

MINUTES

North Dakota State Water Commission Dickinson, North Dakota

December 1, 1997

The North Dakota State Water Commission held a meeting at the Hospitality Inn, Dickinson, North Dakota, on December 1, 1997. Governor-Chairman, Edward T. Schafer, called the meeting to order at 8:30 AM, MST, and requested State Engineer, and Chief Engineer-Secretary, David A. Sprynczynatyk, to call the roll. The Chairman declared a quorum was present.

MEMBERS PRESENT:

Governor Edward T. Schafer, Chairman
Roger Johnson, Commissioner, Department of Agriculture, Bismarck
Mike Ames, Member from Williston
Florenz Bjornson, Member from West Fargo
Judith DeWitz, Member from Tappen
Elmer Hillesland, Member from Grand Forks
Jack Olin, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
David A. Sprynczynatyk, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck

OTHERS PRESENT:

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

Draft resolution No. 97-12-477, In Support of the Dakota Water

Resources Act of 1997, was added to the 'Garrison Diversion Project'. The Chairman declared the agenda approved, and requested Secretary Sprynczynatyk to present the agenda.

**CONSIDERATION OF MINUTES
OF OCTOBER 29, 1997 STATE**

The minutes of the October 29, 1997
State Water Commission meeting

**WATER COMMISSION MEETING -
APPROVED**

were approved by the following
motion:

*It was moved by Commissioner Olin, seconded by
Commissioner Johnson, and unanimously carried, that
the minutes of the October 29, 1997 State Water
Commission meeting be approved as prepared.*

**FINANCIAL STATEMENT -
AGENCY OPERATIONS**

Dale Frink, Assistant State Engineer,
presented and discussed the Program
Budget Expenditures for the period

ending October 31, 1997, reflecting 17 percent of the 1997-1999 biennium. *SEE
APPENDIX "A"*

**FINANCIAL STATEMENT -
RESOURCES TRUST FUND**

Dale Frink reviewed and discussed
the Contract Fund for the 1997-1999
biennium. *SEE APPENDIX "B"*

The State Water Commission has
approved approximately \$5.6 million from the Contract Fund, with \$9.6 million
unobligated.

Mr. Frink reported the oil revenues
for the first four months of the biennium were 13.7 percent below earlier forecasts.
He said, if this trend continues, it could result in more than a \$1 million shortfall
to the Resources Trust Fund.

**APPROVAL OF REQUEST FROM
FOSTER COUNTY WATER
RESOURCE DISTRICT FOR
ADDITIONAL COST SHARE
IN CARRINGTON CREEK PROJECT
(SWC Project No. 1800)**

On July 19, 1995, the State Water
Commission approved 40 percent cost
share assistance of the eligible costs,
not to exceed \$11,880, for the Carrington
Creek project, in Foster County.

After construction began on the
original project, it was determined additional work was required. The added
costs exceeded the original cost estimate. The Foster County Water Resource
District was advised it could submit a cost share request for the overrun costs
after the original cost share agreement was complete. A request for the overrun
costs was received from the District on September 8, 1997.

A request from the Foster County Water Resource District was presented for the Commission's consideration for additional cost share for the Carrington Creek project. The total cost of the additional construction items was \$14,053, all of which are eligible for cost share. Under the State Water Commission's policy and guidelines for cost share, 40 percent of the eligible items qualify for cost share. The request before the State Water Commission is to cost share in the amount of \$5,621.

It was the recommendation of the State Engineer that the State Water Commission approve additional cost share of 40 percent of the eligible costs, not to exceed \$5,621 from the Contract Fund, for the Carrington Creek project in Foster County. Commission approval would increase the State Water Commission's cost share to \$17,501.

Duane Mullenberg, Chairman of the Foster County Water Resource Board, provided information relative to the project, and requested favorable consideration of the additional cost share.

It was moved by Commissioner Johnson and seconded by Commissioner Bjornson that the State Water Commission approve additional cost share in 40 percent of the eligible costs, not to exceed \$5,621 from the Contract Fund, for the Carrington Creek project in Foster County. This motion is contingent upon the availability of funds.

This action increases the State Water Commission's cost share contribution to \$17,501.

Commissioners Ames, Bjornson, DeWitz, Hillesland, Johnson, Olin, Swenson, Thompson, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**APPROVAL OF REQUEST FROM
TRI-COUNTY JOINT BOARD FOR
COST SHARE FOR FLOOD CONTROL
(SWC Project No. 1894)**

flooding in the south central portion of Cass County, the northwestern portion of Richland County, and the northeastern portion of Ransom County.

In July, 1995, the Ransom, Richland, and Maple River Water Resource Districts organized a joint board for the purpose of considering several petitions relating to surface water

The Joint Board entered into agreements with the State Water Commission in September, 1995, and June, 1996 for the purpose of providing technical assistance for the preliminary investigation of the impacted area. The survey work has been completed and submitted to the Board.

The Board and the property owners in the area have considered the data developed by the State Water Commission and have contracted with Houston Engineering to prepare the preliminary plans, specifications, cost estimates and maps of the areas involved so as to be able to conduct a hearing and vote on whether the proposed project should move forward.

The Board received a proposal from Houston Engineering for \$160,000 to conduct the necessary engineering services. Because of the high costs associated with the engineering services, the Board decided the engineering services should be split into two phases. The cost of Phase I is \$50,000 and includes:

- 1) Review of existing plans, profiles, cross sections, and other useful information that is available.**
- 2) Develop contributing drainage areas for each proposed drainage system based on USGS 7.5 quadrangle mapping of the project area.**
- 3) Each separate channel system will be evaluated for feasibility from the standpoint of alignment, depth requirements of drainage structures, and cost of construction.**
- 4) Preliminary cost estimates will be summarized in report.**
- 5) The engineer will attend at least two meetings with the Tri-County Joint Board and affected landowners for purposes of project initiation, coordination, review of study progress, and presentation of study results.**

Phase II would include an evaluation of required controls and an analysis of the Sheyenne River and Cass County drains for suitability as an outlet for the proposed drainage system. The estimated cost of Phase II is \$110,000.

It was the recommendation of the State Engineer that the State Water Commission approve cost share of 40 percent, in an amount not to exceed \$20,000 from the Contract Fund, for Phase I of the Tri-County Flood Control project.

Project information was provided by Jim Lyons, Chairman of the Tri-County Joint Water Resources Board, and Lawrence Woodbury, of Houston Engineering in Fargo, ND.

It was moved by Commissioner Thompson and seconded by Commissioner Bjornson that the State Water Commission approve cost share in 40 percent of the eligible costs, not to exceed \$20,000 from the Contract Fund, for Phase I of the Tri-County Flood Control project. This motion is contingent upon the availability of funds.

