MINUTES

North Dakota State Water Commission
Bismarck, North Dakota

December 7, 2001

The North Dakota State Water Commission held a meeting at the Radisson Inn, Bismarck, North Dakota, on December 7, 2001. Governor-Chairman, John Hoeven, called the meeting to order at 8:30 AM, and requested State Engineer, and Chief Engineer-Secretary, Dale L. Frink, to call the roll. Governor Hoeven announced a quorum was present.

STATE WATER COMMISSION MEMBERS PRESENT:
Governor John Hoeven, Chairman
Roger Johnson, Commissioner, Department of Agriculture, Bismarck
Charles Halcrow, Member from Drayton
Larry Hanson, Member from Williston
Curtis Hofstad, Member from Starkweather
Elmer Hillesland, Member from Grand Forks
Jack Olin, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
Dale L. Frink, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck

OTHERS PRESENT:
State Water Commission Staff
Approximately 70 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 There being no additional items for the agenda, Governor Hoeven announced the agenda approved as presented.

CONSIDERATION OF DRAFT MINUTES OF OCTOBER 23, 2001 STATE WATER COMMISSION MEETING - APPROVED

The draft minutes of the October 23, 2001 State Water Commission meeting were considered. In response to a question raised by Commissioner Olin, the following language was included in the draft minutes:

Page 19, paragraph 1 following the motion	Language included: Secretary Frink reiterated the intent is that the state would be reimbursed for the $15 million using future federal MR&I grant funding authorized under the Dakota Water Resources Act of 2000.

It was moved by Commissioner Hofstad, seconded by Commissioner Halcrow, and unanimously carried, that the draft minutes of the October 23, 2001 State Water Commission meeting be approved as amended.

FINANCIAL STATEMENT - AGENCY PROGRAM BUDGET EXPENDITURES

David Laschkewitsch, accounting manager, State Water Commission's Administrative Services Division, presented and discussed the Program Budget Expenditures for the period ending October 31, 2001, reflecting 17 percent of the 2001-2003 biennium. All expenditures are within the authorized budget amounts. ***SEE APPENDIX "A"***

The revised Contract Fund spreadsheet, attached hereto as ***APPENDIX "B"***, provides information on the committed and uncommitted funds from the Resources Trust Fund, the Water Development Trust Fund, and the potential bond proceeds.

FINANCIAL STATEMENT - 2001-2003 RESOURCES TRUST FUND REVENUES

David Laschkewitsch stated the oil extraction tax deposits into the Resources Trust Fund are currently $201,500, or 12.9 percent lower than the projections. Using the original revenue projections prepared by Economy.com, adjusted to actual for completed months, and combining them with a larger than expected beginning balance from the previous biennium, it is estimated the available balance in the Resource Trust Fund could exceed the agency's spending authority by approximately $3.9 million. Economy.com will be preparing revised revenue projections within the next few months.

FINANCIAL STATEMENT - 2001-2003 WATER DEVELOPMENT TRUST FUND REVENUES

David Laschkewitsch reported that one unexpected deposit of $87,100 was made into the Water Development Trust Fund in November, 2001. The next scheduled payment is anticipated in January, 2002. The 1999 Legislature placed a restriction on the funds the State Water Commission may obligate from the Water Development Trust Fund. That restriction allows the commitment of 75 percent of the appropriated amount, which is $28,223,763. The remaining 25 percent may be obligated to the extent the uncommitted funds are available in the Water Development Trust Fund.

APPROVAL OF $18.4 MILLION FOR CITY OF GRAND FORKS FLOOD CONTROL PROJECT (SWC Project Nos. 830 and 1907-02)

The city of Grand Forks estimated $23 million would be required during the 1999-2001 biennium for the Grand Forks flood control project. The city later revised its estimate to $18 million for the biennium, with the actual payment requests totalling $13,992,814.35. Senate Bill 2188, approved by the 1999 Legislature, provided up to $52 million of state funds for the Grand Forks flood control project.

Secretary Frink explained that $18.4 million was included in the agency's budget for the 2001-2003 biennium. On August 16, 2001, the State Water Commission approved the carryover of $4 million, under the authority of 1999 Senate Bill 2188, to June 30, 2003 for the project. The carryover of $4 million from the 1999-2001 biennium, in addition to $18.4 million approved for the $2001-2003 biennium, will provide $22.4 million for the Grand Forks flood control project. The city of Grand Forks has indicated the project may need up to $30.5 million during the 2001-2003 biennium.

It was the recommendation of the State Engineer that the State Water Commission approve a 45 percent cost share for an additional $18.4 million, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Grand Forks flood control project. Affirmative action by the State Water Commission will increase the total authorized for the project to $36,392,814.35.

Allen Grasser, Grand Forks city engineer, provided a status report regarding construction and funding of the Grand Forks flood control project.

It was moved by Commissioner Olin and seconded by Commissioner Hillesland that the State Water Commission approve a 45 percent cost share for an additional $18.4 million, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for the Grand Forks flood control project. This motion is contingent upon the availability of funds.

This action increases the total authorized state funds for the Grand Forks flood control project to $36,392,814.35.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

APPROVAL OF RURAL RING DIKE COST SHARE POLICY CRITERIA (SWC Project No. 1753)

The rural ring dike cost share policy criteria was discussed at length during the State Water Commission meeting on October 23, 2001. Because of concerns expressed by the Commission members, Governor Hoeven appointed a committee consisting of Commissioners Hillesland, Swenson and Thompson to work with the Commission staff and others to continue the discussions regarding proposed changes to the Commission's cost share policy criteria relating to rural ring dikes.

In response to Governor Hoeven's directive, the committee, the Commission staff and others met on November 20, 2001. The following discussion and committee recommendations to the current cost share policy criteria relating to rural ring dike projects were presented for the Commission's consideration:

1) In order to protect a greater number of North Dakota citizens threatened by flooding, the scope of the current cost share policy should be expanded to allow all rural homeowners, including those located in rural subdivisions, to participate in the State Water Commission's cost share program. The committee agreed that the Commission should accept cost share applications submitted on behalf of rural subdivisions, and each application should be reviewed on a case-by-case basis.

   1) Cost Share Policy Criteria Recommendation:

   Expand the current rural ring dike cost share policy criteria to include all existing occupied rural homes, including those located in rural subdivisions

2) So as not to encourage further "at-risk" development in floodplains, for those homes constructed after April, 2002, state cost share assistance should be limited to those homes constructed in compliance with local floodplain ordinances. In areas where the 100-year floodplain is not mapped, certification that a home is not located within a 100-year floodplain, or is elevated at least one foot above the 100-year floodplain elevation, should be obtained from a professional engineer or land surveyor licensed in the State of North Dakota.

