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10/23/03
Date

2003 SENATE NATURAL RESOURCES

SCR 4037

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4037

Senate Natural Resources Committee

Conference Committee

Hearing Date 3-13-03

Tape Number	Side A	Side B	Meter #
2	X		29.7 - end
		X	0.0 - 3.1
Committee Clerk Signature <i>Janet James</i>			

Minutes:

Senator Thomas Fischer, Chairman of the Senate Natural Resources Committee opened the hearing on SCR 4037 that expresses the Legislative Assembly's support for construction of the North Central Rural Water Consortium Project and the South Central Regional Water District Project.

All members of the Committee were present.

Senator Jerry Klein of District 14 cosponsor of SCR 4037 stated the resolution was a delayed bill that deals with water and rural water districts. With the changing water problems, water systems have been developed and rural water district pop up. The resolution urges North Dakota's legislature to supply congress with information to help get monetary support for the water projects.

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Page 2
Senate Natural Resources Committee
Bill/Resolution Number SCR 4037
Hearing Date 3-13-03

Senator John Traynor commented on the problem of arsenic in water in the state and asked if there should be another resolution to study that problem or should it be amended into this resolution.

Douglas Nelbauer, Executive Director of the South Central Regional Water District testified in support of SCR 4037 (See attached testimony).

Daniel Rouse, Vice President of the Board of Directors of the South Central Regional Water District, testified in support of SCR 4037 (see attached testimony).

Rocky Thomas, representing the North Central Rural Water Consortium Board testified in support of SCR 4037 (see attached testimony). He also presented the members of the committee with a packet containing information about the NCRWC (see attached).

There was on testimony in opposition or in a neutral position on SCR 4037.

Senator Traynor asked for some time to develop an amendment in regards to the arsenic problem.

Senator Fischer closed the hearing on SCR 4037.

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10/23/03
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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4037

Senate Natural Resources Committee

Conference Committee

Hearing Date 3-14-03 Discussion and action

Tape Number	Side A	Side B	Meter #
1		X	2.0 - 12.7

Committee Clerk Signature

Janet James

Minutes:

Senator Thomas Fischer opened the discussion of SCR 4037.

All members of the committee were present.

Senator John Traynor presented amendment #38394.0102 containing language that would include arsenic in the resolution.

Senator Traynor made a motion to accept the amendment.

Senator Stanley Lyson second the motion.

Discussion was held as to the concerns of the committee to add this amendment to the resolution as it might involve more than should be and it might add something they may not want to use to promote MRNI money for these water systems. Because this is an important issue maybe it should be applied to another vehicle.

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Page 2
Senate Natural Resources Committee
Bill/Resolution Number SCR 4037
Hearing Date 3-14-03

The motions were withdrawn with the understanding the members of the committee would support Senator Traynor with the delayed bills committee so the issue of arsenic could have it's own resolution study.

Senator Joel Heitkamp made a motion for a Do Pass of SCR 4037.

Senator Michael Every second the motion.

Roll call vote was taken indicating 7 YEAS, 0 NAYS AND 0 ABSENT OR VOTING.

Senator Heitkamp will carry SCR 4037.

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10/23/03
Date

38394.0102
Title.

Prepared by the Legislative Council staff for
Senator Traynor
March 14, 2003

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4037

Page 1, line 3, after "Project" insert "and urging relaxation of arsenic standards for drinking water for the city of Devils Lake and other similarly situated cities"

Page 1, line 19, remove "and"

Page 1, line 24, after the semicolon insert "and"

Page 1, after line 24, insert:

"WHEREAS, the city of Devils Lake as well as other similarly situated cities are being challenged to meet stricter drinking water standards for arsenic and the city of Devils Lake water supply is currently quadruple the new arsenic standard that is scheduled to take effect in January 2006 and the degree of this concentration above the new standard may prevent the city of Devils Lake from obtaining a compliance deadline extension that is available to other cities that exceed the arsenic standard but to a lesser degree;"

