

**MEMORANDUM**

**TO:** Chairman Monson, members of the Education and Environment Division of the House Appropriations Committee  
**FROM:** Tim Freije, P.E., NAWS Project Manager  
**SUBJECT:** 2021-2023 Biennium Northwest Area Water Supply Funding Needs  
**DATE:** January 22, 2021

The State Water Commission staff was directed to provide funding needs for the Northwest Area Water Supply (NAWS) project by the Education and Environment Division of the House Appropriations Committee for the 2021-2023 biennium to provide service to our communities on January 20, 2021. We have reviewed current funding, anticipated expenditures for the remainder of the current biennium, and estimated project costs for the upcoming biennium to refine the requested funding for NAWS that was including in the executive budget. The estimated project carryover from the current biennium and three budget scenarios are included on the attached tables. Underlying assumptions include estimated carryover of committed funding for project components under contract/construction and the Biota WTP being funded with federal MR&I funds with the Line of Credit in SB2020 as a backup.

The Base Budget Scenario includes estimated project needs to fund necessary infrastructure to deliver water from Lake Sakakawea to Minot. The capacity of the wellfields in and around Minot which currently supply both the City of Minot and the NAWS system is estimated to be roughly 15 million gallons per day. However, that capacity is ambulatory climatic conditions and maintenance and performance issues with the wellfields which have arisen in recent years. The Base Budget Scenario would effectively eliminate the threat of curtailment of service to our customers after early 2024. This scenario does not add users to our system, it only preserves the ability to serve existing customers.

Budget Scenario 1 includes the base budget scenario infrastructure plus design of the phase III improvements at the Minot WTP to increase finished water treatment capacity to 27 MGD and the Bottineau Reservoir and Pump Station to increase distribution capacity to the end of the system. The highest use on the distribution portion of the NAWS project will be at Bottineau. This scenario increases distribution capacity at that point from 400,000 gallons per day to nearly one million.

Budget Scenario 2 is the full revised request from the executive budget. This scenario includes most items which could practicably be pursued in the 2021-2023 biennium timeframe.

Attachment

<b>Projected 2019-2021 Carryover</b>	
Uncommitted	\$ 2,600,000
Committed Operations excluding Biota WTP	\$ 1,700,000
Committed Capital Assets Excluding Biota WTP	\$ 6,300,000
Committed Operations Including Biota WTP	\$ 4,900,000
Committed Capital Assets Including Biota WTP	\$ 55,900,000

	<b>BASE BUDGET SCENARIO: 2021-2023 Funding need to get Lake Sakakawea water to Minot</b>		<b>BUDGET SCENARIO 1: 2021-2023 Water to Minot Plus Bottineau Reservoir/Pump Station</b>		<b>BUDGET SCENARIO 2: Full revised 2021-2023 Biennium Request</b>		<b>Remaining to project completion</b>
	<b>New RTF funding</b>	<b>Total Authority</b>	<b>New RTF funding</b>	<b>Total Authority</b>	<b>New RTF funding</b>	<b>Total Authority</b>	<b>Total Authority</b>
Operations	\$ 2,500,000	\$ 12,500,000	\$ 3,100,000	\$ 13,100,000	\$ 4,200,000	\$ 14,100,000	\$ 14,300,000
Capital Assets	\$ 25,800,000	\$126,050,000	\$ 30,500,000	\$ 130,750,000	\$ 33,500,000	\$ 133,750,000	\$ 51,300,000
Total	\$ 28,300,000	\$138,550,000	\$ 33,600,000	\$ 143,850,000	\$ 37,700,000	\$ 147,850,000	\$ 65,600,000