Commissioners Ames, Bjornson, DeWitz, Hillesland, Johnson, Olin, Swenson, Thompson, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

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

On November 10, 1997, the North Dakota congressional delegation introduced legislation in the United

States Senate and House of Representatives (S 1515 and HR 3012) that will re-focus and complete the Garrison Diversion project. The bills were introduced as amendments to the Garrison Diversion Reformulation Act of 1986, which is an amendment to the 1965 Act. The "Dakota Water Resources Act of 1997" is the final product of years of negotiations and represents broad, bipartisan consensus on the future of the project.

Warren Jamison, Manager of the Garrison Diversion Conservancy District, provided a summary of the legislation, which is outlined in the press statement, dated November 10, 1997. The press statement is attached as *APPENDIX "C"*.

Mr. Jamison responded to a question relative to the North Dakota Farm Bureau's opposition to the \$25 million provision included in the legislation for a Natural Resources Trust to preserve, enhance, restore, and manage wetlands and associated wildlife habitat, grassland conservation, and riparian areas. The Farm Bureau is opposed to the provision because it believes the money would buy land for wildlife habitat at the expense of agriculture. Mr. Jamison defended the provision saying that "North Dakota gets a lot more out of the proposed federal legislation than it gives up. I feel it was a reasonable deal and I hope the Farm Bureau sees it that way."

**GARRISON DIVERSION PROJECT -
APPROVAL OF RESOLUTION IN
SUPPORT OF THE DAKOTA WATER
RESOURCES ACT OF 1997
(SWC Project No. 237)
(SWC Resolution No. 97-12-477)**

A draft resolution in support of the Dakota Water Resources Act of 1997 was presented for the State Water Commission's consideration.

It was moved by Commissioner Olin and seconded by Commissioner Hillesland that the State Water Commission approve Resolution No. 97-12-477, In Support of the Dakota Water Resources Act of 1997. SEE APPENDIX "D"

Commissioners Ames, Bjornson, DeWitz, Hillesland, Johnson, Olin, Swenson, Thompson, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

GARRISON DIVERSION PROJECT - Secretary Sprynczynatyk provided
MR& I WATER SUPPLY PROJECT the following MR&I Water Supply
(SWC Project No. 237-03) Program report:

Benson County Rural Water: Ulteig Engineering has completed the final engineering report and recommendations for the rural water system evaluation on All Seasons Rural Water, Benson Rural Water, Langdon Rural Water Users, and Pierce Rural Water. The report is the result of several meetings with the project sponsors and the project engineers. The recommendations are to divide the entire project area into nine units with a sequence for construction.

Burleigh Water Users, Phase 2: Northern Improvement Company is working on the distribution pipelines with over 400 new water users to date.

Dickey Rural Water: The remaining rural water user connections will be completed in 1998.

Grand Forks Water Treatment: The contractors have completed the work on modifying the water treatment plant's existing clear wells. Computer programming is required on the controls.

Missouri West Rural Water, Phase 2: Northern Improvement Company installed some of the water distribution system, with construction to be completed in 1998.

North Valley Water Association/Walhalla-Neché Branch: The project is planned for phased construction, with Phase I being the water treatment plant expansion and the connection to the city of Walhalla in 1997. Peterson Construction has installed the large diameter pipeline to Walhalla; L.T.P. Enterprises, Inc. installed the new wells; and Wick Construction, Inc. installed the new water reservoirs and pump stations. Phase 2 is the addition of the city of Neche and the rural water users, with an estimated cost of \$3.5 million.

Northwest Area Water Supply Project: See Northwest Area Water Supply Project section in these minutes for status report.

Ransom-Sargent Rural Water: The engineer is working on the feasibility study and the National Environmental Protection Act (NEPA) requirements. A request was received for additional MR&I funding on cultural resources survey and a water supply study. The feasibility study was originally estimated to cost \$200,000, including a cost of \$27,000 for a cultural resources survey, \$6,200 for environmental coordination, and \$34,000 for a water supply study.

The file search was completed to obtain the Class I cultural resources inventory. The archeologist's inventory report identified areas of high, medium, or low potential/probability for the discovery of undocumented cultural resources. Based on the report, the North Dakota State Historic Preservation Office and the Bureau of Reclamation determined 300 miles of the proposed pipeline routing requires Class III survey (walking the route) and 420 miles of the proposed pipeline routing requires Class II survey (driving the route).

The revised cost estimate for NEPA requirements is \$73,500, including a cultural resources survey at \$63,500, and \$10,000 for environmental coordination which is based on current contracts. The water supply study cost has not been determined.

Ulteig Engineers completed the final engineering report and recommendations for the rural water system evaluation. The report is the result of several meetings with the project sponsor and the project engineer. Recommendations are to have the northern portion of Ransom-Sargent served by the Barnes Water Users, the southern portion of Ransom-Sargent to be served by the Southeast Water Users, and the central portion of Ransom-Sargent to be served by the city of Lisbon. An agreement of association or management services needs to be determined between the systems.

Southwest Pipeline Project: See Southwest Pipeline Project section in these minutes for status report.

**GARRISON DIVERSION PROJECT -
APPROVAL OF ADDITIONAL
EXPENDITURE OF \$17,273 FROM
MR&I WATER SUPPLY PROGRAM
INTEREST ACCOUNT FOR INSTREAM
FLOWS ON SHEYENNE AND
RED RIVERS
(SWC Project No. 237-03)**

On June 11, 1997, the State Water Commission approved the expenditure of \$40,000 from the MR&I Water Supply program interest account funds for the preparation and presentation of information relative to low flow issues on the Red River of the North and the Sheyenne River streamflow transmission losses. As

has been done since 1986, both the State Water Commission and the Garrison Diversion Conservancy District consider all requests for funding from the MR&I interest account.

The Garrison Diversion Conservancy District developed a proposal to contract with Houston Engineering, Inc., to provide engineering and environmental consulting services on three issues: 1) instream flow needs for the protection of aquatic life; 2) instream flow needs for meeting water quality standards; and 3) the affect of channel losses along the Sheyenne River. On June 2, 1997, the board of directors of the Garrison Diversion Conservancy District approved the expenditure of \$40,000 from the MR&I Water Supply program interest account funds.

Instream flow issues are being addressed by the State Water Commission, the State Health Department, the State Game and Fish Department, and the State Parks and Recreation Department. The most widely accepted methodologies used to identify flow regimes needed for various environmental parameters are the most data intensive, time consuming, and costly. The state ad hoc committee will specifically address the benefits of instream flow, determination of minimum flows, and review ways to implement instream flows.