Page 2, line 4, after "Projects" insert "and urging relaxation of arsenic standards for drinking water for the city of Devils Lake and other similarly situated cities"

Page 2, line 6, after the third comma insert "the administrator of the Environmental Protection Agency, the President of the United States,"

Renumber accordingly

Page No. 1

38394.0102

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10/23/03
Date

Date: 3-14-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4037

Senate Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken To accept Amend 38594.0102

Motion Made By Traynor Seconded By Lyson

Senators	Yes	No	Senators	Yes	No
Senator Thomas Fischer			Senator Michael A. Every		
Senator Ben Tollefson			Senator Joel C. Heitkamp		
Senator Layton Freborg					
Senator Stanley W. Lyson					
Senator John T. Traynor					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

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Deanna Tolleson Operator's Signature 10/23/03 Date

Date: 3-14-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4037

Senate Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Heitkamp Seconded By Every

Senators	Yes	No	Senators	Yes	No
Senator Thomas Fischer	✓		Senator Michael A. Every	✓	
Senator Ben Tollefson	✓		Senator Joel C. Heitkamp	✓	
Senator Layton Freborg	✓				
Senator Stanley W. Lyson	✓				
Senator John T. Traynor	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Heitkamp

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Deanna Hall 10/23/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
March 14, 2003 2:08 p.m.

Module No: SR-46-4839
Carrier: Holtkamp
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4037: Natural Resources Committee (Sen. Fischer, Chairman) recommends DO
PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4037 was placed on
the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-46-4839

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2003 HOUSE NATURAL RESOURCES

SCR 4037

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10/23/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 4037

House Natural Resources Committee

Conference Committee

Hearing Date March 27, 2003

Tape Number	Side A	Side B	Meter #
1	xx		0-2310

Committee Clerk Signature *Eli Meyer*

Minutes:

Chair Nelson called the hearing on SCR 4037 A concurrent resolution expressing the Legislative Assembly's support for construction of the North Central Rural Water Consortium Project and the South Central Regional Water District Project.

Sen. M. Klein: Introduced SCR 4037. This resolution urges congress to pursue funding on these two projects.

Rocky Thomas: North Central Rural Water Consortium. (See Attached Testimony)

Chair Nelson: Where is the source of the source of this water?

Rocky Thomas: The source varies from system to system.

Chair Nelson: It seems to me that there is a disconnect when it comes to the reservation with regards to infrastructure. Working with the tribes there can be an economy of scale in rural North Dakota. It is always hard to make these sort of projects cash flow. We should be working with tribal governments. How is that working?

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10/23/03
Date

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House Natural Resources Committee
Bill/Resolution Number 4037
Hearing Date March 27, 2003

Rocky Thomas: Commented on the situation with regards to some of the tribes.

Douglas Nelbauer: Executive Director, South Central Regional Water District. (See Attached Testimony)

Rep. Nottestad: Are you looking at going into South Dakota as a south west authority or are they already in another?

Douglas Nelbauer: There is an operating system that takes water from the project. It is called South Line Rural Water.

Daniel Rouse: Testified in support of SCR 4037. Vice President of the Board of Directors of the South Central Regional Water District. (See Attached Testimony)

Chair Nelson closes the hearing.

Rep. Keiser moves a recommendation of **Do Pass** and **Placed on the Consent Calendar**

Seconded by Rep. Nottestad.

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10/23/03
Date

Date:
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~4036~~ 4037

House House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Consent Calendar

Motion Made By Keiser Seconded By Notified

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson					
Vice-Chairman Todd Porter					
Rep. Byron Clark					
Rep. Duane DeKrey					
Rep. David Drovdal					
Rep. Lyle Hanson					
Rep. Bob Hunsakor					
Rep. Dennis Johnson					
Rep. George Keiser					
Rep. Scott Kelsh					
Rep. Frank Klein					
Rep. Mike Norland					
Rep. Darrell Nottestad					
Rep. Dorvan Solberg					

Total (Yes) _____ No _____

Absent _____

Floor Assignment De Krey

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10/23/03
Date

REPORT OF STANDING COMMITTEE (410)
March 27, 2003 9:51 a.m.

