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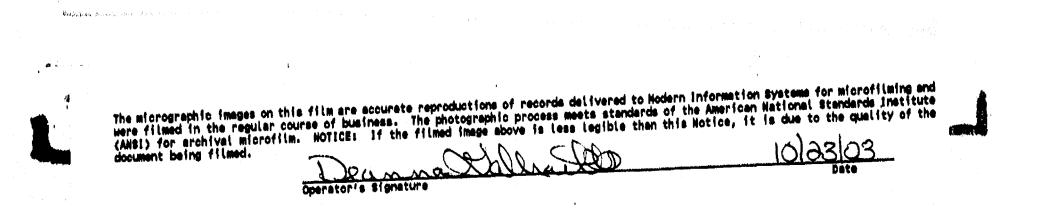
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ROLL NUMBER

DESCRIPTION

-031



2003 JOINT CONSTITUTIONAL REVISION

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SCR 4031

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WIEGON

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4031

Senate Joint Constitutional Revision Committee

Conference Committee

Hearing Date 02-27-03

Tape Number	Side A	Side B	Meter #			
1	x		1260-3645			
		\sim				
Committee Clerk Signature Thomas A. Junit						

Minutes:

SENATOR TOLLEFSON opened the hearing on SCR 4031

SENATOR NETHING I am from District 12 and am in support of SCR 4031. The meat of the bill is actually found in line 22 & 23. The previous session attempts have been made to use the trust fund for administrative purposes. When the money was set aside, we allocated 45% for long term water development. Money needs to go for construction opposed to administrative needs. I am offering a proposed amendment to SCR 4031 to be added after line 23.

(Amendment attached.). Hard to plan all of the water needs of this state in a short span.

SENATOR TOLLEFSON How would you define long term.

SENATOR NETHING Longer than the short term. Interested in looking to the future as to how we are going to spend the money. Is it going to be used for flood control. We have to look beyond tomorrow. How much is this going to be in the future.

winnerstand and the second of The micrographic images on this film are accurate reproductions of records delivered to Nodern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed. (b) Operator's Signature

Page 2 Senate Joint Constitutional Revision Committee Bill/Resolution Number SCR 4031 Hearing Date 02-27-03

SENATOR TOLLEFSON 4 years ago there were projects that could be dedicated as far as water development is concerned Would this be practical to use in some smaller projects.

SENATOR NETHING If it has a long term benefit, I think it would. We do not have a history of spending money on water projects that are short term. When that plan was developed, it was a work in progress. We knew there would be changes to it. We are in a work in progress all of the time.

REPRESENTATIVE KRETSCHMAR At the current time, is there money in the water development trust fund.

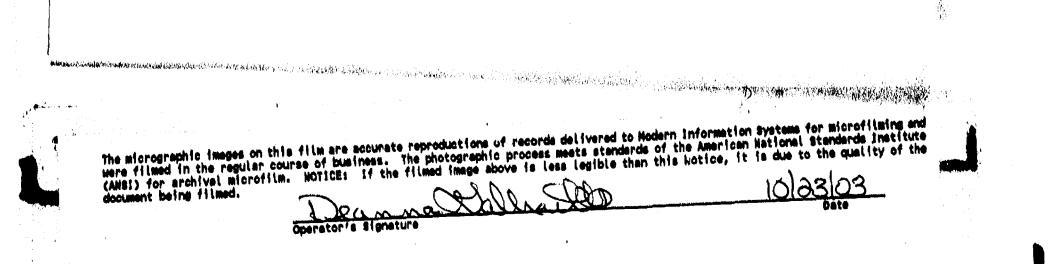
SENATOR NETHING Yes, I can't give you the exact amount. We get a printout every so often. I can't give you an exact amount of the dollars.

SENATOR KRAUTER I am a State Senator from District 31. This issue is so very important to the future of North Dakota. This resolution will put this issue on the ballot, that 45% must be used for long term water concerns of the state of North Dakota. Water has no political boundaries. Water is not a partisan issue, but a bipartisan issue. It is an issue for the future of the state. I come from an area of the state that has the development of the SW water pipeline. People are now using the water from the SW pipeline to water their livestock, and are spending the money because the quality is there. People of North Dakota are willing to make this commitment, and putting it on the ballot.

SENATOR KREBSBACH What is the timeline in the plan of the development of the water use in the state.

SENATOR KRAUTER It depends on the funding.

REPRESENTATIVE KRETSCHMAR As this money comes in, is it invested by the state.