The Bureau of Reclamation is currently studying the use of Missouri River water to meet the water needs of the Red River valley. The Bureau maintains it must use the most up-to-date data available for addressing instream flows, which is a Corps of Engineers study.

Secretary Sprynczynatyk presented a request for the Commission's consideration for additional cost share of \$17,273. He explained that the original contractual agreement with the Garrison Diversion Conservancy District and Houston Engineering was dependent upon the level of technical detail. The original agreement with the District indicated that computer models used to quantify fish habitat as a function of discharge would not be used as a part of the effort. However, after discussing this issue with the District and gathering additional field data necessary for these models, these models were, in fact, applied to four locations on the Sheyenne River and the Red

River at Fargo. Model application consisted of entering survey data in the hydraulic model HEC-RAS, developing hydrology data for each location, using the model to determine depth and velocity distributions, and computing fish habitat as a function of discharge.

It was the recommendation of the State Engineer that the State Water Commission approve an additional \$17,273 from the MR&I Water Supply program interest account funds for the additional instream flow field work for aquatic life. He said the information generated from this study will be valuable in making water management decisions for the rivers, and as the state continues its efforts in Devils Lake.

The Commission members expressed concerns of criticism to the District that the request for the additional instream flow field work had not been presented for the State Water Commission's consideration prior to the additional work being done. Initially, both the Commission and the District had approved funding of \$40,000 from the MR&I interest account for the study.

It was moved by Commissioner Hillesland and seconded by Commissioner Thompson that the State Water Commission approve an additional \$17,273 from the MR&I Water Supply program interest account funds for the preparation and presentation of information, specifically relating to aquatic life, relative to low flow issues on the Red River of the North and the Sheyenne River streamflow transmission losses.

This action increases the State Water Commission's cost share contribution to \$57,273.

Commissioners Ames, Bjornson, DeWitz, Hillesland, Johnson, Olin, Swenson, Thompson, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**GARRISON DIVERSION PROJECT -
MR&I COMMITTEE REPORT
(SWC Project No. 237-03)**

The Garrison MR&I Water Supply committees of the State Water Commission and the Garrison Diversion Conservancy District held a meeting on November 10, 1997.

The committees received an update on funding from the Rural Utilities Service on grants and loans, and a report from the North Dakota Department of Health on the Drinking Water State

Revolving Loan fund. A general update was given on the MR&I projects. North Valley Water Association reported on their \$3,500,000 Neche service area expansion project. The Bureau of Reclamation is working on the Garrison Diversion Unit 1998 budget allocation, and funding for the MR&I program ranges from \$11 million to \$15 million.

The committees discussed the concept of using a process that would address the North Dakota public water systems and how projects would utilize funding. The entities are the Municipal Bond Bank, Bureau of Reclamation, North Dakota Department of Health, Garrison Diversion Conservancy District, Rural Utilities Service, and the State Engineer.

**GARRISON DIVERSION PROJECT -
APPROVAL OF EXPENDITURE OF
\$20,000 FROM CONTRACT FUND
TO CONTRACT WITH NORTH
DAKOTA NATIONAL GUARD FOR
SERVICES PROVIDED BY MURRAY
SAGSVEEN ON GARRISON
DIVERSION LEGISLATION
(SWC Project No. 237)**

Secretary Sprynczynatyk informed the Commission members that during the past several months as the state negotiating team prepared the legislation for the revision of the Garrison Diversion Project, Murray Sagsveen was actively involved working with the State Water Commission and others, while being on state active duty for the North Dakota

National Guard as the State's Flood Recovery Officer. Secretary Sprynczynatyk said Mr. Sagsveen, with his years of experience on the Garrison project, has been an invaluable asset to the Garrison team, and would be a valuable team member as the legislation is moved through Congress.

Secretary Sprynczynatyk said that Mr. Sagsveen's primary responsibility while on state active duty is flood recovery, it is necessary for his salary and expenses to be paid by someone other than the National Guard for his efforts on Garrison Diversion. He said it is essential that Mr. Sagsveen continue his involvement on Garrison, therefore, it would be appropriate for the State Water Commission to pay for Mr. Sagsveen's services in this regard.

It was recommended by the State Engineer that the State Water Commission approve \$20,000 from the Contract Fund to contract with the North Dakota National Guard for services provided by Murray Sagsveen on Garrison Diversion legislation from October 1, 1997 through December 31, 1998. The services would be based upon actual reimbursable salary and expenses, and would be contingent upon the availability of funds.

It was moved by Commissioner Olin and seconded by Commissioner Bjornson that the State Water Commission approve \$20,000 from the Contract Fund to contract with the North Dakota National Guard for services provided by Murray Sagsveen on Garrison Diversion legislation from October 1, 1997 through December 31, 1998. These services shall be based upon actual reimbursable salary and expenses, and shall be contingent upon the availability of funds.

Commissioners Ames, Bjornson, DeWitz, Hillesland, Johnson, Olin, Swenson, Thompson, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**CENTRAL PLAINS WATER DISTRICT
(SWC Project No. 237-03)**

On September 15, 1997, the Wells County Water Association, Inc. petitioned the State Engineer to organize

a water district to encompass all of Wells County and portions of Sheridan, Kidder, Stutsman, Foster, Eddy, Benson, and Pierce counties. The Wells County Water Association is the first water system to petition to organize a water district under the 1995 legislation, Chapter 61-35 of the North Dakota Century Code. The purpose to organize a water district is to provide an adequate supply of water for residents of the area. The proposed district has no power or authority to levy taxes.

Secretary Sprynczynatyk explained the Wells County Water Association is trying to convert from a non-profit corporation to a water district to provide the most favorable refinancing options for its existing debt. An option the Association is considering is the ability to obtain a tax exempt bond. The interest rate on a tax exempt bond is approximately two interest points lower than on a taxable bond, which would save the Association approximately \$400,000 when refinancing the existing debt. The system's 736 water users would benefit from these savings, and there would be no change in the system's operation and maintenance.

A hearing on the petition was held on October 28, 1997. If the district is found reasonably necessary for public health, convenience, and comfort of the residents, the State Engineer shall make an order establishing the district as a political subdivision, designating its boundary, and identifying by name or number. Secretary Sprynczynatyk reported Wells County Water Association has met the petition requirements, and the order establishing the Central Plains Water District has been executed.

**GARRISON DIVERSION PROJECT -
APPROVAL OF AGREEMENT TO
PERMIT ASSIGNMENT OF
AGASSIZ WATER USERS, INC.
REVENUES
(SWC Project No. 237-03)**

Agassiz Water Users, Inc. is a rural water system, which serves approximately 1,284 users in Grand Forks and a portion of southeastern Walsh County. Agassiz Water provides service to Inkster, Forest River, Johnstown, Ardoch, Manvel, Gilby, Honeyford, and West Oslo.

