

## **MINUTES**

### **North Dakota State Water Commission Bismarck, North Dakota**

**December 9, 2016**

The North Dakota State Water Commission held a meeting at the Best Western Ramkota Hotel, Bismarck, North Dakota, on December 9, 2016. Governor Jack Dalrymple, Chairman, called the meeting to order at 9:00 a.m., and requested Garland Erbele, 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  
Doug Goehring, Commissioner, North Dakota Department of Agriculture, Bismarck  
Arne Berg  
Maurice Foley  
Larry Hanson  
George Nodland  
Harley Swenson  
Robert Thompson  
Douglas Vosper

#### **OTHERS PRESENT:**

Garland Erbele, State Engineer, and Chief Engineer-Secretary,  
North Dakota State Water Commission, Bismarck  
State Water Commission Staff  
Approximately 75 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 December 9, 2016 State Water Commission meeting was presented; there were no modifications.

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

**CONSIDERATION OF DRAFT MINUTES  
OF OCTOBER 12, 2016 STATE WATER  
COMMISSION MEETING - APPROVED**

The draft final minutes of the October 12, 2016 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 October 12, 2016 State Water Commission meeting be approved as prepared.***

**APPRECIATION TO JACK DALRYMPLE,  
GOVERNOR OF NORTH DAKOTA  
(SWC Resolution No. 2016-12-531)**

Governor Jack Dalrymple was sworn in as the 32nd Governor of North Dakota in December, 2010. As Governor, he has served as Chairman of the North

Dakota State Water Commission. Because Governor Dalrymple decided not to seek re-election, his term will expire on December 15, 2016 as Governor of North Dakota.

Governor Dalrymple has been a strong advocate for water development efforts supporting unprecedented advancements in critical water supply infrastructure for people, agriculture, and industry. His guidance during the ongoing Devils Lake flood fight, and the unprecedented 2011 flood events resulted in the protection of countless people and critical infrastructure. His steadfast resolve in the wake of those flood-related challenges have positioned North Dakota to move forward with flood control solutions that will protect people and property in major population centers and rural areas alike in all of the state's major drainage basins. Governor Dalrymple's support of the State Water Commission and the Office of the State Engineer's commitment to sound management of North Dakota's water resources has enable the state to grow and diversify its economy for the benefit of generations to come while protecting its most valuable resource - water.

On behalf of the State Water Commission, the State Engineer, and the Commission staff, Resolution of Appreciation 2016-12-531 was presented to Governor Jack Dalrymple expressing gratitude and appreciation for his admirable and dedicated service to the people of the Great State of North Dakota. **SEE APPENDIX "A"** Memorabilia photographs of the Devils Lake outlets were also presented to Governor Dalrymple.

**STATE WATER COMMISSION -  
PROGRAM BUDGET EXPENDITURES  
AND CONTRACT FUND ALLOCATIONS,  
2015-2017 BIENNIUM**

In the 2015-2017 biennium, the State Water Commission has two line items - administrative and support services, and water and atmospheric resources expenditures. The allocated program ex-

penditures for the period ending October 31, 2016 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 for the 2015-2017 biennium, **APPENDIX "C"**, provides information on the committed and uncommitted funds from the Resources Trust Fund and the Water Development Trust Fund. The current Contract Fund total allocation for projects is \$856,412,388 with expenditures of \$375,204,609. A balance of \$168,595,737 remains available to commit to projects in the 2015-2017 biennium.

**STATE WATER COMMISSION -  
RESOURCES TRUST FUND  
AND WATER DEVELOPMENT  
TRUST FUND REVENUES,  
2015-2017 BIENNIUM**

Oil extraction tax deposits into the Resources Trust Fund total \$161,533,507 through November, 2016, and are currently \$7,246,465 above originally-budgeted revenues. A revised forecast projected the oil extraction revenue at the

end of the 2015-2017 biennium will be short by \$26,395,919.

Deposits into the Water Development Trust Fund (tobacco settlement) total \$9,119,900 through November, 2016, and are currently \$124,900, or 1.4 percent above budgeted revenues.

**DRAFT 2017-2019 NORTH DAKOTA  
WATER DEVELOPMENT REPORT  
(SWC Project No. 322)**

By virtue of North Dakota Century Code, Section 61-02-14, Powers and Duties of the Commission; Section 61-02-26; Duties of State Agencies Concerned

with Intrastate Use or Disposition of Waters; and Section 61-02-01.3, Comprehensive Water Development Plan, the State Water Commission is required to develop and maintain a comprehensive water development plan. Section 57-51.1-07.1(2) of the North Dakota Century Code requires that every legislative bill appropriating moneys from the Resources Trust Fund, pursuant to subsection one, must be accompanied by a State Water Commission report.

The draft 2017-2019 North Dakota Water Development Report, which serves as an update to the 2015 State Water Plan, was presented for the State Water Commission's consideration. The purpose of the report is to:

- outline the planning process;
- provide a progress report on the state's priority water management and development reports from the 2015-2017 biennium;
- provide information regarding North Dakota's current and future water development project funding needs and priorities;
- provide information regarding North Dakota's revenue sources for water development;
- serve as a formal request for funding from the Resources Trust Fund;

- outline the state's priority water development efforts for the 2017-2019 biennium; and
- provide information regarding the State Water Commission's cost-share policy, and the agency's water project prioritization guidance.

It was the recommendation of Secretary Erbele that the State Water Commission approve the draft 2017-2019 North Dakota Water Development Report. The report will satisfy the requirements for funding from the Resources Trust Fund for the 2017-2019 biennium, and 1999 Senate Bill 2188 and 1999 House Bill 1475, codified in NDCC 61-02-14 and 61-02-26. The report will be available to the Sixty-fifth Legislative Assembly of North Dakota (2017), and is available on the Commission's web site at [www.swc.nd.gov](http://www.swc.nd.gov).

***It was moved by Commissioner Berg and seconded by Commissioner Hanson that the State Water Commission approve the draft 2017-2019 North Dakota Water Development Report.***

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

**DRAFT 2017-2019 NORTH DAKOTA  
STATE WATER COMMISSION AND  
OFFICE OF THE STATE ENGINEER  
STRATEGIC PLAN  
(SWC Project No. 322)**

The draft 2017-2019 North Dakota State Water Commission and Office of the State Engineer Strategic Plan was presented to the State Water Commission. The draft Strategic Plan contains descriptions and overviews of the agency's

key projects and programs that were deemed appropriate to be included in the strategic planning process through June 30, 2019, as well as specific tasks that will need to be completed to achieve the objectives. The Commission members were asked to provide comments relating to the draft Strategic Plan prior to December 14, 2016 so that the Plan can be finalized for presentation during the Sixty-fifth Legislative Assembly of North Dakota (2017).

It was the recommendation of Secretary Erbele that the State Water Commission approve the draft 2017-2019 State Water Commission and Office of the State Engineer Strategic Plan. The Strategic Plan is available on the Commission's web site at [www.swc.nd.gov](http://www.swc.nd.gov).

***It was moved by Commissioner Berg and seconded by Commissioner Swenson that the State Water Commission approve the draft 2017-2019 State Water Commission and Office of the State Engineer Strategic Plan.***

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

***NORTHEAST REGIONAL WATER DISTRICT, CITY OF DEVILS LAKE WATER SUPPLY PROJECT - INCLUSION OF CITY OF CANDO (SWC Project No. 2050-NOE)***

On December 11, 2015, the State Water Commission adopted a motion approving a state cost participation grant not to exceed an allocation of \$533,750 from the funds appropriated to the State Water Commission in the 2015-2017

biennium (S.B. 2020) towards the feasibility study, with pre-construction engineering eligible costs funded at 35 percent, to the Northeast Regional Water District to support the city of Devils Lake water supply project.

The Northeast Regional Water District proposed a project to address a water supply for the Langdon rural water branch of the Northeast Regional Water District, the city of Langdon, and system capacity for an additional project to add 150 new rural users in the Langdon rural water branch. The project would provide regionalization with the city of Devils Lake by constructing a pipeline to bring treated water from the city of Devils Lake's water treatment plant.

On March 9, 2016, the State Water Commission approved a state cost participation grant not to exceed an additional allocation of \$15,010,000, with eligible construction engineering and construction costs funded at 75 percent from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020); and a 5 percent loan not to exceed \$1,686,920 from the State Water Commission's Infrastructure Revolving Loan Fund, with an interest rate of 1.5 percent and a 20-year term, to the Northeast Regional Water District to support the city of Devils Lake water supply project.

The previous State Water Commission approvals include cost share grants of \$15,543,750 (\$533,750 for 35 percent on pre-construction engineering eligible costs, and \$15,010,000 for 75 percent on construction costs); and a loan of \$1,686,920.

A request from the Northeast Regional Water District was presented for the State Water Commission's consideration that would connect the city of Cando into the Devils Lake water supply project. The estimated project cost is \$2,100,000 with a 75 percent grant of \$1,575,000 and a 5 percent loan of \$105,000 with a term of 20 years and an interest rate of 1.5 percent. Because of favorable project construction bids, previously approved state cost share grant and loan funds are available for the inclusion of the city of Cando.

It was the recommendation of Secretary Erbele that the State Water Commission approve the inclusion of the city of Cando into the Northeast Regional Water District, Devils Lake water supply project, and authorize the remaining approved pre-construction grant and loan cost share funds be used for project construction.

***It was moved by Commissioner Berg and seconded by Commissioner Thompson that the State Water Commission approve the inclusion of the city of Cando into the Northeast Regional Water District, Devils Lake water supply project, and authorize the remaining approved pre-construction grant and loan cost share funds be used for project construction. This approval is contingent upon the availability of funds.***

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

***RICHLAND COUNTY DRAIN NO. 14  
RECONSTRUCTION PROJECT -  
APPROVAL OF 45% STATE  
PARTICIPATION GRANT (\$315,000)  
(SWC Project No. 1331)***

A request from the Richland County Water Resource District was presented for the State Water Commission's consideration for state cost participation for the Richland County Drain No. 14 reconstruction project.

Four miles of Drain No. 14 have slope stability problems with the channel back slope. The channel is narrow and frequently plugs with snow in the spring when it is needed the most, and the channel lacks capacity to pass floodwaters. The proposed project will reconstruct the drain to an adequate bottom width, flatten the channel back slope, and provide a consistent channel gradient. The substandard culverts at several crossings will be replaced to meet standards. A United States Army Corps of Engineers Section 404 permit was applied for in October of 2016, and drain permit application No. 4912 was received in the Office of the State Engineer on November 4, 2016; both applications are pending review. It is anticipated that the project will be let for bids in February or March of 2017, and construction will be completed by December of 2018.

The project engineer's cost estimate is \$835,000, of which \$700,000 was determined eligible for state cost participation as a rural flood control project at 45 percent (\$315,000).

It was the recommendation of Secretary Erbele 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 \$315,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Richland County Water Resource District to support the Richland County Drain No. 14 reconstruction project.

***It was moved by Commissioner Goehring and seconded by Commissioner Foley 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 \$315,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Richland County Water Resource District to support the Richland County Drain No. 14 reconstruction project. This approval is contingent upon the availability funds, and satisfaction of the required permits.***

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

***PAINTED WOODS LAKE HABITAT  
ENHANCEMENT AND FLOOD  
DAMAGE REDUCTION PROJECT  
(MCLEAN COUNTY) - DENY REQUEST  
FOR STATE COST PARTICIPATION  
(SWC Project No. 160)***

A request from the McLean County Water Resource District was presented for the State Water Commission's consideration for state cost participation for the Painted Woods Lake Habitat Enhancement and Flood Damage Reduction project. The purpose of the

proposed project is for design and construction of a new water level control structure for Painted Woods Lake.

In March of 2015, the State Engineer approved an allocation not to exceed \$24,500 that enabled the District to conduct stakeholder meetings, evaluate alternatives to alleviate the flooding issues, and to complete the hydrologic and hydraulic study titled "Painted Woods Lake Mitigation Study" dated December, 2015. Additional cost share funds were requested in February, 2016 to support the expansion of the scope of work for the project and to continue stakeholder involvement. At that time, development of preliminary design details and cost estimates were added to the project for three alternatives.

The project area is located at the outlet of the 305-square mile Painted Woods Creek watershed which drains land in parts of McLean and Burleigh counties. Some of the water received in Painted Woods Lake is released into the headwaters of Painted Woods Creek at New Johns Lake from the Garrison Diversion project. The outlet of the Painted Woods Creek watershed has seen flooding impacts over the last 30 years with damage to private and public lands near Painted Woods Lake and to infrastructure at Painted Woods Lake. The Painted Woods Creek watershed does not have an adequate outlet which impacts private lands, public lands and infrastructure.

The proposed new water level control structure for Painted Woods Lake would replace the aging existing structure and includes features to improve fisheries and control vegetation. Fishery enhancement would involve restoring fish passage from the Missouri River into the lake and Painted Woods Creek, and would include a low flow drawdown gate. Construction permit application No. 2492 was received in the Office of the State Engineer on November 14, 2016, and is pending review.

The project engineer's cost estimate is \$1,263,926, of which \$884,614 is determined eligible as a rural flood control project at 45 percent (\$398,076), and \$81,000 is determined eligible as pre-construction engineering at 35 percent (\$28,350), for a total state cost participation of \$426,426. Commitments for funding have been obtained from the following stakeholders: the Outdoor Heritage Fund - \$421,566.85; the U.S. Fish and Wildlife Service - \$50,000; and the U.S. Bureau of Reclamation - \$184,375. The District has been communicating with other project stakeholders for additional funding sources.

It was the recommendation of Secretary Erbele that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$426,426 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the McLean County Water Resource District to support the Painted Woods Lake Habitat Enhancement and Flood Damage Reduction project.

After a lengthy discussion, several of the State Water Commission members felt that the proposed project would primarily provide recreation benefits rather than rural flood control benefits. In recognition of reduced project funding, the Commission members expressed their opinion that recreation is a lower priority and encouraged the District to continue communications with stakeholders to pursue other sources of funding. As a result of the discussion, the following motion was made to deny the request from the McLean County Water Resource District for state cost participation for the Painted Woods Lake Habitat Enhancement and Flood Damage Reduction project:

***It was moved by Commissioner Berg and seconded by Commissioner Swenson that the State Water Commission deny the request from the McLean County Water Resource District for state cost participation for the Painted Woods Lake Habitat Enhancement and Flood Damage Reduction project.***

***Commissioners Berg, Foley, Hanson, Nodland, Swenson, Thompson, and Vosper voted aye. Commissioner Goehring and Governor Dalrymple voted nay. Recorded votes were 7 ayes, and 2 nays. Governor Dalrymple announced the motion carried.***

Governor Dalrymple requested that the Secretary to the Commission and the Commission staff continue to review this project and present to the State Water Commission for further consideration at a later date.

***SHEYENNE RIVER SNAG AND CLEAR REACHES I, II, AND III PROJECT (CASS/RICHLAND COUNTIES) - APPROVAL OF 50% STATE COST PARTICIPATION GRANT (\$294,000) (SWC Project No. 568)***

A request from the Southeast Cass Water Resource District was presented for the State Water Commission's consideration for state cost participation for the Sheyenne River snag and clear project, Reaches I, II, and III.

Reach I consists of snagging and clearing the Sheyenne River from State Highway 46 along the Cass/Richland county line and downstream to the Horace diversion inlet structure in Section 19, Stanley Township. The estimated project cost for Reach I is \$198,000.

Reach II consists of snagging and clearing the Sheyenne River from the Horace diversion inlet structure in Section 19, Stanley Township, proceeding downstream to the Sheyenne River closure structure located north of County Road 10. Reach II is estimated to cost \$210,000.

Reach III consists of snagging and clearing the Sheyenne River beginning at the Sheyenne River closure structure located north of County Road 10 proceeding downstream to the Red River of the North. Reach III is estimated to cost \$180,000.

The types of work anticipated for the Sheyenne River snag and clear projects include removal and disposal of fallen trees and debris along the Sheyenne River, removal and disposal of accumulated sediment in the vicinity of the fallen trees and debris, and removal and disposal of trees in imminent danger of falling into the river.

The project engineer's total cost estimate is \$588,000, of which all was determined eligible as a snag and clear project at 50 percent (\$294,000).

It was the recommendation of Secretary Erbele that the State Water Commission approve a state cost participation grant as a snag and clear project at 50 percent of the eligible costs not to exceed an allocation of \$294,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support the Sheyenne River snag and clear project of Reaches I, II, and III.

***It was moved by Commissioner Thompson and seconded by Commissioner Berg that the State Water Commission approve a state cost participation grant as a snag and clear project at 50 percent of the eligible costs not to exceed an allocation of \$294,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Southeast Cass Water Resource District to support the Sheyenne River snag and clear project of Reaches I, II, and III. This approval is contingent upon the availability of funds.***

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

**PEMBINA COUNTY DRAIN NO. 78  
OUTLET EXTENSION PROJECT -  
APPROVAL OF 45% ADDITIONAL STATE  
COST PARTICIPATION GRANT (\$102,263)  
(SWC Project No. 2043)**

On December 13, 2013, the State Water Commission adopted a motion approving a state cost participation grant of 45 percent of the eligible costs as a rural flood control project not to exceed an allocation of \$287,778 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to the Pembina County Water Resource District to support the Pembina County Drain No. 78 Outlet Extension project. The project construction timeline was extended as a result of weather-related conditions, obtaining NRCS easements, and the additional erosion control, all of which resulted in an increase in costs.

Drain Nos. 27 and 30 were constructed in the early 1900s and were not given individual outlets to the Red River but rather shared a common outlet with Drain No. 20, which was eventually extended into Drain No. 66. The landowners within the area of Drain Nos. 27 and 30 requested the drains be combined into one drain, presently referred to as Drain No. 78. The landowners petitioned for an outlet to the Red River for Drain No. 78 to improve agricultural drainage and minimize flooding damages.

The proposed project involves the construction of approximately 1.5 miles of Drain No. 78 with 4:1 side slopes commencing in the NE1/4 of Section 18, Township 160 North, Range 50 West, and ending in the NW1/4 of Section 16, Township 160 North, Range 50 West.

The project engineer's total revised cost estimate is \$1,147,693, of which \$866,757 was determined eligible for state cost participation as a rural flood control project at 45 percent (\$390,041).

It was the recommendation of Secretary Erbele that the State Water Commission approve a state cost participation grant of 45 percent of the eligible costs as a rural flood control project, not to exceed an additional allocation of \$102,263 (eligible costs of \$390,041 less \$287,778 approved on December 13, 2013) from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Pembina County Water Resource District to support the Pembina County Drain No. 78 Outlet Extension project.

***It was moved by Commissioner Vosper and seconded by Commissioner Berg that the State Water Commission approve a state cost participation grant of 45 percent of the eligible costs as a rural flood control project, not to exceed an additional allocation of \$102,263 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Pembina County Water Resource District to support the Pembina County Drain No. 78 Outlet Extension project. This approval is contingent upon the availability of funds, and satisfaction of the required permits.***

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

***This approval increases the total state allocation grants to \$390,041 to the Pembina County Water Resource District to support the Pembina County Drain No. 78 Outlet Extension project.***

***PEMBINA COUNTY DRAIN NO. 79 -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$875,428)  
(SWC Project No. 2088)***

A request from the Pembina County Water Resource District was presented for the State Water Commission's consideration for state cost participation for the construction of Pembina County

Drain No. 79 to alleviate flood and erosion occurring within the assessment area. The proposed project is located in an area near the city of Hensel where the water generally flows in an east-southeasterly direction until it reaches North Dakota Highway 18 where

the water then flows northeasterly. There is approximately 90 feet of vertical drop from the beginning of the proposed project to the end of the project which is approximately 8 miles in length.

The proposed project would provide a ditch with additional capacity and a channel with a flatter slope which will reduce the velocity and erosion potential along the proposed drain. Rock drop structures would be installed as a way to flatten the channel slope and slow the flow of water. Drain permit application No. 4888 was received in the Office of the State Engineer on October 10, 2016, and is pending review. The project sponsor is working with the U.S. Army Corps of Engineers to develop an appropriate mitigation plan. The assessment vote has passed.

The project engineer's cost estimate is \$2,317,885, of which \$1,844,285 was determined eligible as a rural flood control project at 45 percent (\$829,928), and \$130,000 was determined eligible as pre-construction engineering at 35 percent (\$45,500), for a total state cost participation of \$875,428.

It was the recommendation of Secretary Erbele that the State Water Commission approve a state cost participation grant as a rural flood control project at 45 percent of the eligible costs, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$875,428 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Pembina County Water Resource District to support the Pembina County Drain No. 79 project.

***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, and 35 percent of the eligible costs for pre-construction engineering, not to exceed a total allocation of \$875,428 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Pembina County Water Resource District to support the Pembina County Drain No. 79 project. This approval is contingent upon the availability of funds, and satisfaction of the required permits.***

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

**WEST WILLISTON FLOOD CONTROL  
PROJECT (WILLIAMS COUNTY) -  
APPROVAL OF STATE COST  
PARTICIPATION GRANT (\$3,655,517)  
(SWC Project No. 2079)**

A request from the city of Williston was presented for the State Water Commission's consideration for state cost participation for their West Williston Flood Control project in Williams county.

The Bell Acres subdivision, located north of U.S. Highway 2, and other properties located between U.S. Highway 2 and the BNSF railroad tracks on the west side of the city of Williston have historically experienced periodic flooding, which is anticipated to increase due to the rapid development occurring within the watershed. As part of the North Dakota Department of Transportation-led U.S. Highway 2 reconstruction project, at an estimated project cost of \$17,900,000, several drainage improvements will be constructed to increase conveyance capacity through the highway to reduce the flooding potential north of the highway. The city is participating in this project as a local partner and will be responsible for approximately \$2,200,000 of the costs associated with improvements within the U.S. Highway 2 corridor. The city-led project will improve the drainage along a re-aligned 32nd Avenue, across Front Street, through the BNSF railroad, and through U.S. Army Corps of Engineers property to the Sand Creek staging area.

The first phase of the West Williston Drainage Improvement project instituted an ordinance requiring all new development to provide storm water management that would control peak discharges to pre-development levels up to the 100-year event, and provide water quality improvement with adequate residence time within storm water facilities to trap sediment and nutrients consistent with the North Dakota MS5 General permit. This phase also included working with Williams county to expand their existing ordinance to include peak discharge control up to the 100-year event. The Phase I activities have been completed.

Phase 3 involves providing peak flow reductions and improving conveyance through and along the BNSF rail line. Specific elements include construction of three new regional detention basins to mitigate peak flows in the developed portions of the Handy Andy watershed, and upgrading the conveyance capacity along and through the BNSF rail line embankment. Phase 3 has been conceptually designed with further work anticipated to continue in 2017.

The State Water Commission's cost share policy identifies flood control as an eligible cost share category. The policy does not identify storm water management as an eligible category. In order to differentiate between flood control and storm water management, the State Water Commission has pro-rated the eligibility based on the percentage of the contributing watershed that remains rural in nature. In consideration of the request from the city of Williston, the

Secretary to the Commission and the Commission staff determined the runoff from the developed areas within the contributing watershed to be a storm water management issue and, therefore, not eligible for state cost participation. It was also determined that the contributing watershed that remains undeveloped and outside of the city limits is approximately 67 percent of the total contributing area.

The project engineer's estimated construction cost is \$8,842,552, of which 60 percent would be determined eligible as a flood control project (\$5,305,531), and \$429,900 would be determined eligible as pre-construction engineering costs at 35 percent (\$150,465), for a total cost share of \$5,455,996. However, the recommendation was to reduce this funding to 67 percent in accordance with the portion of the contributing watershed that remains undeveloped and is outside of the city limits, which results in a total of \$3,655,517.

In order to continue the established State Water Commission's precedence, it was the recommendation of Secretary Erbele that the State Water Commission approve a state cost participation grant as a flood control project not to exceed an allocation of \$3,655,517 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the city of Williston to support the West Williston Flood Control project.

The project sponsor presented technical information relating to the project. Some of the State Water Commission members expressed concerns relative to the pro-rating criteria used in differentiating between flood control and storm water management, and the State Water Commission's criteria used in establishing precedence. As a result of the discussion, Governor Dalrymple suggested these issues be further discussed at a future cost share policy meeting.

***It was moved by Commissioner Hanson and seconded by Commissioner Goehring that the State Water Commission approve a state cost participation grant as a flood control project not to exceed an allocation of \$3,655,517 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the city of Williston to support the West Williston Flood Control project. This approval is contingent upon the availability of funds, and satisfaction of the required permits.***

***Commissioners Berg, Foley, Goehring, Hanson, Nodland, Thompson, Vosper, and Governor Dalrymple voted aye. Commissioner Swenson voted nay. The recorded votes were 8 ayes; 1 nay. Governor Dalrymple announced the motion carried.***

**SHEYENNE RIVER VALLEY  
FLOOD CONTROL PROGRAM -  
CITY OF LISBON FLOODWAY  
PROPERTY ACQUISITION PROJECT -  
APPROVAL OF ADDITIONAL STATE  
COST PARTICIPATION GRANT (\$307,500)  
(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 the State Water Commission in 2011 Senate Bill 2371 to support the acquisition of 25 properties for the city's permanent flood protection project.

Previous state cost participation funding approvals include:

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.

On March 11, 2015, 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 \$110,250 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020), to support the acquisition of 8 additional properties for the city's flood protection project.

On May 28, 2016, the State Engineer approved an additional allocation of \$74,515 for the acquisition of properties for the city's flood protection project.

On July 6, 2016, 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 \$198,750 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to support the acquisition of 7 additional properties for the city's flood protection project.

