC field staff and their engineering consultants, is a highly set bar compared to most, if not all, other utility operations in this region.

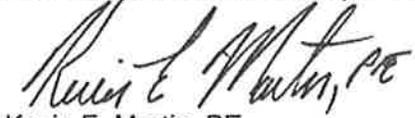
SUMMARY:

Considering that the intent of this opinion is to attempt to maximize the chances for a successful project implementation of both Schedules, and considering the information provided for my review, my opinion to the Office of the Attorney General in this matter is to recommend award of Schedule 1 to Swanberg Construction Inc. in the amount of \$ 5,663,889.00 and to recommend award of Schedule 2 to Northern Improvement Company in the amount of \$6,767,881.10 (assuming the Bid Adjustment Item notice was filed with the Owner within 24 hours, as I was not forwarded that information).

If you have any questions or require additional information, please contact me at (701) 323-0200 or by e-mail at kmartin@houstoneng.com .

Sincerely,

HOUSTON ENGINEERING, INC.



Kevin E. Martin, PE

Principal/Sr. Project Manager

Attachments (2)

**AMENDMENT #1 TO WATER SERVICE CONTRACT
BETWEEN THE MISSOURI WEST WATER SYSTEM,
THE SOUTHWEST WATER AUTHORITY,
AND THE STATE WATER COMMISSION**

The State of North Dakota, acting through the State Water Commission (Commission), Missouri West Water System (Customer), and the Southwest Water Authority (Authority) amend Contract *Missouri West Water System*, approved by the Commission on April 6, 2011, regarding water service for the Customer.

In consideration of the mutual covenants contained in this Amendment and in the original Contract, the parties agree to the following revisions, additions, and deletions to Contract *Missouri West Water System*:

Add SECTION V, PARAGRAPH 13:

13. In addition to the two points of connection described in Section V, Paragraph 12, an additional point of delivery will be provided to the Customer in the SE1/4, Section 35, Township 141 North, Range 82 West. All costs related to the construction of the additional point of delivery, including all appurtenant piping, valves, and controls, will be paid by the Commission. The inlet pressure to the vault will range from 105 to 120 psi. The outlet pressure will vary between 20 to 35 psi, depending on the settings in the vault.

Replace SECTION V, PARAGRAPH 2 with:

2. The Customer hereby agrees to purchase and make payment for a combined total of not less than 40 million gallons (minimum annual water purchase) from the three points of connection described in Section V, Paragraph 12 and Section V, Paragraph 13.

Replace SECTION V, PARAGRAPH 3 with:

3. The maximum flow rate for the two points of connection in the SE1/4 of Section 4, Township 139 North, Range 85 West is 200 gallons per minute. The maximum flow rate for the point of connection in the SE1/4 of Section 35, Township 141 North, Range 82 West is 32 gallons per minute. The maximum flow rate is 232 gallons per minute total for all connections to the Customer.

Replace SECTION V, PARAGRAPH 5 with:

5. The flow rate set forth for the two points of connection in the SE1/4 of Section 4, Township 139 North, Range 85 West is on a constant flow basis. The flow rate set forth for the point of connection in the SE1/4 of Section 35, Township 141 North, Range 82 West is on a demand flow basis.

Replace SECTION VI, PARAGRAPH 3 with:

3. The Customer's monthly water service payment is the sum of the following:
- a. Municipal and Domestic Water. For municipal and domestic water, the Customer's water service payment for each month will equal the sum of: 1) the Customer's

proportionate share of the operation, maintenance, and replacement costs; 2) the Customer's payments for capital costs, as determined by the Commission.

- b. Industrial Water. The parties agree that the Customer will pay the Authority's Oil Industry Rate for the bulk water sold for oil/gas industry. Bulk water sold to the oil/gas industry includes any bulk water vendors operated by the Customer and private customers who operate as bulk water vendors as permitted by the Customer. The current Oil Industry Rate is \$22/1000 gallons. The Oil Industry Rate may be adjusted annually. The Customer will pay the Authority's Contract Customer rate for industries other than oil/gas. It is the Customer's responsibility to provide documentation regarding sale of water to industries other than oil/gas.