Agassiz is proposing to improve the water system capacity in the rural area of Gilby and Mekinock. Construction includes the installation of seven miles of 6-inch water transmission pipelines, making general improvements to several water reservoirs, and installing telemetry equipment in the system. The 6-inch pipeline will increase the capacity for additional water users in the Mekinock area, which is north of Grand Forks. Project funding will be provided through a Municipal Bond Bank loan of \$375,000. The loan requires that revenues generated from the Agassiz water system be ratably divided, based upon the respective amounts due.

Secretary Sprynczynatyk explained that the State Water Commission has a loan with Agassiz Water for a 1992 expansion project. The loan requires Commission approval of future Agassiz Water expansion projects. The draft agreement was presented for the Commission's consideration that would allow all revenues generated on the Agassiz Water to be divided ratably based upon the respective total amounts due and owing by Agassiz Water Users to the North Dakota Bond Bank, the Bank of North Dakota, the North Dakota State Water Commission, the First American Bank, and the Rural Utilities Service for all outstanding debts. Agassiz Water will retire the First American Bank loan in early 1998, and will reduce the over all system debt payments by \$10,500 per year. Secretary Sprynczynatyk said the proposed agreement may affect the State Water Commission loan repayment in the case of Agassiz Water going into bankruptcy.

It was the recommendation of the State Engineer that the State Water Commission approve the proposed agreement which would allow all revenues generated from the Agassiz Water to be divided ratably based on all outstanding amounts and due to the parties of the agreement.

It was moved by Commissioner Swenson and seconded by Commissioner Hillesland that the State Water Commission approve the agreement allowing all revenues generated from the Agassiz Water Users, Inc. to be divided ratably based on all outstanding amounts and due to the parties of the agreement.

Commissioners Ames, Bjornson, DeWitz, Hillesland, Johnson, Olin, Swenson, Thompson, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**SOUTHWEST PIPELINE PROJECT -
PROJECT UPDATE; CONTRACT**

James Lennington, Project Manager
for the Southwest Pipeline Project,

AND CONSTRUCTION STATUS

provided the following contract and

(SWC Project No. 1736)

construction status report:

Contract 2-4B - Transmission Line to Reeder and Hettinger: The contractor has essentially completed Contract 2-4B. As of November 14, 1997, the contractor had located and fixed all of the remaining leaks on the pipeline and had commenced with flushing and disinfecting the pipeline before being placed in service. Minor clean-up and touch-up work remains, with completion anticipated by December 1, 1997.

Mr. Lennington informed the Commission that the manufacturer of the buried booster pump station was going to be present on December 3, 1997 to assist in start-up.

Notice was given to Reeder and Hettinger in late September that water would be available from the project by December 31, 1997. On November 12, 1997, the city of Hettinger indicated its desire to receive service from the project as soon as water became available. With current progress on Contract 2-4B, it is anticipated water will be available by December 7, 1997.

Contract 4-4 - Jung Lake Pump Station: On October 29, 1997, Contract 4-4 was awarded to Moorhead Construction, Berger Electric, and Central Mechanical.

Contract 5-4 - Jung Lake Reservoir: The contract was awarded to Landmark Structures of Fort Worth, Texas, on September 11, 1997. The contractor has poured the reservoir's foundation and the site has been insulated for the winter. The completion date of the contract is September 20, 1998.

Contract 5-5 - Bucyrus Reservoir: Contract 5-5 is essentially complete, with minor touch-up work remaining. The tank was first partially filled on November 4, 1997 and is ready for service. The contractor, Advance Tank & Construction of Wellington, Colorado, has been paid for all of the tank's construction with the exception of retainage.

Mr. Lennington reported that balances in the various Southwest Pipeline Project bonding accounts with the trustee have accumulated to the point where \$66,000 will satisfy all of the repayment obligations for the July, 1997 - June, 1998 bond year. These obligations are payments of \$253,820 and \$230,365 on Series A bonds, and a debt service reserve requirement of \$20,160 on Series B bonds. It is expected the next capital repayment by the Southwest Water Authority will exceed the \$66,000 required. Until July 1, 1998, when a new bond year begins, all subsequent capital repayments will be deposited into the Resources Trust Fund.

Problems have been experienced in past winters with freezing of combination air vacuum/air release valve assemblies in manholes on the raw water pipeline near the intake. Mr. Lennington explained the function of these assemblies is to release air which can build up in high points along the pipeline, and also to let air enter the pipeline in the event of a sudden failure of the pipeline or other "surge" event. These valves are located in areas which are some distance from a source of electric power.

Mr. Lennington said in an attempt to identify the best alternative, five assemblies on Southwest Pipeline Contract 2-1 have been selected for experiments to add heat generation equipment. Two wind generators (windmills) and two solar panels, along with either a small electric heater or heat tape were installed this fall at four locations. A fifth location has received a geothermal installation. Depending on the results of the experiments, Mr. Lennington said there may be future modifications made to other assemblies in the project.

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

James Lennington, Project Manager for the Northwest Area Water Supply Project, reported that the draft Northwest Area Water Supply Project Biota

Transfer Control Facilities and Criteria, dated October, 1997, which was prepared by Houston Engineering, in association with American Engineering and Montgomery Watson, is being reviewed by the State Water Commission staff. Comments have been received from the Bureau of Reclamation. The Commission's and the Bureau's comments will be incorporated into the final report that will be submitted to the Garrison Joint Technical committee.

Mr. Lennington reported on the final following design efforts which are underway by the engineering team:

Execution of Specific Authorization No. 6 - Intake Analysis: This authorization encompasses finalizing the specific site location and configuration of either a Lake Audubon or Lake Sakakawea deep-water intake and pump station facility. The evaluation will include operations

and maintenance, life-cycle costs, operation's impacts at the Minot water treatment plant, and water quality differences. The engineer's draft analysis report is being reviewed by the Commission staff. The advantages and disadvantages of either proposed intake site will be presented for the Commission's consideration at a future meeting.

Execution of Specific Authorization No. 8 - Corrosion Study: This specific authorization involves field investigations and laboratory studies to evaluate the soil corrosivity potential along the proposed pipeline route from the intake to Minot, and the development of mitigation alternatives based on pipe material options.

Execution of Specific Authorization No. 21: This authorization encompasses the development of the Biota Transfer Control Facilities Criteria report and the development of responses to technical comments on the draft environmental assessment document. Development of the responses to the environmental assessment comments has been delayed by the need to develop the biota control report.