2) Cost Share Policy Criteria Recommendation:

For homes constructed after April, 2002, provide cost share assistance only to those participants whose homes are in compliance with local floodplain ordinances. If no local floodplain ordinances apply, a professional engineer or land surveyor licensed in the State of North Dakota must certify that the house is not located within a 100-year floodplain, or is elevated at least one foot above the 100-year floodplain elevation.

3) The source of flooding, be it from a natural source (such as the Red River) or man-made in origin (such as a legal drain) should have no bearing on a project's eligibility for state cost share assistance.

3) Cost Share Policy Criteria Recommendation:

Allow participation by homeowners threatened by flooding from either natural or man-made sources

4) In order to reasonably ensure the safety of individuals and the protection of property located within a ring dike, the Commission has previously approved minimum design standards that must be met before a project will be considered for state cost participation. Any project that will deviate from these standards should either be designed or approved by a professional engineer licensed in the State of North Dakota.

In cases where earthen embankment construction is prevented due to space constraints (not for aesthetic reasons), the installation of concrete floodwalls, if designed or approved by a professional engineer, should be considered eligible for state cost participation up to the $25,000 limit in state costs.

4) Cost Share Policy Criteria Recommendation:

Require that a professional engineer licensed in the State of North Dakota design or endorse any deviation from approved design standards, including the installation of floodwalls

5) State cost share assistance should be limited to the cost required to meet required minimum design standards as previously set by the Commission. The additional costs incurred in constructing a dike that exceeds the minimum standards would be the responsibility of the landowner.

Haul costs for landowners electing to construct ring dikes themselves

should be considered an eligible item and evaluated by the Commission for eligibility on a case-by-case basis.

5) Cost Share Policy Criteria Recommendation:

Consider eligible for cost share assistance only that portion of a ring dike that is necessary to meet approved minimum design standards

6) The value of the home protected should be a consideration in the expenditure of public monies. Information pertaining to a home's value should be obtained from all program participants prior to consideration, and no single project should receive state funding in excess of the value of the home protected, or $25,000, whichever is less.

6) Cost Share Policy Criteria Recommendation:

Require information on the value of the home protected and limit state funding to the value of the home, or $25,000, whichever is less

7) Owners of partial ring dikes should be required to sign a waiver stating that they are entirely responsible for the closure of any opening(s) in the dike and are liable for any resulting consequences of the dike's failure.

7) Cost Share Policy Criteria Recommendation:

Require owners of ring dikes to sign waivers stating that they are entirely responsible for maintenance of the dike and are liable for any resulting damages

8) Ring dikes should not incorporate any portion of an adjacent roadway into the dike embankment unless permission has been obtained from the entity having jurisdiction over the road to do so, and only when that portion of the road to be included is at a height of at least two feet above the elevation of either the 100-year floodplain, or the 1997 flood, whichever is higher.

8) Cost Share Policy Criteria Recommendation:

Allow the incorporation of a roadway into a ring dike only when permission has been obtained from the entity having jurisdiction over the road, and when the roadway section is at a height of at least two feet above the elevation of either the 100-year floodplain, or the 1997 flood, whichever is higher

9) Applicants requesting state cost share participation in theconstruction of rural ring dikes, should be required to submit funding requests to their local water resource district prior to construction.

9) Cost Share Policy Criteria Recommendation:

Require all applicants for state cost share assistance apply for funding to local water resource district prior to construction

10) The committee suggested the Commission consider implementing a deadline of June 1st of each year for submitting project proposals, with funding decisions to be made in July.

10) Cost Share Policy Criteria Recommendation:

Priority will be given to project proposals submitted to the State Water Commission prior to June 1st of each year

It was the recommendation of the State Engineer that the State Water Commission approve the above-listed rural ring dike cost share policy criteria recommendations (1-10) as presented.

It was moved by Commissioner Hillesland and seconded by Commissioner Thompson that the State Water Commission approve the rural ring dike cost share policy criteria recommendations (1-10) as presented.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

RURAL FLOOD CONTROL COST SHARE POLICY (SWC Project No. 1053)

At its meeting on August 16, 2001, the State Water Commission discussed the rural flood control cost share policy. Because of concerns expressed by the Commission members relating primarily to cost share carryover into subsequent bienniums, Governor Hoeven appointed a committee consisting of Commissioners Halcrow, Hillesland, Swenson and Thompson to work with the Commission staff and others to develop a comprehensive plan for rural flood control projects.

In response to Governor Hoeven's directive, the committee, the Commission staff and others met on November 19, 2001. The following discussion and recommendations relating to the rural flood control cost share policy were presented for the Commission's consideration:

1) The committee discussed whether or not the $200,000 funding limit per biennium for drainage projects should be removed, as large drains are currently being constructed in phases to circumvent the limitation, resulting in higher overall project costs and multiple cost share requests for the same project. The committee determined that if the annual June 1st submittal deadline and prioritization process are adopted, there may no longer be a need to cap the amount of funding a project may receive in any one biennium.

   1) Cost Share Policy Criteria Recommendation:

   Require all requests for cost share assistance be submitted to the State Water Commission prior to June 1st of each year

2) The State Water Commission currently provides cost share assistance at 35 percent of the eligible costs for both new drain construction and existing drain reconstruction. Deferred maintenance expenses are not considered eligible for state cost participation. Because original designs and specifications for

existing drains often no longer exist, it is difficult and time consuming for the Commission staff to differentiate between that portion of a proposed drain reconstruction project that is actual reconstruction work and that which constitutes deferred maintenance. Therefore, drain reconstruction projects should be cost shared at a lesser percentage than new construction to compensate for the amount of deferred maintenance included in these projects. The committee determined that a reasonable percent of cost share for drain reconstruction projects is 30 percent of the eligible items.

2) Cost Share Policy Criteria Recommendations:

Provide cost share assistance at 35 percent of eligible costs for new drain construction; and

Provide cost share assistance at 30 percent of eligible costs for drain reconstruction

3) The committee discussed the need to relax the downstream impact analyses requirements, imposed by the State Water Commission on July 14, 2000 , on all incoming drainage cost share requests. Modeling downstream impacts, as required, can be a significantly extensive and lengthy process, particularly when the Red River is the receiving stream. The committee determined that the applicant should submit an analysis of the incremental change in the hydrograph for the project outlet. The need for further analysis could be addressed on a case-by-case basis.

