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OMB/RECORDS MANAGEMENT DIVISION SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2001 HOUSE APPROPRIATIONS

HB 1023

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1023

House Appropriations Committee Education and Environment Division

☐ Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
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2 of 2	X		1,280
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Minutes:

Representatives Aarsvold, Boehm, Gulleson, Martinson, Monson, Wentz.

<u>Dale Frink:</u> Interim ND State and Chief Engineer-Secretary to the State Water Commission. See attached.

Representative Aarsvold: (2624) There is a dramatic increase in risk management assessment made to your division, 62,000. Why such a large increase?

Dale Frink: That is due primarily to a law suit that State Water Commission has gotten involved with. We and the Water Resources District in Devils Lake have been sued by land owners that claim that the drainage in Devils Lake Basin had caused the high water levels. The potential loss being 10 million. We think that it is a rather low risk that we will get hit for.

Representative Monson: How long has this Weather Modification Project been going on in the 6 Western counties?

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Darin Langarud: (2780) Director of Atmosphere Resource Division at the Water Commission..

The project has been going on in some form in the Western ND since the early 50's. ND involvement started in 1975 with the Institution of the ND Weather Modification Board.

Bowman, a portion of Slope, McKenzie Mountraill Ward and Williams Counties are involved in the project.

Representative Monson: Do you think some of this rain modification could be eausing some of the extra rain fall in the Eastern part or in the Devils Lake Basin?

Darin Langarud: A considerable amount of research has been conducted. There have been some instances where cloud seeding has been shown to increase rain fall as much 75-80 miles down wind of an area where its been conducted. Devils Lake Basin area falls outside of that area. That would be on the extreme end. The increase of rain fall in ND would be about 10 percent per year on average.

Representative Boehm: There used to be some opposition from Montana, is that still there?

Darin Langarud: In 1992 the State Board applied for a permit in Eastern Montana and was denied. It was over turned when the Board took it to District court in Montana. In the 1993 session of Montana Legislature they passed a law requiring an environmental impact statement to be conducted prior to asking for a permit again in Eastern Montana. In the last year the State Water Commission, the Atmosphere Resource Board, and the Counties in the program are cost sharing the cost of an environmental impact statement to get back into Eastern Montana to rescuer the buffer zone.

Representative Gulleson: (3170) You knew you would be asked about the 9 million dollars.

Two years ago when we supported the movement of the use of the tobacco settlement dollars for water projects. I felt that it was a bit of a leap at that time, but I did support it because water

certainly is a health issue. Now transferring the 9 million in administrated dollars out of that account, is a considerable leap from the mission of those dollars to these States. How do you feel you can justify that? If we are asked by the Federal Government how will you be able to justify that?

Dale Frink: I think in general the 9.7 million dollars obviously the Water Community would prefer the money continue to come out of the State general fund. It will work for at least this biennium to come out of it in this manor. I am not sure that I want to get into the discussion of the legality type thing on it. Our staff all across the state work on health related such as NAWS.

Representative Gulleson: Realistically the work of all that staff really doesn't give anything towards the mission of those tobacco dollars which was to reduce smoking in ND. I am concerned about the legal side of it. Someone needs to be prepared to defend that.

Dennis Hill: (3650) Chairman of the ND Water Coalition. See attached.

Representative Wentz: (3890) The funding that you have listed for the new funding needs, is that based on projects being worked on for the entire biennium, or is it based on the fact you won't be ready to be up and running on them July 1.

<u>Dennis Hill:</u> Some go through as planned and some do not, and get altered for different reasons.

<u>Representative Aarsvold:</u> You mentioned the 40 million in new projects. Are those subject to State bonding limits or because of the source of revenue outside of the statutory limits we have on bonding of the States obligation?

OMB Daye: Bonding in the Water bill are not the same as the other one, so those limits don't apply to these potential bonding projects.

Bruce Furness: (4170) Mayor of the City of Fargo. See attached

Randy Loeslie: (4540) Manager of Grand Forks Traill Water District. See attached.

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Alan Walter: (4880) Director of Public Works for the City of Minot. See attached.

Representative Wentz: (5575) How many communities that would be effected or would be a part of the NAWS project are effected by this new rule of reducing the allowable level of arsenic, and is there an estimate of how much it would cost those communities?

Allen Walter: The estimate that was in the Bismarck Tribune was 1.5 million., I don't know how accurate that is. I believe there were 5 communities in the NAWS on that list will not comply or meet with the new arsenic rule once that is in place. There are a number of other rules that the EPA has mandated to look at and promo gate new numbers for. They will all be effecting the communities through out ND.

Representative Boehm: Those rules that were put into effect the last days of the Clinton administration. There was no scientific evidence or hearings or anything that I am aware of. What are the chances those rules could be rescind?

Allen Walter: I understand, the last two days of the Administration of all the rules that were signed were going to be held off the Federal Register and reviewed by the Bush Administration. If this is one of them I am not sure.

Don Flynn: (5930) From Scranton, ND. See attached.

Calvin Klewin: (215) Director of Bowman County Development Corporation. See attached.

David Johnson: (565) McKenzie County Water Resource Board. See attached.

Larry Schultz: (1012) Director of Ransom Sergeant Water Users, and President of ND Rural Water. Without them and R and R money, our project probably would never have been built, because of the cost. Water isn't free. Just because you have a well it isn't free. Without the grant money we wouldn't be able to have our project. We ask you to support HB1023 with exception of the 9.7 for the Water Commission.

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Joe Belford: (1170) Chairman of the Ramsey County Commission. See attached.

Representative Gulleson: (1675) I know the language was approved for the Dakota resources water project, but the dollars had not been. What is the status on that.

Joe Belford: There is a sunset clause on the farming bill and I testified on bill #1151 last week.

Representative Gulleson: But on the Federal level, how confident are you the that dollars are going to be put in that act?

<u>Joe Belford:</u> With the new administration and we hope President Bush and his Cabinet, will continue to support. We feel there is a good strong possibility of that.

Representative Gulleson: When you are out in Washington working on this, we funded a ND lobbyist that is present out there. Are you aware of work that person is doing on this?

Joe Belford: No, I have not met that person, but I usually do.

Al Glasser: (1945) Grand Forks Acting City Engineer. See attached.

Bruce Furness: (2265) Mayor of City of Fargo. Introduced the proposed amendment to HB1023, Section 15. See attached.

Representative Aarsvold: (2515) Is this funding request above and beyond the proposals that the State Water Commissioners been reviewing with regard to protecting the city of Fargo? Have you reviewed this plan with the Water Commission?

Bruce Furness: Yes, it is my understanding it is additional. I don't know if the Water Commission. I believe the study was just completed. I am not sure who has reviewed that during the study.

Jeff Volk: Project Engineer with Moor Engineering. See attached.

Representative Mike Timm: (3340) What kind of pressure there will be on the fund, and their reaction to this particular proposal.

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<u>Dale Frink:</u> Go to my testimony on pages 14 and 15. I would prefer the money be not specifically designated the way the amendment is because, what it would do that this is the number one priority list and others are not specifically designated, even though Fargo does need some help. This would designate this to only that project.

<u>Jeff Volk:</u> (3665) Also giving the testimony of the Maple Flood Control Projects. See attached.

Representative Aarsvold: (4825) Looking at the Bald Hill Project, I see it could nearly double the pool surface behind the dam. Is that correct? It talks about going from 3100 to 6750 at the 1271 elevation. The area behind the dam is substantially white tail breeding area. What kind of impact do you see on wild life? Is there much of a problem with debris when flooding?

Jeff Volk: The normal pool area is 1266. In the summer there are 5600 acres. When they draw it down for the spring flood operation, the maximum draw down it reduces the area to 3100 acres. With this project bringing it back up to the 1266 and than 5 more feet, that will extend that acreage to 6750. The increase is approximately 1100 acres from normal pool area. The storage is temporary. I don't see an impact at all on the wild life. The core will deal with the debris issues if there are any.

Herb Grenz: (5410) Chairman of the ND Irrigation Caucus. The Caucus was formed two years ago to strengthen and expand irrigation in ND. Irrigation is an economic opportunity for ND. Only 1 percent of land is irrigated, and produces over 4 percent of the gross agriculture revenue in our state. The Caucus has identified an additional 350,00 acres. We would need to develop the water supply facilities along with market for these irrigation opportunities. We urge the State Water Commission be funded from the general fund.

Ken Royse: (5700) A member of the ND Association of Water Resource Districts. See attached.

Representative Martinson: (New tape) If we use that trust fund money, could you get us a list of what won't get done or be delayed?

Ken Royce: I am sure the Water Coalition would generate that list for you.

Jay Sandstrom: Mountraill County Weather Modification Authority. See attached.

Representative Gulleson: (368) Regarding the weather modification. Can you attribute so much additional rain to that project?

<u>Jay Sandstrom:</u> No I don't think we can unless we get clouds. The research that has been done shows we have a 10 percent increase in areas that are seeded. I don't look at it so much as rain enhancement, as I do half suppression.

Mike Dwyer: Representing ND Water Users Association. Looking at the colored sheet that was passed out. The Water Coalition goes through a process of trying to identify the projects that are ready and than look at the amount that is available, and try to trim down or weed out or narrow the needs, and make sure some of these things are moving forward. There are many more needed projects, health related, flood control, water quality, and water supply that we could do if we had the funding.

Dave Koland: (765) Executive Director of ND Rural Water Systems Association. I would like to address the question on the arsenic problem. Every three years the Health Department does testing that exceed the limit. It shows 33 water systems that exceed the 10 parts per billion. Which we expect will be the standard. If those 33, 12 are located in the NW of ND. Not all are signed up for the NAWS project.

Robert Thompson: (930) See attached.

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Greg Sund: (1188) City Administrator of Dickinson. We have benefited greatly from water development through the construction of the SW Pipe Line. We feel this has been the single greatest economic stabilization to the City of Dickinson in economic development. We support this.

Representative Wentz: Does anyone else wish to appear in opposition of HB1023? Seeing none we will close the hearing on HB1023.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020 and HB1023

House Appropriations Committee Education and Environment Division

☐ Conference Committee

Hearing Date January 30, 2001

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Minutes:

Representatives Aarsvold, Boehm, Gulleson, Martinson, Monson, Wald, Wentz.

<u>Dave OMB</u>: See attachments. These reflect Governor Hoeven's budget.

Representative Martinson: How do they pay the bonds back? Is it interest from the trust funds?

Dave: The bonds are paid back as you can see in the Capital Improvements line under the Water Development Trust Fund.

Representative Martinson: We are going to allow them to bond up to 60 million? Are we getting to the point where we won't have enough interest income to pay the bonds?

<u>Dave</u>: I have 3 different scenerios. See attached. We are spending not only the interest but the principal. See attached revised Coalition project and revised cash needs. We recognize we can not continue to fund the agency operations in full out of the fund without having some kind of a negative effect.

Representative Gulleson: The money from Congress, who determines how that money is spent?

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<u>Dave</u>: I believe the Water Commission would have control. Some of these water projects would qualify under that.

Representative Boehm: If some of these scenarios don't hold true, we are ultimately responsible for the tobacco money.

Representative Wentz: It appears there is not a good alternative. I think we should do these water projects, even though the Tobacco Settlement dollars are used. I don't know what choice we have. The alternative is to not do some of these projects and let it drag out?

The committee agrees, and possibly all the more reason to let them run the operation themselves with in the budget, and make them responsible and accountable. We don't feel we can ever get a handle on it. We have concerns about the Trust Fund money in paying administrative costs, but again what is the choice? The last two Governors have made it difficult for us to act. Possibly they should have gone to the Legislature, but once again we need to honor. The assumption is we are going to pick up the difference in that operating while there's goes down. Some of the projects won't come into effect until the second year. It is agreed Water Commissions plans to go ahead with the Fargo project with or with out the help. The concern to the committee is if we do not help, who down the line will need to wait for their water? Once again we feel the Tobacco dollars are risky. The water projects are a necessity. We need to put confidence in the Water Commission on making these decisions.

Representative Wentz: I would like to wait and vote on HB1023 until tomorrow when all of our committee is together. Meeting adjourned.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1171 and HB1023

House Appropriations Committee Education and Environment Division

☐ Conference Committee

Hearing Date January 31, 2001

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Minutes:

Representatives Aarsvold, Boehm, Gulleson, Martinson, Monson, Wald, Wentz.

Representative Wentz: Mr. Frink, we asked you to come back today so you could answer some specific questions and give us some information on the Fargo amendment and exactly how that would be incorporated into your prioritized list, where the funding would come from etc. Are you expecting this committee to take action or what is your plan of action.

Dale Frink: Interm ND State and Chief Engineer-Secretary to the State Water Commission. See amendment 0104 attached. It will be South Fargo it protects. The Intent is to provide 100 year protection for that area. They have about 12 million Federal dollars lined up. Fargo is to come up with the rest. They are asking for 5.5 from the state. They are basically looking at Whapeton, and Grand Forks got some money, and they think they should get some money.

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Education and Environment Division
Bill/Resolution Number HB1171 & HB1023
Hearing Date January 31, 2001

We meet with Water Coalition their recommendation is that the bonding amount athority that we have be increased from 30,800,000 to 36,300,000. I think the Fargo project will likely go.

Money isn't the issue here. Fargo will put up the non Federal share, and the Federal Funding is secure. They are intending to open bids this fall or early next spring, with construction to start 2002. It is a project that clearly will go. I don't know if they would commit to it with out your funding but I do think so. We are basically talking a channel project that connects a portion of the Wild Rice River directly to the Red River. I am sure there will be a dike involved on one side of the channel. The core of engineers made an attempt at least to design the project so that you do not increase the flow down stream. There are people that do disagree with that. I am not aware about any permits being a problem getting, especially if non controversial. It is going through some developed areas already. My guess on this one they will get the permits. If they don't have them already. They will need to be obtained before they can start.

The bonds are not revenue bonds. This is basically called a moral obligation bond on the state of ND to repay them from a combination of funds. The proposal that we have, funds all the projects we asked for. The limit is the amount the Water Development Trust Fund can afford to repay in the future. Right now I think we would be able to handle the additional 36 million dollars of additional bonding. Our plan right now is to bond last. No, we would not have a problem coming before the budget section to get authorization for the bonding amount, if we have to tap a bond source.

The way the budget is set up now and the way it has been set up for the last several years is that we are provided a total sum of money, and we can spend that money on the projects that we see fit. Priorities change over the years, so the Water Commission has the authority to be able to shift the priority needs with in the biennium. In terms of Fargo, they would feel a little more

comfortable if they had language similar to what Whapeton and Grand Forks have. If the 30.8 million is not changed it will have to come out of another project that may have to wait. If the instruction or direction is to not fund Fargo from the Legislature, we won't. I am not the only one to make a decisions.

Mike Dwyer: I represent the ND Water Users. We had a meeting with the water coalition group and we did adopt a position in support of this amendment and would ask that you adopt it. See attached letter of funding and bonding

<u>Dale Frink</u>: When we approve a project we include language stating depending upon the availability of funds. It would allow the Water Commission to back out of some projects if we ran into a situation where we would have to.

Everyone does recognize the Tobacco Funds are somewhat soft. Once we have given the money out and we bonded for it, we are very limited what we can do with it. If the project were in the state of like Fargo, we could pull back those funds. If we couldn't make those budget payments Starting with the Water Development Trust Fund, than to Resource Trust Fund and other funds and finally end up at Bank of ND.

Representative Martinson: I move to except the amendment 30104 regards the Fargo project.

Representative Wald: I second the motion.

Four yes, two no, and one absent.

Representative Wentz: The bill is amended. Meeting adjourned.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1171 & HB1023

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☐ Conference Committee

Hearing Date February 01, 2001

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Minutes:

Representatives Aarsvold, Boehm, Gulleson, Martinson, Monson, Wald, Wentz.

Representative Wald: See amendment 0104, revised January 31,2001 which includes HB1171.

The hand out in Red River Flood Control. See in original hearing. Reviewing the pink sheets of budgets. The big issue is using the Tobacco Trust Fund money. We have all decided we don't have any choice in that. That will be the major concern to the full committee.

Representative Wentz: I make a motion to further amend 30104.

Representative Monson: I second the motion.

Seven yes, 0 no, and 0 absent.

Representative Wald: I make a motion to recommend a do pass as amended.

Representative Aarsvold: I second the motion.

Seven yes, 0 no, and 0 absent.

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Representative Wentz: Representative Wald to carry the bill to the full committee. Meeting adjourned.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 11B 1023

House Appropriations Committee Education and Environment Division

☐ Conference Committee

Hearing Date February 8, 2001

Tape Number	Side A	Side B	Meter #
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Minutes:

The committee was called to order, and opened committee work on HB 1023, The Water Commission budget.

Rep. Wald: Walked the committee through the original bill. Line 18, page 1, of the original bit changes the salaries and wages line item from \$8,966,000 to \$9,066,759, which is the 3%, 2%, one additional FTE and they have included \$125,000 for professional salary adjustments. Primarily for hydraulic type engineers, etc. to recoup and retain people in Water Commission. Operating expenses, the major increases there are the IT increase of \$350,000 and \$62,000 risk management insurance. Equipment line item is actually a decrease, but they need to buy an excavator, and the boot after trade in is \$175,000. Capital improvements includes paying the contractors directly, grants is where the Water District have some projects and they are reimbursed from the Water Commission. That line item has a minor decrease. Cooperative research is primarily federal funds and some local funds. On page 2, line 1 appears statewide

water development projects, which is all of the water projects that were authorized last biennium after the tobacco money. In section 2 of the bill, resources trust find comes from oil, and water development comes from tobacco. On the bottom of page 4, the \$977,100 is a cap on the total appropriation. In section 9 on page 5, the tobacco settlement trust fund. We are using both interest and principal to fund this budget, I think many people are under the impression that we are only using interest off that tobacco fund. We are also using principal dollars. Starting on line 12 and 18 and 21, sections 1,2, and 3, the Water Commission has first dabs on all the tobacco money except 10% for nonsmoking education stuff. They can take money from the 45% that is normally allocated to the school trust fund until they have enough money to amortize all the bonds that have been let. Then they have to pay back the 45% that would normally go to education. On page 6, section 10, we are increasing the bonding authority from \$30,800,000 to \$36,300,000, which includes the Fargo project.

Turn to the amendment dated February 6 - 0105. (Begins explaining the amendment.

After some explanation, it is discovered that not everyone has the copy of the amendment being described. The clerk took the amendment to be copied).

(After a brief delay, the committee returns to this bill, and have the proper amendments before them).

Rep. Wald: We have the amendment, 0105 dated February 6, 2001. On the first page, page 2, line 2, \$93,878,341 is all special fund money now, no general fund money in this budget anywhere. It is all tobacco money, all oil money and all federal money. Section 10, eastern ND water study. On the second page of the amendment, on top, line 6, 21, that's the \$5,500,000 for the Fargo flood control, and that's our 50% and the city's share is the other 50. There is some FEMA money involved, also. In section 16, there is an exception for fees.

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Government Operations Division
Bill/Resolution Number HB 1023
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Sheila, OMB: She explains the exception for fees to the committee. It has to do with the charging of services of rents or audits. Special fund agencies are not charged generally, and this budget makes this a special fund agency now, they would not get charged. But because this tobacco money is not a permanent event, they are being treated as a general fund agency for the billing of the costs.

Rep. Wald: He goes over the statement of purpose of amendment to HB 1023. On page 3 of the amendment it shows a one FTE increase, which is due to the impact of HB 1171 amended into this bill. The total FTE count goes from 83 to 84. He explains the details of house changes. They reduced the budget by \$19,000. They also gave up \$20,000 of equipment. The major capital improvements include the NAWS (Northwest Area Water Supply) project (\$13,747,000), and a building for \$977,000 (property to sell in Bismarck and build a new building, with a cap), and a bond payment of \$8,636,000. Under the grants would be water development, planning, etc.

Rep. Wald: Moves to adopt the amendments. Rep. Martinson seconded.

Rep. Gulleson: She is concerned about the additional FTE in the study of the eastern water project. She understands the need for the study, but not really excited about the FTE, and where are those dollars coming from.

Rep. Wald: Says that the dollars are coming from tobacco and oil funds. Explains the department's concern to have a voice in the federal project, and want a person to watch their concerns.

Rep. Gulleson: Gives her comments about who she would think would be the better person to handle these concerns, a much higher level person, not a new FTE.

Rep. Wald: He shares some of Rep. Gulleson's concerns, but sees this as a critical need (the federal study), and believes the FTE to be critical.

Rep. Aarsvold: Has some concerns with the Fargo request, and thought that it was going to be encouraged that these individual projects go to the Water Commission to make their request, and have the Water Commission make that approval, and make that a line item. However, in two occasions, we acknowledge and name Fargo specifically. Are we not concerned about this issue any longer?

Rep. Wald: I believe that it had to do with the availability of funds. It seems to me that FEMA had something to do with this, and why it is different.

Rep. Monson: The more I think about this, I thought we had already voted on this.

(The committee looked at the past voting records and minutes, and decided that they may have voted on prior amendments. There was voting on HB 1171 previously.)

Rep. Aarsvold: On bottom of page 2, grants line item, why was the amount reduced by \$150,000?

Rep. Wald: Cannot remember, but he feels comfortable with the number as it is. Looks like something that was tied to HB 1171, to avoid some doubling up.

Rep. Monson: We already passed amendment 1014, and now amendment 0105 makes just a few changes?

Rep. Wald: We are reducing operating expenses by \$19,000 and equipment by \$20,000. The rest is a repeat.

Vote on the motion to further amend: 6 yes, 1 no (Rep. Gulleson).

Rep. Wald: Moves DO PASS AS AMENDED. Rep. Martinson seconded.

Vote on Motion to pass as amended , 5 yes, 2 no (Reps. Gulleson and Monson). Motion passes.

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Clovernment Operations Division
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Rep. Wald is assigned to carry this bill to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1023

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☐ Conference Committee

Hearing Date February 9, 2001

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Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON HB1023.

Rep. Wald: I would like to work off the original bill and kind of mark it up and if you follow along and lay the amendments along side it will track. On page 1 of the bill salaries and wages line item is increased from \$8.9 million to \$9,066,759 million and your amendments will reflect that. That's the base salary increase, I additional FTE, and \$125,000 out of the pool of money for professional salary development which would include retaining professional type people in the Water Commission. The operating line item increased from \$6.4 million to \$6, 503, 485 and the primary increase there is the IT increase of about \$350,000 and \$62,000 to risk insurance management fund. Under the equipment line item, that was a decrease from \$514,000 to \$499,833 because there buying a new excavator machine that as I understand it is primarily used in dredging operations. And if I can go into definitions so we know what were talking about, Capital Improvements means water projects where the water commission pays the contractor

Page 2 House Appropriations Committee Bill/Resolution Number HB1023 Hearing Date February 9, 2001

directly and that's \$23.7 million dollars which has not changed. Grants as water district type activity where the water district pays the contractor's the people doing the work and then is reimbursed by the Water Commission., that item has changed from \$22, 625, 067 to \$22, 475,067. Cooperative Research is the Atmospheric Resources Board that's primarily federal funds and some local funds coming from the counties that have approved that kind of activity. cloud seeding, hail suppression kind of activity. On top of page 2, State Wide Water Development projects, those are the items we approved last legislative session in SB2188 and that has changed \$67,800,000. Section 2 of the bill on top of page 2, Resources Trust Fund, the \$21.7 million that comes from the Oil activity, Section 3, the Water Development Trust fund, that's the tobacco money which is interest and principal, so you need to understand that were spending more than just interest, we are also spending principal. Section 6, Resources Trust Fund any money's in excess of \$21.7 million taken out of the Resources Trust fund, will need emergency commission approval. Section 7, deals with a piece of property on east Broadway that they want to sell and rebuild a new shop, and that is encompassed in Section 7 of the bill. The description of the land is included in that section of the bill. And if you move on to Section 8 on page 4, they estimate that the proceeds from the sale will be \$977,100 and on the bottom of page 4 on line 29 and line 30 it kind of puts a cap on the amount of money they can spend on the construction of that new building of \$977.100. If you will go to Section 9 on page 5, and as 1 understand how this all works, is that were taking money from the 45% allocated to the that trust fund coming tobacco money and the water activities can access money designated for the education trust fund, which is so much as may be necessary to pay the bond payments and other authorized appropriations in the bill. And then as they continue on, they have to pay back any money's which I don't think will be triggered to that education trust fund, that 45%. If you will

Page 3 House Appropriations Committee Bill/Resolution Number HB1023 Hearing Date February 9, 2001

turn to page 6. Section 10 of the bill, the bonding requirements there, that item there has been changed from \$30,800,000 to \$36, 300,000 and that includes the \$5.5 million for the Fargo flood control project. If you will move to section 12 on page 7, those are just some changes that we are making in terms of the amount of money used to amortize bonds and the issuance of bonds and that sort of thing. Section 13 of the bill, would allow the Bank of North Dakota to extend the lines of credit of \$25 million until the financing of the bonds takes place. And then if you will go to the amendments .0105 dated Feb. 6th, that basically covers what I just alluded to in terms of the dollars on top of the page on the amendments, section 10 of the bill is the water study for eastern North Dakota, and that's primarily federal money's and that was encompassed in HB1171 which we have amended into this bill. There is one FTE in conjunction with that, and the State Water Commission wants to keep an eye on this particular study as it develops and I think that's a smart thing to do, and so that's the water study taking place, and then if you will move down to the bottom of page two on the amendments, and I will go through the purpose of the amendments, you will see the title of executive budget, house changes and the senate column, that is basically HB1171, which has been amended into this bill and we will put a DO NOT PASS on HB1171.

HB1171 had \$100,000 in salaries, \$45,000 for operating, \$5000 for equipment a decrease of \$150,000 in grants, because that was encompassed in the original bill, and then there is \$5.5 for the Fargo project. The reason that was a separate bill was that because it is my understanding that the authorization from FEMA to the City of Fargo came after OMB and the Water Commission had put this budget together. If you will go to the top of page 3 of the amendments, the detail of house changes, we still are breaking it down, and provides the funding for the Fargo Flood

Control Project, that's \$5.5 million dollars. With that Mr. Chairman. I would move the amendments to HB1023. Seconded Rep. Wentz.

Rep. Delzer: On the bullet points on the definitions of the amendments, is the first bullet point there says it authorizes \$5.5 million for Flood Control in Fargo, and then references increasing the total authorization of projects to \$67,800,000. Why is that such a difference from the Line in the original bill, and what else does it take in besides just the Fargo one?

Jim Smith, Legislative Council: If you look at section 12 of the bill, what is done in the bill is that it includes the \$28 million line item in section 1, and in section 10 there is additional bonding, and there is also the carryover from what you approved from last session. And all of that is capped, if you look at section 12, it was originally \$62,300,000 and it now goes to \$67, 800,000.

Rep. Delzer: If I understand this correctly than, Line 1 on the original bill is actually going to \$33 million or something like that?

Mr. Dale Frank, Interim Commissioner of Water Commission: The \$84.8 million was for the project that was authorized last biennium, that included Grand Forks, Whapeton, Grafton, Southwest pipeline, and Devils Lake. The \$67 million, or the money's that we have in this budget include the money's for those projects that we need for this biennium plus it adds several other projects, like the Fargo Flood Control and the many other projects that I have listed. Mr. Frank went on to speak about the projects that will be funded throughout the next biennium.

Rep. Wald: There is no general fund money in this budget, all of the operating costs in the bill come from the two trust funds, the Oil and the Tabacco.

Rep. Delzer: I think I understand that and I don't have a problem with that, but I'm concerned about what were going to do in future biennium's if we keep doing all of this stuff, and pretty

soon we will be eating up all the tobacco settlement money and pretty soon after that we will be eating up a bunch of general fund money. Because these bonds are going to last 20 years, no matter whether we have the tobacco settlement or not.

Rep. Wald: I have a schedule of the anticipated, and I underscore anticipated tobacco settlement receipts all the way to 2025, now if the federal government in this lawsuit against the tobacco companies doesn't renig and the money comes in as projected, there is no danger at all that I can see in leaving our bond obligations in continuing the activities of the State Water Commission.

And If I said something wrong Mr. Frank, please correct me. But as 1 understand the cash flow coming in from tobacco and oil were not in any danger of meeting our obligations.

Rep. Skarphol: The net result of what the Water Commission does on these projects that they bond, I would hope ultimately generate some revenue for the state. Is that a correct assumption? Not all of them are just pouring money into a sinkhole are we?

Mr. Frank: If you go through the list, many of them relate directly to economic development, and we have money in there for irrigation and even projects like the South West pipeline can generate some additional income.

Rep. Byerly: Before this bill, the interest on the water trust fund money went into the general fund, with this bill were making a change where the interest no longer goes to the general fund and maybe somebody can answer how much money was generated in interest to the general fund in the current biennium?

Mr. Frank: I'm not sure that this bill changes that. A discussion then ensued regarding the interest amounts going into the general fund and the sale of property by the Water Commission. Rep. Wald, Rep Byerly were in the discussions.

Rep. Delzer: I would like some clarification on the interest to this, they have had the interest to this in the past.

Jim Smith, Legislative Council: I think Rep. Byerly misunderstood what I was saying, but there is no change to what is currently taking place with the interest, and my understanding is that the interest goes to the general fund. Rep. Wald had the same understanding. A discussion followed with regard to the interest of the funds, and what bills were introduced with regard to the interest of the tobacco and oil funds.

Rep. Wald: On the middle of page 7, there is a line of credit at the Bank of North Dakota and that was put in there to get a better bond rating and a fower interest rate, and again that is highly improbable that it would ever be triggered.

Rep. Monson: Mr. Frank. Rep. Delzer asked about the limit that was in SB2188 last biennium, it was \$84 million by adding this \$5.5 Million now to cover Fargo, by adding more bonding to cover the operating expanses, are we raising that \$84 million dollar limit?

Mr. Frank: In effect you are, we did bond for \$27.5 million, so you would subtract that, but these other projects will raise it again. So the potential total is somewhat more then.

Rep. Timm: Any other discussion? We have a motion for the amendments. All those in favor of adopting the amendments say AYE. Voice vote. Motion carried.

Rep. Wald:. Moves a DO PASS as amended, seconded by Rep. Thoreson.

Rep. Delzer: Expressed his concern at the rate in which these water projects are being funded and wondered when some of the spending for these projects would end.

Rep. Timm: Any other discussion? Roll call vote will be taken on a DO PASS as amended.

(15) YES (5) NO (1) absent and not voting. Motion passes. Rep. Wald will carry the bill to the floor.

FISCAL NOTE

Requested by Legislative Council 04/05/2001

Bill/Resolution No.:

Amendment to:

Engrossed

HB 1023

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

programme pour la contraction de la contraction	1999-200	l Blennlum	2001-200	3 Biennium	2003-200	5 Bionnlum
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Appropriations						Transport Control of the Control of

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

1999-2001 Blennlum		2001-2003 Blennlum			2003-2005 Biennlum			
Countles	Cities	School Districts	Countles	Cities	School Districts	Countles	Cities	School Districts
						tion for facing sale cases on a property sale case of the last	way and a contract of the track	

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

HB 1023, as amended, is the State Water Commission's appropriation bill. The bill transfers \$9,733,820 from the Water Development Trust Fund to the General Fund to provide funds for the State Water Commission's operations. HB 1023, as amended, provides the State Water Commission the authority to issue an additional \$20 million of bonds for statewide water projects as well as extending previously authorized bonding authority. The bill also authorizes the State Water Commission to replace the existing shop building and land, using the proceeds from the sale of the old facility to fund the replacement.

- 3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:
 - A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

HB 1023, as amended, provides authorization to the State Water Commission to issue bonds up to the amount of \$20 million for statewide water development projects. The bill also extends the Water Commission's authority to issue bonds as provided in chapter 61-02.1 through June 30, 2003. This authority was originally \$84.8 million of which \$27.5 million has been issued leaving a balance of \$57.3 million.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

HB 1023, as amended, transfers \$9,733,826 from the Water Development Trust Fund to the General Fund to provide funds for the State Water Commission's operations. A statewide water development projects line item totaling \$67.8 million has been authorized, this includes \$31.5 million for projects authorized in chapter 61-02.1, \$5.5 million for a flood control project to protect a portion of the city of Fargo, and \$0.2 million for section 319 of the Federal Water Pollution Control Act projects. The water development projects may be funded from bond proceeds, Water Development Trust Fund revenues, Resource Trust Fund revenues, or any combination of the three. The actual funding mix is to be determined by the State Water Commission. HB 1023, as amended, add two FTE's, one for a Geographical Information System Specialist to support the expanding needs of the GIS function, and one to coordinate and prepare a water supplementation study for eastern North Dakota.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Section 16 of HB 1023, as amended, limits the expenditures of the statewide water development projects line item for the 2001-2003 biennium to \$67.8 million. This amount consists of a limited combination of \$28,572,333 provided in Section 1, \$20 million provided in Section 14, and \$31.5 million provided in Section 21. The \$67.8 million limitation does not apply to water projects appropriated under the Capital Improvements or the Grants line items.

Name:	David Laschkewitsch	Agency:	State Water Commission
Phone Number:	328-1956	Date Prepared:	04/05/2001

FISCAL NOTE

Requested by Legislative Council 02/13/2001

Bill/Resolution No.:

Amendment to:

HB 1023

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

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1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

19	1999-2001 Blennlum		2001-2003 Biennium			2003-2005 Biennlum		
Counties	Cities	School Districts	Counties	Citles	School Districts	Countles	Cities	School Districts

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

HB 1023, as amended, is the State Water Commission's appropriation bill. The bill eliminates all funding from the general fund for the agency and replaces it with funding from the Water Development Trust Fund. The Water Development Trust Fund revenue is provided from a 45% share of the Tobacco Settlement Trust Fund. HB 1023, as amended, authorizes the State Water Commission to issue an additional \$36.3 million for statewide water projects as well as extending previously authorized bonding authority. HB 1023, as amended, also authorizes the State Water Commission to replace the existing shop building and land, using the proceeds from the sale of the old facility to fund the replacement.

- 3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:
 - A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

HB 1023, as amended, in section 11, provides authorization to the Water Commission to issue bonds up to the amount of \$36.3 million for statewide water development projects. HB 1023, as amended, also extends the Water Commission's authority to issue bonds as provided in chapter 61-02.1 to 6/30/2003. This authority was originally \$84.8 million of which \$27.5 million has been issued leaving a balance of \$57.3 million.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

HB 1023, as amended, funds \$10,109,773 of Water Commission operations and activities that were previously funded from the general fund, out of the Water Development Trust Fund. Other changes from the previous biennium include the \$36.3 million of statewide water development projects authorized in Section 11, and the estimated expenditure of \$31.5 million for projects authorized in chapter 61-02.1. Included in the \$36.3 million is \$5.5 million for a flood control project to protect a portion of the city of Fargo. The water development projects may be funded from bond proceeds, water development trust fund revenues, resource trust fund revenues, or any combination of the three. The actual funding mix is to be determined by the Water Commission. HB 1023, as amended, adds two FTE's, one for a Geographical Information System Specialist to support the expanding needs of the increasingly important GIS function, and one, as provided in Section 10, to coordinate and prepare a water supplemention study for eastern North Dakota.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expanditures and appropriations.

Section 13 of HB 1023, as amended, limits the expenditures of the statewide water development projects line item for the 2001-2003 biennium to \$67.8 million. This amount consists of \$36.3 million of new water projects as provided in Section 11, and \$31.5 million of projects of projects authorized under chapter 61-02.1. The \$67.8 million limitation does not apply to water projects appropriated under the Capital Improvements or the Grants line items.

Name:	Dale Frink	Agency: State Water Commission
Phone Number:	328-4998	Date Prepared: 02/14/2001

FISCAL NOTE

Requested by Legislative Council 12/26/2000

Bill/Resolution No.:

HB 1023

Amendment to:

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	1999-2001	l Blennlum	2001-200	3 Blennium	2003-2005 Blennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues						The state of the s	
Expenditures				a proposition of the approximate the state of the particular and a company of the com-	An east of the best of the second throat contract of the second of the s	PRO-18-18-18-18-18-18-18-18-18-18-18-18-18-	
Appropriations			Andrew Street Control and Street Stre			A CALL TO THE STATE OF THE STAT	

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

1999-2001 Biennium		2001-2003 Biennium			2003-2005 Blennium			
Countles	Cities	School Districts	Countles	Cities	School Districts	Counties	Cities	School Districts
	COLUMN TO THE PARTY OF THE PART							

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

HB 1023 is the State Water Commissions appropriation bill. The Governor's recommended budget eliminates all funding from the general fund for the agency and replaces it with funding from the Water Development Trust Fund. The Water Development Trust Fund revenue is provided from a 45% share of the Tobacco Settlement Trust Fund. HB 1023 authorizes the State Water Commission to issue an additional \$30.8 million for statewide water projects as well as extending previously authorized bonding authority. HB 1023 also authorizes the State Water Commission to replace the existing shop building and land, using the proceeds from the sale of the old facility to fund the replacement.

- 3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:
 - A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

HB 1023, in section 10, provides authorization to the Water Commission to issue bonds up to the amount of \$30.8 million for statewide water development projects. HB 1023 also extends the Water Commission's authority to issue bonds as provided in chapter 61-02.1 to 6/30/2003. This authority was originally \$84.8 million of which \$27.5 million has been issued leaving a balance of \$57.3 million. The \$57.3 million plus the \$30.8 million give the State Water Commission a total bonding authority of \$88.1 million.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

HB 1023 funds \$10,148,773 of Water Commission operations and activities, that in the previous biennium were funded from the general fund, out of the water development trust fund. Other changes from the previous biennium include the \$30.8 million of statewide water projects authorized in Section 10 of HB 1023, and the estimated expenditure of \$31.5 million for projects authorized in chapter 61-02.1. The \$30.8 million and \$31.5 million for statewide water development projects may be funded from bond proceeds, water development trust fund revenues, resource trust fund revenues, or a combination of the three. The actual funding mix is to be determined by the Water Commission. HB 1023 adds one FTE for a Geographical Information System Specialist to support the expanding needs of the increasingly important GIS function.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Although HB 1023 provides the Water Commission with total bonding authority of \$88.1, section 12 of HB 1023 limits the expenditures of the statewide water development projects line item for the 2001-2003 biennium to \$62.3 million. This amount consists of \$30.8 million of new water projects as provided for in section 10 of the bill and of \$31.5 of projects authorized under chapter 61-02.1.. The \$62.3 million limitation does not apply to water projects appropriated under the Capital Improvements or Grants line items

Name:	Dale Frink	Agency: State Water Commission
Phone Number:	328-4998	Date Preparod: 01/02/2001

PROPOSED AMENDMENT TO HOUSE BILL NO. 1023

Page 1, line 9 after the semicolon insert "to provide an exemption from payment of fees;"

Page 8, after line 3, insert:

"SECTION 15. EXEMPTION FROM PAYMENT OF FEES. For purposes of charging fees or requiring payment for services pursuant to sections 54-10-01, 54-12-08, and 52-21-25, the state auditor, attorney general, and the director of office of management and budget shall treat the funds appropriated to the state water commission from the water development trust fund in the same manner as if they were appropriated from the general fund for the 2001-2003 biennium."

Renumber accordingly

Prepared by the Legislative Council staff for Senator Fischer January 24, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1023

Page 8, after line 3, insert:

"SECTION 15. APPROPRIATION. There is appropriated out of any moneys in the water development trust fund in the state treasury, not otherwise appropriated, the sum of \$5,500,000, or so much of the sum as may be necessary, to the state water commission for the purpose of matching fifty percent of the nonfederal cost share of a flood control project for the city of Fargo, for the blennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

Prepared by the Legislative Council staff for House Appropriations - Education and Environment Division
January 29, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1023

Page 1, line 7, replace "section" with "sections" and after "54-27-25" insert "and 61-01-26.1"

Page 1, line 9, after "fund" insert ", supplementing the water resources of eastern North Dakota,"

Page 6, after line 8, insert:

"SECTION 10. AMENDMENT. Section 61-01-26.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

61-01-26.1. Findings and declaration of policy - Water to eastern North Dakota a critical priority - Water supplementation study - Employment of staff. The legislative assembly finds that many areas and localities in eastern North Dakota do not enjoy safe drinking water; and that the water in these areas and localities centains iron, sulfates, alkali, salt, nitrates, fluoride; and other hazardous and discoloring substances. It is also found that other areas and localities in eastern North Dakota do not have sufficient quantities of water to ensure a dependable, long-term water supply. The legislative assembly further finds that supplementation of the water resources of eastern North Dakota with water supplies from other available sources, including the Missouri River, may be the only alternative to provide eastern North Dakota with a dependable source of safe, good quality water and an adequate quantity of water.