The schedule for completion of the environmental assessment has been delayed until March, 1998, because of the need to develop the biota control report which supplements the environmental assessment for the Joint Technical Committee's consultations. Comments have been received from the Department of Health and the Province of Manitoba recommending the intake site be located in the body of water that has the lowest turbidity levels. Completion of the environmental assessment will await the final report as well as completion of the responses to the comments on the draft environmental assessment.

The preliminary pipeline alignment is being drafted on contour maps generated from aerial photographs taken in October, 1997. The drawings of the pipeline alignment are necessary for procuring construction easements.

The raw water quality monitoring program is continuing, and the results are being used in the intake evaluation and the analysis of modifications to treatment processes at the Minot water treatment plant.

Proposed modifications to the water service contracts will be presented to the NAWS advisory committee for review and consideration in December, 1997. The proposed modifications include updating the language, and changing the non-federal share of the project costs from 25 percent to 35 percent.

**NORTHWEST AREA WATER
SUPPLY PROJECT -
APPROVAL OF RESOLUTION OF
INTENT TO ISSUE AND SELL N.D.
STATE WATER COMMISSION
WATER DEVELOPMENT REVENUE
BONDS FOR CITY OF RUGBY,
PHASE I
(SWC Project No. 237-04)**

James Lennington reported that the Commission's bond counsel has recommended modifications to the Northwest Water Supply Project water service contract for the city of Rugby. The current contract was developed during the pre-final design of the project when it was proposed to serve Rugby with a pipeline from Minot. After the cities of Minot and

Rugby elected not to sign the contract, the project was reconfigured to include development of a nearby high quality ground-water supply for the city and a proposed rural water system in Pierce County. The current water service contract contains language referring to a Missouri River supply, a pipeline, and delivery of water by the Commission, none of which applies for Rugby. Commission staff is drafting a new contract for the city of Rugby and will be presented to the NAWS advisory committee for consideration at its December meeting.

The Bureau of Reclamation and the Commission staff are reviewing the final design plans for the Rugby phase. Mr. Lennington stated the project is anticipated for bidding in January or February, 1998. The current cost estimate for the project totals approximately \$4.6 million, with \$2.9 million in construction scheduled for 1998. Of the \$2.9 million, it has been determined that approximately \$2.4 million is eligible for MR&I funding. The remaining \$500,000 is considered deferred maintenance and/or replacement, based on past precedent, and would be the city's costs. Discussions continue with the city concerning the items that have been determined as non-eligible. Mr. Lennington said that if bonding is used to finance the non-federal costs of the project, approximately \$850,000 in bonds would be issued for the non-federal share of the eligible project costs. The city has been offered the option of financing the non-eligible costs through the revenue bond program. If the city chooses that option, the bonds issued would total approximately \$1.45 million.

At its October 9, 1996 meeting, the Commission adopted a resolution of intent creating the North Dakota State Water Commission Water Development Revenue Bond program. The resolution stated the Commission's intent to issue and sell the bonds in one or more series during the following four years for the development of water supply projects in the state.

The next step in developing bond financing for the Rugby phase of the NAWS project would be the development and adoption of a resolution of intent to issue bonds for financing. Following that would be the development of a preliminary official statement and series resolution. Mr. Lennington explained that adoption of the resolution of intent does not obligate the Commission to enter into a bond purchase agreement or to issue bonds without further action by the Commission.

It was the recommendation of the State Engineer that the State Water Commission approve the execution of the Resolution of Intent to issue and sell North Dakota State Water Commission Water Development Revenue bonds for the Northwest Area Water Supply Project, Rugby Works - Phase I.

It was moved by Commissioner Johnson and seconded by Commissioner Ames that the State Water Commission approve the execution of the Resolution of Intent to issue and sell North Dakota State Water Commission Water Development Revenue bonds for the Northwest Area Water Supply Project, Rugby Works - Phase I. SEE APPENDIX "E"

Commissioners Ames, Bjornson, DeWitz, Hillesland, Johnson, Olin, Swenson, Thompson, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**DEVILS LAKE
HYDROLOGIC UPDATE
(SWC Project No. 416-01)**

information and current and long-term hydrograph information relative to Devils Lake were provided.

Dale Frink reported the current level of Devils Lake is 1442.6. The lake receded approximately 4 inches since the first of August, 1997. Graphical

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

preliminary plan using a combination of pumped storage, pipeline, and open channel components, with a design flow capacity of 300 cubic feet per second.

On July 22, 1997, the State Water Commission endorsed the Peterson Coulee outlet route from Devils Lake to the Sheyenne River, and the

At the State Water Commission meeting on October 29, 1997, the Corps of Engineers reported that the Corps and their consultant, Barr Engineering, are continuing work on the pre-construction engineering and design of an emergency outlet from Devils Lake to the Sheyenne River via Peterson Coulee. The Corps and Barr Engineering met with State Water Commission staff and other state agencies on September 12 and October 8, 1997 to present the current status of their technical review. Seven alternatives consisting of various combinations of pumped storage, open channels, and pipe have been investigated. The preliminary cost estimates vary from \$35 to \$39.7 million.

The Corps reported that the preliminary environmental evaluation, the estimate of environmental mitigation and survey costs, and the preliminary design, permitting, and construction evaluation favored the selection of a pipeline for the entire length of the outlet. Further analysis of the pipeline alternative is required, especially to determine the features required to control surge in the pipeline.

On October 29, 1997, based on the additional information from the Corps of Engineers and the consultant, the State Water Commission reconsidered its endorsement (by motion of July 22, 1997) of the preliminary plan using a combination of pumped storage, pipeline, and open channel components, and endorsed a pipeline alternative. The Commission staff continues to work with the Corps of Engineers and Barr Engineering to develop a preferred plan based on cost, environmental impacts, and ease of construction.

An appropriation of \$5 million was passed by Congress and signed by the President, enabling the Corps of Engineers to begin construction of the outlet in 1998, with operation beginning in late 1999 or early 2000. Although a local sponsor has not yet been determined, the Commission staff has begun reviewing data provided by the Corps and the real estate acquisition requirements. The local sponsor will be responsible for the right-of-way acquisition for the project.

The Corps of Engineers has begun the scoping process to comply with the National Environmental Policy Act requirements. The Corps is working with the Council on Environmental Quality to expedite the procedure.

**CITY OF DEVILS LAKE
LEVEE PROJECT
(SWC Project No. 416-02)**

On August 22, 1996, the State Water Commission passed a motion to approve 50 percent cost share of the non-federal costs for the 1996 Stage 1 city of Devils Lake levee raise project. The state cash contribution was \$175,000. Stage 1 was completed in the fall of 1996.

