



WATER TOPICS OVERVIEW COMMITTEE

Thursday, March 26, 2026
Pioneer Room, State Capitol
Bismarck, North Dakota

Representative Steve Swiontek, Chairman, called the meeting to order at 9:00 a.m.

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

Member absent: Senator Michael Dwyer

Others present: Senator Brad Bekkedahl, Williston, Member of the Legislative Management Michael Anderson, Jeff Frith, James Odermann, April Walker,* and Jason Zimmerman, State Water Commission; Tyson Decker, Bartlett and West, Inc.; Duane DeKrey, Kip Kovar, and Merri Mooridian, Garrison Diversion Conservancy District; Dean E. Edson,* Nebraska Association of Resources Districts; Doug Goehring, Agriculture Commissioner; Reice Haase, Department of Water Resources; Larry Kirschmann, South Central Regional Water District; Denise Kolpack, City of Fargo; Michael Mart, Gabe Schell, and Michael Schmitz, City of Bismarck; James Schmidt, Upper Missouri Water Association; Michelle Strinden,* Lieutenant Governor; Eric Volk, North Dakota Rural Water Systems Association; Rachel Wald, All Seasons Water Users District; Julie Westerlund,* Minnesota Board of Water and Soil Resources

See [Appendix A](#) for additional persons present.

**Attended remotely*

JOINT MEETING WITH THE STATE WATER COMMISSION

Mr. Reice Haase, Director, Department of Water Resources, provided information ([Appendix B](#)) regarding the studies relating to the state's cost-share policies and governance and finance of regional water systems, the department's recent activities, and the committee's statutory duties. He noted:

- The State Water Commission (SWC) is focused on reducing carryover funds from one biennium to the next biennium and is requiring project applicants to be substantially ready for construction before requesting funding from SWC.
- Before SWC awards cost-share funds to a project applicant, SWC inquires whether the applicant has dedicated funds or has created a plan for future and deferred maintenance for water infrastructure.
- Decreased tax collections resulting from oil extraction and stripper well exemptions have reduced the revenues available to SWC for water-related projects.
- The demand for funding from rural water supply allocations currently exceeds the amount appropriated to rural water supply projects.

Mr. Valeriy Dokshukin, Partner, and Mr. Neal Wood, Advisory Manager, Deloitte US, provided information ([Appendix C](#)) regarding the results of and any recommendations from SWC's cost-share policy study. They noted:

- The cost-share study resulted in the creation of a mathematical model to address the projected \$1.3 billion shortfall for water projects in the state.
- The different variables in the model, including oil prices, oil production outputs, and revenues collected from stripper wells, are flexible and can be adjusted to generate different funding scenarios.
- Revenue generated from individual water user fees are included in the mathematical model when determining and analyzing capital repayment options.

Mr. Dokshukin, Mr. Wood, and Mr. Matt Austin, Specialist Leader, Deloitte US, provided information ([Appendix D](#)) regarding the results of and recommendations from the regional water systems governance and finance study. They noted:

- The options in the report classified as "complex to implement" are categorized as such because of the changes to state law required to implement these recommendations.
- The report did not recommend transferring the governance and finance of the Northwest Area Water Supply (NAWS) Project from the state to the NAWS Authority because of the organizational and institutional limitations of the authority.
- The report outlining the study recommendations did not compare the strengths and weaknesses of one system against another system; the strengths and weaknesses of each system were analyzed individually.
- Creating an oversight committee for the Red River Valley water supply project would increase project efficiencies by vesting decisionmaking authority with one entity rather than multiple entities.

Mr. Eric Volk, Executive Director, North Dakota Rural Water Systems Association, provided information regarding the results of and recommendations from the cost-share and regional water systems governance and finance studies. He expressed concern with the status of the rural water supply funding allocations and welcomed continued collaboration to address the needs of rural water users across the state.

No further business appearing for purposes of the joint meeting with SWC, Chairman Swiontek adjourned the joint meeting at 11:06 a.m.

WATER TOPICS OVERVIEW COMMITTEE MEETING

Chairman Swiontek reconvened the meeting of the Water Topics Overview Committee at 11:16 a.m.

It was moved by Representative Beltz, seconded by Senator Thomas, and carried on a voice vote that the minutes of the December 9, 2025, meeting be approved as distributed.

Mr. Ken Royse, Project Manager, Missouri River Joint Water Board, and Mr. James Schmidt, Elected Director, Upper Missouri Water Association, provided information ([Appendix E](#)) regarding the ongoing discussions about Missouri River water use. They noted:

- The city of St. Louis, Missouri, has a permit to use 580 cubic feet of water per second from the Missouri River for municipal, rural, and industrial use, while the Red River Valley water supply project only anticipates using 165 cubic feet per second.
- Downstream states in the Missouri River Basin are concerned about the potential impacts caused by increased water use by upstream states and states in the southwestern United States seeking to use the Missouri River to meet growing water demands.
- The Upper Missouri Water Association is forming an organization with other Missouri River Basin states to create strategies and best practices for managing, using, and protecting Missouri River water.

Mr. Matt Gardner, Executive Director, North Dakota League of Cities, provided information ([Appendix F](#)) regarding service fee reserves for municipal wastewater projects. He noted to develop a mechanism to adequately fund the construction, maintenance, or replacement of a municipal wastewater system, the overall needs across the state first must be identified.

