

MINUTES

North Dakota State Water Commission
Meeting Held In
Neighborhood Facilities Building
Beulah, North Dakota

November 19, 1975

The North Dakota State Water Commission held a meeting in the Neighborhood Facilities Building, Beulah, North Dakota, on November 19, 1975. Mr. Otto Kasper, representing the Mayor of Beulah, welcomed the State Water Commission and attendees to the City of Beulah. Governor-Chairman, Arthur A. Link, called the meeting to order at 10:00 a.m., Mountain Standard Time, and requested Secretary Fahy to present the agenda to the Commissioners.

MEMBERS PRESENT:

Arthur A. Link, Governor-Chairman
Richard Gallagher, Vice Chairman, Mandan
Alvin Kramer, Member from Minot
Gordon Gray, Member from Valley City
Arthur Lanz, Member from Devils Lake
Arlene Wilhelm, Member from Dickinson
Myron Just, Commissioner, Department of Agriculture, Bismarck
Vernon Fahy, State Engineer, Secretary and Chief Engineer, North
Dakota State Water Commission, Bismarck

OTHERS PRESENT:

Representatives of Natural Gas Pipeline Company of America
Representatives of Montana-Dakota Utilities Company
Representatives of ANG Coal Gasification Company
Representatives of Basin Electric Power Cooperative
Members of the Mercer County Water Management District
Officials of the City of Beulah
Officials of the City of Dunn Center
State Water Commission staff and others listed on attendance record

Proceedings of the meeting were tape recorded to assist in compilation of the minutes.

CONSIDERATION OF MINUTES
OF SEPTEMBER 29 AND 30, 1975
MEETING - APPROVED

30, 1975 meeting be dispensed with and approved as distributed.

It was moved by Commissioner Gray, seconded by Commissioner Kramer, and carried, that reading of the minutes of the September 29 and

**PUBLIC HEARING ON
AMENDED APPLICATION
OF MONTANA-DAKOTA
UTILITIES COMPANY
(SWC Water Permit No. 2292)**

Secretary Fahy introduced Murray Sagsveen, Legal Director to the North Dakota State Water Commission, as hearing officer to conduct the public hearing on the application by Montana-Dakota Utilities Company

for appropriation of 1,050 acre-feet of water for storage purposes plus 11,000 acre-feet of water to be used annually from the Missouri River for a 440-megawatt power plant proposed to be constructed near Beulah, North Dakota. The proceedings of this hearing were transcribed by a Court Reporter and are on file in the offices of the State Water Commission.

**CONTINUED CONSIDERATION OF
APPLICATION BY NATURAL GAS
PIPELINE COMPANY OF AMERICA
FOR WATER PERMIT
(SWC Water Permit No. 2083)**

During discussion at the September 29, 1975 Commission meeting, Mr. Robert Lindgren, Natural Gas Pipeline Company of America, cited a list of permits which are required for the proposed lignite coal gasification

facilities. Upon reviewing this list of required permits, Governor Link requested that Natural indicate the status and progress of these permits. This information, along with additional information in respect to other questions raised at the meeting, have been provided by Natural and copies have been forwarded to the Commission members.

Secretary Fahy invited Mr. Lindgren to review this information with the Commission members, and also any other items that Natural may desire to present at this time.

Mr. Lindgren announced that Natural has made a decision to enter into an agreement with the AMAX Coal Company, Indianapolis, Indiana, for mining of coal. He indicated that AMAX is the fourth largest company in the nation for mining and presently operates 12 surface and one underground mine. The main reason for selection of AMAX in addition to their technical expertise, was their demonstrated attitude for environmental concerns.

In 1945, Meadowlark Farms was created as a farm management subsidiary of Ayrshire Collieries Corporation, the predecessor of AMAX. Meadowlark was specifically created to productively farm company-owned lands prior to mining and to reclaim such lands as surface mining was completed. He stated a number of statistics from over the past years which Meadowlark has produced on reclaimed land.

Mr. Lindgren stated that AMAX will be working collectively with Natural to develop more detailed mining and reclamation plans all of which will be a part of the detailed studies presently being completed.

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Governor Link asked if representatives of AMAX have physically visited the proposed mining areas to familiarize themselves with various characteristics of the project.

Mr. Lindgren indicated that a number of AMAX representatives have visited and are familiar with the proposed plant site, and have also been working with Natural's Environmental Task Group for the past two months in anticipation of reaching this agreement.