It is further declared that effective development and utilization of the land and water resources of this state; the opportunity for greater economic security; the protection of health, property, enterprise, and the preservation of the benefits from the land and water resources of this state; and the promotion of the prosperity and general welfare of all of the people of North Dakota involve, necessitate, and require the exercise of the sovereign powers of the state and concern a public purpose. Therefore, in order to accomplish this public purpose, it is declared necessary that a means to supply and distribute water to the people of eastern North Dakota for all beneficial purposes including domostic, rural water, municipal, livestock, light industrial, mining, agriculture, and other uses must be developed. In furtherance of this public purpose, the supply and delivery of water to eastern North Dakota is established as a critical priority and the state water commission shall continue to cooperate, in cooperation with the Garrison diversion conservancy district in addressing and the communities and rural water systems in eastern North Dakota, address this critical priority by developing a plan and estimate of the costs for supplementing the water resources of eastern North Dakota with water supplies from other available resources, including the Missouri River.

The state water commission may employ full-time personnel and may employ such other personnel as are necessary for the administration of this section as appropriated funds permit. Notwithstanding section 61-02-64.1, funds disbursed from the contract fund or appropriated for purposes of administering this section may be used for salaries and expenses of persons employed pursuant to this section."

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1023

Page 1, line 7, replace "section" with "sections" and after "54-27-25" insert "and 61-01-26.1"

Page 1, line 9, after "fund" insert ", supplementing the water resources of eastern North Dakota," and after the semicolon insert "to provide an exemption from payment of fees; and"

Page 6, after line 8, insert:

"SECTION 10. AMENDMENT. Section 61-01-26.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

61-01-26.1. Findings and declaration of policy - Water to eastern North Dakota a critical priority - Water supplementation study - Employment of staff. The legislative assembly finds that many areas and localities in eastern North Dakota do not enjoy safe drinking water, and that the water in these areas and localities contains iron, sulfates, alkali, salt, nitrates, flueride, and other hazardous and discoloring substances. It is also found that other areas and localities in eastern North Dakota do not have sufficient quantities of water to ensure a dependable, long-term water supply. The legislative assembly further finds that supplementation of the water resources of eastern North Dakota with water supplies from other available sources, including the Missouri River, may be the only alternative to provide eastern North Dakota with a dependable source of safe, good quality water and an adequate quantity of water.

It is further declared that effective development and utilization of the land and water resources of this state; the opportunity for greater economic security; the protection of health, property, enterprise, and the preservation of the benefits from the land and water resources of this state; and the promotion of the prosperity and general welfare of all of the people of North Dakota involve, necessitate, and require the exercise of the sovereign powers of the state and concern a public purpose. Therefore, In order to accomplish this public purpose, it is declared necessary that a means to supply and distribute water to the people of eastern North Dakota for all beneficial purposes including domestic, rural water, municipal, livestock, light industrial, mining, agriculture, and other uses must be developed. In furtherance of this public purpose, the supply and delivery of water to eastern North Dakota is established as a critical priority and the state water commission shall continue to cooperate, in cooperation with the Garrison diversion conservancy district in addressing and the communities and rural water systems in eastern North Dakota, address this critical priority by developing a plan and estimate of the costs for supplementing the water resources of eastern North Dakota with water supplies from other available resources, including the Missouri River.

The state water commission may employ full-time personnel and may employ such other personnel as are necessary for the administration of this section as appropriated funds permit. Notwithstanding section 61-02-64.1, funds disbursed from the contract fund or appropriated for purposes of administering this section may be used for salaries and expenses of persons employed pursuant to this section."

Page 6, line 19, replace "thirty" with "thirty-six"

Page 6, line 20, replace "eight" with "three"

Page 6, line 21, after the period insert "The commission may utilize up to five million five hundred thousand dollars from the water development trust fund, the resources trust fund, or from bond proceeds to provide cost share for a flood control channel and levy project designed to provide protection from overland flooding to a city with a population in excess of eighty thousand as of the 2000 federal decennial census. The amount provided may not exceed fifty percent of the city's share of the cost to construct the project."

Page 6, line 24, replace "purpose of funding the 2001-03 priorities" with "purposes set forth in this section"

Page 7, line 21, replace "\$30,800,000" with "\$36,300,000"

Page 7, line 22, replace "sixty-two" with "sixty-seven"

Page 7, line 23, replace "three" with "eight"

Page 8, after line 3, insert:

"SECTION 16. EXEMPTION FROM PAYMENT OF FEES. For purposes of charging fees or requiring payment for services pursuant to sections 54-10-01, 54-12-08, and 52-21-25, the state auditor, attorney general, and the director of the office of management and budget shall consider the funds appropriated to the state water commission from the water development trust fund in the same manner as if they were appropriated from the general fund for the 2001-03 biennium."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - State Water Commission - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages Operating expenses Equipment Capital Improvements Grants Cooperative research Statewide water development projects	\$8,966,759 6,477,485 514,833 23,710,864 22,625,067 3,050,000 62,300,000	\$5,500,000	\$8,966,759 6,477,485 514,833 23,710,864 22,625,067 3,050,000 67,800,000
Total all funds	\$127,645,008	\$5,500,000	\$133,145,008
Less estimated income	127,645,008	5,500,000	133,145,008
General lund	\$0	\$0	\$0
FTE	83.00	0.00	83 00

The amendment makes the following changes:

- Authorizes up to \$5,500,000 from the water development trust fund for flood control projects in Fargo which increases total authorization for state water projects to \$67,800,000.
- Creates a priority of supplementing the water resources of eastern North Dakota.
- Exempts the State Water Commission from the requirement to pay for certain services.

Date: January 31,01
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. Appropriations Education and Environment Division

House				_ Comr	nittee
Subcommittee on					
Conference Committee					
Legislative Council Amendment No	umber _				
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			Conded Japan Wi	eld	
Representatives	Yes	No	Representatives	Yes	No
Rep. Janet Wentz -Chairman					
Rep. James Boehm - Vice					
Chairman		1			
Rep. Ole Aarsvold					<u> </u>
Rep. Pam Gulleson					
Rep. Bob Martinson					
Rep. David Monson	1				
Rep. Francis J. Wald					
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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1023

Page 6, line 19, replace "thirty" with "thirty-six"

Page 6, line 20, replace "eight" with "three"

Page 6, line 21, after the period insert "The commission may utilize up to five million five hundred thousand dollars from the water development trust fund, the resources trust fund, or from bond proceeds to provide cost share for a flood control channel and levy project designed to provide protection from overland flooding to a city with a population in excess of eighty thousand as of the 2000 federal decennial census. The amount provided may not exceed fifty percent of the city's share of the cost to construct the project."

Page 6, line 24, replace "purpose of funding the 2001-03 priorities" with "purposes set forth in this section"

Page 7, line 21, replace "\$30,800,000" with "\$36,300,000"

Page 7, line 22, replace "sixty-two" with "sixty-seven"

Page 7, line 23, replace "three" with "eight"

Date: Fel. 1.01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. Appropriations Education and Environment Division

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2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. Appropriations Education and Environment Division

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18023.0105 Title.0200 Fiscal No. 2 Prepared by the Legislative Council staff for House Appropriations - Education and Environment Division
February 6, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1023

Page 1, line 7, replace the first "section" with "sections" and after "54-27-25" insert "and 61-01-26.1"

Page 1, line 9, after "fund" insert ", supplementing the water resources of eastern North Dakota," and after the semicolon insert "to provide an exemption from payment of fees; and"

Page 1, line 18, replace "8,966,759" with "9,066,759"

Page 1, line 19, replace "6,477,485" with "6,503,485"

Page 1, line 20, replace "514,833" with "499,833"

Page 1, line 22, replace "22,625,067" with "22,475,067"

Page 2, line 2, replace "93,917,341" with "93,878,341"

Page 6, after line 8, insert:

"SECTION 10. AMENDMENT. Section 61-01-26.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

61-01-26.1. Findings and declaration of policy - Water to eastern North Dakota a critical priority - Water supplementation study - Employment of staff. The legislative assembly finds that many areas and localities in eastern North Dakota do not enjoy safe drinking water, and that the water in these areas and localities - contains iron, sulfates, alkali, salt, nitrates, flueride, and other hazardeus and discolaring substances. It is also found that other areas and localities in eastern North Dakota do not have sufficient quantities of water to ensure a dependable, long-term water supply. The legislative assembly further finds that supplementation of the water resources of eastern North Dakota with water supplies from other available sources, including the Missouri River, may be the only alternative to provide eastern North Dakota with a dependable source of safe, good quality water and an adequate quantity of water.

It is further declared that effective development and utilization of the land and water resources of this state; the opportunity for greater economic security; the protection of health, property, enterprise, and the preservation of the benefits from the land and water resources of this state; and the promotion of the prosperity and general welfare of all of the people of North Dakota involve, necessitate, and require the exercise of the sovereign powers of the state and concern a public purpose. Therefore, in order to accomplish this public purpose, it is declared necessary that a means to supply and distribute water to the people of eastern North Dakota for all beneficial purposes including demostle; rural water, municipal, livestock, light industrial, mining, agriculture, and other uses must be developed. In furtherance of this public purpose, the supply and delivery of water to eastern North Dakota is established as a critical priority and the state water commission shall centinue to experate. In cooperation with

the Garrison diversion conservancy district in addressing and the communities and rural water systems in eastern North Dakota, address, this critical priority by developing a plan and estimate of the costs for supplementing the water resources of eastern North. Dakota with water supplies from other available resources, including the Missouri River.

The state water commission may employ full-time personnel and may employ such other personnel as are necessary for the administration of this section as appropriated funds permit. Notwithstanding section 61-02-64.1, funds disbursed from the contract fund or appropriated for purposes of administering this section may be used for salaries and expenses of persons employed pursuant to this section.

Page 6, line 19, replace "thirty" with "thirty-six"

Page 6, line 20, replace "eight" with "three"

Page 6, line 21, after the underscored period insert "The commission may utilize up to five million five hundred thousand dollars from the water development trust fund, the resources trust fund, or from bond proceeds to provide cost share for a flood control channel and levy project designed to provide protection from overland flooding to a city with a population in excess of eighty thousand as of the 2000 federal decennial census. The amount provided may not exceed fifty percent of the city's share of the cost to construct the project."

Page 6, line 24, replace "purpose of funding the 2001-03 priorities." with "purposes set forth in this section"

Page 7, line 19, after "INTENT" insert "- STATEWIDE WATER PROJECT FUNDING LIMIT"

Page 7, line 21, replace "\$30,800,000" with "\$36,300,000" and replace "10" with "11"

Page 7, line 22, replace "sixty-two" with "sixty-seven"

Page 7, line 23, replace "three" with "eight"

Page 8, line 3, replace "13" with "14"

Page 8, after line 3, insert:

"SECTION 16. EXEMPTION FROM PAYMENT OF FEES. For purposes of charging fees or requiring payment for services pursuant to sections 54-10-01, 54-12-08, and 52-21-25, the state auditor, attorney general, and the director of the office of management and budget shall consider the funds appropriated to the state water commission from the water development trust fund in the same manner as if the funds were appropriated from the general fund for the 2001-03 blennium."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Water Commission - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages Operating expenses Equipment	\$8,966,759 6,477,486 514,833 23,710,864	\$100,000 26,000 (15,000)	\$9,086,769 6,603,485 499,833 23,710,864
Capital improvements Grants	22,628,087	(150,000)	22,476,067

Cooperative research Statewide water development projects	3,050,000 62,300,000	5,500,000	3,050,000 67,800,000
Total all funds	\$127,645,006	\$5,461,000	\$133,100,008
Less estimated income	127.645,008	5,461,000	133,106,008
General fund	\$0	\$0	\$0
FTE	83.00	1.00	84.00

Dept. 770 - Water Commission - Detail of House Changes

F	PROVIDES FUNDING FOR FARGO FLOOD CONTROL PROJECT	REDUCE FUNDING FOR OPERATING EXPENSES	REDUCE FUNDING FOR EQUIPMENT	WATER TO EASTERN NORTH DAKOTA STUDY 1	TOTAL HOUSE CHANGES
Salarius and wages Operating expenses Equipment Capital improvements Grants Cooperative research Statewide water developmen	1 \$5,500,000	(\$19,000)	(\$20,000)	\$100,000 45,000 5,000 {150,000}	\$100,000 26,000 (15,000) (150,000) 5,500,000
Total all funds	\$5,500,000	(\$19,000)	(\$20,000)	\$0	\$5,461,000
Less estimated income	5.500.000	(19.000)	(20,000)	and the second second second second second second	5,481,000
General fund	\$0	\$0	\$0	\$ 0	\$0
FTE	0.00	0.00	0.00	1.00	1.00

¹ Provides for line item transfers and one additional FTE for a study of supplementing the water resources of eastern North Dakota.

The amendment makes the following changes:

- Authorizes up to \$5.5 million from the water development trust fund for flood control projects in Fargo which increases total authorization for state water projects to \$67,800,000.
- Amends North Dakota Century Code Section 61-01-26.1 relating to a study of the water resources
 of eastern North Dakota contained in House Bill No. 1171, the provisions of which are amended into
 House Bill No. 1023.
- Exempts the State Water Commission from the requirement to pay for certain services generally charged non-general fund agencies.

Date: 2-9-01Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Appropriations Education and Environment Division

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2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
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If the vote is on an amendment, briefly indicate intent:

Date: 2-9-01

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2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1+3/023

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2001 SENATE APPROPRIATIONS

HB 1023

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1023

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 14, 2001

Tape Number	Side A	Side B	Meter #
Tape #1	Overview		0.0-54.0
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Tape //2	Amend Opponents		0.0-31.0
Tape #2	Budget		31,0-53,9
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Minutes:

<u>Senator Nething</u> opened the hearing on HB1023 - State Water Commission. The hearing was held in the Brynhild Haugland Room.

<u>Dale Frink</u>, Interim North Dakota State Engineer and Interim Chief Engineer-Secretary to the State Water Commission presented the overview of HB1023 (a copy of written testimony is attached). He also distributed copies of two proposed amendments to the engrossed HB1023 (copies are attached). Also distributed was a copy of the Revised Water Development 2001 Biennial Report, a supplement to the 1999 State Water Management Plan (a copy is attached). <u>Senator Nething</u>: If bonding; what is the estimated bond payment? Know 8 Million already out there -- but the additional?

<u>Dale Frink</u>: Yes, 8.6 includes some; 27.5 Million sold at a cost of 5.4 Million to us; if same conditions it could cost us 7.2 Million for a total of 12.6 Million for both.. Not bonding right

away, maybe in a year --- at the most there will be one bond payment this year; the 7.2 Million payment down the road.

Senator Nething: 15.8 -- some included from the 8.6?

<u>Dale Frink</u>: Estimate plus current equals 15. 8.6 reduction bond this year -- one payment only this year.

Senator Nething: Assume some of the 15? 8.6 here?

Dale Frink: Correct.

David Krabbenhoft, OMB analyst confirmed it.

<u>Senator Solberg</u>: Pages 14-15; the 105 Million expenditures --- some of them should be bonded, were bonded in senate bill?

<u>Dale Frink</u>: Bonding only for what's needed for this biennial; top of page 14 has the executive budget recommendation for water projects for 2001-2003.

<u>Senator Nething</u>: Changes bottom line 6 Million? You only need spending authorization?

<u>Dale Frink</u>: No federal; no changes. Yes.

Senator Solberg: The 16 through out for global --GSI--- are you doing this on your own, or are in working in conjunction with the State Information Technology Department? Tied in with the state system?

<u>Dale Frink</u>: We work closely with the Information Technology Department. Yes it is tied into the system.

Senator Grindberg: In looking through your 2001 Biennial Report -- has the Commission taken into consideration what effect the shift of 9 million will have? What effect on the long term goals?

<u>Date Frink</u>: Next biennium no impact; bonding will be long term; reduces money available for projects long term. Tobacco settlement dollars are long term, perhaps 10 million per biennium; short term is the bonding.

Senator Nething: Page 14, projects -- much variation from SB2188 list of projects -- any delineation?

<u>Dale Frink</u>: SB2188 -- for most parts consistent with the plan. Didn't list projects.

<u>Senator Nething</u>: On SB2188 you had a list and map identifying when, where projects would take place --- like to see if there was any variation?

Date Frink: Lee can answer that,

LeRoy Klapprodt, Division of Planning and Education,: The Report handed out has the update on 1999 projects; we contacted interested people, did some deletions, did some additions.

<u>Senator Nething</u>: So it's a mix --- able to identify those from original list? You eliminated some, added some?

LeRoy Klapprodt: Yes; we can do that; will provide listing.

Senator Robinson: On page 14, updates -- did you take into consideration the cost factor: Revisit all the documentation's?

<u>LeRoy Klapprodt</u>: Yes all were revised taking the descriptions, cost, all into consideration. It is as current as possible.

<u>Senator Solberg</u>: If act is approved with no funding -- spent all-- and if Dakota Resource Act comes in to be --- where we will be for matching dollars?

<u>Dale Frink</u>: Most are not part of the Water Commission budget -- the Commission has to review and approve but does not administer. It effects city, county budgets.

Senator Solberg: so no state obligation -- all local?

Page 4 Senate Appropriations Committee Bill/Resolution Number HB1023 Hearing Date March 14, 2001

<u>Dale Frink</u>: Except SW Pipeline and NAWS which are already in the budget. SW has more federal dollars available and NAWS is covered by tax percent in Minot.

<u>Senator Robinson</u>: Page 6, there are a number of bonds -- process time varies from 40 or 30 years, some for 20 years -- why the variation?

<u>Date Frink</u>: Depends on the source -- some dollars from the USDA are for 40 years; public sources tend to be shorter -- 30 and perhaps 20; some federal dollars have a 20 year bond requirement -- all rules stipulated in application.

<u>Senator Heitkamp</u>: Section 9 of the engrossed bill -- take off line, use total dollars -- that's what you and your staff do for 10 Million?

<u>Dale Frink</u>: Yes 9.7 something for salaries and operations.

Senator Heitkamp: Couldn't those dollars, shouldn't those dollars be used for water projects?

<u>Dale Frink</u>: Reduce amount of bonding.

Senator Tomae: The tobacco settlement has an expected flow of 20-25 years --- something like 120 Million -- using for operations instead of the water projects?

Dale Frink: No question it is a lot of money -- could be used for water projects.

Dale Frink gave an overview of the House amendment. FEMA is already helping in the Wahpeton and Grand Forks areas -- those short term projects know the problems and are working towards the solution. Fargo is more serious -- no flood control plans; city is looking at the project regarding impact of flooding that took place in 1997. The Rose Coulee and the Wild Rice River are involved and alternatives are being considered. Project is not designed -- there is a need to do some fine looking; Commission wasn't aware of the proposed amendment until it came forward out of the House; so hasn't had the time to fully review.

Testimony by Amendment Proponents:

Bruce Furness, Mayor of Fargo, ND, testified in support of HB1023, and the House Amendment (a copy of his written testimony is attached).

Mark Bittner, Fargo City Engineer, spoke in support (a copy of his written testimony is attached).

Senator Bowman: Lots of people have and are continuing to move in to Fargo from the surrounding areas -- this seems like a city problem, why would the rest of the state support something like that, when in fact homes were built where they shouldn't be. The problem could be eliminated, know flood will happen in what areas-- why let growth takes place there: with growth comes a cost; people choose to live in risk areas, pay themselves?

Mark Bittner: This area is where we already have 6000 homes -- the residents were unaware of the potential problems when they built. Our primary goal is to protect what we already have. The newer developed areas are being built with new flood proof methods taken into consideration.

Bruce Furness: We come before the legislature, requesting only that the same consideration given to other cities.

<u>Senator Bowman</u>: If we do for Grand Forks, Wahpeton, and Fargo --- what about the small communities, doing zero?

Bruce Furness: Believe the State Water Commission protects their interests.

Senator Thane: Can you tell us with certainty that this won't put added pressure upstream? What impact will this have on the Wahpeton area? The Wild Rice River impact?

Mark Bittner: That is the number one key being answered by the study. The Red River model information is very good, Wild Rice River documentation not so complete -- FEMA has been

working with the Red River problem for some time and now they have one specialist for this study. We need to get some answers -- before project can be finalized.

Senator Heitkamp: Timing -- this is the year 2001, ice storm and flood was in '97 --- the more years out, the more we forget how close we came to losing the city --- but why take so long to do this, if the majority think there is a need?

<u>Bruce Furness</u>: Agree, the longer we wait, the more we forget. This process began December of last year; knowing the next logical steps were to the city, county and then to the state --- all of this costs time.

Senator Heitkamp: This is funding for next two years -- until 2003; since '97 that's a lot of years ---lose the ability, drive to do it?

Bruce Furness: We are moving as quickly as we can.

Senator Nething: Study takes time--ideas?

Bruce Furness: Jeffry Volk will address the study in depth.

<u>Jeffry Volk</u>, Moore Engineering, Inc., Project Engineer presented testimony in support of the amendment for the Red River Flood Control, City of Fargo (a copy of his written testimony is attached).

<u>Senator Solberg</u>: There have been areas, such as the Maple Dam, where division, ditching have been effective --- reviewed concerns for the Wild Rice area flooding, not Fargo?

<u>Jeffry Volk</u>: Looked at it -- the map in my testimony shows the water/blue --- and that the water concerns there are lower than the Red River -- which has more capacity but can't get there because the water is higher there already.

Senator Robinson: Are the dollars for the construction of dike years away? Think 2 years is realistic to answer all the unknowns?

<u>Jeffry Volk</u>: Disagree -- we have the tools available in the flood studies -- better river models, impact of flood stage in the outlying area. We've conducted public meetings, requested input -- but when do we know enough is enough -- each community needs to decide when/what is acceptable for the public.

<u>Senator Robinson</u>: Move quickly? Public demand requires answers; not all issues can be directed within the next 24 months?

<u>Jeffry Volk</u>: Believe that in 2 years a decision can be made; this amendment allows bonding if the dike is constructed.

<u>Senator Robinson</u>: People need some higher comfort -- need to see the plan, be convinced it is for the betterment of the community -- then they will be behind the process?

Senator Tomac: Is there a time limitation set by FEMA?

Jeffry Volk: Dollars are still available from the '97 flood --not aware of any set date.

Mark Bittner: FEMA authorized meeting, acceptable to do this -- no date limitation.

<u>Senator Tomac</u>: Projects usually have a time line --- old saying: think long, think wrong, FEMA usually has an expiration date --- sometimes we're unhappy with it. Did the Study in '97 --- still no answers? Cycle would indicate FEMA with a time certainty?

Mark Bittner: We know what's needed; have the tools available. The issue is the potential impact upstream -- has been since end of summer.

Testimony of Amendment Opponents:

Richard (Dick) Knutson, Fargo resident, presented a brief overview of opposition; cited statistics from reports (only had one copy - will provide individual copies to the Committee within days of hearing) and expressed concerns of putting the cart before the horse with the 5 million dollars.

He introduced others who came from the Fargo area to testify in opposition of the HB1023 amendment.

Robyn Sorum, current Cass County Commissioner, but who spoke on her own behalf in opposition of the amendment (a copy of her written testimony is attached).

Robyn Sorum also shared a letter from Jeannette ("Mike") Stanton, Fargo resident since 1950 who was unable to attend today's hearing (a copy of the letter is attached).

Senator Nething: Do you oppose the study or building the dike?

Robyn Sorum: Others can better answer that -- I'll let them speak to those matters, with your permission.

<u>Perry Ronning</u>, Mayor of the City of Horace: spoke in opposition of the amendment (a copy of his written testimony is attached).

Senator Nething: Do you oppose the study or building of the dike?

<u>Perry Ronning</u>: Don't want the dike; working with individuals in Fargo regarding the study; but 5.5 Million for study --- then building with no answers.

<u>Dale Frink</u>: 5.5 Million for project construct; 11 million from FEMA and 5.5 here; rest will be the responsibility of the city of Fargo, which could be 5.5 or more.

<u>Senator Bowman</u>: What if you build this dike -- and it causes flooding, who's liable? It's man made -- causes damage to other areas -- who's responsibility?

<u>Dale Frink</u>: That is the purpose of the permit process-- all those things are evaluated and established prior to building.

Senator Solberg: Where's Horace? Favored the Sheyenne and opposed Maple River?

Perry Ronning: South of Fargo, begins at 64th Avenue -- goes to approximately 100th Avenue.

Yes, we are still paying (8 years left).

<u>Senator Heitkamp</u>: You indicated you were on the City of Fargo Mayor's Task Force --- not going so well?

<u>Perry Ronning</u>: Since I was invited to participate we have had only one meeting—every thing is in preliminary stages; we are still working together; no fighting within Task Force; but feel strongly that this is not the project to do what is needed. Project needs revision to be effective, acceptable.

<u>Senator Heitkamp</u>: You say you don't like it -- so we don't have a project? What is the perception prior to the 5.5 million study -- is this ahead of self?

<u>Perry Ronning</u>: Need to see the project -- only hear about it.

<u>Dick Knutson</u>: Briarwood resident testified in opposition of the amendment (a copy of his written testimony is attached).

Dick Knutson shared a letter from John Adams, Mayor of the City of Briarwood, who was unable to attend today's hearing (a copy of his written testimony is attached). He used a large aerial picture of Briarwood to show the Committee the area he spoke about.

Senator Tomac: Against the dike at all or process before the dike is built?

<u>Dick Knutson</u>: We have received no straight answers -- we'd like to see the project; if built on 70th Avenue as stated -- that would devastate us; no vested interest for us.

Senator Thane: Better way to protect -- iden?

<u>Dick Knutson</u>: Perhaps water retention upstream --- instead of 39 feet, get 36 feet. Good timing releases essential --- making the scenario available for the amounts and time of releases.

Senator Thane: Just a statement: I've lived for 60 years on the banks of the Wild Rice, so understand the concerns.

<u>Terry Compson</u>, Horace resident and CO-Chair man, Citizens for Responsible Flood Control testified in opposition (a copy of his written testimony is attached).

Senator Schobinger: The emergency dikes that were built? Effect on community?

<u>Terry Compson</u>: I'm not an engineer so don't know how there were built -- but there were in different location; not same impact that is covered here. We have asked for defining, can't get the answers.

<u>Senator Tallackson</u>: Retention the best solution? Took 10 years to build the dam on the Sheyenne due to opposition?

<u>Terry Compson</u>: There they identified the area of dry dam - water control; more difficult -- thankful our fore fathers persisted and wisdom prevailed -- built in the '40s after the '87 flood.

<u>Senator Tallackson</u>: Meantime cities flood -- solution?

<u>Terry Compson</u>: This is different from the Grand Forks and Wahpeton areas --- they have improved dikes on the Red River every year, cause they know of the potential flooding.

Overland flooding from the Wild Rice -- doesn't happen every year and therefore not so urgent.

Senator Robinson: You live 5 miles south of Fargo -- was you land, home effected in the flood?

<u>Terry Compson</u>: We built a dike in '79; the township road lost a foot of elevation -- but buildings and land were protected.

<u>Senator Thane</u>: Has there been discussion regarding control releases -- Wahpeton to Fargo would be interested to know -- who would be responsible -- been addressed?

<u>Terry Compson</u>: Agree we need to know who will have the controls for releasing. The Traverse Lake controls were held by the Corp. of Engineers --- and they did an excellent job.

Bonnie is atten, Board member of The International Coalition, testified in opposition of the amendment (a copy of her written testimony is attached).

<u>Vern Kepler</u>, Fargo resident, testified in opposition of the portion of HB1023 which gives Fargo 5.5 million dollars to build a dike (a copy of her testimony is attached).

Greg Wheelden, Fargo resident testified in opposition of the amendment (a copy of his written testimony is attached).

Dick Knutson placed a letter of opposition of the amendment from Jerald Desotel, Fargo resident who was unable to attend today's hearing (a copy of the written testimony is attached).

<u>Dorothy Cossette</u>, rural Fargo resident spoke in opposition to the amendment (a copy of her written testimony is attached).

Barbara Orvedal, rural Fargo resident, testified in opposition (a copy of her written testimony is attached).

Hearing of proponent and opponent testimony on the amendment ended; and Senator Nething continued hearing on the agency budget.

Michael Dwyer (Lobbyist #082), North Dakota Water Users Association testified in support of HB1023 (copies of his written testimony contained in the flyer from the North Dakota Water Coalition and a copy of page 2, S.B. No. 2188 which are attached).

<u>Senator Robinson</u>: South West Pipeline is noted on your colored sheet -- is there a picture of unmet needs there? Possible to get a list of all of them to get the big picture concept?

Michael Dwyer: A complete summary, breakdown can be found in the Executive Summary Report distributed earlier today.

Bruce Furness, Mayor, City of Fargo, spoke in support of HB1023 (a copy of his written testimony is attached).

Randal Loeslie, Manager of the Grand Forks Trail Water District presented testimony is support of HB1023 (a copy of his written testimony is attached).

Alan Walter, Director of Public Works for the City of Minot, testified in support of HB1023 (a copy of his written testimony is attached).

<u>Senator Heitkamp</u>: Rural communities -- have 2 years to comply with the arsenic problem -- if SW Pipe Line to NAWS will there be a need for patience? Solved the drop dead date?

Alan Walter: Have 6 years to comply.

Senator Heitkamp: Levels 50 to 10? Or do they far exceed? Where at?

Alan Walter: In the 13-25 area.

<u>Don Flynn</u>, Vice Chairman of the Southwest Water Authority, Scranton, ND spoke in support with reservation of HB1023 (a copy of his written testimony is attached).

<u>Calvin Klewin</u>, Executive Director of the Bowman County Development Corporation, spoke in support of the continuing of rural water projects throughout North Dakota (a copy of his written testimony is attached).

Senator Heitkamp: Have you put together the numbers --- values to home/ranch, be bre and after rural water?

Calvin Klewin: No, but as a Realtor I can say it has added value to property.

Senator Heitkamp: It is estimated to be worth 12 thousand in the east -- not sure about west figures.

Calvin Klewin: Believe that would be a solid number.

<u>Larry Schultz</u>, President of the North Dakota Rural Water Systems Association spoke in support of continued funding of the ND State Water Commission budget with general fund dollars (a copy of his written testimony is attached).

<u>David L. Johnson</u>, Chairman and representing the McKenzie County Water Resource Board, regarding its concerns/requests (a copy of his written testimony is attached).

<u>Joe Belford</u>, Ramsey County Commissioner and North Dakota County Commission Association, testified in support of HB1023 (a copy of his written testimony is attached).

<u>Senator Heitkamp</u>: For point of information, the Governor took funding for Commission out of general funds and designated other source.

Joe Belford: We understand.

<u>Al Grasser</u>, Grand Forks City Engineer, provided a statement of support (a copy of written testimony is attached).

<u>Jeffry Volk</u>, Moore Engineering, Inc., Project Engineer provided testimony on the Sheyenne - Maple Flood Control Projects (a copy of written testimony is attached).

<u>Sonator Heitkamp</u>: Hear a number of concerns regarding the Maple Project --- realize there is a backside -- have you met with individuals/groups to alleviate concerns?

<u>Jeffry Volk</u>: We have met/attempted to meet many times -- not recently though. The meetings tend to be very controversial -- some really want us to go away. Some individuals who own land and have come forward to negotiate -- we have done so; thus far we have purchased approximately 25-30 percent. Still some people just don't want it!

Herb Grenz, North Dakota Irrigation Caucus, testified in support of HB1023; as proposed by the Water Commission --- to be paid out of general fund dollars.

Ken Royse, representing the North Dakota Water Resource Districts Association testified for HB1023 (a copy of his written testimony is attached).

The Water Commission staff requested that the letter from <u>Robert Thompson</u>, member of the State Water Commission who was unable to attend today's hearing be placed in the records (a copy of his written testimony is attached).

Page 14 Senate Appropriations Committee Bill/Resolution Number HB1023 Hearing Date March 14, 2001

<u>Jay Sandstrom</u>, member of the North Dakota Weather Modification Association and the Mountrail County Weather Modification Authority testified in support of the State Water Commission appropriation (a copy of his written testimony is attached).

Senator Nething called for additional testimony, for-against-neutral; no one came forward.

<u>Kathy Roll</u>, Office of Attorney General asked that Senator Nething distribute copies of a prepared statement (a copy is attached). The statement pertains to the Engrossed HB1023 -

Hearing on HB1023 closed.

Announcements made following closing:

Water Commission effect on billable legal services.

Senator Nething assigned a subcommittee for HB1023 - Water Commission:

Senator Nething, Chair

Senators Holmberg and Senator Robinson

Senator Nething assigned a subcommittee for HB1196 - Inter-Gov Transfer:

Senator Solberg, Chair

Senator Bowman, Senator Thane, Senator Tomac, and Senator Heitkamp

Senator Nething distributed copies of the Subcommittee work assignments for Thursday and Friday (March 15th and 16th) were distributed.

4-3-01 Full Committee Action (Tape #1, Side A, Meter # 42.3 - 54.5 and Tape #1, Side B. Meter # 0.0 - 18.9)

Senator Nething reopened the hearing on HB1023 - State Water Commission.

Senator Nething, Subcommittee Chair reviewed the bill, testimony, and the findings of the

Subcommittee. Amendments brought forth by the Subcommittee, #18034.0210, were distributed

for consideration Don Wolf, Legislative Council Staff, went through the amendments.

Discussion; corrections to be made to clarify language were agreed on.

Senator Holmberg moved the amendments; second by Senator Robinson. Discussion; call for

the vote: Voice Vote carried the amendments - with change (revised #18023.0211).

Discussion on the bill as amended.

Senator Holmberg moved a DO PASS AS AMENDED; Senator Robinson seconded the motion.

Discussion; call for the vote: 14 yes; 0 no; 0 absent and not voting.

Senator Holmberg accepted the floor assignment.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1023

- Page 1, line 4, replace "a statement" with "statements" and after "enact" insert "a new subsection to section 61-02-14."
- Page 1, line 5, after "61-02.1" insert a comma
- Page 1, line 6, replace "and" with a comma and after "bonds" insert ", and the powers and duties of the state water commission"
- Page 1, line 7, replace "sections 54-27-25 and" with "subsections 4 and 5 of section 61-01-26 and section" and replace the third "and" with a comma
- Page 1, line 8, replace "section" with "sections 10 and" and after "Laws" insert ", and section 2 of House Bill No. 1151, as approved by the fifty-seventh legislative assembly"
- Page 1, line 9, after "fund" insert ", sharing costs for water quality protection programs", after "Dakota" insert ", the statewide water development program", and remove "and"
- Page 1, line 10, after "bonds" insert "and to construction of a Devils Lake outlet" and replace "provide an exemption from payment of fees" with "transfer funds from the water development trust fund to the general fund; to provide requirements for the Fargo flood control project"
- Page 2, line 2, replace "Total special funds appropriation" with "Total all funds"

Page 2, after line 2, insert:

"Less estimated income Total general fund appropriation

84,144,521 \$9,733,820

SECTION 2. STATEWIDE WATER DEVELOPMENT PROJECTS. The amount of \$200,000, or so much of the funds as may be necessary, included in the statewide water development projects line item in section 1 of this Act is for cost-sharing for projects authorized under section 319 of the Federal Water Pollution Control Act [Pub. L. 100-4; 100 Stat. 52; 33 U.S.C. 1329] for the control of nonpoint sources of pollution for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 2, line 7, replace "\$47,365,504" with "\$37,631,684"

Page 5, replace lines 1 through 31 with:

"SECTION 10. AMENDMENT. Subsections 4 and 5 of section 61-01-26 of the North Dakota Century Code are amended and reenacted as follows:

4. Accruing benefits from these resources can best be achieved for the people of the state through the development, execution, and periodic updating of comprehensive, coordinated, and well-balanced short-term and long-term plans and programs for the conservation and development of such resources by the departments and agencies of the state having

- responsibilities therefor. The plans and programs for the conservation and development of these resources may include implementation of a program to cost-share with local sponsors of water quality improvement projects.
- 5. Adequate implementation of such plans and programs shall be provided by the state through cost-sharing and cooperative participation with the appropriate federal and state departments and agencies and political subdivisions within the limitation of budgetary requirements and administrative capabilities, including consideration of cost-sharing for water quality improvement projects."

Page 6, remove lines 1 through 8

Page 7, after line 10, insert:

"SECTION 12. AMENDMENT. Section 2 of House Bill No. 1151, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

SECTION 2. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Devils Lake outlet - Eminent domain - Design and build construction. In the construction of an outlet from Devils Lake, the commission:

- 1. Shall make a reasonable and diligent effort to acquire the property interests needed by negotiation. The commission is deemed to have made a reasonable and diligent effort if it has contacted or attempted to contact the owner of the property interest needed at least three times over a thirty-day period. If the commission is unable to acquire the interest needed by negotiation, then it may take possession of the interests needed after making a written offer to purchase and depositing the amount of the offer with the clerk of the district court of the county in which the property interest is located. The amount of the offer must be at least the average value per acre of comparable property. The clerk shall immediately notify the property owner in writing of the deposit. Within thirty days after receiving notice, the property owner may appeal to district court by serving notice of appeal upon the commission and the matter must be tried in the manner prescribed under chapter 32-15.
- 2. May issue, when it determines that it would be advantageous to the state or that it is necessary in order to construct the outlet in a timely manner, a request for proposals to design and build the outlet. The request for proposals must require that each proposal submitted contain a single price that includes the cost to design and build the outlet. Neither chapter 48-01.1 or 54-44.7, nor any other law requiring competitive bidding applies to the construction of the outlet if the commission determines to use the design and build procedure. The commission shall select the proposal that it determines is the most advantageous to the state.

SECTION 13. A new subsection to section 61-02-14 of the North Dakota Century Code is created and enacted as follows:

To consider cost-sharing for water quality improvement projects."

Page 7, line 21, replace "thirty-six" with "twenty"

Page 7, line 22, remove "three hundred thousand"

Page 8, line 12, replace "10" with "14"

Page 8, line 29, replace "\$36,300,000" with "\$20,000,000" and replace "11" with "14"

Page 9, line 3, after the period insert "Contracts for water projects to be paid from the water development trust fund may initially be issued up to an amount equal to seventy-five percent of the amount appropriated from that fund for projects. Contracts for the remaining twenty-five percent appropriated may only be issued to the extent uncommitted funds are available in the water development trust fund."

Page 9, line 12, replace "14" with "17"

Page 9, replace lines 13 through 18 with:

"SECTION 19. TRANSFER. Notwithstanding the provisions of section 54-27-25 of the North Dakota Century Code during the biennium beginning July 1, 2001, and eriding June 30, 2003, the director of the office of management and budget is authorized to transfer \$9,733,820 from the water development trust fund to the general fund.

SECTION 20. Section 10 of chapter 535 of the 1999 Session Laws is amended and reenacted as follows:

SECTION 10. STATEWIDE WATER DEVELOPMENT PROGRAM - LEGISLATIVE INTENT. The state water commission shall develop a new comprehensive statewide water development program with priorities based upon expected funds available from the water development trust fund for water development projects. This program may include water quality improvement projects. It is the intent of the legislative assembly that the state water commission consider the delivery of water for usable purposes a priority for water development projects after the projects authorized in section 3 of this Act are completed."

Page 9, after line 24, Insert:

"SECTION 22. LEGISLATIVE INTENT - ADMINISTRATIVE EXPENSES. It is the intent of the fifty-seventh legislative assembly that the water development trust fund not be used as a source of funding for state water commission administrative expenses after the 2001-03 biennium.

SECTION 23. FARGO FLOOD CONTROL - REQUIREMENTS. Except for planning, the state water commission may not issue bonds for Fargo flood control projects until applicable permits are issued, southeast Cass water resource district has approved the project, and a public hearing process is held on the approved project plan. The total authorization consists of \$500,000 for expenses for preliminary study and planning of the project and \$5,000,000 for project construction expenses."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - State Water Commission - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
	DOLAN.	A C. LIGHT NA	(31) (4) (4) (5)	AC DOICH.
Salaries and wages	\$8,966,759	\$9,066-759		1 9 066 759
Operating expenses	6,477,485	6,503,485		5 503 485
Equipment	514.833	499,833		499,833
Capital improvements	23,710 864	23,710,864		23.710.864
Grants	22.625.067	22,475 067		22 475,067
Cooperative research	3.050,000	3,050,000		3,050,000
Statewide water development projects	62.300.000	67,800,000		67.800,000
Total all funds	\$127,645,008	\$130,106,008	\$0	\$133,106,008
Luss estimated income	127,645,008	133,106,008	(9,733,820)	123,372,188
General fund	\$0	\$0	\$9,733,820	\$9,733,820
FIE	83 00	84 00	0.00	84-00

Dept. 770 - State Water Commission - Detail of Senate Changes

CHANGE

0.00

FUNDING FOR ADMINISTRATIVE TOTAL SENATE **EXPENSES 1** CHANGES Salanes and wages Operating expenses Equipment Capital improvements Cooperative research Statewide water develop/ ant projects Total all funds \$0 \$() Less estimated income (9,733,820) (9,733,820) General lund \$9,733,820 \$9,733,820

0.00

Section 2 authorizes \$200,000 of funds already approved for water development projects for Section 319 of the Federal Water Pollution Control Act for control of nonpoint sources of pollution.