Approvals to date total \$1,272,265 for the Sheyenne River Valley Flood Control Program, City of Lisbon Floodway Property Acquisition project.

Several properties consisting of sixteen (16) parcels have been identified by the city of Lisbon for future acquisition or upon which to acquire easements for flood control. These properties are needed because they are located in the future footprint of Levee "D" of the Sheyenne River Flood Protection project. If these properties are not purchased, Levee "D" cannot be constructed without leaving gaps in the levee. The estimated purchase price for these properties is \$410,000, which is eligible for a 75 percent state cost participation. A request from the city of Lisbon was presented for the State Water Commission's consideration for state cost participation for an additional \$307,500 for the acquisition of 16 additional properties for the city's flood protection project. 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 grant in the amount of \$307,500.

It was the recommendation of Secretary Erbele 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 \$307,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), 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 \$1,579,765.

***It was moved by Commissioner Berg and seconded by Commissioner Foley 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 \$307,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to support the Sheyenne River Valley Flood Control Program, City of Lisbon Floodway Property Acquisition project. This action is contingent upon the availability of funds, and the criteria stipulated in the State Water Commission's cost share policy, floodway property acquisition.***

***Commissioners Berg, Foley, Hanson, Nodland, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. (Commissioner Goehring was not available for the vote). Governor Dalrymple announced the motion unanimously carried.***

***This action increases the total state allocation grant to \$1,579,765 for the Sheyenne River Valley Flood Control Program, City of Lisbon Floodway Property Acquisition project.***

**SHEYENNE RIVER VALLEY  
FLOOD PROTECTION PROGRAM,  
CITY OF VALLEY CITY FLOOD  
PROTECTION PROJECT, PHASE II -  
APPROVAL OF STATE COST PARTICI-  
PATION GRANT (\$13,157,600); AND  
APPROVAL OF LOANS FOR  
PHASES II AND III (\$4,681,900)  
(SWC Project Nos. 1504-05 and 1504)**

On December 9, 2011, the State Water Commission adopted a motion approving a request from the city of Valley City for a state cost participation grant 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.

Previous state cost participation funding approvals for the Sheyenne River Valley Flood Protection Program, City of Valley City Flood Protection Project include:

June 19, 2013 - the State Water Commission adopted a motion approving a request from the city of Valley City for a state cost participation grant at 85 percent of the eligible costs, not to exceed an additional allocation of \$350,625 from the funds appropriated to the State Water Commission in 2011 Senate Bill 2371, to support the pre-construction engineering, Phase I.

July 23, 2013 - the State Water Commission adopted a motion approving a request from the city of Valley City for a state cost participation grant 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.

May 29, 2014 - the State Water Commission adopted a motion approving a request from the city of Valley City for a state cost participation grant of 60 percent of the eligible costs as a flood control project not to exceed an additional allocation of \$6,509,760, and a 20 percent grant of the eligible costs to mitigate the flood risk from the Devils Lake outlets not to exceed an allocation of \$2,169,920 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020); and a 30-year loan with an interest rate of 1.5 percent from the State Water Commission's Infrastructure Revolving Loan Fund for the local cost share in the amount of \$3,860,614, to the city of Valley City to support its permanent flood protection project, Phase I. Project estimated cost of \$12,540,294.

December 5, 2014 - the State Water Commission adopted a motion approving a request from the city of Valley City for a state cost participation grant of 85 percent of the eligible costs, not to exceed an additional allocation of \$157,250 to support the pre-construction engineering, Phase I; and a state cost participation grant of 80 percent of the eligible costs not to exceed an additional allocation of \$1,477,357 (60 percent for the flood control project, and 20 percent to mitigate the flood risk from the Devils Lake outlets), to the city of Valley City to support their permanent flood protection project.

*December 9, 2016 - 17*

March 11, 2015 - the State Water Commission adopted a motion approving a request from the city of Valley City for the acquisition of 7 additional properties in Phase II; no additional funding was requested.

May 20, 2015 - the State Water Commission adopted a motion approving a request from the city of Valley City for a state cost participation grant of 85 percent of the eligible costs, not to exceed an additional allocation of \$340,000 from the funds appropriated to the State Water Commission in the 2013-2015 biennium (H.B. 1020) to support the flood control master plan and pre-construction engineering, Phase II.

July 6, 2016 - the State Water Commission adopted a motion approving a request from the city of Valley City for a state cost participation grant of 85 percent of the eligible costs for pre-construction engineering, Phase II, not to exceed an additional allocation of \$807,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020); and

approval of a state cost participation grant of 75 percent of the eligible costs for the acquisition of additional properties, Phase III, not to exceed an additional allocation of \$3,750,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020).

Phase II of the permanent flood protection project involves the elements required to protect the downtown area (main street and the power transfer station) including floodwalls, utility relocations, and storm water pumping stations. The time line for the design of Phase II is scheduled for the fall of 2016, bidding in the spring of 2017, and construction in 2017-2018. The project engineer's estimated cost is \$16,447,000, which is determined eligible for an 80 percent grant (\$13,157,600) for construction and construction engineering. A request from the city of Valley City was presented for the State Water Commission's consideration for state cost participation at 80 percent for the construction and construction engineering, Phase II; and a loan for the remaining 20 percent in the amount of \$3,289,400 from the State Water Commission's Infrastructure Revolving Loan Fund.

On July 6, 2016, the State Water Commission approved a grant of 85 percent of the eligible costs for pre-construction engineering, Phase II, not to exceed \$807,500 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020). A request from the city of Valley City was presented for the State Water Commission's consideration for a loan for the remaining 15 percent in the amount of \$142,500 from the State Water Commission's Infrastructure Revolving Loan Fund for pre-construction engineering, Phase II.

On July 6, 2016, the State Water Commission approved a grant of 75 percent of the eligible costs for the acquisition of additional properties, Phase III, not to exceed \$3,750,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020). A request from the city of Valley City was presented for the State Water Commission's consideration for a loan for the remaining 25 percent in the amount of \$1,250,000 from the State Water Commission's Infrastructure Revolving Loan Fund for the Phase III property acquisition project.

It was the recommendation of Secretary Erbele that the State Water Commission approve a state cost participation grant of 80 percent of the eligible costs not to exceed an additional allocation of \$13,157,600 for the construction and construction engineering, Phase II; a loan for the remaining 20 percent in the amount of \$3,289,400 from the State Water Commission's Infrastructure Revolving Loan Fund for the construction and construction engineering, Phase II; a loan for the remaining 15 percent in the amount of \$142,500 from the State Water Commission's Infrastructure Revolving Loan Fund for pre-construction engineering, Phase II; and a loan for the remaining 25 percent in the amount of \$1,250,000 from the State Water Commission's Infrastructure Revolving Loan Fund for the Phase III property acquisition project.

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

***1) approve a state cost participation grant of 80 percent of the eligible costs not to exceed an additional allocation of \$13,157,600 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), for the Sheyenne River Valley Flood Protection Program, City of Valley City Flood Protection Project to support the construction and construction engineering, Phase II;***

***2) approve a 30-year loan with an interest rate of 1.5 percent from the State Water Commission's Infrastructure Revolving Loan Fund for the remaining 20 percent in the amount of \$3,289,400, for the Sheyenne River Valley Flood Protection Program, City of Valley City Flood Protection Project to support the construction and construction engineering, Phase II;***

**3) approve a 30-year loan with an interest rate of 1.5 percent from the State Water Commission's Infrastructure Revolving Loan Fund for the remaining 15 percent in the amount of \$142,500, for the Sheyenne River Valley Flood Protection Program, City of Valley City Flood Protection Project to support the pre-construction engineering, Phase II; and**

**4) approve a 30-year loan with an interest rate of 1.5 percent from the State Water Commission's Infrastructure Revolving Loan Fund for the remaining 25 percent in the amount of \$1,250,000, for the Sheyenne River Valley Flood Protection Program, City of Valley City Flood Protection Project to support the property acquisition project, Phase III.**

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

**Commissioners Berg, Foley, Hanson, Nodland, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. (Commissioner Goehring was not available for the vote). Governor Dalrymple announced the motion unanimously carried.**

In summary, the approved grants to date for the Sheyenne River Valley Flood Protection Program, City of Valley City Flood Protection Project include:

75 percent grants not to exceed a total allocation of \$7,915,830 for the city of Valley City property acquisitions (Phase I - \$3,000,000 (approved December 9, 2011; Phase II - \$1,165,830 (approved July 23, 2013); and \$3,750,000 - Phase III (approved July 6, 2016);

80 percent grants not to exceed a total allocation of \$10,157,037 for Phase I (60 percent - flood control, and 20 percent - mitigate the flood risk from the Devils Lake outlets), (approved on May 29, 2014 and December 5, 2014);

80 percent grant not to exceed an allocation of \$13,157,600 for Phase II for the construction and pre-construction engineering, (approved on December 9, 2016); and

85 percent grants not to exceed a total allocation of \$1,655,375 for Phases I and II for pre-construction engineering, (approved on June 19, 2013, December 5, 2014, May 20, 2015, and July 6, 2016).

In summary, the approvals to date of 30-year loans total \$8,542,514 with interest rates of 1.5 percent from the State Water Commission's Infrastructure Revolving Loan Fund for the Sheyenne River Valley Flood Protection Program, City of Valley City Flood Protection Project include:

\$3,860,614 for the permanent flood protection project, Phases I, II, and III (approved on May 29, 2014);

\$3,289,400 for the remaining 20 percent to support the construction and construction engineering, Phase II (approved December 9, 2016);

\$142,500 for the remaining 15 percent to support the pre-construction engineering, Phase II (approved December 9, 2016); and

\$1,250,000 for the remaining 25 percent to support the property acquisition project, Phase III (approved December 9, 2016).

***SAFE DRINKING WATER ACT -  
APPROVAL OF PROJECT  
PRIORITY LIST IN FY 2017  
INTENDED USE PLAN,  
DATED NOVEMBER 18, 2016  
(SWC File AS-HEA)***

The Drinking Water State Revolving Loan Fund was authorized by Congress in 1996 under the Safe Drinking Water Act with the intention of assisting public water systems in complying with the Act. Funding in North Dakota for public water systems is in the form of a loan program

administered by the Environmental Protection Agency through the North Dakota Department of Health. North Dakota Century Code ch. 61-28.1, Safe Drinking Water Act, gives the Department the powers and duties to administer and enforce the Safe Drinking Water Act and to administer the program.

Section 1452(b) of the Safe Drinking Water Act requires each state to annually prepare an Intended Use Plan. The plan is to describe how the state intends to use the funds to meet the program objectives and further the goal of protecting public health. A public review period is required prior to submitting the annual plan to the Environmental Protection Agency as part of the capitalization grant application process. The North Dakota Department of Health held public hearings on the draft Intended Use Plan on November 10, 2016, with comments accepted until November 17, 2016.

In accordance with North Dakota Century Code 61-28-1, the Department must administer and disburse the funds with the approval of the State Water Commission. The Department must establish assistance priorities and expend grant funds pursuant to the priority list for the Drinking Water State Revolving Loan Fund.

Chuck Abel, North Dakota Department of Health, presented the Fiscal Year 2017 Intended Use Plan for the North Dakota Drinking Water Revolving Loan Fund, dated November 18, 2016, for the State Water Commission's consideration. The 2017 Intended Use Plan is included as **APPENDIX "D"**. The comprehensive project priority list includes 242 projects, with a cumulative total project cost of \$733,000,000 for Fiscal Years 1997 through 2017. The fundable list for Fiscal Year 2017 is anticipated to be approximately \$13,100,000 with 7 projects. The Commission's approval of the 2017 comprehensive project priority list and fundable list will allow the Department to submit an application to the U.S. Environmental Protection Agency for the program in order to proceed with disbursement of funds.

It was the recommendation of Secretary Erbele that the State Water Commission approve the comprehensive project priority list and the fundable list for Fiscal Year 2017 as listed in the 2017 Intended Use Plan, dated November 18, 2016, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2017 program funds pursuant to the 2017 Intended Use Plan.

***It was moved by Commissioner Berg and seconded by Commissioner Foley that the State Water Commission approve the comprehensive project priority list and the fundable list for Fiscal Year 2017 as listed in the 2017 Intended Use Plan, dated November 18, 2016, and authorize the North Dakota Department of Health to administer and disburse the Fiscal Year 2017 program funds pursuant to the 2017 Intended Use Plan.***

***Commissioners Berg, Foley, 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 UPDATE  
(SWC Project No. 1928)**

Jason Benson, Cass County Engineer, provided updates on the local, state, and federal efforts related to the Fargo Moorhead Area Diversion project.

The U.S. Army Corps of Engineers awarded a \$46,040,475 contract on December 6, 2016 to Ames Construction, Inc., of Burnsville, Minnesota, to complete the diversion inlet control structure portion of Fargo, North Dakota/Moorhead, Minnesota Metropolitan Area Flood Risk Management project. This is the first contract to be awarded by the federal government which includes construction of a concrete control structure with three gates that will regulate flows into the diversion channel located southeast of Horace, North Dakota. Permits for the construction feature were issued by the state of North Dakota.

The Diversion Board of Authority voted to distribute a Request for Proposals (RFP) to four companies interested in building the diversion channel portion of the Fargo Moorhead Area Diversion project. The RFP document includes a specific outline of services a contractor would be required to complete as part of the Private Partnership (P3) agreement. The four companies that received the RFP previously submitted their qualifications to the Diversion Board - responses to the RFP must be submitted to the Board in the fall of 2017.

Legal representatives for the Diversion Board of Authority filed motions to dismiss the remaining claims in the federal litigation brought by the Richland/Wilkin JPA. The suit by the JPA was originally brought against the U.S. Army Corps of Engineers. The judge had previously dismissed all claims against the Corps and three of the five claims against the Diversion Authority. No hearing on the motions has been scheduled.

Work has been completed on a permanent floodwall on the 2nd street project in downtown Fargo. The work included floodwalls, a pump station, road realignment, and the demolition of buildings in the path of the realigned road.

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

The Southwest Pipeline Project update was presented, which is detailed in the staff memorandum dated November 10, 2016 and included as ***APPENDIX "E"***.

***SOUTHWEST PIPELINE PROJECT -  
AWARD OF CONTRACT 5-1A,  
2ND RICHARDTON RESERVOIR, TO  
ENGINEERING AMERICA, INC.,  
OAKDALE, MN (\$1,646,995)  
(SWC Project No. 1736-99)***

Southwest Pipeline Project Contract 5-1A is for the 2nd Richardton reservoir located in Stark county approximately 1.5 miles northwest of the city of Richardton, ND. The scope of work for this contract consists generally of furnishing and installing one above ground

welded steel or factory glass coated bolted steel raw water storage reservoir, 1,300,000 gallons (minimum), 98 feet in diameter, 24 feet to overflow, complete with access road, inlet/outlet, drain, overflow, and underdrain piping, foundation, site piping including two (2) 30" tie-ins to the existing 30" dielectric tape coated and cement mortar lined steel pipe, site work, cathodic protection system, supplementary overflow weir box and piping for the existing Richardton reservoir, valves, and other appurtenant items as required by project drawings, specifications, and contract documents. The reservoir will complement the existing 1,300,000 gallon Richardton reservoir which was constructed in 1991 as a welded steel ground storage reservoir.

Two bid alternates were included in the bid form. Bid Alternate 1 is to furnish and install 24" tie-in connections to existing 30" I.D. dielectric tape coated and cement mortar lined steel pipes. Bid Alternate 2 is for using Type V cement for reservoir foundation, floor and pipe encasements.

Three bid packages were received for Contract 5-1A. All three bid packages were found to be in order and were opened on November 16, 2016. One bid package was received for Bid Schedule 1 (welded steel reservoir) from Maquire Iron, Sioux Falls, SD; and two bids were received for Bid Schedule 2 (factory glass-coated bolted steel reservoir) from Engineering America, Oakdale, MN, and Great Plains Structures, Vadnais Heights, MN. The low bid was received from Engineering America, Oakdale, MN, and is a responsive bid in accordance with the Invitation for Construction and Bid documents. It was the recommendation of the project engineer to award Southwest Pipeline Project Contract 5-1A to Engineering America, Inc., Oakdale, MN, in the amount of \$1,646,995 based on Bid Schedule 2 with Bid Alternate 2.

The contract documents require that the State Water Commission award the contract, if awarded, within 60 calendar days after the bid opening as stipulated in the Invitation for Bids and on the Bid Form, that date would be January 15, 2017. Because the funding for this contract will not be used to qualify for future federal cost sharing through the state's Municipal, Rural and Industrial Water Supply program, the award of the contract does not require concurrence from the Garrison Diversion Conservancy District. The award of the contract and the Notice to Proceed are dependent on the satisfactory completion and submission of the contract documents by the contractor, and the review/approval by the Commission's legal counsel.

It was the recommendation of Secretary Erbele that the State Water Commission authorize the Secretary to the Commission to award Southwest Pipeline Project Contract 5-1A to Engineering America, Inc., Oakdale, MN, in the amount of \$1,646,995 based on Bid Schedule 2 with Bid Alternate 2.

***It was moved by Commissioner Nodland and seconded by Commissioner Hanson that the State Water Commission authorize the Secretary to the Commission to award Southwest Pipeline Project Contract 5-1A to Engineering America, Inc., Oakdale, MN, in the amount of \$1,646,995 based on Bid Schedule 2 with Bid Alternate 2. This approval is contingent on the satisfactory completion and submission of the contract documents by the contractor, and the review/approval by the Commission's legal counsel.***

***Commissioners Berg, Foley, 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 -  
APPROVAL OF CAPITAL REPAYMENT  
RATES, AND REPLACEMENT AND  
EXTRAORDINARY MAINTENANCE  
RATES FOR 2017  
(SWC Project No. 1736-99)***

Under the Agreement for the Transfer of Management, Operations, and Maintenance Responsibilities for the Southwest Pipeline Project, the Southwest Water Authority is required to submit a budget to the State Water Commission's secretary by December 15 of each year. The

budget is deemed approved unless the Commission's secretary notifies the Authority of his disapproval by February 15. The Southwest Water Authority submitted its budget in November of 2016.

On October 19, 1998, the State Water Commission approved an amendment to the Transfer of Operations Agreement, which changed the Consumer Price Index (CPI) date used for calculating the project's capital repayment rates from January 1 to September 1. This amendment was necessary to bring the transfer of operations into line with the water service contracts and streamline the budget process. The agreement specifies that the water rates for capital repayment be adjusted annually based on the Consumer Price Index; the September 1, 2016 CPI was 240.9 versus 238.3 on September 1, 2015. The capital repayment rates for 2017 are \$1.16 per thousand gallons for contract users and \$35.32 per month for rural users. These compare with 2016 rates of \$1.15 per thousand gallons for contract users and \$34.95 per month for rural users. The State Water Commission has the responsibility of adjusting the capital repayment rates annually.

At the June 22, 2005 meeting, the State Water Commission approved the 2005 capital repayment rate for rural users in Morton county receiving water through the Missouri West Water system transmission pipelines at \$22.00 per month. Applying the Consumer Price Index adjustment to this figure results in a 2017 rate for these users of \$27.97 per month.

The rate for replacement and extraordinary maintenance (REM) was approved by the State Water Commission at its February 9, 1999 meeting at \$0.35 per thousand gallons. The original rate of \$0.30 per thousand gallons was approved in 1991. The REM rate was increased to \$0.40 per thousand gallons for the Southwest Water Authority's 2013 budget. Based on a study conducted by Bartlett & West/AECOM to determine the REM rate, which included the entire present and future planned infrastructure for the Southwest Pipeline Project, the Southwest Water Authority board of directors voted to increase the REM rate from \$0.40 to \$0.50 per thousand gallons for the 2014 budget; \$0.50 to \$0.55 per thousand gallons for the 2015 budget; and \$0.55 to \$0.65 per thousand gallons in 2016. For 2017, the Southwest Water Authority board of directors approved a water rate with no REM rate increase.

In preparation of the budget for 2017, the Southwest Water Authority proposed a \$22.00 per thousand gallons water rate for oil industry contracts, which does not recognize an increase from 2016. The account allocations of the oil industry rate will remain the same as 2016. The oil industry rate will be divided into thirds for all contracts except the water depot east of Dickinson built by the Southwest Water Authority.

The 2017 capital repayment rate for the Southwest Water Authority water depot will remain at \$2.46 per thousand gallons, and the REM rate at \$5.14 per thousand gallons. The remaining \$14.40 will go to the Southwest Water Authority.

The water rate for the contract customers in 2017 increases from \$4.15 to \$4.26 per thousand gallons. The increase of \$0.11 is the total of a \$0.01 increase in capital repayment, a \$0.05 increase in the transmission operation and maintenance rate, and a \$0.05 increase in the treatment rate.

The minimum monthly rate for rural customers in 2017 increased from \$39.95 to \$40.32, consisting of \$35.32 towards capital repayment and \$5.00 towards the operations and maintenance fee. The State Water Commission receives the operation and maintenance fee for the first two years and then it goes to the Southwest Water Authority for fixed operation and maintenance. The 2017 usage rate for the rural customers increased from \$4.69 to \$4.84 per thousand gallons. The increase of \$0.15 is the total of a \$0.05 increase in distribution operation and maintenance, a \$0.05 increase in transmission operation and maintenance, and a \$0.05 increase in treatment.

It was the recommendation of Secretary Erbele that the State Water Commission concur with the proposed 2017 Southwest Pipeline Project capital repayment and replacement and extraordinary maintenance rates as presented. These proposed rates were approved by the Southwest Water Authority board of directors at their November, 2016 meeting:

Capital repayment for contract and rural customers:

Contract users	\$ 1.16 per thousand gallons
Rural users	\$ 35.32 per month
Morton county users with water service from Missouri West Water System	\$ 27.97 per month

Capital repayment for oil industry contracts:

Southwest Water Authority's Dickinson water depot	\$ 2.46 per thousand gallons
Other oil industry contracts	\$ 7.73 per thousand gallons

Replacement and extraordinary maintenance (REM):

Contract customers and rural users	\$ 0.65 per thousand gallons
Southwest Water Authority's Dickinson water depot	\$ 5.14 per thousand gallons
Other oil industry contracts	\$ 7.73 per thousand gallons

***It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve the proposed 2017 capital repayment and replacement and extraordinary maintenance rates for the Southwest Pipeline Project as recommended.***

***Commissioners Berg, Foley, 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 UPDATE (SWC Project No. 237-04)***

The Northwest Area Water Supply (NAWS) project update was provided, which is detailed in the staff memorandum dated November 14, 2016, and included as ***APPENDIX "F"***.

***MOUSE RIVER ENHANCED FLOOD PROTECTION PROJECT UPDATE (SWC Project No. 1974)***

The Mouse River Enhanced Flood Protection project status report was provided, which is detailed in the staff memorandum dated November 22, 2016, and included as ***APPENDIX "G"***.

**MOUSE RIVER ENHANCED  
FLOOD PROTECTION PROJECT -  
APPROVAL OF ADDITIONAL STATE  
COST PARTICIPATION GRANT (\$400,000)  
TO SUPPORT NON-FEDERAL COSTS  
FOR U.S. ARMY CORPS OF ENGINEERS  
PROJECT FEASIBILITY STUDY  
(SWC Project No. 1974)**

On May 6, 2016, the Souris River Joint Board executed a feasibility study agreement with the St. Paul District Corps of Engineers, which initiated the Corps involvement in the Mouse River Enhanced Flood Protection project. The agreement sets forth the obligations of the Corps of Engineers and the Souris River Joint Board in pursuit of a

"study" to identify a coordinated and implementable solution for the Mouse River Enhanced Flood Protection project; and to develop a project management plan that describes the scope, cost estimate, and time-line schedule for the study. The feasibility study process is estimated for completion in three years at an estimated cost of \$3,000,000, which under the terms of the agreement would provide a 50 percent cost share each by the Corps of Engineers and the Souris River Joint Board over two biennia. The cost for the 2015-2017 biennium is \$1,500,000 (\$750,000 federal, and \$750,000 non-federal).

On July 6, 2016, the State Water Commission adopted a motion approving a 50 percent state cost participation grant of the non-federal share (\$750,000) for an allocation of \$350,000 to support the Mouse River Enhanced Flood Protection project feasibility study. A request from the Souris River Joint Board was presented for the State Water Commission's consideration for a 50 percent state cost participation grant not to exceed an additional \$400,000 for the Mouse River Enhanced Flood Protection project feasibility study.

It was the recommendation of Secretary Erbele that the State Water Commission approve a 50 percent state cost participation grant not to exceed an additional allocation of \$400,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Souris River Joint Board to support the non-federal cost share of the Mouse River Enhanced Flood Protection project feasibility study.

***It was moved by Commissioner Foley and seconded by Commissioner Thompson that the State Water Commission approve a 50 percent state cost participation grant not to exceed an additional allocation of \$400,000 from the funds appropriated to the State Water Commission in the 2015-2017 biennium (S.B. 2020), to the Souris River Joint Board to support the non-federal cost share of the Mouse River Enhanced Flood Protection project feasibility study. This approval is contingent upon the availability of funds.***

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

**The total state cost participation grants approved for the non-federal cost share of the Mouse River Enhanced Flood Protection project feasibility study is \$750,000.**

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

Merri Mooridian, Administrative Officer/ Deputy Program Manager RRVWSP for Administration, Garrison Diversion Conservancy District, provided a status report on the District's activities relating to the Red River Valley Water Supply project, operations and maintenance efforts, and funding for the 2017-2019 biennium.