Page 3 Senate Joint Constitutional Revision Committee Bill/Resolution Number SCR 4031 Hearing Date 02-27-03

SENATOR KRAUTER Yes it is. 45% goes to the trust fund. Last session it was \$300, now it is up to \$350.

SENATOR HEITKAMP I am a State Senator from District 26 and am a cosponsor of SCR 4031. Water is the last piece of the puzzle of infrastructure. If Wahpeton were to build another Pro Gold plant, we could not do it, because there is not enough water in the river to do it. This is the bipartisan approach to assuring that we are going to grow that economy in North Dakota. That money is long term, is committed and is the future. This needs to be in front of the people of North Dakota, and we need to make sure they understand that those funds can go towards the betterment of all.

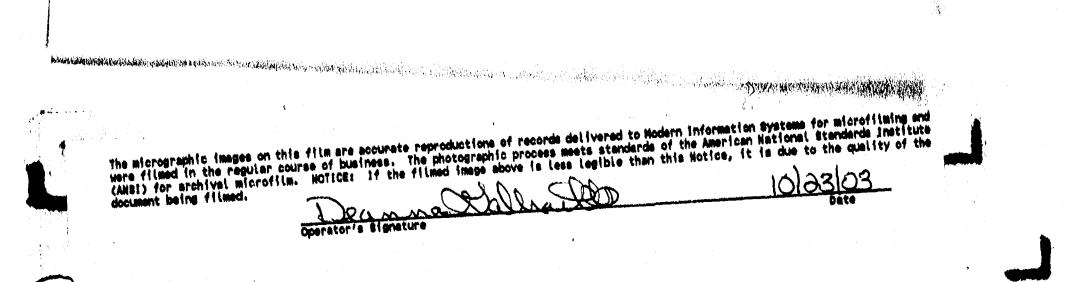
SENATOR TOLLEFSON How would you make sure they understand that.

SENATOR HEITKAMP For us to be able to say that 45% of that money goes toward water, is bold. I think the people of North Dakota understood what we were getting at. Water is a need that we have. We can't bring in industry if we do not have water, and we can't have water if we don't have money.

REPRESENTATIVE BELTER I am a State Senator from District 22, and I am here in support of SCR 4031. This is about what we have done and about what the future should be. Hopefully the people of North Dakota will support the action of the legislature. Water projects are essential to the well being of North Dakota.

DENNIS HILL I am the Executive Vice President of the North Dakota Rural Electric Cooperatives Association and the Chairman of the North Dakota Water Coalition, and am here in support of SCR 4031. (Testimony Attached).

Hearing on SCR 4031 closed.



Page 4 Senate Joint Constitutional Revision Committee Bill/Resolution Number SCR 4031 Hearing Date 02-27-03

Representative Kretschmar moved that the amendment by Senator Nething be adopted.

Seconded by Senator Seymour.

SENATOR KREBSBACH There was a sense that the committee does not feel comfortable with the amendment.

SENATOR NETHING My intention of the way we put the amendment together was to have a applied future projects. I think there is a payment due now. I guess what we need to do is check out what this language would do in accordance with our current commitment. Maybe that is something we need to have resolved. I think we should delay action on the amendment.

Representative Kretschmar withdrew his motion to adopt the amendment. Senator Seymour also withdrew his second of the motion.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 4031

Joint Constitutional Revision Committee

Conference Committee

Hearing Date March 5, 2003

Tape Number	Side A	Side B	Meter #
1	X		4173-4791
	Elizabet	Delin	

Committee Clerk Signature augusta Kfern

Minutes: Chair Tollefson: Opened discussion on SCR 4031.

Rep. Kretschmar moved DP. Second by Rep. Maragos

Rep. Hawken: Are we tying the Legislature's hands? Rep. Kretschmar said that there is

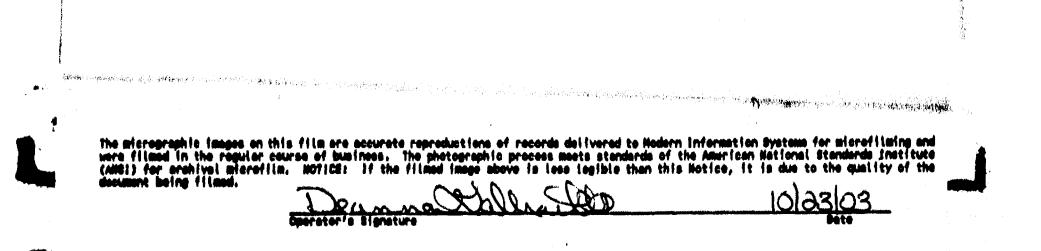
statutory distribution and this would put it in the Constitution.