Section 9 of the engrossed bill relating to the tobacco settlement trust fund is removed as the expenses of the State Water Commission are to be paid from the general fund.

This amendment also requires the State Water Commission to offer at least the average value per acre of comparable property for property acquired under eminent domain for an outlet from Devils Lake (Section 12).

The amendment changes Section 14 and limits the capital bonding for water projects to \$20 million and requires in Section 16 that water projects funded from the water development trust fund cannot exceed 75 percent of the amount appropriated from the fund and the remaining 25 percent may be appropriated only to the extent funds are available in the water development trust fund.

In Section 19 a transfer is authorized from the water development trust fund to the general fund in the amount of \$9,733,820, the administrative expenses of the State Water Commission. The \$5,500,000 authorized for Fargo flood control projects includes \$500,000 for preliminary study and planning of the project and \$5,000,000 for construction of the project as provided for in Section 23.

Section 20 includes language that programs for the conservation and development of state water resources may include cost-sharing with local sponsors of water quality improvement projects.

Logislative intent is added that the water development trust fund not be used to fund administrative expenses of the State Water Commission in future blenniums (Section 22).

Section 23 is added requiring permits to be issued, approval from the Southeast Cass Water Resource District, and a public hearing process prior to issuance of bonds for Fargo flood control projects.

¹ This amendment transfers funding for administrative expenses of the State Water Commission from the water development trust fund to the general fund and provides for a transfer of funds from the water development trust fund to the general fund in the amount of \$9,733,820.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1023

- Page 1, line 4, replace "a statement" with "statements" and after "enact" insert "a new subsection to section 61-02-14,"
- Page 1, line 5, after "61-02.1" insert a comma
- Page 1, line 6, replace "and" with a comma and after "bonds" insert ", and the powers and duties of the state water commission"
- Page 1, line 7, replace "sections 54-27-25 and" with "subsections 4 and 5 of section 61-01-26 and section" and replace the third "and" with a comma
- Page 1, line 8, replace "section" with "sections 10 and" and after "Laws" insert ", and section 2 of House Bill No. 1151, as approved by the fifty-seventh legislative assembly"
- Page 1, line 9, after "fund" insert ", sharing costs for water quality protection programs", after "Dakota" insert ", the statewide water development program", and remove "and"
- Page 1, line 10, after "bonds" insert "and to construction of a Devils Lake outlet" and replace "provide an exemption from payment of fees" with "transfer funds from the water development trust fund to the general fund; to provide requirements for the Fargo flood control project"
- Page 1, line 20, replace "6,503,485" with "7,503,485"
- Page 1, line 22, replace "23,710,864" with "28,710,864"
- Page 2, line 2, replace "Total special funds appropriation" with "Total all funds" and replace "93,878,341" with "99,878,341"

Page 2, after line 2, Insert:

"Less estimated income Total general fund appropriation 90,144,521 \$9,733,820

SECTION 2. STATEWIDE WATER DEVELOPMENT PROJECTS. The amount of \$200,000, or so much of the funds as may be necessary, included in the statewide water development projects line item in section 1 of this Act is for cost-sharing for projects authorized under section 319 of the Federal Water Pollution Control Act [Pub. L. 100-4; 100 Stat. 52; 33 U.S.C. 1329] for the control of nonpoint sources of pollution for the biennium beginning July 1, 2001, and ending June 30, 2003."

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Page 8, line 29, replace "\$36,300,000" with "\$20,000,000" and replace "11" with "14"

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - State Water Commission - Senate Action

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Salaries and wages	\$8,966,759	\$9.066,759		\$9.066,759
Operating expenses	6,477,485	6,503,485	\$1,000,000	7,500,485
Equipment	514,833	499,833		499.833
Capital improvements	23,710,864	23,710,864	5,000.000	28,710,854
Grants	22,625,067	22,475,067		22.475.067
Cooperative research	3,050,000	3,050,000		3.050.000
Statewide water development projects	62,300,000	67,800,000	COMPANIES OF A STATE OF CONTRACTOR	67.800,000
Total all funds	\$127,645.008	\$133,106,008	\$6,000,000	\$139,106,008
Less estimated income	127,645,008	133,106,008	(3,733,820)	129,372,188
General lund	\$0	\$0	\$9,733,820	\$9,733,820
FTE	83.00	84.00	0.00	84 00

Dept. 770 - State Water Commission - Detail of Senate Changes

CHANGE FUNDING FOR ADMINISTRATIVE EXPENSES !	PROVIDE AUTHORIZATION FGA SOUTHWEST PIPELINE PROJECT 2	TOTAL SENATE CHANGES
	\$1,000,000 5,000,000	\$1,000,000 5,000,000
	agents and difference a paging s a date;	
\$0	\$6.000,000	\$6,000,000
(9,733,820)	6,000,000	(3,733,820)
\$9,733,820	\$0	\$9,733,820
,	FUNDING FOR ADMINISTRATIVE EXPENSES 1	FUNDING FOR ADMINISTRATIVE EXPENSES 1 FOR SOUTHWEST PIPELINE PROJECT 2 \$1,000,000 \$5,000,000

¹ This amendment transfers funding for administrative expenses of the State Water Commission from the water development trust fund to the general frind and provides for a transfer of funds from the water development trust fund to the general and in the amount of \$9,733,820.

Section 2 authorizes \$200,000 of funds already approved for water development projects for Section 319 of the Federal Water Pollution Control Act for control of nonpoint sources of pollution.

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Section 20 includes language that programs for the conservation and development of state water resources may include cost-sharing with local sponsors of water quality improvement projects.

Legislative intent is added that the water development trust fund not be used to fund administrative expenses of the State Water Commission in future blenniums (Section 22).

² Authorizes \$6 million of lederal grant moneys to be used for construction of southwest pipeline

Section 23 is added requiring permits to be issued, approval from the Southeast Cass Water Resource District, and a public hearing process prior to issuance of bonds or funding being provided for Fargo flood control projects.

		Ι	Date:	4-5	·-c)/	
				:#:		
2001 SENATE STANI BILL/RI	DING C ESOLU	COMM TION	ITTEE RO	LL CALL V	OTES	
Senate Appropriations					Con	mittee
Subcommittee on						
or Conference Committee Legislative Council Amendment Num			180	123.0	211 6	The late
Legislative Council Amendment Nun	nber .		802	5.021	- C6CV	<i></i>
Action Taken And Mas	م الم		Dine:	2000		
Motion Made By Senator					Japan San	ر م
Senators	Yes	No	S	enators	Yes	No
Dave Nething, Chairman	U/					
Ken Solberg, Vice-Chairman	V			**************************************		
Randy A. Schobinger	~		·			
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Toor Assignment Senator			les;	3		

Module No: SR-59-7685 Carrier: Holmberg

Insert LC: 18023.0211 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1023, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1023 was placed on the Sixth order on the calendar.

Page 1, line 4, replace "a statement" with "statements" and after "enact" insert "a new subsection to section 61-02-14."

Page 1, line 5, after "61-02.1" insert a comma

Page 1, line 6, replace "and" with a comma and after "bonds" insert ", and the powers and duties of the state water commission"

Page 1, line 7, replace "sections 54-27-25 and" with "subsections 1 and 5 of section 61-01-26 and section" and replace the third "and" with a comma

Page 1, line 8, replace "section" with "sections 10 and" and after "Laws" insert ", and section 2 of House Bill No. 1151, as approved by the fifty-seventh legislative assembly"

Page 1, line 9, after "fund" insert ", sharing costs for water quality protection programs", after "Dakota" insert ", the statewide water development program", and remove "and to"

Page 1, line 10, after "bonds" insert ", and construction of a Devils Lake outlet" and replace "provide an exemption from payment of fees" with "transfer funds from the water development trust fund to the general fund; to provide requirements for the Fargo flood control project"

Page 1, line 20, replace "6,503,485" with "7,503,485"

Page 1, line 22, replace "23,710,864" with "28,710,864"

Page 2, line 2, replace "special funds appropriation" with "all funds" and replace "93.878.341" with "99,878,341"

Page 2, after line 2, insert:

"Less estimated income
Total general fund appropriation

90,144,521 \$9,733,820

SECTION 2. STATEWIDE WATER DEVELOPMENT PROJECTS. The amount of \$200,000, or so much of the funds as may be necessary, included in the statewide water development projects line item in section 1 of this Act is for cost-sharing for projects authorized under section 319 of the Federal Water Pollution Control Act [Pub. L. 100-4; 100 Stat. 52; 33 U.S.C. 1329] for the control of nonpoint sources of pollution for the blennium beginning July 1, 2001, and ending June 30, 2003.

Page 2, line 7, replace "\$47,365,504" with "\$37,631,684"

Page 5, replace lines 1 through 31 with:

"SECTION 10. AMENDMENT. Subsections 4 and 5 of section 61-01-26 of the North Dakota Century Code are amended and reenacted as follows:

4. Accruing benefits from these resources can best be achieved for the people of the state through the development, execution, and periodic updating of comprehensive, coordinated, and well-balanced short-term

REPORT OF STANDING COMMITTEE (410) April 4, 2001 8:43 a.m.

Module No: SR-59-7685 Carrier: Holmberg

Insert LC: 18023.0211 Title: .0300

and long-term plans and programs for the conservation and development of such resources by the departments and agencies of the state having responsibilities therefor. The plans and programs for the conservation and development of these resources may include implementation of a program to cost-share with local sponsors of water quality improvement projects.

5. Adequate implementation of such plans and programs shall be provided by the state through cost-sharing and cooperative participation with the appropriate federal and state departments and agencies and political subdivisions within the limitation of budgetary requirements and administrative capabilities, including consideration of cost-sharing for water quality improvement projects."

Page 6, remove lines 1 through 8

Page 7, after line 10, insert:

"SECTION 12. AMENDMENT. Section 2 of House Bill No. 1151, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

SECTION 2. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Devils Lake outlet - Eminent domain - Design and build construction. In the construction of an outlet from Devils Lake, the commission:

- 1. Shall make a reasonable and diligent effort to acquire the property interests needed by negotiation. The commission is deemed to have made a reasonable and diligent effort if it has contacted or attempted to contact the owner of the property interest needed at least three times over a thirty-day period. If the commission is unable to acquire the interest needed by negotiation, then it may take possession of the interests needed after making a written offer to purchase and depositing the amount of the offer with the clerk of the district court of the county in which the property interest is located. The amount of the offer must be at least the average value per acre of comparable property. The clerk shall immediately notify the property owner in writing of the deposit. Within thirty days after receiving notice, the property owner may appeal to district court by serving notice of appeal upon the commission and the matter must be tried in the manner prescribed under chapter 32-15.
- 2. May issue, when it determines that it would be advantageous to the state or that it is necessary in order to construct the outlet in a timely manner, a request for proposals to design and build the outlet. The request for proposals must require that each proposal submitted contain a single price that includes the cost to design and build the outlet. Neither chapter 48-01.1 or 54-44.7, nor any other law requiring competitive bidding applies to the construction of the outlet if the commission determines to use the design and build procedure. The commission shall select the proposal that it determines is the most advantageous to the state.

SECTION 13. A new subsection to section 61-02-14 of the North Dakota Century Code is created and enacted as follows:

To consider cost-sharing for water quality improvement projects."

Page 7, line 21, replace "thirty-six" witl. "twenty"

REPORT OF STANDING COMMITTEE (410) April 4, 2001 8:43 a.m.

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Page 7, line 22, remove "three hundred thousand"

Page 8, line 12, replace "10" with "14"

Page 8, line 29, replace "\$36,300,000" with "\$20,000,000" and replace "11" with "14"

Page 9, line 3, after the period insert "Contracts for water projects to be paid from the water development trust fund may initially be issued up to an amount equal to seventy-five percent of the amount appropriated from that fund for projects. Contracts for the remaining twenty-five percent appropriated may only be issued to the extent uncommitted funds are available in the water development trust fund."

Page 9, line 12, replace "14" with "17"

Page 9, replace lines 13 through 18 with:

"SECTION 19. TRANSFER. Notwithstanding section 54-27-25, during the blennium beginning July 1, 2001, and ending June 30, 2003, the director of the office of management and budget may transfer \$9,733,820 from the water development trust fund to the general fund.

SECTION 20. Section 10 of chapter 535 of the 1999 Session Laws is amended and reenacted as follows:

SECTION 10. STATEWIDE WATER DEVELOPMENT PROGRAM - LEGISLATIVE INTENT. The state water commission shall develop a new comprehensive statewide water development program with priorities based upon expected funds available from the water development trust fund for water development projects. This program may include water quality improvement projects. It is the intent of the legislative assembly that the state water commission consider the delivery of water for usable purposes a priority for water development projects after the projects authorized in section 3 of this Act are completed."

Page 9, after line 24, insert:

"SECTION 22. LEGISLATIVE INTENT - ADMINISTRATIVE EXPENSES. It is the intent of the fifty-seventh legislative assembly that the water development trust fund not be used as a source of funding for state water commission administrative expenses after the 2001-03 blennium.

SECTION 23. FARGO FLOOD CONTROL - REQUIREMENTS. Except for planning, the state water commission may not issue bonds or provide funding for Fargo flood control projects until applicable permits are issued, southeast Cass water resource district has approved the project, and a public hearing process is held on the approved project plan. The total authorization consists of \$500,000 for expenses for preliminary study and planning of the project and \$5,000,000 for project construction expenses."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - State Water Commission - Senate Action

EXECUTIVE

HOUSE

SENATE

SENATE

REPORT OF STANDING COMMITTEE (410) April 4, 2001 8:43 a.m.

Module No: SR-59-7685 Carrier: Holmberg Insert LC: 18023.0211 Title: .0300

	BUDGE1	VLHSION	CHANGLS	VERSION
Salanos and wagos	\$8.966,759	\$9,066,759		\$9.066.759
Operating expenses	6,477,485	0.503,485	\$1.000,000	7.503,485
L'guipmont	514,893	499.833	•	499.833
Capital improvements	23,710,864	23 710,864	5,000,000	28.710.864
Ginuts	22.625.067	22,475,067		22,475,067
Cooperative research	3.060,000	3.050.000		3 050.000
Statewide water development projects	62.300,000	67.800,000		67 800,000
about the fister	\$127,645,008	\$133,100,008	\$6.000,000	\$139,106,008
Loss ostimated income	127,645,008	133,106,008	(3,733,820)	129,372,188
General lund	\$0	\$0	\$9,733,820	\$9,733,820
ETE	83 00	84.00	0.00	84 00

Dept. 770 - State Water Commission - Detail of Senate Changes

	CHANGE FUNDING FOR ADMINISTRATIVE EXPENSES ¹	PROJECT ? AUTHORIZATION FOR SOUTHWEST PIPETINE PROJECT ?	TOTAL SENATE CHANGES
Salanes and wages Operating expenses Equipment		\$1,000,000	\$1,000,000
Capital improvements Grants Cooperative research Statowide water development projects		6.000.000	5.000.000
Total all funds	\$0	\$6,000,000	\$6,000,000
Loss estimated income	(9,733,820)	6,000,000	(3,733,820)
General fund	\$9,733,820	\$0	\$9,733,820
FTE	0.00	0.00	0.00

¹ This amendment transfers funding for administrative expenses of the State Water Commission from the water development trust fund to the general fund and provides for a transfer of funds from the water development trust fund to the general fund in the amount of \$9.733.820. Authorizes \$6 million of federal grant moneys to be used for construction of southwest pipeline.

Section 2 authorizes \$200,000 of funds already approved for water development projects for Section 319 of the Federal Water Pollution Control Act for control of nonpoint sources of pollution.

Section 9 of the engrossed bill relating to the tobacco settlement trust fund is removed as the expenses of the State Water Commission are to be paid from the general fund.

This amendment also requires the State Water Commission to offer at least the average value per acre of comparable property for property acquired under eminent domain for an outlet from Devils Lake (Section 12).

The amendment changes Section 14 and limits the capital bonding for water projects to \$20 million and requires in Section 16 that water projects funded from the water development trust fund cannot exceed 75 percent of the amount appropriated from the fund and the remaining 25 percent may be appropriated only to the extent funds are available in the water development trust fund.

REPORT OF STANDING COMMITTEE (410) April 4, 2001 8:43 a.m.

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Insert LC: 18023.0211 Title: .0300

In Section 19 a transfer is authorized from the water development trust fund to the general fund in the amount of \$9,733,820, the administrative expenses of the State Water Commission. The \$5,500,000 authorized for Fargo flood control projects includes \$500,000 for preliminary study and planning of the project and \$5,000,000 for construction of the project as provided for in Section 23.

Section 20 includes language that programs for the conservation and development of state water resources may include cost-sharing with local sponsors of water quality improvement projects.

Legislative intent is added that the water development trust fund not be used to fund administrative expenses of the State Water Commission in future bienniums (Section 22).

Section 23 is added requiring permits to be issued, approval from the Southeast Cass Water Resource District, and a public hearing process prior to issuance of bonds or funding being provided for Fargo flood control projects.

2001 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1023

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1023

House Appropriations Committee Education and Environment Division

Conference Committee

Hearing Date April 10, 2001

Tape Number	Side A	Side B	Meter#
1 of 1	X		4,180
Committee Clerk Signatu	ire Jacoby	n (Nichark	/

Minutes:

Representatives Wald, Monson, Aarsvold, Senators Nething, Holmberg, and Robinson.

Rep Wald starts with Senate amendments. (35-)Senator Nething explains, and discussion with questions and answers. Discussion on Fargo and Devils Lake projects, than continuing on with amendments, and in put from OMB. (1100-) Rep Aarsvold explains his concerns with violating what we did last session regarding 2188. Senator Nething goes through this. (1380-) Senator talks about the separate bill HB1396 and how they rolled that bill to this bill.(1550) Continuing with Section 12. (1945) Continuing with Section 14. (2315) Section 19. (2450) The 5.5 million was put in so to avoid loosing Federal money. Section 20, and Legislative intent. (2970) Rep Monson expresses some concern about section 2, the 200,000, which dove tails with 1396. (3400) Mr. Dwyer explains. Senator Nething explains the authorization of projects in 2188. (3890) Rep Monson moves House accedes to Senate amendments. Seconded by Rep Aarsvold.

Page 2
Education and Environment Division
Bill/Resolution Number HB1023
Hearing Date April 10, 2001

Rep Wald asks for discussion. Vote is taken 6 yes, 0 no, and 0 absent. Rep Wald to carry to the

floor. Rep Wald adjourned the meeting.

Date: Aprice 10 Roll Call Vote # /

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO.

House				Con	nmitte
Subcommittee on	11 1 10	23			
or X Conference Committee					
Legislative Council Amendmen	t Number				
Action Taken Haces	acedes	k Sem	ette Une dine	, to	· · · · · · · · · · · · · · · · · · ·
Action Taken Haceac	Maningar	Secon	nded By //e/o	auss	ind ,
/ Representatives	Yes	No	SENATORS	Yes	No
Ber wald			In the Pelking		
Ber Classidd	v	3	enter Holmbe		
//					
tal (Yes)		No	0		
osent O					
				Market Market	
the vote is on an amendment, br	iefly indicate	intent:			

2001 TESTIMONY

HB 1023

Revised January 31, 2001

partment 770 - State Water Commission ouse Bill No. 1023

2001-03 Schafer Executive Budget	FTE Positions 83.00	General Fund \$0	Other Funds \$127,645,0081	Total \$127,845,008
1999-2001 Legislative Appropriations	82.00	9,262,180	130,272,775	139,534,9552
псгевве (Deсгевве)	1.00	(\$9,262,180)	(\$2,627,767)	(\$11,889,947)
2001-03 Hoeven Executive Budget	83.00	\$0	\$127,645,008	\$127,645,008
Hoeven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

Total other fund balance per executive budget summary \$127,645,008
Additional authorization for water projects included in House Bill No. 1023 for a total of \$62.3 million 33,727,667
Total other fund balance per Section 1 of House Bill No. 1023 \$93,917,341

² The 1999-2001 appropriation amounts include \$89,892, \$53,038 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$794 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$1 million of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium. In addition, \$2.3 million of other funds was carried forward from the 1997-99 biennium.

Major Schafer Recommendations Affecting State Water Commission 2001-03 Budget

			•	
Provides funding for 1 FTE geographical information s	specialist position.	General Fund	Other Funds \$96,103	Total \$96,103
Provides authorization for the State Water Commission at the corner of 26th Street and Broadway Avenue an proceeds to build a new shop for an equal value.	, , .		\$977,100	\$977,100
Changes funding source from general fund moneys to from the water development trust fund.	o special funds	(\$9,262,180)	\$9,262,180	\$0
 Provides funding from the water development trust ful payments on water projects. 	nd for bond		\$8,636,398	\$8,636,398
Provides funding from the water development trust fur operating expenses.	nd for other		\$489,413	\$489,413
 Authorizes up to \$28,572,333 from the water develops water projects in place of bonding. 	ment trust fund for		\$28,572,333	\$28,572,333
 7. Increases funding from the resources trust fund from authorization of \$11,547,104 for a total of \$21,718,03 3. Priorities for authorization of state water projects: 			\$10,170,927	\$10,170,927
Grand Forks Devils Lake Grafton Wahpeton	\$34,000,000 20,000,000 4,800,000 3,500,000			
Total authorization per Schafer recommendation	\$62,300,000			

Major Hoeven Recommendations Affecting State Water Commission 2001-03 Budget Compared to the Bill as Introduced (Schafer Budget)

Hoeven recommendation does not change the Schafer recommendation.

Major Legislation Affecting the State Water Commission

Section 2 of House Bill No. 1023 authorizes \$21,718,031, or so much of the funds as may be necessary, in the total special funds line item from the resources trust fund.

ction 3 of House Bill No. 1023 authorizes \$47,365,504 or so much of the funds as may be necessary, in the total special funds line in from the water development trust fund.

Section 6 of House Bill No. 1023 authorizes revenues in excess of \$21,718,031 in the resources trust fund to the State Water Commission, subject to Emergency Commission approval.

Section 7 of House Bill No. 1023 authorizes the State Water Commission to sell one or more parcels of land and the shop building tocated at 2603 East Broadway Avenue, Blamarck. The proceeds of the sale, or so much of the sale proceeds as may be necessary, are appropriated for the purchase of land and construction of a new maintenance facility.

Section 8 of House Bill No. 1023 authorizes the State Water Commission to use other appropriated funds to purchase land and construct a new maintenance shop building if the proceeds from the sale of the existing land is less than \$977,100, provided that not more than \$977,100 may be spent on the new land and building. The State Water Commission is also authorized to use other appropriated funds if the proceeds from the land sale and not available to purchase land and begin construction of a new building, provided that upon receipt of the proceeds, the State Water Commission shall transfer an amount equal to any funds utilized for the purchase of land and construction of the building.

Section 9 of House Bill No. 1023 authorizes the State Water Commission to use funds from the water development trust fund to defray the expenses of the State Water Commission.

Section 10 of House Bill No. 1023 authorizes the State Water Commission to use funds from either the resources trust fund, the water development trust fund, or by issuing bonds for new water projects. The total authorization for the new projects is not to exceed \$30.8 million.

Section 11 of House Bill No. 1023 provides the order of funding sources for payment of principal and interest on bonds for authorized water projects pursuant to Section 10.

Section 12 of House Bill No. 1023 provides legislative intent that no more than \$62.3 million may be spent on water development pojects for the 2001-03 blennium.

octions 13 and 14 of House Bill No. 1023 authorize a line of credit from the Bank of North Dakota of up to \$25 million for interim financing prior to the Issuance of bonds.

House Bill No. 1151 directs Interest earned in the water development trust fund to remain in the fund rather than be transferred to the general fund.

House Bill No. 1158 increases the bonding limit for the Southwest Pipeline Project from \$15 million to \$25 million. The bonds sold are repaid by revenue generated from water users' fees, collected by the Southwest Water Authority, and sent directly to the bond trustee.

House Bill No. 1171 establishes water to eastern North Dakota as a critical priority and directs the State Water Commission, in cooperation with the Garrison Diversion Conservancy District and existing water users, to develop a plan and cost estimate.

Senate Bill No. 2024 directs interest earned in the water development trust fund and the community health trust fund be transferred to the community health trust fund rather than be transferred to the general fund.

Senate Bill No. 2029 directs interest earned in the water development trust fund be transferred to the community health trust fund rather than be transferred to the general fund.

Department 770 - State Water Commission use Bill No. 1023

2001-03 Schafer Executive Budget	FTE Positions 83.00	General Fund \$0	Other Funds \$127,645,0081	Total \$127,645,008
1999-2001 Legislative Appropriations	82.00	9,262,180	130,272,775	139,534,9554
Increase (Decrease)	1.00	(\$9,262,180)	(\$2,627,767)	(\$11,889,947)
2001-03 Hoeven Executive Budget	83.00	\$0	\$127,645,008	\$127,645,008
Hueven Increase (Decrease) to Schafer	0.00	\$0	\$0	\$0

1 Total other fund balance per executive budget summary \$127,645,008 Additional authorization for water projects included in House Bill No. 1023 for a total of \$62.3 million 33,727,667 Total other fund balance per Section 1 of House Bill No. 1023 \$93,917,341

Major Schafer Recommendations Affecting State Water Commission 2001-03 Budget

Ì.	Provides funding for 1 FTE geographical information specia	alist position.	General Fund	Other Funds \$96,103	Total \$96,103
î	Provides authorization for the State Water Commission to at the corner of 26th Street and Broadway Avenue and use proceeds to build a new shop for an equal value.			\$977,100	\$977,100
3.	Changes funding source from general fund moneys to spec from the water development trust fund.	cial funds	(\$9,262,180)	\$9,262,180	\$0
4,	Provides funding from the water development trust fund for payments on water projects.	bond		\$8,636,398	\$8,636,398
5.	Provides funding from the water development trust fund for operating expenses.	other		\$489,413	\$489,413
6.	Authorizes up to \$28,572,333 from the water development water projects in place of bonding.	trust fund for		\$28,572,333	\$28,572,333
7.	Increases funding from the resources trust fund from the 19 authorization of \$11,547,104 for a total of \$21,718,031.	999-2001		\$10,170,927	\$10,170,927
8.	Priorities for authorization of state water projects:				
	Grand Forks	\$34,000,000			
	Devils Lake	20,000,000			
	Grafton	4,800,000			
	Wahpeton	3,500,000			

Total authorization per Schafer recommendation \$62,300,000 (The House approved additional bonding authorization of \$5,500,000 for Fargo flood control projects.)

Major Hoeven Recommendations Affecting State Water Commission 2001-03 Budget Compared to the Bill as Introduced (Schafer Budget)

he Hoeven recommendation does not change the Schafer recommendation.

The 1999-2001 appropriation amounts include \$89,892, \$53,038 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$794 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$1 million of additional spending authority resulting from Emergency Commission action during the 1999-2001 blennium. In addition, \$2.3 million of other funds was carried forward from the 1997-99 blennium.

Major Legislation Affecting the State Water Commission

Section 2 of Engrossed House Bill No. 1023 authorizes \$21,718,031, or so much of the funds as may be necessary, in the total special funds line item from the resources trust fund.

ection 3 of Engrossed House Bill No. 1023 authorizes \$47,365,504 or so much of the funds as may be necessary, in the total special hds line item from the water development trust fund.

Section 6 of Engrossed House Bill No. 1023 authorizes revenues in excess of \$21,718,031 in the resources trust fund to the State Water Commission, subject to Emergency Commission approval.

Section 7 of Engrossed House Bill No. 1023 authorizes the State Water Commission to sell one or more parcels of land and the shop building located at 2603 East Broadway Avenue, Bismarck. The proceeds of the sale, or so much of the sale proceeds as may be necessary, are appropriated for the purchase of land and construction of a new maintenance facility.

Section 8 of Engrossed House Bill No. 1023 authorizes the State Water Commission to use other appropriated funds to purchase land and construct a new maintenance shop building if the proceeds from the sale of the existing land is less than \$977,100, provided that not more than \$977,100 may be spent on the new tand and building. The State Water Commission is also authorized to use other appropriated funds if the proceeds from the land sale are not available to purchase land and begin construction of a new building, provided that upon receipt of the proceeds, the State Water Commission shall transfer an amount equal to any funds utilized for the purchase of land and construction of the building.

Section 9 of Engrossed House Bill No. 1023 authorizes the State Water Commission to use funds from the water development trust fund to defray the expenses of the State Water Commission.

Section 10 of Engrossed House Bill No. 1023 establishes water to eastern North Dakota as a critical priority and directs the State Water Commission, in cooperation with the Garrison Diversion Conservancy District and existing water users, to develop a plan and cost estimate.

Section 11 of Engrossed House Bill No. 1023 authorizes the State Water Commission to use funds from either the resources trust fund, the water development trust fund, or by issuing bonds for new water projects. The total authorization for the new projects is not to exceed \$36.3 million.

Section 12 of Engrossed House Bill No. 1023 provides the order of funding sources for payment of principal and interest on bonds for thorized water projects pursuant to Section 10.

Section 13 of Engrossed House Bill No. 1023 provides legislative intent that no more than \$67.8 million may be spent on water development projects for the 2001-03 blennium.

Sections 14 and 15 of Engrossed House Bill No. 1023 authorize a line of credit from the Bank of North Dakota of up to \$25 million for interim financing prior to the Issuance of bonds.

House Bill No. 1151 removes the requirement that the federal government must agree to participate in construction of the Devils Lake outlet for bonds to be issued for that project. (This bill has passed the House.)

House Bill No. 1158 increases the bonding limit for the Southwest Pipeline Project from \$15 million to \$25 million. The bonds sold are repaid by revenue generated from water users' fees, collected by the Southwest Water Authority, and sent directly to the bond trustee. (This bill has passed the House.)

Senate Bill No. 2256 extends, through June 2003, the authority of the State Water Commission to issue bonds for construction of a Devils Lake outlet.

Senate Bill No. 2264 extends, through June 2003, the authority of the State Water Commission to Issue bonds for the Grand Forks flood control project.

Senate BIII No. 2285 provides an appropriation to the State Water Commission for administering the Section 404 program of the Clean Water Act.

Summary of Legislative Changes Resulting From First House Action

See Statement of Purpose of Amendment (attached).

TATEMENT OF PURPOSE OF AMENDMENTS

use Bill No. 1023 - Funding Summary

	Executive Budget	House Changes	House Version
Water Commission			
Salaries and wages	\$8,966,759	\$100,000	\$9,066,759
Operating expenses	6,477,485	26,000	6,503,485
Equipment	514,833	(13,000)	499,83,3
Capital improvements	23,710,864		23,710 864
Grants	22,625,067	(150,000)	22,475,067
Cooperative research	3,050,000		3,050,000
Statewide water development projects	62,300,000	5,500,000	67,800,000
Total all funds	\$127,645,008	\$5,461,000	\$133,106,008
Less estimated income	127,645,008	5,461,000	133,106,008
General fund	\$0	\$0	\$0
FTE	83 00	1.00	84 00
Bill Total			
Total all funds	\$12°,645,008	\$5,461,000	\$133,106,008
Less estimated income	127,645,008	5,461,000	133,106,008
General fund	\$0	\$ ()	\$0
FTE	83 00	1 00	84 00

House Bill No. 1023 - Water Commission - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$8,966,759	\$100,000	\$9,066,759
Operating expenses	6,477,485	26,000	6,503,485
Equipment	514,833	(15,000)	499,833
Capital improvements	23,710,864		23,710,864
Grants	22,625,067	(150,000)	22,475,067
Cooperative research	3,050,000	` ′ ′	3,050,000
Statewide water development projects	62,300,000	5,500,000	67,800,000
Total all funds	\$127,645,008	\$5,461,000	\$133,106,008
Less estimated income	127,645,008	5,461,000	133,106,008
General fund	\$0	\$0	\$0
FTE	83.00	1.00	84 00

epartment No. 770 - Water Commission - Detail of House Changes

	Provides Funding for Fargo Flood Control Project	Reduce Funding for Operating Expenses	Reduce Funding for Equipment	Water to Eastern North Dakota Study ¹	Total House Changes
Salaries and wages		. 145 (16)		\$100,000 4\$ 000	\$170,000 26,000
Operating expenses Equipment		(19,000)	(20,000)	5,000	(15)00h
Capital amprovements Grants				(150,000)	(130,000)
Conperative research Statewide water development projects	5,500,000	And the state of t	produced to the decide of the second		\$,500,000
Total all funds	\$5,500,000	(\$19,000)	(\$20,000)	\$0	\$5,464,000
Less estimated income	5,500,000	{19,000}	(20,000)	0	5,461,000
General fund	\$0	\$0	\$0	\$0	\$ 0
FTE	0.00	0.00	0.00	1 00	1 00

The amendment makes the following changes:

Authorizes up to \$5.5 million from the water development trust fund for flood control projects in Fargo which increases total authorization for state water projects to \$67,800,000.

- Amends North Dakota Century Code Section 61-01-26.1 relating to a study of the water resources of eastern North Dakota contained in House Bill No. 1171, the provisions of which are amended into House Bill No. 1023.
- Exempts the State Water Commission from the requirement to pay for certain services generally charged non-general fund agencies.

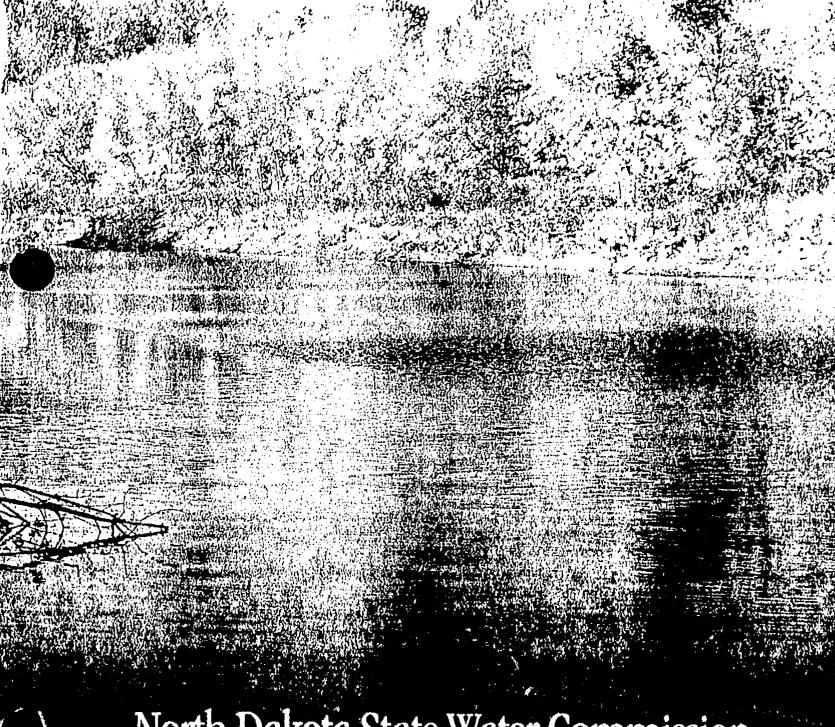
¹ Provides for line item transfers and one additional FTE for a study of supplementing the water resources of eastern North Dakota.

CONTACT WATER COMMISSION OR LEGISLATIVE COUNCIL LIBRARY FOR RESEARCE TO SERVE TO SERVE THE COUNCIL SER

WATER DEVELOPMENT 2001 BIENNIAL REPORT

a supplement to the

1999 State Water Management Plan



North Dakota State Water Commission

NORTH DAKOTA STATE WATER COMMISSION

TESTIMONY RELATIVE TO HOUSE BILL 1023

PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE EDUCATION AND ENVIRONMENT DIVISION

FIFTY-SEVENTH LEGISLATIVE ASSEMBLY

JANUARY 25, 2001

By

Dale L. Frink

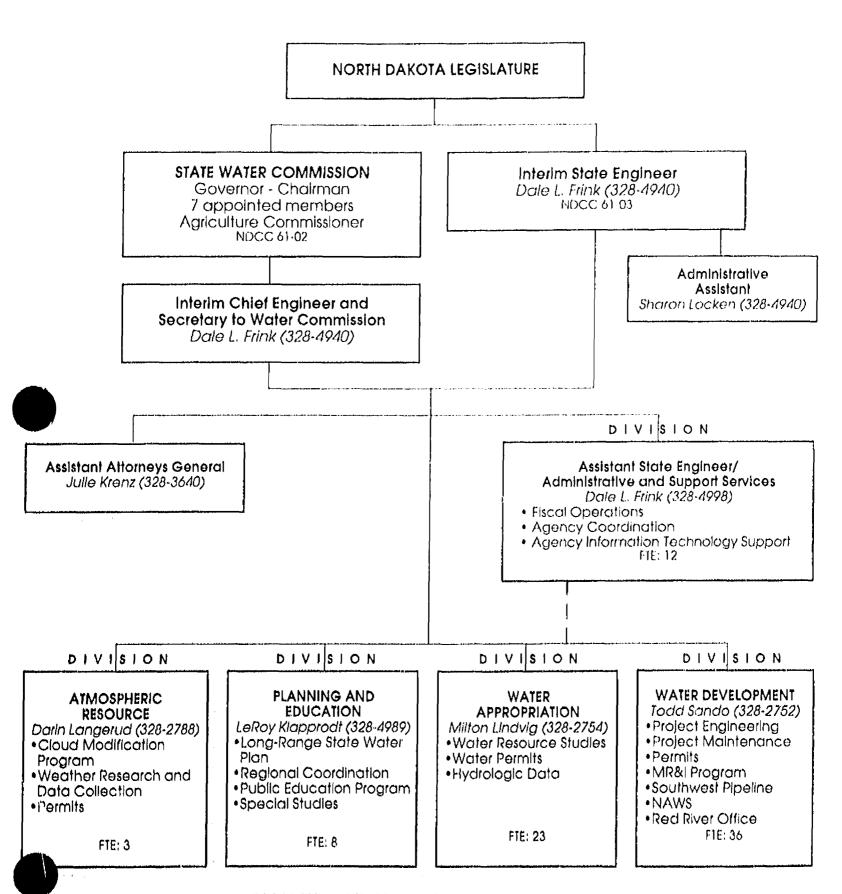
Interim North Dakota State Engineer and Interim Chief Engineer-Secretary to the State Water Commission Madam Chair and Members of the Education and Environment Division of the House Appropriations Committee. I am Dale Frink, Interim North Dakota State Engineer to the State Water Commission.

It is my pleasure to appear before you today on House Bill 1023. My testimony is in two parts: first, an overview of the activities of the State Water Commission during the current biennium, and second, a discussion of the major programs for the next biennium.

As shown on page 2, the State Water Commission includes five divisions, with a total staff of 82.

North Dakota State Water Commission

Organizational Chart



TOTAL FULL TIME EQUIVALENTS OF 82 PERSONNEL January 17, 2001

1999 - 2001 BIENNIAL OVERVIEW

The 1999 Legislature passed two proactive water bills in Senate Bill 2188 and House Bill 1475. Senate Bill 2188 codified the 1999 State Water Management Plan, and authorized, with conditions, funding for five important water projects. House Bill 1475 directed that 45 percent of the tobacco settlement dollars be deposited in the newly-created Water Development Trust Fund. Together, these bills provide a major source of long-term funding for water projects.

During the 1999-2001 biennium, a Water Development 2001 Biennial Report was produced to update the 1999 State Water Management Plan and to meet the directive of the 1999 Legislature in Senate Bill 2188. The new report addresses three main areas: 1) the State Water Commission's general concepts for funding; 2) a statewide water development program with project priorities; and, 3) priority funding for the 2001-2003 biennium. The Water Development 2001 Biennial Report is attached to this testimony.

The report updates the database of water projects and outlines a means of funding priority projects. The database now contains \$483 million dollars of projects that local sponsors have identified for implementation in the 2001-2003 biennium. Implementation, under current State Water Commission cost share policies, would require a state share totalling \$101 million. The great difference between project needs and available funding requires the State Water Commission to institute a priority process to rank projects. The new report also describes potential funding sources and a prioritization process.