3) Cost Share Policy Criteria Recommendation:

Require an analysis of the incremental change in the hydrograph at the project outlet, with the need for further analysis considered on a case-by-case basis

It was the recommendation of the State Engineer that the State Water Commission approve the cost share policy criteria recommendations (1-3) as presented.

Michael Dwyer, executive director, North Dakota Water Resource Districts Association, appeared before the State Water Commission to request an opportunity for representatives of the water resource districts to meet with the Commission staff and others on the proposed recommendations before the Commission considers final adoption. Because of concerns expressed by the Commission members, and in consideration of the

request from the North Dakota Water Resource Districts Association, Governor Hoeven deferred action at this meeting on the proposed recommendations for the cost share policy criteria for rural flood control projects.

STATE WATER COMMISSION PROJECTS PRIORITIZATION (SWC Project No. 322)

At its meeting on August 16, 2001, Governor Hoeven appoint a committee of the State Water Commission to discuss policy criteria relating to rural flood control and ring dikes. The Commissioners involved included Halcrow, Hillesland, Thompson and Swenson. The committee, the Commission staff and others met on November 19 and 20, 2001 in Moorhead, Minnesota. During the meeting, the committee members expressed a desire to prioritize all cost share applications brought to the State Water Commission.

LeRoy Klapprodt, director, State Water Commission's Planning and Education Division, referenced the Water Development 2001 Biennial report and the section relating to the state water development funding. This section outlines a prioritization process proposed as part of the state water management planning effort, and includes both filtering and prioritization steps to ensure projects considered for cost share each biennium will benefit the state and that the projects are ready to proceed. The committee agreed this criteria provides a starting point, but should undergo additional review and modification prior to consideration by the Commission for formal adoption.

Mr. Klapprodt stated that as a part of the committee's prioritization process discussion, it was suggested that a cost share application deadline procedure be implemented. The purpose being to provide the Commission members with an opportunity to review all prospective project investments on an annual basis before state funds are committed. Provisions for emergency or other urgent needs would be required. Provisions for the existing MR&I priorities process would also be considered. The committee suggested the Commission consider implementing a deadline of June 1st of each year for submitting project proposals to the Commission, with funding decisions to be made in July.

Secretary Frink stated that as a result of the committee discussions, the Commission staff will refine the prioritization process outlined in the water plan report for the Commission's consideration at a future meeting.

APPROVAL OF REQUEST FROM RICHLAND COUNTY WATER RESOURCE DISTRICT FOR COST SHARE IN CONSTRUCTION OF RICHLAND COUNTY DRAIN NO. 31 RING DIKES (SWC Project No. 1301)

A request from the Richland County Water Resource District was presented for the Commission's consideration for cost share participation for two farmstead ring dikes to be improved by the District adjacent to Drain No. 31. The threat of flooding is from Drain No. 31.

Todd Sando, Assistant State Engineer, presented the request. The first dike located in the NE1/4NW1/4 of Section 4, DeVillo township, encloses 7 acres and will protect property valued at $35,000. The cost estimate is $27,116. The dike will be raised to 8 feet with a 6-foot top width. The project is located in the 100-year floodplain and will require a non-structural floodplain development permit from the Richland county floodplain administrator. The second dike is located in the SW1/4NW1/4 of Section 33, Summit township, encloses 10 acres and will protect property valued at $60,000. The cost estimate is $25,477. The dike will be raised to 7.5 feet with a 6-foot top width. The total estimated cost of the two ring dikes is $52,593, including $4,865 for contingencies, approximately $4,000 for construction engineering costs, and $4,331 for design engineering costs. Both of these ring dikes required, and obtained, a construction permit from the State Engineer.

Under the State Water Commission's policy and guidelines for rural farmstead ring dike projects, funding is limited for any single rural farmstead dike to 50 percent of the eligible cost, not to exceed $25,000 in state cost share participation per individual ring dike. The request before the State Water Commission is to cost share in 50 percent of the eligible costs in the amount of $26,296.

It was the recommendation of the State Engineer that the State Water Commission approve a cost share of 50 percent of the eligible items not to exceed $26,296, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for two Richland County Drain No. 31 ring dikes.

It was moved by Commissioner Swenson and seconded by Commissioner Hillesland that the State Water Commission approve:

1) a cost share of 50 percent of the eligible items, not to exceed $26,296, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for two Richland County Drain No. 31 ring dikes; and

2) a limit of $25,000 state cost share participation per individual ring dike.

This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

APPROVAL OF $200,000 TO NORTH DAKOTA NONPOINT SOURCE POLLUTION MANAGEMENT PROGRAM FOR SECTION 319 FUNDING (SWC Project No. 1859)

The State Water Commission's appropriation bill included $200,000 for projects authorized under Section 319 of the federal Water Pollution Act. The North Dakota Nonpoint Source Pollution task force developed a recommendation for the allocation of the funds.

Dennis Fewless, Nonpoint Pollution Source task force co-chair, appeared before the State Water Commission to present seven requests for the Commission's consideration that have been identified as priority projects under the North Dakota Nonpoint Source Pollution Management program and approved for Section 319 funding. Mr. Fewless explained the recommendations were established by evaluating the project's eligibility, non-federal financial needs, and the appropriateness of each funding request. The following projects were presented for the Commission consideration for Section 319 funding:

Prairies West: Livestock Facility Assistance Program	$ 47,900
Mirror Lake Watershed (continuation)	32,405
Lower Sheyenne Education/Assessment Watershed Project	19,436
Lower Pipestem Creek Watershed	12,000
NPS BMP Team (Continuation)	50,000
James River Headwaters - Rocky Run Watershed	22,259
Phase III Upper Sheyenne Watershed (continuation)	16,000
Total	$200,000

Mr. Fewless explained that all of the projects requesting State Water Commission funding assistance meet the eligibility criteria as described in the application guidelines and adequately demonstrate a need for non-federal financial support. State funding requested by the local sponsors will be used to partially support the non-federal match requirements associated with these Section 319 projects.

It was the recommendation of the State Engineer that the State Water Commission provide $200,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to the Nonpoint Source Pollution Management program of the North Dakota Department of Health and approved for Section 319 funding for the projects identified for state assistance.