Module No: HR-55-5890
Carrier: DeKrey
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
SCR 4037: Natural Resources Committee (Rep. Nelson, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4037 was placed on the Tenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-55-5890

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2003 TESTIMONY

SCR 4037

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Testimony before the Senate Natural Resources Committee on SCR 4037

March 13, 2003

Mr. Chairman, members of the Senate Natural Resources Committee, my name is Daniel Rouse. Many of you know me in my capacity as Legal Counsel to the State Tax Commissioner. However, today, I am here before you (on my lunch break) in my capacity as a rural Bismarck resident from District 8, and as Vice President of the Board of Directors of the South Central Regional Water District, formerly known as the Burleigh Water Users Cooperative. The South Central Regional Water District is one of the two worthy entities covered by this resolution and whose continued and expanded delivery of good, clean potable water is vital to the future of North Dakota. I ask for your support of SCR 4037.

I am fortunate to be a member of a forward-thinking water district which has recently completed a long-range business plan for growth within south central North Dakota. One of the major focus areas of our business plan was to identify and ensure that communities in the south central region of North Dakota - which we could realistically service - were given the same opportunities for potable water that others within the rural Bismarck area we presently serviced were enjoying. We saw this initiative as necessary for those citizens to maintain their lives, families, and legacies in the many farms and communities that are now at increasing risk of personal harm due to, among other factors, the high arsenic levels. We also saw this as an excellent tool for economic development - both in terms of the project necessary to get the water to the people as well as in the value-added benefit those communities would enjoy from the delivery of safe drinking water for personal and business use.

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Daniel Rouse
Operator's Signature

10/23/03
Date

However, we are not there yet. We need the support of this legislative body, the executive branch of our state government, and the federal government in order to deliver the water those communities need.

As an aside, I am also a reserve judge advocate in the United States Air Force. While I function mostly as a preliminary judge, my military travels and training have nevertheless reinforced my knowledge of the growing global dominance of the issue of potable water. In the future, it will not be unheard of for countries to more aggressively compete for, and quite possibly go to war over, access to safe, drinkable water. While I do not anticipate North Dakota going to war with Canada, Montana, or even South Dakota over water rights, my point is that potable water will only increase its role globally as a major factor influencing the quality of life for those who benefit from its access. Our efforts within the South Central Regional Water District are directed toward assuring that resource is made available to our citizens.

Mr. Chairman, members of the Senate Natural Resources Committee, I strongly urge you to support a Do Pass on SCR 4037. This resolution is a step toward improved quality of life for North Dakotans, increased economic development, and an investment in our future. I would be happy to respond to any questions. Thank you.

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SCR 4037
Testimony of Rocky Thomas
Natural Resources Committee Hearing
3/13/03

Mr. Chairman, members of the Natural Resources Committee, my name is Rocky Thomas; I am manager of the McLean-Sheridan Rural Water System and I serve as Secretary/Treasurer of the North Central Rural Water Consortium Board. I am here today to speak on the NCRWC's behalf, and request your support for Senate Concurrent Resolution 4037.

From its meager beginning as expansion of the McLean-Sheridan system, the NCRWC project has grown to encompass expansion of 3 existing rural water systems in central ND. When developed this project will fill the gaps in service areas from Wilton to Carpio, to Churches Ferry and to Carrington. The NCRWC project will address Arsenic problems in the communities of Granville, Karlsruhe, Anamoose, and Selz. We will assist in serving the needs of Pick City, Sakakawea State Park, the Corps of Engineers and the Garrison Dam Fish Hatchery, in meeting surface water regulations and replace Underwood's water supply which will be lost to adjacent mining activities, acting as a wheeling agent for the City of Riverdale. When completed the project will provide potable water to an estimated 700 rural homes, farmsteads, and businesses throughout the area, in addition to those currently served by the three systems.