Senate Bill 2188 authorized state funding for four flood control projects and the Southwest Pipeline Project. In March, 2000, the State Water Commission sold bonds to provide \$27.5 million dollars of funds to Grand Forks, Wahpeton, and the Southwest Pipeline Project. To date, the state has refunded Grand Forks \$9.7 million for primarily land acquisition and relocations. Limited construction started on the Grand Forks project last year. The Wahpeton Flood Control project is expected to be under construction in 2002, and the city has already begun to acquire land for the project. The \$4.5 million for the Southwest Pipeline Project was spent on the Mott-Elgin phase of the project.

The long-term debt obligations related to Senate Bill 2188 projects total \$32,095,000, with annual debt service payments totalling \$2.7 million:

Bond Issue	Amount Bonded	<u>Annual Debt Service</u>
2000 Series A (20 years)	\$ 32,095,000	\$ 2,715,200

Another milestone for water development was reached on December 15, 2000 with the approval of the Dakota Water Resources Act. This landmark federal legislation received bi-partisan support from across North Dakota. The Act provides an additional authorization of \$631.5 million for the state: \$200 million for tribal MR&I projects; \$200 million for the water supply needs of the Red River valley; and \$31.5 million for natural resources and recreation projects.

The original \$200 million Municipal, Rural and Industrial (MR&I) Water Supply program was created by the 1986 Garrison Reformulation Act, and is jointly administered by the State Water Commission and the Garrison Diversion Conservancy District. Federal grant funds received through Fiscal Year 2001 total \$172 million. The balance of \$28 million is proposed to cover the All Seasons System V in Pierce County; the Rugby portion of the Northwest Area Water Supply Project (NAWS); and the Minot portion of NAWS. During federal fiscal years 1999, 2000 and 2001, \$24 million of federal MR&I funds were received to support NAWS, Ransom-Sargent Rural Water, Langdon Rural Water, All Seasons Water Systems, and McLean-Sheridan Rural Water. In February, 2001, the State Water Commission and the Garrison Conservancy District will begin discussions to establish criteria and standards for allocating MR&I funds provided by the Dakota Water Resources Act.

Devils Lake remains our most difficult issue. The lake is currently at elevation 1446.1 msl and will, in all probability, set a new record high in 2001. The basin received considerable fall rain and the snowpack is above normal. We expect Devils Lake to flow into Stump Lake this year. Two outlet alternatives are being considered at this time. The Corps of Engineers is working on a permanent outlet and the State Water Commission is studying a temporary emergency outlet. While the Corps continues to make progress, we feel a federal project is at least three to five years away. The state and locals may have a better chance of completing an outlet and, therefore, the Commission continues to evaluate a nonfederal temporary outlet.

In shifting our attention further to the east, the magnitude of the 1997 flood and its resultant damages prompted the Federal Emergency Management Agency (FEMA) to begin a review of the existing flood frequencies of cities along the Red River. Preliminary results indicate higher 100-year base flood elevations at all cities along the Red River. As a result, many additional property owners may be required to purchase flood insurance. The State Water Commission and local officials are extensively reviewing this effort.

In regards to our water supply efforts, the Southwest Pipeline Project delivered 938 million gallons of water in 1999 and over one billion gallons in 2000. By next summer, when all rural water connections constructed in 2000 are hooked up, the project will be delivering water to over 25,000 people in cities and approximately 4,500 rural residents in areas shown on the map on page 5.

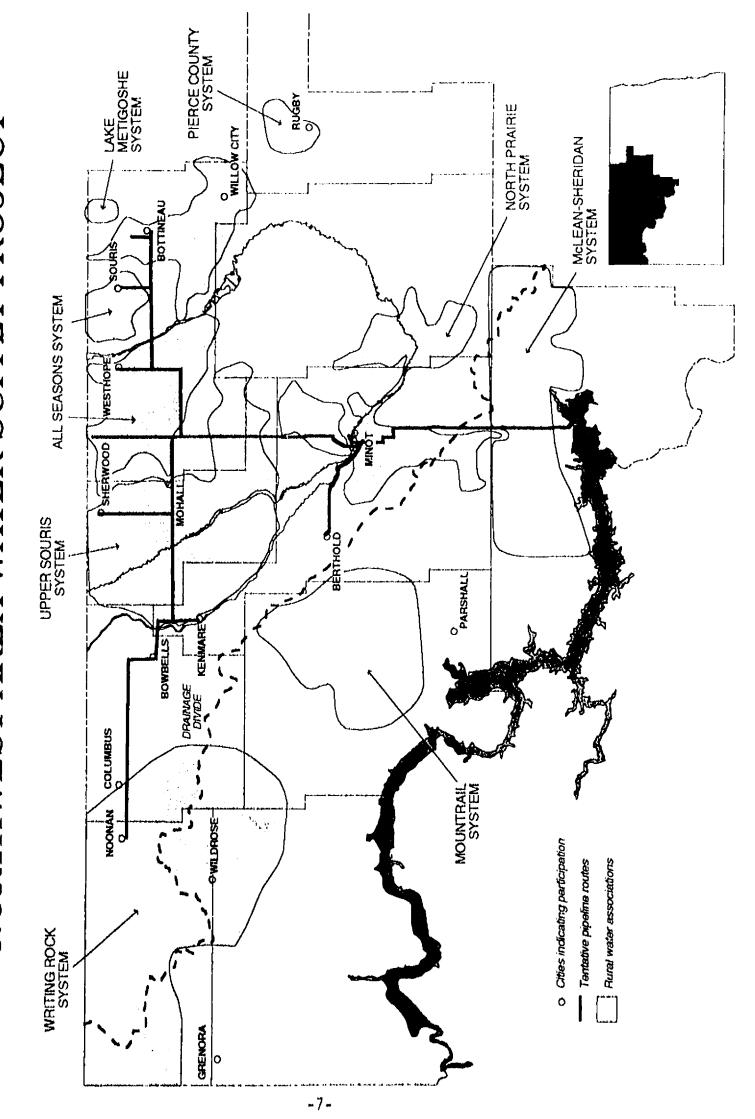
The State Water Commission has continued development of its revenue bonding program to fund construction of the Southwest Pipeline Project. Long-term debt obligations of the Southwest Pipeline Project, developed through the revenue bonding program, now total over \$12 million with an annual debt service payment of \$858,000:

SWPP Revenue <u>Bond Issue</u>	<u>Amount Bonded</u>	Maximum Annual <u>Debt Service</u>
1997 Series A (Public) (30 years)	\$ 6,830,000	\$ 484,515
1997 Series B (USDA) (40 years)	\$ 3,400,000	\$ 209,003
1998 Series A (USDA) (40 years)	\$ 100,000	\$ 6,014
1999 Series A (USDA) (40 years)	\$ 1,000,000	\$ 54,791
2000 Series A (DWSRLF) (20 years)	\$ 1,000,000 *	\$ 79,875
2000 Series B (USDA) (40 years)	\$ 400,000	<u>\$ 24,222</u>
	\$12,730,000	\$ 858,421

^{\$1,500,000} was approved by the State Water Commission, but only \$1,000,000 was issued. The remaining \$500,000 is to be issued in 2001 to match USDA funding.

The Northwest Area Water Supply Project (NAWS) will supply water to communities and rural water systems in northwest and north central North Dakota as shown on page 7. Sixteen (16) communities, including the city of Minot, have signed water service contracts with the State Water Commission. Two rural water systems will sign contracts, pending approval from their lender, and one rural system already receives water from Minot. Other new rural water systems may be formed to distribute water from the project to rural areas not presently served by a rural water system. The total population of the signed communities is about 64,000 people. Potential rural water development could provide water to an additional 11,000 people.

NORTHWEST AREA WATER SUPPLY PROJECT



Phase I of the NAWS project included an upgrade and expansion of Rugby's water treatment plant in the fall of 1999. A combination of a MR&I grant and revenue bonds were used to finance construction. The annual debt service payment for this revenue bond is approximately \$93,000:

NAWS/Rugby Bond Issue

Amount Bonded

Annual Debt Service

1998 Series A (Public) (30 years)

\$1,220,000

\$93,000

A significant effort the last two years was the development of supporting technical information for the environmental assessment for the Minot phase of NAWS. A major issue in the environmental assessment is the potential for biota transfer across the Continental Divide from the Missouri River into the Hudson Bay drainage basin in Canada. On January 19, 2001, the Sccretary of the Interior, in consultation with the Administrator of the Environmental Protection Agency, determined that the project provides adequate treatment to meet the Boundary Waters Treaty of 1909. This determination was required by the 1986 Garrison Diversion Reformulation Act. There still needs to be an exchange of diplomatic notes by the two countries that could take some time. Nevertheless, this was a major step for the NAWS project and, as a result, we are hopeful construction on the main transmission line can begin later this year, or possibly in early 2002.

Missouri River management is again in the headlines as low mountain snowpack in Montana and Wyoming threaten recreation, hydropower, and other uses. The Missouri River Basin Association (MRBA) is a coalition of Governor-appointed representatives from each of the eight Missouri River basin states and one representative from the tribal water rights coalition. The MRBA continues to work with the Corps of Engineers on the development of a new Master Manual for operations of the Missouri River reservoirs. Approval of a new Master Manual will take at least two more years, but we are optimistic about the progress that was made last year.

As part of its ongoing efforts to improve public understanding of the state's water resources, the State Water Commission continues to contribute funds and time to the North Dakota Water magazine, and produce white papers and fact sheets on key issues. These reports and considerable additional information are available via the agency's web page at http://www.swc.state.nd.us.

In 1999 and 2000, 135 applications for water permits were filed, which is about one-half of the number of applications filed during the previous two years. Seventy-seven (77) of the applications were for the irrigation of 20,000 acres. During these two years, developed irrigated acreage grew by an estimated 4,000 acres, bringing the total in the state to approximately 251,000 acres. The next most numerous water use category was fish, wildlife, and recreation with 33 applications, which compares to 42 applications for the previous two years.

The irrigated acreage committed to the production of high value crops leveled off during the past two years. Potato acreage remained constant year-to-year because processing capacity remained unchanged. However, expansion is still under consideration. The development of irrigated acreage for sugar beets in the northwest part of the state has decreased largely due to the downturn in the sugar market. Recently, a new initiative was undertaken by the Commercial Vegetable Growers of North Dakota and the North Dakota Irrigation Caucus to develop opportunities for the production of high value vegetable crops. If these and other projects are successful, additional irrigated acreage will be required.

Cloud seeding for rain enhancement and hail suppression, covering nearly 10,500 square miles in six western North Dakota counties, continued in 1999 and 2000. A GPS flight teaching system that was tested in 1999 and used in District II in 2000, is slated for full implementation in 2001. The latest economic analysis of the cloud seeding projects, completed in 1998, shows a benefit to cost ratio of 45:1 in the operations counties.

The State Water Commission staff worked on several projects including Cottonwood Creek Dam in LaMoure county, Pheasant Lake Dam in Dickey county, Tolna Dam in Nelson county, Cedar Lake Dam in Slope county, Froelich Dam in Sioux county, and Morrison Lake outlet in Ramsey county, and U.S. Geological Survey gaging stations in the eastern part of the state. They also performed annual runoff inspections at dams located across North Dakota and conducted regularly scheduled safety inspections at 43 dams during the biennium.

Thus far in the biennium, 108 permit applications have been processed for dams and dikes, 37 permit applications for drainage, and 37 permit applications for sovereign lands. In addition, 12 workshops and 25 floodplain management community visits were conducted.

The Commission also administers the Flood Mitigation Assistance Program in partnership with FEMA. The acquisition of 12 structures in Mott have been completed. An acquisition project in Cass county has been approved, and planning is underway in Drayton.

Studies to identify solutions to water supply questions for public entities continues as an important service. A major study of the West Fargo aquifer was recently completed in cooperation with the Southeast Cass Water Resource District. This aquifer is a source of water for West Fargo, Cass Rural Water Users, Inc., several industries, and numerous households. The report provides the basis for future water supply management for these entities. A water supply study for Rugby is nearing completion, and another study is being planned for Park River.

The Eastern Dakota Irrigation District was created in 2000. It consists of approximately 15,000 irrigated acres in northeast Barnes, northwest Cass and southwest Steele counties. Even though almost all of the acreage is currently under irrigation, the irrigation district provides the organizational structure and authority for the members to address issues common to irrigation in that area. It is unique in that almost 100 percent of the irrigated acreage in that area was petitioned into the district.

Rain and hail data collection through the 800-plus member Atmospheric Resource Board Cooperative Observer Network will begin its 25th season in April, 2001. The volunteer network has been collecting summer precipitation data from across North Dakota compiling one of the most comprehensive databases of its kind in the world. The data is used by many local, state and federal agencies for planning and research purposes.

HOUSE BILL 1023

House Bill 1023 contains the executive budget recommendation for the State Water Commission. The recommendation totals \$127.6 million, a decrease of \$15 million from the present budget:

Line Item	1999-2001 Present Budget	2001-2003 Executive Recommenda- tion	Change From Present Budget
Salaries and Wages	\$ 8,104,343	\$ 8,966,759	\$ 862,416
	, ,		
Operating Expenses	6,010,687	6,477,485	466,798
Equipment	170,656	514,833	344,177
Capital Improvements	23,624,024	23,710,864	86,840
Grants/	20,021,021		
Contracts	17,470,245	22,625,067	5,154,822
Cooperative Research	3,050,000	3,050,000	
Statewide			
Water Development Projects	84,800,000	62,300,000	(22,500,000)
mo to 1	6142 220 DEE	\$127,645,008	(\$15,584,947)
Tota1	\$143,229,955	·	
manent Employees	82.0	83.0	1
l-time equivalents)			

A comparison of revenue sources to support the State Water Commission's budget is as follows:

	1999-2001 Present Budget	2001-2003 Executive Recommendation	Change from Present Budget
General Funds	\$ 9,262,180	\$ ~	(\$ 9,262,180)
Federal Funds	21,304,365	14,285,124	(7,019,241)
Other Funds	112,663,410	113,359,884	696,474
Total	\$143,229,955	\$127,645,008	(\$15,584,947)

The proposed budget includes one very significant change. The State Water Commission's agency operations are to be funded from the Water Development Trust Fund rather than the state's general fund. The State Water Commission's cost operations that would have been funded out of the general fund is \$9,773,000.

A related impact of moving agency operations from the general fund to a special fund is that Assistant Attorney General fees, building rent, and audit fees become billable fees to the State Water Commission. These fees are estimated for the biennium at \$280,000 for Assistant Attorney General fees, \$240,000 for building rent, and \$20,000 for audit fees, for a total of \$540,000. Currently, the State Water Commission does not pay these types of fees unless the fees are related to the Southwest Pipeline Project, NAWS, or a bond issue. The executive budget recommendation also did not account for these fees being assessed to the State Water Commission. Therefore, we are requesting an amendment that would exempt the State Water Commission from paying additional legal, rent, or audit fees due to the switch of agency operation costs from the general fund to the Water Development Trust Fund.

The State Water Commission's executive budget recommendation includes increases and decreases in several areas that impact all divisions of the agency. The first is travel. The State Water Commission expects to travel about the same as this bionnium, but the costs have increased significantly due to higher mileage costs. As a result, the executive budget recommendation includes a 12.6 percent increase.

Our budget also includes increases in information technology. Some of the increase is inflationary, such as the \$23,000 increase in our costs for network connections. The budget also includes an increase for adding a full-time employee to support our growing geographical information technology (GIS) needs. This employee will be used to support the development of GIS databases such as the Missouri River corridor from the Garrison Dam to Bismarck.

House Bill 1023 also allows the State Water Commission to sell its existing shop and land at the corner of 26th Street and Broadway Avenue and replace that facility. The existing 8.5 acres have an estimated value of \$977,000. The revenue from this sale would provide for acquisition of less costly land, and construction of a new maintenance facility. The existing shop needs considerable repair and is too small to meet our current and future needs. Tvenge and Associates, a Bismarck architectural firm, estimated the cost of a new building at \$780,000. The cost of land, utilities, and a new building is expected to approximately equal the \$977,000 value of the existing property.

These projects are consistent with the State Water Management Plan and the North Dakota Water Coalition's priorities. More detailed information on these projects will be provided by the project sponsors. The executive budget recommendation does not include specific amounts for projects, but rather it includes the total sum for projects. However, the following is a tentative breakdown of estimated allocations by project:

Water Development Trust Fund/ Resources Trust Fund <u>Projected Expenditures</u>

Senate Bill 2188 Projects

Grand Forks Flood Control	\$18,400,000
Wahpeton Flood Control	1,600,000
Devils Lake	10,000,000
Grafton Flood Control	1,500,000
	\$31,500,000

Additional Funding Needs

Municipal, Rural and Industrial Water Supply	\$15,000,000
Municipal, Rufal and Industrial Water Supply	φτοιουσίοσο
Irrigation Development	3,290,000
General Water Management	5,000,000
Flood Control (Baldhill Dam and Maple River Dry Dam)	5,750,000
Eastern Dakota Water Supply (HB 1171)	150,000
Devils Lake Basin Development	4,000,000
Southwest Pipeline Project	8,105,000
Weather Modification	350,000
Northwest Area Water Supply	100,000
	\$41,745,000

Subtotal \$73,245,000

Other Trust Fund Expenditures

Resources Trust Fund Obligated Carryover Projects	\$ 7,800,000
Projected State Water Co.nmission Agency Costs	9,773,000
Estimated Biennium Bond Payments (SB 2188)	8.636.000
	\$26,209,000

Combined Total Expenditures \$99,454,000

The executive budget recommendation for water projects includes dollars from the Resources Trust Fund, the Water Development Trust Fund, and bonding. The breakdown of projected revenue from these sources is as follows:

Resources Trust Fund Revenues (2001-2003)

Obligated Carry Over (July 1, 2001)	\$ 7,800,000
Unobligated Carry Over (July 1, 2001)	3,100,000
Oil Extraction Tax and Interest	9,014,000
MR&I Loan Repayments	999,000
Southwest Pipeline Project Repayments	800,000
Oil Royalties (Southwest Pipeline O&M Center)	<u>5,000</u>
Total Resources Trust Fund (RTF)	\$ 21,718,000

Water Development Trust Fund

-	
Beginning Balance (July 1, 2001)	\$ 23,483,000
Tobacco Settlement Deposits (2001-2003)	<u>23,883,000</u>
Total Water Development Trust Fund (WDTF)	<u>\$47,366,000</u>
Combined Revenues (WDTF & RTF)	\$ 69,084,000
Combined Total Expenditures	\$ 99,454,000
Bonding Requirement	\$ 30,370,000

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

1999-2001	2001-2003	Change From
Present	Executive	Present
Budget	Recommendation	Budget
\$1,541,782	\$3,210,341	\$1,668,559

The Administrative and Support Services division provides support services for the agency, including office administration, communications, fiscal management, personnel management, records management, and information technology. The executive recommendation for the division represents a significant increase for several reasons.

First, the \$977,000 for a new maintenance shop building is in this cost center. Second, last year the State Water Commission reorganized our information management staff into an information technology section in this division. This added three full-time employees to the Administrative division, with equivalent decreases in the other divisions. A newly required expenditure of \$62,003 to Risk Management is also in this division's budget.

PLANNING AND EDUCATION DIVISION

 1999-2001
 2001-2003
 Change From

 Present
 Executive
 Present

 Budget
 Recommendation
 Budget

 \$1,003,402
 \$1,201,673
 \$198,271

The Planning and Education division's major responsibilities include development and maintenance of the State Water Management Plan, management of the agency's information and education programs, representation of the agency in regional coordination efforts, support to other divisions, and special planning studies. The executive recommendation contains a net increase of \$198,271 compared to the 1999-2001 budget. This is the result of several changes including the proposed salary adjustments. The other changes involve nominal increases in the Project WET program and added spending authority to administer the Devils Lake downstream acceptance program.

WATER APPROPRIATION DIVISION

1999-2001	2001-2003	Change From
Present	Executive	Present
Budget	Recommendation	Budget
\$3,530,435	\$3,681,997	\$151,562

The Water Appropriation division is responsible for the processing of water permit applications, administration of water rights, collection of hydrologic data, and water supply investigations. The executive recommendation represents an increase of \$151,562 from the present budget. This results from increases of \$101,849 in salaries, an increase of \$41,984 in operating expenses, an increase of \$32,050 in equipment, and a decrease of \$24,321 in grants. The salary increase relates to the proposed salary adjustments, and the operating expenses increase relate to travel costs. The major portion of the increase for equipment is for the purchase recorders to monitor ground-water levels and for computer equipment.

The primary focus of the division for the 2001-2003 biennium will be the continued processing of water permits, the collection of hydrologic data needed for making informed decisions on water appropriation and management, and providing water resource information to the public. It is expected that water permit applications will likely continue at the level of the current biennium as the demand for water is stimulated by economic development projects such as value added processing, manufacturing, and irrigation.

WATER DEVELOPMENT DIVISION

1999-2001	2001-2003	Change From
Present	Executive	Present
Budget	Recommendation	Budget
\$18,169,761	\$24,070,286	\$5,900,525

The Water Development division is responsible for project engineering and maintenance, MR&I program administration, floodplain management coordination, dams, dikes and drainage permits, and the operations of the Red River office in West Fargo. The Southwest Pipeline Project and the Northwest Area Water Supply Project are managed within the division, but are separate cost centers.

The executive recommendation represents an increase of \$5,900,525 from the current biennium. This increase is primarily due to obligated funds that will be carried over from the 1999-2001 Contract Fund authorization.

In the 2001-2003 biennium, the division's focus will continue to be on water development including flood control, channel improvements, snagging and clearing, drainage, water supply, recreation, and bank stabilization. Several flood control projects are at various stages of project investigation, design, development and construction. These include the Devils Lake Emergency Outlet, Baldhill Dam Five-Foot Flood Pool Raise, Maple River Dry Dam, Pembina dikes, private ring dikes, and a number of drainage and snagging and clearing projects.

STATEWIDE WATER DEVELOPMENT PROJECTS

1999-2001	2001-2003	Change From	
Present	Executive	Present	
Budget	Recommendation	Budget	
\$84.800.000	\$70.936.398	(\$13,863,602)	

The statewide water development projects include \$62.3 million for projects, and \$8.6 million of bond payments. Most of the Water Development Trust Fund projects will be charged to this cost center. The funding sources are a combination of moneys obtained from bonding and the Water Development Trust Fund. The specific projects were previously discussed.

15

ATMOSPHERIC RESOURCE DIVISION

1999-2001 Present Budget	2001-2003 Executive Recommendation	Change From Present Budget \$99,329	
\$5.377.602	\$5.476.931		

The Atmospheric Resource division is responsible for the licensing, permitting, and administrative oversight of cloud seeding activities in the state, as well as weather research and data collection. The executive recommendation includes an increase of \$66,831 in salaries, an increase in operating expenses of \$77,485, offset by a decrease in equipment of \$14,417, and a decrease in grant expenditures of \$30,570.

The budget includes funding for county cloud seeding operations in six western counties including Williams county, which made their temporary operating authority permanent in the November, 2000 general election. The budget also includes projectwide implementation of Global Positioning Satellite (GPS) for flight tracking for cloud seeding aircraft, which improves project safety and operations.

SOUTHWEST PIPELINE PROJECT

1999-2001	2001-2003	Change From	
Present	Executive	Fresent	
Budget	Recommendation	Budget	
\$1,299,355	\$1,187,398	(\$111,957)	

Construction objectives for the 2001-2003 biennium include completion of the Mott-Elgin regional service area and initiating construction of the Bowman-Scranton regional service area, including service to the city of Scranton. All operations and maintenance functions have been transferred to the Southwest Water Authority, and there are no funds requested for the project's operations and maintenance.

The executive recommendation includes \$7.3 million from the Water Development Trust Fund for the Bowman-Scranton regional service area. An application for additional funding for the Bowman-Scranton phase has been submitted to USDA, Rural Development's grant and loan program. This program requires a substantial non-federal contribution.

NORTHWEST AREA WATER SUPPLY PROJECT

1999-2001	2001-2003	Change From	
Present	Executive	Present	
Budget	Recommendation	Budget	
\$27.507.618	\$17.879.984	(\$9.627.634)	

If environmental compliance for the Northwest Area Water Supply Project (NAWS) is obtained as expected, construction on the main transmission pipeline will begin in late 2001 at the city of Minot's water treatment plant and proceed southward toward the Missouri River. The main transmission pipeline will supply Missouri River water to 35,000 residents of Minot, 9,000 residents of the Minot Air Force Base, and 1,400 connections on the North Prairie Rural Water system. It is hoped that this portion of the project can be operational by the end of 2005. Also, during the biennium, construction will likely begin on a larger pipeline from the city of Rugby's water treatment plant to the city's well field seven miles to the east.

The executive recommendation includes federal funding for a portion of the project costs from the MR&I program. The non-federal share of the main transmission pipeline will be funded by a one-cent city sales tax, which has been in place in Minot since January 1, 2000. The non-federal share for Rugby will be funded by revenue bonds, with the bond payments paid by the water users.

NORTH DAKOTA STATE WATER COMMISSION

TESTIMONY RELATIVE TO ENGROSSED HOUSE BILL 1023

PRESENTED TO SENATE APPROPRIATIONS COMMITTEE

FIFTY-SEVENTH LEGISLATIVE ASSEMBLY

MARCH 14, 2001

By

Dale L. Frink

Interim North Dakota State Engineer and Interim Chief Engineer-Secretary to the State Water Commission

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The original \$200 million Municipal, Rural and Industrial (MR&D) Water Supply program was created by the 1986 Garrison Reformulation Act, and is jointly administered by the State Water Commission and the Garrison Diversion Conservancy District. Federal grant funds received through Fiscal Year 2001 total \$172 million. The balance of \$28 million is proposed to cover the All Seasons System V in Pierce County; the Rugby portion of the Northwest Area Water Supply Project (NAWS); and the Minot portion of NAWS. During federal fiscal years 1999, 2000 and 2001, \$24 million of federal MR&1 funds were received to support NAWS, Ransom-Sargent Rural Water, Langdon Rural Water, All Seasons Water Systems, and McLean Sheridan Rural Water.

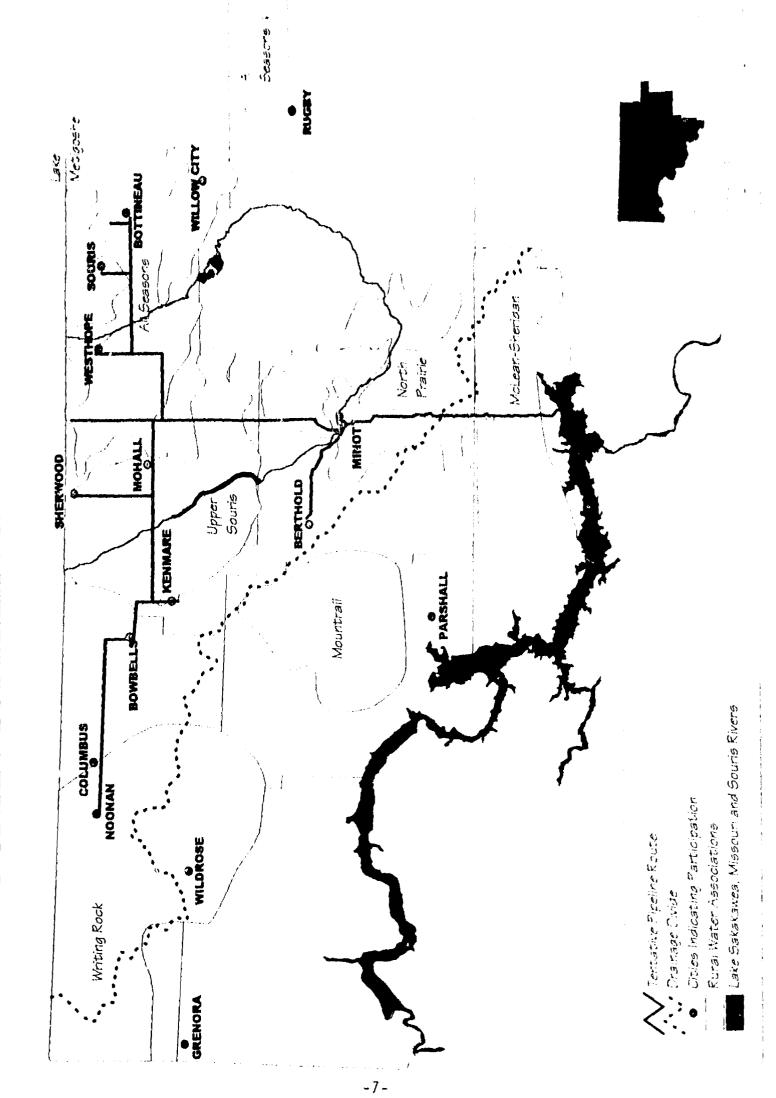
Devils Lake remains our most difficult issue. The lake is currently at elevation 1446.1 msl and will, in all probability, set a new record high in 2001. The National Weather Service recently forecasted a 50 percent chance of 1449.2 msl for Devils Lake this summer. If the lake reaches this elevation, Devils Lake will begin to flow into Stump Lake, raising Stump Lake to 1420 - 1425 msl by the end of 2001. Two outlet alternatives are being considered. The Corps of Engineers is working on a permanent outlet and the State Water Commission is studying a temporary emergency outlet. While the Corps continues to make progress, we feel a federal project is at least three to five years away. The state and locals may have a better chance of completing an outlet and, therefore, the Commission continues to evaluate a non-federal temporary outlet.

In shifting our attention further to the east, the magnitude of the 1997 flood and its resultant damages prompted the Federal Emergency Management Agency (FEMA) to begin a review of the existing flood frequencies of cities along the Red River. Preliminary results indicate higher 100-year base flood elevations at all cities along the Red River. As a result, many additional property owners may be required to purchase flood insurance. The State Water Commission and the local officials are extensively reviewing this effort.

In regards to our water supply efforts, the Southwest Pipeline Project delivered 938 million gallons of water in 1999 and over one billion gallons in 2000. By next summer, when all rural water connections constructed in 2000 are hooked up, the project will be delivering water to over 25,000 people in cities and approximately 4,500 rural residents in areas shown on the map on page 5.

Southwest Pipeline - Proposed Main Transmission Pipeline ✓ Main Transmission Pipeline Southwestern North Dakota Location: 2001-2003 Biennium ✓ Raw Water Pipeline January, 2001 Project Future Construction Pumpstations Project Service Areas Completed Tanks Carson dew Leipzig Golden Valley ğ Richardton Halliday Taylor New Hradec Dunn Center 2001 Reeder South Heart Scranton Belfield 2002 Sentinel Butte Medora 2002

NORTHWEST AREA WALER SUPPLY PROJECT



Phase I of the NAWS project included an upgrade and expansion of Rugby's water treatment plant in the fall of 1999. A combination of a MR&I grant and revenue bonds were used to finance construction. The annual debt service payment for this revenue bond is approximately \$93,000:

NAWS/Rugby Bond Issue

Amount Bonded

Annual Debt Service

1998 Series A (Public) (30 years) \$1,220,000

\$93,000

A significant effort the last two years was the development of supporting technical information for the environmental assessment for the Minot phase of NAWS. A major issue in the environmental assessment is the potential for biota transfer across the Continental Divide from the Missouri River into the Hudson Bay drainage basin in Canada. On January 19, 2001, the Secretary of the Interior, in consultation with the Administrator of the Environmental Protection Agency (EPA), determined that the project provides adequate treatment to meet the Boundary Waters Treaty of 1909. This determination was required by the 1986 Garrison Diversion Reformulation Act. There still needs to be an exchange of diplomatic notes by the two countries. Nevertheless, we are hopeful construction on the main transmission line can begin later this year.

Missouri River management is again in the headlines as low mountain snowpack in Montana and Wyoming threaten recreation, hydropower, and other uses. The Missouri River Basin Association (MRBA) is a coalition of Governor-appointed representatives from each of the eight Missouri River basin states and one representative from the tribal water rights coalition. The MRBA continues to work with the Corps of Engineers on the development of a new Master Manual for operations of the Missouri River reservoirs. Approval of a new Master Manual will take at least two more years, but we are optimistic about the progress that was made last year.

As part of its ongoing efforts to improve public understanding of the state's water resources, the State Water Commission continues to contribute funds and time to the *North Dakota Water* magazine, and produce white papers and fact sheets on key issues. These reports and considerable additional information are available via the agency's web page at http://www.swc.state.nd.us..

The State Water Commission staff worked on several projects including Cottonwood Creek Dam in LaMoure county, Pheasant Lake Dam in Dickey county, Tolna Dam in Nelson county, Cedar Lake Dam in Slope county, Froelich Dam in Sioux county, and Morrison Lake outlet in Ramsey county, and U.S. Geological Survey gaging stations in the eastern part of the state. They also performed annual runoff inspections at dams located across North Dakota and conducted regularly scheduled safety inspections at 43 dams during the biennium.

Thus far in the biennium, 108 permit applications have been processed for dams and dikes, 37 permit applications for drainage, and 37 permit applications for sovereign lands. In addition, 12 workshops and 25 floodplain management community visits were conducted.

Studies to identify solutions to water supply questions for public entities continues as an important service. A major study of the West Fargo aquifer was recently completed in cooperation with the Southeast Cass Water Resource District. This aquifer is a source of water for West Fargo, Cass Rural Water Users, Inc., several industries, and numerous households. The report provides the basis for future water supply management for these entities. A water supply study for Rugby is nearing completion, and another study is being planned for Park River.

The Eastern Dakota Irrigation District was created in 2000. It consists of approximately 15,000 irrigated acros in northeast Barnes, northwest Cass and southwest Steele counties. Even though almost all of the acreage is currently under irrigation, the irrigation district provides the organizational structure and authority for the members to address issues common to irrigation in that area. It is unique in that almost 100 percent of the irrigated acreage in that area was petitioned into the district.

Rain and hail data collection through the 800 member Atmospheric Resource Board Cooperative Observer Network will begin its 25th season in April, 2001. The volunteer network has been collecting summer precipitation data from across North Dakota compiling one of the most comprehensive databases of its kind in the world. The data is used by many local, state and federal agencies for planning and research purposes.

ENGROSSED HOUSE BILL 1023

Engrossed House Bill 1023 contains the House approved budget for the State Water Commission. The budget totals \$133.1 million, a decrease of \$10 million from the present budget:

Line Item	1999-2701 Prevent Budget	2001-2003 Houne Approved Budget	Change From Present Budget
Salaries and Wages	\$ 8,104,343	\$ 9,066,759	\$ 962,416
Operating Expenses	6,010,687	c =0.2 40E	492,798
Equipment		6,503,485	
	170,656	499,833	329,177
Capical Improvements	23,624,024	23,710,864	86,840
Grants/ Contracts	17,470,245	22,475,067	5,004,822
Cooperative		•	, ,
Research	3,050,000	3,050,000	-
Statewide Water Development			
Projects	84,800,000	67,800,000	(17,000,000)
Total	\$143,229,955	\$133,106,008	(\$10,123,947)
manent Employees l-time equivalents)	82.0	84.0	2

A comparison of revenue sources to support the State Water Commission's budget is as follows:

	1999-2001 Present Budgot	2001-2003 House Approved Budget	Chango from Prosent Budget
General Funds	\$ 9,262,180	\$ -	(\$ 9,262,180)
Federal Funds	21,304,365	14,285,124	(7, 019, 241)
Other Funds	112,663,410	118,820,884	6,157,474
Total	\$143,229,955	\$133,106,008	(\$10,123,947)

The proposed budget includes one very significant change. The State Water Commission's agency operations are to be funded from the Water Development Trust Fund rather than the state's general fund. The State Water Commission's cost operations that would have been funded out of the general fund is \$9,734,000.

The State Water Commission's budget includes increases and decreases in several areas that impact all divisions of the agency. The first is travel. The State Water Commission expects to travel about the same as this biennium, but the costs have increased significantly due to higher mileage costs. As a result, the budget includes a 12.6 percent increase.

Our budget also includes increases in information technology. Some of the increase is inflationary, such as the \$23,000 increase in our costs for network connections. The budget also includes an increase for adding a full-time employee to support our growing geographical information technology (GIS) needs. This employee will be used to support the development of GIS databases such as the Missouri River corridor from the Garrison Dam to Bismarck.

Engrossed House Bill 1023 allows the State Water Commission to sell its existing shop and land at the corner of 26th Street and Broadway Avenue in Bismarck and replace that facility. The existing 8.5 acres have an estimated value of \$977,000. The revenue from this sale would provide for acquisition of tess costly land, and construction of a new maintenance facility. The existing shop needs considerable repair and is too small to meet our current and future needs. Tvenge and Associates, a Bismarck architectural firm, estimated the cost of a new building at \$780,000. The cost of land, utilities, and a new building is expected to approximately equal the \$977,000 value of the existing property.

Engrossed House Bill 1023 also provides the State Water Commission with staff and funds to participate in the Red River Valley Comprehensive Water Supply Study. Development of a water supply for eastern North Dakota has been a goal for many years. Section 10 directs the State Water Commission, in cooperation with the Garrison Diversion Conservancy District and potential water users, to develop a plan and cost estimate for the project.

Senate Bill 2004 takes \$99,756 from the Water Development Trust Fund to pay the non-federal share for three State Health Department employees. These employees will work on Total Maximum Daily Load (TMDL) watershed budgets, which is a requirement of EPA. The Water Development Trust Fund already funds all State Water Commission operations, and I request that you consider limiting agency operations costs to only the State Water Commission.

Engrossed House Bill 1023 was amended on the House side to add \$5.5 million for a flood control project in south Fargo. This project is still in the development stage and, therefore, it is too early to provide specific comments regarding the benefits or impacts of the project. I realize there are considerable local concerns about the project. Regardless, whether funding would be provided, a construction permit would be required from the State Engineer. This will include an evaluation of the impacts to flood stages. Two years ago, the Legislature attached several conditions to Senate Bill 2188 related to the Grand Forks Flood Control project. One of the conditions required the State Engineer, with approval of the Governor, to determine whether the project is cost effective and minimizes, to the extent reasonably practicable, the impacts on residential neighborhoods. I am offering this condition as an amendment to Engrossed House Bill 1023.

The projects included in Engrossed House Bill 1023 are consistent with the State Water Management Plan and the North Dakota Water Coalition's priorities. More detailed information on these projects will be provided by the project sponsors. The executive budget recommendation does not include specific amounts for projects, but rather it includes the total sum for projects. However, the following is a tentative breakdown of estimated allocations by project:

Water Development Trust Fund/ Resources Trust Fund <u>Projected Expenditu</u>/ cs

Senate Bill 2188 Projects

Grand Forks Flood Control	\$18,400,000
Walpeton Flood Control	1,600,000
Devils Lake	10,000,000
Grafton Flood Control	1,500,000
	\$31,500,000
Additional Funding Needs	
Municipal, Rural and Industrial Water Supply	\$15,000,000
Irrigation Development	3,290,000
General Water Management	5,000,000
Flood Control (Baldhill Dam and Maple River Dry Dam)	5,750,000
Eastern Dakota Water Supply (H.B. 1171)	150,000
Devils Lake Basin Development	4,000,000
Southwest Pipeline Project	8,105,000
Weather Modification	350,000
Northwest Area Water Supply	100,000
	\$41,745,000

Subtotal \$73,245,000

Other Trust Fund Expenditures

Resources Trust Fund Obligated Carryover Projects	\$ 7,800,000
Projected State Water Commission Agency Costs	9,734,000
Estimated Biennium Bond Payments (S.B. 2188)	8,636,000
Section 404 (S.B. 2285)	800,000
Fargo Flood Control Project	5,500,000
State Health Department Employees (S.B. 2004)	100,000
	\$32,570,000

Combined Total Expenditures

\$105,815,000

The executive budget recommendation for water projects includes dollars from the Resources Trust Fund, the Water Development Trust Fund, and bonding. The breakdown of projected revenue from these sources is as follows:

Resources Trust Fund Revenues (2001-2003)

Total Resources Trust Fund (RTF)	\$	21,718,000
Oil Royalties (Southwest Pipeline O&M Center)		5,000
Southwest Pipeline Project Repayments		800,000
MR&I Loan Repayments		999,000
Oil Extraction Tax and Interest		9,014,000
Unobligated Carry Over (July 1, 2001)		3,100,000
Obligated Carry Over (July 1, 2001)	*	7,800,000

Water Development Trust Fund

Beginning Balance (July 1, 2001)	\$ 23,483,000
Tobecco Settlement Deposits (2001-2003)	23,883,000
Total Water Development Trust Fund (WDTF)	<u>\$ 47,366,000</u>
Combined Revenues (WDTF & RTF)	\$ 69,084,000
Combined Total Expenditures	\$105,815,000
Bonding Requirement	\$ 36,731,000

WATER APPROPRIATION DIVISION

1999-2001	2001-2003	Change From
Present	House Approved	Present
Budget	Budget	Budget
\$3,530,435	\$3,681,997	\$151,562

The Water Appropriation division is responsible for the processing of water permit applications, administration of water rights, collection of hydrologic data, and water supply investigations. The House approved budget represents an increase of \$151,562 from the present budget. This results from increases of \$101,849 in salaries, an increase of \$41,984 in operating expenses, an increase of \$32,050 in equipment, and a decrease of \$24,321 in grants. The salary increase relates to the proposed salary adjustments, and the operating expenses increase relate to travel costs. The major portion of the increase for equipment is for the purchase of recorders to monitor ground-water levels and for computer equipment.