The project raised and extended the existing dikes around the city of Devils Lake by five feet and provides protection to a lake elevation of 1445. The dikes currently protected the city to elevation 1440. The total cost of the project was estimated at \$7.2 million. The Corps of Engineers provided a 75 percent federal cost share, leaving a non-federal requirement of \$1.8 million.

On March 26, 1997, the State Water Commission passed a motion to allocate \$409,000 from the Contract Fund and approved the transfer of title of two gator pumps for a credit of \$67,680 towards the

state's remaining contribution for the city of Devils Lake levee raise project. A Community Development Block Grant of \$249,000 was also approved for the project. The Corps of Engineers advertised for the remainder of the project and awarded the bid in April, 1997. Construction is scheduled to be completed in 1997.

On June 12, 1997, President Clinton signed the 1997 Emergency Supplemental Appropriations Act (Public Law 105-18), which provides for funds to expedite a raise of the levee at the city of Devils Lake beyond elevation 1445. The bill has provisions to allow a further raise of the levee to provide protection from a lake level of 1450, with a top of levee elevation of 1457. The Corps intends to have the entire levee system raised to elevation 1454 by freeze-up. The remainder of the work won't be completed until the summer of 1998. The Corps has indicated that at all times the integrity of the levee protection for the city of Devils Lake from the high lake levels will be maintained.

Ramsey County and Creel Township have requested the Corps to evaluate a west end extension of the Stage 1 levee to provide protection to several areas outside of the city of Devils Lake. An economic analysis of the west end extension conducted by the Corps found the alternative to be feasible, and the city of Devils Lake and Ramsey County are developing the necessary agreements to allow construction of the west end extension to proceed.

On October 7, 1997, the Corps of Engineers received assurance from the city of Devils Lake that the city would provide \$500,000 for construction of the Creek Township pumping station. A total of \$2 million is available for construction of the pump station and site work in the immediate vicinity. Work on the pump station began on October 8, 1997.

The total cost for the additional raise of the Devils Lake levee to provide protection to elevation 1450 (1457 top of levee) is estimated to be \$44 million. This includes the cost of the west end extension. The non-federal portion of the cost is approximately \$11 million. Ramsey County and the city of Devils Lake have committed \$7 million in HUD grant money towards the project. The remaining \$4 million of the non-federal cost will be provided by the State of North Dakota. Discussions are underway between the city of Devils Lake, the Corps of Engineers, and the State Water Commission concerning the necessary amendments to the Project Cooperation Agreement for the increase in costs.

Glenn Olson, Devils Lake City Engineer, provided an overview of the history of the Devils Lake levee project and technical information relative to the current efforts of the levee raise project.

Joe Belford, co-chair of the Lake Emergency Management Committee, briefed the Commission members on the legal right of ownership issue for transferring the ownership of the waters edge to the State of North Dakota from the deeded taxpayer.

Secretary Sprynczynatyk explained that the city of Devils Lake levee raise is an important part of the infrastructure protection. He said that in addition to the levee raise, a considerable amount of federal, state and local expense has been incurred in the efforts to provide infrastructure protection.

**DEVILS LAKE UPPER
BASIN MANAGEMENT -
AVAILABLE STORAGE
ACREAGE PROGRAM (ASAP)
(SWC Project No. 1882-01)**

On September 11, 1997, the State Water Commission passed a motion providing the second year option be exercised on the 1997 Devils Lake Available Storage Acreage Program (ASAP) contracts and that current

ASAP participants with expiring contracts be allowed to sign extensions into 1998.

Secretary Sprynczynatyk indicated that preparation to secure water storage in 1998 has begun. The sites with two-year contracts that were signed in 1997 are ready for 1998 storage, and those sites that had one-year contracts or two-year contracts expiring at the end of 1997 will require contract extensions. ASAP sites that no longer provide a storage benefit for the rest of the lake will no longer be used. Secretary Sprynczynatyk indicated one site had to be canceled because of expected spring rise in Devils Lake will inundate it, thereby providing no benefit as flood control.

A reminder letter will be sent to those with expired contracts urging them to make a decision by January 31, 1998. After that date, applications for new ASAP sites will be considered.

**ILLEGAL DRAINAGE IN
DEVILS LAKE BASIN
(SWC Project No. 1882-05)**

On June 5, 1997, Governor Schafer issued a press release directing the State Water Commission to identify illegal drainage in the Devils Lake basin and to work with the water resource boards to close the drains.

Section 61-32-07 of the North Dakota Century Code requires unauthorized drains to be closed. Secretary Sprynczynatyk explained that the closing of illegal drains is a part of the effort to properly manage the water in the Devils Lake basin on a watershed basis. As the inventory is completed, the water resource boards in the basin will be requested to investigate the drains, which are identified as being built after 1957 and having a watershed of greater than 80 acres, so that a final determination of legality can be made by the water resource boards in the basin.

Secretary Sprynczynatyk reported that the State Water Commission staff's inventory to identify possible illegal drainage in the Devils Lake basin will be completed in late December, 1997 or early January, 1998. He said it appears that approximately 1.3 percent of the drains in the basin are potentially illegal. The water resource districts are reviewing their records and doing a follow-up investigation to determine a course of action.

**RED RIVER BASIN BOARD
(SWC File AOC/RBB)**

The Red River Basin Board was organized to develop and cause to be implemented, a comprehensive water management plan for the Red River basin addressing the needs on a watershed basis and to facilitate and pursue the resolution of inter-jurisdictional issues. The board of directors is comprised of five members each from Minnesota and North Dakota; seven members from Manitoba; two members from South Dakota; and two members from the tribal/aboriginal reservations in Minnesota, North Dakota, and Manitoba.

The organizational meeting of the Red River Basin Board was held on July 24, 1997 in Pembina, North Dakota. The board met on September 4, 1997 in Grand Forks, at which time Morris Lanning, Mayor of Moorhead, Minnesota, was elected to chair the board. Secretary Sprynczynatyk reported that of the 21-member board, 16 members have been identified.

The board has contracted with Eugene Krenz, former State Water Commission employee, to develop the Red River Basin Water Management Plan outline and the coordination efforts for implementation of the plan. Secretary Sprynczynatyk explained eight segments of the planning process, which are attached hereto as *APPENDIX "F"*.

**INTERNATIONAL JOINT
COMMISSION RED RIVER
BASIN TASK FORCE
(SWC Project No. 1431-08)
(SWC File AOC/RRB)**

The federal governments of the United States and Canada have formally requested the International Joint Commission to examine and report on the causes and effects of the flooding in the Red River basin and to make recommendations to the two governments by the end of 1998 on the means of reducing future risks from flooding. The International Joint Commission is a bi-national United States-Canada organization established by the Boundary Waters Treaty of 1909 and assists the governments in managing waters along the border for the benefit of both countries. It has built its reputation by producing cooperation among a variety of interests on both sides of the border.