Replace SECTION VI, PARAGRAPH 5 with:

5. The Customer's share of the Project's capital costs (for calculating the Customer's monthly payment) will be determined as provided below.
 - a. The base rate for capital costs for constant flow shall be \$0.72 per each 1,000 gallons of water.
 - b. The base rate for capital costs for demand flow shall be an amount equal to two times the water rate for capital costs paid for constant flow service.
 - c. The Commission shall have the Authority to adjust the base water rate for capital costs annually in accordance with the increase or the decrease in the consumer price index CPI. The formula for determining the adjustment to the water rate for capital costs for each year is as follows: The CPI for September 1 of each year shall be divided by the base CPI of January 1, 1995, which is 448.4 (1967=100). The result of this calculation shall be reduced by one (1), and then multiplied by the base water rate for capital costs. The product of this formula is the adjustment to the water rate for capital costs and shall be used to add to the base water rate for capital costs for the next year. Notwithstanding the foregoing basis for adjusting the water rate for capital costs, the Commission shall have the authority to decrease the adjustment to the water rate for capital costs, as it deems appropriate and necessary, after considering data on changes to the median incomes of Project water customers, substantial increases in operation, maintenance and replacement costs, or other factors.
 - d. The amount of the Customer's monthly payment to the Authority for capital costs for constant flow service shall be calculated by multiplying the water rate for capital costs for constant flow service times the amount of water actually delivered to the Customer at the two points of connection in the SE1/4 of Section 4, Township 139 North, Range 85 West. The amount of the Customer's monthly payment to the Authority for capital costs for demand flow service shall be calculated by multiplying the water rate for capital costs for demand flow service times the amount of water actually delivered to the Customer at the point of

connection in the SE1/4 of Section 35, Township 141 North, Range 82 West. The amount of the Customer's total monthly payment to the Authority for capital costs shall be the sum of the monthly payment for capital costs for constant flow service and the monthly payment for capital costs for demand flow service.

- e. The current constant flow customer rate is \$3.94/1000 gallons. The current demand flow customer rate is \$5.08/1000 gallons.

Add the following as **SECTION VI, PARAGRAPH 10:**

- 10. Should the Customer elect to re-sell water for industrial purposes, the Customer shall adhere to the following requirements:
 - a. Industrial Permit. The industrial use of the SWPP water is permitted under the Commission Water Permits #5754 and #6145. All the parties agree that they will abide by the conditions, limitations, and restrictions listed on permits #5754 and #6145. Copies of permits #5754 and #6145 are attached to this amendment.
 - b. Real-Time Monitoring Devices. One of the conditions on permit #6145 stipulates that real-time monitoring devices must be installed at every connection to a water depot capable of water distribution to the oil/gas industry. The parties agree that the Customer, at its own expense, will install a real-time monitoring device acceptable to the Commission and the Authority at all water depots served by SWPP water.
 - c. Water Allocation. The parties agree that municipal, domestic, and rural water needs shall be given preference. The Commission and the Authority have the right to curtail the industrial use of SWPP water during water shortages, emergencies, and when the total industrial use for the SWPP nears the allocation from the water permits.

The Parties executed this Amendment on the date(s) specified below.

NORTH DAKOTA STATE WATER COMMISSION

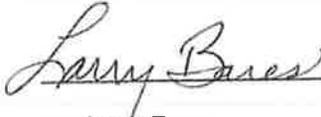


By: Todd Sando, P.E.

Its: Chief Engineer and Secretary

Date: 3/16/15

SOUTHWEST WATER AUTHORITY



By: Larry Bares

Its: Chairman of the Board of Directors

Date: 3-9-15

MISSOURI WEST WATER SYSTEM



By: Mike Kemnitz

Its: General Manager

Date: 3-3-2015

**SOUTHWEST PIPELINE PROJECT
WATER SERVICE CONTRACT**

Contract Number: 1736-SWA-09
Amendment Number: One (1)
Customer Entity: Missouri Basin Well Service

Contract Number 1736-SWA-09 was executed by Southwest Water Authority (Authority) and Missouri Basin Well Service (Customer) on October 29, 2003. Contract Number 1736-SWA-09 provides for potable water service from the Southwest Pipeline Project to Missouri Basin Well Service under the terms, conditions and covenants contained in Contract Number 1736-SWA-09. Contract Number 1736-SWA-09 had a five (5) year term, which can be renewed for successive five (5) year periods.

This Amendment Number One (1) to Contract Number 1736-SWA-09 is made to amend certain terms, conditions, and covenants as set forth below, and to renew Contract Number 1736-SWA-09 for an additional five (5) year term.