The primary focus of the division for the 2001-2003 biennium will be the continued processing of water permits, the collection of hydrologic data needed for making informed decisions on water appropriation and management, and providing water resource information to the public. It is expected that water permit applications will likely continue at the level of the current biennium unless the demand for water is stimulated by economic development projects such as value added processing, manufacturing, and irrigation.

STATEWIDE WATER DEVELOPMENT PROJECTS

1999-2001	2001-2003	Change From
Present	House Approved	Present
Budget	Budget	Budget
\$84,800,000	\$76,436,398	(\$8,363,602)

The statewide water development projects include \$67.8 million for projects, and \$8.6 million of bond payments. Most of the Water Development Trust Fund projects will be charged to this cost center. The funding sources are a combination of moneys obtained from bonding and the Water Development Trust Fund. The specific projects were previously discussed.

ATMOSPHERIC RESOURCE DIVISION

1999-2001	2001-2003	Change From
Present	House Approved	Present
Budget	Budget	Budget
\$5,377,602	\$5.476.931	\$99,320

The Atmospheric Resource division is responsible for the licensing, permitting, and administrative oversight of cloud seeding activities in the state, as well as weather research and data collection. The House approved budget includes an increase of \$66,831 in salaries, an increase in operating expenses of \$77,485, offset by a decrease in equipment of \$14,417, and a decrease in grant expenditures of \$30,570.

The budget includes funding for county cloud seeding operations in six western counties including Williams county, which made their temporary operating authority permanent in the November, 2000 general election. The budget also includes projectwide implementation of a GPS system for flight tracking cloud seeding aircraft, which improves project safety and operations.

SOUTHWEST PIPELINE PROJECT

1999-2001 Present Budget

2001-2003 House Approved Budget Change From Present Budget

\$1,299,355

\$1,187,398

(\$111.957)

Construction objectives for the 2001-2003 biennium include completion of the Mott-Elgin regional service area and initiating construction of the Bowman-Scranton regional service area, including service to the city of Scranton. All operations and maintenance functions have been transferred to the Southwest Water Authority, and there are no funds requested for the project's operations and maintenance.

The House approved budget also includes \$7.3 million from the Water Development Trust Fund for the Bowman-Scranton regional service area. An application for additional funding for the Bowman-Scranton phase has been submitted to USDA, Rural Development's grant and loan program. This program requires a substantial non-federal contribution.

The State Water Commission's original budget request did not include federal MR&I funds for the Southwest Pipeline Project. Since passage of the Dakota Water Resources Act in December, 2000, there is now a possibility that the Southwest Pipeline Project could receive \$3.4 million of MR&I funds during the 2001-2003 biennium. In addition, the State Water Commission currently spends USDA, Rural Development dollars off budget in regard to the Southwest Pipeline Project. State auditors are recommending, and we concur, that the \$2.6 million of USDA federal funds should be part of our budget. Therefore, we are requesting a total of \$6 million of additional federal spending authority under the capital improvements line item. This amendment request is attached.

NORTHWEST AREA WATER SUPPLY PROJECT

1999-2001 Present Budget

2001-2003 House Approved Budget Change From Present: Budget

\$27,507,618

\$17,879,984

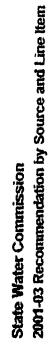
(\$9,627,634)

If environmental compliance for NAWS is obtained as expected, construction on the main transmission pipeline will begin in 2001 at the city of Minot's water treatment plant and proceed southward toward the Missouri River. The main transmission pipeline will supply Missouri River water to 35,000 residents of Mi.ot, 9,000 residents of the Minot Air Force Base, and 1,400 connections on the North Prairie Rural Water system. It is hoped that this portion of the project can be operational by the end of 2005. Also, during the biennium, construction will likely begin on a larger pipeline from the city of Rugby's water treatment plant to the city's well field seven miles to the east.

The House approved budget includes federal funding for a portion of the project costs from the MR&I program. The non-federal share of the main transmission pipeline will be funded by a one-cent city sales tax, which has been in place in Minot since January 1, 2000. The non-federal share for Rugby will be funded by revenue bonds, with the bond payments paid by the water users.

Revised Estimated Cash Needs 1999 SB2188 Projects - Initial Est.		Amount 31,500,0
•		- 1,000,10
Grand Forks - Initial Est. Grand Forks - Revised Est.	15,000,000 18,400,000	3,400,0
Wahpeton - Initial Est. Wahpeton - Revised Est.	3,500,000 1,600,000	(1,900,0
Grafton - Initial Est. Grafton - Revised Est.	3,000,000 1,500,000	(1,500,0
Devils Lake - Initial Est. Devils Lake - Revised Est.	10,000,000	(10,000,00
1999 SB2188 Projects - Revised Est.	No.	21,500,00
New Water Projects - Initial Est.		40,840,00
M&R Water Supply - Initial Est. M&R Water Supply - Revised Est.	15,000,000 15,000,000	-
irrigation - Initial Est. Irrigation - Revised Est.	3,290,000 3,290,000	•
General Water - Initial Est. General Water - Revised Est.	5,000,000 3,600,000	(1,400,00
Flood Control - Initial Est. Flood Control - Revised Est.	5,750,000 5,750,000	u
ED Water Suppy - Initial Est. ED Water Suppy - Revised Est.	150,000 150,000	•
Devils Lake - Initial Est. Devils Lake - Revised Est.	4,000,000 2,000,000	(2,000,00
Missouri R. Water - Initial Est. Missouri R. Water - Revised Est.		·
NAWS - Initial Est. NAWS - Revised Est.	P. A. A. STANISH STANI	
Southwest Pipeline - Initial Est. Southwest Pipeline - Revised Est.	7,300,000 7,300,000	•
Weather Mod - Initial Est. Weather Mod - Revised Est.	350,000 350,000	et en
New Water Projects - Revised Est.	*******	37,440,00
Total SB2188 and New Water Projects	. Revised	58,940,00





	Water Development Trust Fund	Resources Trust Fund	Water Commission Operating Fund	Water Commission Federal Funds	Total
Beginning Balance	23,545,719	10,900,000			34,445,719
Sources:					
Tobacco Settlement	23,882,800				23 882 800
Oil Extraction Tax		8,648,581			8,648,581
Federal Revenue				14,285,124	14,285,124
Interest Income		365,011			365,011
ARB Local Share			1,642,282		1.642,282
NAWS Local Share			6,154,352		6,154,352
Sale of Shop Bldg.			977,100		977 100
Bond Proceeds			62,300,000		62,300,000
Miscellaneous		1,804,439	1,774,948		3.579.387
Total Sources	23,882,800	10,818,031	72,848,682	14,285,124	121,834,637
Uses:					
Salary and Wages	7,711,347	348,847	317,207	589,358	8.9.76.759
Operating Expenses	1,556,855	547,000	1,601,102	2,772,528	6,477,485
Equipment	424,050	26,000	17.833	46,950	514,833
Capital Improvements	8,636,398	300,000	5,788,678	8,985,788	23.710.864
Grants	414,521	20,496,184	1,323,862	390,500	22,625,067
Cooperative Research	20,000		1,500,000	1,500,000	3,050,000
Statewide Water Dev. **			62,300,000		62,300,000
Total Uses	18,793,171	21,718,031	72,848,682	14,285,124	127,645,008
Ending Balance	28,635,348		,	,	28,635,348

^{* -} Expenditures from this line item limited to a total of \$62.3 million. Amount may be funded from the Water Development Trust fund, the Resources Trust Fund, and/or bond proceeds.

To:

Environment and Education Appropriation Subcommittee

North Dakota House of Representatives

From:

Robert Thompson

State Water Commission

Subject: HB 1023

Date:

January 25, 2001

The State Water Commission needs funds in this appropriation bill or elsewhere necessary to carry out the state operation of the Section 404 program. The timetable used by the Omaha Corps of Engineer's Regulatory Division was unacceptable. The Devils Lake outlet needs state operation of the Section 404 program to be successful. I firmly believe the State Water Commission needs emergency status and some latitude to get the job done. The opportunities are unlimited in the Devils Lake Basin if the lake level is stabilized while damages would be minimized.

The Eastern North Dakota Water Supply, the Northwest Area Water Supply, the Southwest Pipeline Project, and the general MR&I needs are all important.

The Maple River Dam is one of the most beneficial projects ever planned for construction in the Red River watershed for controlling flood waters. The Maple River Dam, started in the early 80's, is in need of funds for construction.

Irrigation development projects should be limited to one district per biennium with some recommended guidelines. If the legislature wants to spend \$400-500/acre on a \$1500/acre irrigation project than so be it. Nearly all of the 240,000 acres of irrigation in North Dakota were privately funded at \$450/acre total cost or less. Guidelines should be established so irrigation is funded equally statewide whether in an irrigation district or not.

Lask for your support for House Bill 1023.

Thank you.

5,c4111 404 To: Senate Appropriations Committee

North Dakota Senate

From: Robert Thompson

State Water Commission

Subject: Support of HB 1023

Date: March 14, 2001

The State Water Commission needs funds to carry out the state operation of the Section 404 program. The timetable used by the Omaha Corps of Engineer's Regulatory Division is unacceptable. The Devils Lake outlet, the Maple River Dam, and many North Dakota projects need state operation of the Section 404 program to be successful. The opportunities are unlimited in the Devils Lake Basin if the lake level is stabilized while damages would be minimized.

The designing of state projects avoiding Section 404 permit requirements is increasing project costs substantially and is resulting in higher project operating costs. The State Water Commission would use the Section 404 program as a tool to get water projects completed.

The Eastern North Dakota Water Supply, the Northwest Area Water Supply, the Southwest Pipeline Project, and the general MR&I needs are all important.

The Maple River Dam is one of the most beneficial projects ever planned for construction in the Red River watershed for controlling flood waters. The Maple River Dam, started in the early 80's, is in need of funds for construction.

Funds are needed for the Fargo Flood Control Project after their brush with major flooding in the spring of 1997. Overland flooding was unbelievable.

I ask for your support for House Bill 1023.

Thank you.

I'm Joe Belford, Chairman of the Ramsey County Commission. I've been on the Commission for 24 years.

Since 1993 the people of my county have been battling the rising water levels at Devils Lake. The total cost of this battle will likely approach or even exceed \$400 million this year. As I've said to many of you before, we need the state's help in resolving the Devils Lake dilemma.

Ours is not the only water problem or need in North Dakota. Thankfully, the 1999 Legislative Assembly recognized the state's water needs as expressed in the 1999 State Water Management Plan. They took a critical step in helping meet those needs by passing SB 2188 that established a Water Development Trust Fund and HB 1475 that allocates 45 percent of funds received by the state from the 1998 tobacco settlement agreement into that Trust Fund. With passage of the legislation, the State Water Commission, working in conjunction with water interests across the state, can develop solid funding arrangements to address water project needs in a timely way.

We support the State Water Commission's budget request but we do not support the administration's shift in funding agency operations from General Fund to Water Development Trust Fund.

We believe the administrations proposed budget could significantly set back the progress that was made in the last legislature. I and my constituents in Ramsey County, see the shift in funding of State Water Commission operating from General Fund to Water Development Trust Fund as a step backwards. The \$10,156.000 raid on the Water Development Trust Fund to fund agency operations will have long lasting financial impacts that will hinder or even prevent progress on critical water projects.

While we endorse the agency's overall funding request we hope that you and others in this legislature will find a way to fund the State Water Commission's operations through means other than the Water Development Trust Fund. Thank you.

ENGROSSED HOUSE BILL NO. 1023 – WATER COMMISSION EFFECT ON BILLABLE LEGAL SERVICES KATHY ROLL, OFFICE OF ATTORNEY GENERAL

2001 House Bill No. 1023 exempts the Water Commission from payment of Office of Attorney General legal fees if the Water Development Trust Fund would pay such fees. Engrossed Senate Bill No. 2285 provides for the Water Commission to assume jurisdiction over and administer the 404 Assumption program of the Clean Water Act. As amended, funding for those duties is from the Water Development Trust Fund. Aithough the fiscal note for the bill indicates the Water Commission will be able to pay for Attorney General legal services, the exemption provision contained in House Bill No. 1023 will not allow such payment.

Currently, this office bills the Water Commission for non-general fund legal services provided. If Engrossed House Bill No. 1023 passes in its current form, this office will be unable to bill its legal services even for the services that are currently billed. Assuming Engrossed House Bill No. 1023 is amended to provide that Attorney General legal services can be billed, the Office of Attorney General's salaries and wages, operating expenses and equipment needs to be increased by \$76,000 from other funds for a .5 FTE assistant attorney general relating to the 404 Assumption program. An increase in FTE is not necessary.

If House Bill No. 1023 is not amended, in order to provide legal services for the 404 Assumption program the \$76,000 for the .5 FTE assistant attorney general will need to be funded from the General Fund.

Vater Development Trust Fund

Total Bonding for 1999 SB2188 Projects at \$77.04 million

Agency Operations Funded at 75% of Previous Biennium Amount

01-03 Disbursement Amounts Based on Revised Estimates of Cash Needs

Assumes Remainder of SB2188 Projects Bonded for in 03-05 - \$39.2 million

Assumes All WDT Funds Remaining After Payments for Bonds, 2188 Projects and Agency Operations to be for WDT Water Projects

Assumes 100% of RTF Receipts Used to Fund RTF Water Projects

			BIENN	IUM		
	01-03	03-05	05-07	07-09	09-11	11-13
Cash Available						
* WDT Est. Beg Cash Balance	23,545,719	15,380	(0)	(0)	(0)	C
# RTF Est. Beg Cash Balance @	3,100,000	•				
Est. Bond Funds on Hand	3,400,000	•				
Est. Bond Proceeds	10,340,000	39,200,000				
* WDT Est. Receipts	23,882,800	20,674,860	33,159,270	33,159,270	33,159,270	33,159,270
# RTF Est. Receipts 📆	10,818.031	9,400,000	9,653,680	10,003,289	10,367,021	10,745,449
Total Est. Cash Receipts	75,086,650	69,290,240	42,812,950	43,162,559	43,526,291	43,904,719
Bond Payments						
WDT Cash Disbursements						
\$27,5 million issue	5,430,398	5,424,773	5,417,160	5,405,598	5,399,335	5,381,998
Est. \$10.34 million issue	•	2,100,900	2,100,900	2,100,900	2,100,900	2,100,900
Est. \$39.2 million issue			7,840,000	7,840,000	7,840,000	7,840,000
Agency Operations 10.2 m	1 0,700,773	8,025,580	6,019,185	4,514,389	3,385,791	2,539,344
SB 2188 Projects	21,500,000	39,200,000	•	•	•	
★ WDT Water Projects	23,521,969	5,138,988	11,782,025	13,298,384	14,433,243	15,297,029
RTF Water Projects	13,918,031	9,400,000	9,653,680	10,003,289	10,367,021	10,745,449
Total Est. Cash Disbursements	75,071,171	69,290,240	42,812,950	43,162,559	43,526,290	43,904,719
Est. Ending Cash Balance	15,380	(0)	(0)	(0)	0	0

WDT - Water Development Trust Fund

'RTF - Resource Trust Fund

THE Bos. Bulance does not include \$7.8 million of obligated carryover.

ater Development Trust Fund

Total Bonding for 1999 SB2188 Projects at \$77.04 million

Agency Operations Funded at 75% of Previous Biennium Amount

01-03 Disbursement Amounts Based on Revised Estimates of Cash Needs

Assumes Remainder of SB2188 Projects Bonded for in 03-05 - \$39.2 million

Assumes All WDT Funds Remaining After Payments for Bonds, 2188 Projects and Agency Operations to be for WDT Water Projects

Assumes 100% of RTF Receipts Used to Fund RTF Water Projects

	BIENNIUM					
	13-15	15-17	17-19	19-21	21-23	23-25
WDT Cash						
WDT Est, Beg Cash Balance	0	(0)	(0)	0	(0)	(0)
RTF Est. Beg Cash Balance						
Est. Bond Funds on Hand						
Est. Bond Proceeds						
WDT Est. Receipts	33,159,270	23,626,724	23,626,724	23,626,724	23,626,724	23.626,724
RTF Est. Receipts	11.139,166	11,548,788	12,005,159	12,490,167	12,994,769	13,519,759
Total Est. Cash Receipts	44,298,436	35,175,512	35,631,883	36,116,891	36,621,493	37,146,483
WDT Cash Disbursements Bond Payments						
\$27.5 million issue	5,371,248	5,360,398	5,349,267	5,333,825	•	•
Est. \$10.34 million issue	2,100,900	2,100,900	2,100,900	2,100,900	2,100,900	
Est. \$39.2 million issue	7,840,000	7,840,000	7,840,000	7,840,000	7,840,000	7,840,000
Agency Operations	1,904,508	1,428,381	1,071,286	803,464	602,598	451,949
SB 2188 Projects		•	•	•	•	•
WDT Water Projects	15,942,615	6,897,046	7,265,271	7,548,535	13,083,226	15,334,775
RTF Water Projects	11,139,166	11,548,788	12.005,159	12,490,167	12,994,769	13.519,759
Total Est. Cash Disbursements	44,298,436	35,175,512	35,631,882	36,116,891	36,621,493	37,146,483
Est. Ending Cash Balance	(0)	(0)	0	(0)	(0)	0

Total Project Expend.

Sis2108 Arojects - \$60.7 million (\$24.1 million expended 99-01)

WOT Projects - \$149.5 million

RTF Projects - \$137.8 million



ater Development Trust Fund

Total Bonding for 1999 SB2188 Projects at \$65.4 million

Agency Operations Funded at 75% of Previous Biennium Amount

- # Blennium Est Payment for \$37.9 \$7.580,000
- # Water Projects Amount = 4 bien average expend from RTF times 3 (7,069,481 x 3=21,208,443) less RTF Available

01-03 SB2188 Projects Amount Based on Revised Estimate of Cash Needs

	BIENNIUM						
	01-03	03-05	05-07	07-09	09-11	11-13	
Cash Available							
WDT Est. Beg Cash Balance	23,545,719	5,906,937	23,002	2,611,164	7,065,294	13,018,015	
RTF Est. Beg Cash Balance 🕡	3,100,000	•					
Est. Bond Funds on Hand	3,400,000	•					
Est. Bond Proceeds	16	37,900,000					
WDT Est. Receipts	23,882,800	20,674,860	33,159,270	33,159,270	33,159,270	33,159,270	
RTF Est. Receipts	10,818,031	9,400,000	9,853,680	10,003,289	10,367,021	10,745,449	
Total Est. Cash Receipts	84,746,550	73,881,797	42,835,952	45,773,723	50,591,585	56,922,734	
Bond Payments							
WDT Cash Disburnements							
\$27.5 million issue	5,430,398	5,424,773	5,417,160	5,405,598	5,399,335	5,381,998	
Est. \$37.9 million issue			7,580,000	7,580,000	7,580.000	7,580,000	
Agency Operations	10,700,773	8,025,580	6,019,185	4,514,389	3,385,791	2,539,344	
SB 2188 Projects	21,500,000	39,200,000	•	•	•	•	
WDT Water Projects	7,290,412	11,808,443	11,554,763	11,205,154	10,841,422	10,462,994	
RTF Water Projects	13,918,031	9,400,000	9,653,680	10,003,289	10,367,021	10,745,449	
Total Est. Cash Disbursements	58,839,614	73,858,795	40,224,788	38,708,429	37,573,569	36,709,784	
Est. Ending Cash Balance	5,906,937	23,002	2,911,164	7,065,294	13,018,015	20,212,950	

WDT - Water Development Trust fund RTF - Resource Trust Fund

Q - Bes. Balance of RTF does not include \$7.8 million in obligated carryover

ater Development Trust Fund

rotal Bonding for 1999 SB2188 Projects at \$65.4 million

Agency Operations Funded at 75% of Previous Blennium Amount

- # Biennium Est Payment for \$37.9 \$7.580,000
- # Water Projects Amount = 4 bien average expend from RTF times 3 (7,069,481 x 3=21,208,443) less RTF Available

01-03 SB2188 Projects Amount Based on Revised Estimate of Cash Needs

•	BIENNIUM					
	13:15	15-17	17-19	19-21	21-23	23-25
WDT Cash						
WDT Est. Beg Cash Balance	20,212,950	28,447,188	28,045,479	28,468,366	29,659,525	36,889,977
RTF Est. Beg Cash Balance						
Est Bond Funds on Hand						
Est. Bond Proceeds						
WDT Est. Receipts	33,159,270	23,626,724	23,626,724	23,626,724	23,626,724	23,626,724
RTF Est. Receipts	11,139,166	11,548,788	12,005,159	12,490,167	12,994,769	13,519,759
Total Est. Cash Receipts	64,511,386	63,622,700	63,677,362	64,585,257	66,281,018	74,036,460
Bond Payments						
WDT Cash Disbursements						
\$27.5 million issue	5,371,248	5,360,398	5,349,267	5,333,825	•	•
Est. \$37.9 million issue	7,580,000	7,580,000	7,580,000	7,580,000	7,580,000	7,580,000
Agency Operations	1,904,508	1,428,381	1,071,286	803,464	602,598	451,949
SB 2188 Projects	•	-	•	•	•	•
WDT Water Projects	10,069,277	9,659.655	9,203,284	8,718,276	8,213,674	7,688,684
RTF Water Projects	11,139,166	11,548,788	12,005,159	12,490,167	12,994,769	13,519 759
Total Est. Cash Disbursements	36,064,198	36,577,221	35,208,995	34,925,732	29,391,041	29,240,392
Est. Ending Cash Balance	28,447,188	28,045,479	28,468,366	29,659,525	36,889,977	44,796,068

Total Project Experd.

SB2188 Projects - \$60.7 million

NOT Projects - \$116.7 million

RTF Projects - 137.8 million

Payment Date 12/28/98 (12/14/99)	Original Estimated Amount 8,784,331	OMB Revised Estimated Amount NA	Amount Received 9,036,985	Difference (Orlyinal) 252,654	Difference (OMB Rovised) NA
01/10/00 (1/3/2000)	9,047,861	7,871,639	7,871,639	(1,176,222)	0
04/15/00 (4/18-19/2000)	14,420,029	12,921,787	13,044,999	(1,375,030)	123,212
05/04/00	0	0	985	985	985
9/13/00	0	0	363	363	363
01/02/01	9,319,297	7,871,638	8,011,307	(1,307,990)	139,669
04/15/01	16,022,254	14,357,542			
01/10/02	9,598,876	7 871,638			
04/15/02	20,828,930	18,664,804			
01/10/03	9,886,842	7,871,639			
04/15/03	20,828,930	18,664,804			
04/15/04	25,635,607	22,972,067			
04/15/05	25,635,607	22,972,067			
04/15/06	25,635,607	22,972,067			
04/15/07	25,635,607	22,972,067			
** 04/15/08	41,115,540	36,843,633			
04/15/09	41,115,540	36,843,633			
04/15/10	41,115,540	36,843,633			
04/15/11	41,115,540	36,843,633			
04/15/12	41,115,540	36,843,633			
04/15/13	41,115,540	36,843,633			
04/15/14	41,115,540	36,843,633			
04/15/15	41,115,540	36,843,633			
04/15/16	41,115,540	36,843,633			
04/15/17	41,115,540	36,843,633			
04/15/18	29,295,745	26,251,916			
04/15/19	29,295,745	26,251,916			
04/15/20	29,295,745	26,251,916			
04/15/21	29,295,745	26,251,916			
04/15/22	29,295,745	26,251,916			
04/15/23	29,295,745	26,251,916			
04/15/24	29,295,745	26,251,916			
04/15/25	29,295,745	26,251,916			
Total	866,801,130	766,435,417	37,966,278	(3,605,240)	264,229

^{*} Actually two payments \$12,875,523.14 and \$169,475.62
** Payments for the years 2008 - 2017 consist of an annual payment of \$26,144,366 plus a SCF payment of \$14,971,174.

Payment Date	Community Health Trust Fund	Common Schools Trust Fund 4,066,643	Water Development Trust Fund 4,066,643	Total 9,036,985
2/14/99 1/03/00	903,699 787,164	3,542,238 5,870,249	3,542,238 5,870,249	7,871,639 13,044,999
4/18-19/2000 05/04/00	1,304,500 98 36	443 164	443 164	985 363
09/13/00 01/02/01	801,131	3,605,088	3,605,088	8,011,307
Total	3,796,628	17,084,825	17,084,825	37,966,278

•

	Water Devel	opment Trust F	und	Water Dev	olopment Trus	st Fund
	Balance	Interest	New Balance	Balance	Interest	New Balance
* Dec 1999	4,066,643	9,281	4,075,924	Dec 1999 4,066,64	3 9,281	4,075,924
Jan 2000	7,618,162	30,681	7,648,843	Jan 2000 7,618,16	2 30,681	7,648,843
eb 2000	7,648,843	30,805	7,679,648	Feb 2000 7,648,84	3 30,805	7,679,648
arch 2000	7,679,648	30,929	7,710,577	March 2000 7,679,64	30,929	7,710,577
April 2000	13,580,826	38,934	13,619,760	April 2000 13,580,82	38,934	13,619,760
May 2000	13,620,203	54,854	13,675,057	May 2000 13,620,20	3 54,854	13,675,057
June 2000	13,675,057	55,075	13,730,132	June 2000 - 13,675,05	7 55,075	13,730,132
July 2000	13,730,132	55,297	13,785,429	July 2000 - 13,730.13	55,297	13,785,429
August 2001	13,785,429	55,519	13,840,948	August 200(13,785,42	55,519	13,840,948
Sept 2000	13,841,112	55,744	13,896,856	Sept 2000 13,840,94	55,743	13,896,691
Oct 2000	13,896,856	55,968	13,952,824	Oct 2000 13,896,69	1 55,967	13,952,659
Nov 2000	13,952,824	56,194	14,009,018	Nov 2000 13,952,65	·	14,008,852
Dec 2000	14,009,018	56,420	14,065,438	Dec 2000 14,008,85		14,065 271
Jan 2001	17,670,526	71,166	17,741,692	Jan 2001 17,607,50		17,678,420
Feb 2001	17,741,692	71,453	17,813,145	Feb 2001 17,678,42		17,749,618
March 2001	17,813,145	71,741	17,884,885	March 2001 17,749,61		17,821,103
April 2001	24,345,779	84,781	24,430,560	April 2001 - 24,281,99		24,366,778
May 2001	24,430,560	98,392	24,528,952	May 2001 24,366,77		24,464,913
June 2001	24,528,952	98,788	24,627,740	June 2001 24,464,91		24,563,443
		1,082,021			1,080,739	

Testimony on House Bill 1023 March 14, 2001

I stand before you today in support of House Bill 1023. I have been a local elected official for the last 24 years serving on the City of Devils Lake Council and Ramsey County Commission. I'm currently the chairman of the Ramsey County Commission.

I have personally been involved in local government programs, where funding has been shifted from general fund to a dedicated fund to help stretch the general fund budget. I know it is very difficult to shift the expenditure back to general fund at a later date despite good intentions.

I understand why you might feel that Water Development Trust Fund money should be used to fund State Water Commission operations instead of general fund. A large amount of money from the tobacco settlement has been dedicated to this fund. However, the intent was to use these dollars to help finance critical water projects across our great state. Many of these projects are moving forward today because of the positive commitment made by the last legislature.

It is gratifying that the money is now available to move ahead with good water projects, as water is the life blood of a strong community whether it be for drinking, recreation, or projects to stop or reduce flood damages.

As a representative of the North Dakota County Conmissioners Association and a member of the North Dakota Water Coalition I can tell you we are in agreement with the budget requested in House Bill 1023 with the exception that the State Water Commission operations should be funded from the general fund. I want to thank you for a history of strong support for the State Water Commission and the projects and programs it administers. Lets continue to move ahead to make progress on the most critical infrastructure needs in North Dakota, water development and flood control.

Jne Belford,
Framsey County Commissioner and
North Dakota County Commission Association



Good morning. I am Don Flynn from Scranton, North Dakota. Scranton signed contract number one with the State Water Commission March 15, 1983, almost 18 years ago. Funding included in the 2001-2003 State Water Commission Budget will permit the city of Scranton to finally receive water. Scranton is experiencing problems with its wells: the casing is collapsing. The city of Scranton is hoping for water from the Southwest Pipeline Project by the end of this year.

I am the Vice-Chairman of the Southwest Water Authority (Authority). I come today to speak in favor of House Bill 1023, with one reservation. This bill provides the state match for federal funding to continue construction of the Southwest Pipeline Project. The Authority is concerned that with so many water needs throughout the state, this budget will use money from the Water Development Trust Fund to fund a state agency.

House Bill 1023 provides necessary funding for water projects throughout the state.

The Southwest Water Authority supports projects in eastern North Dakota, the Northwest Area Water Supply, Devils Lake, Watford City, and other projects mentioned in the 2001 State Water Management Plan. Funding is needed for all these projects, but today I want to demonstrate the need in southwest North Dakota.

First, I thank you for State funding approved during the 1999 Legislative Session.

Because of this funding, the Southwest Pipeline Project served the cities of New Leipzig,

Elgin, and Carson, along with 229 farms and ranches in 1999 and 2000. We hope to serve

an additional 83 farms and ranches this year.

The funds the State Water Commission has requested in House Bill 1023 for the Southwest Pipeline Project will allow service to the cites of Scranton and Haley, possibly Amidon, and approximately 240 farms and ranches.

Kim Things

Is continued construction needed? I show you water from the farm of Arnold and Vivian Rotering. This farm would receive water if you approve the Southwest Pipeline Project funding request. As you can see, there is still a need in southwest North Dakota. There is also a need for water to aid economic development in this area -- a need that Cal Klewin will explain more fully.

The State Water Commission began construction on the Southwest Pipeline Project in April 1986 – almost 15 years ago. That's a long time to hold out the promise of quality water. House Bill 1023 would ensure state support for the Southwest Pipeline Project for the next biennium.

The Southwest Water Authority thanks the Legislature for its support in the past. We bring these issues to your attention and request your support in the future.

I would be happy to try to answer any questions. (after questions, or if no questions)

I now introduce Cal Klewin, Executive Director of Bowman County Development

Corporation.

VERBAL TESTIMONY

OF

CALVIN R. KLEWIN EXECUTIVE DIRECTOR BOWMAN COUNTY DEVELOPMENT CORPORATION

SUBMITTED TO NORTH DAKOTA SENATE APPROPRIATIONS COMMITTEE

ON HOUSE BILL 1023 -- STATE WATER COMMISSION APPROPRIATION

> MARCH 12, 2001 BISMARCK, NORTH DAKOTA

Good morning I'm Cal Klewin, Bowman County Development Corporation Executive Director. I am here to testify on House Bill 1023.

While watching the show <u>Niteline</u> on television a few weeks ago, a statement was made by interviewed U.S. Government officials that it is being projected that by the year 2015 the world could be facing its biggest water crisis ever, that being not enough fresh water for the population. This just reiterated my strong feelings toward rural water development.

Bowman County is one of eight counties located in southwestern North Dakota designated as a REAP (Rural Economic Area Partnership) zone. Our southwest REAP works continually to address and stem the out migration of its residents. Economic development efforts through our strategic plan include the support of quality water for its rural residents.

Economic development and infrastructure are synonymous for development in rural North Dakota. Rural water development in my opinion is crucial for economic and community survival. Our residents have learned over the last decade to make changes to survive in rural North Dakota. This being achieved by alternative crops, added value food processing, numerous cattle and sheep backgrounding lots, cattle feedlots, and farrow to finish pork operations. All of these require clean, quality and an abundant water source. The Southwest Pipeline Project can add support in these projects.

Bowman County, North Dakota may soon be home to the largest oil and gas unitized project in the lower 48 states. Expansion of oil related service companies is one of the target industries of Bowman County. For these potential companies to re-locate and provide long-term services within Bowman County, developable sites with adequate infrastructure, water being the number one issue are being addressed at this time. The Southwest Pipeline Project can be a leader with this issue.

On a personal issue, the Southwest water pipeline is proposed to become available to the rural residents of Bowman County in the year 2002. For many of our rural residents this will be a very gratifying and exciting time. The threat of our present wells becoming contaminated through leeching of the soils, or oil and gas exploration may be a concern, or lack of water in our current wells, which is common in certain areas. The Southwest water pipeline will offset the threat of not having the lifeblood of an economy; "water".

At this time I wish to thank you for the opportunity to testify in front of you on behalf of economic development and the residents of southwestern North Dakota, who support and encourage the continuing of rural water projects throughout North Dakota.

4/6/11/2

VERBAL TESTIMONY OF

DON FLYNN VICE CHAIRMAN SOUTHWEST WATER AUTHORITY SCRANTON, ND

SUBMITTED TO NORTH DAKOTA SENATE APPROPRIATIONS COMMITTEE

MARCH 14, 2001

BISMARCK, ND

Good morning. I am Don Flynn from Scranton, North Dakota. Scranton signed contract number one with the State Water Commission March 15, 1983, almost 18 years ago. Funding included in the 2001-2003 State Water Commission Budget will permit the city of Scranton to finally receive water. Scranton is experiencing problems with its wells: the casing is collapsing. The city of Scranton is hoping for water from the Southwest Pipeline Project by the end of this year.

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The funds the State Water Commission has requested in House Bill 1023 for the Southwest Pipeline Project will allow service to the cites of Scranton and Haley, possibly Amidon, and approximately 240 farms and ranches.

Is continued construction needed? I show you water from the farm of Arnold and Vivian Rotering. This farm would receive water if you approve the Southwest Pipeline Project funding request. As you can see, there is still a need in southwest North Dakota. There is also a need for water to aid economic development in this area -- a need that Cal Klewin will explain more fully.

The State Water Commission began construction on the Southwest Pipeline Project in April 1986 – almost 15 years ago. That's a long time to hold out the promise of quality water. House Bill 1023 would ensure state support for the Southwest Pipeline Project for the next biennium. As currently scheduled, completion would be in 2007. Twenty-one (21) years after the project was started!

The Southwest Water Authority thanks the Legislature for its support in the past. We bring these issues to your attention and request your support in the future.

I would be happy to try to answer any questions. (after questions, or if no questions)

I now introduce Cal Klewin, Executive Director of Bowman County Development

Corporation.



"Our water contains iron and bacteria. Currently, we soften our water and use reverse osmosis. It is difficult to soften the water because the iron eventually plugs up the softener. When that happens we get iron staining. The bacteria is also a problem and we have to bleach the well, four to five times a year. For the health and safety of our family of six, we feel the Southwest Pipeline Project is a necessity."

Ryan and Becky Brooks and family Bowman

'Because of a coal vein running through our land, our water has always been dark. It stains clothes, gets scummy when boiled, is high in sodium, and turns the ground hard and white. We used to haul water for household use and store it in a 1,000 gallon tank in our basement. About four years ago, the tank sprung a leak and couldn't be repaired. We replaced it with two 250 gallon tanks and installed a reverse osmosis system. Years ago when our youngest son would visit his fnends, he was so surprised to see their clear water When his friends would visit us, they refused to bathe in our dark water

Arnold and Vivian Rolenng Amidon

The warer on the Rotering farm is dark as coflee, as you can see above. Family members were accustomed to the water, even for bathing

CONSTRUCTION IS ESSENTIAL IN THE BOWMAN-SCRANTON AREA!

"My comments are strictly from an animal health point of view. I feel that an alternative water source is a positive aspect in our area, for the following reasons:

1. With an abundant supply of fresh water, there is little chance of toxic contaminants. In a drought year like this summer, where usual water sources are either drying up completely or toxins are concentrating, the pipeline will be an alternative.

2. There were more health problems in this year than in the previous three years due to stagnant water sources. A prime example of this was the anthrax situations here in southwest North Dakota. Anthrax is not only a livestock risk but a human health risk.

The bottom line from a veterinarian point of view: the Southwest Pipeline Project is a feasible alternative for production agriculture."

Bowman Vet Clinic

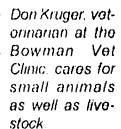
WW.

"Water quality from a reliable source is a vital link to economic strength for rural southwestern North Dakota. Industry, agriculture and rural family households all rely on a good consistent source of quality water. The Southwest Pipeline Project can provide the in-

frastructure to enhance our economic environment for the future of our rural residents and future generations."

Cal Klewin, Executive Director

Bowman County Development Corporation





SOUTHWEST PIPELINE PROJECT BENEFITS

ECONOMIC ENHANCEMENTS

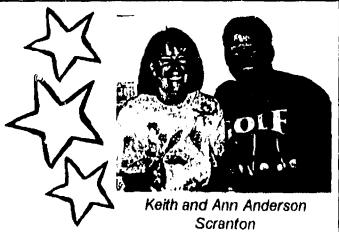
- X Taylor Nursery business up 15-20 percent because of quality and quantity water
- Nine cities cited for fluoride violations meet compliance standards
- Primary sector manufacturers, like Steffes, Inc., TMI Systems Design, and Baker Boy Supply expand with quality water
- ☆ Livestock industry receives improved weight gains and cash flow
- Rural residents benefit by not hauling water

AREAS RECEIVING WATER

City/Area	POPULATION :		
Belfield	870	Jung Lake Service Area	298
Belfield Service Area	275	Manning	100
Bucyrus Service Area	918	Mott	88
Burt Service Area		New England	558
Carson	317	New England Service Area	918
Davis Buttes Service Area	1,037	New Leipzig	217
Dickinson	16,221	New Hradec	80
Dodge		New Hradec Service Area	368
Dunn Center		Reeder	21 2
Elgin	645	Regent	229
Gladstone		Richardton	603
Glen Ullin	867	Roshau Subdivision	97
Golden Valley	219	South Heart	323
Halliday	243	Taylor	153
Hebron	807	Taylor Service Area	429
Hebron-Glen Ullin Service Area	288		
Hettinger	1 368	TOTAL	30.150

For three generations, the Anderson family waited for quality water on their farmstead. Their dream has now become reality. "I cannot express how wonderful it is to have Southwest Pipeline Project water! There are so many benefits! We have saved in time and money. We no longer have to travel 40 miles round trip to haul 1,500 gallons of water three times per month. We no longer have to haul our laundry into town. We have extra time to spend with family. Southwest Pipeline water is priceless!"

Ann Anderson Scranton



SOUTHWEST PIPELINE PROJECT HISTORY AND STATUS

1971

1975

1977

☆ Southwest Area Water Supply Study

1981

☆ Resources Trust Fund established

1983

⇔ Legislature appropriates \$6 million for final design and initial construction

1984

∜ Water Permit for 17,100 acre-feet approved

1986

As Basin Electric and SWC agree on joint use of Antelope Valley Water Intake Facility at Renner Bay

1986

- ⇔ Southwest Pipeline Project Ground Breaking
- ☆ Garrison Diversion MR&I funding program established

1989

Project Integrated - Urban and rural service combined to save money

1991

☆ Dickinson receives water

1992

☆ First rural hook-ups receive water

1994

☆ 10 cities and 200 rural users receive water

1995

- 🛠 900 rural users plus 4 cities receive water
- ☆ Hettinger and Reeder cited by EPA for fluoride violation

1996

- ☆ Transfer of 0&M functions for SWPP from SWC to SWA
- Raw water line upgrade, water treatment plant upgrade, cathodic protection, Jung Lake Service Area constructed
- ∜ USDA-RD agrees to cost-share for Hettinger-Reeder Phase

1997

- Revenue honding program for SWPP approved by North Dakota Legislature allowing construction of the Hettinger-Reeder Phase
- ☼ Bucyrus tank completed

1998

- ☆ Garrison Diversion MR&I funds Hebron-Glen Ullin Phase
- ☆ Hebron receives water
- End of Southwest Pipeline funds from Garrison Diversion MR&I funds
- ∜ Jung Lake elevated tank and Jung Lake pump station placed in service

1999

- ⇔ City of Glen Ullin receives water
- ☆ Additional rural service to Hebron-Glen Ullin and Hettinger-Reeder Service
 Areas
- ☆ Funding of Mott-Elgin Service Area by North Dakota Legislature
- ∜ USDA-RD agrees to cost-share for Mott-Elgin Phase
- Passage of Senate Bill 2188 allowing new construction, creating a Water Development Trust Fund, and authorizing the SWC to issue bonds providing \$4.5 million in project construction funding during the biennium
- Hebron, Bucyrus and Three Pockets Service Areas were completed
- 尽 New chloramination facility at the Dodge Pump Station was completed.