The NCRWC project is unique in many respects in the State of ND. It is to our knowledge the first fully organized cooperative effort to fill gaps between existing systems. It is the first project to consider setting system boundaries aside, and utilize existing infrastructure to it's fullest potential, for the benefit of the customer. And, according to Tribal Council it is the first organized effort to seek long term working relations with the Three Affiliated Tribes.

The Consortium Project has many worthy aspects, however funding has presented a monumental hurdle to date. While the project was initially coming together as McLean-Sheridan Phase IV, the Dakota Water Resources Act was approved, and the outlook for this project, like many others, was very good. As you are all no doubt aware, the tragic events of September 11th, 2003, curtailed much funding at a federal level, MR&I funds for such projects; the Dakota Water resources Act, were amongst those hit.

The NCRWC persisted in our effort to move forward, utilizing this delay to regroup and strengthen our position. We have come a long way in a very short time. Again however, we are confronted with bleak news in respect to funding; recent news of Bureau of Reclamation funding for the MR&I program being cut, places this project in great jeopardy. We feel the project may ultimately be forced to seeking direct appropriations from the federal government, and should that come pass, we will no doubt need your vote of support on the state level.


Recognizing similar needs and a similar position in our neighbor's part to the south, SCR 4037 was drafted to lend your needed support, to the South Central project as well. Your vote in support of this resolution will simply state that you believe the residents of Central North Dakota are entitled to safe clean drinking water, and the better way of life afforded in having such. As a matter of record the counties served by these two projects include: Ward, McHenry, Pierce, Benson, Wells, Sheridan, McLean, Burleigh, Logan, Emmons, Kidder, McIntosh, and portions of Eddy, and Foster.

In closing Gentlemen, I urge you to review the information you have received in handout, therein you will find our website address, where you will find a great deal more information regarding our project.

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10/23/03
Date



South Central Regional Water District

Previously Burligh Water Users Cooperative



Highway 83 North - 6909 Aurora Loop
Bismarck, ND 58503-6217
(701) 258-8710 • Fax (701) 223-6041
Email bwuc@bnet.net

Testimony on:

SENATE CONCURRENT RESOLUTION NO. 4037

Hearing Date: March 13, 2003

By: DOUGLAS NEIBAUER, EXECUTIVE DIRECTOR

SOUTH CENTRAL REGIONAL WATER DISTRICT

The concept of South Central Regional Water System was developed to fulfill a goal in the South Central Regional Water District's Strategic Plan. Goal one of the plan is to "Develop and implement a system expansion plan to serve the unmet water needs of the counties in South Central North Dakota".

A Feasibility Study has been completed for the South Central Regional Water System Project and an application has been submitted to the Municipal, Rural & Industrial (MR&I) water supply program for a 70% grant and applications will be applied for through USDA RUS and EPA for the 30% loan to construct the system. As you may know, the federal Office of Budget & Management is currently scrutinizing funding of rural water projects through the Bureau of Reclamation. We hope that funding will be restored for MR&I in 2004 and beyond.

The South Central Regional Water System will provide an affordable, high quality and reliable water to the existing 3096 farms/rural households in Burligh County, to over 1600 new customers and ten (10) municipalities in a five county area consisting of Burligh, Emmons, McIntosh, Logan and Kidder Counties. The municipalities that would receive bulk water from this project are Ashley, Braddock, Hague, Hazelton, Linton, Napoleon, Strasburg, Venturia, Wilton and Wishek.

"Serving Rural People A Reliable Service"

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Douglas Neibuier
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10/23/03
Date

(page 2 SCR No. 4037 testimony by Douglas Nelbauer)

The project has the promise to help stimulate growth and economic development in South Central North Dakota, an area that is currently battling a severe drought that has depleted water sources in many areas. This project will be the answer to EPA's concern for Arsenic in community water supplies that include the cities of Strasburg, Tappen, Pettibone, Medina, and other areas that have Arsenic levels that exceed current EPA standards. It is apparent; this entire area needs a remedy to the current water shortages and quality problems in their current ground water supplies.