It was moved by Commissioner Johnson and seconded by Commissioner Hanson that the State Water Commission provide $200,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, to the Nonpoint Source Pollution Management program of the North Dakota Department of Health and approved for Section 319 funding for the projects identified for state assistance. This motion is contingent upon the availability of funds.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

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

Warren Jamison, Garrison Diversion Conservancy District manager, provided an update on the current efforts relating to the continued appropriations under the Garrison Diversion Unit including appropriations for ongoing maintenance of the exiting facilities, and for the state MR&I program, the Indian MR&I program, and the Red River Valley Water Supply study. The Fiscal Year 2002 federal budget for the Garrison Diversion Unit was discussed, and Mr. Jamison emphasized the importance of increasing the project's federal appropriations in the future.

Mr. Jamison stated "the Garrison Diversion board of directors believes in North Dakota's future, and with the future comes change. Because the board wants to continue contributing benefits to North Dakota and its citizens in the best possible way, the board decided to reassess Garrison Diversion programs in preparation for the future." Mr. Jamison explained that the board was separated into four groups: agriculture and natural resources; municipal, rural and industrial water supply; recreation and tourism; and Red River valley studies. Each group was given the responsibility to examine options and consider what the future District could do to help North Dakota prepare for the future. The board will retreat on January 3-4, 2002 to discuss the recommendations of the groups and staff and prepare a draft report on its plans for the future.

GARRISON DIVERSION PROJECT - MR&I WATER SUPPLY PROGRAM (SWC Project No. 237-03)

Jeffrey Mattern, MR&I Water Supply program coordinator, provided the following program status report:

All Seasons Rural Water System 5 (Pierce County): The new rural water system would serve 373 rural users and the city of Willow City. The estimated project costs are $8.15 million. The city of Rugby intends to supply System 5 with a bulk water supply based on receiving an additional water appropriation from the Pleasant Lake aquifer. The Bureau of Reclamation will complete the environmental assessment after the water permit process has been completed. System 5 is currently approved for a 70 percent MR&I grant, not to exceed $5.7l million.

Langdon Rural Water - Munich Expansion: The estimated project cost for the Langdon Rural Water - Munich expansion is $10 million, with service to 212 rural users and to the cities of Calvin, Clyde, Egeland, Munich and Wales. The proposed project includes reservoir/pumping facilities, pipelines, and improvements to the city of Langdon's water treatment plant.

McLean-Sheridan Rural Water Expansion: The McLean-Sheridan's existing system is conducting a feasibility study for a Phase IV expansion to serve additional rural water users and to provide bulk water service to the cities of Underwood and Wilton. The preliminary project cost ranges from $4.98 million to $8.62 million. The feasibility study's estimated cost is $57,000 with an approved 65 percent MR&I grant of $37,050.

McKenzie County Rural Water New System: The proposed McKenzie County Rural Water System would serve the area around the city of Watford City. The city would provide water service to the proposed rural system. The project would serve 90 rural users with a cost of $1.7 million for the rural and $0.9 million to serve the city of Alexander. The feasibility study's estimated cost is $57,000 with an approved 65 percent MR&I grant of $32,500.

Mountrail County Rural Water: A preliminary engineering report was prepared for a rural water project proposed to serve an area in southeastern Mountrail county. The service area extends from south of the city of Parshall to north of the city of Plaza. Coordination is continuing with the Fort Berthold Indian reservation personnel regarding a potential combined funding, or funding the project with Indian MR&I funds. The initial sign-up has 75 rural users, the NorthWestern Dairy LLLP, two campgrounds along Lake Sakakawea, and a United States Air force missile

command site. NorthWestern Dairy LLLP received a State Water Commission grant for 50 percent cost share for the water supply facilities, not to exceed $91,240. The cost estimate of the non-Indian portion of the project is $3.1 million.

Park River Water Supply: The city of Park River is pursuing groundwater appropriations from the Fordville aquifer as a new primary source of water. The city is working with the State Water Commission to determine the Fordville aquifer's capacity with respect to current users, existing appropriations, and pending applications. The city obtains its current water supply from the Homme reservoir. The city is also reviewing a project to use ground water as a source of water supply, with an estimated cost of $3.151 million.

Ramsey Rural Utilities Water Expansion: The proposed expansion project covers portions of Eddy, Foster, and Ramsey counties. Service includes the cities of Glenfield, Grace City, and McHenry. An engineering review was made of the service areas involving the potential for the city of Carrington to provide bulk water service to 102 rural users surrounding Carrington. The remaining 170 users in Eddy and Foster counties and 91 users in Ramsey county would be served by Ramsey's existing water treatment plant. The current cost estimate is $9.4 million.

The MR&I committee previously recommended future MR&I funding of 70 percent, not to exceed $6,050,000. The funding is subject to the satisfactory completion of any required studies, contingent on available federal funds, and subject to future revisions as necessary. Ramsey is conducting studies for the proposed expansion at a cost of $115,000, with an approved 70 percent MR&I grant of $80,500. The studies will cover mapping, system hydraulic review, preliminary design/reports, and negotiations with the city of Carrington regarding potential water service.

Ransom-Sargent Rural Water: The total estimated project cost is $20 million and would serve 830 rural users and the communities of Cogswell, Elliott, Fingal and Marion. Construction currently involves work on the water treatment plant expansion in Lisbon, while the completed construction includes a new well field, a new raw water transmission pipeline, and the majority of the rural water pipelines. The project received approval for a MR&I grant of $13,985,975, which includes funding to maintain a monthly minimum rate of $45.00.

Southeast Area Regional Expansion: The proposed and future regulations under the Safe Drinking Water Act affect many water systems in southeastern North Dakota. Regional water service may be the long-term alternative to meet those regulations. Some of the water systems in southeast North Dakota are served by the Southeast Water Users District,

the Ransom-Sargent Water Users District, and the Dickey Rural Water Association. In order to maintain an assessment, concept development, and opinions of probable costs for various phases of a Southeast Area Regional Expansion project, a study is being conducted by the three existing regional water systems. The estimated cost of the study is $93,000. The project received approval for a 65 percent water development and research grant of $60,450 for completing the study.

Tri-County Rural Water Expansion: The existing rural water system is planning an expansion to its system. Phase 1 will be funded by Rural Development and will add 75 users. Phase 2 will add 68 new water users, correct water pressure problems, and add a water tower. The tower design will save costs for operation and maintenance by eliminating six pump stations. The city of Michigan is interested in connecting if the pipeline comes within the one-half mile proposed in Phase 2. The city connection would be 2.5 miles of pipeline without the Phase 2 project.