A task force has been appointed consisting of five members each from the United States and Canada. The task force members representing the United States are Donald Herndon, Corps of Engineers, Vicksburg, Mississippi, Co-Director; Secretary Sprynczynatyk; Kent Lokkesmo, Minnesota Department of Natural Resources; Professor Jay Leitch, North Dakota State University; and Craig Wingo, Federal Emergency Management Agency, Washington, DC.

Efforts of the task force will focus on flood forecasting, flood controls, emergency preparedness, land use practices, and related issues. The task force will submit an interim report to the International Joint Commission at the end of 1997, and the final report is anticipated at the end of 1998.

**1999 STATE WATER PLAN
(SWC Project No. 322)**

The Planning and Education Division of the State Water Commission has begun the initial steps in developing the 1999 State Water Plan. Work on the plan will begin during the last part of 1997 and is scheduled to be completed by the end of 1998. The North Dakota Water Coalition has agreed to work with the Commission staff in developing the State Water Plan. The plan will be available for the 1999 legislative session.

The 1999 State Water Plan will focus on water management for the 21st century. It will outline current and future management policies and will help serve as a guide for decision-makers. It is intended to be a realistic vision of water management with emphasis on regional and local projects that are appropriate to the plan's goals and objectives. An outline of the planning process is attached hereto as *APPENDIX "G"*.

The previous update to the plan in 1992 focused on water projects. The current plan will emphasize current water policies and their effect on water management. The division has begun the process of collecting, documenting and reviewing all of the State Water Commission's water management, cost sharing, and permitting policies. In addition to the State Water Commission policies, the plan will reference appropriate water-related policies from the state's other natural resource agencies.

The public involvement process has begun to gather input on water issues and needs in the state. This process will take approximately four months to complete. Input will be gathered from surveys, public meetings, and special representative input groups.

The 1999 State Water Management Plan has three main goals: 1) to comprehensively illustrate how North Dakota water resources are currently managed and the responsibilities associated with

that management; 2) to provide a vision or direction for how water could be managed into the 21st century; and 3) to reinforce the framework for implementation of the current water management plan and water development program, per the Fifty-fifth North Dakota Legislative Assembly Session laws, Chapter 15, Section 9, which reads as follows:

The legislative assembly finds that there is a critical need to develop a comprehensive statewide water development program. The state water commission shall develop and implement a comprehensive statewide water development program. The commission shall design the program to serve the long-term water resource needs of the state and its people and to protect the state's current usage of, and the state's claim to its proper share of Missouri River water.

**GRAND FORKS
FLOOD CONTROL
(SWC Project No. 830)**

Following the devastation in Grand Forks and East Grand Forks resulting from the spring flood of 1997 on the Red River of the North, the Corps

of Engineers has been assisting with restoration activities and long-term planning in these communities. In order to provide technical assistance to local, state, and federal entities who are trying to expedite the 1997 flood recovery, a concept level of alternatives of four possible federal flood reduction plans was developed. They are: 1) a large diversion channel aligned to the east of East Grand Forks; 2) a large setback levee/floodwall system aligned along both sides of the river; 3) a combination of a somewhat smaller diversion channel on the Minnesota side and smaller and less setback levee/floodwall system; and 4) a combination of a somewhat smaller diversion channel on the North Dakota side and smaller and less setback levee/floodwall system.

Lisa Hedin, Project Manager, St. Paul District Corps of Engineers, provided an explanation of the flood reduction plans. Each plan evaluated assumed protection from a flood with an approximate frequency of once in 210 years. The Grand Forks and East Grand Forks city councils passed resolutions in August, 1997 asking the Corps to proceed with development of a technical report proceeding with the setback levee/floodwall alternative, while continuing to assess the feasibility of the combination alternative with the diversion on the North Dakota side. The councils requested that the level of protection be equivalent to the 1997 spring flood.

Some assumptions concerning the proposed work include: 1) the without project conditions will consider the post 1997 flood buyouts as having been accomplished; 2) the technical report will only do a limited formulation of alternatives. The National Economic Development (NED) plan will be identified, along with the locally preferred level of protection; 3) the technical report will rely on the 1987 General Design Memorandum for

East Grand Forks and the feasibility study work for Grand Forks to the extent possible; 4) there is no waiver from the National Environmental Protection Act (NEPA) or other environmental compliance requirements; and 5) cost sharing will be in accordance with the Water Resources Development Act of 1996; however, up-front cost sharing is waived in accordance with the Supplemental Appropriations Act of June 12, 1997.

Ms. Hedin stated a marker for this project has been placed in the Water Resources Development Act of 1998 (WRDA 98), the federal authorizing bill. Project authorization will be requested subject to completion of an approved technical report by December, 1998. To meet this deadline, and to provide sufficient input to authorizing language, the local communities must select a single locally preferred alternative by the end of February, 1998.

Floodplain management funds of \$235,000 were made available for mapping, planning and coordination efforts in Fiscal Year 1997. In addition, Preconstruction, Engineering and Design (PED) funds, in the amount of \$500,000, were reprogrammed into the East Grand Forks project, which was previously suspended. The Fiscal Year 1998 budget was amended for \$2.5 million for Preconstruction, Engineering and Design for the project, with additional funds identified as needed in Fiscal Year 1999. The previously authorized East Grand Forks project will be reformulated to include flood protection along the North Dakota side of the river for the city of Grand Forks. The flood protection measures on both sides of the river will be planned as one project.

Ms. Hedin said the Corps is proposing to accomplish the PED under the authority of the East Grand Forks project by resuming the PED suspended in 1987. A technical report would be completed and used as a basis for a Post Authorization Change Report, which will expand the scope to include Grand Forks, and will establish the revised level of protection.

Ms. Hedin provided the Commission members handouts relative to the long-term abatement project for Grand Forks and East Grand Forks, which are attached hereto as *APPENDIX "H"*.

Kenneth Vein, Grand Forks city engineer, expressed thanks and appreciation to the Governor, the State Water Commission, the State Engineer and staff for their technical and financial efforts relative to the spring flood in Grand Forks and East Grand Forks.

With the assistance of a map, Mr. Vein alluded to the city-wide damages that occurred during the flood, noting that the public and private damages could reach \$1 billion. The city's top priority is finding a permanent flood protection plan.

Beau Bateman, Chairman, Citizens for Responsible Flood Control, voiced concerns of a group of citizens organized in September, 1997, with the mutual concern of flood control in the Grand Forks area. The members include urban and rural homeowners, property owners, business people and farmers from several states.