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

The Devils Lake hydrologic report and project updates are detailed in the staff memorandum of November 15, 2016, and included as **APPENDIX "H"**.

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

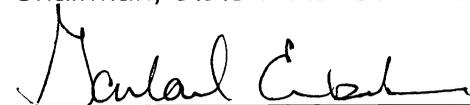
The Missouri River report was provided, which is detailed in the staff memorandum dated November 16, 2016, and included as **APPENDIX "I"**.

There being no further business to come before the State Water Commission, Governor Dalrymple adjourned the December 9, 2016 meeting at 12:05 p.m.



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Jack Dalrymple, Governor  
Chairman, State Water Commission

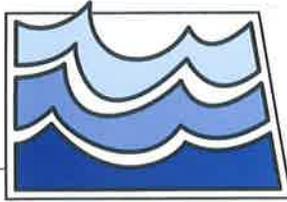


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Garland Erbele, P.E.  
North Dakota State Engineer,  
and Chief Engineer-Secretary  
to the State Water Commission

Note: Governor Dalrymple's term expired on December 15, 2016, therefore, his signature was not obtained prior to his departure from office.

December 9, 2016



# North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850  
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## RESOLUTION NO. 2016-12-531

### *In Appreciation To Jack Dalrymple Governor of North Dakota*

**WHEREAS**, Jack Dalrymple was sworn in as the 32<sup>nd</sup> Governor of North Dakota in December 2010 and, as Governor, has served as Chairman of the North Dakota State Water Commission; and

**WHEREAS**, Governor Dalrymple has been a strong advocate for water development efforts, supporting unprecedented advancements in critical water supply infrastructure for people, agriculture, and industry; and

**WHEREAS**, Governor Dalrymple's guidance during the ongoing Devils Lake flood fight, and the unprecedented 2011 flood events resulted in the protection of countless people and critical infrastructure, and his steadfast resolve in the wake of those flood-related challenges have positioned North Dakota to move forward with crucial flood control solutions that will protect people and property in major population centers and rural areas alike in all of the state's major drainage basins; and

**WHEREAS**, Governor Dalrymple's support of the State Water Commission and Office of the State Engineer's commitment to sound management of North Dakota's water resources has enabled the state to grow and diversify its economy for the benefit of generations to come, while protecting its most valuable resource - water; and

**WHEREAS**, Governor Dalrymple is not seeking re-election as Governor of North Dakota, and his term in office will end December 15, 2016.

**NOW, THEREFORE, BE IT RESOLVED** that on December 9, 2016, the members of the North Dakota Water Commission; Garland Erbele, State Engineer and Chief Engineer-Secretary; and the State Water Commission staff do hereby convey their gratitude and appreciation to Governor Dalrymple for his admirable and dedicated service to the people of the Great State of North Dakota; and

**BE IT FURTHER RESOLVED** that we wish Governor Dalrymple, his wife Betsy, and their family, the best of health and happiness in the future.

### **FOR THE NORTH DAKOTA STATE WATER COMMISSION:**



JACK DALRYMPLE, GOVERNOR  
 CHAIRMAN

Garland Erbele, P.E.  
 State Engineer and  
 Chief Engineer-Secretary

GARLAND ERBELE, P.E.  
 CHIEF ENGINEER-SECRETARY

STATE WATER COMMISSION  
 ALLOCATED PROGRAM EXPENDITURES  
 FOR THE PERIOD ENDED OCTOBER 31, 2016  
 BIENNIUM COMPLETE: 67%

APPENDIX "B"  
 December 9, 2016

PROGRAM	SALARIES/ BENEFITS	OPERATING EXPENSES	GRANTS & CONTRACTS	22-NOV-16 PROGRAM TOTALS
<b>ADMINISTRATION</b>				
Allocated	2,729,489	2,806,129		5,535,618
Expended	1,817,248	1,185,696		3,002,944
Percent	67%	42%		54%
			General Fund:	0
			Federal Fund:	65,121
			Special Fund:	2,937,823
<b>PLANNING AND EDUCATION</b>				
Allocated	1,472,573	352,990		1,825,563
Expended	987,837	147,144		1,134,981
Percent	67%	42%		62%
			General Fund:	0
			Federal Fund:	193,830
			Special Fund:	941,152
<b>WATER APPROPRIATION</b>				
Allocated	5,762,691	1,185,300	1,372,844	8,320,835
Expended	3,636,992	497,192	654,575	4,788,759
Percent	63%	42%	48%	58%
			General Fund:	0
			Federal Fund:	26,000
			Special Fund:	4,762,759
<b>WATER DEVELOPMENT</b>				
Allocated	4,713,717	10,742,500	1,562,500	17,018,717
Expended	2,945,652	5,775,633	765,590	9,486,876
Percent	62%	54%	49%	56%
			General Fund:	0
			Federal Fund:	148,538
			Special Fund:	9,338,338
<b>STATEWIDE WATER PROJECTS</b>				
Allocated			959,003,567	959,003,567
Expended			314,168,463	314,168,463
Percent			33%	33%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	314,168,463
<b>REGULATORY DIVISION</b>				
Allocated	2,828,565	2,947,500	15,000	5,791,065
Expended	1,513,534	776,599	0	2,290,133
Percent	54%	26%	0%	40%
			General Fund:	0
			Federal Fund:	948,704
			Special Fund:	1,341,429
<b>ATMOSPHERIC RESOURCE</b>				
Allocated	1,107,158	743,382	4,885,212	6,735,752
Expended	714,343	277,541	1,249,642	2,241,526
Percent	65%	37%	26%	33%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	2,241,526
<b>SOUTHWEST PIPELINE</b>				
Allocated	512,995	10,461,744	97,502,498	108,477,237
Expended	422,208	7,428,522	40,415,582	48,266,313
Percent	82%	71%	41%	44%
			General Fund:	0
			Federal Fund:	3,000,000
			Special Fund:	45,266,313
<b>NORTHWEST AREA WATER SUPPLY</b>				
Allocated	705,632	13,910,277	31,611,573	46,227,482
Expended	396,900	2,687,378	474,787	3,559,066
Percent	56%	19%	2%	8%
			General Fund:	0
			Federal Fund:	0
			Special Fund:	3,559,066
<b>PROGRAM TOTALS</b>				
Allocated	19,832,820	43,149,822	1,095,953,194	1,158,935,836
Expended	12,434,714	18,775,708	357,728,640	388,939,062
Percent	63%	44%	33%	34%

STATE WATER COMMISSION  
PROJECT SUMMARY  
2015-2017 BIENNIUM

Oct-16

	BUDGET	SWC/SE APPROVED	OBLIGATIONS EXPENDITURES	REMAINING UNOBLIGATED	REMAINING UNPAID
<b>FLOOD CONTROL</b>					
FARGO	228,506,200	228,506,200	122,563,893	0	105,942,307
GRAFTON	33,925,000	33,925,000	1,427,599	0	32,497,401
MOUSE RIVER FLOOD CONTROL	46,513,397	25,337,810	7,114,281	21,175,587	18,223,529
VALLEY CITY	28,458,354	15,015,551	7,541,205	13,442,803	7,474,346
LISBON	15,534,687	8,094,752	4,073,710	7,439,935	4,021,042
FORT RANSOM	225,000	0	0	225,000	0
WILLISTON	7,000,000			7,000,000	
RENWICK DAM	23,320	7,117	7,117	16,203	0
MISSOURI RIVER FLOOD CONTROL	4,000,000	4,000,000	4,000,000	0	0
<b>FLOODWAY PROPERTY ACQUISITIONS</b>					
MINOT	23,879,316	23,879,316	11,681,292	0	12,198,024
WARD COUNTY	6,046,590	6,046,590	31,243	0	6,015,347
VALLEY CITY	4,017,403	4,017,403	142,606	0	3,874,797
BURLEIGH COUNTY	232,649	232,649	(114,552)	0	347,201
SAWYER	184,260	184,260	0	0	184,260
LISBON	318,750	318,750	22,950	0	295,800
BURLINGTON	43,350	43,350	0	0	43,350
<b>STATE WATER SUPPLY</b>					
REGIONAL & LOCAL WATER SYSTEMS	184,835,694	184,760,694	56,133,150	<b>75,000</b>	128,627,544
FARGO WATER TREATMENT PLANT	22,768,775	22,768,775	13,826,007	0	8,942,768
SOUTHWEST PIPELINE PROJECT	104,761,201	104,761,200	45,266,343	0	59,494,857
NORTHWEST AREA WATER SUPPLY	15,754,482	15,754,482	1,753,360	0	14,001,121
WESTERN AREA WATER SUPPLY AUTHORITY	82,201,384	82,201,384	58,568,950	0	23,632,434
RED RIVER VALLEY WATER SUPPLY	12,521,328	12,521,328	6,032,845	0	6,488,483
CENTRAL NORTH DAKOTA WATER SUPPLY	70,070,800	70,800	69,804	70,000,000	997
UNOBLIGATED STATE WATER SUPPLY	2,081,155			2,081,155	
<b>GENERAL WATER MANAGEMENT</b>					
OBLIGATED	41,787,370	41,787,370	16,995,758	0	24,791,612
UNOBLIGATED GENERAL WATER	31,138,636			31,138,636	
<b>DEVILS LAKE</b>					
OUTLET	870,802	870,802	0	0	870,802
OUTLET OPERATIONS	18,534,211	18,534,210	6,148,193	0	12,386,017
DL EAST END OUTLET	2,774,011	2,774,011	505,355	0	2,268,656
<b>REVOLVING LOAN FUND</b>					
GENERAL WATER PROJECTS	11,000,000	5,031,700	1,413,500	5,968,300	3,618,200
WATER SUPPLY	25,000,000	14,966,885	10,000,000	10,033,115	4,966,885
<b>TOTALS</b>	<b>1,025,008,125</b>	<b>856,412,388</b>	<b>375,204,609</b>	<b>168,595,737</b>	<b>481,207,779</b>

STATE WATER COMMISSION  
PROJECT SUMMARY  
2015-2017 Biennium

PROGRAM OBLIGATION

Approved SWC					Initial	Total	Total	Oct-16
By	No	Dept	Sponsor	Project	Approved Date	Approved	Payments	Balance
<b>Flood Control:</b>								
SB 2020	1928-01	5000	City of Fargo	Fargo Flood Control Project	6/23/2009	99,506,200	51,938,849	47,567,351
SB 2020	1928-02	5000	City of Fargo	Interior Flood Control Project	12/11/2015	30,000,000	30,000,000	0
SB 2020	1928-03	5000	City of Fargo	Interior Disaster Relief Fund	12/11/2015	30,000,000	30,000,000	0
SB 2020	1928-05	5000	Metro Flood Diversion Authority	Fargo Metro Flood Diversion Authority 2015-2017	7/6/2016	69,000,000	10,625,044	58,374,956
	1771-01	5000	City of Grafton	Grafton Flood Control Project	10/12/2016	32,175,000	0	32,175,000
	1771-02	5000	City of Grafton	Grafton Flood Risk Reduction Project	12/5/2014	1,750,000	1,427,599	322,401
	1974-06	5000	Souris River Joint WRD	Development of 2011 Flood Inundation Maps	12/18/2015	5,600	0	5,600
SB 2371	1974-08	5000	Souris River Joint WRD	Mouse River Reconnaissance Study to Meet Fed Guic	2/15/2013	0	0	0
	1974-09	5000	Souris River Joint WRD	Mouse River Flood Control Design Engineering	8/8/2016	7,317,512	5,765,680	1,551,832
	1974-11	5000	Souris River Joint WRD	Funding of 214 agreement between SRJB & USACE	12/5/2014	106,500	0	106,500
	1974-14	5000	Souris River Joint WRD	StARR Program (Structure Acquisition, Relocation, or	3/9/2016	7,200,000	42,557	7,157,443
	1974-15	5000	Souris River Joint WRD	Perkett Ditch Improvements	7/6/2016	2,188,592	387,425	1,801,167
	1974-16	5000	Souris River Joint WRD	Corps of Engineers Feasibility Study MREFPP	7/6/2016	350,000	98,876	251,124
	1974	5000	Souris River Joint WRD	Utility Relocations	10/12/2016	467,057	0	467,057
	1974	5000	Souris River Joint WRD	Highway 83 Bypass & Bridge Replacement	10/12/2016	1,983,623	0	1,983,623
	1974	5000	Souris River Joint WRD	Rural Reaches, Preliminary Engineering	10/12/2016	260,000	0	260,000
	1974	5000	Souris River Joint WRD	4th Avenue Tieback Levee & Burlington Levee - Desig	10/12/2016	3,900,000	0	3,900,000
	1758	5000	Souris River Joint WRD-no agreement	International Joint Commission Study Board	5/29/2014	302,500	0	302,500
	1993-01	5000	City of Minot	Downtown Infrastructure Improvements	9/15/2014	1,256,426	819,743	436,683
SB 2371	1344-01	5000	Valley City	Sheyenne River Valley Flood Control Project	12/5/2015	156,993	156,993	0
	1344-04	5000	Valley City	Sheyenne River Valley Flood Control Project PHII	8/29/2016	1,147,500	276,326	871,174
	1504-01	5000	Valley City	Permanent Flood Protection Project	12/5/2014	9,850,444	7,107,886	2,742,558
	1504-02	5000	Valley City	Permanent Flood Protection Project (LOAN)	12/5/2014	3,860,614	0	3,860,614
SB 2371	1344-02	5000	City of Lisbon	Sheyenne River Valley Flood Control Project	8/8/2016	2,281,610	215,437	2,066,173
	1991-01	5000	City of Lisbon	Permanent Flood Protection Project	5/29/2014	561,702	414,733	146,969
	1991-03	5000	City of Lisbon	Permanent Flood Protection - Levee C Project	3/11/2015	3,153,440	2,775,641	377,799
	1991-06	5000	City of Lisbon	Permanent Flood Protection - Levee E Project	3/9/2016	2,098,000	667,899	1,430,101
SB 2371	1344-03	5000	Fort Ransom	Sheyenne River Valley Flood Control Project	6/19/2013	0	0	0
	849	5000	Pembina Co. WRD	Renwick Dam Rehabilitation	6/26/2014	7,117	7,117	0
SB 2020	1992-02	5000	Burleigh Co. WRD	Missouri River Correctional Center	9/21/2015	1,200,000	1,200,000	0
SB 2020	1992-03	5000	Burleigh Co. WRD	Fox Island Flood Control Funding Update	9/21/2015	2,800,000	2,800,000	0
<b>Subtotal Flood Control</b>						<b>314,886,430</b>	<b>146,727,805</b>	<b>168,158,625</b>
<b>Floodway Property Acquisitions:</b>								
	1993-05	5000	City of Minot	Minot Phase 2 - Floodway Acquisitions	10/7/2013	23,879,316	11,681,292	12,198,024
SB 2371	1523-05	5000	Ward County	Ward County Phase 1, 2 & 3 - Floodway Acquisitions	1/27/2012	6,046,590	31,243	6,015,347
SB 2371	1504-05	5000	Valley City	Valley City Phase 1 - Floodway Acquisitions	8/29/2016	4,017,403	142,606	3,874,797
SB 2371	1992-05	5000	Burleigh Co. WRD	Burleigh Co. Phase 1 - Floodway Acquisitions	3/7/2012	232,649	(114,552)	347,201
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	8/8/2016	318,750	22,950	295,800
	1987-05	5000	City of Burlington	Mouse River Enhanced Flood Plan Property Acquistoi	12/29/2015	43,350	0	43,350
<b>Subtotal Floodway Property Acquisitions</b>						<b>34,722,318</b>	<b>11,763,539</b>	<b>22,958,779</b>
<b>State Water Supply Grants:</b>								
	2373-35	5000	Grand Forks - Traill RWD	Grand Forks - Traill County WRD	6/13/2012	303,715	303,715	0
	2373-36	5000	Stutsman Rural RWD	Stutsman Rural Water System - Phase IIB, III	2/27/2013	4,739,672	4,443,172	296,500
	2373-38	5000	Stutsman Rural RWD	Kidder Co & Carrington Area Expansion	7/23/2013	991,361	991,361	0
	2373-39	5000	North Central Rural Water Consortiurr	Carpio Berthold Phase 2	5/29/2014	2,970,141	527,965	2,442,176
	2373-41	5000	North Central Rural Water Consortiurr	Granville-Deering Area	10/24/2016	5,940,102	2,956,520	2,983,582
	2050-01	5000	Missouri West Water System	South Mandan	3/17/2014	168,606	168,606	0
	2050-02	5000	Grand Forks Traill RWD	Improvements	3/11/2015	4,369,058	2,790,165	1,578,893
	2050-03	5000	Northeast Regional WD	Langdon RWD - ABM Pipeline Phase 1	10/7/2013	540,437	540,437	0
	2050-04	5000	Northeast Regional WD	Langdon RWD - North Valley Nekoma	3/11/2015	859,341	859,341	0
	2050-05	5000	Northeast Regional WD	North Valley WD - ABM Pipeline Phase 1	3/11/2015	240,672	240,672	0
	2050-06	5000	Northeast Regional WD	North Valley WD - 93 Street	3/11/2015	937,870	937,870	0
	2050-07	5000	Northeast Regional WD	North Valley WD - Rural Expansion	5/29/2014	1,657,591	1,543,666	113,925
	2050-08	5000	Walsh RWD	Ground Storage	10/7/2013	169,977	169,977	(0)
	2050-09	5000	City of Park River	Water Tower	3/11/2015	571,225	571,225	0
	2050-10	5000	City of Surrey	Water Supply Improvements	10/7/2013	1,117,800	1,117,800	0
	2050-11	5000	Cass RWD	Phase 2 Plant Improvements	10/7/2013	3,951,363	3,855,362	96,001
	2050-13	5000	City of Mandan	New Raw Water Intake	10/7/2013	1,567,676	49,399	1,518,277
	2050-14	5000	City of Mandan	Water Treatment Plant Improvements	10/7/2013	226,782	226,782	0
	2050-15	5000	City of Washburn	New Raw Water Intake	10/7/2013	2,334,250	0	2,334,250
	2050-16	5000	Tri-County RWD	Improvements	10/7/2013	845,000	723,711	121,289
	2050-17	5000	Barnes Rural RWD	Improvements	3/11/2015	6,894,412	5,030,976	1,863,436
	2050-18	5000	City of Grafton	Water Treatment Plant Phase 3	10/7/2013	3,381,148	2,202,537	1,178,611
	2050-19	5000	City of Grand Forks	Water Treatment Plant Improvements	10/7/2013	3,849,151	3,018,409	830,741
	2050-20	5000	City of Dickinson	Capital Infrastructure	10/6/2015	9,875,025	5,489,597	4,385,428
	2050-21	5000	Watford City	Capital Infrastructure	2/27/2014	1,897,040	1,178,862	718,178
	2050-22	5000	City of Williston	Capital Infrastructure	2/27/2014	4,119,610	1,461,203	2,658,407
	2050-23	5000	Greater Ramsey WRD	SW Nelson County Expansion	3/17/2014	4,199,547	2,893,093	1,306,455
	2050-24	5000	All Seasons Water District	System 1 Well Field Expansion	9/15/2014	292,500	0	292,500
	2050-25	5000	All Seasons Water District	Botlineau County Extension, Phase I	7/29/2015	896,000	550,078	345,922
	2050-26	5000	City of Fargo	Fargo Water System Regionalization Improvements	7/29/2015	6,841,750	2,109,095	4,732,655
	2050-27	5000	City of Tioga	Tioga Water Supply Improvement Project	7/29/2015	2,190,000	1,518,269	671,731
	2050-28	5000	City of Mandan	Water Systems Improvement Project	10/6/2015	2,582,535	39,311	2,543,224
	2050-29	5000	City of Minot	Water Systems Improvement Project	10/6/2015	3,634,000	71,753	3,562,247
	2050-30	5000	Watford City	Water Systems Improvement Project	10/6/2015	5,435,087	16,151	5,418,936
	2050-31	5000	City of West Fargo	Water Systems Improvement Project	10/6/2015	3,426,210	1,824,470	1,601,740
	2050-32	5000	City of Williston	Water Systems Improvement Project	10/6/2015	10,890,472	2,798,641	8,091,831
	2050-33	5000	Stutsman RWD	Phase V Storage & Pipeline Expansion Project	10/6/2015	4,170,100	1,445,377	2,724,723
	2050-34	5000	North Prairie RWD	Storage and Water Main	10/6/2015	3,459,837	199,881	3,259,956
	2050-35	5000	Southeast Water Users Dist	System Wide Expansion Feasibility Study	10/6/2015	11,626,000	122,493	11,703,507
	2050-36	5000	City of Dickinson	Water Systems Improvement Project	10/6/2015	1,042,500	0	1,042,500
	2050-37	5000	City of Dickinson	Dickinson State Avenue South Water Main	12/11/2015	965,000	0	965,000
	2050-38	5000	Dakota Rural Water District	Reservoir C Expansion	12/11/2015	901,500	612,193	289,307
	2050-39	5000	Missouri West Water System	Crown Butte Service Area Expansion Phase II	12/11/2015	308,000	116,915	191,085
	2050-41	5000	Northeast Regional WD	City of Devils Lake Water Supply Project	12/11/2015	15,543,750	334,493	15,209,257
	2050-42	5000	Walsh RWD	Phase 1 & 2 System Expansion	12/11/2015	2,083,350	81,626	2,011,724
	2050-43	5000	All Seasons Water District	System 4 Connection to System 1	12/11/2015	4,900,000	0	4,900,000
	2050-44	5000	City of Beulah	Water Treatment Plant	3/9/2016	2,640,000	0	2,640,000
	2050-45	5000	Garrison Rural Water District	System Expansion Project	3/9/2016	2,003,550	0	2,003,550
	2050-49	5000	City of Grand Forks	Grand Forks Water Treatment Plant	10/12/2016	30,000,000	0	30,000,000
<b>Subtotal State Water Supply</b>						<b>184,760,694</b>	<b>56,133,150</b>	<b>128,627,544</b>

STATE WATER COMMISSION  
PROJECT SUMMARY  
2015-2017 Biennium

PROGRAM OBLIGATION

					Initial	Total	Total	Oct-16
Approved SWC					Approved	Approved	Payments	Balance
By	No	Dept	Sponsor	Project	Date			
	1984-02	5000	City of Fargo	Fargo Water Treatment Plant	3/17/2014	22,768,775	13,826,007	8,942,768
	1736-05	8000	SWPP	Southwest Pipeline Project	7/1/2013	104,761,200	45,266,343	59,494,857
	2374	9000	NAWS	Northwest Area Water Supply	7/1/2013	15,754,482	1,753,360	14,001,121
	1973-02	5000	WAWSA	WAWSA- (GRANT)	10/6/2015	12,061,806	11,244,637	817,168
	1973-05	5000	WAWSA	WAWSA- (GRANT)	10/6/2015	60,000,000	37,184,734	22,815,266
	1973-03	5000	Bank of North Dakota	WAWSA - (LOAN)	10/6/2015	10,139,578	10,139,578	0
	325-102	5000	RRWWSP	Red River Valley Water Supply - Intake Design Study	5/29/2014	162,328	32,845	129,483
SB 2020	325-104	5000	Garrison Diversion	Red River Valley Water Supply Project	7/29/2015	12,359,000	6,000,000	6,359,000
	2051-101	5000	Central ND Water Supply	Black and Veatch investigation	1/27/2015	70,800	69,804	997
<b>Subtotal State Water Supply</b>						<b>238,077,969</b>	<b>125,517,309</b>	<b>112,560,660</b>
<b>General Water Management</b>								
<b>Hydrologic Investigations:</b>						<b>1,125,267</b>		
	2041	3000	US Geological Survey	USGS Stream Gage Joint Funding Agreement	3/9/2016	529,075	529,075	0
	2041	3000	US Geological Survey	USGS Stream Gage Joint Funding Agreement	10/12/2016	544,110	0	544,110
	1400	3000	Fireside Office Solutions	Document Conversion (Water Permit Scanning)	8/23/2016	50,000	1,650	48,350
<b>Hydrologic Investigations Obligations Subtotal</b>						<b>1,123,185</b>	<b>530,725</b>	<b>592,460</b>
<b>Remaining Hydrologic Investigations Authority</b>						<b>2,082</b>		
<b>Hydrologic Investigations Authority Less Payments</b>								
<b>General Projects Obligated</b>						<b>28,187,448</b>	<b>6,317,422</b>	<b>21,870,027</b>
<b>General Projects Completed</b>						<b>12,474,655</b>	<b>10,147,611</b>	<b>2,327,044</b>
<b>Subtotal General Water Management</b>						<b>41,787,370</b>	<b>16,995,758</b>	<b>24,791,612</b>
<b>Devils Lake Basin Development:</b>								
SWC	416-07	5000	Multiple	Devils Lake Outlet	7/1/2013	870,802	0	870,802
SWC	416-10	4700	Operations	Devils Lake Outlet Operations	3/9/2016	18,534,210	6,148,193	12,386,017
SWC	416-15	5000	Multiple	DL East End Outlet	7/1/2013	2,774,011	505,355	2,268,656
<b>Devils Lake Subtotal</b>						<b>22,179,023</b>	<b>6,653,548</b>	<b>15,525,475</b>
<b>Revolving Loan Fund:</b>								
(General Water)								
	2077-02	1050	City of Lisbon	Permanent Flood Protection - Levee C (LOAN)	3/11/2015	886,500	886,500	0
	2077-03	1050	City of Lisbon	Sheyenne River Flood Protection - Levee E (LOAN)	3/9/2016	527,000	527,000	0
	2077	1050	City of Lisbon	Permanent Flood Protection - Levee D & F (LOAN)	7/6/2016	243,200	0	243,200
	2077	1050	City of Grafton	Grafton Flood Risk Reduction (LOAN)	10/12/2016	3,375,000	0	3,375,000
	2077-01	1050	Bank of North Dakota	WAWSA - (LOAN)	10/6/2015	10,000,000	10,000,000	0
	2077-04	1050	North Prairie Rural Water District	Storage & Water Mains (LOAN)	12/11/2015	239,475	0	239,475
	2077	1050	City of Beulah	Water Treatment Plant (LOAN)	3/9/2016	880,000	0	880,000
	2077-05	1050	Northeast Regional WD	City of Devils Lake Water Supply Project (LOAN)	3/9/2016	1,686,920	0	1,686,920
	2077	1050	Walsh Rural WD	Phase 1, 2, & 3 System Expansion Project (LOAN)	3/9/2016	250,490	0	250,490
	2077	1050	Barnes Rural Water District	Rural Expansion (LOAN)	10/12/2016	835,000	0	835,000
	2077	1050	North Central Rural Water Consortium	Carpio Berhold Phase 2 (LOAN)	10/12/2016	215,000	0	215,000
	2077	1050	North Central Rural Water Consortium	Granville-Surrey-Deering Water Supply Project (LOAN)	10/12/2016	139,000	0	139,000
	2077	1050	Stutsman Rural Water District	Phase 3 Expansion (LOAN)	10/12/2016	721,000	0	721,000
<b>Revolving Loan Fund Subtotal</b>						<b>19,998,585</b>	<b>11,413,500</b>	<b>8,585,085</b>
<b>TOTAL</b>						<b>856,412,388</b>	<b>375,204,609</b>	<b>481,207,779</b>