Funding from the federal Dakota Water Resource Act of 2000 is critical and is needed now to start construction on South Central Regional Water and the North Central Water Consortium Projects. Without federal funding through the MR&I grant program, we will fall in our mission to meet the unmet water needs in this area of North Dakota which equals about one-third of the state.

I need to reiterate that the South Central Regional Water District (formerly Burleigh Water Users Cooperative) is a large established regional water system that has a very successful history in constructing an excellent reliable water distribution system in spite of funding constraints. We are extremely proud of our experienced staff and established track record supplying high quality, affordable water to the existing nine bulk users and more than 2800 rural farms/households in Burleigh County.

The support expressed in SCR No. 4037 will be a great asset to persuade the federal agencies to continue funding rural water projects through the MR&I water supply program.

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10/23/03
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The North Central Rural Water Consortium

A cooperative effort on the parts of:

McLean-Sheridan Rural Water

Central Plains Water District

North Prairie Rural Water

Associate Members:

Mandan, Hidatsa, & Arikara Nation

Spirit Lake Nation

Garrison Rural Water

~ Our Mission Statement ~

**To Generally achieve, more feasible water supply systems.
Working cooperatively, to reach the most efficient goal in
service to our respective customers**

Find us online at – www.ruralwateronline.com/NCRWC.htm

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10/23/03
Date

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9. Project Costs & Timelines
10. Timelines (cont.)
11. Timelines (cont.)
12. Project Service Area
13. Communities exceeding the proposed Arsenic Standard within the Project Area
14. Available Water Resources within the Project Area
15. NCRWC Brochure

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**Testimony of
Rocky Thomas, Secretary
North Central Rural Water Consortium Board
SB 2022
January 21, 2003**

Mr. Chairman, members of the Senate Appropriations Committee, my name is Rocky Thomas; I am manager of the McLean-Sheridan Rural Water System, and I also serve as secretary of the North Central Rural Water Consortium (NCRWC) Board. I have been asked to provide testimony before you today on behalf of the North Dakota Rural Water Systems Association, regarding projects that are ready to proceed if funding were made available through sources such as the Water Development Trust fund. The NCRWC project is just such a venture.

As the information in the hand out you have just received indicates, the NCRWC project is unique in many respects in the state of North Dakota. To our knowledge this project is the first fully organized cooperative effort to fill gaps between existing systems. It is the first project to consider setting system boundaries aside, and utilizing existing infrastructure to its fullest potential, for the benefit of the customer. And, as indicated by Tribal Council, it is the first organized effort to seek long-term working relations with the Three Affiliated Tribes, in serving tribal and non-tribal members outside of the Fort Berthold Reservation. The NCRWC was in fact, recently cited as an example of independent agencies working toward a common goal by Gov. John Hoven in his address at the North Dakota Water Users Convention. And, the NCRWC will soon be featured in a quarterly international publication on Holistic Management, published by the Allen Savory Center.

The NCRWC Project primarily encompasses expansion of three existing rural water systems in central North Dakota. When developed this project will fill the gaps in service areas from Wilton to Carpio, Churches Ferry to Carrington. It will address arsenic problems in the communities of Granville, Karlsruhe, Anamoose and Selz. We plan to assist Pick City, Sakakawea State Park, the Corps of Engineers, and the State Fish Hatchery in meeting surface water regulations. And replace Underwood's water supply which will be lost to adjacent mining activities, acting as a wheeling agent for the city of Riverdale. We plan to provide potable water to an estimated 700 rural homes, farmsteads, and businesses throughout the area, in addition to those we currently serve.

Because the NCRWC project encompasses expansion within three existing distribution systems, a considerable portion of the requirements for environmental assessment and cultural resources surveys have previously been met. Further, there have been numerous studies on portions of this project, and some, but not all, include both cultural and environmental assessment. For this reason the NCRWC project can be ready to move forward on very short notice, given funding.

