



WATER TOPICS OVERVIEW COMMITTEE

Tuesday, December 9, 2025
Room 327B, State Capitol
Bismarck, North Dakota

Representative Steve Swiontek, Chairman, called the meeting to order at 8:30 a.m.

Members present: Representatives Steve Swiontek, Mike Beltz, Mike Berg, Liz Conmy, Jay Fisher, Jon O. Nelson, Dan Ruby, Matthew Ruby*, Daniel R. Vollmer; Senators Randy A. Burckhard, Michael Dwyer, Justin Gerhardt, Larry Luick, Ronald Sorvaag, Paul J. Thomas, Mark F. Weber

Member absent: Representative Todd Porter

Others present: Senator Brad Bekkedahl, Williston, member of the Legislative Management Matt Austin* and Valeriy Dokshukin*, Deloitte US; Aaron Birst, North Dakota Association of Counties; Justin Fisher, Metro Flood Diversion Authority; Matt Gardner, North Dakota League of Cities; David Glatt and Marty Haroldson, Department of Environmental Quality; Sindhuja S.Pillai-Grinolds, Department of Water Resources; Joseph Silveria, Fort Berthold Rural WaterSee [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Senator Sorvaag, seconded by Senator Burckhard, and carried on a voice vote that the minutes of the September 18, 2025, meeting be approved as distributed.

GENERAL DISCUSSION OF WATER-RELATED TOPICS

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, presented memorandums entitled [Water Development Trust Fund](#) and [Major Water-Related State Funds](#).

Mr. Reice Haase, Director, Department of Water Resources, presented information ([Appendix B](#)) relating to the committee's statutory duties and directives. He noted:

- Of the \$570.1 million of carryover funding available for the 2025-27 biennium, \$133.2 million has been spent, \$396.6 million has been obligated by the State Water Commission (SWC) under the cost-share policy for water projects, and \$40.3 million is unobligated.
- The Department of Water Resources (DWR) prefers not to access the \$210 million line of credit for water projects authorized for the 2025-27 biennium if the line of credit is not needed.
- DWR anticipates needing approximately \$3.5 billion of oil extraction revenue deposited in the Resources Trust Fund over the next 7 bienniums to meet water project needs in the state under the current cost-share policy. Based on revenue projections, DWR estimates between a \$600 million and \$1.3 billion revenue shortfall during this time based on the current cost-share policy and stripper well exemptions forecast.
- DWR received \$12,487,500 as part of a settlement agreement signed in September 2025, related to a new intake under Lake Sakakawea as part of the Southwest Pipeline Project.
- The biota water treatment plant near Max is scheduled for substantial completion in June 2026, with water available for customer consumption in fall 2026.

- A request for proposal will be issued in December 2025 for the DWR Missouri River intake study, as provided in Section 20 of House Bill No. 1020 (2025).

In response to a question from a committee member, Mr. Haase noted there are approximately 150 low-head dams in the state and DWR is targeting the 6 highest-risk rated dams as part of the operation safe flow project to use discretionary funds to redesign dam features and reduce the likelihood of injury or death at these dams.

In response to a question from a committee member, Mr. Marty Haroldson, Director, Water Quality Division, Department of Environmental Quality, noted while runoff from fertilizers and other farmland discharges can add sulfates into the water supply, the majority of sulfates present in the water supply are from natural geology.

In response to a question from a committee member, Mr. David Glatt, Director, Department of Environmental Quality, noted the cost to treat water from Devils Lake is unknown but the cost would be significant. If the water was treated, it would be more efficient to pipe the water to new destinations for drinking water, rather than being deposited into a river where the water would have to be treated again.

In response to a question from a committee member, Ms. Sindhuja S.Pillai-Grinolds, Director, Water Development Division, Department of Water Resources, noted as part of DWR's Missouri River intake study, DWR has identified numerous surface, subsurface, and alternate sites for a potential intake system.