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	Oct-16 Balance
SE	274	5000	2015-17	City of Neche	Neché Levee Certification Project	3/21/2016	54,000	0	54,000
SWC	322	5000	2009-11	ND Water Education Foundati	ND Water: A Century of Challenge	2/22/2010	36,800	0	36,800
SWC	346	5000	2015-17	Williams County WRD	Epping Dam Spillway Reconstruction	3/9/2016	719,045	237,233	481,812
SWC	347	5000	2009-11	City of Velva	City of Velva's Flood Control Levee System Certificati	3/28/2011	102,000	69,503	32,497
SE	390	5000	2015-17	Logan County WRD	Beaver Lake Dam Rehabilitation Feasibility Study	6/8/2016	16,076	0	16,076
SE	394	5000	2015-17	Golden Valley Co WRD	Odland Dam Rehabilitation Feasibility Study	10/13/2016	13,220	0	13,220
SE	399	5000	2013-15	Barnes Co WRD	Kathryn Dam Feasibility Study	9/19/2014	21,250	8,508	12,742
SE	460	5000	2015-17	Griggs Co. WRD	Ueland Dam Rehabilitation Feasibility Study	5/20/2016	17,500	0	17,500
SE	477	5000	2015-17	Valley City	Mill Dam Rehabilitation Feasibility Study	6/8/2016	15,073	0	15,073
SE	531	5000	2015-17	Benson Co WRD	Bouret Dam Rehabilitation Feasibility Study	10/11/2016	12,118	0	12,118
SE	561	5000	2015-17	City of Tioga	Tioga Dam EAP	5/20/2016	40,000	0	40,000
SWC	568	5000	2013-15	Southeast Cass WRD	Sheyenne River Reaches Snagging & Clearing Project	12/5/2014	94,238	0	94,238
SWC	568	5000	2015-17	Southeast Cass WRD	Sheyenne River Snagging & Clearing Reaches I	12/11/2015	99,000	25,098	73,902
SWC	568	5000	2015-17	Southeast Cass WRD	Sheyenne River Snagging & Clearing Reaches II	12/11/2015	105,000	77,095	27,905
SWC	568	5000	2015-17	Southeast Cass WRD	Sheyenne River Snagging & Clearing Reaches III	12/11/2015	90,000	2,965	87,035
SE	568	5000	2015-17	Barnes Co WRD	Sheyenne River Snagging & Clearing Reach 1 Proj 2	6/8/2016	49,000	0	49,000
SE	571	5000	2013-15	Oak Creek WRD	Oak Creek Snagging & Clearing Project	3/30/2015	3,672	2,565	1,107
SWC	620	5000	2007-09	Lower Heart WRD	Mandan Flood Control Protective Works (Levee)	9/29/2008	125,396	0	125,396
SE	662	5000	2015-17	Walsh Co. WRD	Park River Snagging & Clearing	1/12/2016	29,264	0	29,264
SWC	710	5000	2015-17	Maple River WRD	Upper Swan Creek Channel Improvement Project	10/6/2015	171,763	10,177	161,586
SE	841	5000	2013-15	Maple River WRD	Garsteig Dam Repair Project	1/26/2015	40,163	21,502	18,661
SWC	841	5000	2015-17	Maple River WRD	Swan Buffalo Detention Dam #5(Garsteig Dam)	12/11/2015	125,473	4,574	120,899
SWC	841	5000	2015-17	Maple River WRD	Swan Buffalo Detention Dam #12(Absaraka Dam)	11/15/2016	127,164	5,298	121,866
SE	848	5000	2015-17	Sargent Co WRD	Tewaukon WS-T-1-A (Brummond-Lubke) Dam EAP	12/18/2015	20,000	7,654	12,346
SE	848	5000	2015-17	Sargent Co WRD	Tewaukon WS-T-7 (Nelson) Dam EAP	12/18/2015	20,000	7,490	12,510
SE	849	5000	2015-17	Pembina Co. WRD	Renwick Dam Emergency Action Plan	9/29/2015	63,680	27,630	36,050
SWC	980	5000	2015-17	Cass Co. Joint WRD	Rush River Watershed Detention Study	1/7/2016	154,000	16,260	137,740
SWC	980	5000	2013-15	Cass Co. Joint WRD	Swan Creek Watershed Detention Study PHII	3/11/2015	154,000	17,954	136,046
SWC	980	5000	2015-17	Cass Co. Joint WRD	Upper Maple River Watershed Detention Study	1/11/2016	154,000	13,231	140,769
SWC	1056	5000	2015-17	Bottineau Co. WRD	Tacoma Bitz Legal Drain	7/6/2016	312,105	0	312,105
SWC	1064	5000	2013-15	Rush River WRD	Cass County Drain No. 2 Channel Improvements Proj	3/11/2015	106,989	65,306	41,683
SWC	1071	5000	2015-17	Maple River WRD	Cass County Drain #15 Channel Improvements	3/9/2016	296,562	0	296,562
SWC	1088	5000	2015-17	Maple River WRD	Cass Drain #37 Channel Improvements	3/9/2016	230,326	0	230,326
SWC	1089	5000	2015-17	Maple River WRD	Cass County Drain #39 Channel Improvements	3/9/2016	221,871	0	221,871
SWC	1101	5000	2011-13	Dickey Co. WRD	Yorktown-Maple Drainage Improvement Dist No. 3	12/11/2015	798,562	0	798,562
SWC	1101	5000	2011-13	Dickey-Sargent Co WRD	Riverdale Township Improvement District #2 - Dickey	9/21/2011	500,000	0	500,000
SE	1140	5000	2015-17	Pembina Co. WRD	Drain 11 Outlet Extension Cost Overrun Project	7/7/2015	5,088	0	5,088
SWC	1174	5000	2015-17	Richland Co. WRD	Legal Drain #31 Improvements Project	3/9/2016	161,852	0	161,852
SWC	1176	5000	2015-17	Richland Co. WRD	Legal Drain #2 Reconstruction/Extension Project	3/9/2016	535,500	0	535,500
SWC	1179	5000	2015-17	Richland Co. WRD	Legal Drain #5 (Lateral 27) Reconstruction	3/9/2016	531,000	0	531,000
SWC	1179	5000	2015-17	North Cass Co. WRD	Drain #23 Channel Improvements	3/9/2016	137,181	0	137,181
SWC	1217	5000	2013-15	Tri-County WRD	Tri-County Drain Reconstruction Project	3/11/2015	911,881	439,398	472,483
SWC	1219	5000	2011-13	Sargent Co WRD	City of Forman Floodwater Outlet	9/21/2011	31,472	0	31,472
SWC	1222	5000	2015-17	Sargent Co WRD	Drain No 11 Channel Improvements	10/12/2016	1,417,967	0	1,417,967
SWC	1227	5000	2011-13	Trail Co. WRD	Mergenthal Drain No. 5 Reconstruction	9/15/2014	18,502	6,277	12,225
SWC	1231	5000	2015-17	Trail Co. WRD	Carson Drain No. 10 Channel Improvements	10/12/2016	152,328	0	152,328
SWC	1236	5000	2015-17	Trail Co. WRD	Murray Drain No. 17 Channel Improvements	10/12/2016	138,450	0	138,450
SWC	1242	5000	2013-15	Trail Co. WRD	Rust Drain No. 24 Project	12/13/2013	25,152	3,002	22,150
SE	1264	5000	2013-15	Barnes Co WRD	Little Dam Repurposing Feasibility Study	6/17/2015	16,100	3,715	12,385
SWC	1270	5000	2013-15	Burleigh Co. WRD	Apple Creek Industrial Park Levee Feasibility Study	10/7/2013	65,180	0	65,180
SE	1270	5000	2015-17	City of Wilton	Wilton Pond Dredging Recreation Project	12/29/2015	35,707	0	35,707
SWC	1273	5000	2015-17	City of Oakes	James River Bank Stabilization	12/11/2015	262,500	0	262,500
SE	1287	5000	2013-15	McHenry Co. WRD	Souris River Snagging & Clearing Project	2/3/2015	15,000	4,500	10,500
SE	1289	5000	2011-13	McKenzie Co. Weed Control E	Control of Noxious Weeds on Sovereign Lands	9/30/2015	12,514	0	12,514
SWC	1294	5000	2013-15	Nelson Co. Park Board	Stump Lake Park Bank Stabilization Project	3/11/2015	115,436	0	115,436
SE	1296	5000	2013-15	Pembina Co. WRD	Bathgate-Hamilton & Carlisle Watershed Study	10/17/2013	45,226	38,500	6,726
SWC	1301	5000	2015-17	Richland Co. WRD	North Branch Antelope Creek NRCS Small Watershec	3/9/2016	113,400	0	113,400
SE	1303	5000	2013-15	Sargent Co WRD	Gwinner Dam Improvement Feasibility Study Program	4/17/2015	42,844	18,601	24,243
SWC	1303	5000	2015-17	Sargent Co WRD	Shortfoot Creek Watershed Planning Program	3/9/2016	154,000	14,810	139,190
SWC	1311	5000	2015-17	Trail Co. WRD	Buxton Township Improvement District No. 68	3/9/2016	512,090	0	512,090
SE	1314	5000	2013-15	Wells Co. WRD	Hurdsfield Area Drain Preliminary Engineering Project	6/11/2015	35,000	0	35,000
SE	1328	5000	2015-17	North Cass Co. WRD	Drain No. 23 Channel Improv Preliminary Engineering	9/30/2015	5,775	4,854	921
SWC	1389	5000	2013-15	Bank of ND	BND AgPace Program	12/13/2013	180,316	24,737	155,578
SWC	1401	5000	2015-17	Pembina Co. WRD	International Boundary Roadway Dike Pembina	12/11/2015	786,032	467,237	318,795
SWC	1418	5000	2013-15	City of Bisbee	Big Coulee Dam Feasibility Study	5/29/2014	10,963	0	10,963
SWC	1418	5000	2013-15	City of Bisbee	Design & Repair of Big Coulee Dam	8/23/2016	1,015,983	695,603	320,380
SE	1427	5000	2015-17	Bottineau Co. WRD	Moen Legal Drain	9/6/2016	63,458	0	63,458
SE	1444	5000	2015-17	City of Pembina	Flood Protection System Certification	4/19/2016	75,000	55,032	19,968
SE	1453	5000	2015-17	Hettinger County WRD	Karey Dam Rehabilitation Feasibility Study	5/23/2016	13,550	0	13,550
SWC	1486	5000	2015-17	Griggs Co. WRD	Thompson Bridge Outlet No. 4 Project	10/6/2015	621,661	0	621,661
SE	1520	5000	2015-17	Walsh Co. WRD	Walsh Co Drain #30-1	8/29/2016	14,000	8,792	5,208
SWC	1523	5000	2015-17	Ward Co. WRD	Robinwood Bank Stabilization Project	10/6/2015	256,449	0	256,449
SE	1625	5000	2015-17	HDR Engineering, Inc	Dakota Access PipeLine Missouri River crossing sour	2/9/2016	25,000	21,315	3,685
SWC	1638	5000	2009-11	Multiple	Red River Basin Non-NRCS Rural/Farmstead Ring Di	6/23/2009	177,864	0	177,864
SWC	1650	5000	2015-17	Sargent Co WRD	Drain #7 Improvement	7/6/2016	202,663	0	202,663
SE	1667	5000	2015-17	Trail Co. WRD	Goose River Snagging & Clearing	9/2/2016	47,500	0	47,500
SWC	1705	5000	2011-13	Red River Joint Water Resour	Red River Joint WRD Watershed Feasibility Study - PI	9/21/2011	60,000	40,782	19,218
SWC	1705	5000	2011-13	Red River Joint Water Resour	Red River Basin Distributed Plan Study	12/7/2012	560,000	0	560,000
SE	1808	5000	2015-17	Steele Co WRD	Beaver Creek Dam Safety Inspection	5/23/2016	2,625	0	2,625
SE	1842	5000	2013-15	Southeast Cass WRD	Wild Rice River Snagging & Clearing	10/27/2015	57,000	37,334	19,666
SWC	1859	5000	2015-17	ND Dept of Health	NPS Pollution Project	7/29/2015	200,000	67,003	132,997
SWC	1891	5000	2015-17	Steele Co WRD	Drain No. 8 Channel Improvement	7/6/2016	411,773	669	411,104
SWC	1921	5000	2007-09	Morton Co. WRD	Square Butte Dam No. 6(Harmon Lake) Recreation F	3/23/2009	231,002	38,651	192,351

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Approved SWC By No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-16 Balance
SWC 1932	5000	2015-17	Nelson Co. WRD	Michigan Spillway Rural Flood Assessment	3/9/2016	1,214,256	1,188,406	25,850
SE 1934	5000	2015-17	Traill Co. WRD	Elm River Snagging & Clearing	9/2/2016	47,500	0	47,500
SE 1946	5000	2015-17	Walsh Co. WRD	Improvement of Walsh Co Drain #22 Preliminary Engi	4/19/2016	10,500	0	10,500
SWC 1951	5000	2015-17	Maple River WRD	Lynchburg Channel Improvements	7/6/2016	1,195,126	0	1,195,126
HB 2305 1963	5000	2009-11	Emmons County WRD	Beaver Bay Embankment Feasibility Study	8/10/2009	18,078	0	18,078
SWC 1968	5000	2013-15	Garrison Diversion	McClusky Canal Mile Marker 10 & 49 Irrigation Project	3/17/2014	256,321	204,707	51,614
SWC 1975	5000	2015-17	Walsh Co. WRD	Drain 31-1	10/12/2016	111,543	0	111,543
SWC 1977	5000	2011-13	Dickey-Sargent Co WRD	Jackson Township Improvement Dist. #1	5/20/2015	1,601,325	1,061,336	539,989
SE 1978	5000	2015-17	Richland-Sargent Joint WRD	RS Legal Dam #1 - Pre-Construction Engineering	10/24/2016	13,680	0	13,680
SWC 1990	5000	2011-13	Mercer Co. WRD	Lake Shore Estates High Flow Diversion Project	3/7/2012	43,821	0	43,821
SWC 1991	5000	2013-15	City of Lisbon	Sheyenne Riverbank Stabilization Project	9/15/2014	163,720	115,952	47,768
SWC 2008	5000	2013-15	City of Mapleton	Recertification of Flood Control Levee System Project	3/17/2014	101,100	0	101,100
SWC 2022	5000	2011-13	Pembina Co. WRD	Drain #73 Project	6/19/2013	350,400	80,247	270,153
SWC 2042	5000	2013-15	Bottineau Co. WRD	Haas Coulee Drain Project	9/15/2014	500,000	455,818	44,182
SWC 2043	5000	2013-15	Pembina Co. WRD	District's Drain 78 Outlet Extension Project	12/13/2013	287,778	278,826	8,952
SWC 2045	5000	2013-15	Mercer Co. WRD	LIDAR Collection Project	5/29/2014	10,425	0	10,425
SWC 2045	5000	2013-15	McKenzie Co. Commission	LIDAR Collection Project	9/15/2014	262,308	0	262,308
SE 2045	5000	2013-15	Stark County	Stark County LIDAR Collection Project (FEMA)	7/17/2015	33,584	0	33,584
SWC 2047	5000	2013-15	LaMoure County	LaMoure Co Memorial Park Streambank Restoration	8/3/2016	91,042	0	91,042
SE 2050-50	5000	2015-17	Grand Forks Traill RWD	Eastern Expansion & TRWD Interconnect Fesibility & I	11/15/2016	75,000	0	75,000
SE 2055	5000	2015-17	Red River Joint Water Resour	Lower Red Basin Regional Detention Study	7/17/2015	45,500	0	45,500
SE 2058	5000	2015-17	City of Grafton	Grafton Debris Removal Plan	9/17/2015	3,900	0	3,900
SWC 2059	5000	2015-17	Park River Joint WRD	North Branch Park River NRCS Watershed Study	10/6/2015	81,200	0	81,200
SWC 2060	5000	2015-17	Walsch Co. WRD	Forest River Watershed Study	10/6/2015	114,100	0	114,100
SWC 2062	5000	2015-17	Traill Co. WRD	Traill Co. Drain #64	7/6/2016	116,558	3,495	113,063
SWC 2063	5000	2015-17	Maple River WRD	Swan Buffalo Detention Dam #8(Emdben Dam)	12/11/2015	113,500	4,526	108,974
SWC 2065	5000	2015-17	Cass Co. Joint WRD	Lake Bertha Flood Control Project No. 75	3/9/2016	201,350	0	201,350
SWC 2066	5000	2015-17	Southeast Cass WRD	Sheyenne-Maple Flood Control Dist #1 Mitigation Impr	3/9/2016	198,023	0	198,023
SWC 2068	5000	2015-17	Traill Co. WRD	Stavanger-Belmont Drain No. 52 Channel Impr	10/12/2016	435,015	0	435,015
SE 2068	5000	2013-15	Traill Co. WRD	Stavanger-Belmont Drain No. 52 Channel - Study	4/20/2016	18,589	0	18,589
SE 2069	5000	2015-17	Center Township	Wild Rice River Bank Stabilization	4/19/2016	43,036	37,495	5,541
SE 2070	5000	2015-17	Garrison Diversion Conservar	Mile Marker 42 Irrigation Project	5/20/2016	29,741	0	29,741
SE 2071	5000	2015-17	Foster County WRD	Alkali Lake High Water Feasibility Study	4/19/2016	5,250	0	5,250
SE 2072	5000	2015-17	Barnes Co WRD	Ten Mile Lake Flood Risk Reduction Project	6/8/2016	37,800	988	36,812
SWC 2073	5000	2015-17	Walsh Co. WRD	Oslo Area Ag Levee Feasibility Study	7/6/2016	187,000	5,656	181,344
SWC 2074	5000	2015-17	City of Wahpeton	Flood Control - Levee Certification	7/6/2016	247,500	0	247,500
SWC 2074	5000	2015-17	City of Wahpeton	Toe Drain & Encroachment Project	7/6/2016	1,125,482	0	1,125,482
SWC 2074	5000	2015-17	City of Wahpeton	Breakout Easements	7/6/2016	265,000	0	265,000
SWC 2075	5000	2015-17	Ward Co. WRD	Second Larson Coulee Detention Pond	7/6/2016	602,307	0	602,307
SE 2076	5000	2015-17	Elm River Joint WRD	Elm River Dam #1 Modification Study	7/6/2016	9,503	0	9,503
SE 2078	5000	2015-17	Southeast Cass WRD	Raymond-Mapleton Township Improv Dist No. 76	11/15/2016	20,281	0	20,281
SE 2079	5000	2015-17	City of Williston	Williston West Flood Control	10/24/2016	39,900	0	39,900
SWC 2080	5000	2015-17	Walsh Co. WRD	Drain #70	10/12/2016	898,866	0	898,866
SWC 2080	5000	2015-17	Walsh Co. WRD	Sam Berg Coulee Drain	10/12/2016	401,005	0	401,005
SWC 2083	5000	2015-17	Pembina Co. WRD	Herzog Dam Gate & Catwalk Retrofit - Construction	10/12/2016	117,000	0	117,000
SE 2085	5000	2015-17	Adams Co WRD	Orange Dam Rehabilitation Feasibility Study	10/13/2016	10,770	0	10,770
SE 1396-01	5000	2013-15	Trout, Raley, Montano, Witwei	Missouri River Recovery Program	11/17/2015	75,000	15,240	59,760
SE 1878-02	5000	2015-17	Maple-Steele Joint WRD	Upper Maple River Dam EAP	5/20/2016	12,800	0	12,800
SWC 849-01	5000	2015-17	Pembina Co. WRD	Tongue River NRCS Watershed Plan	3/9/2016	104,703	0	104,703
SWC AOC/ASS	5000	2015-17	Assiniboine River Basin	Assiniboine River Basin Initiative Funding	7/29/2015	100,000	50,000	50,000
SWC AOC/IRA	5000	2015-17	ND Irrigation Association (NDI	ND Irrigation Association	10/6/2015	100,000	50,000	50,000
SWC AOC/RRBC	5000	2015-17	Red River Basin Commission	Red River Basin Commission Contractor	5/20/2015	200,000	100,000	100,000
SWC AOC/WEF	5000	2015-17	ND Water Education Foundati	ND Water Magazine	5/20/2015	36,000	18,000	18,000
SE AOC/WUA	5000	2011-13	ND Water Users Association	Dave Koland Term as WUA President	3/23/2015	9,672	5,028	4,644
SWC PS/WRD/DEV	5000	2015-17	Devils Lake Joint WRB	DL Manager	5/20/2015	60,000	0	60,000
SWC PS/WRD/ELM	5000	2013-15	Elm River Joint WRD	Dam #3 Safety Improvements Project	9/15/2014	7,297	1,625	5,672
SWC PS/WRD/MRJ	5000	2015-17	Missouri River Joint WRB	Missouri River Joint Water Board, (MRJWB) Start up	5/20/2015	20,000	6,347	13,653
SWC PS/WRD/MRJ	5000	2015-17	Missouri River Joint WRB	Missouri River Joint Water Board (MRRIC) T. FLECK	5/20/2015	45,000	20,212	24,788
SWC PS/WRD/UPP	5000	2015-17	Upper Sheyenne River Joint V	Upper Sheyenne River WRB Administration (USRJWF	5/20/2015	12,000	2,664	9,336
TOTAL						28,187,448	6,317,422	21,870,027