Williams Rural Water: The Williams Rural Water project will add 147 users to its existing system. The city of Williston provides water to the existing system. The preliminary project cost estimate is $2.3 million. Williston is currently working on a feasibility study at an estimated cost of $71,000. A MR&I grant in the amount of $40,000 was previously approved.

GARRISON DIVERSION PROJECT - APPROVAL OF NORTH DAKOTA NATURAL RESOURCES TRUST ALLOCATION FOR FY 2001 (SWC Project No. 1826)

In 1986, the Garrison Diversion Project was reformulated by Congress. Two new features of the project were the Municipal, Rural, and Industrial (MR&I) Water Supply program and the Wetlands Trust. Both features are widespread programs benefitting much of the state. The Dakota Water Resources Act of 2000 changed the name to the North Dakota Natural Resources Trust.

The North Dakota Natural Resources Trust is a program that provides for the preservation, enhancement, restoration, and management of wetlands and associated wildlife habitat in the state. The Natural Resources Trust operates off of the interest from a trust fund that will eventually reach $13.2 million. Of the $13.2 million, $12 million is to come from the federal government and $1.2 million from the state.

In 1993, the Garrison Diversion Conservancy District, the State Water Commission, and the North Dakota Game and Fish Department entered into a memorandum of agreement in which the three entities agreed to share equally the state's commitment, in accordance with terms set out in a February 14, 1991 agreement between the State of North Dakota,

the Bureau of Reclamation, and the North Dakota Wetlands Trust. That agreement provides that the state's share shall be based on 0.15 percent of the federal Garrison Diversion Unit (GDU) appropriation. The Fiscal Year 2001 state's commitment is $44,324; the State Water Commission's share is $14,774.67.

It was the recommendation of the State Engineer that the State Water Commission approve the obligation of $14,774.67 for one-third of the state's Fiscal Year 2001 Natural Resources Trust contribution, contingent upon an equal contribution by the Garrison Diversion Conservancy District and the North Dakota Game and Fish Department.

It was moved by Commissioner Olin and seconded by Commissioner Hofstad that the State Water Commission approve the obligation of $14,774.67, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, for one-third of the state's Fiscal Year 2001 North Dakota Natural Resources Trust (previously known as the North Dakota Wetlands Trust) contribution. This motion is contingent upon the availability of funds, and an equal contribution by the Garrison Diversion Conservancy District and the North Dakota Game and Fish Department.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

SOUTHWEST PIPELINE PROJECT - CONTRACT AND CONSTRUCTION STATUS; AND PROJECT UPDATE (SWC Project No. 1736)

James Lennington, project manager for the Southwest Pipeline Project, provided the following contract, construction, and project status report:

Contract 2-4C - Twin Buttes Service Area Main Transmission Pipeline: This contract is for approximately 32.5 miles of primarily 10-inch and 8-inch pipe and includes service to the city of Scranton. The contractor, Nygard Construction, has completed about 15.5 miles of pipeline installation. The contract has a completion date of July 1, 2002. The contractor has indicated he intends to get service to Scranton prior to the shutdown of operations for the winter, which includes approximately 2 miles of pipeline installation and startup of the Scranton booster.

Contract 7-6B - Rural Distribution System, Coffin Buttes Service Area: This contract is for approximately 137 miles of pipeline serving about 85 rural water connections. All of the pipeline installation work has been completed on this contract. The contractor is currently flushing, chlorinating, and performing bacteriological testing of pipelines. The contract had an intermediate completion date of October 12, 2001 for service to 30 users, and a final completion date of December 12, 2001. Seventy-one (71) users have been turned over at this time to the Southwest Water Authority.

Contract 7-7A - Rural Water Distribution System - Twin Buttes Service Area: This contract is for approximately 124 miles of 6-inch through 1 1/2-inch rural water distribution pipelines serving about 99 rural water connections. The contractor began work the first week of October and has completed about 31 miles of pipeline. The contractor has shut down operations for the winter. The contract has an intermediate completion date of July 15, 2002 for 40 rural water users, and a subsequent completion date of September 1, 2002.

Coteau Crossing: This contract was awarded on September 14, 2001 to Swingen Construction. The contract had a completion date of November 11, 2001 and the contract was completed on time. The crossing includes a monitoring system to detect settlement and leakage.

City of Beach: On October 22, 2001, a letter was received in the Office of the State Engineer from the city of Beach stating problems the city is having with its municipal wells. The city has removed the pump from one of the two wells used for every day use and has one well for emergency use. The emergency use well is shallow with poor quality water. The city will likely have to ration water during high consumption periods without another well.

The letter requested information about the construction schedule for the Medora-Beach regional service area, and also if there was a possibility that the city could receive debt service credit if they were to construct a new well. The water service contract with the city of Beach, and other cities, contains a provision which allows the city to request debt service credit from the State Water Commission for qualifying water supply facilities. The purpose of this credit was to partially offset debts that cities might have on existing water supplies as an enticement for signing a contract.

Debt service credit has not been approved in the past for debt incurred after a water service contract was signed. Credit is limited to 75 percent of a city's annual debt service for a maximum of 10 years after the first delivery of water.

The current Medora-Beach schedule anticipates water service to Beach in the late fall of 2004. The estimated cost of a new well is $131,000, therefore, debt credit service could be approximately $75,000. At this point, a repair of the failed well is still a possibility.

In discussion of the request from the city of Beach, Mr. Lennington explained that the Commission has not approved debt service credit in the past prior to the execution of the water service contract. In the previous contracts, the debt had occurred before the contracts were executed. If the Commission were to act favorably on the request from the city of Beach for debt service credit prior to the delivery of pipeline water, Mr. Lennington said there is a potential for establishing a precedent. He mentioned that the city of Zap has also requested debt service credit information relative to its water treatment plant.

City of Medora: Several discussions have recently been held with the Medora city council over the city's participation in the Southwest Pipeline Project. The city signed a water service contract in 1982 for 13 million gallons of water per year. Current reported usage by the city is between 25 and 30 million gallons of water per year. A large leak was recently repaired and it is very possible there could be other leaks. The city has no meters installed other than those with its wells. The city council expressed some concerns over the ability of its residents to pay for water from the project and noted that there is high usage of water in Medora, especially during the tourist season. This public usage would have to be paid by the city. The city is contemplating holding an election to decide its level of participation. Some members of the city council also mentioned the possibility of requesting that the Commission release them from their water service contract.