WATERSHED MANAGEMENT STUDY

Ms. Dani Quissell, Executive Vice President, North Dakota Water Users Association, presented information ([Appendix C](#)) regarding the committee's study on the feasibility and desirability of assigning management authority for the waters of the state to the area located in the naturally occurring watershed, rather than assigning management authority based on political subdivision boundaries and information ([Appendix D](#)) regarding county water resource districts, joint basin boards, and joint project boards in the state. She noted:

- As a result of Senate Bill No. 2276 (2025), all counties affected by a water project must participate in a joint project board and remedies are provided if a county refuses to participate, but the bill did not require that projects be approved by the board.
- Statutory changes that could be considered during the 2027 legislative session include removing DWR from the list of administrative remedy options, creating board membership requirements flexibility, providing clarification regarding if a project can proceed if a county refuses to join a joint project board, and providing clarification on processes when new projects are proposed or when there is a reassessment of existing projects.
- There is concern that assigning management authority for waters of the state to be on a watershed basis rather than a political subdivision basis will shift water management challenges, rather than solve challenges.
- If a change in water management authority is made, discussion will be needed regarding the definition of a watershed, the method of determining board memberships, the effect on water project funding, and the selection of jurisdictional boundaries.

In response to questions from committee members, Ms. Quissell noted:

- If a county enters litigation against another county for failing to levy an assessment, the court may require the losing party to pay the reasonable attorney's fees of the prevailing party.
- The majority of disagreements between counties is related to maintenance or replacement of existing water systems rather than new water projects.

Mr. Aaron Birst, Executive Director, North Dakota Association of Counties, presented information regarding the committee's study on the feasibility and desirability of assigning management authority for

the waters of the state to the area located in the naturally occurring watershed, rather than assigning management authority based on political subdivision boundaries. He noted:

- Almost all water challenges are handled amicably between counties with a limited number of situations becoming contentious.
- Any changes to water management authority should be made slowly and carefully.

STORMWATER AND WASTEWATER STUDIES

Mr. Aaron Carranza, Director, Regulatory Division, and Dr. Duane Pool, Director, Planning and Education Division, Department of Water Resources, presented information ([Appendix E](#)) regarding the committee's study of funding for stormwater projects in the state, including funding sources, related statutes, and the policies of the SWC. They noted:

- The Federal Emergency Management Agency (FEMA) has not changed National Flood Insurance Program policies or other flood control requirements that would affect local stormwater projects.
- FEMA considers stormwater to be surface runoff from precipitation, such as rain, snow-melt, or hail that is unrelated to flood control projects.
- DWR cost-share policy defines stormwater as rainwater or melted snow that runs off streets, lawns, and other sites.
- To differentiate between a flood control project and a stormwater management project, the SWC may reduce the state's cost-share by the percentage of the contributing watershed that is located within the community responsible for the project, based on the total acreage of the watershed.

Mr. Birst presented information regarding funding sources available to counties for wastewater or stormwater projects, recently approved projects, and the feasibility and desirability of establishing a wastewater project fund to provide grants for upgrading, constructing, or replacing wastewater infrastructure. He noted:

- While the majority of stormwater projects are the responsibility of cities, counties could use funding assistance for the replacement of culverts related to surface runoff issues.
- Some urban counties have authorized rural subdivisions to have joint septic systems with a shared lagoon rather than separate septic systems for each residence, which may provide an opportunity to collaborate with the state on wastewater project funding.

Mr. Matt Gardner, Executive Director, North Dakota League of Cities, presented information regarding funding sources available to cities for wastewater projects, recently approved projects, and the feasibility and desirability of establishing a wastewater project fund to provide grants for upgrading, constructing, or replacing wastewater infrastructure. He noted while curb, gutter, and other stormwater projects are important, cities have approximately \$1.7 billion in wastewater infrastructure needs in the state.

In response to questions from committee members, Mr. Gardner noted:

- Most small and medium cities do not assess residents a fee or have a reserve for future wastewater infrastructure needs.
- The League of Cities is not aware of an available funding source for city wastewater projects but would like to work with the Legislative Assembly to identify an appropriate funding source.