Governor Link asked what source of electrical energy will be necessary if construction of the plant commences and also for the operation of the plant.

Mr. Lindgren replied that finalization of plans for the source of electrical energy haven't been completed yet, but studies are being conducted. Discussions have been held with various local power companies to possibly coordinate efforts in this respect.

Governor Link asked what level of air quality Natural feels can be maintained if the proposed plant is constructed.

Mr. Lindgren stated that the requirements in the area of the proposed plant would fall into the Class 2 classification, and that all of the studies conducted in this regard have indicated there would be no difficulty in achieving this level.

Commissioner Gallagher stated that in respect to a proposed condition which was discussed at the last Commission meeting to reserving a portion of the synthetic gas for North Dakota's needs, he feels that the condition should contain a specific percentage or figure for reservation of the gas to North Dakota.

Commissioner Kramer recalled that at a past Commission meeting, a special subcommittee was appointed by Governor Link, consisting of Commissioners Gallagher and Just, and Messrs. Fahy and Sagsveen, to develop conditions which could be considered for attachment to a conditional water permit.

Secretary Fahy indicated that the subcommittee had met and developed conditions, but felt that these draft conditions should be discussed and reviewed by the entire Commission before discussing them with the Company. Copies of the draft recommendations were distributed to the Commissioners.

Governor Link suggested that if there is no opposition, in light of the fact that the entire Commission has not yet had an opportunity to review and discuss the draft conditions, that they be given this opportunity, and that the special subcommittee continue their work based upon today's discussions to further refine and delineate the interests and intentions of the Commission as expressed at this meeting.

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Secretary Fahy suggested that the Commission direct the State Water Commission staff to meet with members of Natural Gas Pipeline Company to discuss conditions which the Commission could consider if it were their desires to grant a conditional permit.

Following discussion, Governor Link thanked Mr. Lindgren and members of his Company for appearing and indicated that Natural's presentation will be taken under advisement for further consideration.

Governor Link stated that for sometime it has been a concern of his, and of the Commission's, as to what extent the State of North Dakota should continue to approve water permits for energy conversion plants in view of the lack of sufficient final data and information as to cumulative effects of those plants.

At the request of Governor Link, Murray Sagsveen prepared, distributed and read a draft resolution for the Commission's consideration. This resolution states, in part:

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Water Commission on this 19th day of November, 1975, that the Commission and State Engineer shall make a final determination on all pending applications for water permits for energy-conversion purposes. Action on applications filed after this date shall be suspended until July 1, 1977, provided this shall not be construed to prohibit any applicant from filing an application with the State Engineer thereby establishing a priority date should a water permit be granted after the termination of the suspension.

After discussion on the proposed resolution, it was moved by Commissioner Just that such resolution be adopted by the Commission, with amendments to read as follows:

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Water Commission and the State Engineer meeting on this 19th day of November, 1975, that final action on applications for energy-conversion facilities filed after November 19, 1975, shall be suspended until on or after July 1, 1977. Commissioner Lanz seconded the motion. All members voted aye on the motion and it carried. (SEE APPENDIX "A" - Resolution No. 75-11-387 - Moratorium of Applications for Energy-Conversion Water Permits Filed After November 19, 1975)

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CONSIDERATION OF
ESTABLISHING A DATE
FOR PUBLIC HEARING ON
REQUEST OF BASIN ELECTRIC
POWER COOPERATIVE FOR A
WATER PERMIT
(SWC Water Permit No. 2179)

Secretary Fahy stated that an application has been filed by Basin Electric Power Cooperative to appropriate 19,000 acre-feet of water for power generation purposes in Mercer County. The next phase in processing the application is to establish a date for a public hearing. It was suggested by Secretary

Fahy that the hearing be tentatively scheduled for the last week in January, 1976.

Secretary Fahy indicated that he would like to consider holding a meeting of the Commission during the first week in December in conjunction with the annual Water Users Convention. It was the consensus of the Commission members to defer action at this time in setting a date for the public hearing on the application filed by Basin Electric until the December meeting of the Commission to be held in Minot.