Mr. Lennington and the Southwest Water Authority manager met with the Medora city council on December 4, 2001 to discuss the city's participation in the Southwest Pipeline Project. He said the city council favored a Southwest Pipeline water service contract for 13 million gallons of water per year, and may also consider an increase. The city council was agreeable to the installation of meters to determine its water usage. Because of the public water consumption during the tourist season, the city council has expressed an interest in requesting the state, or other entities, to provide cost share assistance for the city's public water usage.

SOUTHWEST PIPELINE PROJECT - APPROVAL OF TRANSFER OF OWNERSHIP TO CITY OF MOTT OF SEGMENT OF CONTRACT 2-6A BEYOND POINT OF CONNECTION IDENTIFIED IN WATER SERVICE CONTRACT (SWC Project No. 1736)

A request from the city of Mott was presented for the Commission's consideration for the transfer of ownership of a segment of pipeline installed within the city during construction of Southwest Pipeline Project contract 2-6A.

James Lennington presented the request and explained that contract 2-6A, which was constructed in 1993 and 1994, extended the Southwest Pipeline Project from the intersection of state highways 21 and 22, approximately 9 miles south of New England, east along highway 21 to Regent and Mott. The city of Mott completed a construction project in 1989 and 1990 to replace a portion of its water mains and, during this project, the city put in a dedicated water line for the Southwest Pipeline Project. This pipeline extended from the outskirts of the city to a point in the street closest to the city's ground storage tank. The final segment of pipe, through an alley, connecting the city's ground storage tank to the new water line was not constructed during this street project. This segment of pipe, approximately 240 feet in length, was replaced by the State Water Commission as part of the Southwest Pipeline Project.

The segment of pipe installed by the State Water Commission is beyond the point of delivery of project water specified in the city's water service contract. A sewer in the vicinity of this pipeline segment was recently replaced and the responsibility for operation and maintenance (O&M) of the segment came into question. Mr. Lennington explained the segment of pipeline is currently owned by the state as part of the project and, therefore, the responsibility for O&M lies with the Southwest Water Authority. A transfer of ownership to the city of Mott would remove this responsibility. The construction cost of this segment was approximately $7,406, not including engineering.

It was the recommendation of the State Engineer that the State Water Commission approve the transfer of ownership to the city of Mott of the segment of Southwest Pipeline Project contract 2-6A beyond the point of connection identified in the water service contract.

It was moved by Commissioner Johnson and seconded by Commissioner Olin that the State Water Commission approve the transfer of ownership to the city of Mott of the segment of Southwest Pipeline Project contract 2-6A beyond the point of connection identified in the water service contract. SEE APPENDIX "C"

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

SOUTHWEST PIPELINE PROJECT - APPROVAL OF AGREEMENT TO TRANSFER OWNERSHIP OF WATER DISTRIBUTION SYSTEM WITHIN MARYVILLE SUBDIVISION TO STATE WATER COMMISSION (SWC Project No. 1736)

The Maryville rural subdivision is located approximately three miles west of the city of Dickinson along old highway 10. The individual lots in the subdivision were intended to be served with pipelines constructed under Southwest Pipeline Project contract 7-2A.

James Lennington explained that during the construction of contract 7-2A in 1995, it was noted that the subdivision had recently constructed a water distribution system. A pressure test of the distribution system in 1995 indicated that the system passed the Southwest Pipeline Project's testing standards, and the project manager determined that the system could be incorporated into contract 7-2A. In return for the distribution system, the lot owners within the subdivision do not have to pay the Southwest Water Authority's sign-up fees. Lot number 6 of block 1 is served by an individual well and has been physically disconnected from the distribution system. The Southwest Water Authority has agreed to operate and maintain the system as part of the Southwest Pipeline Project. The distribution system was incorporated into contract 7-2A and is shown on the contract record drawings.

In 1996, the individuals with an interest in the subdivision completed a quit claim deed which inadvertently transferred ownership of the distribution system to the Southwest Water Authority. This transfer of ownership should have been to the State Water Commission and presented to the Commission for approval.

It was the recommendation of the State Engineer that the State Water Commission approve the agreement transferring ownership of the water distribution system within the Maryville subdivision, as shown on the Southwest Pipeline Project contract 7-2A record drawings, from the Southwest Water Authority to the State Water Commission. The transfer agreement was approved by the Southwest Water Authority at its November 5, 2001 meeting.

It was moved by Commissioner Johnson and seconded by Commissioner Olin that the State Water Commission approve the agreement transferring ownership of the water distribution system within the Maryville subdivision, as shown on the Southwest Pipeline Project contract 7-2A record drawings, from the Southwest Water Authority to the State Water Commission. SEE APPENDIX "D"

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

SOUTHWEST PIPELINE PROJECT - AUTHORIZATION FOR STATE ENGINEER TO ACCEPT TRANSFER OF OWNERSHIP OF SUBSEQUENT USERS' SERVICE LINES (SWC Project No. 1736)

James Lennington stated that subsequent users on the Southwest Pipeline Project are rural water customers who sign-up for water either after the final sign-up deadline or after the rural water distribution system has been constructed in their area, and who pay all of the costs of construction. The subsequent users are responsible for operation and maintenance (O&M) of the pipeline segments that they install and must follow project construction specifications. Mr. Lennington said there are currently over 100 subsequent users receiving water from the project and the majority of these users are in the immediate vicinity of Dickinson.

Mr. Lennington explained that the subsequent users occasionally request the Southwest Water Authority to take over the O&M, which requires that the State Water Commission take over ownership. The owner must provide the same four-year guarantee against defects in workmanship that is received with rural contracts before the transfer is considered. Mr. Lennington said rather than come to the Authority and the Commission for each subsequent user requesting a transfer of ownership, it is proposed that the Commission authorize the State Engineer to accept ownership of the subsequent users' service lines. The Authority's board of directors will consider granting its manager the authority to accept the transfer of O&M responsibilities for subsequent users at its January 7, 2001 meeting.

It was the recommendation of the State Engineer that the State Water Commission authorize the State Engineer to accept the transfer of ownership of subsequent users' service lines on the Southwest Pipeline Project.

It was moved by Commissioner Johnson and seconded by Commissioner Hanson that the State Water Commission authorize the State Engineer to accept the transfer of ownership of subsequent users' service lines on the Southwest Pipeline Project.

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

NORTHWEST AREA WATER SUPPLY PROJECT UPDATE (SWC Project No. 237-04)

The U.S. Bureau of Reclamation announced on December 4, 2001 that the Northwest Area Water Supply project has satisfied all of the requirements for the project, addressed all of the issues, and that the project has been approved to move forward. Governor Hoeven stated in a press release, dated December 4, 2001, in part:

> "…. Obviously, we're enormously pleased to see this project - a project begun over 20 years ago - finally moving forward. I'm pleased today to be able to tell the communities of northwestern North Dakota that a long-term, dependable supply of good quality water is on its way. Clean drinking water is critical to the quality of life in any community. NAWS represents a great step forward for improving a critical service in northwestern North Dakota."