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Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Initial	Total Approved	Total Payments	Oct-16
						Approved Date			Balance
SWC	228	5000	2013-15	U.S. Geological Survey	(USGS) Operation & Maint of Gaging Station on the Missouri R	12/8/2014	8,970	8,970	0
SWC	240	5000	2011-13	Eddy County WRD	Warwick Dam Repair Project	12/7/2012	110,150	110,150	0
SE	274	5000	2013-15	City of Neche	FEMA Levee Certification Feasibility Study	10/17/2014	37,500	37,500	0
SWC	281	5000	2009-11	Three Affiliated Tribes	Three Affiliated Tribes/Fort Berthold Irrigation Study	10/26/2010	37,500	0	37,500
SWC	346	5000	2011-13	Williams County WRD	Epping Dam Evaluation Project	2/27/2013	66,200	60,840	5,360
SE	346	5000	2013-15	Williams County WRD	Design Engineering for Epping Dam Safety Repair	7/6/2016	24,658	24,658	0
SE	391	5000	2011-13	Sargent Co WRD	Sargent Co WRD, Silver Lake Dam Emergency Repairs	10/12/2011	2,800	0	2,800
SE	568	5000	2013-15	Barnes Co WRD	Sheyenne River Snagging & Clearing Project	4/17/2015	49,500	49,500	0
SWC	645	5000	2009-11	City of Fargo	Hickson Dam Recreation Retrofit Project	10/26/2010	44,280	44,280	0
SWC	646	5000	2009-11	City of Fargo	Christine Dam Recreation Retrofit Project	10/26/2010	184,950	139,034	45,916
SWC	829	5000	2011-13	Rush River WRD	Rush River WRD Berlin's Township Improvement District No. 7	10/19/2011	101,317	0	101,317
SE	849	5000	2015-17	Pembina Co. WRD	Renwick Dam Gate Repair	9/4/2015	53,700	50,066	3,634
SWC	980	5000	2011-13	Maple River WRD	Maple River Watershed Flood Water Retention Study/ Maple R	2/19/2015	3,687	3,687	0
SE	1069	5000	2015-17	North Cass & Rush River	Drain #13 Channel Improvements Project	9/29/2015	46,150	12,293	33,857
SWC	1082	5000	2013-15	Rush River WRD	Cass Co. Drain No. 30 Channel Improvement Project	3/17/2014	5,976	5,970	6
SWC	1135	5000	2011-13	Pembina Co. WRD	Drain #4 Reconstruction Project	6/19/2013	2,673	0	2,673
SWC	1161	5000	2009-11	Pembina Co. WRD	Drain 55 Improvement Reconstruction	3/28/2011	13,846	0	13,846
SE	1179	5000	2013-15	Richland Co. WRD	Drain #5 (27) Reconstruction Project	3/30/2015	13,543	13,543	0
SWC	1183	5000	2013-15	Richland Co. WRD	Drain No. 15 Reconstruction Project	9/15/2014	60,300	49,055	11,245
SE	1219	5000	2013-15	Sargent Co WRD	Drain No. 8 Channel Improvement Preliminary Engineering Pro	5/7/2015	6,650	6,650	0
SWC	1224	5000	2013-15	Traill Co. WRD	Palace Drain Improvement District No. 80	5/20/2015	149,828	130,947	18,881
SE	1290	5000	2015-17	McLean Co. WRD	Painted Woods Lake Flood Mitigation Study	4/1/2016	53,200	53,200	0
SE	1301	5000	2009-11	City of Lidgerwood	City of Lidgerwood Engineering & Feasibility Study for Flood Co	2/4/2011	15,850	0	15,850
SE	1301	5000	2011-13	City of Wahpeton	City of Wahpeton Water Reuse Feasibility Study/Richland Co	9/8/2011	2,500	0	2,500
SE	1303	5000	2013-15	Sargent Co WRD	Upper Wild Rice Watershed Study	6/24/2015	73,500	73,485	15
SE	1311	5000	2013-15	Traill Co. WRD	Buxton Township Improvement District No. 68	6/17/2015	15,745	15,745	0
SE	1312	5000	2011-13	Walsh Co. WRD	Skyrud Dam 2011 EAP	12/15/2011	10,000	8,073	1,927
SE	1312	5000	2011-13	Walsh Co. WRD	Union Dam 2011 EAP	12/15/2011	10,000	8,350	1,650
SWC	1314	5000	2013-15	Wells Co. WRD	Oak Creek Drain Lateral E Reconstruction Project	9/15/2014	73,057	73,057	0
SE	1314	5000	2015-17	Wells Co. WRD	Oak Creek Lateral E Reconstruction	12/29/2015	20,173	20,173	0
SWC	1396	5000	2011-13	U.S. Geological Survey	(USGS) Missouri River Geomorphic Assessment	3/7/2012	10,000	10,000	0
SE	1403	5000	2015-17	ND Water Resources Re	(NDWRRR) Student Fellowship Program	12/23/2015	18,850	18,850	0
SWC	1438	5000	2011-13	Cavalier County WRD	Mulberry Creek Phase IV Reconstruction Project	6/19/2013	102,019	2,250	99,769
SWC	1444	5000	2013-15	City of Pembina	2014 Flood Protection System Modification Project	5/29/2014	61,331	61,331	0
SWC	1523	5000	2015-17	Ward Co	Flood Control County Road 18	5/29/2015	325,208	325,208	0
SWC	1554	5000	2013-15	McLean Co. WRD	City of Underwood Floodwater Outlet Project	12/13/2013	1,483,268	1,483,268	0
SWC	1577	5000	2013-15	City of Killdeer & Dunn Co	Floodplain Mapping Project	5/29/2014	55,000	55,000	0
SE	1607	5000	2011-13	Ward Co. WRD	Flood Inundation Mapping of Areas Along Souris & Des Lacs R	6/15/2011	13,011	0	13,011
SWC	1613	5000	2013-15	North Cass Co. WRD	Cass County Drain No. 55 Channel Improvements Project	9/15/2014	99,923	48,703	51,220
SWC	1625	5000	2013-15	Houston Engineering	(OHWM) Ordinary High Water Mark Delineations	8/20/2014	4,560	0	4,560
SE	1625	5000	2015-17	Ross Engineering, LLC	Gather info regarding pipeline waterway crossings	2/9/2016	25,000	8,745	16,255
SE	1640	5000	2013-15	U.S. Geological Survey	(USGS) Maintenance of gaging station on Missouri River below	9/25/2013	8,710	0	8,710
SE	1650	5000	2015-17	Sargent Co WRD	Drain #7 Channel Improvements Study	1/17/2016	6,214	6,214	0
SE	1667	5000	2015-17	Traill Co. WRD	Goose River Snagging & Clearing	12/18/2015	47,500	47,500	0
SE	1701	5000	2013-15	US Army Corps of Engine	Red River of the North Unsteady Flow Model	11/25/2015	17,825	17,825	0
SWC	1758	5000	2013-15	U.S. Geological Survey	(USGS) Stochastic Model for the Mouse River Basin	12/13/2013	40,000	40,000	0
SWC	1792	5000	2009-11	Southeast Cass WRD	SE Cass Wild Rice River Dam Study Phase II	1/29/2015	32,252	32,252	0
SE	1814	5000	2013-15	Richland Co. WRD	Wild Rice River Snagging & Clearing - Bridge #121-2	5/28/2015	16,000	16,000	0
SE	1815	5000	2013-15	Ransom Co. WRD	Sheyenne River Snagging & Clearing - Fort Ransom Reach	6/11/2015	6,350	6,350	0
SE	1842	5000	2013-15	Southeast Cass WRD	Wild Rice River Snagging & Clearing - Bridge Location Sites	2/3/2015	11,063	0	11,063
SE	1842	5000	2015-17	Southeast Cass WRD	Wild Rice River Snagging & Clearing	7/6/2016	24,948	24,948	0
SE	1891	5000	2015-17	Steele Co WRD	Drain No. 8 Channel Improvement Preliminary Engineering Pro	9/29/2015	17,500	17,500	0
SWC	1960	5000	2009-11	Ward Co. WRD	Puppy Dog Coulee Flood Control Diversion Ditch Construction	8/18/2009	796,976	0	796,976
SE	1967	5000	2009-11	Grand Forks Co. WRD	Grand Forks County Legal Drain No. 55 2010 Construction	11/30/2010	9,652	9,652	0
SWC	1970	5000	2009-11	Walsh Co. WRD	Walsh Co. Construction of Legal Assessment Drain # 72	3/28/2011	39,115	39,115	0
SE	1974	5000	2015-17	USGS	USGS Web-Based Mouse River Information Page	1/19/2016	24,700	24,700	0
SWC	1975	5000	2011-13	Walsh Co. WRD	Walsh Co. Drain No. 31 Reconstruction Project	9/21/2011	37,742	37,742	0
SWC	1978	5000	2011-13	Richland & Sargent Joint	Richland & Sargent WRD RS Legal Drain No. 1 Extension & CI	7/23/2015	245,250	168,791	76,459
SWC	1983	5000	2011-13	City of Harwood	City of Harwood Engineering Feasibility Study	12/9/2011	62,500	0	62,500
SWC	1989	5000	2011-13	Barnes Co WRD	Hobart Lake Outlet Project	3/7/2012	266,100	0	266,100
SE	1991	5000	2011-13	City of Lisbon	Sheyenne River Snagging & Clearing Project	2/12/2013	5,000	5,000	0
SWC	1992	5000	2011-13	Burleigh Co. WRD	Burnt Creek Flood Restoration Project	7/29/2015	179,890	176,524	3,366
SE	1998	5000	2011-13	Grand Forks Co. WRD	Upper Turtle River Dam #1 2012 EAP	6/28/2012	10,000	9,365	635
SE	2002	5000	2011-13	Grand Forks Co. WRD	Trurtle River Dam #4 2012 EAP	6/29/2012	10,000	8,656	1,344
SWC	2004	5000	2013-15	Grand Forks Co. WRD	Drain No. 57 Project	10/7/2013	413,576	413,576	0
SE	2005	5000	2011-13	Grand Forks Co. WRD	Turtle River Dam #8 2012 EAP	6/29/2012	10,000	9,069	931
SWC	2007	5000	2011-13	Maple River WRD	Pontiac Township Improvement District No. 73 Project	5/11/2015	747,093	594,183	152,910
SWC	2013	5000	2011-13	Richland-Cass Joint WRD	Wild Rice River Watershed Retention Plan	6/8/2015	45,905	45,905	0
SWC	2019	5000	2011-13	Valley City	Sheyenne River Snagging & Clearing Project	12/7/2012	75,000	0	75,000
SWC	2040	5000	2013-15	Walsh Co. WRD	Drain #74 Project	10/7/2013	211,600	211,600	0
SWC	2046	5000	2013-15	Walsh Co. WRD	North Branch Park River Comprehensive Flood Damage Redu	12/13/2013	134,400	108,772	25,628
SWC	2048	5000	2013-15	City of Marion	Marion Flood Mitigation & Lagoon Drainage Project	5/29/2014	116,659	116,599	60
SWC	1878-02	5000	2011-13	Maple-Steele Joint WRD	Upper Maple River Dam Construction Phase	12/13/2013	4,702,936	4,415,496	287,440
SB2020	1928-04	5000	2015-17	NDSU	Fargo Moorhead Diversion Agricultural Impact (Study)	1/20/2016	80,000	79,716	284
SB2009	1986-03	5000	2015-17	USDA-APHIS,ND Dept A	USDA Wildlife	9/9/2015	250,000	250,000	0
SWC	2003-02	5000	2011-13	Southeast Cass WRD	Re-Certification of the West Fargo Diversion Levee System	7/23/2015	52,564	32,813	19,751
SWC	2009-02	5000	2011-13	Southeast Cass WRD	Recertification of the Horace to West Fargo Diversion Levee S	9/17/2012	25,504	25,504	0
SE	ASNDS	5000	2015-17	NDSU	Oaks Irrigation Research Site - New Linear Irrigation System	11/18/2015	25,636	25,636	0
SE	CON/CAR	5000	2015-17	Garrison Diversion	Will and Carlson Consulting Services	1/12/2016	17,500	10,795	6,705
SWC	CON/WIL/CAF	5000	2013-15	Garrison Diversion Conse	Will and Carlson Consulting Contract	12/13/2013	26,451	1,828	24,623
SE	NDAWN	5000	2015-17	NDSU	NDAWN CENTER	2/11/2016	1,500	1,500	0
SWC	PS/WRD/MRJ	5000	2013-15	Missouri River Joint WRB	Missouri River Coordinator	10/7/2013	37,094	14,327	22,767

STATE WATER COMMISSION  
PROJECT SUMMARY  
2015-2017 Biennium  
Resources Trust Fund

COMPLETED GENERAL PROJECTS

Approved SWC By	No	Dept	Approved Biennium	Sponsor	Project	Initial Approved Date	Total Approved	Total Payments	Oct-16 Balance
SE	PSIRRBUF	5000	2015-17	Buford Trenton Irrigation	Upgrade to 3-Phase Power	4/19/2016	32,770	32,770	0
SE	PSWRDBUR	5000	2015-17	Burleigh Co. WRD	Pebble Creek Golf Course - Hay Creek Bank Stabilization	10/15/2015	22,782	22,782	0
SE	PSWRDCAS	5000	2015-17	Cass Co. Joint WRD	Red River Watershed Comprehensive Detention Plan Updates	11/19/2015	34,025	34,025	0
TOTAL							12,474,655	10,147,611	2,327,044

**2017 INTENDED USE PLAN  
FOR THE  
NORTH DAKOTA DRINKING WATER STATE REVOLVING LOAN FUND**

**PREPARED BY THE  
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM  
MUNICIPAL FACILITIES DIVISION  
ENVIRONMENTAL HEALTH SECTION  
NORTH DAKOTA DEPARTMENT OF HEALTH**

November 18, 2016



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## ATTACHMENTS

- Attachment 1 - Eligible and Ineligible Projects and Project-Related Costs Under the Drinking Water State Revolving Loan Fund (DWSRF) Program
- Attachment 2 - Comprehensive Project Priority List and Fundable List for 2017
- Attachment 3 - Priority Ranking System for Financial Assistance Through the Drinking Water State Revolving Loan Fund (DWSRF) Program
- Attachment 4 - Nonproject Set-Aside and Loan Fee Activity
- Attachment 5 - Amounts Available to Transfer Between State Revolving Fund Programs
- Attachment 6 - Sources and Uses Table

## **A. Introduction**

On August 6, 1996, President Clinton signed into law the Safe Drinking Water Act (SDWA) Amendments of 1996 (P.L. 104-182). Section 1452 of the SDWA authorizes a Drinking Water State Revolving Loan Fund (DWSRF) program. It further requires the U.S. Environmental Protection Agency (EPA) to enter into agreements with and make capitalization grants to eligible states to assist public water systems (PWSs) in financing the costs of infrastructure needed to achieve or maintain compliance with the SDWA and to protect public health.

North Dakota's DWSRF federal allotments for fiscal years (FY) 1997 through 2016 totaled \$185,582,767, and the anticipated 2017 allotment is \$10,000,000. Allotted funds are provided by the EPA through capitalization grants and matched 20 percent by North Dakota.

DWSRF funds may be used for:

- Loans.
- Loan guarantees.
- A source of reserve and security for leveraged loans (the proceeds of which must be placed in the DWSRF).
- Buying or refinancing existing local debt obligations (publicly owned systems only) where the initial debt was incurred and construction started after July 1, 1993.
- Earning interest prior to disbursement of assistance

To the extent that there are a sufficient number of eligible projects, at least 15 percent of the funds available for construction must be used annually to provide loan assistance to PWSs that serve fewer than 10,000 persons. Up to 30 percent of the funds available for construction may also be used to provide subsidized loans to disadvantaged communities. A portion of the DWSRF allotments may also be used for nonproject set-aside activities such as:

- Administration (up to 4 percent).
- State program assistance (up to 10 percent).
- Small system technical assistance (up to 2 percent).
- Local assistance and state programs, including the delineation and assessment of source water protection areas (up to 10 percent for any one activity with a maximum of 15 percent for all activities combined).

PWSs eligible for DWSRF assistance include community water systems (both publicly and privately owned) and nonprofit noncommunity water systems. Federally owned PWSs are not eligible to receive DWSRF assistance. Attachment 1 depicts the types of projects and project-related costs that are eligible and ineligible for DWSRF assistance.

Section 1452(b) of the SDWA requires each state to annually prepare an Intended Use Plan (IUP). The IUP must describe how the state intends to use the DWSRF funds to meet the objectives of the SDWA and further the goal of protecting public health. The IUP must be made available to the public for review and comment prior to submitting it to the EPA as part of the capitalization grant application. Specifically, the IUP must include a:

- Priority list of projects, including a description of the projects and the present size of the PWSs served.
- Description of the criteria and methods to be used for the distribution of funds.
- Description of the financial status of the DWSRF program, including the use of set-asides along with funds reserved, and the amount of funds that will be used to assist disadvantaged communities.
- Description of the short- and long-term goals of the DWSRF program, including how the capitalization grant funds will be used to ensure compliance and protect public health.

This document is intended to serve as the state of North Dakota's IUP for 2017 and will stay in effect until superseded by a subsequent IUP. As per the authority granted to the North Dakota Department of Health (NDDoH) under North Dakota Century Code (NDCC) Chapter 61-28.1, this document, based on comments received from the public, will be incorporated into a capitalization grant application and submitted to the EPA to further capitalize the state's DWSRF program in the amount of \$10,000,000 (anticipated amount). State match bonds were issued in 2015 to provide the 20 percent match for capitalization grants through 2023.

## **B. Priority List of Projects**

### Background

States are required to develop and maintain a comprehensive priority list of eligible projects for funding and to identify projects that will receive funding in the first year after the capitalization grant award. In determining funding priority, states must ensure, to the maximum extent practicable, that priority for the use of funds be given to projects that: (1) address the most serious risks to human health; (2) are necessary to ensure compliance under the SDWA; and (3) assist systems most in need on a per household basis (i.e., affordability).

### Development Process

As part of the IUP development process, all potential DWSRF loan recipients were requested to notify the NDDoH if they had a drinking water project not presently on the list and for which they were interested in pursuing DWSRF financial assistance. Systems with already ranked and listed projects were requested to provide the NDDoH with a written update for each project either not yet under construction or under construction using funds other than DWSRF funds. The updates were to include a detailed project description and cost estimate, the amount of DWSRF funds needed, and the anticipated construction start date. In lieu of this information, systems were asked to inform the NDDoH if they no longer intended to complete a project or no longer

intended to complete a project using DWSRF assistance. Systems requesting ranking of new projects were provided ranking questionnaires. Requests for project re-ranking or deletion were evaluated on a case-by-case basis, with ranking questionnaires provided as needed. Several projects were deleted due to completion (with or without DWSRF assistance) or the acquisition of other funding sources.

Finalized Project Priority Lists may be amended to include new non-emergency projects. Amendments are subject to public review and comment and may require North Dakota State Water Commission approval.

### Comprehensive Project Priority List and Fundable List

See Attachment 2.

The fundable list represents those projects from the comprehensive project priority list anticipated to receive loan assistance this year. The list of projects is based on anticipated start dates, projected funding needs, and expected available loan funds (see Section E of this document). The list will change if such information or assumptions vary, if higher ranked projects not on the list become ready to proceed, or if projects on the list are bypassed (see Section C).

## **C. Criteria and Methods for the Distribution of Funds**

### Background

A DWSRF may provide assistance only for expenditures (excluding operation, maintenance, and monitoring) of a type or category which will facilitate compliance or otherwise significantly further health protection under the SDWA. Projects eligible for DWSRF financial assistance include investments to:

- Address present SDWA exceedances.
- Prevent future SDWA exceedances (of regulations presently in effect).
- Replace aging infrastructure.
- Restructure or consolidate water supplies.
- Buy or refinance existing debt obligations (publicly owned systems only) where the initial debt was incurred and construction started after July 1, 1993. Attachment 1 provides additional information concerning the types of projects and project-related costs that are eligible for DWSRF financial assistance.

To the maximum extent possible, states are required to prioritize projects needed for SDWA compliance, projects that provide the greatest public health protection, and those projects that assist systems most in need based on affordability. The information below describes the process used by the NDDoH to select projects for potential DWSRF assistance.

## Priority Ranking System

The priority ranking system was developed by the NDDoH, the state agency with primary enforcement authority for the SDWA. The priority ranking system is designed to ensure that DWSRF funds are focused on solutions to address the most serious risks to human health, rectify SDWA compliance problems, and assist those systems most in need based on affordability considerations. The priority ranking system has received both EPA Region VIII and Headquarter concurrence. The priority ranking system will be amended as needed to reflect the changing nature of the SDWA and the DWSRF program. Any significant amendments will be presented for public review and comment in an IUP.

## Ranking and Project Bypass Considerations

It is the intent of the NDDoH that DWSRF funds are directed toward North Dakota's most pressing SDWA compliance problems and public health protection needs. To this end, the NDDoH reserves the right to require the separation of project components into separate projects, if feasible and necessary, to focus on critical water supply problems. Project components which are separated will be ranked independently. Projects for existing PWSs, including refinancing projects, will be given preference over projects for the development of new water systems.

Under the SDWA, DWSRF funds may be used to buy or refinance existing local debt obligations (publicly owned systems only) where the initial debt was incurred and construction started after July 1, 1993. Cross-cutter requirements, including American Iron and Steel requirements, apply to these projects. American Iron and Steel requirements apply to projects with construction after January 17, 2014. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements. In the event of a tie in project rankings, new projects for existing systems will be given preference over refinancing projects.

The NDDoH reserves the right to fund lower-ranked projects ahead of higher-ranked projects based on the considerations below. To the maximum extent possible, the NDDoH will work with bypassed projects to ensure that they will be eligible for funding in the following fiscal year. Criteria reviewed in bypassing a project include:

- Readiness to proceed (i.e., applicant is prepared to begin construction and is immediately ready or poised to be ready to enter into assistance agreements).
- Willingness to proceed (e.g., applicant withdraws project from consideration, obtains other funding sources, or is nonresponsive).
- Emergency conditions (i.e., an unanticipated failure occurs requiring immediate attention to protect public health).
- Financial (includes inability to pay and loan repayment issues), technical, or managerial capability.
- Meet the 15 percent requirement (i.e., funding lower-ranked project would satisfy the requirement that at least 15 percent of the funds available for construction be annually used to provide loan assistance to PWSs that serve fewer than 10,000 persons).

- Meet the Green Project Reserve (if required).
- Initial ranking score cannot be verified.

The NDDoH reserves the right to fund unanticipated, non-ranked emergency projects determined to require immediate attention to protect public health without going through a public review process. Such assistance will be limited to (1) eligible PWS types and project features and (2) situations involving acute contaminants, loss or potential loss of a water supply in the near future, or that otherwise represent an unreasonable risk to health.

### Capacity

Section 1452 of the 1996 SDWA Amendments precludes states from providing DWSRF assistance to any eligible PWS that lacks the capacity to maintain SDWA compliance, unless the PWS owner or operator agrees to undertake feasible and appropriate changes to ensure compliance over the long term. States are also precluded from providing DWSRF assistance to any eligible PWS that is in significant noncompliance with any requirement of a National Primary Drinking Water Regulation (NPDWR) or variance, unless such assistance will ensure compliance. PWS capacity, in the context of the SDWA, refers to the overall technical, managerial, and financial capability of a PWS to consistently produce and deliver drinking water meeting all NPDWRs. The NDDoH has the legal authority and responsibility under NDCC Chapter 61-28.1 to ensure PWS capacity.

The NDDoH will use the DWSRF loan application as the principal control point for capacity assessment. Information from the loan application and other available and relevant information (such as SDWA compliance data, sanitary survey reports, and operator certification status) will be evaluated to assess capacity at present and for the foreseeable future. The North Dakota Public Finance Authority (PFA), as financial agent for the DWSRF program through formal agreement, will evaluate the financial information provided in the loan application. Based upon input provided by the NDDoH regarding technical and managerial capability, the PFA will make recommendations to the NDDoH concerning financial capability. The final decision regarding overall capacity will be made by the NDDoH.

As required by the SDWA, DWSRF assistance will be denied to applicants that are considered a priority system because they score 11 or higher in the Enforcement Tracking Tool if it is determined that the project will not ensure compliance. Likewise, DWSRF assistance will be denied to applicants that lack capacity if they are unwilling or unable to undertake feasible and appropriate changes to ensure capacity over the long term. The lack of capacity at the time of loan application will not preclude DWSRF assistance if the project will ensure compliance, or the applicant agrees to implement changes that will rectify capacity problems. On a case-by-case basis, special conditions may be included in loan agreements to rectify compliance and/or capacity problems. As needed and appropriate, the NDDoH will utilize other specific legal authorities as control points to ensure capacity. This includes the review and approval of plans and specifications. Under NDCC Chapter 61-28.1 and North Dakota Administrative Code (NDAC) Chapters 33-03-08 and 33-18-01, the NDDoH is both empowered and required to

review and approve plans and specifications for all new or modified drinking water facilities prior to construction.

#### **D. Set-Aside and Fee Activities**

##### Background

Under the SDWA, states are required to set aside a certain percentage of their available DWSRF loan funds to provide financial assistance to small systems. States at their option may also set aside a portion of their federal DWSRF allotment for certain other project and nonproject activities, and assess fees on loans to help support administration costs. A description of the different set-asides and past/proposed activities related to both set-asides and fees follows.

##### Mandatory Small System Project Set-Aside

To the extent that there are a sufficient number of eligible projects to fund, states must annually use at least 15 percent of all funds credited to the DWSRF loan fund to provide loan assistance to PWSs that serve fewer than 10,000 people. States that exceed the 15 percent requirement in any one year are permitted to bank the excess toward future years.

A total of 204 loans totaling \$433,946,696 have been approved to date. Of these, 176 loans (totaling \$214,708,365 or 49.5 percent of loan total) represent PWSs that serve fewer than 10,000 people. The NDDoH envisions that additional loans will be made to small PWSs based on the comprehensive project list and fundable list (See Attachment 2).

##### Mandatory Additional Subsidization Set-Aside

Congress has mandated in previous appropriations bills that 20 to 30 percent of assistance provided from DWSRF capitalization grants be in the form of additional subsidies. The DWSRF program provides these additional subsidies as loan forgiveness. The NDDoH has the authority under state law, NDCC, Chapter 61-28.1, to provide financial assistance through the DWSRF as authorized by federal law and EPA.

Criteria for determining the amount of loan forgiveness is on a project-specific basis. Loan forgiveness will be based on the relative future water cost index (RFWCI). The RFWCI is defined as the ratio of the expected average annual residential water user charge resulting from the project, including costs recovered through special assessments, to the local median household income (based on the American Communities Survey 5-Year Estimate).

For 2017, projects with a RFWCI of 2.0 percent or greater will qualify for 75 percent loan forgiveness. Projects with a RFWCI of 1.5 percent to 1.9 percent will qualify for 40 percent loan forgiveness. Projects with a RFWCI of less than 1.5 percent will not qualify for any loan forgiveness. Projects that do not qualify for loan forgiveness still qualify for a traditional DWSRF loan.

Loan forgiveness will only be used to finance new construction. DWSRF loan and loan forgiveness can be bundled together with funding from other sources to form funding packages for projects. The DWSRF will participate with loan forgiveness in a funding package to the extent that the combined loan forgiveness and grant is less than or equal to 90 percent of project costs.

To meet congressional and EPA capitalization grant spend-down intent for the DWSRF, the loan forgiveness cap for FY2016 and earlier capitalization grants is removed. The maximum percentage of loan forgiveness will also be raised to 75 percent from 60 percent and to 40 percent from 30 percent for these capitalization grants.

Timely progression of additional subsidization projects is required. To ensure this, *there will be* an application deadline, a binding commitment deadline, and a loan forgiveness disbursement deadline. If projects identified as receiving additional subsidization do not meet these deadlines, the additional subsidization set-aside will be used to fund lower-ranked projects on the project priority list.