Because Customer is allowed to utilize water for industrial purposes under this Contract Amendment, the North Dakota State Water Commission (Commission) shall be made a party to Contract Number 1736-SWA-09 by way of this Contract Amendment.

In consideration of the mutual covenants contained in this Amendment and in the original Contract, the parties hereto agree to the following revisions, additions, and/or deletions to Contract Number 1736-SWA-09:

1. To replace **SECTION VI, PARAGRAPH 2** with:
 2. Payment for Water Service.
 1. Industrial Water. The parties agree that the Customer will pay the Authority's Oil Industry Rate for the bulk water used for the oil/gas industry. The current Oil Industry Rate is \$22/1000 gallons. The Oil Industry Rate may be adjusted annually.

Add the following as **SECTION VI, PARAGRAPH 11**:

1. Industrial Permit

The industrial use of the SWPP water is permitted under the Commission Water Permits #5754 and #6145. All the parties agree that they will abide by the conditions; limitations and restrictions listed on permits #5754 and #6145. Copies of permits #5754 and #6145 are attached to this amendment.
2. Real-Time Monitoring Devices.

One of the conditions on permit #6145 stipulates that real-time monitoring devices must be installed at every connection to a water depot capable of water distribution to the

oil/gas industry. The parties agree that the Customer, at its own expense, will install a real-time monitoring device acceptable to the Commission and Authority at all water depots served by SWPP water. For existing water depots, the monitoring device will be installed before the depots become operational.

3. Water Allocation.

The parties agree that municipal, domestic, and rural water needs shall be given preference. The Commission and Authority have the right to curtail the industrial use of SWPP water during water shortages, emergencies, and when the total industrial use for the SWPP nears the allocation from the water permits.

2. This Amendment Number One (1) shall extend the term of Contract Number 1736-SWA-09 until December 31, 2019.
3. All other terms, conditions, and covenants of Contract Number 1736-SWA-09 shall remain in full force and effect.

The Parties executed this Amendment on the date(s) specified below.

STATE WATER COMMISSION

By: Todd Sando

Its: Chief Engineer and Secretary

Date: _____

Subscribed and sworn before me this ___ day of _____, 2____

State of North Dakota. County of _____.

Notary Public

My Commission Expires: _____

SOUTHWEST WATER AUTHORITY

By: Larry Bares

Its: Chairman

Date: _____

Subscribed and sworn before me this ___ day of _____, 2_____

State of North Dakota. County of _____.

Notary Public

My Commission Expires: _____

MISSOURI BASIN WELL SERVICE

By: _____

Its: _____

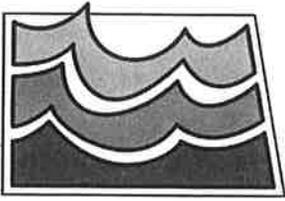
Date: _____

Subscribed and sworn before me this ___ day of _____, 2_____

State of North Dakota. County of _____.

Notary Public

My Commission Expires: _____



North Dakota State Water Commission

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

MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM:  Todd Sando, P.E., Chief Engineer-Secretary
SUBJECT: Mouse River Enhanced Flood Protection Project Update and Cost Share for Work
DATE: February 27, 2015

Design work on the 3 phases of protection features in Minot is progressing and has brought us to the point where coordination with the Corps of Engineers on modifications to the existing features must take place.

Throughout the development of the Project we have been aware that there will be a requirement for some level of permitting and environmental work. The Section 408 process, through which the Corps must evaluate modifications to existing federal projects, is the step that makes it necessary.

The project that is being presented to the Corps for evaluation is the reach from upstream of Burlington to the downstream side of Minot. Although the Project includes the whole basin within North Dakota, this reach is self-contained and contiguous so it, and the Corps-constructed features within it, can be evaluated as a whole. Also, the few Corps features outside of this area are independent of those within it.

There is also the coincidence that the System Wide Improvements Framework (The process of correcting identified deficiencies in the existing protective works) will also benefit from and contribute to this work. Coordinating these two efforts would have been very difficult and contradictory without the fortunate timing and the willingness of the Corps and the Local Sponsors to address them together.