Vote: 4 Yes 6 No 0 Absent and not voting

Rep. Winrich moved DNP. 2nd by Sen. Mutch

Vote: <u>6</u> Yes <u>4</u> No <u>0</u> Absent and not voting

Carriers: Sen. Mutch Rep. Winrich

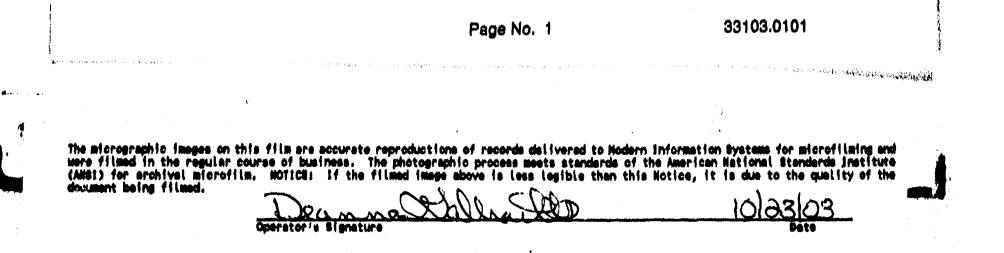


33103.0101 Title. Prepared by the Legislative Council staff for Senator Nething February 27, 2003

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4031

Page 1, line 23, after the period insert "Not more than ten percent of the transfers from the water development trust fund may be used to issue evidences of indebtedness."

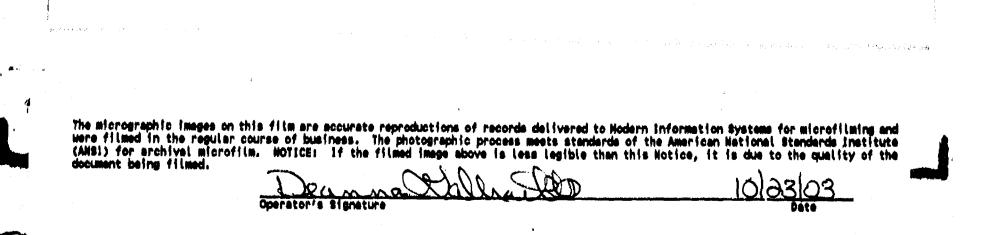
Renumber accordingly



Date: 3/5/03 Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. ЦОЗІ

House Joint Constitutional Revision				Committee	
Check here for Conference (Committee				
egislative Council Amendment	Number _				
Action Taken DP					
Notion Made By Krutsch	mar	Se	conded By Maragos	.	<u> </u>
Representatives	Yes	No	Senators	Yes	No
Rep. Kretschmar, Chair	V		Sen. Tollefson, Co-Chair	IV	
Rep. Maragos	V		Sen. Mutch		V
Rep. Hawken			Sen. Krebsbach		V
Rep. Eckre		V	Sen. Nichols		V
Rep. Winrich		V	Sen. Seymour		V
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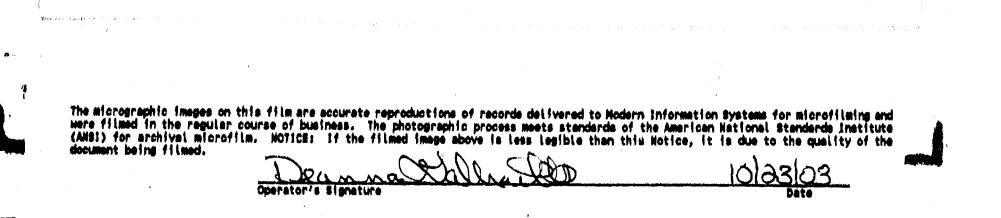