2000

- ☆ Transfer of O&M functions from Dickinson Water Treatment Plant to SWA
- ☆ Influent piping upgrade of the Water Treatment Plant
- ⇔ Burt and Hebron tank completed
- Completed Southeast Jung Lake Pocket and South Hebron Pockets
- ☼ Elgin, Carson, and New Leipzig receive water

HISTORY OF THE SOUTHWEST PIPELINE PROJECT

SWC Project #1736

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PROPOSED LEGISLATION

A BILL to an act to amend and reenact Sections 61-24.5-04, and 61-24.5-08 of the North Dakota Century Code, relating to directors for the Southwest Water Authority, and to repeal Section 61-24.5-05, relating to directors.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-24.5-04 of the North Dakota Century Code is amended and reenacted as follows:

61-24.5-04. Board of directors - Officers - Meetings - Compensation. The authority must be governed by a board of directors who must be chosen in accordance with the provision of this chapter. At the first election after the initial board of directors has been appointed, two directors One director must be elected from each county within the authority, and three two directors must be elected in the city of Dickinson. The director from Stark County may not be a resident residents of the city of Dickinson. The board shall elect from the directors a chairman, vice chairman, and secretary. A majority of the directors constitutes a quorum for the purpose of conducting the business of the board. The board shall meet at the time and place designated by the secretary. Board members shall receive compensation in the amount not to exceed the amount provided for by Subsection 1 of Section 54-35-10, and must be reimbursed for their mileage and expenses in the amount provided for by Sections 44-08-04 and 54-06-09.

SECTION 2. AMENDMENT. Section 61-24.5-08 of the North Dakota Century Code is amended and reenacted as follows:

61-24.5-08. Term of office of directors - Oath of office - Bonds. Members of the board of directors of the authority shall hold office for a term of four years, until a successor has been duly elected and qualified. but one-half of the first county directors elected shall hold office for a term of two years, and one half shall hold office for a term of four years. Two of the three first city directors shall hold office for a term of four years, and the third shall hold office for a term of two years. Terms of office of directors elected at the first election must be determined by lot. Each county shall have one two-year director and one four-year director, and the city of Dickinson shall have one two-year and two four-year-directors on the first elected board of directors. Directors elected thereafter shall hold office for a term of four years. If the office of any director becomes vacant by reason of the failur of any director elected at any election to qualify or for any other reason, his successor must be appointed to fill the vacancy by the board of county commissioners of the county in which the vacancy shall hold office for the unexpired term of the director whose office has become vacant, and until his successor has been elected and qualified.

Members of the board of directors <u>elected</u> from a county must be elected at the primary election, <u>beginning in 1992</u>, and shall assume office on the first Monday in July following their election. Members of the board of directors elected from the city of Dickinson must be elected at the municipal election, <u>beginning in 1992</u>, and shall assume office on the first. Monday in July following their election.

In 2002, all director's terms are deemed to have expired, and each county shall elect only one director to serve on the board of directors, and the city of Dickinson shall elect two directors to serve on the board of directors. In 2002, one director from the city of Dickinson, and directors from Adams, Billings, Slope, Dunn, Oliver and Grant counties, shall be elected for two year terms, and in 2004 and thereafter shall be elected for four-year terms. All other directors elected in 2002 shall be elected for four-year terms.

Before assuming the duties of the office, each director shall take and subscribe the oath of office prescribed by law for civil officers. The authority treasurer shall be bonded in such amount as the board may prescribe.

SECTION 3. REPEAL. Section 61-24.5-05 is repealed.

PROPOSED LEGISLATION

A BILL to an act to amend and reenact Section 61-24.5-10 of the North Dakota Century Code, relating to the mill levy for the Southwest Water Authority.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 61-24.5-10 of the North Dakota Century Code is amended and reenacted as follows:

61-24.5-10. District budget - Tax levy. For each taxable year through 2006, the authority may levy a tax of not to exceed one mill annually on each dollar of taxable valuation within the boundaries of the authority for the payment of administrative expenses of the authority, including per diem, mileage, and other expenses of directors, expenses of operating the office, engineering, surveying, investigations, legal, administrative, clerical, and other related expenses of the authority. All moneys collected pursuant to the levy must be deposited to the credit of the authority and may be disbursed only as herein provided. The board may invest any funds on hand, not needed for immediate disbursement or which are held in reserve for future payments, in bonds of the United States, certificates of deposit guaranteed or insured by the United States or an instrumentality or agency thereof, bonds or certificates of indebtedness of the state of North Dakota, or any of its political subdivisions. During the period of time in which the authority may levy one mill annually as provided herein, any joint water resource board created pursuant to section 61-16.1-11, by or among one or more of the water resource districts in the counties which are included in the authority, must be limited to one mill under the authority of section 61-16.1-11.



SOUTHWEST PIPELINE PROJECT COMPLETION PLAN

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Testimony for North Dakota State Water Plan

Mr. Chairman and Members of the Committee,

I am Alan Walter, Director of Public Works for the City of Minot. I am also a member of the North Dakota Water Coalition and a member of the North Dakota Water Users Board. I am here to support the development of the North Dakota Water Plan, which includes the NAWS Project for Minot and for the North Central and Northwest portions of North Dakota.

We have been working for many years to get the Northwest Area Water Supply Program started. At this time we are on the doorstep of beginning that project but still need the support and the work of the Committee and the State Legislators to continue the effort.

Many of you know that we have been working for the development of NAWS for a number of years. The history of this project goes back to the 1986 Reformulation Act for Garrison Diversion. Since then we have been working with the State Water Commission, Garrison Diversion and the Congressional Delegation to bring the plan to fruition. We are close, but we are not there.

During the course of this project a number of agreements have been made between the State Water Commission and the City and between Garrison Diversion and the City trying to take all of the necessary steps to develop the Northwest Area Water Supply. There are contracts in place between Minot and the North Dakota State Water Commission authorized by the State Legislature for the State Water Commission to develop and manage the Project.

In anticipation and expectation of the NAWS Project the voters of the City of Minot passed a 1-cent sales tax to pay for our share of the Project. That sales tax has been in place for more than one year and we are well on our way to having the local share of funds available to begin immediate construction when the word is given to begin.

In the meantime we have been working diligently with the State Water Commission and the Garrison Diversion Conservancy District and the Congressional Delegation to take the NAWS proposal through all of the required procedural steps as we try to move the project forward. Effective January 19, 2001 the Decision Document was signed and we are expecting this to be forwarded to the Secretary of State.

The EPA recently set forth a new law concerning arsenic levels in drinking water. The reduction of the allowable arsenic levels in the drinking water affects a number of the communities that are expecting to get water from NAWS. There is a window of about six years that we have to get ready to meet the new Arsenic Rule. If we do not have NAWS well under way by that time, and the communities

Page 2

Clan Waites ABINES PRAJA

can't expect to get that water, they will be forced to take other actions to meet the Arsenic Rule. The NAWS Project is quickly becoming an urgent project. The NAWS project will have to deliver water in a timely fashion for us not to lose communities off of the system. If we can get NAWS to those communities prior to the enforcement of the rules, we can avoid the unnecessary expenses of infrastructure improvement for those communities. With the NAWS Project in place, we will only need to meet and comply with those rules at the Minot Water Treatment Plant.

Minot also needs the water. The one thing Minot has maintained over the last number of years is to develop a growing community. Without NAWS we will not be able to maintain that stance. We do need the water. There are a number of potential economic development projects for Minot and many of them need large amounts of water. Not just for normal consumption. With NAWS we will be able to guarantee that supply.

There is support for NAWS in the State Water Plan. We have been working with the State Water Commission and the State Water Coalition and the North Dakota State Water Users to develop the State Water Plan. We will continue that work and support. We are asking for your support for the State Water Plan.

I want to thank you for your support, not only for NAWS but also for the State Plan. The State Water Commission is a vital part of our State operation and is a vital part of the NAWS project. Your support for this addresses the water needs of North Dakota.

Once again, thank you.

RED RIVER FLOOD CONTROL City of Fargo

Testimony for the Education and Environment Division House Appropriations Committee House Bill 1023

January 25, 2001

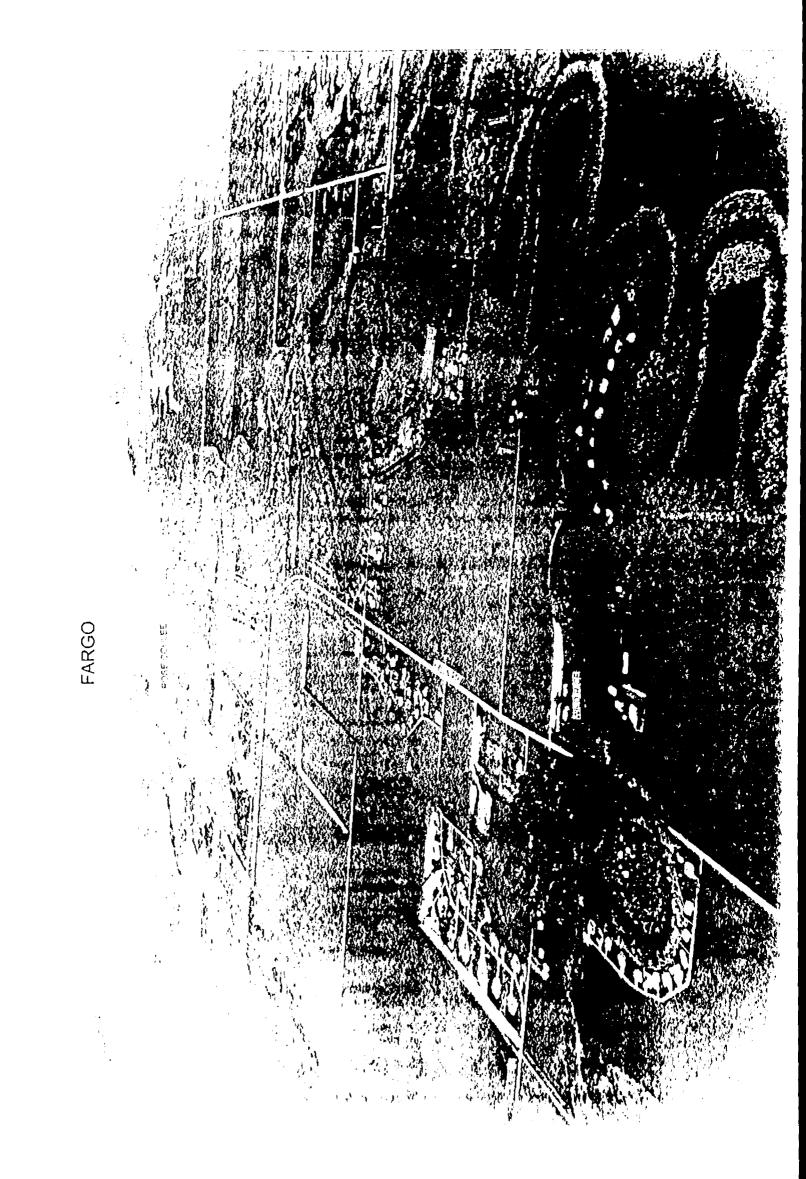
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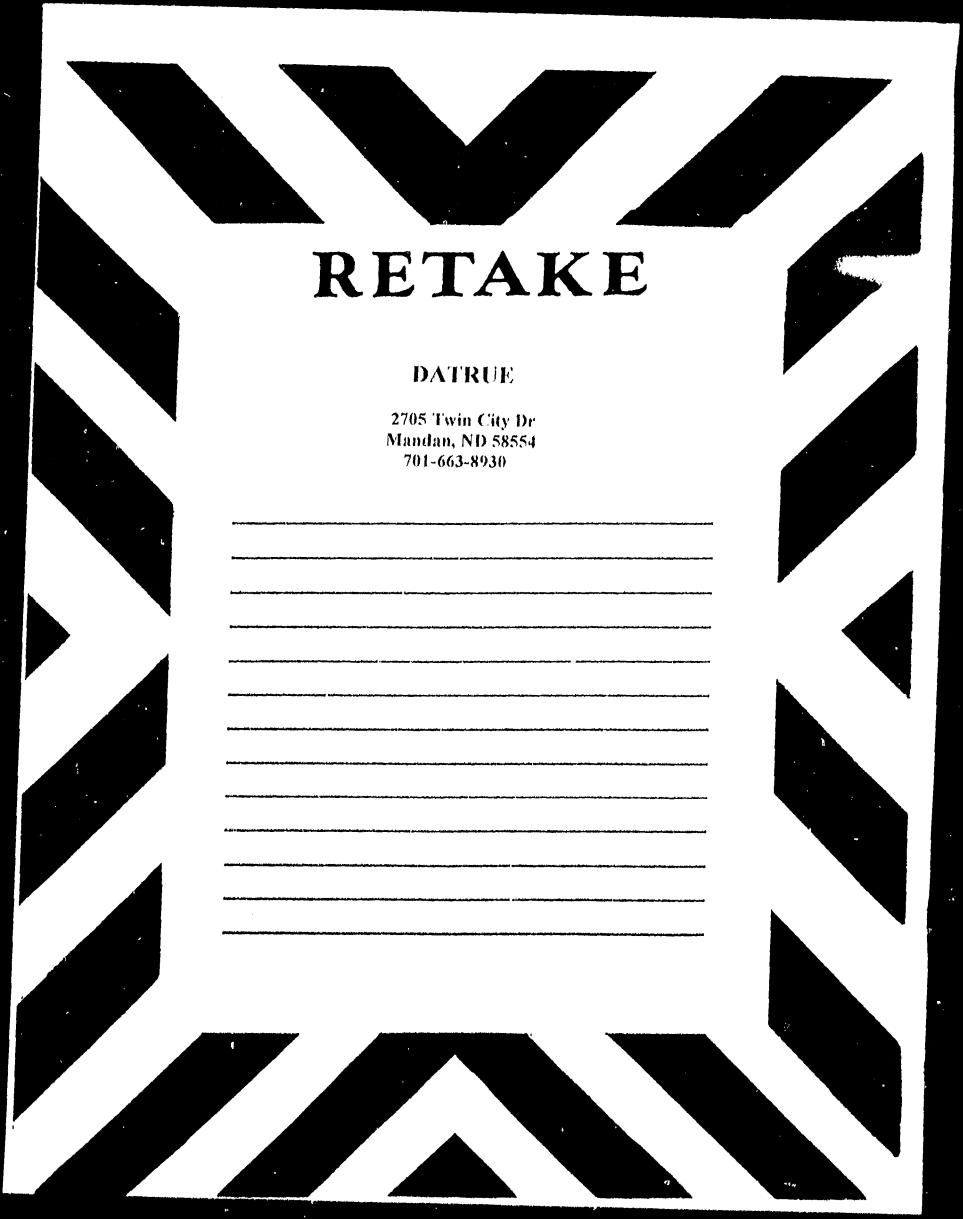
Jeffry J. Volk, PE & LS

Moore Engineering, Inc., Project Engineer

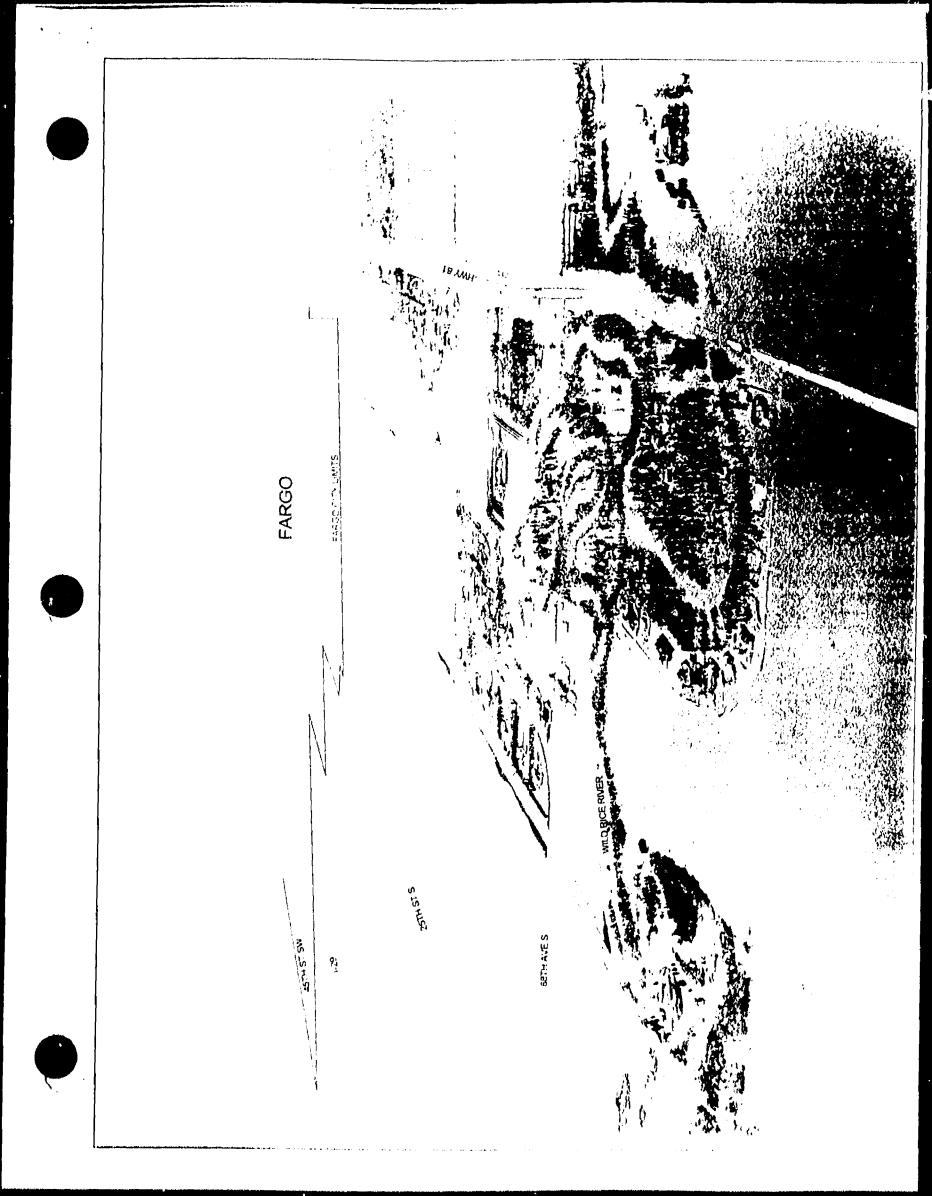
The City of Fargo has been threatened with floods numerous times in recent years. The 1997 spring flood event heightened the awareness of the risk of flooding in the community. Also during this event Fargo was faced with a significant new flood risk they have never had to fight before. This new risk is overland flooding. Overland flooding threatened the southwest portion of the community. Had Fargo not been able to hold off this flood risk with the construction of emergency levees, the overland floodwaters would had flown through Fargo, probably along the Interstate Highway 29 corridor.

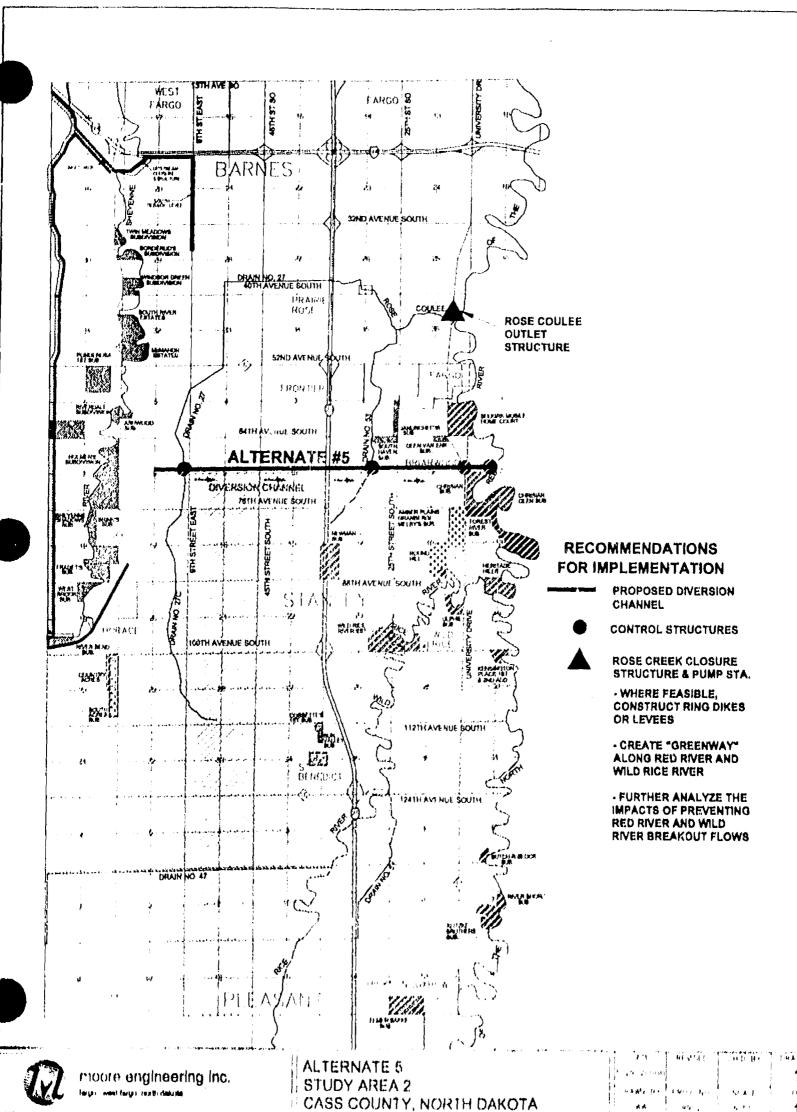
Following the 1997 flood, a study was completed to identify options available to control flooding in and around Fargo. Attached with this testimony are a few flood photos from the 1997 event and a brief summary of the recommended project components. The plan outlined here protects the City of Fargo from overland flooding and protects Rose Coulee from backup of the Red River. Another phase of Red River flood control will be the construction of levees along the Red River in south Fargo. This phase will require additional study and will not be ready for implementation for several years.











CASS COUNTY FLOOD HAZARD MITIGATION STUDY

NOVEMBER 22, 1999

STUDY AREA # 2 - RECOMMENDATIONS

- 1) Construct a Diversion Channel between 64th and 76th Avenues South to divert the Wild Rice River breakout flows to the Red River.
- Construct a Closure Structure and Pump Station to prevent Red River floodwater back up into Rose Coulee.
- 3) Where feasible, construct Ring-Dikes or Levees to protect flood prone property south of the diversion channel and east of Cass County Highway #81.
- 4) Create a "Greenway" along the Red River and the Wild Rice River to preserve the hydraulic channel capacity of the rivers.
- 5) Further analyze the hydraulic impacts of preventing existing breakout flows between the Red and Wild Rice Rivers.

RED RIVER FLOOD CONTROL 2001-2003 Biennium Needs City of Fargo

Summary of Project Cost

Overland Flood Protection \$10,600,000

Rose Coulee Backup Protection \$11,400,000

Estimated Total Project Cost \$22,000,000

Summary of Proposed Funding Sources

Federal - FEMA \$11,000,000 Est.

State - NDSWC \$5,500,000

Local - Fargo \$5,500,000

Total Funding \$22,000,000

FLOOD CONTROL CHANNEL AND LEVEE

The project would consist of two phases. Phase I would construct a drainage channel along the quarter section line between 64th and 76th Avenue South. The west-end of the drain would match with the BNSF railroad grade east of Cass County Highway 17. The drain would run east along the quarter section line to approximately 1,000 feet west of Cass County Highway 81, where it would jog north to run between Briarwood and Chrisan housing developments on its way to the Red River. The drainage channel would be approximately 5 miles in length. Since the drainage channel would cut through Drain 27 and 53, a closure structure would be placed across each of the two drains so they may be closed during an emergency. Each closure structure would consist of a dropdown gate that could be used to close off Drains 27 and 53 from the drainage channel. Riprap would also be placed at these crossings to reduce the potential for soil erosion.

The drainage channel would cross 9th Street, 45th Street, 1-29 northbound, 1-29 southbound, a frontage road, 25th Street, and Highway 81. Where the drainage channel crosses 9th Street and 45th Street, two 12-foot x 7-foot box culverts would be installed. Where the drainage channel crosses 25th Street and Highway 81, three 12-foot x 12-foot box culverts would be installed. The Highway 81 crossing would also contain a closure structure to regulate flow from the drainage channel into the Red River.

Phase II would construct an outlet control structure on the Rose Coulee (Rose Coulee Closure Structure) to prevent the Red River from backing into the coulee. A lift station installed at the outlet would pump local drainage out of Rose Coulee into the Red River during periods when the Red River was flooding. This lift station would house four pumps, each capable of discharging 225 cubic feet per second (cfs), and two 10-cfs pumps. The outlet structure, including the lift station, would be constructed within the Right-of-Way of County Highway 81.

It is expected that Phase I activities (construction of the drainage channel) and Phase II activities (construction of the Rose Coulee Closure Structure) would occur concurrently. Both activities would be expected to be completed in one construction season.



TESTIMONY OF
FARGO MAYOR BRUCE W. FURNESS
To The Senate Appropriations Committee
Regarding HB 1023
March 14, 2001

Good Morning, I'm Bruce Furness, Mayor of the City of Fargo, and I am here today to support HB 1023, which includes funding to provide state matching dollars for a flood control project south of Fargo.

SB 2188 in the 1999 Legislative Session included funding with bonding authority for flood protection projects for Grand Forks, Grafton and Wahpeton. At that time, Cass County was studying alternatives for a flood control project protecting much of south Fargo. This analysis was completed in December of 2000. Also, during this time, FEMA has earmarked funds for Cass County to implement a project to protect south Fargo from overland flooding from the Wild Rice River.

However, Fargo is now the sponsoring entity for the southside flood diversion and protection project. City staff believe that within the next six months, extensive engineering feasibility work will be completed. The next step will be the design and construction of a flood protection facility. Currently, about \$11 million dollars of federal funding has been identified and set aside for this project. It will need to be supplemented by state and local funds. Based on the State of North Dakota's benchmark of providing 50% of the local share. \$5.5 million is identified in HB 1023 for the State portion.

This particular amendment does not address the merit or value of a flood control project for South Fargo. The benefits of the project are enormous and will be considered in due course through the established public hearing process. The consideration today is the inclusion of the \$5.5 million dollars to provide matching funds to accept the FEMA funding of \$11 million dollars. The City of Fargo is now asking for the same consideration given to other cities during the 1999 Legislative Session.



A copy of a letter sent to State Engineer Dave Sprynczynatyk prior to that session is attached. It expresses the need for assistance on this issue at some future point in time. That future point is now. To assure commitment of the \$11 million in federal funds, we must now identify the local share.

I thank you for the opportunity to present these views and I urge your enthusiastic and positive consideration of the amendment to provide \$5.5 million dollars for a flood control project south of Fargo.

Attachment ffleglessapp1023-1



December 31, 1998

COPY

Mr. Dave Sprynczynatyk
State Engineer State Water Commission
900 E. Boulevard
Bismarck, ND 58505-0187

Dear Dave.

As you continue the planning effort for flood mitigation along the Red River Basin and the potential bonding requirements, I felt it would be useful for you to know of the needs of the City of Fargo and Cass County.

Though it cannot be estimated with any certainty, diking to protect the southern part of Fargo from overland flooding could cost anywhere from \$6.2 million with possible federal assistance to \$31 million with no federal participation in the funding of the project. We would be requesting the State of North Dakota to have 50% of the nonfederal share of funding.

Projects being evaluated are:

Protection of Fargo's southern exposure

- Wild Rice to Red Diversion channel and levees
- Rose Coulee closure structure

Red River Dikes - Stanley Township

As proposed flood protection measures are discussed during the 1999 Legislative Session, I wanted you to be aware of our potential needs.

Sincerely,

Bruce W. Furness

Mayor

Roberta Quick

Chair, Cass County Commission

BWF:

cc: Governor Ed Schafer
Legislative Leadership



Testimony of Fargo City Engineer, Mark H. Bittner to the Senate Appropriations Committee Regarding HB 1023 March 14, 2001

Good morning, I am Mark Bittner, Fargo City Engineer. I am speaking in support of HB 1023, which includes State matching funds for a flood control project south of Fargo.

The City of Fargo has been threatened by Red River flooding on numerous occasions in recent years. Significant Red River flooding occurred in 1969, 1975, 1979. 1989 and 1997. The 1997 flood was the largest flood recorded in Fargo, and brought an Increased awareness of the flood risk to the community. The 1997 flood also brought an awareness of the significance of the flooding threat from the Sheyenne and Wild Rice Rivers in the southwestern part of the City. The Wild Rice River enters the Red River approximately four miles south of Fargo. The Sheyenne River parallels the Red River, passing through West Fargo before entering the Red River north of Fargo near Harwood. In 1997, breakout flows from the Sheyenne and Wild Rice Rivers south of Fargo flowed uncontrolled north into Fargo threatening large areas of the City. Approximately two square miles within Fargo city limits was flooded by these overland flood flows, and many, many more square miles were flooded south of our city limits, as shown on the attached photos and maps. The City was able to prevent major damage during this 1997 flooding through a significant emergency diking effort, resulting in the construction of approximately four miles of emergency earth levees, and placement of approximately 2 million sandbags.

Since 1997, the City has made significant improvements in our flood preparedness, particularly along the east side of the City along the Red River. However, large portions of southwest Fargo remain vulnerable to overland flooding from the Sheyenne and Wild Rice Rivers, as was experienced in 1997. We estimate that approximately 7000 properties valued in excess of \$200 million remain vulnerable to this threat of flooding in the areas south of I-94. This represents approximately 12 square miles within the current Fargo city limits (30% of the entire City) with many additional vulnerable sections of land south of the City. This area includes approximately 6,000 residential properties, major commercial centers, particularly along 32nd Avenue South, Fargo's newest hospital, a developing high technology park and four public schools. The City has placed a high priority on providing permanent flood protection measures to protect these areas.

Due to the extent of the flooding related to the Sheyenne and Wild Rice Rivers, in June of 1997, the City requested assistance from the Southeast Cass County Water Resource District in assessing overland flood protection options. Cass County took the lead role in development of a comprehensive Flood Mitigation Study. Overland flood protection was one of the major components of the study. A number of conceptual flood

Testimony Regarding HB 1023 March 14, 2001 Page 2

protection plans are presented in the study that will provide overland flood protection to southwest Fargo and to large areas south of Fargo and West Fargo. We view these plans as viable options that should be developed in more detail for final selection and construction.

Up and down the Red River Valley, residents have been left with lasting memories of the flood fight of 1997, and hope never to have to experience a similar event. Red River Basin flooding is a reoccurring event that requires both basin wide and local flood protection measures. FEMA funding has been designated to provide southside flood protection. We urge your consideration and support for State matching funds, included in HB 1023, for flood control improvements south of Fargo.

Thank you for the opportunity to present these views.

RED RIVER FLOOD CONTROL City of Fargo

Testimony for the Senate Appropriations Committee House Bill 1023

March 14, 2001

Presented by:

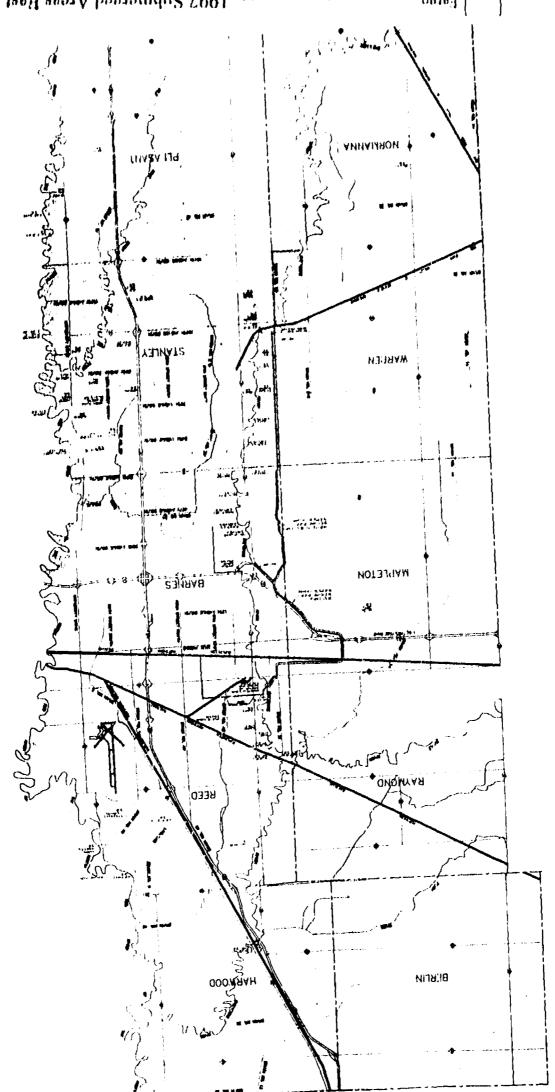
Jeffry J. Volk, PE & LS

Moore Engineering, Inc., Project Engineer

The City of Fargo has been threatened with floods numerous times in recent years. The 1997 spring flood event heightened the awareness of the risk of flooding in the community. Also during this event Fargo was faced with a significant new flood risk they have never had to fight before. This new risk was overland flooding from the Wild Rice River. Overland flooding threatened the southern portion of the community. Had Fargo not been able to hold off this flood risk with the construction of emergency levees, the overland floodwaters would had flown through Fargo, probably along the Interstate Highway 29 corridor.

Following the 1997 flood, the Cass County Commission formed a Flood Mitigation Task Force to study the options available to control flooding in rural subdivisions and options available to protect Fargo from overland flooding from the Wild Rice River. The study process included numerous public input meetings to allow comments on the various plans and alternatives considered for flood protection. An application for cost assistance for a project to prevent overland flooding was submitted to FEMA during the study process by the Cass County Commission. The application was approved by FEMA after an Environmental Assessment was completed for two of the alternatives studied.

Attached with this testimony is a brief summary of the recommended project components. The plan as outlined protects the City of Fargo from overland flooding, protects Rose Coulee from backup of the Red River and where possible, allows for levees to be constructed around other rural homes and subdivisions that are not otherwise protected.

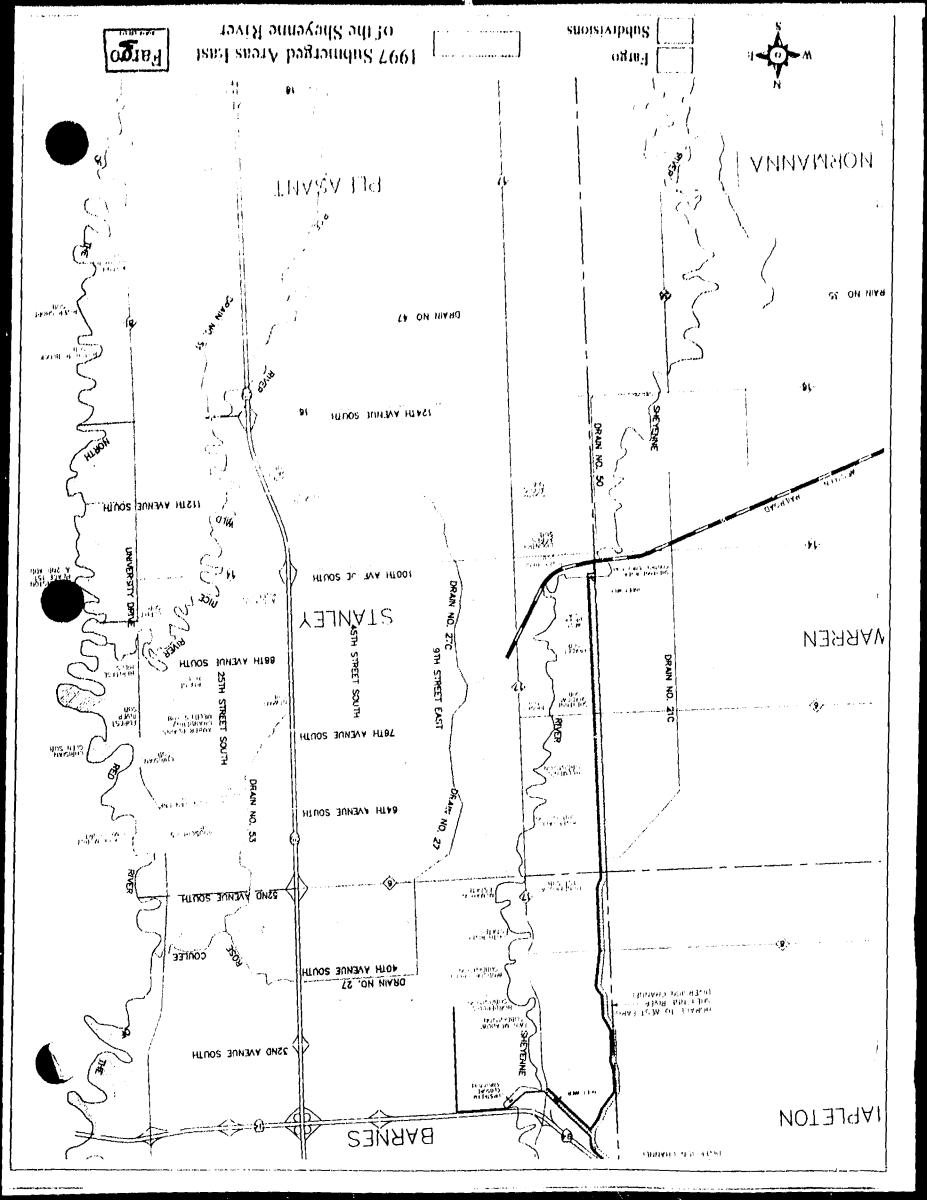




1997 Submerged Areas Base Toyle Siver

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4/6/16/23

Honorable Chairman and Senators of Appropriations Committee

Thank You for allowing me to speak before you this morning.

My name is Robyn Sorum. I am a current Cass County Commissioner. I'm not here to speak for the commission. I'm here to testify on my own behalf.

I'm here about the tremendous outpour of opposition of Cass County Citizens for this Dike.

I genuinely feel that there are other alternatives that would work that are better than the proposed dike project, and the 30 million taxpayer dollars that it would take to build it.

To quote the International Joint Commission, "In the flat terrain, what is done in one part of the basin may have severe consequences for those living in other parts of the basin. No one approach will solve all the problems by itself. There are no silver bullets."

When I ran for Cass County Commissioner I promised the Citizens of Cass County to listen to the people and give the County back to the people, thus my speaking before you today.

Please strike the 5.5 million dollars to Fargo on HB1023.

Thank You again for your time.

Toben Jorum

Robyn Sorum

HB16.23

2/20/01

The Appropriations Committee The N. D. Schate Bismarck, N. D.

Honorable Members:

I would prefer to be speaking before you in Bismarck, but I am not able to do this, thus this letter.

I am Jeannette ("Mike") Stanton and have lived in north Fargo since we moved here from Minneapolis, in 1950, a move for which I will always be grateful.

I have been in, or involved with government since then. I was a Cass County Commissioner for twelve years and at the same time on the Cass County Planning Commission and also served on the Fargo Planning Commission, on the Municipal Airport Authority (17 years) when Hector International Airport was built, serving on many other committees through the years. You probably know better than I, that government does some things very well and some things not so well and even badly.

There is no doubt that Fargo needs some flood protection, and that it needs to be done right and does not cause more damage - many of us are convinced that water retention needs to be done and not more dikes.

I would therefore, respectfully ask you to please delete the \$5,500,00.00 which was added to the original HB 1023 which was part of the water development projects bill for the State Water Commission.

Thank you for listening to my concerns.

Jeannette ("Mike") Stanton

1522 North 4th St. Fargo, N. D. 58102

4/6/123

1911/2

City of Horace P.O. Box 99 Horace, North Dakota 58047

City Council
Shane Walook
Greg Cummings
John Mointosh
Jan Malakowski

Mayor Perry Ronning (701) 281-2639

Honorable Chairman and Senators of the Appropriations Committee.

I am here today to speak on behalf of the taxpayers of the City of Horace and the Horace City Council. All City Council members are against funding for the ?Util Avenue Dike project for the City of Fargo.