CONSIDERATION OF REQUEST FOR
INCREASED STATE WATER COMMISSION
PARTICIPATION IN SNAGGING AND
CLEARING OF ROSE COULEE
(SWC Project No. 1080)

At the Commission's June 30, 1975 meeting, approval was granted for State Water Commission participation in the amount of \$4,000 for snagging and clearing of Rose Coulee. Formal bids have indicated that the costs would be

considerably higher for this project than the Water Commission's cost estimates indicated, therefore, the Commission's staff has reviewed the project and are aware of the difficulties which are to be encountered. The City of Fargo has requested increased cost participation by the State Water Commission from the original \$4,000 to \$10,000. It was Secretary Fahy's recommendation that the Commission honor this request for increased participation in the Rose Coulee project.

It was moved by Commissioner Gray that the Commission amend their cost participation from \$4,000 to not more than \$10,000 for the snagging and clearing of Rose Coulee. Commissioner Lanz seconded the motion and all members voted aye.

CONSIDERATION OF REQUEST
FROM RAMSEY COUNTY WATER
MANAGEMENT DISTRICT FOR
PARTICIPATION IN CLEANOUT
OF MAUVAIS COULEE
(SWC Project No. 416)

Secretary Fahy stated that a request from the Ramsey County Water Management District for widening and improvement of the Mauvais Coulee water channel from the outlet of Lake Irvine, commencing in Section 32 of Township

156 North of Range 66 West of the 5th Principal Meridian, in Chain Lakes Township in Ramsey County, through Section 5 in Coulee Township, Township 155 North, Range 66 West of the 5th Principal Meridian, in Ramsey County, North Dakota, down to the south

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boundary line of this Section 5, has been received in his office. On several occasions, the Ramsey County Water Management District has brought this item before the Devils Lake Planning Committee. The Committee has decided that this is a matter that is not under their jurisdiction since it involves a cleanout, and the legislation authorizing this study specifically stated that the study should not interfere with ongoing work.

The total estimated cost of the project is \$76,000. State Water Commission participation is normally 40 percent in projects such as this, which would amount to State participation in the amount of \$30,400. It was Secretary Fahy's recommendation that the Commission honor this request from the Ramsey County Water Management District with the understanding that the project involves moving the east dike approximately 78 feet and installing a sheet piling weir at the outlet of Lake Irvine and that payment of State Water Commission funds be based on actual cost vouchers for payroll and fuel costs of county equipment.

It was moved by Commissioner Lanz, seconded by Commissioner Gray, and carried, that the State Water Commission participate in the cleanout project of Mauvais Coulee in an amount not to exceed \$30,400 for work as outlined above.

CONSIDERATION OF PROPOSED
WATER SERVICE CONTRACT
BETWEEN ANG COAL GASIFICATION
COMPANY AND THE BUREAU OF
RECLAMATION
(SWC Water Permit No. 1901A)

Murray Sagsveen distributed copies of a proposed contract between ANG Coal Gasification Company and the Bureau of Reclamation for furnishing water from the Garrison Reservoir for industrial use. He briefly reviewed the proposal and discussed areas where

the State Water Commission has made input.

CONSIDERATION OF DRAFT
REGULATION FOR ASSESSING
A FEE FOR WATER THAT IS
APPROPRIATED FOR ENERGY
CONVERSION PURPOSES
(SWC Project No. 1494)

Sometime ago, the Commission members expressed interest in assessing a fee for the water that is appropriated for energy conversion purposes. Mr. Sagsveen distributed copies to the Commissioners of a draft regulation that could be considered in assessing

a charge for the use of water. He noted that he used as a guideline for his draft figures which are used by the Federal Government.

MOTION ENTERTAINED EXPRESSING
APPRECIATION FOR FACILITIES
AND HOSPITALITY TO CITY OF BEULAH
(SWC Water Permit No. 2292)

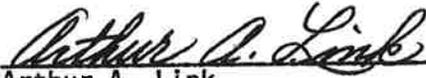
Governor Link and Secretary Fahy, on behalf of the Water Commission, thanked officials of the City of Beulah for inviting them to their city to hold the Commission meeting

and public hearing on the Montana-Dakota Utilities Company's water permit application, and for the hospitality shown them.

November 19, 1975

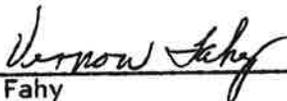
It was moved by Governor Link that the Chief Engineer be directed to prepare a letter expressing appreciation and thanks to the Mayor and to the Chamber of Commerce of the City of Beulah for the use of their facilities and for the hospitality that was shown the Commission. Commissioner Kramer seconded the motion and all members voted aye.