Our single largest holdup at this point is the limited total allocation of funding available to the Garrison Diversion Conservancy District. Through utilization of funding sources such as the Water Development Trust fund, this project could move forward.

In closing gentlemen, I urge you to review the information you have received in the handout, you will find our website address, where you will find more information regarding our project. And, I urge you to remember that the NCRWC also needs your support for funding at the state level.

~ Board of Directors ~

Ralph Packulak, Chairman - North Prairie Rural Water

Brad Weber, Vice Chairman - Central Plains Water District

Rocky Thomas, Secretary/Treasurer - McLean-Sheridan Rural Water

Justin Andre, Board Member - Central Plains Water District

Blaire Olafson, Board Member - North Prairie Rural Water

Gene Given, Board Member - McLean-Sheridan Rural Water

Alf Dylbing, Alternate Representative - Central Plains Water District

Ronald Opland, Alternate Representative - North Prairie Rural Water

Frank Heinzen, Alternate Representative - McLean-Sheridan Rural Water

~ Associate Member Representatives ~

Texx Lone Bear - Three Affiliated Tribes

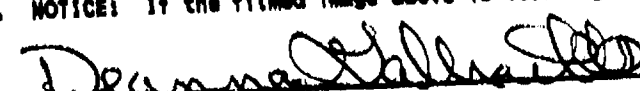
Felicia Felix - Three Affiliated Tribes

Dave Cavanaugh - Spirit Lake Nation

Tim Lingelbach - City of Riverdale

Reginald Rudolph - Garrison Rural Water

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Operator's Signature

10/23/03
Date

North Central Rural Water Consortium

Board Rep	Alternate Rep	Manager Rep
McLean-Sheridan Rural Water		
Gene Goven, Chairman	Frank Heinzen, Vice-Chairman	Rocky Thomas, Manager
1824 - 15 th Avenue NW Turtle Lake, ND 58575	5503 - 16 th Street NW Garrison, ND 58504	McLean-Sheridan Rural Water 987 - 17 th Avenue NW Turtle Lake, ND 58575-9649 Office Phone: 701-448-2686 Home Phone: 701-448-2233 Fax: 701-448-2315 Cell Phone: 701-460-1269 E-mail: msrw@westriv.com
Home Phone: 701-448-2405	Home Phone: 701-743-4469	Cell Phone: 701-460-1269
E-mail: gmkgoven@westriv.com	E-mail: None	E-mail: msrw@westriv.com
		NCRWC Secretary Information Officer

Board Rep	Alternate Rep	Manager Rep
North Prairie Rural Water		
Blaire Olafson, Vice-President	Ronald Opland, Director	Jason Betterley, Manager
7101 - 128 th Avenue NE Glenburn, ND 58740-9566	5315 - 170 th Street SW Des Lacs, ND 58733-9411	North Prairie Rural Water 1225 Hwy. 2 Bypass East Minot, ND 58701-7927 Office Phone: 701-852-1886 Or - 1-800-536-3150 Home Phone: 701-852-4820 Fax: 701-624-0231 Cell Phone: 701-720-4474 E-mail: jasondb@verendryc.com
Home Phone: 701-728-6520 Cell Phone: 701-720-5703	Home Phone: 701-725-4343	Home Phone: 701-852-4820 Fax: 701-624-0231
E-mail: olafson@minot.ndak.net	E-mail: None	Cell Phone: 701-720-4474
NCRWC Vice Chairman		E-mail: jasondb@verendryc.com NCRWC Treasurer

Board Rep	Alternate Rep	Manager Rep
Central Plains Water District		
Brad Weber, Director	Alf Dylbing, Chairman	Ralph Packulak, Manager
1941 - 67 th Avenue NE New Rockford, ND 58356	4985 - 29 th Street NE Maddock, ND 58348	Central Plains Water District P.O. Box 157 Fessenden, ND 58438-0157 Office Phone: 701-547-3751 Home Phone: 701-547-3699 Fax: 701-547-3571 Office E-mail - cpwd@stellarnet.com Home E-mail: packs@stellarnet.com
Home Phone: 701-947-2974	Home Phone: 701-438-2392	Home Phone: 701-547-3699 Fax: 701-547-3571
E-mail: boweber@stellarnet.com	E-mail: None	Office E-mail - cpwd@stellarnet.com Home E-mail: packs@stellarnet.com
		NCRWC Chairman