The number one concern would be with the 70th Avenue Dike and control of Drain 27 given to the City of Fargo, the City of Horace would be in danger of flooding from any flood event.

This did not flood in 1997, which was the worst flood event recorded in history. This would affect the growth to many parts of the City of Horace. We need to discuss the projects that were completed since the 1997 flood, which will affect Horace and other rural residents.

These projects are as follows:

U.S. Highway 81 elevation was raised and culvert sizes were changed.

1-29 elevation was raised and also drainage was changed.

County Road 14 raised not inches but feet, and major culverts changed.

45th Street South Fargo from 32nd Avenue to 52nd Avenue raised several feet, also, culverts installed with sluice gates.

1-29 frontage road on east side from 32nd Avenue to 52nd Avenue the road was raised several feet in some areas.

These roads will all have a dike effect on the rural residents and the City of Horace.

The City of Horace has many homes on the eastside of the city that are funded by a Federal project for low interest homes. These homes are also paying for a Sheyenne Diversion project to protect them from flooding of the Sheyenne River. The 70th Avenue Dike Project could put them back into the flood insurance program with the chance of flooding.

416/1023

Also, the City of Horace has its sewage ponds on the east side of town, which the city feels could be affected by the building of a dike at 70% Avenue. Drain 27 borders the edge of the sewage ponds, which could get flooded in the event any control was put on Drain 27 to change its flow from its natural state.

The State and Federal money could be tretter spent on Floor Plain Management laws at the State and Federal level, which would give local flood plain administrators the power to say no to building on flood prone property in Cass County and the state.

The City of Horace sees this project only for the benefit of a few expensive homes for the City of Fargo at the expense of many other long-term residents of Cass County

Also, this area that Fargo is trying to protect is an area that should not have been build with homes and businesses because it has flooded many times in the history of the City of Fargo. Many homes in this area are not properly elevated and do not have flood-proof basements

For these reasons the City of Horace says no to any funding for any dike in this area. The City would ask you, Senators, to say no to this funding project because of its negative impact on the area.

Thank-you

Mayor Perry Ronning City of Horace

1.16,000

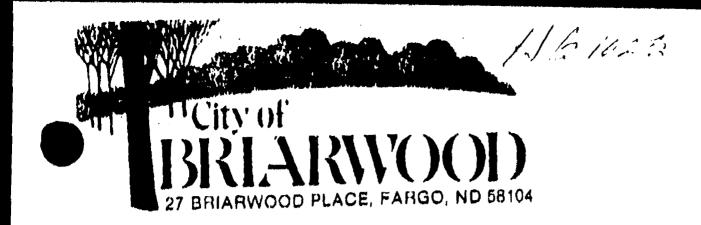
HELLO, MY NAME IS DICK KNUTSON FROM BRIARWOOD N.D. TAM HERE TODAY TO TOTALLY OPPOSE ANY FUNDING FROM THE STATE OF NORTH DAKOTA TO BUILD THE PROPOSED DIKE ON THE SOUTHERN OUTSKIRTS OF FARGO. HERE HAVE BEEN MANY PUBLIC HEARINGS HELD IN FARGO REGARDING THE BUILDING OF THIS DIKE OVER THE PAST SEVERAL YEARS, THOUSANDS OF PEOPLE, YES THOUSANDS, HAVE TOLD GOVERNMENT OFFICIALS THAT THEY DO NOT WANT A DIKE. HIESE INCLUDE PEOPLE FROM OUTSIDE THE DIKE WHOSE HOMES WILL BE IN HARMS WAY AS WELL AS PLOPLE WHO WOULD BE PROTECTED BY THE PROPOSED DIKE. THE CASS COUNTY COMMISSION ABANDONED THE PROJECT AFTER OVERWHELMING OPPOSITION: TWO CASS COUNTY COMMISSIONERS WERE VOTED OUT OF OFFICE BY LANDSLIDES THIS PAST NOVEMBER BECAUSE OF THERE SUPPORT FOR A DIKE. THERE ARE OTHER SOLUTIONS TO FLOODING THAT ARE FAR MORE EFFECTIVE AND LESS COSTLY THAN BUILDING A DIKE FURTHERMORE MOST OF THE HOMES THAT WERE SEVERELY DAMAGED IN THE 1997 FLOOD HAVE ALREADY BEEN BOUGHT OUT AND DESTROYED OR MOVED. JETHERE IS ANOTHER FLOOD OF 1997 MAGNITUDE VERY LITTLE DAMAGE WOULD. OCCUR TO EXISTING HOMES.

SPENDING 25-30 MILLION ON A DIKE IS LUDICROUS IN MY OPINION AS WELL AS MANY OTHERS! A U.S.ARMY CORPS OF ENGINEERS OFFICIAL TOLD ME THAT THERE ARE TWO KINDS OF DIKES, THOSE THAT HAVE FAILED AND THOSE THAT ARE GOING TO FAIL!! ALL WE HAVE TO DO IS LOOK AT WHAT HAPPENED TO THE DIKE IN GRAND FORKS AND SEE THE DEVASTATION THAT OCCURRED THERE WHEN THEIR DIKE FAILED!!! DIKES GIVE FALSE SECURITY!! THERE ARE BETTER WAYS TO PROTECT FARGO AND ITS NEIGHBORS!

THIS PROPOSED DIKE, IF BUILT, WILL CREATE A BUBBLE EFFECT ON THE RED RIVER WHERE THE DIVERTED WATER FROM THE DIKE WILL ENTER THE MAIN STEM OF THE RED RIVER, THIS WILL CAUSE THE CREST OF THE RED RIVER TO RISE 10-18INCHES HIGHER THAN IT NORMALLY WOULD BE IMILE UPSTREAM AS WELL AS DOWNSTREAM OF THE POINT WHERE THIS WATER ENTERS THE MAIN STEM. THIS IS UNFAIR AND MORALLY WRONG TO PUSH MORE AND HIGHER WATER ON TO FELLOW NORTH DAKOTANSHILL THIS IS WHERE MY HOME IS AND MANY OTHERSHILL.

I APPEAL TO YOU TO YOU AS SENATORS AND NORTH DAKOTANS TO AMEND THIS BILL AND DELETE THE 5 MILLION DOLLARS FROM THIS BILL THAT IS GOING TOWARDS BUILDING A DIKE ON THE SOUTHERN EDGE OF FARGO. IT IS WRONG, IT WILL NOT WORK, THE VAST MAJORITY OF PEOPLE DO NOT WANT IT, AND IT IS A COMPLETE WASTE OF TAXPAYERS MONEY!!!

DICK KNUTSON 2 BRIARWOOD BRIARWOOD N.D. 58104 701-298-9713



March 13,2001

State of North Dakota Senate Appropriations Committee Bismarck, ND 58504

RE:

Proposed Dike South of Fargo

Dear Senators for the Residents of North Dakota:

As the current Mayor of the City of Briarwood and a resident of the City of Briarwood, I am writing concerning the proposed dike along Highway 81 South of Fargo, North Dakota. We, collectively as a community, strongly oppose the construction of the dike. The dike, if constructed, will have serious and far reaching consequences not only to the City of Briarwood but also to the many small communities to the South and West of Fargo.

The proposed dike would definitely be a benefit to the City of Fargo, but would devastate the Communities to the South of Fargo. The proposed dike would increase the level of the Red River 6" to 18" according to the engineering reports that have been published. If the dike had been in place during the flood of 1997, there would not be a City of Briarwood, because the houses that were saved from the flood could not have survived another inch of water, not to mention the minimum of another 6 inches of water.

We request that you consider the implications of the proposed dike and how it will effect the residents of those communities that are on the wrong side of the dike. No matter where the dike is placed there are going be large reductions in property values. The State needs to reconsider whether the dike is actually needed. We do not see any tenefit arising from the proposed dike.

Respectfully submitted,

John Adams

Mayor of the City of Briarwood and

Voting Citizen of the State of North Dakota

41 151023

Terry Compson, 4830-174th Ave. SE, Horace, ND 58047----Co-Chairman, Citizens for Responsible Flood Control

In early 1998 Cass County appointed a committee called the Flood Master Plan Committee, made up mostly of people living in the Fargo area, to mitigate a flood plan that would help the rural citizens and the unincorporated sub-divisions in Cass County. In early 1998, the Flood Master Plan Committee proposed building a dike that would protect south Fargo from overland flooding of the Wild Rice River. Input meeting were held for our citizens. The input meeting failed to convenience the people living inside and outside the proposed dike area that this was a good plan. Families, whose people have lived in the Wild Rice River area for many generations, suspicioned that damming the river in the location they suggested could cause much higher flood waters for our citizens living outside the dike area than proposed by the engineer.

In October, 1998, despite many unanswered questions, the Flood Master Plan Committee voted to move forward with the next phase of the dike project. It was at this time the citizens realized they were intending to build a dike to protect Fargo, no matter what! It was at this point that neighbors got together. We realized we needed to do something to slow the project down until questions could be answered. The response was overwhelming and thus was born Citizens for Responsible Flood Control. We have a little over 1000 members in our organization today. Our goals are as follows: To determine what effects any dike would have on our citizens and to determine if there are other flood control options available that would not negatively impact so many people and still help Fargo.

Because of citizens opposition, the dike project was turned over to the City of Fargo. They have come forward with a different dike plan, one that places the dike on 70th Ave. So. The proposed dike will divert overland floodwaters from the Wild Rice River east to the Red River. While such a dike will help some of our south Fargo neighbors, it will hurt other south Fargo and rural citizens. There is no scientific data available on the Wild Rice River to accurately assess the actual amount of floodwaters that escaped from its riverbanks during the 1997 flood. Even if scientific data was available, no flood is the same. A different wind directions, higher temperatures, a faster snow melt or additional precipitation are all factors that can change the flood level that the people on the wrong side of the dike will endure. Even the best engineers can't forsee all the possibilities. Right up until the dikes broke in Grand Forks, the "best" estimates from "experts" of what the flood crest would be was wrong! Grossly wrong!

Is there a better option? We think so! We have documentation based on US Geological and US Corp of Engineer data that shows, if it weren't for the White Rock Dam and Traverse Lake, Fargo would not have survived the 1997 flood. The dam was responsible for holding back floodwaters that would have inundated Wahpeton, Breckenridge, Fargo, Moorhead and many other cities along the Red River. If it wasn't for this dam, we could have experienced a flood that paralleled the 1897 flood or even worse! Unfortunately, because Traverse Lake filled up, the Corp of Engineers had to release water from the dam. Fortunately, they were able to hold off major releases until April 11th. If they could have held back the water they had to release, or even a significant part of it, it is estimated that we could have cut in half the number of days Fargo experienced dangerously high flood water levels. It's also estimated it would have lowered the flood crest by a foot or more! Not only that! Holding back this water would have been helpful to ALL communities along the Red River Valley from Wahpeton/Breckenridge to Canada. This is an example of a flood control plan that would help all our people and hurt no one. Dry dam sites, both above and below Traverse Lake, need to be aggressively persuaded. As citizens, we must speak out and insist our government leaders get on board with the concept that water retention is the best method of flood control throughout the Red River Valley.

We are not against dikes. We understand they are needed, too. If the City of Fargo were requesting State funds to improve or repair the existing dikes on the Red River running through Fargo, as was done in Wahpeton & Grand Forks, they would have our complete support! But that's not the case. Fargo is asking you for money to build a dike that is highly controversial and will help some people at the expense of others. Please vote no on granting Fargo funds to build this dike.

Our organization has established a web site, (www.responsiblefloodcontrol.org). We've just recently went on line so we still have more work to do. This site will provide you a lot of history about our organization and much information about flood control in general. Our citizens can also contact our ND Legislature through our site. We invite you to access it when you can. Thank you for your time!

Tany Comp

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Thank you, for allowing me to speak before you, my name is Vern Kepler and I have resided at 412 Forest River Drive, Fargo North Dakota, since 1979, I reside outside the City Limits of the City of Fargo, I appear before you today, in opposition to the part of HB, 1023 that gives Fargo 5.5 Million Dollars to build a Dike.

Since 1997, we have had some experiences with *government trying to do to us, rather than for us;* issues that truly damage both our values in property as well as quality of life truly that case can be made in this situation.

Shortly after the flood Cass County initiated a study, when the results of this study became public, through the many Public Hearings that were held, many of us realized that this study in its various forms had nothing to do with us, It was a Fargo Project, being funded by Cass County. We were to be nothing more than **sacrificial lambs**, for the benefit of Fargo! This Study turned out to be a Dike Project around South Fargo, and those outside the dike, were to be the new victims, in the event of another disaster similar to 1997. Think about this **Does Might Make Right!** I think most of us as Americans are repulsed by that Thought, I know that I am! But the larger question is, are you? It seems to me that we need someone to defend us, and when we looked for that defender in the political arena, it failed us, that are why we are here today! So now that task is up to you to defend our rights, and remove the language that would give 5.5 million in funding to build a dike in Fargo

As a result of this study by Cass County, we were drawn together in order to protect our property, our values, and our quality of life and that is how the Citizens for Responsible Flood Control were born.

Our Goal was to reach out to people within and outside of Fargo, Our mission is that we are responsible to (I) Manage this water resource, and be proper stewards of it. (ii) That we have a moral responsibility to our neighbors along the Red River "This i believe is where the practice of the golden rule is so important. (iii) We must not increase the damages to our neighbors, for our own self-interest.

It is my view, that dike funding is a classic case of **legislative fiat**, what cannot be accomplished by and through the will of the effected people, is now being done through the legislative process, no matter how you look at it, that is Wrong!

The issue in this case is to benefit Fargo, but at who's expense? That is the question before you! Common logic tells you that someone will be damaged for that derived benefit, because for every action there is an equal and sometimes greater opposite reaction. I would suggest to you that in this is a case there is the need for the application of the Hippocratic Oath "First do no harm"!

We appear before you today as people called to action, to defend our property, the value of our property, and our quality of life. We are taking time from our busy lives, to protect those things that are so important to us, things that we have invested a substantial portion of our lives building!

1/6/023

Again a

In closing, I appeal to you to strike the Language in HB 1023 that gives Fargo 5.5. Million Dollars to build a Dike.

Vern Kepler

412 Forest River Drive

Fargo, North Dakota 58104-8014

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GREGORY A WHEELDEN

7403 SOUTH UNIVERSITY DRIVE FARGO, NORTH DAKOTA 58104

Honorable Chairman and Senators of the Appropriation Committee:

My name is Greg Wheelden. I live at 7403 South University Drive, Fargo, North Dakota in the subdivision Chrisan West, 12 houses from the proposed dike. I would like to state that I am opposed to the City of Fargo's plan to build a dike at 70th Avenue South or any location. Like other members of Citizens for Flood Control, I believe alternative methods to control overland flooding have not been explored or studied. Fargo City Engineers are unable to detail what the impact of the proposed project will have on residents who live south of the dike. Their protection plan for rural subdivisions include earth ring dikes, but City Engineers do not have a conclusive plan which protects rural residents. We continue to hear the phrase from City Engineers, "we're doing studies on that and at this time we don't know the affects." We would like to hear: "These are the results of our studies and this is the impact of our project." Flood control for Cass County is a good plan.

A dike at the expense of rural residents is not. We ask you strike the language in House Bill 1023 which grants monetary support for this project.

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Honorable Chairman

Members of the Senate Appropriations Committee

I'm Jerald Desotel: I live at 2505-100th Ave. So. Horace, ND. two and 1/2 miles south of the proposed dike site. And we own land 1/2 mile south of the proposed dike on 70th Ave. So. in Fargo. I 'm opposed to the amended 5-1/2 million flood control portion of IIB-1023 for the following reasons:

#1-1 think one could obtain better results with 20 million plus dollars with a series of retention ponds. If the Wild Rice River is a big contributor of flood water in future floods (and it was in 97) then have retention ponds on or near the river between Fargo and the river origin then at flood times these could hold some of the water and not impact anyone, and still help if not prevent flooding down river.

#2- We could have better control of the exiting dams on the up river sites. I have lived next to the Wild Rice River for 66 years and since 97 I have noticed running water all winter long in this and the Red River. So I think some one, some place is doing things different than say 97 and years previous when no running water was present. If so this should help lower the inlets on these rivers before the spring run off arrives.

#3- The same amount of water and flood levels in any future years is not going to be the same problems as 97. Because the roads, like Cass 14, Cass 81 and 52nd Ave. So, and I 29 all have been redone since 97 and all have been raised. Some have gates on drainage ditches not there in 97. These I see as dike and flood protection for Fargo that was not there in 97.

I encourage you to delete the 5-1/2 million amended portion of HB-1023 because of the devastating impact on us and other rural citizens. eald Desdell

THANK YOU.

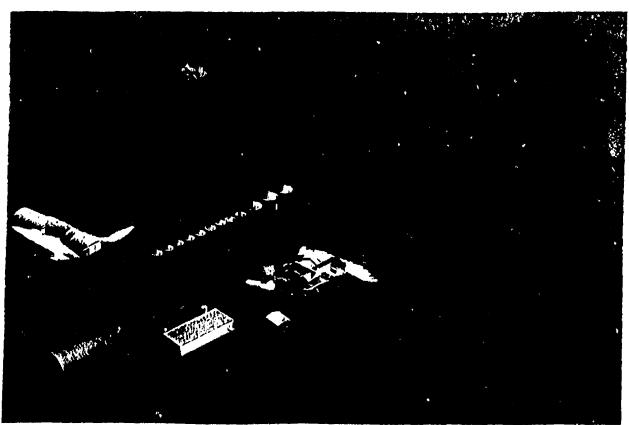
11/01/23

Honorable Chairman and Senators on the Appropriation Committee

Hi, my name is Dorothy Cossette. My husband, Renold, and sons Bruce. Kirk, and I are really opposed to the proposed dike that would be built just 1 and ½ miles north of our farm. The dike may be wonderful for Fargo, but would be devastating to all of us to the south. Within a mile of our farm there are at least nine developments – including Wild Rice, Kensington Place, Cossette Drive, Heritage Hills. Round Hill, Chrisan Estates East & West, Forest River, Granberg, Briarwood, and others. They too, with their families have their hopes and dreams, as well as their finances invested in their beautiful homes. As our Senators, please take our plea into consideration when making your decision.

Please delete the section of bill HB 1023 that would grant Fargo five and a half million dollars in funds to build the dike.

We just can't hold any more water, and feel it is unfair for you to ask us to try to protect the city of Fargo. "A picture is worth a thousand words". I am distributing a picture of our farm that was settled by Renold's grandparents in 1869 – 20 years before North Dakota was a state. Our sons and grandsons would like to continue the tradition. My deceased father-in-law Julian Cossette, once said to me, "Dorothy, you guys take good care of this place – it's as close to heaven as you're ever going to get." He's probably right! Thank you.



This picture shows that in the flood of 1997 our house was the only building on the farm that did not have at least 2 feet of water in it. In 1979 we moved the house 200 feet off the river and raised it four feet. If we had not done that, it too would have been flooded. The picture also shows the steel quonset which collapsed in the center. The boys lost their seed wheat, etc. We had no driveway from April 7 through April 24, 1997, but stayed in our home, thanks to a telephone and a generator. We can accept and survive with what nature gives us, but no more water holding please!

thank you! Warathy Cassette

HB1023

MY NAME IS BARBARA ORVEDAL. I LIVE ON OUR FARM AT 4301 76TH AVENUE SOUTH WITH MY HUSBAND, EARL.

ON NOV. 1, 1999, I RECEIVED A PHONE CALL FROM OUR CASS CO. STATES ATTORNEY, BIRCH BURDICK. WE HAD REFUSED TO GIVE CASS CO. ENGINEER, KEITH BERNDT PERMISSION TO DO AN ARCAEOLIGICAL SURVEY ON OUR FARMLAND, WHICH IS THE PROPOSED SITE OF THE 70TH AVENUE DIKE.

JEFF VOLK'S MEN HAD ALREADY BEEN ON THE LAND SURVEYING. NEITHER MOORE ENGINEERING NOR MR. VOLK HAD CONTACTED US FOR PERMISSION TO GO ON THAT LAND. THE ONLY REASON WE KNEW THEY WERE THERE, WAS BECAUSE I HAPPENED TO GO BY ON THE WAY HOME AND SAW THEM. ONE OF OUR SONS ALSO SAW THEM WHEN HE DROVE OUT TO SEE US. AS FAR AS WE ARE CONCERNED, THIS WAS TRESPASSING.

MR. BURDICK TOLD ME IN HIS PHONE CALL ON NOV. 1, 99, THAT IF WE DID NOT GIVE PERMISSION FOR THE SURVEY THAT THIS ISSUE WOULD GO TO THE COURTS AND THE PROCESS OF EMINENT DOMAIN WOULD BE USED. I TOLD HIM AT THAT TIME, THAT IF THEY CHOSE TO GO TO COURT, THEN THATS THE WAY IT WOULD BE, BUT THAT WE WOULD NOT GIVE PERMISSION FOR THE SURVEY.

THAT WAS THE BEGINNING OF A NIGHTMARE THAT HAS LASTED FOR 15 MONTHS NOW.

THAT HAS BEEN A YEAR OF NOT EATING RIGHT AND SLEEPING FOR ONLY ABOUT 2 TO HOURS A NIGHT.

IT ALSO HAS RESULTED IN ILLNESS. WE WERE TOLD AT MERIT CARE HOSPITAL IN FARGO THAT WHEN A PERSON IS UNDER EXTREME STRESS, THE IMMUNE SYSTEM DROPS. ON NOVEMBER 20, 2000, MY HUSBAND HAD SURGERY FOR CANCER. NOW, WE NOT ONLY HAVE TO WORRY ABOUT LOSING 54 ACRES OF PRIME RED RIVER VALLEY FARM LAND, AND BY THE WAY, WE LIVE ONE-HALF MILE ON THE WRONG SIDE OF THIS PROPOSED DIKE, BUT WE HAVE TO WORRY ABOUT HEALTH PROBLEMS.

WE FEEL THAT CASS COUNTY AND THE CITY OF FARGO HAVE USED STRONG ARM AND SCARE TACTICS TO RAM THIS DIKE THROUGH SOUTH OF FARGO. THE PREVIOUS CASS COUNTY COMMISSIONERS STARTED THIS DIKE PROJECT AND HAVE TOLD US THAT THEY CAN'T SUPPORT ANY DIKE IN SOUTHERN CASS COUNTY, YET THEY PASSED THIS ISSUE ON TO THE CITY OF FARGO.

SINCE JEFF VOLK SAT IN OUR DINING ROOM AT A MEETING WITH US, AND TOLD US WE WOULD BE THE FIRST ONES FLOODED OUT IF THIS DIKE WERE TO BE BUILT, WE HAVE NO CHOICE BUT TO TAKE THIS TO COURT AND BE SUED FOR EMINENT DOMAIN AS MR. BURDICK TOLD US WE WOULD BE. THE LAND WILL HAVE TO BE CONDEMNED, BECAUSE WE DO NOT INTEND TO SEE LAND THAT HAS BEEN IN THE ORVEDAL FAMILY FOR 115 YEARS, AND HAS ALWAYS HAD THE TAXES PAID ON IT BE LOST TO OUR CHILDREN AND GRANDCHILDREN.

Balbara Oresalal

SHEYENNE - MAPLE FLOOD CONTROL PROJECTS

Testimony for the Senate Appropriations Committee House Bill 1023

March 14, 2001

Presented by:

Jeffry J. Volk, PE & LS

Moore Engineering, Inc., Project Engineer

1986 WATER RESOURCES DEVELOPMENT ACT P.L. 99-662

PLAN FEATURES

- Sheyenne River Diversion at West Fargo
 Project Sponsor Southeast Cass Water Resource District
 Operational Spring 1992
- Sheyenne River Diversion from Horace to West Fargo
 Project Sponsor Southeast Cass Water Resource District
 Operational Fall 1991
- Maple River Dam
 Project Sponsor Cass County Joint Water Resource District
- Baldhill Dam 5 Foot Floodpool Raise
 Project Sponsor Sheyenne River Joint Water Resource
 District

MAPLE RIVER DAM CASS COUNTY JOINT WATER RESOURCE DISTRICT

PROJECT SCHEDULE March 14, 2001

The Cass County Joint Water Resource District has applied for a U.S. Army Corps of Engineers Section 404 permit. The Regulatory Branch of the Omaha District COE is currently completing the Environmental Impact Statement. The EIS must be completed prior to the COE making a decision on the permit. The Joint Water Resource District anticipates a decision on the permit should be made in the summer of 2001.

Attached for your review are the following: Summary of the Project Features

Map of the Watershed

Aerial Photo from the 1997 Spring Flood showing the property flooded from the Maple River floodwaters along the lower Maple, Rush, and Sheyenne Rivers in eastern Cass County. The date on this photo is one week before the Red River peaked in Fargo. Approximately 50,000 acres of land are inundated on this photo. It is estimated that approximately 100,000 acres were eventually impacted by the Maple River floodwater in Cass County alone.

Table summarizing downstream flood flow reductions, on the Maple, Sheyenne, and Red Rivers, during historic flood events had the dam been constructed. Note that flow reductions can be shown in Grand Forks as a result of the proposed Maple River Dam Project.

Additional Fact Sheet for the Project

MAPLE RIVER DAM CASS COUNTY JOINT WATER RESOURCE DISTRICT

Project Features

LOCATION: Section 14, Highland Township, Cass County ND

DRAINAGE AREA: 901.8 Square Miles

STORAGE CAPACITY: 60,000 Acre-Feet

POOL SURFACE AREA: 2,800 Acres

DAM CROSS SECTION:

Top Elevation: 1063 Feet Height of Fill: 70 Feet Top Width: 25 Feet

Side Slopes: 4:1 Downstream - Grassed

3:1 Upstream - Riprap

PRINCIPAL SPILLWAY SYSTEM:

Pipe: 66" Diameter Reinforced Concrete Pressure Pipe

Outfall Structure: S.A.F. Stilling Basin

EMERGENCY SPILLWAY SYSTEM:

1st Stage: 100-Foot Wide Concrete Chute

Control Elevation: 1050

2nd Stage: 1200-Foot Wide Earthen Channel

Control Elevation: 1055

PROJECT FINANCING:

Estimated Total Project Cost: \$ 16,400,000

Proposed Funding Sources:

State of North Dakota: \$8,200,000

Red River Jt. WRD:

\$ 4,100,000

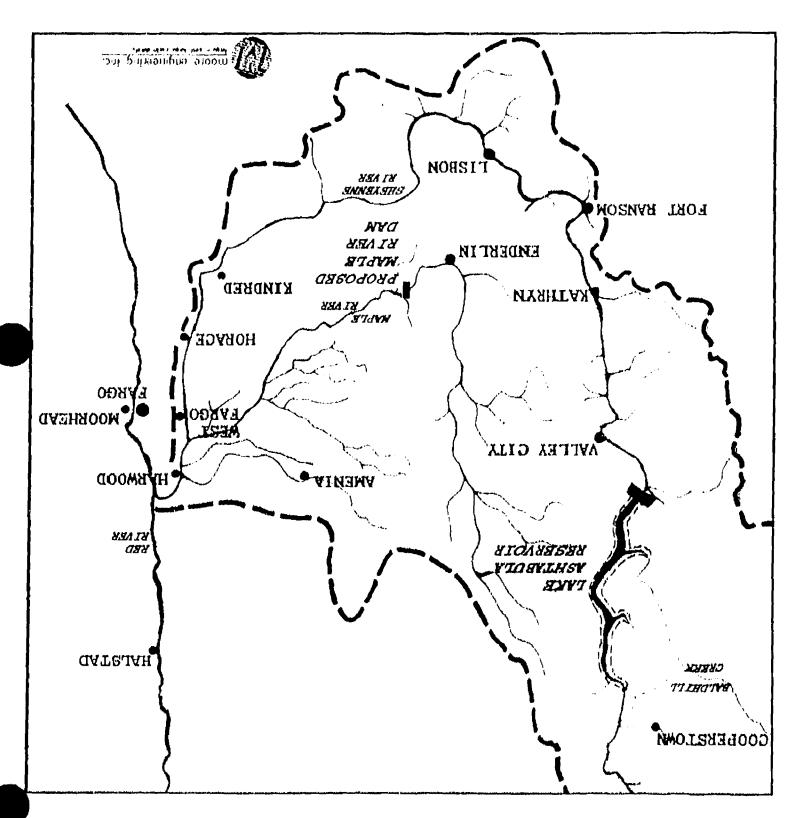
Cass County Jt. WRD:

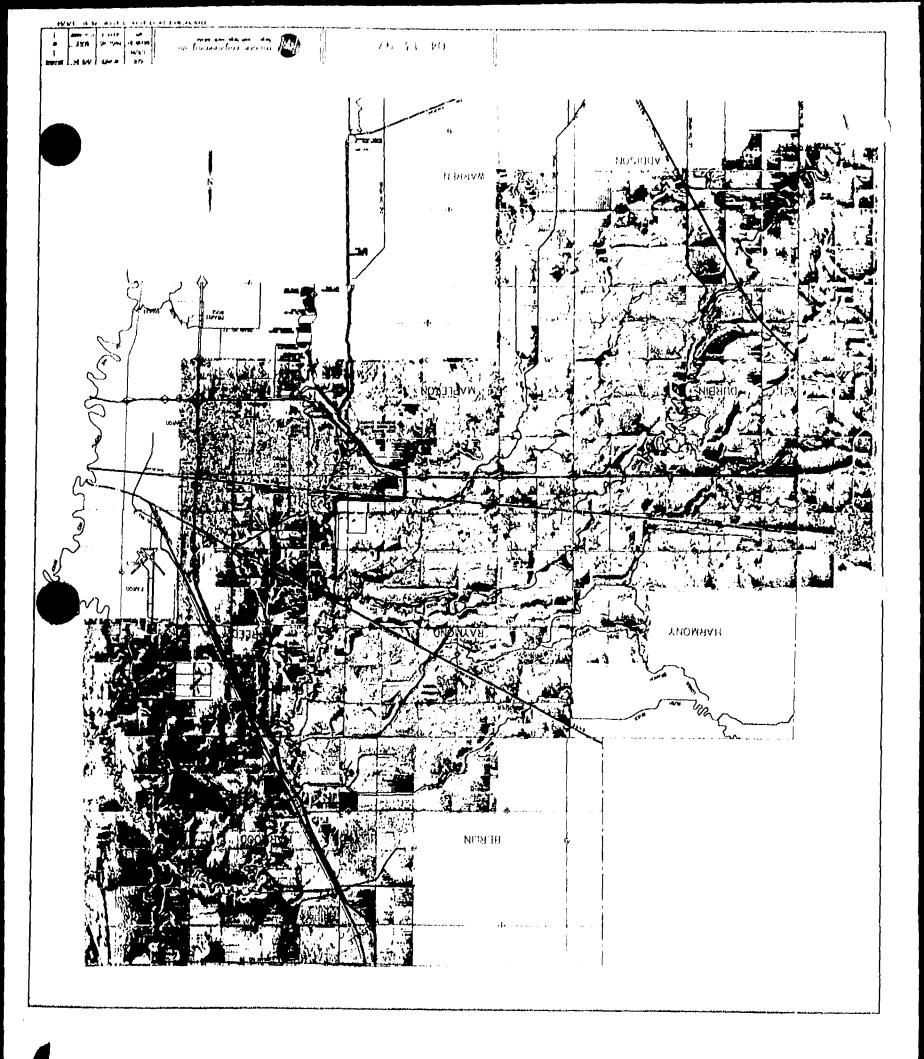
\$ 4,100,000

PROPOSED CONSTRUCTION SCHEDULE:

Begin Construction: Spring 2002 Complete Construction: Fall 2004

WATERSHED MAP





MAPLE RIVER DAM - CASS COUNTY JOINT WATER RESOURCE DISTRICT FLOW CHARACTERISTICS ON RIVERS DOWNSTREAM OF DAM SITE

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Maple River Dam Benefits and Testimonials

1. Flood protection downstream in the major metropolitan areas of North Dakota

According to DEIS, annual flood damages are in excess of \$418,000 per year According to DEIS: "floods in the basin are nearly an annual event."

2. Flood protection downstream for rural areas and farmlands

According to DEIS, Dam would protect 7,750 acres during a 100-year event According to DEIS: "the largest benefits would be realized in rural areas from reduced damages to crops, farm buildings, soils, and rural roads and bridges."

3. Great support from the eastern part of the state, including letters of support at the public hearings:

City of Fargo
City of Grand Forks
City of Harwood

Cass County
Pembina County
Walsh County

North Dakota State Water Commission

Durbin Township, Cass County Mapleton Township, Cass County Warren Township, Cass County

Devils Lake Basin Joint Water Resource District
Maple River Water Resource District
North Cass Water Resource District
Red River Joint Water Resource District
Richland County Water Resource District
Rush River Water Resource District
Southeast Cass Water Resource District
Walsh County Water Resource District

North Dakota Water Coalition Middle River-Snake River Watershed District (MN) Red River Watershed Management District (MN)

Lower Sheyenne Flood Victims Association

MAPLE RIVER DAM PROJECT BENEFIT SUMMARY

Downstream Communities in Cass County

City of Durbin

City of Mapleton

City of Reiles Acres

City of Harwood

City of Argusville

Hundreds of Rural Residences

Downstream Rivers and Streams

Rush River

Sheyenne River

Cass County Drain #13

Cass County Drain #14

Cass County Drain #21

Cass County Drain #40

Cass County Drain #45

Downstream Highway Systems

Interstate Highway #29

Interstate Highway #94

State Highway #18

Cass County Highway #5

Cass County Highway #6

Cass County Highway #7

Cass County Highway #9

Cass County Highway #10

Cass County Highway #15

Cass County Highway # 16

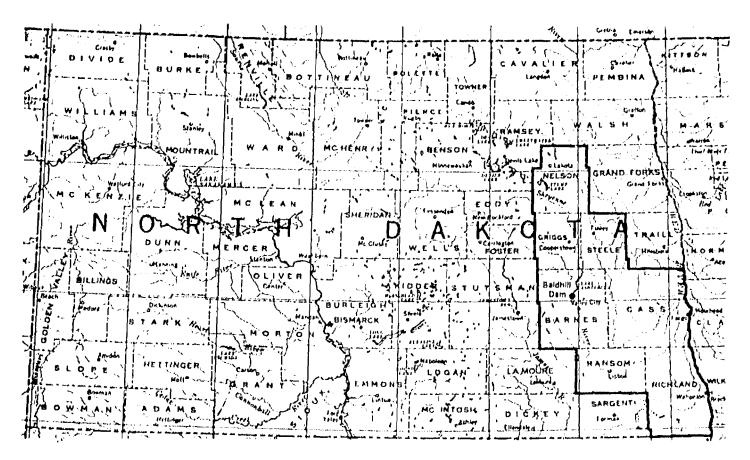
Cass County Highway #17

Cass County Highway #20

Cass County Highway #22

Cass County Highway #31

Cass County Highway #81



Sheyenne River Joint Water Resource District

County	Representative		
Nelson	Ben Varnson		
Griggs	Orville Tranby		
Steele	Don Elston		
Barnes	Norma Duppler		
Ransom	Ken Stroh (Chairman)		
Richland	Alfred Biggs		
Southeast Cass	Mark Thelen		

Secretary Engineer

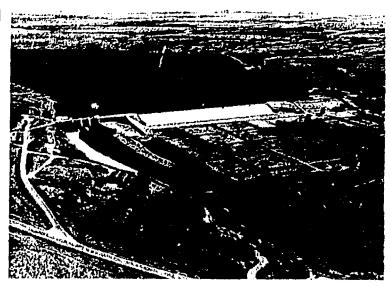
Dennis Ertelt
Jeffry Volk –
Moore Engineering, Inc.



Information Paper

Sheyenne River, North Dakota - Baldhill Pool Raise

May, 2000



Aerial photo of Baldhill Dam and Lake Ashtabula, looking north

Contact:

Project Manager, Bill Csajko (651) 290-5853 (651) 290-5258 (fax) william.Losajko@usace.army.mil

Location/Description:

Baldhill Dam is located in southeastern North Dakota along the Sheyenne River, approximately 12 miles north of Valley City. Baldhill Dam was originally constructed in 1950 as a multipurpose project for water supply, pollution abatement, and flood control. The Baldhill Pool Raise project consists of replacing the existing spillway gates, allowing the dam to store up to 5 feet more water in the reservoir during major floods; the acquisition of 1,500 acres of flowage easement around Lake Ashtabula, and 300 acres for a mitigation area; raising lands and buildings at the Wesley Acres Church Camp; and construction of several small levees and placement of fill near structures around the reservoir. The pool would be raised only during flood events, providing a significant reduction in flood damages to downstream communities such as Valley City.

Status:

The Design Memorandum for the project, dated November 1998 and revised June 1999, was approved in July 1999. Funds to initiate construction are included in the Fiscal Year 2000 Energy and Water Development Appropriations Act. A Project Cooperation Agreement between the Corps and the project sponsor is scheduled for signing on May 31, 2000. This agreement will define the cost-sharing responsibilities between the Corps and the sponsor. The first construction contract, for replacement of the existing spillway gates, is scheduled for award in July 2000. Construction of the project is scheduled for completion in December 2002

Additional:

The project sponsor is the Sheyenne River Joint Water Resource District (SRJWRD), which is composed of representatives from seven water resource districts along the Shevenne River. The SRJWRD is comprised of representatives of the following Water Resource Districts: Southeast Cass, Barnes County, Griggs County, Nelson County, Ransom County, Richland County, and Steele County.

Authority:

Section 401 of the Water Resources Development Act of 1986; General Reevaluation and Environmental Impact Statement, dated August 1982, revised January 1984. The Baldhill Pool Raise is part of the Sheyenne River project, which includes the Horace to West Fargo and West Fargo projects, which were completed in 1992 and 1994 respectively.

Fiscal:

The project sponsor is required to obtain all lands, easement, rights-of-way, relocations, and disposal areas (LERRD's) and provide a minimum of five percent cash contribution. The sponsor must provide an additional cash contribution if the sum of the LERRD's and the five percent cash contribution is less than 25 percent of the total project cost.

Federal	\$7,300,000
Sponsor (cash)	\$920,000
Sponsor (LERRD's)	\$1,510,000
Total Project Cost	\$9,730,000
Allocations through Fiscal Year 1999	\$2,405,000
Fiscal Year 2000 Funding	\$118,000

BALDHILL DAM FLOODPOOL RAISE SHEYENNE RIVER JOINT WATER RESOURCE DISTRICT

Project Features

LOCATION: Section 18, Getchell Township, Barnes County ND

DRAINAGE AREA: 3,810 Square Miles

STORAGE CAPACITY: 70,600 Ac-Ft at normal pool elevation 1266

39,600 Ac-Ft existing flood storage

Elevation 1257 to 1266

30,800 Ac-Ft proposed new storage

Elevation 1266 to 1271

POOL SURFACE AREA: 3,100 Acres at elevation 1257

5,650 Acres at elevation 1266 6,750 Acres at elevation 1271

DAM CROSS SECTION:

Top Elevation: 1283.5 Feet

Height of Fill: 65 Feet

PRINCIPAL SPILLWAY SYSTEM:

2 - 36" Diameter Culverts

EMERGENCY SPILLWAY SYSTEM:

1st Stage: 3 – 40 - Foot Wide Concrete with Gates

Control Elevation: 1252

2nd Stage: 800 - Foot Wide Concrete

Control Elevation: 1271

PROJECT FINANCING:

Estimated Total Project Cost: \$10,800,000

Proposed Funding Sources:

Federal: \$7,300,000

State of North Dakota: \$ 1,605,000 Red River Jt. WRD: \$ 875,000

Sheyenne River Jt. WRD: \$1,020,000

PROPOSED CONSTRUCTION SCHEDULE:

Begin Construction: Spring 2001 Complete Construction: Fall 2004

Sheyenne - Maple Flood Control Projects

Maple River Dam

Estimated Total Project Cost	\$16,400,000
Summary of Funding	
North Dakota State Water Commission	
Current Contracted Funds	\$1,000,000
1999 - 2001 Carryover	\$2,500,000
2001-2003 Biennium HB 1023	\$4,700,000
Total NDSWC Funding	\$8,200,000
Red River Joint Water Resource District	\$4,100,000
Cass County Joint Water Resource District	\$4,100,000
Baldhill Dam	
Estimated Total Project Cost	\$10,800,000
Summary of Funding	
Federal Funds - Corps of Engineers	\$7,300,000
North Dakota State Water Commission	
Current Contracted Funds	\$349,500
2001-2003 Biennium HB 1023	\$1.050,000
Future Needs	\$205,500
Total NDSWC Funding	\$1,605,000
Red River Joint Water Resource District	\$875,000
Sheyenne River Joint Water Resource District	\$1,020,000



TESTIMONY OF
FARGO MAYOR BRUCE W. FURNESS
To The House Appropriations
Education and Environment Subcommittee
Regarding HB 1023
January 24, 2001

Good Morning, I'm Bruce Furness, Mayor of the City of Fargo, and I am here today to support HB 1023, which includes the appropriation for the State Water Commission.