As part of the 408 process, we will also discover other specific federal permits required such as 404 and possibly others. These permits will require compliance with the National Environmental Policy Act. Although it has not been conclusively determined that we will need an Environmental Impact Statement, (as opposed to an Environmental Assessment) there is a strong chance we will.

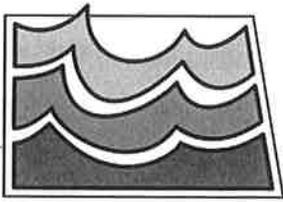
The environmental work will be completed by the projects engineering team and, as required by the Corps, will include a quality review by an independent firm. The Souris River Joint Water Resources Board estimates this work will cost \$5,000,000 and has requested a 75% cost-share of \$3,750,000. Existing cost share policy calls for a state contribution of 60%, or \$3,000,000. As stated in the request, the work will include impact mitigation strategies, overall project design guidelines, a System-Wide Improvement Framework, as required by the Corps, independent external peer review and other activities. The cost share request is attached.

I recommend the State Water Commission approve this request by the Souris River Joint Water Resources Board for state cost share at 60 percent grant for the environmental engineering work for the Mouse River Enhanced Flood Protection Project at an amount not to exceed \$3,000,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium. This approval is subject to and the entire contents of the recommendation contained herein, obtaining all permits and availability of funds.

TSS:JTF:pdh/1974
Attachment

JACK DALRYMPLE, GOVERNOR
CHAIRMAN

TODD SANDO, P.E.
CHIEF ENGINEER AND SECRETARY



North Dakota State Water Commission

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM:  Todd Sando, P.E., Chief Engineer-Secretary
SUBJECT: NAWS – Project Update
DATE: March 3, 2015

Supplemental EIS

Reclamation continues to work on the Supplemental Environmental Impact Statement (SEIS). The draft SEIS was released for public comment June 20, 2014, and the public comment period ended September 10, 2014. The State Water Commission submitted a comment letter and continues to work with the Bureau of Reclamation to provide information to aid in responding to comments received from other entities. A meeting was held December 9, 2014 with the Environmental Protection Agency, Reclamation, North Dakota Department of Health, City of Minot, and SWC staff to discuss concerns raised by EPA in their comment letter. A cooperating agency team (CAT) meeting was held February 24, 2015 to go through responses to comments received and review subsequent changes to the Draft SEIS. Reclamation anticipates the Final SEIS being available in April or May. A 30-day waiting period is required before a Record of Decision can be signed after publication of the availability of the Final SEIS.

Manitoba & Missouri Lawsuit

Upon completion of the SEIS and issuance of the Record of Decision, the Court will be notified of the completion of the NEPA process and a briefing schedule will likely be requested at that time.

The Federal Court has requested a joint status update by March 3, 2015. In addition to the update, we intend to provide notice to the Court that there will likely be some work performed at the High Service Pump Station to ensure and enhance the ability of the facility to meet its intended purpose. There have been several issues with the pumps, motors, drives, and electrical systems at the pump station and we feel measures need to be taken to address them. While the anticipated work will be within a reasonable definition of operations and maintenance, the amount of work required will likely require advertisement for bids so we want to ensure that the court is aware of the work. Replacement and extraordinary maintenance funds will likely be requested for this work at a future State Water Commission meeting.

TS:TF:ph/237-04

JACK DALRYMPLE, GOVERNOR
CHAIRMAN

TODD SANDO, P.E.
CHIEF ENGINEER AND SECRETARY



North Dakota State Water Commission

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM:  Todd Sando, P.E., Chief Engineer – Secretary
SUBJECT: Devils Lake Hydrologic Update
Devils Lake Outlet Update
DATE: February 27, 2015

The current water surface elevation of Devils Lake is 1451.6 ft.-msl and 1451.5 ft.-msl for Stump Lake. This is approximately 0.7 feet below the water surface elevation from a year ago.

For Devils Lake the total precipitation for 2014 was 17.6 inches, which was 3.5 inches below average at the Devils Lake Reporting Station from 1991 to present. The precipitation in 2015 to date is 0.4 inches, which is 0.5 inches below average.

The National Weather Service Probabilities for exceeding listed lake levels for the period of January 19, 2015 to September 30, 2015 are shown in the table below. Also shown would be the increase in volume and area from current level to probable level.