REPORTS

Mr. Haase presented information regarding recent activities of the SWC. He noted there are 299 active water projects that have been approved for state cost-share by the SWC and an additional 70 projects have been completed during the 2025-27 biennium to date.

Mr. Chris Kadrmas, Director, Administration Division, Department of Water Resources, presented information ([Appendix F](#)) regarding the state's investment practices for water-related projects. He noted:

- Since December 2022, DWR has used a laddering approach for certificate of deposit investments to improve the rate of return from investments held at the Bank of North Dakota.
- DWR investment return rates range from 1.99 percent for 3-year and 4-year certificates of deposit held at the Bank of North Dakota to 4.68 percent for the water project stabilization cash account invested by the State Investment Board.

Mr. Valeriy Dokshukin, Partner, and Mr. Matt Austin, Specialist Leader, Deloitte US, presented information ([Appendix G](#)) regarding the DWR studies relating to governance, finance, and cost-share policies. They noted:

- The governance and finance study will evaluate major governing authorities, including DWR, SWC, Lake Agassiz Water Authority, Garrison Diversion Conservancy District, Northwest Area Water Supply Authority, and Southwest Water Authority, and major projects, including the Northwest Area Water Supply Project, Southwest Pipeline Project, and Red River Valley water supply project.
- The cost-share policy study will include an analysis of DWR financial and operational data, water programs, reports, and policy documents, and an analysis of anticipated revenue levels and water project funding requests through 2039.
- The governance and finance study first draft report will be available in March 2026 and the final report is expected in May 2026.
- The cost-share policy study final report will be available in March 2026.

In response to a question from a committee member, Mr. Austin noted the governance and finance study will include consideration of affordability for water users and cost-effectiveness for the state.

In response to a question from a committee member, Mr. Haase noted citizens and local stakeholders will have an opportunity to comment on any recommendations included in the cost-share study report during public meetings of the SWC.

Mr. Joseph Silveria, Administrator, Mandan, Hidatsa and Arikara Nation Public Works, Fort Berthold Rural Water, presented information ([Appendix H](#)) regarding an anticipated request for which the state cost-share is estimated to be \$10 million or more for the Four Bears Water Treatment Plant. He noted Fort Berthold Rural Water estimates construction of a new plant will cost approximately \$30 million, excluding costs of installing a raw water line and upgrading existing intake infrastructure.

Mr. Jason Benson, Executive Director, Metro Flood Diversion Authority, presented information ([Appendix I](#)) regarding a comprehensive status update of the FM Area Diversion Project. He noted approximately 78 percent of the project is complete and that the Metro Flood Diversion Authority reached a \$57 million settlement agreement with the project developer, Red River Valley Alliance, related to \$400 million in change orders, technical disputes, and other claims.

In response to a question from committee members, Mr. Benson noted:

- The project needs \$64 million for completion, including funding for roads and lift stations in Moorhead.
- Funding is being requested from Minnesota but no additional funding requests are expected from North Dakota.
- While the project is being completed, the diversion authority is collaborating with FEMA to create and release new floodplain maps by 2030.

In response to a question from a committee member, Mr. Justin Fisher, Lands Coordinator, Metro Flood Diversion Authority, noted if water is temporarily diverted to land as part of the project, the land will not be reclassified as wetlands under federal programs.

Mr. Michael Gunsch, Vice Chairman, Friends of Lake Sakakawea, presented information regarding an update on the work and mission of the organization. He noted:

- The Friends of Lake Sakakawea was formed in 2007 to help coordinate recreational activities, manage access, and ensure water quality on the lake.
- Zebra mussels have been found in multiple surrounding lakes and additional state funding may be needed to reduce the spread to Lake Sakakawea and other lakes.

No further business appearing, Chairman Swiontek adjourned the meeting at 3:21 p.m.

Dustin A. Richard
Counsel

Levi Kinnischtzke
Senior Fiscal Analyst

ATTACH:9