Date: 345 Roll Call Vote #: 2

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES

House Joint Constitutional Revision					Committee	
Check here for Conference Com	mittee					
Legislative Council Amendment Nun	nber _					
Action Taken DNP						
Motion Made By Ninnich		Se	conded By Mutch	<u></u>		
Representatives	Yes	No	Senators	Yes	No	
Rep. Kretschmar, Chair		V	Sen. Tollefson, Co-Chair	V		
Rep. Maragos	X	V	Sen. Mutch	K		
Rep. Hawken		\checkmark	Sen. Krebsbach	V,		
Rep. Eckre	1V-		Sen. Nichols			
Rep. Winrich	V		Sen. Seymour			
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Fotal (Yes)		No	4	a n an tha tha an		
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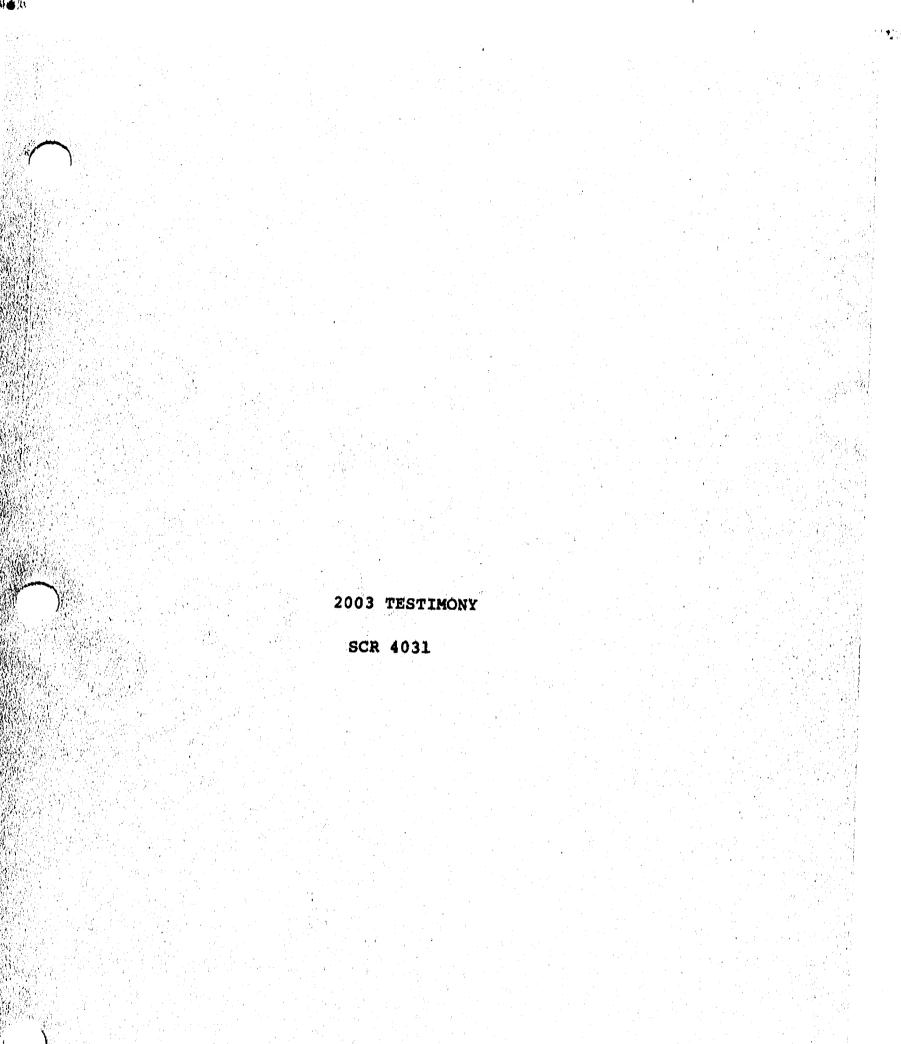
REPORT OF STANDING COMMITTEE (410) March 6, 2003 8:33 a.m.

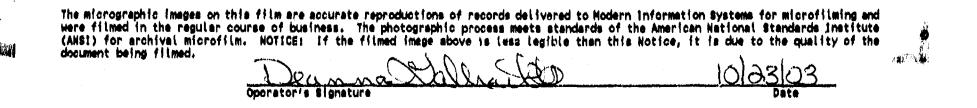
Module No: SR-40-4054 Carrier: Mutch Insert LC: . Title: . an Baile and A

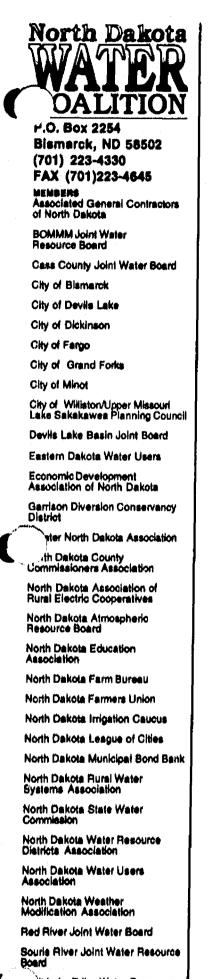
REPORT OF STANDING COMMITTEE SCR 4031: Joint Constitutional Revision Committee (Sen. Tollefson, Chairman) recommends DO NOT PASS (6 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). SCR 4031 was placed on the Eleventh order on the calendar.