We champion this bill because it provides a coordinated, cooperative, statewide approach to water projects. The City of Fargo is a charter member of the North Dakota Water Coalition. We have backed regional projects such as the Southwest Pipeline Project, Northwest Area Water Supply Project and others because of the benefits provided to the people of those regions. As we have supported these projects in all parts of the State, we anticipate assistance for our needs to be statewide as well, and to be part of the North Dakota State Water Management Plan.

We continue to promote statewide planning because it will now address the needs of eastern North Dakota. These needs have been well documented in numerous studies over the years and we are hopeful that action soon will be taken to fulfill these needs. A portion of the SWC appropriation provides State funding for examining alternative ways to provide water to Eastern North Dakota.

Though instances of oversupply of water in the Valley have recently occurred --The Flood of 1997 and the flash flooding in June of last year--our major concern is lack of water should drought conditions reoccur.

Increased population growth, agricultural processing and irrigation have increased water use in the Red River basin to approximately 30 percent since 1980. Municipal water for Fargo and Grand Forks and others comes from surface water sources. Conversely, eastern rural water systems obtain water from groundwater sources.

We have also been longtime advocates of the Garrison Diversion Project. We are adamant about providing supplemental water supplies to meet the long-term needs of Eastern North Dakota. We worked closely with Legislative Leadership, the Governor and our Congressional Delegation to shape the Dakota Water Resources Act. This Act



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brings us a step closer to the fulfillment of a long-held dream--sufficient water supply in our region. Whether the water comes from the Missouri, or is provided through other means, is of no consequence to us. We simply need additional water supply and look forward to assistance from the State Water Commission in finding an appropriate solution.

I thank you for the opportunity to present these views and I trige your enthusiastic and positive consideration of HB 1023.

fflegteshapp1023



Grand Morks Traill Mater District

BOX 287 1401 7th AVENUE N E THOMPSON, NORTH DAKOTA 58278 "Rigal Water for a Better Rigal Life"

Office: 1 Mile West of Thompson

Phone: 701-599-2963 Fax: 701-599-2056 RANDAL W. LOESLIE System Manager

e-mail: gftwu@corpcomm.net

H.B. 1023 State Water Commission Appropriation

Testimony for H.B. 1023

Date: Thursday, January 25, 2001 11. Appropriations

Madam Chairman; Members of the Committee....

For the record my name is Randy Loeslie, Manager of Grand Forks Traill Water District. We were the first rural water system built in North Dakota back in 1969.

We have had the luxury of an ample supply of ground water from the Elk Valley Aquifer. In 1969 we obtained a permit for three wells to serve 930 customers. In the year 2000, we had 2,173 customers including several cities. We serve over 10,000 people utilizing fourteen wells in the Elk Valley Aquifer.

In 1995 our consulting engineers did a long term, 30-year allocation study using a 1.6% growth rate per year, which has been historic to GFTWD. At this rate of growth, we will run out of water permit allocation in about the year 2015.

The Elk Valley Aquifer, since 1975, has become an area of competitive water permits with rural water needs and irrigation needs. In 1995 GFTWD applied for an additional 650-acre feet to add to its 1,700-acre feet allocation. The permit applications are still being studied six years later, and it appears that the S.W.C. feels that the Elk Valley Aquifer is about at the peak water allocation, with no new permits to be granted.

The creation of the Easter Dakota Water Users enables a vision to bring an ample supply of potable water to the Valley. All the rural water systems see a future need of good quality treated water from a reliable supply. The more we use these aquifers; it is the natural scheme of things that their water quality usually diminishes. The GFTWD built a reverse osmosis treatment plant in 1997 because of water quality changes and drinking water regulations. There is also a finite amount of water that can be allocated from these aquifers.

All of the rural water systems of Eastern North Dakota see that Fargo, Grand Forks, and other cities need to have an ample supply of water for their growth. As the growth of these cities go, so goes the growth of the rural areas and the rural water systems. We all need a reliable water supply for future economical stability.

The Easter Dakota Water Users fully supports the funding and passing of HB 1023.

Thank you.

Randal Locslie, Manager GFTWD



- City of Grand Forks -

255 North Fourth Street • P.O. Box 5200 • Grand Forks, ND 58206-5200

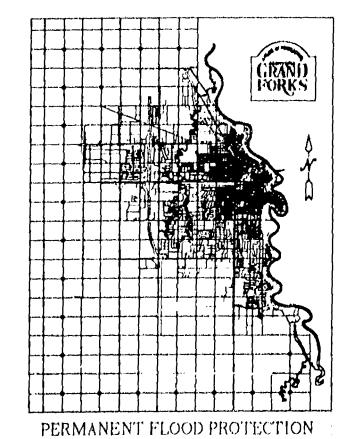
(701) 746-2640 Fax (701) 746-2514

House Bill 1023

House Environment and Education Appropriations Sub-Committee

Statement of Support from Grand Forks Acting City Engineer Al Grasser for funding for the Grand Forks Flood Protection Project
January 25, 2001

- On behalf of the City of Grand Forks, I would like to extend our sincerest thanks for the support we have received for our flood protection project. We support the continued commitment represented through the funding authorizations contained in this bill.
- ◆ The Grand Forks/East Grand Forks Flood Protection Project was authorized by the federal government in December of 1998. It is designed to protect both cities from floods of a similar magnitude to the 1997 disaster. The Grand Forks portion of the project consists of 13 miles of levees and floodwalls and a small diversion channel. (See map.)
- The total project cost for both cities ≈ \$350 million
 - Grand Forks total cost = \$218 million
 - Federal Government to fund \$103 million of GF total.
 - State of ND to fund 45%, up to \$52 million
 - Grand Forks to fund remaining \$63 million locally, plus \$11 million of betterments.
 Local funding will come from:
 - Reallocate existing property taxes
 - Existing sales tax dollars
 - Revenue from use tax
 - City-wide special assessment
- ◆ Estimated expenses through the current biennium, through June 2001: \$40.6 million total. State of ND will reimburse 45% of this approximately \$18.3 million. Most of the money in this timeframe has been and will be spent on the acquisition of property and relocation of utilities.



2002 - 2003

1001 - 1004

DATE: JAMENRY 23, 2001

ENGLISH COULTE DATESTON

PHASE I CONSTRUCTION

PHASE & CONSTRUCTION -

• We anticipate spending an additional \$41 million from July 2001-June 2003. We are respectfully requesting passage of HB 1023 which provides the 45% State of ND funding commitment - \$18.4 million – in this biennium to help us complete this project. The estimated, accelerated completion date for the entire project is 2004.

This flood protection project is very important to the future of our community and the State's financial support is crucial to our being able to pay for our portion of the costs. We are very appreciative of the money you have invested in our community to date and respectfully request your continued support of this project.



City of Grand Forks

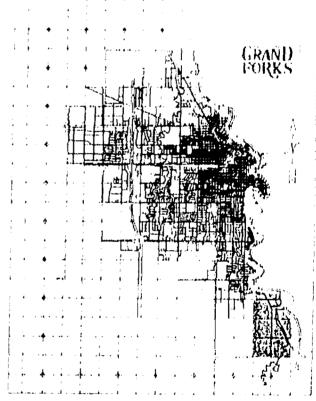
255 North Fourth Street • P.O. Box 5200 • Grand Forks, ND 58206-5200

(701) 746-2640 Tax (701) 746-2514

House Bill 1023 Senate Appropriations Committee

Statement of Support from Grand Forks City Engineer Al Grasser for funding for the Grand Forks Flood Protection Project
March 14, 2001

- On behalf of the City of Grand Forks, thank you for the support we have received to date for our flood protection project. We support the continued commitment represented through the funding authorizations contained in this bill.
- ◆ The Grand Forks/East Grand Forks Flood Protection Project is designed to protect both cities from floods of a similar magnitude to the 1997 disaster, which did an estimated \$1 billion worth of damage. The Grand Forks portion of the project consists of 13 miles of levees and floodwalls and a small diversion channel. (See map.)
- The total project cost for both cities \$350 million
 - Grand Forks total cost = \$218 million
 - Federal Government to fund \$103 million of GF total.
 - State of ND to fund 45%, up to \$52 million
- ♦ We are respectfully requesting passage of HB 1023 which provides the 45% State of ND funding commitment \$18.4 million in this biennium to help us complete this project. The estimated, accelerated completion date for the entire project is 2004.
- ♦ This flood protection project is very important to the future of our community and the State's financial support is crucial to our being able to pay for our portion of the costs. We are very appreciative of the money you have invested in our community to date and respectfully request your continued support of this project.



PERMANENT FLOOD PROTECTION

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Grand Horks Traill Water District

BOX 287 1401 7th AVENUE N 1 THOMPSON, NORTH DAKOTA 56278 "Rwal Water for a Better Recal Use

Office: 1 Mile West of Thompson

Phone: 701-599-2963 Fax: 701-599-2056 RANDAL W. LOESLIE System Manager

e-mail: gftwu@corpcomm.net

H.B. 1023 State Water Commission Appropriation Testimony for H.B. 1023

Date: Wednesday, March 14, 2001 Senate Appropriations

Mr. Chairman; Members of the Committee....

For the record my name is Randy Loeslie, Manager of Grand Forks Traill Water District. We were the first rural water system built in North Dakota back in 1969.

We have had the luxury of an ample supply of ground water from the Elk Valley Aquifer. In 1969 we obtained a permit for three wells to serve 930 customers. In the year 2000, we had 2,173 customers including several cities. We serve over 10,000 people utilizing fourteen wells in the Elk Valley Aquifer.

In 1995 our consulting engineers did a long term, 30-year allocation study using a 1.6% growth rate per year, which has been historic to GFTWD. At this rate of growth, we will run out of water permit allocation in about the year 2015.

The creation of the Easter Dakota Water Users brings a vision to establish an ample supply of potable water to the Valley. All the rural water systems see a future need of good quality treated water from a reliable supply. The more we use our aquifers: their water quality usually diminishes. A more constant reliable water source is desirable again because there is finite amount of water that can be allocated from ND aquifers.

All of the rural water systems of Eastern North Dakota see that Fargo, Grand Forks, and other cities need to have an ample supply of water for their growth. As the growth of these cities go, so goes the growth of the rural areas and the rural water systems. We all need a reliable water supply for future economical stability.

The Easter Dakota Water Users fully supports the funding and passing of HB 1023. We are concerned, however about the funding of this state agency outside of the general fund.

Thank you.

Sincerely,

Randal Loeslie Manager, GFTWD HB1023

Hello – I'm Bonnie Rutten and I'm here to give you some information.

To consider before funding this project.

Pa14 2

I've been a board member for TIC, The International Coalition. TIC is a nonprofit organization dedicated to stewardship of the land and water in the Red River Basin. They have been studying droughts and floods in the basin for the past 17 years and they have repeatedly come too the conclusion that water retention is the best way to control water in the valley because it works both for flooding and drought.

I also attended an IFMY International flood mitigation meeting. Their final report created an international coalition with the premier of Canada and the governors of North Dakota, Minnesota and South Dakota requesting that they all work together to solve flooding issues in the Red River Basin. The last project created by the former tri state organization was the Traverse Dam in the 1930's and Bald Hill Reservoir - without which Fargo would have suffered sever flooding in the town - the dikes would have failed. During the 1997 flood 500 homes had problems with flood waters During the rain of 7 inches last June 1500 homes were affected with Both water and sewage . IFMY also recommended that a water retention program be created by a water conservation program where farmers could sign up to hold water and be paid for the use of their

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Pop 2 72

This good neighborly part of the process seems to be missing land. in any meetings we've had with Fargo. It is just assumed that our land can be used to hold water for the city. How are we to be paid? Are they rendering land south of Fargo undeveloable? would hope that you would see that these questions were answered to the satisfaction of the people south of the dike before funding such a project, this could have a huge affect on the value of their land.

The 1826 flood recorded in Winnipeg has often been used as a scare tactic as it was so much higher than 1997. I spoke directly with an engineer from the International Joint Commission, who confirmed that we actually handled a lot more water in volume, over a much greater time period because of the roads and damns that were now in place. This proves that water retention works and indeed has already saved Fargo from the largest flood on the Red River. Perhaps it would be wise to allow the new coalition between Canada and the three states to do their job before prematurely funding any flood projects...

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Lonnie Kulter

Like 1023

Testimony of Dennis Hill, Chairman North Dakota Water Coalition HB 1023 January 25, 2001

Madam Chairperson and members of the House Education and Environment Subcommittee of the House Appropriations 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. The North Dakota Water Coalition is comprised of over 30 statewide and regional organizations in North Dakota who have a stake in water. The Water Coalition includes such organizations as the RECs, North Dakota Education Association, GNDA, Associated General Contractors, and of course the many water organizations, who are responsible for developing, managing and protecting North Dakota's water resources. We have joined together so that we could be united in our efforts to complete North Dakota's water infrastructive for economic growth and quality of life.

I am distributing a document entitled *Meeting the Challeage - Phase II*, which gives you a brief sketch of the critical water priorities for North Dakota for the next biennium. These needs include flood control, water supply for cities, farms, and industrial opportunities, irrigation, Missouri River management, and a solution to the Devils Lake problem. Water supply projects include large regional projects such as the Southwest Pipeline and NAWS, and smaller rural water systems that are seeking to provide good quality water to our farms and smaller communities.

As you can see by the recommendations of the North Dakota Water Coalition, we have identified new funding needs in the amount of \$40 million for North Dakota's water priorities. It is anticipated that all of these priorities could begin in the next biennium, with perhaps the exception of Devils Lake, if funding is provided. In addition, many additional water supply projects could be implemented if the funds were available.

The Water Coalition strongly supports adequate funding to meet the critical water needs of North Dakota so that we can complete our water infrastructure for an economic growth and quality of life. We recommend that the funds from the F. esources Trust Fund and the Water Development Trust Fund be used for water project development, and that the State Water Commission be funded from the General Fund, as it has since it was created in 1937.

Thank you.

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NORTH DAKOTA RURAL WATER SYSTEMS ASSOCIATION

2718 Gateway Avenue #201 Bismarck, ND 58501 Phone: 701-258-9249 FAX: 701-258-5002 E-mail: ndrw@ndrw.org www.ndrw.org



Training & On-Site Assistance
Circuit Rider Program
Wastewater Program
Ground Water Protection
Source Water Protection
Tribal Circuit Rider

March 14, 2001

To Senate Appropriations Committee

From: Larry Schultz, NDRWSA President

Re: HB 1023

Mr. Chairman and members of the committee, my name is Larry Schultz and I am the president of the North Dakota Rural Water Systems Association and also on the board of directors for the Ransom-Sargent Water Users District.

Without MR & I grant money, Ransom-Sargent Water Users District would not have been feasible. Thirty-two percent of the people that signed up for Ransom-Sargent water, hauled water for potable usage. Some of the reasons cited for hauling water were due to a lack of, or shortage of water and/or extreme water quality problems.

One example that is dear to me is my mother. She has to haul her potable water because her well water is almost like mud due to having so much sand in it. It is also very corrosive. We have to change her faucets every three years or so.

The water from my artesian well is also very corrosive as well as high in sodium. Many of our neighbors have similar problems. Some have it worse as they have to haul in all of their water. Others have water that is very high in nitrates.

I could stand up here and tell you about many more problems that exist in my area of the state. However, the truth is, these types of problems exist statewide. Many people are in desperate need of safe, clean drinking water.

MR & I money is extremely important in funding water projects. Without these funds, people throughout the state of North Dakota, like my mother, will have to continue to haul their water.

I urge you to do as you have in the past. That is to continue to fund the ND State Water Commission budget with general fund dollars.

Thank you for your consideration. I would be happy to answer any questions you may have.

Larry Schultz, President of NDRWSA

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Senate Appropriations Committee Prepared Statement of David L. Johnson McKenzie County Water Resource Board Chairman March 14, 2001

Chairman Dave Nething and members of the Committee, Lam David Johnson, representing the McKenzie County Water Resource Board

Currently the County is actively pursuing two water projects. One is the Flk Charbeneau Irrigation project and the other is the McKenzie County Rural Water project. Both of these projects when completed will be instrumental to the economic and social stability of the county I want to emphasize that neither of these projects will be completed with out the assistance of the water resources trust fund and MR&I funds.

First, I would like to talk about the Elk Charbeneau irrigation project. This is a 5000-acre irrigation project located north of Alexander, which will cost approximately 7 million dollars. According to the feasibility study for the project it will create an additional 25 to 65 jobs in the region depending on the commodity raised. This size project will generate between 60,000 to 210,000 in additional tax revenue alone. Therefore it is very important that funding sources continue to be available in order to encourage this development that will continue to diversify and build on what North Dakotans do best, agriculture.

The water for this project and other irrigation projects in our region will be pumped from the Yellow Stone River and the Missouri River. If the water rights to this source are not used in the near future it may be lost to down stream interests.

Next, I would like to talk about the McKenzie County rural water project. This project is intended to initially serve the area within 15 miles of Watford City, which includes the communities of Alexander and Arnegard. The water will be obtained through cooperation with the City of Watford City. The City has ample capacity, which was developed to handle the huge influx of people during the oil boom in the 80's. The project is estimated at 2.4 million dollars serving approximately 100 users and Alexander. This area has a potential of 200 users. We are currently in the process of completing the feasibility study through the MR&I rogram. We anticipate requesting funding by April of 2001.

The need for water is great. Some individuals are using water that exceeds 7000 ppm of total dissolved so'lds. Some have wells to the Fox Hills aquifer, which cost \$30,000 each to drill and the water kills the grass and is not for drinking water. Some are still hauling every drop of water they use.

In our economic development efforts we have spent considerable amounts of resources to diversify the economy into the technology field. Because of those efforts we have succeeded in bringing two companies to Watford City, which rely heavily on recruiting talent from other places. The people looking to move to our region like the wide-open spaces and Badlands. They want to be able to live outside the City limits and they expect to have a quality water source. We

Klaser L. Johnson Song 1.

also have individuals that have moved here to telecommute and to retire in the open spaces and Budlands. They need quality water

So as you can see it is very important to develop irrigation and supply the region with dependable quality drinking water if we are going to:

1. Stabilize our existing population

2. Be successful in diversifying our economy

3. Be successful recruiting the high tech employees

4. Be successful attracting retirees and telecommuters

We support house bill 1023 rand feel that it is vital to our region to develop our water resources. We do appose funding the Water Commission administration out of these funds. We feel administration should be general fund expenditure and that funding administration will remove needed project funds to develop the water infrastructure that is so desperately needed across the state.

Thank you for your attention and please do not hesitate to call me directly if you have any questions on water projects in McKenzie County.

Testimony offered relative to House Bill No. 1023

Jan. 25, 2001

Mr. Chairman and members of this committee. I am submitting this statement to be included as part of the record of testimony on House Bill 1023.

My name is Ken Royse. I am a member of the North Dakota Association of Water Resource Districts and am representing them here today.

House Bill 1023 proposes, in part, to reformulate the current method of funding the North Dakota State Water Commission agency operations. The bill would utilize approximately \$10.1 million, currently in the Water Development Trust Fund, for such agency operations. The effect of passage of this bill creates an obvious situation; \$10.1 million which would have been available for addressing water needs of the State of North Dakota, as documented in the State Water Plan, would now not be available. Many of those needs addressed by the State Water Plan would have to be either delayed or abandoned until and unless another funding source could be created.

I would hope that each of you, if you haven't already, access yourself to the State Water Commission publication entitled 'Water Development 2001 Biennial Report' which is a supplement to the 1999 State Water Management Plan.

In this Report you will see the benefits the Water Development Trust Fund has provided to all segments and areas of the State within this last blennium. Within the Missouri River basin project assistance has been requested by and given to such diverse projects including:

- Fish Creek Dam in Morton County
- McKenzie County Rural Water Planning
- Mountrail County Irrigation Project Study
- Williams County Flood Study
- City of Belfield Flood Control
- Horschead Irrigation Study in Emmons County
- Missouri River Coordinated Resource Study
- Cloud Modification Study in Western ND

In the Red River Basin a variety of projects have also been funded which include:

- City of Grafton River Intake Replacement
- Numerous County drains in Cass, Grand Forks, Richland, and Steele Counties
- City of Hillsboro Water Treatment Plant Expansion
- Participation in Baldhill Dam improvements
- Floodplain mapping for areas south of Fargo
- Participation in the Homme Dam in Walsh County

Other areas, besides those in the Missouri River or Red River Basins, have also seen financial benefits and assistance from the Water Development Trust Fund, including such projects as:

- All Seasons Rural Water System expansion efforts
- Minot area drainage project
- Northwest Area Pipeline Supply to Rugby effort

And on a State wide level:

• Assistance to the North Dakota Irrigation Caucus

In this current biennium, there are even greater needs and more demands which will be place upon this Trust Fund. Information gathered by the State Water Commission, through a canvas of County Water Management Boards, the North Dakota Water Users, the Water Coalition, and other such groups, indicate a need for State money in a variety of categories and levels which will exceed \$101 million.

To meet these demands the State Water Commission has proposed using a combination of money from the Resources Trust Fund, from the Water Development Trust Fund, and by the issuance of Bonds. A key portion of this formula is the Water Development Trust Fund. If this Bill is approved as is currently stands, this Fund would be reduce approximately \$10.1 million. That reduction will mean that some approved and needed water projects will not be built this next biennium and, as a practical matter, may never be built.

On behalf of the State Association of Water Resource Boards, I urge you to oppose the portion of this bill which deletes money from the Water Development Trust Fund. I urge you to continue to support needed water development projects in the State of North Dakota.

Respectively submitted,

Ken Royse

North Dakoia 'Vater Resource Districts Association

Testimony offered relative to House Bill No. 1023

17:11

March 14, 2001

Mr. Chairman and members of this committee.

I am submitting this statement to be included as part of the record of testimony for House Bill No. 1023.

My name is Ken Royse. I am a member of the North Dakota Association of Water Resource Districts and am representing them here today.

House Bill 1023 proposes, in part, to reformulate the current method of funding the North Dakota State Water Commission agency operations. The bill would utilize approximately \$9.7 million, currently in the Water Development Trust Fund, for such agency operations. The effect of passage of this bill creates an obvious situation: \$9.7 million, which would have been available for addressing water needs of the State of North Dakota, as documented in the State Water Plan, would now not be available.

I would hope that each of you, if you haven't already, access yourself to the State Water Commission publication entitled 'Water Development 2001 Biennial Report' which is a supplement to the 1999 State Water Management Plan.

In that Report you will see the benefits the Water Development Trust Fund has provided to all segments and areas of the State within this last biennium. We realize these are benefits which have accrued due to a strong support from our State Legislature, our State leaders, and our State Water Commission. The water community in North Dakota appreciates the commitment of funds and resources made by the State for these past efforts.

If you have an opportunity to review the Water Development 2001 Biennial Report, you will note that Table 4 on Page 9 of that Report provides a summary of water development needs for the 2001-2003 Biennium. That table includes categories of benefits to such diverse use and needs including irrigation, flood control, snagging and clearing projects, water supply, drainage and channel improvements, recreation, bank stabilization, studies and planning, and multi-purpose projects. The list shows a total cost expectation of over \$100 million of needed State money---exclusive of local and Federal funds which would also be used for such projects.

It is important to note that a number of such listed projects are shown at a reduced funding level. If more funds could be made available more activity and work could proceed on a number of planned and ongoing projects. A good example of that can be seen with the ongoing and highly successful efforts of the Southwest Pipeline Project; although they are shown as having a need of \$7.3 million, project leaders will tell you

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that they could expend nearly \$17 million if such funds were available. Other examples of projects which are proceeding at a reduced rate are also present.

It is also important to note that this list does not include any money for Fargo flood relief efforts, or for Section 404 assumption, or for bond payment obligations, or for carryover obligations for various ongoing projects. It does also not include funding for the day-to-day operation of the State Water Commission. All those caregories of costs, inclusive of Water Commission operational money, would add approximately \$33 million to the amount of money needed this next biennium.

In the water community we know there is a concern of a State obligation of funds toward projects which may be slow to expend such funds. It is important to note that a typical water project is not comparable to any other type of any other typical project. Water projects need years and years of planning and face increasing environmental scrutiny and often have to reply on uncertain funding sources to proceed in an incremental fashion. I previously referenced the Southwest Pipeline Project as an example of a project which could expend, if available, more funds---- and that same project can be used as an example of a project which has only developed over a long time period. Southwest was first conceived in the early to mid-1970's and has since the mid 1980's been in a construction phase.

On behalf of the State Association of Water Resource Boards, I urge you to oppose the portion of this bill which deletes money from the Water Development Trust Fund. I urge you to continue to support needed water development projects within the State of North Dakota.

Respectively submitted,

Ken Royse

North Dakota Water Resource Districts Association



Box 2254 • Bismarck, ND 58502 • (701) 223-4615

January 31, 2001

Representative Janet Wentz Chairman House Appropriations Subcommittee on Education and Environment State Capitol 600 East Boulevard Bismarck, ND 58505

Dear Representative Wentz:

At the hearing on HB 1023, one of the witnesses from the water community stated that several water development, water supply and water management projects would be delayed if adequate funding was not provided to meet North Dakota's critical water needs. It was requested by the Committee that a list of those projects be provided to the Committee.

Table 4 on pages 6 - 8 of the "Revised Water Development 2000 Biennial Report for the 1999 State Water Management Plan identifies the water supply, water management, and water development projects that would move forward if adequate funding were to be provided. The state funding needs for these projects are well in excess of \$100 million.

The North Dakota Water Coalition spent a considerable amount of time over the past year meeting with project sponsors, identifying estimated available revenues, and prioritizing the most critical water needs. This prioritization process narrowed the critical water needs so that they would fit within the estimated available revenues. The prioritized projects and the funding amount for those projects are identified on the North Dakota Water Coalition's "Meeting the Challenge: Phase II" document which was distributed at the hearing.

If \$10 million is removed from the estimated revenues to fund the State Water Commission agency operations, and if an additional \$5.5 is allocated for the city of Fargo flood control project, either an additional \$15.5 million will have to be bonded, or the priority projects identified by the North Dakota Water Coalition will have to be delayed. These projects are identified on pages 6 - 8 of the State Water Commission supplement to the 1999 State Water Management Plan.

If you have any further questions, please let me know.

Sincerely,

Michael Dwyer

North Dakota Water Users Association

North Dakota Water Coalition

Wilast from

S. B. No. 2188 - Pago 2 / Software / City of 2016 the split between state and local loan repayment to be determined. Before bonds may be issued for a Devils Lake outlet, construction of the outlet must be approved by the state water commission and the lederal government must have agreed to

2. During the 2001-03 biennium.

participate in construction of the outlet

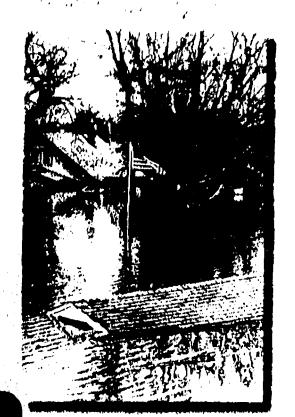
- Water to eastern North Dakota. Seventeen million dollars in federal funds appropriated under the Garrison Diversion Unit Reformulation Act of 1986 [Pub. L. 99-294, 100 Stat. 418), Dakota Water Resources Act of 1998, or other federal Act. The local cost has not been determined and will be determined after project configuration is complete.
- Southwest pipeline project: Five hundred thousand dollars in local funds, one million seven hundred thousand dollars in state funds, and twelve million five hundred thousand dollars lederal funds.
- Northwest area water supply project: Eight million seven hundred thousand dollars in local funds and sixteen million three hundred thousand dollars in federal funds
- Other municipal, rural, and industrial projects: Seventeen million seven hundred d. thousand dollars in local funds and thirty-two million eight hundred thousand dollars in federal funds.
- Grand Forks flood control: Thirty-five million seven hundred thousand dollars in local lunds, twenty-seven million dollars in state funds, and sixty-two million nine hundred thousand dollars in federal funds; annual bond payments of three million nine hundred thousand dollars. Components of the Grand Forks flood control project involve water treatment plant improvements. Those federal costs are reflected in subdivision d because of potential cost-sharing using Garrison diversion municipal, rural, and industrial funds. Other projects, such as greenway, are listed under subdivision q.
- f. Devils Lake outlet to Sheyenne River and to west Stump Lake: Bond repayments of one million five hundred thousand dollars per year.
- General projects: Thirty-one million seven hundred thousand dollars in local funds, g. twenty-five million nine hundred thousand dollars in state funds, and thirty-nine million eight hundred thousand dollars in federal funds.

3. During the 2003-05 biennium:

- Water to eastern North Dakota: Six million dollars in federal funds appropriated under the Garrison Diversion Unit Reformulation Act of 1986 [Pub. L. 99-294; 100 Stat. 418], Dakota Water Resources Act of 1998, or other federal Act. The local cost has not been determined and will be determined after project configuration is complete.
- Southwest pipeline project: One million dollars in local funds, five million dollars in <u>b.</u> state funds, and eleven million four hundred thousand dollars in federal funds.
- C. Northwest area water supply project: Eleven million eight hundred thousand dollars in local funds and twenty-one million eight hundred thousand dollars in federal funds.
- Other municipal, rural, and industrial projects: Seventeen million seven hundred ď. thousand dollars in local funds and thirty-two million eight hundred thousand dollars in federal funds.
- Grand Forks flood control: Annual bond payments of three million nine hundred thousand dollars.
- 1. Devils Lake outlet to Sheyenne River and to west Stump Lake: Bond repayments of one million five hundred thousand dollars per year.

NORTH DAKOTA WATER COALITION

Mission: Complete North Dakota's Water-infrastructure for economic development and quality of life.



Meeting the Challenge Phase II

THE NORTH DAKOTA WATER COALITION'S FOCUS ON NORTH DAKOTA'S CRITICAL WATER NEEDS: 2001-2003

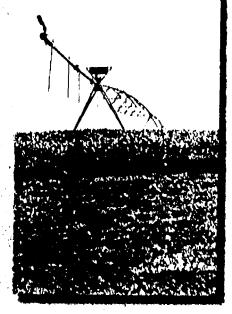
Flood Control in Eastern North Dakota

Red River flood control projects will protect the cities of Grand Forks, Wahpeton, Grafton, Furgo and other areas from the damage caused in a flood event like the 1997 flood.

Water supply for cities and rural water systems

Eastern North Dakota through Garrison Diversion, Southwestern North Dakota through the Southwest Pipeline Project, Northwestern North Dakota through the Northwest Area Water Supply (NAWS), and local rural water systems are especially significant.





Increased high value crop production and processing opportunities help build and diversify our economy. Irrigation is necessary for many of these developments.

NORTH DAKOTA WATER COALITION



Missouri River

The Corps of Engineers Master Manual, bank protection and a comprehensive plan for future growth are among the major concerns?



A permanent solution for the damage to homes, land and infrastructure from the 22-foot rise of Devils Lake must be achieved.

NORTH DAKOTA WATER COALITION PRIORITIES 2001-2003 BIENNIUM

AUTHORIZED

SB 2188 Projects (Projects authorized in 1999 as part of SB 2188 but not yet contracted for construction) State Funds (in millions of dollars)

31.5

NEW FUNDING NEEDS

- 1. Municipal and Rural Water Supply
- 2. Irrigation
- 3. General Water Management
- 4. Flood Control
- 5. Eastern Dakota Water Supply
- 6. Devils Lake
- 7. Missouri River Management*
- 8. Northwest Area Water Supply*
- 9. Southwest Pipeline,".
- 0: Weather Modification " " Noie: These priorities are for new funding only.

 Funding will be provided through federal and local sources.

State Funds

15.00

3.29

5.00

5.75

0.15

TOTAL

ESTIMATED REVENUES FOR WATER

State funds are not requested at this time.

1. Resources Trust Fund (Oil Extraction Tax – 20%) Estimated revenues for 2001-2003 blennium

2001-2003

2. Water Development Trust Fund (State Tobacco Settlement → 45%) material designation of the light of the lig

> 3. Bonding (as needed to cover the difference) could be issued to meet the balance of the critical water

16.04

Testimony before the House Environment and Education Appropriation Sub-Committee Presented by Jay Sandstrom, North Dakota Weather Modification Association

Bill 1023

Chairman and members of the Committee.

My name is Jay Sandstrom. I am involved in the Association and serve on the Mountrail County Weather Modification Authority and also currently seated on the North Dakota Atmospheric Resource Board. The Association has been in existence for nearly 40 years and whose membership consists of those in support of seeding clouds for the purposes of enhancing rainfall and suppressing hail.

I'd like to thank the committee for this opportunity to come before you this morning to stand in support of the State Water Commission appropriation of which the Atmospheric Resource Board is a part of.

I am very pleased to stand before you today and report to you that the North Dakota Cloud Modification Program is alive, very well, and after far too many tight years, we are again experiencing some growing pains. The summer program has consisted of 5 counties in western and southwestern North Dakota. There was a time that the program involved nearly 20 counties but for various reasons these counties came and went and the old dichards of Bowman, Slope, McKenzie, Ward and Mountrail counties maintained consistent participation in the program. The mere fact that research reveals that there is a 10 percent increase in rainfall and a 43 percent reduction in hail has been the main reason for these counties continued participation.

We have seen many changes, most if not all, due to the technological advancements in aircraft, computers forecasting and evaluation of the project itself. The program has enabled the 2 operational districts to build permanent radar facilities in the communities of Bowman and Stanley. Each summer these communities enjoy the presence of professionally trained pilots and meteorologists during the months of June, July, and August. In 1997, Williams county joined the program through a process that is allowed by state law whereby water resource districts can assume weather authority status and contract services that provide rain enhancement and half suppression during the summertime rain and half season. According to state law if after 4 years there is a desire for that county to continue the program, then the issue is to come before the voters where it will be decided whether it continues or not.

I am very happy to report to you today that Williams county voters approved the cloud seeding program by a whopping 80:20 margin. The voters in Williams County decided that a small, yet significant mil levy in these tough times, is a worthwhile amount of money to spend in hopes of reducing expensive hall and storm damage to crops and property. The acceptance of this program in Williams County is rather interesting in that while we might think of Williams County as a rural county it is in fact an urban county. Voters in the city of Williston overwhelmingly accepted the program. While Agriculture is important to the existence of Williston, I believe that the voter is wisely looking at the program for more than a benefit to just agriculture. They are looking for the program to benefit their personal property, wildlife, the environment as a whole, and in some cases, their safety.

Again, the North Dakota Cloud Seeding Project is alive and well and growing at last, and will continue to grow if allowed to do so. I encourage your support in passage of this appropriation so that we can continue bringing a safer and sounder standard of living to the people of North Dakota. The State of North Dakota benefits greatly by having this program available to those who wish to manage risks in ways that this technology allows. I humbly ask for your support. Thank You.

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Testimony Lafore the North Dakota Senate Appropriations Committee Presented by Jav Sandstrom, North Dakota Weather Modification Association

March 14, 2001

Chairman and members of the Committee,

My name is Jay Sandstrom. I am a member of the North Dakota Weather Modification Association and serve on the Mountrail County Weather Modification Authority. I am currently serving at the pleasure of the Governor on the North Dakota Atmospheric Resource Board.

I'd like to thank the committee for this opportunity to come before you this morning to stand in support of the State Water Commission appropriation of which the Atmospheric Resource Board is a division.

I am very pleased to stand before you today and report to you that the North Dakota Cloud Modification Program is alive, very well, and after far too many tight years, we are again experiencing some growing pains. The summer program has consisted of 5 counties in western and southwestern North Dakota. There was a time that the program involved nearly 20 counties but for various reasons some of these counties have come and gone and the old diehards of Bowman, Slope, McKenzie, Ward and Mountrail counties maintained consistent participation in the program. Two years ago we did see Slope county drop by the wayside but had 9 townships from that county return to the program. The mere fact that research reveals that there is a 10 percent increase in rainfall and a 43 percent reduction in hail has been the main reason for these counties continued participation.

We have seen many exciting and positive changes, most if not all, due to the technological advancements in aircraft, computers, forecasting and evaluation of the project itself. The opportunities that await us in the future will be even more exciting. The program has enabled the 2 operational districts to build permanent radar facilities in the communities of Bowman and Stanley. These sites are becoming ever more popular among area residents. Because of the internet access view of real time radar "pictures", net users can now watch approaching summertime storms as they approach and pass through our section of the state. Each summer these communities enjoy the presence of professionally trained pilots and meteorologists during the months of June, July, and August.

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In 1997, Williams county joined the program through a process that is allowed by state law whereby water resource districts can assume weather authority status and contract services that provide rain enhancement and hail suppression during the summertime rain and hail season. According to state law if after 4 years there is a desire for that county to continue the program, then the issue is to come before the voters to decide whether it continues or not.

I am very happy to report to you today that Williams county voters approved the cloud seeding program in the November election by a whopping 80:20 margin. The voters in Williams County apparently decided that a small, yet significant mil levy in these tough times, is a worthwhile amount of money to spend in hopes of reducing expensive hail and storm damage to crops and property. The acceptance of this program in Williams County is rather interesting in that while we might think of Williams County as a rural county it is in fact an urban county. Voters in the city of Williston overwhelmingly accepted the program. While it is clearly understood that agriculture is important to the existence of Williston, I believe that the voter is wisely looking at the program for more than a benefit to just agriculture. They are looking for the program to benefit their personal property, wildlife, the environment, and their safety.

Again, the North Dakota Cloud Seeding Project is alive and well and growing at last, and will continue to grow if allowed to do so. I encourage your support in passage of this appropriation so that we can continue bringing a safer and sounder standard of living to the people of North Dakota. The State of North Dakota benefits greatly by having this program available to those who wish to manage risks in ways that this technology allows. I humbly ask for your support and hope that in the near future even more of North Dakota will enjoy this advancing risk management technology. Thank You.

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COMPARISON OF WATER RATES October 28, 1999

<u>CITY</u>	MINIMUM <u>COST</u>	MINIMUM <u>GALLONS</u>	COST PER 1000 GALLONS	COST PER 6000 GALLONS
Bismarck	\$7.20	2,244	\$1.74	\$13.74
Devils Lake	\$2.80	2,000	\$3.73	\$17.72
Dickinson	\$8.00	0	\$3.45	\$28.70
Fargo	\$6.60	2,000	\$3.30	\$19.80
Grand Forks	\$4.23	0	\$2.43	\$18.81
Jamestown	\$8.20	2,992	\$1.20	\$11.81
Mandan	\$1.45	0	\$1.93	\$13.03
Minot	\$7.53	0	\$1.48	\$16.41
Wahpeton	\$7.00	2,000	\$2.90	\$18.60
Williston	\$3.15	0	\$1.80	\$13.95



Testimony of Herb Grenz, Chairman North Dakota Irrigation Caucus HB 1023 January 25, 2001

Madam Chairperson and members of the House Education and Environment Subcommittee of the House Appropriations Committee:

My name is Herb Grenz, and I am the Chairman of the North Dakota Irrigation Caucus.

The North Dakota Irrigation Caucus was formed two years ago to strengthen and expand irrigation in North Dakota. We believe irrigation is one of the bright opportunities for economic development in North Dakota. The economic return per acre of irrigated land is enormous as compared to dry land agriculture production. While only one percent of North Dakota's land is irrigated, it produces over four percent of the gross agriculture revenue in our state.

The North Dakota Irrigation Caucus has developed a strategic plan, and we have identified an additional 350,000 acres of irrigation which could be developed in North Dakota. These 350,000 acres have a water supply and suitable soils, but we need to develop the water supply facilities along with markets for these irrigation opportunities.

Not only does irrigated land have a high economic return, both in terms of individual income and community rollover, but processing facilities are a part of the irrigation equation.

The AVIKO Potato Processing facility in Jamestown employs more than 250 people, spends \$25 million each year directly to the contractors who raise potatoes, and provides an economic rollover of \$9 million annually.

In order to develop irrigation in North Dakota, we must provide water supplies, develop individual loan programs for irrigators, increase irrigation research for high-value and cereal crops, and other efforts. We urge that the State Water Commission be funded from the General Fund, and that the House and Senate approve the funding recommended by the North Dakota Water Coalition for developing and managing our precious water resources.

Thank you.