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Deanna Halverson
Operator's Signature

10/23/03
Date

P.O. Box 2035		3456 East Century Avenue
Jamestown, ND 58402-2035		Bismarck, ND 58503-0737
Office Phone: 701-252-0234		Office Phone: 701-258-1110
Fax: 701-252-0203		Fax: 701-258-1111
Cell Phone: 701-320-2462		
E-mail: darrellh@lcngi.com		E-mail: k_royse@bartwest.com

Associate Members		
Fort Berthold Rural Water	Spirit Lake Rural Water	Mountrail County Rural Water
Texx Lone Bear, Manager	Dave Cavanaugh, Manager	Jack Hanzal, Director
Fort Berthold Rural Water	Spirit Lake Water Management	Mountrail County Rural Water
P.O. Box 399	P.O. Box 187	7110 - 41 st Street NW
New Town, ND 58763-9102	St. Michael, ND 58370-0187	Parshall, ND 58770
Office Phone: 701-627-3410	Office Phone: 701-766-1209	
Home Phone: 701-627-3524		Home Phone: 701-862-3273
Fax: 701-627-4303	Fax: 701-766-4253	
	Cell Phone: 701-230-2794	
E-mail: texx@newtown.ndak.net	E-mail: Davecavanaugh2000@yahoo.com	E-mail: jhanzal@parshall.ndak.net

5/30/2002 Revisions

6

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10/23/03
Date

~ NCRWC Project Highlights ~

Prior to 2000 - both Underwood and Wilton had questioned service by McLean-Sheridan, groundwork for McLean-Sheridan - Phase IV was underway. Interstate Engineering was asked to prepare a Preliminary Engineering Report on the Project.

Spring 2000 - McLean-Sheridan Phase IV was introduced to MR&I per written notification.

Summer 2000 - Project presented the MR&I Committee, with statement request for funding would be soon forthcoming.

The Preliminary Engineering Report was finalized, and presented the McLean-Sheridan Joint Water Resource Board for review and approval. Shortly thereafter

Fall 2000 - Preliminary Engineering Report and request for funding was submitted MR&I

Meetings began with the Cities of Underwood, Wilton, and Benedict
Public meetings began with Brush Lake Cabin Owners Association

Spring 2001 - Canvassing began, renewed efforts in public meetings throughout the summer, holdings meetings in Max, Benedict, Butte, Drake, and Anamoose. Many of these locations 3 and 4 meetings were held. Meeting with the Cities continued.

Summer 2001 - Decision was made was made to extend canvassing efforts to include the undeveloped territory North and West of Garrison.

Fall 2001 - Numbers indicated need for alternative methods to address the rural needs of the Benedict/Max Douglas area. Feasibility was found very questionable from McLean-Sheridan's end. North Prairie was approached about serving this area.

Central Plains was contacted about void existing between the two systems and working to fill that gap in service territory.

At this time both North Prairie and Central Plains indicated they would like to pursue filling gaps existing on the opposite sides of their systems, and discussions ensued on how best to go about that.

Dec. 2001 - North Prairie was unable to attend First Meeting due to problems on the system.

Jan. 2002 - Second meeting was scheduled North Prairie Rural Water's Office, morning of derailment! Rescheduled!

Jan. 2002 - Core group finally all got together to discuss what Direction we wanted to go. Looked at inviting the Tribes to secure water in outlying areas of questionable capacity.

Jan. 2002 - Meetings with MR&I and USDA- Rural Development to determine if we could pull this off.