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It Lake Tribe Water Resource Jram Southwest Water Authority Turtle Mountain Band of Chippewa Three Attilicated Tribae Testimony of Dennis Hill, Chairman North Dakota Water Coalition SCR 4031 February 27, 2003

Mr. Chairman and members of the Joint Constitutional Revision Committee: My name is Dennis Hill, and in addition to being the Executive Vice President of the North Dakota Rural Electric Cooperatives Association, I am the Chairman of the North Dakota Water Coalition, and I am here to testify in support of Senate Concurrent Resolution 4031.

The North Dakota Water Coalition is comprised of more than 30 statewide and regional organizations in North Dakota who have a stake in the critical water needs facing our state. The Water Coalition has joined together so that we are united in our efforts to complete North Dakota's water infrastructure for economic growth and quality of life.

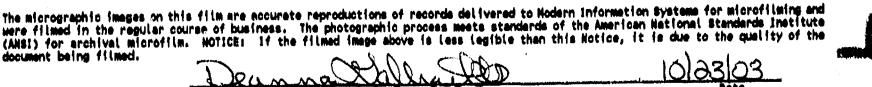
These needs include rural and urban flood control, water supply for cities, farms, and industrial opportunities, irrigation, a solid commitment to Devils Lake, water management, and other critical water needs. Water supply projects continue to include large regional projects such as the Southwest Pipeline, and the Northwest Area Water Supply project, in order to get an adequate supply of quality water to the residents of our state.

The North Dakota Water Coalition strongly urges your support to continue the forty-five percent allocation of the tobacco settlement funds to the Water Development Trust Fund, and that those funds remain dedicated to longterm water development, and the critical water needs of North Dakota.

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Thank you.

West River Joint Water Board



Operator's Signature

Meeting the

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THE NORTH DAKOTA WATER COALITION 2003-2005

North Dakota continues to face water challenges

for two simple reasons, too much of it where there shouldn't be, and not enough of it where it's needed.

Since the nineties and beyond, our state has battled forces with many natural disasters, and in the wake of their path the resources and funding needs are significant.

Inside is a glimpse of the water projects and needs in North Dakota, highlighting the four major water projects with largest state funding needs: Fargo, Devils Lake, Grand Forks and the Southwest Water Pipeline Project.

It is clear that if we are to "Meet the Challenge" of North Dakota's water priorities, adequate resources must be available.

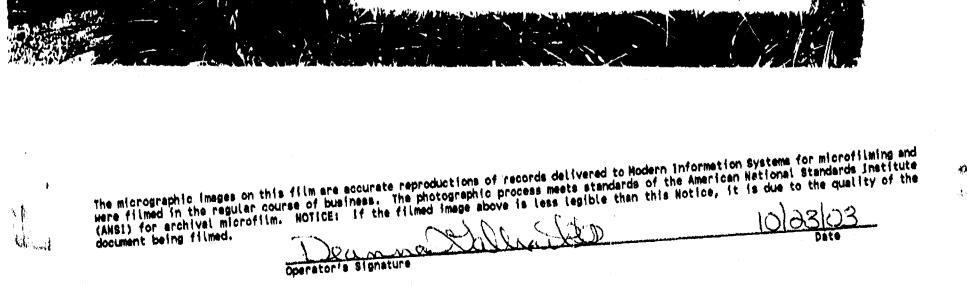
Completing these critical projects will save millions in local, state and federal dollars, and will achieve economic growth and quality of life for us all.

> ---Dennis Hill, Chairman North Dakota Water Coalition

"Water is a very good servant, but it is a cruel master."

--C.G.D. Roberts, Adrift in America, 1891. ٩.

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Meeting Our Biggest Challenges

Grand Forks Flood Protection: Opportunity for Completion

The Grand Forks/East Grand Forks Corps of Engineers Flood Damage Reduction (FDR) Project was authorized by the federal government in December 1998. It is designed to protect both pities from floods of a similar magnitude to the 1997 flood disaster, which caused billions of dollars in damage and forced the evacuation of nearly 60,000 residents. Construction on the milest began in 2000 and is subscribed for completion in December 2004.

project began in 2000 and is scheduled for completion in December 2004. Community officials continue costly flood fights every year. The 2001 flood fight and cleanup cost an estimated \$3 million for the two communities. The psychological effects on the community cannot be underestimated. Flood protection is crucial in re-establishing a sense of security for the people of Grand Forks.