It was moved by Commissioner Gray, seconded by Commissioner Kramer, and carried, that the Commission adjourn their meeting at 6:00 p.m., Mountain Standard Time.



Arthur A. Link
Governor-Chairman

ATTEST:



Vernon Fahy
Secretary

November 19, 1975

RESOLUTION 75-11-387

Moratorium of Applications for Energy-Conversion
Water Permits Filed After November 19, 1975

WHEREAS, Section 61-01-26 of the North Dakota Century Code states:

"....it is....the water resources policy of the state that:

1. The public health, safety and general welfare, including with limitation, enhancement of opportunities for social and economic growth and expansion, of all of the people of the state, depend in large measure upon the optimum protection, management and wise utilization of all of the water and related land resources of the state;
2. Well-being of all of the people of the state shall be the overriding determinant in considering the best use, or combination of uses, of water and related land resources;" and

WHEREAS, the State Water Commission and State Engineer have recently granted a number of energy-conversion related water permits, namely:

Minnkota Power Cooperative, Inc. (450MW) on October 28, 1973

for 7,500 acre-feet

United Power Association-Cooperative Power Association

(900MW) on July 24, 1974 for 15,000 acre-feet

ANG Coal Gasification Company (250 Million CF/day) on

February 20, 1974 for 17,000 acre-feet; and

WHEREAS, the Legislative Assembly has established a Regional Environmental Assessment Program (REAP) (Chapter 4, 1975 Session Laws) to provide the information necessary for state officials in their decision-making on such matters as water permits:

"It is the intent of the Legislative Assembly that priority shall be given to the development of necessary data and information systems in regard to the existence of and potential use of North Dakota's natural resources in order that the citizens of this state, officials of the executive branch of government and local government, and the Legislative Assembly may know with a high degree of certainty the alternatives available to the state if any use and development of resources, and the results and impacts of any such use of development, in order that there shall not be material detrimental deterioration of the environment or quality of life in North Dakota, but that any such use shall in fact enhance the quality of life of the citizens of this state;" and

WHEREAS, the results of REAP will not be immediately available to assist the Commission in their determinations on pending, and possible future, applications for water permits.

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Water Commission and the State Engineer at their meeting held on this 19th day of November, 1975, that:

Final action on applications for energy-conversion facilities filed after November 19, 1975, shall be suspended until on or after July 1, 1977.

FOR THE NORTH DAKOTA STATE WATER COMMISSION:

Arthur A. Link
Arthur A. Link
Governor-Chairman

Vernon Fahy
Vernon Fahy
Secretary

SEAL

ATTEST:

Matt Emerson
Matt Emerson
Assistant Secretary

NORTH DAKOTA STATE WATER COMMISSION
 FINANCIAL STATEMENT DECEMBER 31, 1975
 1975-77 APPROPRIATIONS

C5-1.2

	Available Funds APPROPRIATIONS	DEC. 1975	Disbursements TO DATE	Account Balance UNEXPENDED
GENERAL OPERATIONS ACCOUNT				
1005-Salaries and Wages (1)	\$1,784,488.00	\$ 58,779.51	\$299,518.96	\$1,484,969.04
2005-Fees and Services	214,835.00	10,662.07	50,863.62	163,971.38
3005-Supplies and Materials	202,600.00	25,137.26	64,320.49	138,279.51
4005-Equipment	117,950.00	3,330.00	40,650.27	77,299.73
5025-Contracts (2)	1,852,000.00	123,642.72	308,751.19	1,543,248.81
7705-Upper Miss. River Basin Comm.	37,960.00	-	16,046.36	21,913.64
7715-Missouri River Basin Comm.	47,000.00	155.59	18,178.66	28,821.34
7725-Devils Lake Flood Control	600,000.00	-	-	600,000.00
7735-Apple Creek Unit Study	186,140.00	-	-	186,140.00
7745-Intergovernmental Training Program	30,104.51	1,300.25	6,112.66	23,991.85
7605-Devils Lake Advisory Comm.	<u>177,655.46</u>	<u>9,952.76</u>	<u>27,876.64</u>	<u>149,778.82</u>
TOTAL OPERATIONS	\$5,250,732.97	\$232,960.16	\$832,318.85	\$4,418,414.12

(1) Includes 70,000 Federal Grant

(2) Includes \$640,000 Estimated Project Collections - \$1,073,870 Encumbered as shown on Project Authorized list date 10/31/75.