Citizens for Responsible Flood Control have gone on record in support of improved levee protection for Grand Forks and East Grand Forks, but the group opposes a diversion canal. Mr. Bateman said the rural residents have no say in what plan is selected by the city council. Rural residents opted to live away from the Red River, "and now you're going to bring the river to us" in the form of a canal. Mr. Bateman said the farmers oppose the canal plan because it would forever remove land from production. "Land taken for diversion is extinct," said Mr. Bateman.

Mr. Bateman said the additional expense of the canal diversion would require a special waiver of funding granted by Congress. Throughout the multi-year construction phase, periodic funding requests would be sent to Congress. He said that money cannot be guaranteed. The increased local share of the project may exceed their financial abilities and, therefore, require state funding. The same level of protection can be attained using the setback levee proposal at a substantially lower cost.

Mr. Bateman concluded his remarks cautioning that "North Dakota needs to be careful not to dip too deep into the federal water trough. When you approach Congress with three buckets in hand - one that says 'Garrison Diversion', one that says "Devils Lake', and one that say 'Grand Forks', they will either refuse it or it may bear on some of your other water projects."

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

working with a team of consensus-building experts to reach agreement on issues that have divided the basin's states and tribes in the past. Various issues have been discussed in depth, papers have been presented which outlined the problems and possible solutions, and the aid of several agencies and committees have been enlisted.

Secretary Sprynczynatyk reported that since May, 1995, the Missouri River Basin Association has been

In February, 1996, the Missouri River Basin Association directors decided to initiate a basin-wide monitoring program, which would document the current hydrological and biological conditions of the river system and would track the effectiveness of programs designed to improve the basin's fish and wildlife resources. The Association directors reached agreement on these issues and discussed various other issues as part of their

continuing efforts to exert a stronger influence over water policy decisions by presenting a united front to the federal government. The Association directors plan to deliver a list of recommendations first to the Governors of the states, and then to the Corps of Engineers and other federal agencies.

The Missouri River Basin

Association developed a planning process to recommend the best methods for maximizing basin water uses and interests. The planning effort involved representation of the basin's primary water interests with state and tribal representatives in a search for ways to obtain maximum benefits for all water uses. The following goals were identified to meet the needs of the water users and guide the management and operation of the Missouri River:

- **Recreation Goal.** Promote the stability and growth of recreational use of the river through water management, economic assistance, and recreational planning.
- **Navigation Goal.** Promote the stability and growth of navigation on the Missouri River system through water management, economic assistance, and transportation planning.
- **Water Supply Goal.** Enhance water supply in the basin for municipal, rural, industrial, irrigation, and agricultural use.
- **Habitat Goal.** Identify a comprehensive set of programs, both new and existing, that can enhance habitat within the basin.
- **Bank and Shoreline Integrity Goal.** Maintain the integrity of river banks and lake shoreline where appropriate throughout the system to protect present and future water uses.
- **Flood Control Goal.** Operate the Missouri River system to maintain or enhance flood control benefits.
- **Hydropower Goal.** Maintain or enhance hydropower production with consideration for equitable distribution of the benefits among the tribes and states.
- **Future Depletion Goal.** Develop a mechanism for equitable allocation among the basin states and tribes of the risks of future depletions.
- **Monitoring Goal.** Develop a monitoring system that provides adequate information to characterize and understand the existing system and evaluate the impacts of changes.

As part of the Association's planning process, representatives of the basin's water interests were invited to join task force discussions on recreation, navigation, water supply, habitat, bank/shoreline/flood control, and hydropower on June 13-14, 1996 in Bismarck. The charge to the task forces was to identify ways to reach the stated goals of obtaining maximum benefits for all water users in each of the six interest areas in a manner that reflects a basin-wide perspective.

Secretary Sprynczynatyk said there was general consensus among the conference participants of the need for a Missouri River Basin authority to manage the Missouri River rather than the federal government. The strong spirit of basin-wide cooperation at the conference indicated a basic change in the way water management issues be addressed along the Missouri River. He said we are trying to overcome the decades of confrontational politics that have dominated the decision-making in the basin, and come up with new ways of decision-making that will work better for all of us who live in the basin and depend on the river system.

The ideas proposed from the conference were reviewed by the Association directors, and a draft Summary of Suggestions was developed. The Association is continuing its review of the draft with eventual presentation first to the Governors of the states and then to the Corps of Engineers and other federal agencies. The Association requested the task forces throughout the basin to continue discussions in their area on specific issues of dispute between the upper and lower basin states. Secretary Sprynczynatyk said the suggestions include a timeframe for completion of issues, and he said he is hopeful that many of the problems can be addressed and alleviated in the management of the Missouri River.

The Missouri River Basin Association held a conference of the interested river users on November 3 and 4, 1997 in Kansas City, Missouri, to review the Summary of Suggestions. The Association is scheduled to meet in Sioux Falls, South Dakota on December 17, 1997.

Secretary Sprynczynatyk announced that South Dakota has re-joined the Missouri River Basin Association.

**COST SHARING POLICY
FOR DRAINAGE PROJECTS
(SWC File AS/SWC/POL)**

Secretary Sprynczynatyk explained the current availability of funding, and he said in order to ensure that funds are available for eligible projects throughout the state, it is necessary to re-visit the State Water Commission's policy and guidelines for cost share on drainage projects.

At the July 22, 1997 State Water Commission meeting, the policy and guidelines on cost share for drainage projects were discussed.

Secretary Sprynczynatyk explained the water resource districts' involvement on cost share for projects. In order to have local input to the review of the cost share policies, the North Dakota Water Resource Districts Association has been invited to nominate three to five people to work with the Commission members and staff to further review the cost share policies and recommend possible changes to the Commission for consideration. The procedure as recommended by the State Engineer received the Commission's unanimous concurrence.

Secretary Sprynczynatyk reported the North Dakota Water Resource Districts Association has named five people to work with the Commission staff to further review the Commission's cost share policy and to develop recommendations for possible changes. The recommendations will be presented to the Commission for consideration at a future meeting.

**STATE ENGINEER AND
STATE WATER COMMISSION
BIENNIAL REPORT FOR PERIOD
OF JULY 1, 1995 TO JUNE 30, 1997**

The biennial report of the North Dakota State Engineer and the State Water Commission for the period of July 1, 1995 to June 30, 1997 was provided to the Commission members.

There being no further business to come before the State Water Commission, Governor Schafer adjourned the meeting at 11:00 AM.

/S/ Edward T. Schafer
Edward T. Schafer
Governor-Chairman

SEAL

/S/ David A. Sprynczynatyk
David A. Sprynczynatyk
State Engineer, and
Chief Engineer-Secretary