Cost of the total project is estimated to cost \$397 million. The state share of that total is estimated at \$131 million, which includes the previously allocated \$52 million.

Southwest Pipeline Project: Medora to Beach

Small communities continue to struggle with poor quality water trying to meet current state and the Environmental Protection Agency (EPA) standard requirements. Many rural customers have discolored water high in sulfates, sodium, fluorides, total dissolved solids and intrates. Local officials at Beach are very concerned with falling wells, and the estimated cost for drilling a new well is \$130,000.

Hopes of economic development in southwest North Dakota are directly related to providing an adequate quantity of quality water. Proposed economic development by the Theodore Rocsevelt Medora Foundation, including a golf course and housing development south of Medora, is contingent upon receiving pipeline water.

To complete the Medora-Beach Phase of the project it is estimated to cost \$22.5 million (not card \$4.5 million to provide) service to areas in Morton County.

Fargo Flood Control: Close to a Crisis



Sec. 4

During the 1997 record spring flood, the south side of Fargo experienced major new rood threats from two sources: overland flooding from the Wild Rice River and Red River floodwater backing through Rose Coulee. Fargo constructed emergency levees to prevent these floodwaters from flowing north through Fargo, however properties and neighborhoods south of the emergency levees sustained severe flood damage. The Southside Flood Protection Project, designed to eliminate these flood threats, is nearing completion of the planning /development phase with construction scheduled to begin in 2003.

The Red River is also a severe flood threat. Prior to 1997, the city managed this threat with emergency and permanent levees. During the 1997 flood, some of the per-

manent leves, were reased to prevent flooding. Following the flood, Fargo re-evaluated its permanent levees. Ridgewood Leves, the first leves system nearing reconstruction in north Fargo, provides flood protection to the Veterans Administration Hospital and the surrounding area. This project is expected to receive a federal appropriation to begin construction in federal flacal year 2003.

The total estimated cost for both projects is \$48,4 million. The state share of that total is \$16.0 million.

Devils Lake Solutions: Federal Project

The State of North Dekote is pursuing a temporary emergency phased implementation outlet project out of West Bay to the Sheyenne River. The first phase of the project is 100 ofs, and the next phases include the capability of expanding the outlet project to 200 pr 300 ofs, if necessary. The estimated cost for the State's outlet is \$20 to \$25 million. The Corps of Engineers is designing a permanent 800 cfs outlet from Pelican Lake to the Sheyenne River. Presently, the Corps is finishing up the Environmental Impact. Statement (EIS). After a disappointing delay in August, the Corps is scheduled to reistant a final EIS in January 2003, at the earliest, and have a Record of Decision (ROD) completed shortly thereafter; if the ROD supports an outlet project, flooding conditions still exist, and additional funding is made available, the Corps may initiate the bid process on the Pelican Lake Outlet Project sometime in 2003. The total cost of the Corps project is approximately \$127 million, including downstream mitigation. The state cost share would be 35 percent or approximately \$45 million.



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 $\langle \eta \rangle$ Operator's Signature Date

North Dakota Water Coalition—Ongoing Projects



Eastern Dakota Water Supply

The Red River Valley study and environmental analysis will include a comprehensive analysis of all the reasonable alternatives for determining the best way to meet the water supply needs of the Valley. Each alternative will be studied on an in depth basis. As a minimum, three alternatives will be evaluated.

Flood Control

In addition to the flood control projects for Fargo, Grand Forks and Devils Lake, several other Red River flood control projects are needed, including Wahpeton, Grafton, and Maple River and Baldhill Dam protection.

General Water Management

Every North Dakota region and county has projects included in the State Water Management Plan. The State Water Commission provides support for these water management and development projects, which require cost-sharing with local emittee, primarily water resource districts, Joint water boards are playing a key role in these local water management projects.