James Lennington said it is intended to advertise for bids in December, 2001 to construct the first stage of the project, which is a 7.5 mile stretch of pipeline from Minot south to Lake Sakakawea. The projected bid opening date is January 31, 2002 in Minot. Construction is expected to begin on that phase of the project in the spring of 2002. He said a five-year construction period is anticipated for the Lake Sakakawea to Minot portion of the project. The first phase has a $66 million cost, including pretreatment costs and modifications at the Minot water treatment plant. The construction plans and specifications for this first contract have been approved by the Bureau of Reclamation.

DEVILS LAKE HYDROLOGIC UPDATE (SWC Project No. 416-02)

Todd Sando reported the current elevation of Devils Lake is 1447.03 feet msl, which is approximately one foot lower than the early August peak of 1448.1 feet msl. At this elevation, the lake covers 125,000 acres and is storing 2.4 million acre-feet of water. Beside the 6-12 inches of snow the majority of the basin

received on October 25, 2001, the Devils Lake basin has remained relatively dry over the last month. Because of the dry fall, much of the storage in the upper basin should be available to hold water next spring. This will benefit Devils Lake next spring during the snowmelt runoff. Barring any large precipitation events in the next few weeks, Devils Lake should freeze in near 1447.1 feet msl. Next spring's runoff is dependent upon many variables. However, the Devils Lake basin is as dry as it has been any time since 1993, which is reason for the cautious optimism regarding next spring's runoff.

Mr. Sando stated that water is continuing to flow from Devils Lake through the Jerusalem channel to Stump Lake. Currently, the U.S. Geological Survey is recording a flow of approximately 15 cubic feet per second, which is slightly higher than last month's flows mainly due to the completion of the bridge project on the Ramsey and Nelson county line and runoff from the October snowfall. The current elevation of Stump Lake is 1411.9 feet msl. At this elevation, Stump Lake covers 7,800 acres and is storing 124,000 acre-feet of water. Stump Lake should also freeze in near the current elevation of 1411.9 feet msl.

APPROVAL OF EXTENSION OF DEVILS LAKE ENGINEERING SERVICES CONTRACT TO DECEMBER 31, 2002 (SWC Project No. 416-09)

State Water Commission engineering assistance has been provided to the Devils Lake region for several years through cost share arrangements with the Devils Lake Basin Joint Water Resource District. The Devils Lake Joint Board formally requested that this arrangement be continued for a 12-month period, effective January 1, 2002.

Secretary Frink explained the terms of the proposed agreement: the Devils Lake Basin Joint Water Resource Board will pay the State Water Commission $9,000 to maintain a staff engineer committed full-time to Devils Lake water projects. The State Water Commission will pay the balance of the position costs. James Landenberger of the Commission's Water Development Division currently provides this assistance.

It was the recommendation of the State Engineer that the State Water Commission approve the extension of the Devils Lake engineering services contract from January 1, 2002 to December 31, 2002, in accordance with the terms as outlined, and contingent upon the availability of funds.

It was moved by Commissioner Olin and seconded by Commissioner Hofstad that the State Water Commission approve the extension of the Devils Lake engineering services contract from January 1, 2002 to December 31, 2002, in accordance with the terms as outlined. This motion is contingent upon the availability of funds. SEE APPENDIX "E"

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

APPROVAL OF EXTENSION OF DEVILS LAKE OUTLET AWARENESS PROJECT MANAGER'S CONTRACT TO DECEMBER 31, 2002 (SWC Project No. 416-05)

Success in implementing a Devils Lake emergency outlet requires that potentially-affected parties completely understand the project and its potential impacts. In 1998, the Garrison Diversion Conservancy District, the Devils Lake Basin Joint Water Resource Board, and the Forward Devils Lake Corporation cost shared with the State Water Commission to fund a full-time position for the purpose of dispersing information about the proposed emergency outlet. Joe Belford was hired into this position and has met with many interest groups such as civic, wildlife, and agricultural organizations in North Dakota, Minnesota, and Manitoba.

A request was presented from the Devils Lake Joint Water Resource Board for the Commission's consideration to continue funding for the Devils Lake Outlet Awareness project manager's position through December 31, 2002, with a 33 percent cost share, not to exceed $15,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium. All other parties of the previous agreement have indicated their intentions to continue this effort through 2002.

The terms of the proposed contribution agreement are as follows:

The State Water Commission	$15,000	(33 percent)
Garrison Diversion Conservancy District	$15,000	(33 percent)
Devils Lake Joint Board	$10,000	(22 percent, plus up to $5,000 in-kind service)
Forward Devils Lake Corporation	$ 5,000	(12 percent)

It was the recommendation of the State Engineer that the State Water Commission approve extending the contract for the Devils Lake Outlet Awareness project manager's position from January 1, 2002 to December 31, 2002, with a 33 percent cost share, not to exceed $15,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, in accordance with the terms as outlined, and contingent upon the availability of funds.

It was moved by Commissioner Olin and seconded by Commissioner Hofstad that the State Water Commission approve extending the contract for the Devils Lake Outlet Awareness project manager's position, with a 33 percent cost share, not to exceed $15,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, from January 1, 2002 to December 31, 2002, in accordance with the terms as outlined. This motion is contingent upon the availability of funds. SEE APPENDIX "F"

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

APPROVAL OF EXTENSION OF DEVILS LAKE BASIN MANAGER CONTRACT TO DECEMBER 31, 2002 (SWC Project No. 416-01)

Since 1998, the State Water Commission has participated with the Devils Lake Basin Joint Water Resource Board in cost sharing for a full-time Devils Lake basin manager and office for the board. Michael J. Connor occupies that position and an office has been maintained in the Ramsey county courthouse. The Joint Board formally requested continued financial participation for a l2-month period, effective January 1, 2002.

The cost share arrangement requested is 40 percent provided by the State Water Commission for one year, not to exceed $23,000. The Commission would pay the Joint Board for the actual expenses based on quarterly expense reports approved by the Commission. The remaining funds would be provided by the Devils Lake Basin Joint Board.

It was the recommendation of the State Engineer that the State Water Commission approve 40 percent funding, not to exceed $23,000, from the funds appropriated to the State Water Commission for the 2001-2003 biennium, for the Devils Lake basin manager.