It is unknown at this time if mandatory additional subsidization will apply to the FY2017 DWSRF allotment. To address this potential requirement, the fundable portion of the comprehensive project priority list depicts 20 percent (\$2,000,000) additional subsidization through loan forgiveness. Adjustments will be made, as necessary, based on the actual required subsidization level and capitalization grant amount.

#### Mandatory Green Project Reserve (GPR) Set-Aside

To the extent there are sufficient eligible applications, Congress has mandated in several previous appropriations bills that 10 to 20 percent of DWSRF capitalization grants be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Where it is not clear that a project or component qualifies to be included as counting toward the requirement, the files for such projects will contain documentation of the business case on which the project was judged to qualify, as described in the DWSRF capitalization grant requirements.

It is unknown at this time if mandatory GPR will apply. Adjustments will be made to the priority list based on the actual GPR requirement and capitalization grant amount.

#### Optional Project Set-Asides

States may provide additional loan subsidies (i.e., reduced interest or negative interest rate loans, principal forgiveness) to benefit communities meeting the definition of disadvantaged or which the state expects to become disadvantaged as the result of the project. A disadvantaged community is one in which the entire service area of a PWS meets affordability criteria established by the state following public review and comment. The value of the subsidies cannot

exceed 30 percent of the amount of the federal capitalization grant for any fiscal year. The EPA is required to provide guidance to assist states in developing affordability criteria. The NDDoH has not developed a disadvantaged community program, and it is not proposing to do so in this IUP. This decision is based primarily upon majority opinions obtained during initial development of the DWSRF program and the NDDoH's desire to maximize the long-term availability of funds for construction purposes.

### Optional Nonproject Set-Asides

States may use a portion of their federal DWSRF allotment (up to specified ceilings) for the following nonproject set-aside activities:

- DWSRF administration - up to 4 percent.
- State program administration - up to 10 percent.
- Public Water Supply Supervision (PWSS) Program, source water protection program(s), capacity development program, and operator certification program.
- Small system technical assistance (serving 10,000 or fewer people) - up to 2 percent.
- Local assistance and other state programs - up to 10 percent for any one activity with a maximum of 15 percent for all activities combined.
- Loans to PWSs to acquire land or conservation easements for source water protection programs.
- Loans to community water systems to implement source water protection measures or to implement recommendations in source water petitions.
- Assist PWSs in capacity development.
- Assist states in developing/implementing EPA-approved wellhead protection programs.

States may transfer funds among the nonproject set-aside categories or between the loan fund and such set-aside categories, provided that the statutory set-aside ceilings are not exceeded. Nonproject set-aside funds may be transferred at any time to the loan fund. However, loan commitments must be made for the transferred funds within one year of the transfer if payments have already been taken for the set-aside funds. Monies intended for the loan fund may be transferred to nonproject set-asides only if no payments have yet been taken for the monies to be transferred. Otherwise, funds in or transferred to the loan fund must remain in the loan fund. Transfers may be done only if described in an IUP and approved by the EPA as part of a capitalization grant agreement or amendment.

### Nonproject Set-Aside and Fee Activity

Attachment 4 depicts nonproject set-aside and fee activity. The anticipated FY2017 federal DWSRF allotment for North Dakota is \$10,000,000. The NDDoH intends to set aside \$1,065,000 of the allotment for non-project activities. The NDDoH also intends to reserve \$535,000 of set-aside funds of the FY2017 capitalization grant for use in future years, in addition to funds held in reserve from previous years. The state program administration (PWSS Program) set-aside is \$500,000, and an additional \$500,000 will be held in reserve for future years. The 2

percent set-aside for small system technical assistance is \$165,000, and an additional \$35,000 will be held in reserve for use in future years. The 4 percent set-aside for DWSRF administration is \$400,000. The 4 percent set-aside will be held for ongoing and future DWSRF administration. The 10 percent set-aside will also be held for ongoing and future PWSS administration. The 2 percent set-aside will be held for ongoing and future small system technical assistance. Should the capitalization grant be different than \$10,000,000, the set-aside for DWSRF administration will be adjusted to 4 percent of the actual capitalization grant awarded. The amount held in reserve from the 2 percent set-aside and state program administration will be changed to hold in reserve the remainder of the set-aside that is not being taken, in addition to funds held in reserve from previous Intended Use Plans.

The NDDoH has limited, and will continue to limit, the usage of set-asides to maximize funds available for construction. Set-aside usage has been restricted to that necessary to administer the program (4 percent set-aside), provide technical assistance to small PWSs (2 percent set-aside), provide state program administration (10 percent set-aside), and complete source water assessments mandated under the SDWA (15 percent set-aside).

The 4 percent set-aside is inadequate to cover the cost of administering the DWSRF program. Congress also will choose at some point to no longer capitalize the program, at which time no new funds will be available for program administration. Based on these considerations, the NDDoH considers it both prudent and necessary to set aside and hold the full 4 percent from each grant and accumulated loan administration fees to enable ongoing and future administration of the program.

Funds from the 2 percent set-aside have been used to assist small PWSs in capacity development, financial capacity, operator certification, managerial capacity, and source water protection. Funds from this set-aside will continue to be used for these purposes and for new initiatives such as assisting these communities in complying with the new Revised Total Coliform Rule. The NDDoH closely monitors demand and need for this set-aside to avert over-accumulation of funds.

The 10 percent state program administration set-aside will be used to help fund administration of the PWSS program in pursuit of its mission. This set-aside requires 1:1 match by the state. One of the sources of funds for this 1:1 match is the 0.5 percent loan administration fee. Another source of funding for the 1:1 match is credit for state match funds spent in 1993 on administration of the PWSS program. This credit is good for up to half of the 1:1 match with a maximum credit of \$236,359 per year. This match credit does not represent spendable funds.

Under the SDWA, states are permitted to assess fees on loans to support DWSRF administration costs. North Dakota DWSRF loan recipients are required to pay an annual loan administration fee presently set at 0.5 percent of the outstanding loan principal balance. This loan administration fee is payable semiannually on each loan payment date. The fees are held under the master trust indenture and are available to pay DWSRF administration costs allowable under the SDWA. To enable continued management of the DWSRF once the DWSRF is no longer

annually capitalized through federal grants, loan administration fees will be held and used for loan-bond servicing and DWSRF administration as allowed under the SDWA. Starting in 2008, the loan administration fees are also used as a source of 1:1 match that is required when using the state program administration set-aside to administer the PWSS program.

To meet congressional and EPA capitalization grant spend-down intent for the DWSRF program, approximately \$190,000 (or any remaining amount) from the FY2014 10 percent state program administration set-aside will be moved to the construction loan fund during 2017.

## **E. Financial Status**

### Background

States are required to provide a description of the financial status of their DWSRF programs. The information presented below describes the financial structure of the North Dakota DWSRF, the method used to generate the required state match, transfers between State Revolving Loan Funds (SRFs), the basis for approving loans, loan assistance terms (including a discussion concerning market interest rates in North Dakota), sources and intended use of funds, and special considerations for State and Tribal Assistance Grants (STAG) grants.

### Financial Structure

Bonds for the 20 percent state match are issued by the PFA under a master trust indenture adopted by the Industrial Commission of North Dakota. The PFA may also issue leveraged bonds under the master trust indenture, the proceeds of which can be used to fund loans.

The current demand for DWSRF loan assistance in North Dakota exceeds authorized federal DWSRF allotments and the required state match for those allotments. Under the financial structure initially established for the DWSRF, excess leveraging and higher loan interest rates would be needed to satisfy this excess demand.

A modified financial structure within the existing master trust indenture has been implemented to better satisfy the continuing high demand for DWSRF financial assistance, yet avert excessive leveraging and higher loan interest rates. Under the modified structure, DWSRF allotments and state match bond proceeds will be used first to fund loans. Leveraged bonds will be issued only if (1) loan demand exceeds the amount of DWSRF allotments and state match available for loans or (2) deemed in the best interest of the program. If leveraged bonds are issued, they will be sized together with DWSRF allotments and state match to satisfy current cash flow needs as represented by the projected annual construction costs of eligible projects. This funding approach will expedite loan assistance to more projects that are ready to proceed to construction, avert premature or unnecessary bond issuances, and ensure a more reliable loan repayment stream to satisfy both bond debt service requirements and future loan demand.

In the event there are insufficient amounts available to make scheduled principal and interest payments on outstanding DWSRF bonds when payments are due, the master trust indenture for the DWSRF provides the trustee may transfer available excess revenues from the Clean Water State Revolving Fund (CWSRF) to the DWSRF bond fund to meet the deficiency. Following such a transfer, the DWSRF has an obligation to reimburse the CWSRF with future available DWSRF excess revenues.

#### State 20 Percent Match Requirement

Under the SDWA, states are required to match their DWSRF allotment at an amount at least equal to 20 percent. North Dakota has issued state match bonds to satisfy match requirements through FY2023.

#### Anticipated Proportionality Ratio

Bonds were sold in 2015 to provide the required 20 percent state match through FY2023. Payments were made using 100 percent state match funds until all of the match funds were disbursed. The program is in an over-matched condition at this time. Funds will be disbursed at a rate of 100 percent federal, state match, leveraged, or federally capitalized loan account (FCLA) funds because of this over-match condition.

#### Disbursement of Funds

Funds will be disbursed in the following order: federal, state match, leveraged bond proceeds, and FCLA. To increase the rate of draw for both capitalization grant and leveraged funds, leveraged bond proceeds will be used to fund loan payment requests. Capitalization grant funds will be immediately requested to replace the disbursed leveraged bond proceeds and deposited into the FCLA account.

The DWSRF is currently over-matched with no state match funds available for disbursement. Set-asides are closely monitored and disbursed quickly when requests are made to ensure timely expenditure and avoid over-accumulation. All federal funds are disbursed in a first-in, first-out manner.

#### Transfer of Funds between DWSRF and CWSRF

At the governor's discretion, a state may transfer up to 33 percent of its DWSRF capitalization grant to the CWSRF or an equal amount from the CWSRF to the DWSRF. In addition to transferring grant funds, states can transfer state match, investment earnings, principal and interest repayments, unrestricted cumulative excess, restricted cumulative excess, or FCLA between SRF programs.

Transfers were authorized by the governor in 2002, 2004, 2007, 2009, and 2015. These funds are transferred between the programs on an as-needed basis. The governor's authorizations are as follows:

- 2002 - \$10.0 million from CWSRF to DWSRF
- 2004 - \$4.0 million from CWSRF to DWSRF
- 2007 - \$20.0 million from CWSRF to DWSRF (with provision to return funds to CWSRF as needed)
- 2009 - \$2.6 million of American Recovery and Reinvestment Act of 2009 funds from CWSRF to DWSRF
- 2015 - \$60.0 million from DWSRF to CWSRF (with provision to return funds to DWSRF as needed)

The NDDoH is anticipating the transfer of funds from the CWSRF in 2017, as authorized in 2015. Approximately \$1,000,000 of non-federal funds will be transferred.

The NDDoH transfers funds on a net basis, since prior transfers have occurred between the two SRFs. The current net transfer between programs is \$3,888,328 million from the DWSRF to the CWSRF. The \$1 million transfer from the CWSRF in 2017 will change the net transfers between programs to \$2,888,328. It is estimated the long-term impact to the DWSRF average revolving level is a decrease of \$288,833 per year over the next 20 years at this level of net transfer. With this transfer, the DWSRF will be able to fund additional water projects during 2017. Transferring funds will not impact DWSRF set-aside funding. Attachment 5 itemizes the amount of funds transferred to and from the DWSRF program.

### Funding Process

Projects may be submitted to the NDDoH each year for consideration and inclusion into an IUP. A new IUP is developed for public review and comment in the fall of each year. New and eligible projects for which ranking questionnaires are submitted are evaluated, ranked (if possible), and included on the comprehensive project priority list. Requests for re-ranking of already listed and ranked projects are evaluated on a case-by-case basis, and may require the completion of an updated ranking questionnaire.

Loan approvals are based on project ranking, readiness to proceed, and availability of funds based on cash flow considerations, including projected disbursements under already approved and potential new loans. The NDDoH is prepared to issue leveraged bonds if the loan demand exceeds the amount of available DWSRF allotments and state match or if it is in the best interest of the program.

### Loan Assistance Terms

The base repayment period for DWSRF loans under the SDWA is 20 years following project completion. The NDDoH may utilize shorter repayment periods on a project-by-project basis. Candidate projects include low-cost projects for which minimal water rate increases will be

required to retire the loan debt. The loan interest rate will be 1.5 percent for PWSs that qualify for tax-exempt financing and 2.5 percent for those that do not qualify for tax-exempt financing, with the exception of projects that use leveraged bond proceeds. Leveraged bonds will be discussed later in this section. As discussed under Section D, an annual loan fee of 0.5 percent is assessed on all loans to support DWSRF administration.

The SDWA requires that the interest rate for a loan be less than or equal to the market interest rate. The NDDoH will establish as the market interest rate the average interest rate received by North Dakota political subdivisions on bond issues with a 20-year maturity and sold on a competitive or negotiated basis during the prior quarter. This rate will be calculated and updated quarterly based upon the prior quarter bond sales. If there are no qualified bond sales, the market rate for that quarter will be calculated using comparable regional bond issues. Based upon fourth quarter 2016 North Dakota 20-year competitive bond sales, the current market interest rate is 2.75 percent

Leveraging the fund is appropriate where financing needs significantly exceed available funds; however, it impacts the DWSRF by reducing the interest rate subsidy provided or reducing future loan capacity. By continuing to leverage, the program will be able to assist more communities currently on the priority list and help those communities achieve or remain in compliance with the SDWA. Loans necessitating leveraging will be subject to a loan interest rate (including the 0.5 percent administration fee) of 75 percent of the current market interest rate, if needed, to maintain program viability. The interest rate on these loans will be more than the regular DWSRF interest rate which currently is 2.0 percent (including the 0.5 percent administration fee).

There is now an option for extended term financing beyond the base 20-year loan repayment period. Extended term financing allows for repayment periods to be 30 years or the useful life of the project, whichever is less. A 30-year repayment period will be granted if it is determined that the principal portion of the loan for project components that have a useful life of 20 years or less will be paid off within 20 years. Project components considered having a 20-year or less useful life are process equipment, pumps, electrical equipment, controls, and auxiliary equipment. Project components considered to have a 30-year or more useful life are buildings, concrete, other structures, conveyance structures (piping), and earthen structures.

Extended term financing will be given to the extent that loans to projects on the fundable list with repayment periods of more than 20 years do not decrease expected DWSRF program repayments by more than 10 percent annually over the next 5 years, as compared to 20-year repayment at the same rate.

The NDDoH and the PFA strive to ensure continued long-term viability of the program to provide loans for eligible drinking water projects. To achieve this goal, the refinancing of completed DWSRF projects will not be allowed using the extended term financing option or the latest interest rate.

## Sources and Uses of Funds

Attachment 6 depicts a detailed breakdown of sources and uses of funds from FY1997 through FY2017. Sources of funds include \$3,156,585 in funds available from prior years. An additional \$9,935,000 of new funds is anticipated to become available in 2017, making \$13,091,585 available for projects. All of the funds are allocated to projects as shown in the Comprehensive Project Priority List and Fundable List (Attachment 2). This amount does not include any leveraged bonds, but the NDDoH is prepared to issue bonds if the near-term loan demand exceeds available funds.

## State and Tribal Assistance Grants

State and Tribal Assistance Grants (STAG grants) are grants that pass through EPA and go straight to drinking water systems. These grants are for 55 percent of the project. The system must provide the remaining 45 percent of the project as a local match. To avoid the higher cost of issuing municipal bonds, most systems wish to utilize DWSRF loan funds to satisfy the match requirement for these grants. By EPA policy, only non-federal DWSRF funds may be used toward the match. Non-federal funds are limited to loan repayments, earnings, bond proceeds in excess of the capitalization grants, and other state contributions in excess of the required 20 percent state match.

Currently, Grafton has an open STAG grant and must provide a 45 percent local match. Systems in North Dakota have received a combined \$28.7 million in STAG grants since 1999 and must provide a combined \$23.0 million in matching funds. The NDDoH will fund loans to these and other systems that are awarded STAG grants, as long as the program has non-federal funds available. Should the program not have non-federal funds to make loans, loans will be made in future years as these funds become available.

## **F. Short- and Long-Term Goals**

### Background

The 1996 SDWA Amendments authorize a DWSRF program to assist PWSs in financing the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. The objectives of the NDDoH's DWSRF program include addressing public problems and priorities, ensuring compliance with the SDWA, assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the fund. To address these objectives, the DWSRF program will help ensure that North Dakota's public water supplies remain safe and affordable through prioritized financial assistance, enhanced source water protection activities, and increased technical assistance to small systems. The short and long-term goals set forth below are established to accomplish these objectives.

### Short-Term Goals

1. On December 9, 2016, obtain North Dakota State Water Commission approval of this IUP.
2. Continue to implement the DWSRF program for the state of North Dakota by funding projects for systems that are having problems maintaining compliance with the revised total coliform rule, ground water treatment rule, the arsenic rule, the disinfection byproduct rule series, and the surface water treatment rule series.

### Long-Term Goals

1. Help North Dakota PWSs achieve and maintain compliance with the SDWA. This is accomplished by coordinating with the PWSS program and targeting those rules with which systems in the state are having problems maintaining compliance. These include the lead and copper rule, revised total coliform rule, ground water treatment rule, arsenic, disinfection byproduct rule series, and the surface water treatment rule series.
2. Assist the PWSS program in meeting goals. The DWSRF program assistance includes providing technical support on infrastructure issues, capacity reviews, and small system technical assistance. Through the small system technical assistance set-aside, the DWSRF program helps operators become certified and systems return to compliance and maintain capacity.
3. Administer the DWSRF program in a manner that will maximize the long-term availability of funds for eligible and needed drinking water infrastructure improvements.
4. Assist North Dakota PWSs in improving drinking water quality, quantity, and dependability by providing reduced interest rate and long-term financial assistance for eligible and needed drinking water infrastructure improvements. This infrastructure assistance helps with compliance of drinking water rules, regionalization/consolidation, and replacement of aging infrastructure.
5. To the greatest extent possible, continue to integrate DWSRF funding with other available funding to maximize the benefits to public water systems and needed drinking water projects statewide. The cooperating agencies include the U. S. Department of Agriculture, Community Development Block Grant Program, North Dakota Department of Land Trusts, and the North Dakota State Water Commission.

## Environmental Results

### 1. Loan Fund

- a. Through December 31, 2015, the fund utilization rate (as measured by the ratio of executed loans to funds available for projects) was 96 percent which is above the national average of 94 percent. The 2017 goal is to maintain the fund utilization rate at 90 percent or above.
- b. Through December 31, 2015, the rate at which projects progressed (as measured by disbursements as a percentage of assistance provided) was 78 percent. This is below the national average of 86 percent. The 2017 goal is to return the construction pace to 80 percent.
- c. The DWSRF program funded 10 projects in the first nine months of 2016 totaling \$9.3 million and serving a population of 50,426. The 2017 goal is to fund eight loans totaling \$13.1 million and serving a population of 10,500.

### 2. Set-Asides, Small System Technical Assistance

- a. The goal for the number of systems receiving training is 120.
- b. The goal for the number of systems receiving on-site technical assistance is 50.

## **G. Public Participation**

### Background

A state is required to make its annual IUP available to the public for review and comment prior to submitting it to the EPA as part of its capitalization grant application. States are also required to describe the public review process used and how major comments and concerns received were addressed.

### Process

The public was invited to comment on the draft 2017 IUP at a public hearing held in Bismarck on November 10, 2016. Written comments were also accepted until November 17, 2016. No comments were received.

## ATTACHMENT 1

### **ELIGIBLE AND INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS UNDER THE DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM**

#### **EXAMPLES OF ELIGIBLE PROJECTS AND PROJECT-RELATED COSTS**

- Projects that address present Safe Drinking Water Act (SDWA) exceedances.
- Projects that prevent future SDWA exceedances (applies only to regulations in effect).
- Projects to replace aging infrastructure.
- Rehabilitate or develop drinking water sources (excluding reservoirs, dams, dam rehabilitation, and water rights) to replace contaminated sources.
- Install or upgrade drinking water treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary SDWA standards.
- Install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system.
- Install or replace transmission and distribution piping to prevent contamination caused by leaks or breaks, or to improve water pressure to safe levels.
- Projects to restructure and consolidate water supplies to rectify a contamination problem, or to assist systems unable to maintain SDWA compliance for financial or managerial reasons (assistance must ensure compliance).
- Projects that purchase a portion of another system's capacity if such purchase will cost-effectively rectify an SDWA compliance problem.
- Land acquisition.
  - Land must be integral to the project (i.e., needed to meet or maintain compliance and further public health protection, such as land needed to locate eligible treatment or distribution facilities).
  - Acquisition must be from a willing seller.
- Planning (including required environmental assessment reports), design, and construction inspection costs associated with eligible projects.
- Service lines from the main to the house, including lead service lines.

#### **EXAMPLES OF INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS**

- Dams or rehabilitation of dams.
- Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy.
- Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located.
- Drinking water monitoring costs.
- Operation and maintenance costs.
- Projects needed mainly for fire protection.
- Projects for systems that lack adequate technical, managerial, and financial capability, unless assistance will ensure compliance.
- Projects for priority systems in the Enforcement Tracking Tool, unless funding will ensure compliance.
- Projects primarily intended to serve future growth.

## Attachment 2

State of North Dakota

Drinking Water State Revolving Loan Fund Program

Comprehensive Project Priority List and Fundable List for 2017<sup>(1)</sup>

Shaded projects are on the fundable list

Priority Ranking	Priority Points	Project No.	Tracking No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
								Project	Cumulative	
57	16	0901530-01	0901530-14-01	Alexander	1,100	Replacement of aging distribution system, WTP, wells, meters, looping of mains	2017	3,000	3,000	
181	8	0900030-03	0900030-10-01	Argusville	300	Watermain replacement, looping	2018	1,066	4,066	
187	8	2701506-01	2701506-16-01	Arnegard	65	City-owned municipal water system to replace private wells	2017	710	4,776	
61	16	0900035-01	0900035-11-01	Arthur	337	Water tower replacement	2017	1,450	6,226	
9	23	4001153-05	4001153-15-01	ASWUD	670	Transmission line for correction of water shortages, WTP upgrades, well field expansion	2017	10,463	16,689	
103	13	0501057-03	4001153-14-01	ASWUD	764	Water supply increase by parallel mains & looping	2017	796	17,485	
106	13	0501057-04	4001153-14-02	ASWUD	1,130	Service to Turtle Mountains/Lake Metigoshe area	2017	27,920	45,405	
79	15	1700059-01	1700059-14-01	Beach	1,300	Distribution system repair, water tower rehab	2017	1,996	47,401	
167	9	4500065-01	4500065-15-01	Belfield	910	Transmission line between storage tanks to reduce aging water & improve system pressures	2017	1,264	48,665	
23	19	2900074-01	2900074-11-01	Beulah	3,121	WTP, well, water meter improvements	2017	6,500	55,165	
210	7	2900074-03	2900074-14-02	Beulah	3,121	Water tower rehabilitation	2017	1,000	56,165	
228	5	2900074-02	2900074-14-01	Beulah	3,121	Watermain, hydrant, gate valve replacement	2017	1,000	57,165	
47	17	0500099-02	0500099-16-01	Bottineau	2,323	RO treatment plant	2017	11,000	68,165	
134	11	0600119-02	0600119-14-01	Bowman	1,800	Watermain replacement (4th Ave W)	2017	1,000	69,165	
207	7	0600119-01	0600119-09-01	Bowman	1,800	Watermain replacement (Divide St, 2nd Ave NW, 3rd Ave W)	2017	1,320	70,485	
73	15	0900134-02	0900134-11-01	Buffalo	225	Replace watermains, gate valves, hydrants	2017	1,900	72,385	
96	13	5100138-01	5100138-12-01	Burlington	1,060	Water tower to stabilize system pressures	2019	1,600	73,985	
31	18	4800152-01	4800152-13-01	Cando	1,115	Water treatment plant improvements, well replacement	2018	1,600	75,585	
44	17	4800152-03	4800152-16-01	Cando	1,115	Infrastructure upgrades or connection to NEWD	2017	800	76,385	
139	11	4800152-02	4800152-13-02	Cando	1,115	Watermain replacement	2018	1,800	78,185	
87	14	1600159-03	1600159-16-01	Carrington	2,065	Storage tank, high service pump building	2017	3,185	81,370	
29	19	1900162-01	1900162-11-01	Carson	293	Watermain, service line, valve, hydrant replacement	2017	4,201	85,571	
208	7	0900166-02	0900166-09-01	Casselton	2,329	Water tower replacement	2017	2,110	87,681	
12	22	3400170-01	3400170-09-01	Cavalier	1,537	Water tower replacement	2019	2,087	89,768	