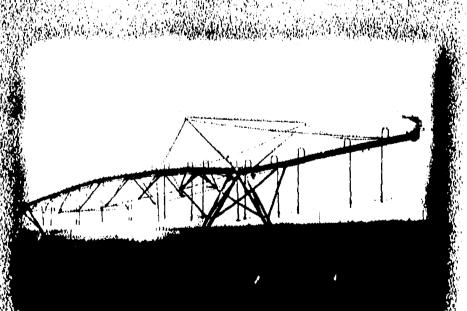


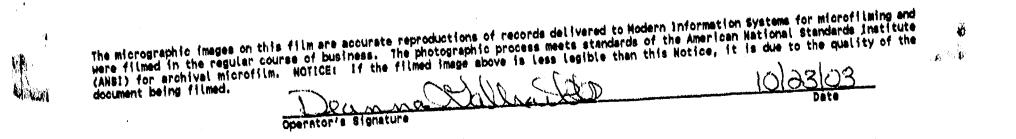
Irrigation

North Dakota, which ranks last among the 17 westn states in terms of total irrigation, has exciting potential to strengthen and expand irrigation to build and diversify North Dakota's economy. The state, along with local entities and private businesses will have to provide the needed capital and infrastructure requirements to develop significant Missouri River. Impation opportunities.

Indian MR&I

An additional \$200 million from the Dakota Water Resources Act has been authorized for Indian MR&I projects. These funds would be applied toward the Standing Rock Sloux Thee, Three Affiliated Tribes, Spirit Lake Nation and the Turtle Mountain Band of Chippewa Indian Reservations.





-Missouri River Aanagement

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The Missouri River Coordinated Resource Management Program is underway to address critical Missouri River issues, including bank stabilization, fishing, recreation, water management, endangered species, land use, natural resources and water quality.

Municipal, Rural and Industrial

The Municipal, Rural and Industrial (MR&I) water supply program helps North Dakota communities bring a clean, reliable supply of water to their residents, farms, schools, hospitals and industries. The needs continue to grow. The challenging work of encouraging and evaluating municipal, rural and industrial water supply projects is shared by the Garrison Diversion Conservancy District and the State Water Commission.

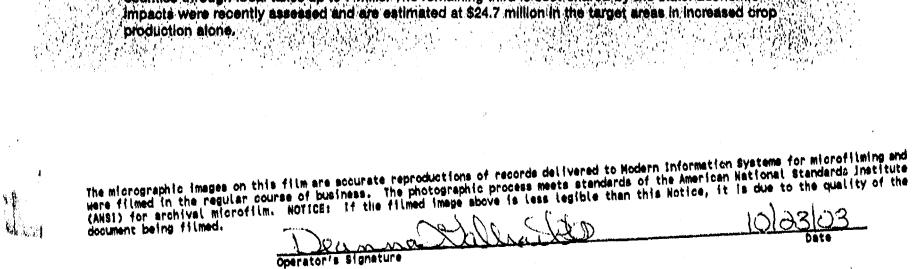


Weather Modification

Operational cloud seeding is presently employed annually by five North Dakota counties and portions of a sixth. Annual cost of the program is about \$590,000, two-thirds of which is raised by the participating counties through local taxes up to 7 mills. The remaining third is cost-shared by the state. Economic impacts were recently assessed and are estimated at \$24.7 million in the target areas in increased grop

Northwest Area Water Supply

Construction began in April 2002 for the regional water system for northwestern and north central North Dakota. The estimated cost for the project is \$165 million which will provide Missouri River water for municipal, rural and industrial (MR&I) purposes. Current design serves 15 cities, including the city of Minot, plus three existing and four proposed rural water systems, serving a total population of approximately 75,000 people.



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NORTH DAKOTA WATER COALTION

Members

Associated General Contractors of North Dakota

BOMMM Joint Water Resource Board

Cass County Joint Water Board

City of Bismari k

City of Devils Lake

Caty of Dickensore

City of Forger

City et Grand Forks

City of Minot

City of Williston/Upper Missouri Lake Sakakawea Planning &ouncil

Devils Lake Basin Joint Board

Eastern Dakota Water Users

Economic Development Association of North Dakota

Gamson Diversion Conservancy District

Greater North Dakota Association

ND County Commissioners Association

ND Association of Rural Electric Cooperatives

ND Atmospheric Resource Board

ND Education Association

ND Farm Bureau

ND Famers Union

ND Imgation Caucus

ND League of Cities

ND Municipal Bond Bank

ND Rural Water Systems Association

ND State Water Commission

ND Water Resource Districts Association

ND Water Users Association

ND Weather Modification Association

Red River Joint Water Board

Souris River Joint Water Resource Board

Spirit Lake Tribe Water Resource Program

Southwest Water Authority

Turtle Mountain Band of Chippewa

North Datola Water Coalition

The mission of the North Dakota Water Coalition is to complete North Dakota's water infrastructure for economic growth and quality of life.