Mr. Dean E. Edson, Executive Director, Nebraska Association of Resources Districts, provided information ([Appendix G](#)) 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:

- In Nebraska, natural resource districts (NRD), which manage agricultural drainage, are formed along watershed basin boundaries, rather than political subdivision boundaries.
- County conservation districts were abolished when Nebraska created NRDs in 1972.
- The authority to levy assessments for a project within a given watershed basin is vested in an NRD, rather than a county board or officer.
- The members serving on an NRD are elected and the number of members serving on an NRD varies from 5 to 21 individuals.
- To access state and federal funds for an NRD project, an economic analysis must be conducted and the analysis must show the project has a positive economic benefit.

Ms. Julie Westerlund, Coordinator, One Watershed, One Plan Program, Minnesota Board of Water and Soil Resources, provided information ([Appendix H](#)) 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. She noted:

- Generally, there is an appetite to manage water on a watershed basis through watershed districts, but having several different local jurisdictions with water management authority has led to disagreements.
- Implementing the One Watershed, One Plan Program in Minnesota has strengthened relationships between the various local jurisdictions managing water in the state.

Ms. Denise Kolpack, Deputy Mayor, City of Fargo, Mr. Duane DeKrey, General Manager, Mr. Kip Kovar, District Engineer and Deputy Program Manager, and Ms. Merri Mooridian, Administrative Officer and Deputy Program Manager, Garrison Diversion Conservancy District, provided information ([Appendix I](#)) regarding the status of the Red River Valley water supply project. They noted:

- The funds appropriated to the Red River Valley water supply project under the state cost-share program has reduced project costs attributed to individual Lake Agassiz Water Authority users.
- Property tax revenue from the 28 member counties within the Garrison Diversion Conservancy District is the source of the district's share of the project.
- Communities have borrowed funds from the Bank of North Dakota to cover the local share of the project.
- If the state cost-share is reduced from 75 to 50 percent for this project, the users on smaller systems likely would not be able to participate in the project, which would hinder the participation of Grand Forks and Fargo in the project.
- The Red River Valley water supply project uses storage tanks to ensure the pipeline remains full in the event of a power outage.

Dr. Duane Pool, Director, Planning and Education Division, Department of Water Resources, and Mr. Gabe Schell, City Engineer, and Mr. Michael Schmitz, Mayor, City of Bismarck, provided information ([Appendix J](#)) regarding the flood control project in Bismarck. They noted:

- The updated flood control plan for south Bismarck is less expensive than the original plan presented to the Legislative Assembly during the 2025 legislative session.
- The City of Bismarck has engaged with the Department of Water Resources to ensure the project components in the updated flood control plan align with cost-share policies.
- If SWC elects to change the existing cost-share policy, the flood control project for the City of Bismarck would be subject to the current cost-share policy, not the updated policy.

Mr. Haase and Mr. Michael Mart, Director of Utility Operations, Public Works Utility Operations, Public Works Department, City of Bismarck, provided information ([Appendix K](#)) regarding water treatment plan funding and an anticipated request for which the state cost-share is estimated to be \$10 million or more for the city's water main replacement project. They noted:

- The updated appropriation request for the water treatment plant expansion project is due to the discovery of unknown infrastructure issues not listed in or covered by the project master plan.
- If the City of Bismarck does not receive cost-share funding from the state for the water main replacement project, the city will consider bonding for the project, postponing the project, or postponing other capital improvement projects in the city.
- If the scope of a project within SWC's water development plan changes, the project applicant is required to update the scope in the plan.

Ms. Rachel Wald, Assistant Manager, All Seasons Water Users District, provided information ([Appendix L](#)) regarding an anticipated request for which the state cost-share is estimated to be \$10 million or more for the district's expansion of existing water distribution systems. She noted:

- When determining the feasibility for this request, the project sponsors assumed a state cost-share rate of 75 percent.
- The project would serve approximately 740 users and each user would be charged approximately \$100 per month for water use.
- Upon completion of this project, the NAWS system would supply the water to the residents served by the project.

Mr. Larry Kirschmann, Chief Executive Officer, South Central Regional Water District, and Mr. Tyson Decker, Project Manager, Bartlett and West, Inc., provided information ([Appendix M](#)) regarding an anticipated request for which the state cost-share is estimated to be \$10 million or more for the district's water treatment plant expansion project. They noted:

- Approximately 4,500 residents in rural Burleigh County are not being served by the South Central Regional Water District (SCRWD) either because the residents have other means of obtaining water or SCRWD lacks the necessary infrastructure to deliver water in certain areas.
- While SCRWD obtained cost estimates for the water treatment plan expansion and an improved intake structure in 2024, SCRWD is working with an engineering firm to refine and update the cost estimate for all project components.
- During the summer months, SCRWD extracts water from the Missouri River through a supplemental intake structure, and during the winter months, SCRWD relies on ground water supply, which is more difficult to treat because of heightened levels of iron and manganese in the water.

COMMITTEE DISCUSSION

Committee members expressed interest in:

- Reviewing the final reports from SWC's cost-share and regional water systems governance and finance studies.
- Discussing potential changes to the state's cost-share policy.

- Discussing SWC's project prioritization methodology.
- Hearing information about the prospect of regionalizing water treatment plants across the state.
- Gathering information about the various water user rates across the state and the number of users subject to each rate.

No further business appearing, Chairman Swiontek adjourned the meeting at 4:14 p.m.

Dustin A. Richard
Counsel

Levi Kinnischtzke
Senior Fiscal Analyst

ATTACH:13