Priority Ranking	Priority Points	Project No.	Tracking No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
								Project	Cumulative	
196	8	0900336-12	0900336-11-02	Fargo	105,549	WTP residuals facility	2019	22,463	197,549	
197	8	0900336-13	0900336-12-03	Fargo	105,549	Water tower rehab 2018 (towers 6 and 7)	2018	1,820	199,369	
226	6	0900336-16	0900336-15-01	Fargo	105,549	WTP facility plan phase II	2017	7,500	206,869	
166	9	3000342-01	3000342-16-01	Flasher	230	Watermain replacement	2017	376	207,245	
52	17	0700344-02	0700344-13-02	Flaxton	74	Watermain replacement and additional well	2017	282	207,527	
25	19	1100346-1	1100346-15-01	Forbes	53	Distribution system improvements	2017	1,000	208,527	
17	20	4100357-02	4100357-14-01	Forman	504	New well, well upgrades, & transmission line replacement	2017	400	208,927	
32	18	4100357-03	4100357-14-02	Forman	504	WTP rehab & conrols	2017	500	209,427	
63	16	4100357-04	4100357-15-01	Forman	504	Watermain replacement	2017	500	209,927	
93	14	4100357-01	4100357-08-01	Forman	504	Water tower replacement	2017	1,000	210,927	
172	9	4900382-01	4900382-16-01	Galesburg	114	Purchase of treatment & transmission capacity	2018	3,000	213,927	
82	14	0900387-02	0900387-16-01	Gardner	80	Refinance- pump house, storage, & distribution improvements	2017	250	214,177	
99	13	0900387-01	0900387-06-01	Gardner	80	Watermain replacement & looping	2017	400	214,577	
116	12	2800389-04	2800389-13-01	Garrison	1,453	WTP expansion, new intake and pumps	2017	5,000	219,577	
117	12	2800389-05	2800389-13-02	Garrison	1,453	Watermain Replacement	2017	4,500	224,077	
158	10	2800389-03	2800389-15-01	Garrison	1,453	Replacement of water intake structure	2017	2,000	226,077	
239	4	2801430-02	2801430-11-01	Garrison RWD	1,350	New reservoir and pump station	2017	2,761	228,838	
109	12	3800397-01	3800397-13-01	Glenburn	380	Watermain replacement & looping	2018	1,640	230,478	
145	11	3800397-02	3800397-13-02	Glenburn	380	Water tower replacement, controls, transmission line upgrade	2017	2,325	232,803	
33	18	5000408-05	5000408-02-01	Grafton	4,913	Pretreatment & advanced oxidation WTP improvements	2021	9,464	242,267	
115	12	5000408-04	5000408-03-01	Grafton	4,913	Park River water intake improvements	2019	1,192	243,459	
125	12	5000408-06	5000408-16-01	Grafton	4,913	Raw water transmission line	2019	4,400	247,859	
126	12	5000408-07	5000408-16-02	Grafton	4,913	Surface water intake improvements	2019	1,900	249,759	
24	19	1800410-03	1800410-14-01	Grand Forks	55,158	Regional WTP improvements	2016	150,000	399,759	
135	11	1800410-04	1800410-14-02	Grand Forks	55,158	Watermain looping	2019	5,135	404,894	
146	11	1801062-03	1801062-15-01	Grand Forks- Traill RWD	6,750	Transmission line replacement	2018	6,186	411,080	
230	4	0900412-01	0900412-16-01	Grandin	196	Purchase of treatment & transmission capacity	2018	3,000	414,080	
138	11	2500415-02	2500415-12-01	Granville	300	Watermain replacement	2017	306	414,386	
86	14	3900443-03	3900443-11-01	Hankinson	919	Watermain looping	2017	575	414,961	
72	15	2000446-02	2000446-09-01	Hannaford	150	Water tower replacement	2017	1,200	416,161	
14	21	5200458-04	5200458-16-01	Harvey	1,783	WTP upgrades	2018	800	416,961	
233	4	0900460-02	0900460-16-01	Harwood	718	Watermain looping	2019	250	417,211	
236	4	2900470-02	2900470-16-01	Hazen	2,411	Elevated storage tank	2017	1,500	418,711	
203	7	3000473-01	3000473-16-01	Hebron	750	Water tower replacement	2017	750	419,461	

Priority Ranking	Priority Points	Project No.	Tracking No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
								Project	Cumulative	
4	31	0901530-01	0901530-11-01	Leonard <sup>(2)</sup>	225	Consolidation of existing users to regional water system (arsenic)	2017	3,954	472,624	20-yr
107	13	3900567-01	3900567-16-01	Lidgerwood	652	Transmission line replacement	2017	510	473,134	
161	10	0800570-03	0800570-16-01	Lincoln	5,000	Transmission line from Bismarck	2018	1,600	474,734	
7	24	3700574-12	3700574-16-01	Lisbon	2,154	Lead service line replacement	2017	1,800	476,534	30-yr
43	17	3700574-09	3700574-14-01	Lisbon	2,154	WTP rehabilitation	2017	1,000	477,534	
69	15	3700574-08	3700574-11-01	Lisbon	2,154	Well #1 replacement	2017	150	477,684	
141	11	3700574-10	3700574-09-01	Lisbon	2,154	Well field & raw water transmission main	2017	560	478,244	
142	11	3700574-11	3700574-11-02	Lisbon	2,154	Watermain replacement	2017	2,500	480,744	
28	19	5100593-03	5100593-13-02	Makoti	154	Watermain replacement	2018	2,750	483,494	
89	14	5100593-01	5100593-13-01	Makoti	154	Well component replacement, well & transmission line for redundancy	2017	375	483,869	
127	11	3000596-07	3000596-13-03	Mandan	24,227	Distribution system rehab, booster station improvements, reservoir rehab, PRV	2017	2,274	486,143	
163	9	3000596-06	3000596-09-01	Mandan	24,227	Transmission main replacement (WTP to Sunset Reservoir)	2018	5,161	491,304	
182	8	3000596-10	3000596-14-02	Mandan	24,227	High service pump capacity upgrade phase II	2017	3,236	494,540	
186	8	3000596-08	3000596-16-03	Mandan	24,227	New raw water intake	2017	14,682	509,222	
216	6	3000596-09	3000596-14-01	Mandan	24,227	High service pump capacity upgrade phase I	2017	4,260	513,482	
176	9	0900613-03	0900613-09-01	Mapleton	762	Watermain replacement	2017	750	514,232	
184	8	0900613-04	0900613-16-01	Mapleton	762	Water tower replacement, new controls	2017	1,400	515,632	
5	29	0500620-01	0500620-16-01	Maxbass	120	WTP improvement	2017	266	515,898	30-yr
76	15	0500620-02	0500620-16-02	Maxbass	84	Watermain replacement	2017	500	516,398	
151	10	4900622-03	4900622-16-01	Mayville	1,858	WTP upgrades	2017	500	516,898	
173	9	4900622-05	4900622-16-03	Mayville	1,858	Purchase of treatment & transmission capacity	2018	3,000	519,898	
178	9	4900622-04	4900622-16-02	Mayville	1,858	Refinance- WTP expansion	2017	1,300	521,198	
122	12	3200636-01	3200636-16-01	McVille	349	WTP controls upgrade	2017	75	521,273	
51	17	4700637-01	4700637-16-01	Medina	308	WTP & well improvements	2018	800	522,073	
54	17	4700637-02	4700637-16-02	Medina	308	Watermain & service line replacement	2017	4,000	526,073	
55	17	4700637-03	4700637-16-03	Medina	308	Water tower replacement	2017	1,000	527,073	
65	16	4700637-04	4700637-16-04	Medina	308	Refinance- WTP	2017	80	527,153	
2	36	2800650-01	2800650-16-01	Mercer <sup>(2)</sup>	120	Water storage & distribution improvements, connection to rural water	2017	1,554	528,707	20-yr
232	4	3200653-01	3200653-13-01	Michigan	345	Water tower rehabilitation	2018	75	528,782	
84	14	5000691-01	5000691-14-01	Minto	604	Watermain replacement (Stoltman's Addition)	2018	757	529,539	
212	7	5000691-02	5000691-14-02	Minto	604	Portion of new public works building that is directly related to the drinking water system	2018	339	529,878	
204	7	3800695-02	3800695-14-02	Mohall	808	Water tower replacement	2017	1,223	531,101	
234	4	3800695-01	3800695-14-01	Mohall	808	Watermain looping	2017	388	531,489	

Priority Ranking	Priority Points	Project No.	Tracking No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
								Project	Cumulative	
162	9	5301152-02	5301152-16-01	R&T WSCA	3,130	White Earth distribution area, Tioga high point pump station, transmission main to Stanley with water tower and pump station	2017	5,000	600,999	
59	16	4500821-02	4800821-15-02	Richardton	548	Watermain replacement & looping	2018	715	601,714	
102	13	4500821-01	4500821-15-01	Richardton	548	Pump station rehabilitation	2017	875	602,589	
67	15	2800825-02	2800825-16-01	Riverdale	222	Water tower and watermain replacement	2017	1,827	604,416	
180	8	2200827-02	2200827-16-01	Robinson	37	Pumping & distribution system improvements	2017	250	604,666	
39	18	4000833-02	4000833-12-01	Rolette	594	Watermain replacement	2017	4,600	609,266	
92	14	4000834-01	4000834-16-01	Rolla	1,417	Water tower rehab, control replacement	2017	450	609,716	
1	39	3100838-02	3100838-13-01	Ross	97	Water supply & storage improvements, watermain replacement	2017	699	610,415	20 yr
188	8	4100848-01	4100848-16-01	Rutland	163	Watermain looping	2017	500	610,915	
130	11	0200858-01	0200858-13-01	Sanborn	194	Watermain, service line, gate valve, hydrant replacement	2017	500	611,415	
150	10	0200858-02	0200858-15-01	Sanborn	192	Water tower rehabilitation	2017	400	611,815	
213	6	5100868-03	5100868-14-01	Sawyer	367	Watermain replacement	2017	600	612,415	
214	6	5100868-04	5100868-16-01	Sawyer	357	Connection to NPRWD	2017	135	612,550	
225	6	0801154-05	0801154-15-01	SCRWD	19,172	Water storage improvements	2018	1,350	613,900	
136	11	3901068-11	3901068-16-01	SEWUD	16,672	Distribution system improvements for rural residents with private wells	2017	7,200	621,100	
191	8	3901068-12	3901068-14-01	SEWUD	16,673	Water meter replacement	2017	1,100	622,200	
229	5	3901068-13	3901068-14-02	SEWUD	16,351	Distribution system improvements for rural residents with private wells	2017	20,500	642,700	
128	11	3700876-01	3700876-11-01	Sheldon	116	Water reservoir pump and control replacement	2017	175	642,875	
137	11	3800877-02	3800877-12-01	Sherwood	256	Watermain replacement	2017	406	643,281	
155	10	3800877-03	3800877-15-01	Sherwood	256	Watermain looping	2017	608	643,889	
50	17	1400879-02	1400879-15-01	Sheyenne	204	Watermain replacement	2017	3,000	646,889	
81	14	4701303-06	4701303-16-01	SRWD	5,000	Water supply line, distribution system for Pettibone, mainline pipelines between reservoirs	2017	2,900	649,789	
13	22	4000854-02	4000854-15-01	St. John	341	Well rehab & transmission main replacement	2017	375	650,164	
41	17	1501310-02	1501310-15-01	State Line WC	386	Water tower replacement, system maintenance	2017	222	650,386	
21	20	4700922-03	4700922-13-02	Streeter	170	Well & pump house improvements	2017	500	650,886	
37	18	4700922-01	4700922-12-01	Streeter	170	Watermain looping	2017	500	651,386	
38	18	4700922-02	4700922-13-01	Streeter	170	WTP improvements	2017	500	651,886	
48	17	5200927-01	5200927-13-01	Sykeston	117	Watermain replacement	2017	2,400	654,286	
91	14	3201072-03	3201072-11-01	TCWD	2,475	WTP rehab phase II	2017	1,400	655,686	
179	9	3201072-04	3201072-16-01	TCWD	2,475	Connection to McVille	2017	3,900	659,586	
231	4	5301152-03	5301152-16-01	Tioga	2,500	Watermain replacement	2018	6,900	666,486	
77	15	0900945-02	0900945-12-01	Tower City	252	Watermain & hydrant replacement	2017	2,000	668,486	
143	11	0900945-01	0900945-09-01	Tower City	252	Water tower rehab	2017	250	668,736	

Priority Ranking	Priority Points	Project No.	Tracking No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
								Project	Cumulative	

(1) - It is unknown at this time if mandatory additional subsidization will apply to the 2017 DWSRF allotment. To address this potential requirement, a funding level of \$2,000,000 has been assumed for additional subsidization (as loan forgiveness). Adjustments will be made, as necessary, based on the actual requirements and capitalization grant amount.

(2) - These projects appear eligible for 75% loan forgiveness. The actual loan forgiveness amount is dependant upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.

(3) - Estimated length of the loan term only. The loan term will be set at the time of facility plan approval.

**Abbreviations**

SCADA = Supervisory Control and Data Acquisition  
 MG = Million Gallons  
 RWD = Rural Water District  
 WC = Water Company  
 WD = Water District  
 WTP = Water Treatment Plant

ASWUD = All Seasons Water User District  
 CRW = Cass Rural Water  
 NPRWD = North Prairie Rural Water District  
 SCRWD = South Central Regional Water District  
 SEWUD = Southeast Water Users District  
 SRWD = Stutsman Rural Water District  
 TCWD = Tri-County Water District  
 WRWD = Williams Rural Water District  
 NEWD = Northeast Regional Water District

Attachment 3

STATE OF NORTH DAKOTA

PRIORITY RANKING SYSTEM FOR FINANCIAL ASSISTANCE THROUGH THE  
DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM

DWSRF PROGRAM  
DIVISION OF MUNICIPAL FACILITIES  
ENVIRONMENTAL HEALTH SECTION  
NORTH DAKOTA DEPARTMENT OF HEALTH

OCTOBER 2016

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The following criteria and point system is utilized by the DWSRF Program to rank eligible projects for potential financial assistance through the DWSRF Program:

1. Water Quality (Maximum Points Limited to 35)
2. Water Quantity (Maximum Points = 20)
3. Affordability (Maximum Points = 15)
4. Infrastructure Adequacy (Maximum Points Limited to 15)
5. Consolidation or Regionalization of Water Supplies (Maximum Points = 10)
6. Operator Safety (Maximum Points = 5)

**Maximum Total Points = 100**

DWSRF funds may be used to buy or refinance existing local debt obligations (publicly owned systems only) where the initial debt was incurred and the construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements.

Creation of New Systems - Eligible projects are those that, upon completion, will create a community water system (CWS) to address existing and serious public health problems caused by unsafe drinking water from individual wells or surface water sources. Eligible projects are also those that create a new regional CWS by consolidating existing systems with technical, financial, or managerial difficulties. Projects to address existing public health problems associated with individual wells or surface water sources must be limited in scope to the specific geographic area affected by contamination. Projects that create new regional CWSs by consolidating existing systems must be limited in scope to the service area of the systems being consolidated. A project must be a cost-effective solution to addressing the problem. Applicants must ensure that sufficient public notice has been given to potentially affected parties and consider alternative solutions to addressing the problem. Capacity to serve future population growth cannot be a substantial portion of the project.

<u>CATEGORY</u>	<u>POINTS</u>
1. Water Quality - Select All That Apply (Maximum Points Limited to 35). <sup>1,3</sup>	
A. Documented waterborne disease outbreak(s) within last 2 years.	20
B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s), OR acute microbiological MCL exceedance(s) within last 12 months.	15
C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite).	10
D. Disinfection treatment inadequate to satisfy the Surface Water Treatment Rule (SWTR), the enhanced SWTR (ESWTR), or the groundwater disinfection rule (GWDR) once finalized, OR groundwater source(s) deemed by the PWSS to be under the direct influence of surface water, OR multiple turbidity treatment technique requirement (TTR) violations within last 2 years ( <u>includes</u> at least one event where the maximum allowed turbidity was exceeded),	8
E. Multiple turbidity TTR violations within last 2 years ( <u>no</u> events where the maximum allowed turbidity was exceeded), OR 3 or more <u>non-acute</u> microbiological MCL violations within last 12 months,	7
F. MCL or TTR exceedance(s) ( <u>no</u> URTH level exceedances) within last 4 years (excludes microbiological contaminants, nitrate, nitrite, and turbidity),	6
G. Potential MCL or TTR compliance problems based on most recent 4 year period (excludes microbiological contaminants and turbidity).	
75% to 100% of MCL or TTR	5
50% to 74% of MCL or TTR	4
H. General water quality problem (see page 7).	
significant general water quality problem	4
moderate general water quality problem	3
minor general water quality problem	2

2. Water Quantity - Select One If Applicable (Maximum Points = 20).<sup>2,3</sup>
- A. Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future. 20
  - B. Correction of an extreme water supply problem. 10  
 Maximum water available <150 gallons per capita per day (gpcd) (community water systems only), OR continuous water shortages during all periods of operation (nonprofit noncommunity water systems only).
  - C. Correction of a serious water supply problem. 7  
 Maximum water available <200 gpcd (community water systems only), OR daily water shortages, or inability to meet peak daily water demand at a frequency of at least once per week during all periods of operation (nonprofit noncommunity water systems only).
  - D. Correction of a moderate water supply problem. 4  
 Maximum water available <250 gpcd (community water systems only), OR occasional daily water shortages, or occasional inability to meet peak daily water demands on a seasonal basis (nonprofit noncommunity water systems only).
  - E. Correction of a minor water supply problem. 2  
 Maximum water available <300 gpcd (community water systems only), OR sporadic water shortages or occasional inability to meet peak water demands (nonprofit noncommunity water systems only).
3. Affordability - For the Applicable Sub-Category, Select One For Each Item (Maximum Points = 15).
- A. Community Water Systems
    - (1) Relative income index - ratio of local or service area annual median household income (AMHI) to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates).
      - < 60% 8
      - 61% to 70% 7
      - 71% to 80% 5
      - 81% to 90% 3
      - 91% to 100% 1

(2) Relative future water cost index - ratio of expected average annual residential water user charge resulting from the project, including costs recovered through special assessments, to the local AMHI (based on 2006-2010 ACS 5-Year Estimates).

>2.5%	7
2.0% to 2.5%	6
1.5% to 1.9%	5
1.0% to 1.4%	3
0.5% to 0.9%	1

B. Nonprofit Noncommunity Water Systems

(1) Relative income index - ratio of local or service area AMHI to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates).

≤ 60%	8
61% to 70%	7
71% to 80%	5
81% to 90%	3
91% to 100%	1

(2) Relative future water cost index - ratio of expected annual water service expenditures resulting from the project to total annual operating expenses.

>20%	7
15% to 20%	6
10% to 14%	5
5% to 9%	3
2% to 4%	1

4. Infrastructure Adequacy - Select All That Apply (Maximum Points Limited to 15).

- |   |   |
|---|---|
| A. Correction of general disinfection treatment deficiencies - excludes improvements necessary to directly comply with the SWTR, the ESWTR, or the GWDR (once finalized). | 3 |
| B. Correction of well construction or operating deficiencies.   | 3 |
| C. Correction of distribution system pressure problems (dynamic pressure <20 psi).  | 3 |

- D. Replacement of deteriorated water mains. 3
  - E. Replacement of deteriorated finished water storage structures. 3
  - F. Replacement of distribution system piping/materials shown via DWP-approved testing to contribute unacceptable levels of lead or asbestos, 3
  - G. Water treatment plant operating at or above design capacity, 3
  - H. Water treatment plant operating at or beyond useful or design life, 3
  - I. Correction of specific design or operating deficiencies associated with water treatment plant unit processes (excludes disinfection treatment), 2
  - J. Correction of specific design or operating deficiencies associated with surface water intake facilities, 2
  - K. Correction of specific design or operating deficiencies associated with finished water storage facilities, 2
  - L. Correction of specific design or operating deficiencies associated with raw or finished water pumping facilities, 2
  - M. Correction of specific design or operating deficiencies associated with raw or finished water distribution system piping, 2
  - N. Correction of specific design or operating deficiencies associated with chemical feed installations (excludes disinfection), 2
  - O. Provision of a second well where only one functional well exists for systems relying solely on their own groundwater supply, 2
  - P. Replacement of inoperative, obsolete, or inadequate instrumentation or controls. 2
5. Consolidation or Regionalization of Water Supplies - Select All That Apply (Maximum Points = 10).
- A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s) or extreme to critical water supply problem(s) for one or more PWSs through consolidation with another PWS or regionalized service provided by another PWS. 4

- B. Correction of contamination problems (regulated contaminants) or extreme water quantity problems (no water, imminent loss of water supply, or continuous/ frequent daily water shortages) for individual residences or businesses through consolidation with another PWS or regionalized service provided by a PWS. 3
  - C. Correction of potential MCL or TTR compliance problems, general water quality problems, or moderate to serious water quantity problems for one or more PWSs through consolidation with another PWS or regionalized service provided by another PWS. 2
  - D. Correction of general water quality problems or moderate water quantity problems (occasional daily or seasonal water shortages) for individual residences or businesses through consolidation with another PWS or regionalized service provided by a PWS. 1
6. Operator Safety - Select One If Applicable (Maximum Points = 5).<sup>2</sup>
- A. Correction of a problem that poses a critical and chronic safety hazard for operators. 5
  - B. Correction of a problem that poses an intermittent safety hazard for operators. 3
  - C. Correction of a potential significant safety hazard for operators. 1

<sup>1</sup> Applies to community and nonprofit noncommunity public water systems only. Water quality problems must be ongoing and unresolved under the present system configuration. Analysis applies to finished water after all treatment (raw water if no treatment is provided).

<sup>2</sup> Applies to community and nonprofit noncommunity public water systems only. Projects intended mainly to increase water availability for or to improve fire protection are not eligible for DWSRF assistance. In order to be eligible, fire protection features must represent an ancillary project benefit or secondary project purpose.

<sup>3</sup> Projects intended to address multiple community and/or nonprofit noncommunity public water system water quality and/or quantity problems will be ranked based on the highest level problem to be solved.

## GENERAL WATER QUALITY

### DEFINITIONS

Significant General Water Quality Problem (4 points) = Score of 6 or greater

Moderate General Water Quality Problem (3 points) = Score of 4 or 5

Minor General Water Quality Problem (2 points) = Score of 3 or less

All values expressed in milligrams per liter

#### Total Dissolved Solids (TDS)

500 - 999            Score of 1

1,000 - 1,499      Score of 2

≥1,500              Score of 3

#### Total Hardness as Calcium Carbonate (TH)

200 - 424            Score of 1

425 - 649            Score of 2

≥650                 Score of 3

#### Iron (FE)

0.3 - 0.89            Score of 1

0.9 - 2.0             Score of 2

>2.0                  Score of 3

#### Manganese (MN)

0.05 - 0.25          Score of 1

0.26 - 1.00          Score of 2

>1.00                 Score of 3

#### Sodium (NA)

200 - 424            Score of 1

425 - 649            Score of 2

≥650                 Score of 3

#### Sulfate (SO<sub>4</sub>)

250 - 499            Score of 1

500 - 750            Score of 2

>750                  Score of 3

**Attachment 4**  
**Nonproject Set-Aside and Fee Activity (1)**  
**North Dakota Drinking Water State Revolving Loan Fund Program**

Set-Aside	Set Aside Through 9/30/2016	Transferred To Loan Fund	Expended Through 9/30/2016	Balance Available as of 9/30/2016	Planned Set-Asides For 2017	Total Set-Aside Funds Available 2017	Reserved Through 2016	Reserved From 2017 Allotment	Total Reserved Through 2017
4% Administration	7,756,644	0	7,628,982	127,662	400,000	527,662	0	0	0
10% State Program Assistance									
PWSS Supervision	3,370,000	327,112	1,786,585	1,256,303	500,000	1,756,303	1,094,400	500,000	1,594,400
Source Water Protection									
Capacity Development									
Operator Certification									
2% Small System Technical Assistance	2,970,572	0	2,709,132	261,440	165,000	426,440	93,640	35,000	128,640
15% Local Assistance (2)									
Land Acquisition									
Capacity Development									
Wellhead Protection									
Source Water Petition Programs									
Source Water Protection	1,255,880	820,612	435,268	0	NA	0	0	NA	0
<b>Totals</b>	<b>15,353,096</b>	<b>1,147,724</b>	<b>12,559,967</b>	<b>1,645,405</b>	<b>1,065,000</b>	<b>2,710,405</b>	<b>1,188,040</b>	<b>535,000</b>	<b>1,723,040</b>

Fee Type	Collected Through 9/30/16	Transferred to Loan Fund	Expended Through 09/30/16	Balance Available 09/30/16	Projected Funds 01/01/17 - 12/31/17	Total Funds Available Through 12/31/17	Total Funds Held Through 12/31/17
Loan Fee(3)	9,001,614	0	2,282,409	6,719,205	918,391	9,920,005	7,637,596

(1) The set-aside amounts are based on percentages (4%, 2%, or 10%) of the respective federal DWSRF allotments. The FY 1997 through 2016 allotments have been awarded. The anticipated allotment for FY 2017 is \$10,000,000. The FY 2017 allotment will be applied for by July 1, 2017.

(2) No more than 10% may be used for any one activity with a maximum of 15% for all activities combined.

(3) The loan fee amounts reflect loans approved up to September 30, 2016. The amounts may increase based upon repayments due (if any) under loans approved after this date.