North Dakota Water Coalilion Atombership

The North Dakota Water Coalition is made up of 36 statewide organizations, regional entities, municipalities, and other groups from across North Dakota.

North Dakota Water Coalition Geals

1. To provide an adequate water supply across North Dakota for manufacturing, industrial, energy by-product utilization, agriculture, agricultural processing, recreation, wildlife, municipalities and rural water systems which have inadequate supply or quality of water.

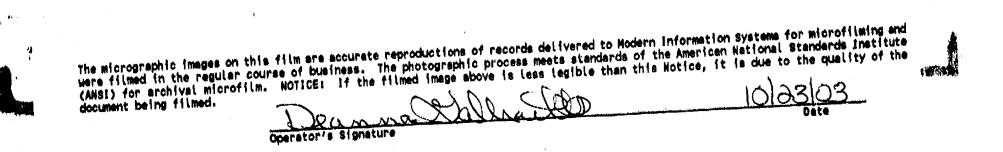
- Complete a workable and achievable Garrison Diversion Project through passage of the Dakota Water Resources Act to provide an affordable multiple-use water supply to central and eastern North Dakota, including the James, Sheyenne and Red Rivers.
- Complete the Southwest Pipeline and Northwest Area Water Supply Projects.
- Stabilize Devils Lake.
- · Secure adequate funding for the MR&I Program.
- Develop multi-use statewide water impoundments for recreation, wildlife and fishing.
- · Secure funding for irrigation development.

2. To complete projects to control and alleviate flood waters and damages, including Grand Forks, Devils Lake and Fargo flood control, bank protection, and increasing the flood control capacities of the Baldhill Dam and Reservoir, the Maple River Dam and others.



Three Affiliated Tribes

West River Joint Water Board



North Dakota Critical Water Needs—Project Funding

Pevenues	Carryover and New Revenues 2001-2003	Proposed New Revenues 2003-2005	Ţ
Resources Trust Fund	25,425,000	10,500,000	
Water Development Trust Fund	47,700,000	20,600,000	Anticipated Revenues
REVENUE SUBTOTALS	\$73,125,000	\$31,100,000	2005-2007
Bonding	9,263,860	60,000,000	Resources Trust Fund 10,500,000 Water Development Trust 20,600,000
REVENUE TOTALS	\$82,388,860	\$91,100,000	REVENUE TOTAL \$31,100,000
			Tentative Obligations 2005-2007
Allocations		Authorized and Proposed	Bond Payments 17,970,000
	2001-2003	Expenditures	SWC Operations 10,070,000
	Expenditures	2003-2005	OBLIGATIONS TOTAL \$28,040,000
Devils Lake	•		
Outlet	1,500,000	25,000,000	2005-2007 Balance \$3,060,000
Basin Development	1,000,000	2,000,000	
Dike	2,200,000	2,000,000	
Eastern Dakota Water Supply	150,000	150,000	
			Critical water needs in
Flood Control	10 500 000	19 507 000	2005-2007
Grand Forks	19,500,000 600,000	18,507,000 2,298,000	Continuing Projects Devils Lake 25
Grafton	250,000	500,000	Devils Lake 25 Southwest Pipeline: 15.7 min
Maple River Dam	500,000	7,700,000	(Medora/Beach/Morton)
Bald Hill Dam	1,000,000	0	Fargo: Complete 5 mill
Fargo	500,000	10,500,000	Maple River Dam: Complete 2 mill
raigo	000,000	10,000,000	Irrigation/General Water 5 mill
General Water Management	4,500,000	6,500,000	MR&I (Williams) 10 mill
Irrigation	500,000	6,600,000	TOTAL \$62.7 million
Missouri River Management	0	100,000	
MR&I	5,000,000	10,000,000	
Northwest Area Water Supply	400,000	2,400,000	
Weather Modification	350,000	350,000	Other critical water needs
Southwest Pipeline	8,444,000	6,800,000	Red River Valley Water Supply
PROJECT TOTALS	\$46,394,000	\$101,405,000	So. Central Regional Water No. Central Water Consortium
Bond Payments	5,400,000	8,970,000	Devils Lake Water Supply
SWC Operations (WDTF transfer)	9,733,820	10,070,000	
Flood Emergency Deficiency		11,000,000	
SUBTOTALS	\$15,133,820	\$30,040,000	
Totals	\$ 61,527,820	\$131,455,000 -20,861,040 -91,100,000	
	\$20,861,040	(\$19,493,960)	C