It was moved by Commissioner Olin and seconded by Commissioner Hofstad that the State Water Commission approve extending the contract for the Devils Lake basin manager from January 1, 2002 to December 31, 2002, with a 40 percent cost share, not to exceed $23,000, from the funds appropriated to the State Water Commission in the 2001-2003 biennium, in accordance with the terms as outlined. This motion is contingent upon the availability of funds. SEE APPENDIX "G"

Commissioners Halcrow, Hanson, Hillesland, Hofstad, Johnson, Olin, Swenson, Thompson, and Governor Hoeven voted aye. There were no nay votes. Governor Hoeven announced the motion unanimously carried.

DEVILS LAKE STATE TEMPORARY EMERGENCY OUTLET PROJECT (SWC Project No. 416-01)

On August 16, 2001, the State Water Commission approved the selection of Bartlett & West Engineers, Inc./Boyle Engineering Corporation as the engineer for the state's Devils Lake temporary emergency outlet project.

The engineer has completed most of the field work and a route has been determined, although this route is subject to minor changes. A drill crew is currently taking soil borings along the route which will determine the slope stability, seepage, and the corrosiveness of the soil to facilitate the completion of the design work. The state's intent is to have preliminary engineering plans completed by January, 2002, and construction to begin in May, 2002. Completion of the project is anticipated in late fall of 2002. The state is reviewing a phased implementation project, with a 100 cubic feet per second outlet operating by May, 2003, with the possibility of expanding the project to 200 or 300 cubic feet per second depending on the Corps of Engineers permanent outlet plans, future lake levels, and water quality.

CORPS OF ENGINEERS PERMANENT DEVILS LAKE EMERGENCY OUTLET (SWC Project No. 416-01)

The Corps of Engineers is continuing with the environmental impact statement (EIS) for a permanent outlet project for Devils Lake. It is the intent of the Corps to have a draft EIS by February, 2002, a final EIS by July, 2002, and the Record of Decision by September, 2002. This schedule would potentially allow for construction of an outlet to begin in October, 2002. Concurrent with the EIS, the Corps will proceed with the design of the outlet to be prepared for construction if the EIS supports an outlet.

Todd Sando stated that based on the information from the studies completed and from the input from local sponsors and the North Dakota congressional delegation, it has been decided to initiate design work on a Pelican Lake 300 cubic feet per second outlet alternative. The actual operating plan may be further refined to minimize downstream water quality impacts while trying to minimize the rise of the lake. The outlet plan that will be evaluated for impacts would constrain the discharge not to exceed 450 mg/L of sulfate, or 600 cubic feet per second at the insertion point. The estimated first costs of the project are approximately $97.7 million. Mr. Sando said that based on the wet future scenario, this project has a benefit-cost ratio of 2.6. Mr. Sando also said this plan is among the best for cost effectiveness and minimizing the downstream water quality impacts, and is moderately effective in controlling future lake levels.

The Corps of Engineers Devils Lake Study Newsletter, Issue #6, dated December, 2001 was distributed, which provided an update on the status of the Devils Lake study and identified the plan selected for project design.

MISSOURI RIVER UPDATE (SWC Project No. 1392)

Todd Sando reported the Missouri River basin is in the second year of drought. The Corps of Engineers is predicting only 87 percent of the normal runoff above Sioux City by the end of 2001. Lake Sakakawea was at an elevation of 1830.6 feet msl on November 26, which is 0.1 foot lower than it was last year on that date and almost 8 feet below its average elevation for this time of the year. Lake Sakakawea is forecast to drop to 1829.2 feet msl by the end of the year, which is 7.6 feet below the average end of year elevation. Lake Oahe was at an elevation of 1599.9 feet msl, which is 2.6 feet higher than it was last year on November 26 and approximately 2 feet below its average elevation for this time of the year. Lake Oahe is forecast to drop to 1598.7 feet msl by the end of the year, which is 2.8 feet below the average end of year elevation.

The Corps of Engineers held a series of public workshops and hearings to receive testimony on the draft Environmental Impact Statement (EIS) for the Missouri River Master Water Control Manual. The meetings in North Dakota were held on October 23 in Bismarck and on October 24 in New Town. Governor Hoeven provided testimony on behalf of the state at the Bismarck hearing, and the Commission staff provided testimony at the meetings in New Town, Kansas City, and St. Louis. The Corps will accept comments on the draft EIS until February 28, 2002. Various state agencies, including the State Water Commission, will jointly provide additional detailed technical comments during this period.

APPROVAL OF RESOLUTION OF CONDOLENCE TO FAMILY OF BRETT HOVDE, STATE WATER COMMISSION EMPLOYEE (SWC Resolution No. 2001-12-497)

A resolution of condolence to the family of Brett Hovde was presented for the Commission's consideration. Mr. Hovde served the people of North Dakota as an employee of the North Dakota State Water Commission, Planning and Education Division, since July of 1994. On October 25, 2001, he lost his battle with cancer.

It was moved by Commissioner Hillesland, seconded by Commissioner Hanson, and unanimously carried, that the State Water Commission approve Resolution No. 2001-12-497, Resolution of Condolence to the Family of Brett Hovde, State Water Commission employee. SEE APPENDIX "H"

SHEYENNE RIVER FLOOD CONTROL - MAPLE RIVER DAM UPDATE SWC Project No. 1344)

Jeffrey Volk, Moore Engineering, West Fargo, ND, provided an update on the Maple River flood control project, which is a component of the Sheyenne River flood control project. In November, 2001, the Corps of Engineers released the "Final Environmental Impact Statement, Maple River Dam, Cass County, North Dakota". In accordance with the regulations for implementing the procedural provisions of the National Environmental Policy Act, agencies or persons may make comments on the FEIS before the Corps makes its permit decision. No permit decision will be made by the Corps of Engineers until 30 days after publication by the Environmental Protection Agency of a notice of availability of this document in the Federal Register. The publication date is expected to be December 14, 2001.

Mr. Volk explained the issues that remain to be satisfied prior to the project moving forward, which relate primarily to land rights and permits. He also discussed the efforts that are being pursued to resolve these issues.

There being no further business to come before the State Water Commission, Governor Hoeven adjourned the meeting at 11:15 AM.

_____
John Hoeven, Governor
Chairman, State Water Commission

SEAL

_____
Dale L. Frink
North Dakota State Engineer, and
Chief Engineer-Secretary to the
State Water Commission