**Attachment 5**

**Amounts Available to Transfer Between State Revolving Fund Programs (1)  
North Dakota Drinking Water State Revolving Loan Fund Program**

Year	Transaction Description	Banked Transfer Ceiling	Transferred from DWSRF to CWSRF	Transferred		DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
				from CWSRF to DWSRF			
1998	DW Grant	4.1				4.1	4.1
1998	DW Grant	6.5				6.5	6.5
2000	DW Grant	9.0				9.0	9.0
2000	DW Grant	11.5				11.5	11.5
2001	DW Grant	14.1				14.1	14.1
2002	DW Grant	16.7				16.7	16.7
2002	Transfer	16.7	10.0	3.0		9.7	23.8
2003	DW Grant	19.4				12.4	26.4
2003	Transfer	19.4	0	5.9		18.3	20.5
2004	DW Grant	22.1				21.0	23.2
2004	Transfer	22.1	0	2.6		23.7	20.6
2005	DW Grant	24.9				26.4	23.3
2005	Transfer	24.9	0	0.1		26.5	23.2
2006	DW Grant	27.6				29.2	25.9
2006	Transfer	27.6	0	1.5		30.8	24.4
2007	DW Grant	30.3				33.5	27.1
2007	Transfer	30.3	0	4.9		38.3	22.2
2008	DW Grant	33.0				41.0	24.9
2008	Transfer	33.0	0	3.0		44.1	21.9
2009	DW Grant	35.7				46.8	24.6
ARRA	DW Grant	42.1				53.2	31.0
ARRA	Transfer	42.1	0	2.6		55.8	28.4
2009	Transfer	42.1	0	0.7		56.5	27.7
2010	DW Grant	46.6				61.0	32.2
2010	Transfer	46.6	0	0.8		61.8	31.4
2011	DW Grant	49.7				64.9	34.5
2012	DW Grant	52.7				67.8	37.5
2013	DW Grant	55.4				70.6	40.3
2014	DW Grant	58.3				73.5	43.2
2015	DW Grant	61.2				76.4	46.1
2015	Transfer	61.2	19.1	0		57.4	65.1
2016	DW Grant	64.0				60.1	67.9
2017	DW Grant	67.0				63.1	70.8
2017	Transfer	67.0	0	1.0		64.1	69.8

(1) All amounts are in millions of dollars

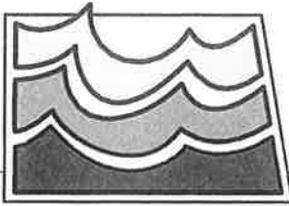
**Attachment 6**

**Sources and Uses Table**

**North Dakota Drinking Water State Revolving Loan Fund Program  
Cumulative Amounts as of September 30, 2016**

SOURCES	
Federal Capitalization Grants	185,582,767
State Match	46,432,137
Transfers from CWSRF	25,177,672
Net Leveraged Bonds	103,941,728
Investment Earnings	42,638,048
Interest Payments	45,287,575
Principal Repayments	131,811,028
TOTAL SOURCES OF FUNDS	<u>580,870,955</u>
USES	
4% Administration	7,756,644
2% SSTA	2,970,572
10% DW Program Set-Aside	3,042,888
15% Local Asst. Set-Aside	435,268
Transfers to CWSRF	29,061,000
Bond Principal Repayments	46,211,902
Bond Interest Expense	49,910,933
Arbitrage	763,211
Reserves	3,242,256
Closed Agreements	433,946,696
Loans Approved by Industrial Commission	373,000
TOTAL USES OF FUNDS	<u>577,714,370</u>
DWSRF Funds Available for Projects in 2017	<u><u>\$3,156,585</u></u>
ANNUAL SOURCES FOR 2017	
FY17 Capitalization Grant	10,000,000
Set-asides taken from FY17 Capitalization Grant	(1,065,000)
State Match (if applicable)	
Leveraged Bonds (if applicable)	
Transfers with CW +/- (if applicable)	1,000,000
Total New 2017 Funds	<u>\$9,935,000</u>
TOTAL DWSRF FUNDS AVAILABLE FOR 2017	<u><u>\$13,091,585</u></u>
TOTAL DWSRF PROJECTS ON FUNDABLE LIST	<u><u>\$13,091,585</u></u>
AVAILABLE FUNDS	<u><u>\$0</u></u>

December 9, 2016



# North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850  
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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
 Members of the State Water Commission  
**FROM:**  Garland Erbele, P.E., Chief Engineer - Secretary  
**SUBJECT:** SWPP Project Update  
**DATE:** November 10, 2016

### **Oliver, Mercer, North Dunn (OMND) Regional Service Area Center SA Rural Distribution System 7-9E & 7-9F:**

Contracts 7-9E and 7-9F are substantially complete with 311 and 408 users turned over for service respectively. The contractors are working on punch list items and administrative items. Final change orders including the final quantities for the contract are under development.

### **Contract 7-9G Halliday and Dunn Center Service Area:**

This contract includes furnishing and installing approximately 330 miles of 6"-1 ½" ASTM D2241 gasketed joint pipe; 395 services; road crossings; connections to existing pipelines and other related appurtenances. The project is located in Mercer and Dunn Counties of North Dakota. The contract has two Bid Schedules. The SWC awarded Bid Schedule 1 to Swanberg Construction, Inc., and Bid Schedule 2 to Northern Improvement Company at its March 11, 2015 meeting.

Bid Schedule 1 consists of furnishing and installing approximately 170 miles of 6" – 1 ½" ASTM D2241 PVC gasketed joint pipe and 173 services. This contract had an intermediate completion date of November 1, 2015 for installation of 37 miles of pipeline and 32 users. Because of the 50 additional users added to Contract 7-9E and removal of intermediate completion date, a new milestone completion date was added to this contract. The milestone completion date was August 1, 2016 for 123 users. The contractor requested a 21-day extension on the milestone completion date because of delays caused by easement problems, permit delays and changes made in the field. The 21-day extension was granted to the contractor. The contractor turned over 123 users on August 27, 2016. Twenty-five change orders have been signed by all parties to date, which added 98 additional users and 45 more miles of pipeline to the contract. The proposed Dakota Access Pipeline (DAPL) crosses at five locations in this contract. A change order was issued to bore the crossings with a minimum of 7 foot separation between the proposed DAPL line and the rural water line and to case the water line with fusible PVC. This change order cost will be reimbursed by DAPL through an agreement with Southwest Water Authority (SWA). The substantial completion date including modifications through Change Order No. 25 is June 7, 2018. The contract has two additional intermediate dates November 20, 2016 for the original 173 users and September 27, 2017 for 212 users. To date, the Contractor has turned over 160 users.

Bid Schedule 2 consists of furnishing and installing approximately 164 miles of 6" – 1 ½" ASTM D2241 PVC gasketed joint pipe and 218 services. The area is west of Halliday. The substantial completion date for Bid Schedule 2 is September 15, 2016.

Contract 7-9G Bid Schedule 2 is substantially complete with 315 users turned over for service. The contractor is working on punch list items and administrative items. Final change order including the final quantities for the contract is under development.

**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 tank was turned over for service on August 13, 2015. \$260,250 is currently being withheld in liquidated damages for 347 days' delay. We granted 16-day extension through change order. The contractor's attorney sent a letter to Bartlett & West indicating that the contractor is willing to pay the actual damages incurred by the Owner. The damage caused by the delay in completion of this tank is the delay in serving the City of Killdeer. We estimated the actual damages to be \$212,058.32. This information has been relayed to the contractor's attorney by our legal counsel.

**Other Contracts**

**Contract 8-1A New Hradec Reservoir:**

This contract involves furnishing and installing a 296,000-gallon fusion powder coated bolted steel reservoir. Olander Contracting Company is the contractor. 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. The contractor disputes the liquidated damages withheld. The contractor has not provided any justification for the delays. The contractor has filed a lawsuit against us and their tank sub-contractor. Our legal counsel has filed an answer to their lawsuit.

**Contract 1-2A Supplemental Raw Water Intake:**

The first section of the intake pipe was lowered on July 15, 2015. Through October 31, 2015 tunneling had proceeded to approximately 1786 feet.

In the early morning of November 1, 2015 the contractor's employees heard a loud pop and noticed uncontrolled flow of sand and water entering the pipe approximately 40-50 feet from the caisson end of the pipe. The water and sand flowed out from the pipe and into the caisson shaft, and the employees quickly evacuated the caisson shaft as the water and sand level began to rise.

The contractor's plan to remedy the problem include stabilizing the existing pipe to stop the inflow of sand and water with jet grouting. Jet grouting will also be done at the microtunnelling launch zone. Jet grouting is a construction process using high pressure to loosen up the ground and mix it with thin slurry and forming soilcrete columns. Once the inflow of sand and water is stopped, a new secondary floor will be installed and a new intake pipe will be launched from a higher elevation. The new intake pipe is expected to be 12 feet above the center line of the existing installed intake pipe. The intake alignment is expected to change slightly. The new alignment will be rotated 7 degrees to the east from the installed intake alignment. This would result in the

intake screen center line to be at 1785 feet compared to 1782 feet originally specified in the Bid Documents. For comparison the permanent pool elevation for Lake Sakakawea is 1776.3 feet.

The contractor has completed the jet grouting operation and is currently working on cleaning out the shaft. The pipe submittal and the microtunnelling alignment submittal are currently under review by Bartlett & West/AECOM. In order to finalize the tunnel alignment, the soil sediment analysis at the lake bottom has to be completed by the contractor. The Army Corps of Engineers has issued a temporary construction license for performing the work. The contractor's diving subcontractor is expected to perform the investigation the week after thanksgiving.

The SWC has submitted a claim of \$835,000 for the additional engineering expense to the Contract's Builder's Risk Policy.

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

The preconstruction conference for Contract 3-2D was held on January 13, 2016 with both the General contractor, John T. Jones Construction Co., Inc., and the Mechanical contractor, Williams Plumbing and Heating, Inc. Bids for Contract 3-2D Electrical Contract were opened on January 28, 2016, and the contract was awarded to Edling Electric, Inc. at the March 3, 2016 meeting.

The General contractor, John T. Jones has completed most of basement walls and slabs. Backfilling and site piping installation is ongoing. The contractor is preparing to place the third out of the five shored slabs planned for the first floor slab. Two change orders have been signed by all parties on this contract. The net increase in contract price is \$38,088 and the intermediate completion date is extended to December 16, 2016 and the substantial completion date extended to November 28, 2017.

The Electrical contractor, Edling Electric, Inc. and the Mechanical contractor, Williams Plumbing, are following the General contractor in their work.

**Contract 4-1F/4-2C Generator Upgrades:**

The scope of this contract includes relocating the existing 1000 kW generator at the Dodge pump station to the Dickinson Finished Water Pump Station and installing a new standby engine generator at the Dodge pump station. This contract also includes relocating the existing 1,500 kW generator at the Richardton Pump Station to the intake booster pump station and installing a new generator at the Richardton Pump Station. Bids for this contract were opened on January 28, 2016, and the contract was awarded to Edling Electric, Inc. at the March 3, 2016 meeting. The preconstruction conference for this contract was held on May 19, 2016.

The generators are installed at all four locations. The testing of the generator at Richardton is completed with the testing of the generators at the other three locations expected to happen in the next couple of weeks.

**Contract 5-1A and 5-2A 2nd Richardton Reservoir and 2nd Dickinson Reservoir:**

The State Water Commission at its October 12, 2016 meeting awarded Contract 5-2A, 2<sup>nd</sup> Dickinson Reservoir to John T. Jones Construction Co. The contract documents have been executed by all parties.

Contract 5-1A, 2<sup>nd</sup> Richardton Reservoir is currently advertised for bids with a bid opening date of November 16, 2016.

**Raw Water Line Capacity Upgrade:**

Design on the 4-mile parallel piping segment between the intake and the OMND Water Treatment plant is ongoing. The original proposed alignment for the parallel piping for the most part was within 30 feet from the Basin Electric Power Cooperative (BEPC)'s raw water line. BEPC has exclusive easements for their raw water line and expressed concerns with our proposed location. A different alignment with our line placed 10 feet outside BEPC's easement with our easement overlapping with their easement was proposed to BEPC. BEPC is agreeable to this new alignment. We anticipate completing design on this contract this winter with bid opening in spring.

**Condemnation:**

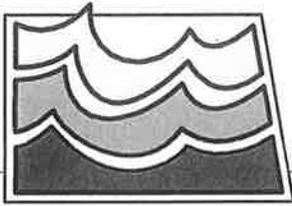
Vietz Family Trust, a landowner on Contract 7-9E, was condemned for easement in June 2015. However, the paperwork was not claimed by the landowner until early January 2016, when it was physically served by the Idaho Sheriff's office. They appealed the condemnation in March 2016. The Mercer County District court dismissed the case. The deadline to appeal to the Supreme Court was October 26th. There was no appeal and so the case is officially closed.

Mr. Robert Braun, a landowner on Contract 7-9G BS 1 was condemned for easement in June 2016. We received a notice of appeal for the compensation on July 7, 2016. An email from Mr. Braun's attorney on August 24, 2016, requested \$20,542.50 in just compensation for an easement for 4,107 feet of pipeline on Mr. Braun's property. Our field staff reviewed the route again and were able to get the neighboring landowners to remove some trees at their own expense and reroute the pipeline on the neighboring landowner's property. Mr. Braun's attorney has asked that the SWC pay Mr. Braun's attorney's fees of \$5,863 based on ND Century Code 32-15-35.

**Transfer of Service Agreements:**

At the December 12, 2015 SWC meeting, the Commission approved the Transfer of Service agreement between City of Killdeer, SWA and SWC. This was the first annexation agreement negotiated between a City served by Southwest Pipeline Project and SWA. In early January 2016, SWA mailed similar agreements to 33 communities within the SWPP service area except for City of Dickinson using the same template as used for City of Killdeer. SWA has been negotiating different terms with the City of Dickinson. Some communities executed the agreement, while many communities expressed concerns about terms of the annexation agreement that was mailed to them. SWA continues to meet with the communities to negotiate the terms.

December 9, 2016



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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
 Members of the State Water Commission  
**FROM:**  Garland Erbele, P.E., Chief Engineer-Secretary  
**SUBJECT:** NAWS – Project Update  
**DATE:** November 14, 2016

### Supplemental EIS

Reclamation issued the Record of Decision for the Final Supplemental Environmental Impact Statement (FSEIS) for the Northwest Area Water Supply on August 21, 2015. Reclamation received seven comment letters on the FSEIS, which along with point-by-point responses were included as an appendix to the Record of Decision. The Preferred Alternative includes a supply from the Missouri River (Lake Sakakawea) with an intake at Snake Creek Pumping Station along with a conventional treatment option for the Biota Water Treatment Plant near Max. This level of treatment includes five treatment processes versus two from the draft SEIS and the initial Environmental Assessment. Although all biota treatment options were considered sufficient by Reclamation, the conventional treatment option was chosen to address drinking water issues raised by the EPA.

### Manitoba & Missouri Lawsuit

A Joint Motion for Entry of Case Management and Scheduling Order was submitted to the District of Columbia District Court December 22, 2015 and accepted with minor modifications December 23, 2015. The plaintiffs filed supplemental Complaints January 29, 2016 and the defendants lodged and served the Administrative Record February 5, 2016. A Motion to Modify Injunction *Pendente Lite* was filed by the State of North Dakota as intervenor defendant March 1, 2016. Oppositions by the plaintiffs were filed April 4, 2016 and a reply was filed April 25, 2016 by the State. The Plaintiffs filed a Motion for Leave to sur-reply May 18<sup>th</sup> and an opposition to that motion was filed May 20<sup>th</sup> by the State of North Dakota. The Plaintiffs then filed a response to our opposition May 25<sup>th</sup> and the Motion for Leave was accepted by the Court May 27<sup>th</sup>. The Motion for Modification to the Injunction was denied by the Court June 14, 2016. A notice of appeal was filed with the DC Appellate court July 1<sup>st</sup>. A Statement of Issues for Appeal and Motion to Expedite Appeal were filed August 15<sup>th</sup>, 2016. A Motion for Summary Affirmance, Opposition to Moto to Expedite Appeal were filed by Manitoba and joined by Missouri August 29<sup>th</sup>, 2016. Opposition to Summary Affirmance was filed September 6<sup>th</sup>, 2016 and a Reply in Motion to Expedite Appeal was filed September 8<sup>th</sup>, 2016. A Reply in Support of the Motion for Summary Affirmance was filed September 22, 2016. The Briefing Schedule was set for the Appeal, the Motion for Summary Affirmance was denied and the Motion to Expedite Appeal was granted September 28<sup>th</sup>, 2016. The Brief of Merits was filed October 7<sup>th</sup>, 2016 by the Appellants

and Brief of Plaintiff-Appellees was filed November 7<sup>th</sup>, 2016. The Reply by the Appellants is due November 22<sup>nd</sup>, 2016. Oral arguments are scheduled for January 13<sup>th</sup>, 2017.

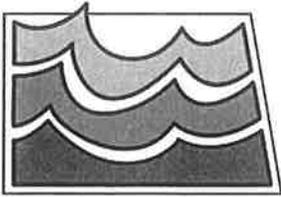
Motions for Summary Judgment were originally to be filed by the defendants April 11, 2016 with combined cross-motions/opposition by the plaintiffs due May 13, 2016 and combined oppositions/replies by the defendants due June 17, 2016. However, the briefing schedule was delayed once due to a desire by the federal defendants for additional time for review and a medical issue for the plaintiff's legal counsel and then again for the same medical issue for the plaintiffs' legal counsel. We consented on both requests to delay the briefing but filed a joinder on the second request to ask the court to expedite the judgment on the injunctive relief motion. The Motions for Summary Judgment filed by the defendants June 3, 2016 with combined Opposition/Cross-Motion by the plaintiffs filed July 8, 2016 and combined Reply/Opposition by the defendants filed August 16, 2016. Plaintiffs Manitoba filed a motion for leave to sur-reply September 12<sup>th</sup> which was accepted by the Court the next day. The first summary judgement in this case was delivered eight months after briefing was completed and the second was four months after the final briefings.

#### **NAWS Contract 2-2A-1**

Contract 2-2A-1 included furnishing and installing roughly 300 feet of split casing to encase existing pipeline for upcoming road work in the western portion of Minot in 2017. The contract was awarded to Wagner construction in the amount of \$763,575 on August 24<sup>th</sup>. The preconstruction conference was held September 8, 2016. Work commenced October 24<sup>th</sup>, 2016 and should be complete prior to Thanksgiving.

GE:TJF:ph/237-04

December 9, 2016



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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** MG Garland Erberle, P.E., Chief Engineer-Secretary  
**SUBJECT:** Mouse River Enhanced Flood Protection Plan Project Status Update  
**DATE:** November 22, 2016

Phases 1, 2, and 3 (The 4<sup>th</sup> Avenue Floodwall, the Napa Valley and Forest Road levees) are ready to be advertised for bidding. This cannot be done, however, until the 404 and 408 permits are approved. This approval cannot be given until the final decision on the EIS. The EIS has been completed by Corps of Engineers and was released for public comment on November 4. Public meetings have been scheduled on the EIS beginning in mid-December. A decision could be made as early as April or as late as July. Even if the decision is made as late as July there is still hope to begin construction in 2017.

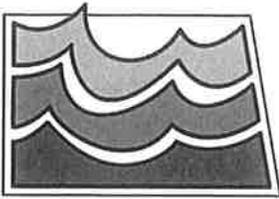
Progress on the feasibility study continues. The three-day scoping workshop was held September 21-23 to help define alternatives for the Feasibility Study. This was followed on November 15-16 by a "Vertical Charette" in Minot. The term "vertical" means that staff from the Corps' Division and National headquarters offices were included. There were personnel from both these levels, as well as the St. Paul District, the Joint Board, City of Minot, and Water Commission staff.

There was much discussion relating to the format of the documents the Corps must produce, and how to best incorporate the significant issues. There were also a number of remaining issues requiring resolution. For example, the Corps hydrology has been revised and updated, and it now corresponds to the FEMA hydrology, which gives a 100-year discharge of 10,000 cfs. The project is currently designed to accommodate a flow rate of 27,400 cfs, which was the peak flow of the 2011 flood at Minot. It was acknowledged that the hydrology will come up again in the Plan of Study discussions, and at that time it can be addressed.

The Corps at all levels are firmly committed to their 3X3X3 (3 year, \$3Million, involvement by all 3 Corps levels simultaneously) guidelines, but there is a possibility that, because of the complexities of this project, there may be delays. This would mean not only more time, but potentially more cost. They are very reluctant to let this happen.

The City of Minot is planning to use some of its HUD grant funding to acquire properties in strategic areas. This would enhance the potential of an adequate benefit/cost ratio for the project for the Corps.

GE:JTF:pdh/1974



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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:**  Garland Erbele, P.E., Chief Engineer – Secretary  
**SUBJECT:** Devils Lake Hydrologic and Outlet Update  
**DATE:** November 15, 2016

### Hydrologic Update

The November 15<sup>th</sup> Devils Lake water surface elevation is 1449.90 ft which is approximately 0.15 ft below the level at this time in 2015. The Devils Lake Basin received heavy rainfall throughout the summer, particularly in the upper basin. For example, over 29 inches of precipitation was recorded at Starkweather as of October 31<sup>st</sup>. This is over 7 inches greater than the average end of October precipitation since 1991. This excess rainfall kept the coulees flowing much later into the year than usual and prevented a significant lowering of the lake level in 2016.

Basin soils have remained wet throughout the fall, and the National Weather Service Climate Prediction Center is currently indicating chances for above normal precipitation throughout the winter months. These factors combined could potentially lead to a significant springtime lake rise.

### Outlets

The West End Outlet was started on April 18<sup>th</sup>, and the East End Outlet was started on May 2<sup>nd</sup>. Both operated until November 17 when the pumps were shut off for the season. Discharges were limited throughout the pumping season for a variety of reasons, and the outlets did not operate at full combined capacity at any time in 2016. Despite the challenges faced in 2016, about **134,000 acre-feet** were discharged which is 78 percent of the amount that was discharged in the 2015 record year. This is approximately 10 inches at current lake levels.

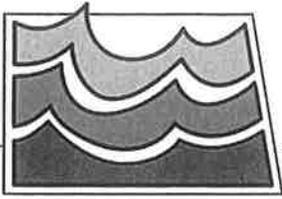
With reduced outlet discharges, the downstream sulfate limitation of 750 mg/L was exceeded only one time at Cooperstown. Additionally, flow in the Sheyenne River at Cooperstown exceeded 800 cfs only one time, and no mitigation requests have been received related to 2016 outlet operations.

A major factor that limited the 2016 discharge was foam overtopping the West End Outlet standpipes. A test solution of altering the center column of the Round Lake standpipe was implemented in mid-September and helped to increase discharge after that time. Additional off-season modifications are planned for both standpipes in an effort to control the foam in the future.

Winter maintenance and repairs are ongoing at the outlets. One pump motor is being sent for repair and additional riprap is being added to the open canal at areas of erosion. The East Outlet performed well with no major operational problems in 2016.

GE:JK:TD:ph/416-10

December 9, 2016



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## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** *ME* Garland Erbele, P.E., Chief Engineer-Secretary  
**SUBJECT:** Missouri River Update  
**DATE:** November 16, 2016

### **System/Reservoir Status**

System volume on November 16 in the six mainstem reservoirs was 56.9 million acre-feet (MAF), 0.8 MAF above the base of flood control. This is 3.6 MAF above the average system volume for the end of November and 2.1 MAF less than last year.

On November 16, Lake Sakakawea was at an elevation of 1839.3 feet msl, 1.8 foot above the base of flood control. This is 3.6 feet lower than a year ago and 2.8 feet above its average end of November elevation. The minimum end of November elevation was 1809.6 feet msl in 2006, and the maximum end of November elevation was 1846.7 feet msl in 1972.

On November 16, the elevation of Lake Oahe was 1609.2 feet msl, 1.7 feet above the base of flood control. This is 2.2 feet lower than a year ago and 10.1 feet higher than the average end of November elevation. The minimum end of November elevation was 1573.2 feet msl in 2006, and the maximum end of November elevation was 1612.4 feet msl in 1997.

On November 16, the elevation of Fort Peck was 2234.9 feet msl, which is 0.9 feet above the base of flood control. This is 1.4 feet lower than a year ago and 5.2 feet higher than the average end of November elevation. The minimum end of November elevation was 2199.8 feet msl in 2004, and the maximum end of November elevation was 2245.3 feet msl in 1975.

### **Runoff and Reservoir Forecasts**

The November runoff forecast predicts runoff above Sioux City for this year to be 24.1 MAF or 95 percent of normal. According to the November reservoir forecast, releases from Garrison Dam are predicted to be 16,000 cfs in December and 18,000 cfs in January and February.

### **Missouri River Recovery Implementation Committee (MRRIC)**

Section 5018 of the 2007 Water Resources Development Act (WRDA) authorized the Missouri River Recovery Implementation Committee (MRRIC). The Committee is to make recommendations and provide guidance on activities of the Missouri River Recovery Program

(MRRP). MRRIC has nearly 70 members representing local, state, tribal, and federal interests throughout the Missouri River Basin.

The Corps is currently in the process of preparing the Missouri River Recovery Management Plan and Environmental Impact Statement (MRRMP & EIS). This process involves the development of a range of alternatives for the purposes of avoiding jeopardy on species on the Missouri River protected under the Endangered Species Act, specifically the threatened piping plover and endangered least tern and pallid sturgeon.

MRRIC met in Omaha, NE on November 14 to 17. At the meeting, the Corps reaffirmed that the Preferred Alternative (PA) includes mechanical construction of habitat for the piping plover, least tern, and pallid sturgeon. In North Dakota, this would include the construction of new or maintenance of existing emergent sandbar habitat on the Garrison Reach. The PA also includes a one-time flow test for the pallid sturgeon spawning cue if naturally high flow does not occur on the Missouri River within about the next ten years.

The Corps also presented a preview of the Draft EIS, including preliminary results from the economic analysis. The updated tentative schedule for compliance with the National Environmental Policy Act (NEPA) is as follows:

- December 16, 2016: Release Draft EIS for public comment. Comment period ends on February 24, 2017, unless there is an extension.
- January to June 2017: Tribal government-to-government consultation
- February 2017: Corps will host public meetings throughout basin. Public meeting in Bismarck is scheduled for February 8 at Bismarck State College.
- April 2018: Issue Record of Decision