

MINUTES

North Dakota State Water Commission Telephone Conference Call Meeting Bismarck, North Dakota

July 1, 1999

The North Dakota State Water Commission held a telephone conference call meeting in the Governor's conference room, State Capitol, Bismarck, North Dakota, on July 1, 1999. Chairman, Governor Edward T. Schafer, called the meeting to order at 7:30 AM, 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
DeLayne Brown, USDA, Rural Development, Bismarck

The attendance register is on file with the official minutes.

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

APPROVAL OF AGENDA

There being no additional items for the agenda, the Chairman declared the agenda approved, and requested Secretary Sprynczynatyk to present the agenda.

**SOUTHWEST PIPELINE PROJECT -
EXECUTION OF USDA, RURAL
DEVELOPMENT DOCUMENTS
FOR MOTT-ELGIN, PHASE 1,
1999 FUNDING
(SWC Project No. 1736)**

On June 9, 1999, the State Water Commission was informed the USDA Rural Development was developing a financing package for the Mott-Elgin phase of the Southwest Pipeline Project. The initial application to USDA, Rural Development for assis-

tance to Mott-Elgin was \$3.6 million. The project has since been refined and the total financing package at this time is \$13 million. Of this amount, the state's share is \$6 million. The \$4.5 million in bonds issued under the authority given to the State Water Commission by Senate Bill 2188 would provide the majority of the state's share, while the remaining \$1.5 million could come from revenue bonds issued under the existing authority in North Dakota Century Code 61-02 and 61-24.3 using the existing Southwest Pipeline Project's General Bond Resolution. Revenue bonds totalling \$10.33 million have been issued under the existing authority, which has a limit of \$15 million.

The State Water Commission passed a motion on June 9, 1999 to proceed with the development of a financial package providing for \$4.5 million in state funding under the authority provided by SB 2188.

Secretary Sprynczynatyk explained the funding plan developed by USDA, Rural Development was in conjunction with a preliminary construction schedule for the Mott-Elgin phase. USDA, Rural Development funding is subject to yearly approval and the availability of funds, which will include a letter of conditions stipulating the requirements that must be satisfied by the State Water Commission.

Secretary Sprynczynatyk stated contract 5-14, the Hebron reservoir, will be ready to advertise for bids in mid-July, 1999. In order to have the state funding for the Hebron reservoir applied towards the state's share of the Mott-Elgin funding, the following USDA, Rural Development documents require completion before the funds can be obligated. He said the documents are being reviewed by the State Water Commission's Assistant Attorney General and Bond Counsel:

- 1) Draft Letter of Conditions proposing a Rural Utilities Service (RUS) loan of \$1,000,000; a RUS grant of \$1,100,000; and a North Dakota state grant of \$3,630,000, for a total 1999 project of \$5,730,000. The proposed interest rate is 4 3/4 percent for 40 years with two deferred principal payments. (Note: Executed letter is attached to these minutes.)
- 2) Resolution Authorizing Execution of the Letter of Intent to Meet Conditions.

- 3) RD 1910-11, Applicant Certification Federal Collection Policies for Consumer or Commercial Debts.
- 4) AD 1047, Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions.
- 5) AD 1049, Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - for Grantees Other Than Individuals.
- 6) RUS Bulletin 1780-27, Loan Resolution (Public Bodies). (The Certification To Be Executed at Loan Closing on Page 3 is not to be executed at this time.)
- 7) RD 400-1, Equal Opportunity Agreement.
- 8) RD 400-4, Assurance Agreement.
- 9) Resolution Authorizing Execution of Request for Obligation of Funds.
- 10) Resolution Authorizing Execution of Grant Agreement.

On July 12, 1999, the USDA, Rural Development will announce approval of funding for the Mott-Elgin, Phase 1, portion of the Southwest Pipeline Project at a press conference at the Federal Building, Bismarck, ND. This announcement is part of the national announcement of Water 2000 projects in Washington, DC.

It was the recommendation of the State Engineer that in order to receive USDA, Rural Development funding, and to have the funding for the Hebron reservoir applied towards the state's share of the Mott-Elgin funding, the State Water Commission authorize the execution of the above-listed USDA, Rural Development documents.

It was moved by Commission Swenson and seconded by Commissioner Olin that the State Water Commission authorize the execution of the USDA, Rural Development documents presented by the State Engineer in order to satisfy the requirements for the obligation of funds, and to have the funding for the Hebron reservoir applied towards the state's share of the Mott-Elgin funding. This motion is contingent upon review of the documents and concurrence by the State Water Commission's Assistant Attorney General and Bond Counsel. SEE APPENDIX "A"

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

**DEVILS LAKE UPDATE
(SWC Project No. 416)**

Secretary Sprynczynatyk reported the current level of Devils Lake is 1447.02, which is the highest level ever recorded.

At its June 9, 1999 meeting, the Commission members were provided the staff-prepared reconnaissance level report titled, "Draft, Devils Lake Emergency Response Alternatives, May, 1999," describing 17 representative responses to the Devils Lake flooding crisis. Based upon this report, Governor Schafer proposed a three-part action plan:

- 1) Pursue the construction of a channel from Devils Lake to Stump Lake that could provide up to three feet of flood relief for Devils Lake. Devils Lake has risen to a level where a natural flow to Stump Lake is imminent, but without a channel, only limited natural flows from Devils Lake to Stump Lake are expected unless Devils Lake exceeds 1448. These limited natural flows are not expected to have a significant effect on the projected peak level for Devils Lake. Constructing a channel between the two lakes would increase the flow at lower Devils Lake levels reducing the surcharge on the lake and reducing or delaying additional flood damage around Devils Lake.
- 2) Pursue a temporary emergency outlet in the vicinity of Twin Lakes, allowing the movement of water into the Sheyenne River, and immediate relief to Devils Lake.
- 3) Increased pressure on the Corps of Engineers to implement a permanent west end outlet.

Secretary Sprynczynatyk reported that Devils Lake is approaching the point where it will begin to spill into Stump Lake. The Commission staff continues to work with the National Guard, the Department of Transportation, and the counties to remove artificial obstructions in the channel between the two lakes. The National Guard removed approximately 50 feet of a section line trail across the channel to reestablish the natural flow path in that area. The possibility of removing sediment, which has been naturally deposited within the channel, is also being reviewed. Nelson County is adding culverts to the road on the county line to allow water to pass more efficiently.

**MIKE AMES, STATE WATER
COMMISSION MEMBER**

Commissioner Ames stated his term on the Commission expires July 1, 1999, and that he has decided not to seek

re-appointment. Comments of appreciation for serving the people of North Dakota were expressed to Commissioner Ames by Governor Schafer, the State Water Commission members, and the State Engineer and staff.

There being no further business to come before the State Water Commission, Governor Schafer adjourned the telephone conference call meeting at 7:50 AM.

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

SEAL

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