ACCOUNT BUDGET COMPARISON
1975-1977 BIENNIUMJanuary 22, 1975
SWC File C5-1.4

ACCOUNT DESCRIPTION	EXPENDED Dec. 1975	EXPENDED JULY 1, 1975- Dec. 31, 1975	ACCOUNT BUDGET	PERCENT OF BIENNIUM TIME	
				STD.	25%
<u>Salaries and Fringe Benefits</u>					
Direct Salaries	\$ 55,210.68	\$274,107.66	\$1,653,488.00	17	
OASIS	27.42	232.26	4,500.00	5	
Social Security	1,686.76	11,905.23	62,000.00	19	
Medical Insurance	671.86	3,329.46	20,000.00	17	
Workmen's Compensation	-	1,963.03	4,500.00	44	
State Retirement	1,182.79	7,981.32	40,000.00	20	
TOTAL	\$ 58,779.51	\$299,518.96	\$1,784,488.00(1)	17	
<u>Fees and Services</u>					
Meals and Lodging	\$ 5,268.17	\$ 24,576.90	\$ 93,000.00	26	
Personal Vehicle Mileage	775.05	1,459.30	9,000.00	16	
Commercial Transportation	1,052.93	6,276.93	19,000.00	33	
Miscellaneous Travel	883.50	1,257.32	4,000.00	31	
Utilities	82.31	379.00	2,500.00	14	
Rents	499.45	2,296.86	12,335.00	19	
Communications	122.33	3,887.24	12,000.00	32	
Repair Services	721.47	4,765.03	18,500.00	26	
Professional Fees	1,112.80	4,059.40	25,500.00	16	
Insurance	-	-	3,000.00	-	
Data Processing	40.41	813.47	10,000.00	8	
Miscellaneous Fees	103.65	1,092.17	6,000.00	18	
TOTAL	\$ 10,662.07	\$ 50,863.62	\$ 214,835.00	24	
<u>Supplies and Materials</u>					
Office Supplies & Central Dupl.	\$ 350.41	\$ 5,056.39	\$ 27,500.00	18	
Comm. Printing & Supplies	1,085.51	12,339.52	39,000.00	32	
Building & Equipment Supplies	20,019.66	26,159.39	52,600.00	50	
Fuel and Oil	2,053.38	12,263.47	44,000.00	28	
Repair Parts and Tires	1,628.30	8,292.37	38,500.00	22	
Miscellaneous Supplies	-	209.35	1,000.00	21	
TOTAL	\$ 25,137.26	\$ 64,320.49	\$ 202,600.00	33	
<u>Equipment</u>					
Shop and Field Equipment	\$ 3,330.00	\$ 40,012.27	\$ 104,500.00	38	
Office Furn. & Equip.	-	638.00	3,000.00	21	
Vehicles	-	-	10,450.00	-	
TOTAL	\$ 3,330.00	\$ 40,650.27	\$ 117,950.00	34	
Contract Payments	\$123,642.72	\$308,751.19	\$1,852,000.00(2)	17	
Upper Miss. River Basin Comm.	\$ -	\$ 16,046.36	\$ 37,960.00	42	
Mo. River Basin Comm.	\$ 155.59	\$ 18,178.66	\$ 47,000.00	39	
Devils Lake Flood Control	\$ -	\$ -	600,000.00	-	

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<u>ACCOUNT DESCRIPTION</u>	<u>EXPENDED Dec. 1975</u>	<u>EXPENDED JULY 1, 1975- Dec. 31, 1975</u>	<u>ACCOUNT BUDGET</u>	<u>PERCENT OF BIENNIUM TIME</u>	
				<u>STD.</u>	<u>25%</u>
Apple Creek Unit Study	\$ -	\$ -	\$ 186,140.00	-	
Devils Lake Adv. Comm.	\$ 9,952.76	\$ 27,876.64	\$ 177,655.00	16	
Intergovernmental Training Program	\$ 1,300.25	\$ 6,112.66	\$ 30,104.00	(3)	20
TOTAL APPROPRIATION	\$232,960.16	\$832,318.85	\$5,250,732.00	16	

- (1) Includes \$70,000 estimated Federal Grant Funds
- (2) State General Fund \$1,212,000
Est. Collections 640,000
- (3) State Emergency Commission Approval - Federal Funds

Dist.:
Original C5-1.4
Comm. Members
VF
ME
KK