Lake	90%	50%	10%
Devils Lake Elev.	1451.8 ft. msl	1452.0 ft. msl	1452.5 ft. msl
Lakes Vol. Increase	27,200 ac.-ft.	63,400 ac.-ft.	156,000 ac.- ft.
Lakes Area Increase	2,500 ac.	4,500 ac.	9,900 ac.

Routine maintenance is being done on the outlets, they are ready for operation as soon as spring runoff conditions allow.

TS:JK:EC:ph/416-10



North Dakota State Water Commission

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MEMORANDUM

TO: Governor Jack Dalrymple
Members of the State Water Commission
FROM: *TSD* Todd Sando, P.E., Chief Engineer/Secretary
SUBJECT: Missouri River Update
DATE: March 2, 2015

System/Reservoir Status

System volume on March 2 in the six mainstem reservoirs was 57.1 million acre-feet (MAF), 1.0 MAF above the base of flood control. This is 4.3 MAF above the average system volume for the end of February, and 6.5 MAF more than last year. The volume of water in the system on March 2, 2011, was 57.6 MAF.

On March 2, Lake Sakakawea was at an elevation of 1838.8 feet msl, 1.3 feet above the base of flood control. This is 7.2 feet higher than a year ago and 7.9 feet above its average end of February elevation. The minimum end of February elevation was 1806.6 feet msl in 2007 and the maximum end of February elevation was 1843.6 feet msl in 1973. The elevation of Lake Sakakawea on March 2, 2011, was 1838.5 ft msl.

On March 2, the elevation of Lake Oahe was 1608.3 feet msl, 0.8 feet above the base of flood control. This is 5.5 feet higher than last year and 7.8 feet higher than the average end of February elevation. The minimum end of February elevation was 1571.9 feet msl in 2007, and the maximum end of February elevation was 1611.2 feet msl in 1996. The elevation of Lake Oahe on March 2, 2011, was 1607.8 feet msl.

On March 2, the elevation of Fort Peck was 2235.2 feet msl, 1.2 feet above the base of flood control. This is 12.8 feet higher than a year ago and 8.6 feet higher than the average end of February elevation. The minimum end of February elevation was 2196.3 feet msl in 2007, and the maximum end of February elevation was 2244.4 feet msl in 1976. The elevation of Fort Peck on March 2, 2011, was 2235.8 feet msl.

National Weather Service Spring Flood Outlook

The National Weather Service issued a spring flood outlook on February 19. All locations with a forecast had a probability of less than 50 percent for major flooding, with most sites less than 10 percent. Plains snowpack is below normal and mountain snowpack is close to normal. The mountain snowpack in the "Above Fort Peck" reach is 91 percent of average and 100 percent of average for the "Fort Peck to Garrison" reach. The one and three month weather outlooks show an equal chance for above normal, normal, and below normal temperatures and precipitation.

Some rivers and streams in southwestern North Dakota have already experienced substantial runoff from rain and snowmelt in late January and early February. Record flows occurred in late January on

the Little Missouri River at Medora and Marmarth, Beaver Creek near Trotters, Hearth River above Lake Tschida, and Knife River at Hazen.

Missouri River Recovery Implementation Committee (MRRIC)

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

During a meeting in Kansas City, Missouri from February 23 to 26, MRRIC reached final consensus on a recommendation to the Corps to take action on Section 4013 of the Water Resources Reform Development Act (WRRDA) of 2014. Section 4013 provides that the MRRIC members may be reimbursed travel expenses. Limited resources have been a significant impediment to member participation and engagement on MRRIC, most notably of the tribal representatives appointed to the committee.

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

MRRIC was informed of a lawsuit filed by the Natural Resources Defense Council and Defenders of Wildlife against the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, and U.S. Bureau of Reclamation for actions taken on the Yellowstone Intake Bypass Channel. The project proposes to construct a bypass channel around the Yellowstone Intake dam to provide for the passage of pallid sturgeon. The federal agencies involved intend to move forward with the project and are planning on awarding the construction contract by June.

MRRIC received an update on the Kansas Aqueduct project, which proposes to divert Missouri River water to western Kansas for irrigation. The estimated water demand for the project ranges from 4.2 to 6.5 million acre-feet and costs roughly \$18 billion. As proposed, the project consists of a 360-mile long canal and 15 pump stations with a net elevation change of 1,745 feet. Currently, the project has been tabled by the Southwest Groundwater Management District.

Surplus Water/Reallocation

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