- Feb. 2002 -** Meeting of all parties interested. 18 – 20 in attendance. Tribes indicated they were interested in Associate Membership only at this time.
- Mar. 2002 -** First official meeting, Consortium Established, met with Legal Counsel requested he begin work on Articles of Incorporation, By-Laws, Etc.
- Request was presented to roll the McLean-Sheridan Phase IV Project into the Consortium Project. Approval was verbally granted.
- April 2002 -** Business as usual.
- May 2002 -** Met with the Bureau of Reclamation, Rural Development, and the State Water Commission. Everything was a go, simply had to comply with BOR specs on Environmental and Cultural review and assessment.
- June 2002 -** State Water Commission questioned procedures on NCRWC requests for amended budget. Back to square one! In meeting with Dale Frink, Dave Koland, and Warren Jamison we were essentially told we had to start over.
- Legal opinion offered on our position as requested.
- Review of Language in contained in the New Farm Bill.
- July 2002 -** Reports on Benson Rural Water Project were supplied us. Portion of the Benson Project allocated Central Plains was approved for funding and construction at the time of the report, the other two portions were phased. The Portion allocated to Central Plains is the only remaining phase not developed.
- Phase IV Preliminary Engineering Report Amended to include Consortium Data.
- Aug. 2002 -** Preliminary Engineering Report presented MR&I and SWC Staff. Response was there are no funds for construction, and they would not recommend for approval a time sensitive study, that would be shelved for 5 years, and have to be redone.
- Answers to that problem having been offered, we were confronted with proposal that all potable water project studies be included in our study within the Project Area, where any other studies might be present. Cause for this action was stated to prevent MR&I from having to study multiple studies to determine which was feasible. Likewise it was suggested that if we were to be considered for funding that Garrison Rural Water must involved in the Consortium.
- Sep. 2002 -** Meeting with GRW, they'll get back to us. Funding is otherwise put on hold. Implementation of Political Action Plan.
- Nov. 2002 -** GRW finally submits letter indicating acceptance of Associate Membership.
- Dec. 2002 -** Natural Resources Committee of the Three Affiliated Tribes offers resolution to enter long term working relations with the NCRWC.

North Central Rural Water Consortium

Projected Costs as of 14-Jan-03

Completion of Feasibility Study	\$ 80,000
Cultural Resources Class I	\$ 50,000
Phase I (Additional Users within Existing Service Areas	\$ 3,000,000
Phase II Area 1	\$ 6,000,000
Phase III (Water Treatment Expansion)	\$ 2,000,000
Phase IV Area 2	\$ 3,500,000
Phase V Area 3	\$ 6,400,000
Phase VI Area 4	\$ 2,600,000
Total	\$ 23,630,000

Per the NCRWC Project Timelines that follow, the standard review periods typical of the Bureau of Reclamation were used in calculation, if the Bureau could be convinced to expedite review, timelines on the project could be shortened, considerably.

It should further be noted that if the Feasibility Study for this project were funded today, through utilization of either State or Federal Funds the Timelines for the project could be moved forward 4 months as well.

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Deanna H. H. H.
Operator's signature

10/23/03
Date

Month	TASK
	Canvassing of Interested Parties Ongoing for the Last Year
Start	Approval of North Central Rural Water Consortium Feasibility Funding
1	Cultural Class I Inventory Search Begins Public Meetings Initial Loan Finance Coordination Meeting
2	Submit Draft Feasibility Study for comments Public meetings conclude Finalize Pipeline Layout Complete Cultural Class I Inventory & Report
3	Submit Feasibility Study for Approval BOR starts Environmental Assessment Process Complete Interim Finance Applications
6	NEPA Documents from BOR Obtain Loan Finance Approval Phase I Design begins (Users within the existing service areas) Cultural Class III (if necessary) Phase I complete Phase II Design begins (Area I Expansion) Phase I Easements begins Phase II Easement begins
7	Submittal of Phase I Plans and Specifications to BOR for Approval Cultural Class III Phase II complete
8	Submittal of Phase II Plans and Specifications to BOR for Approval
9	Advertise for Bids Phase I

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Deanna G. H. [Signature]
Operator's Signature

10/23/03
Date

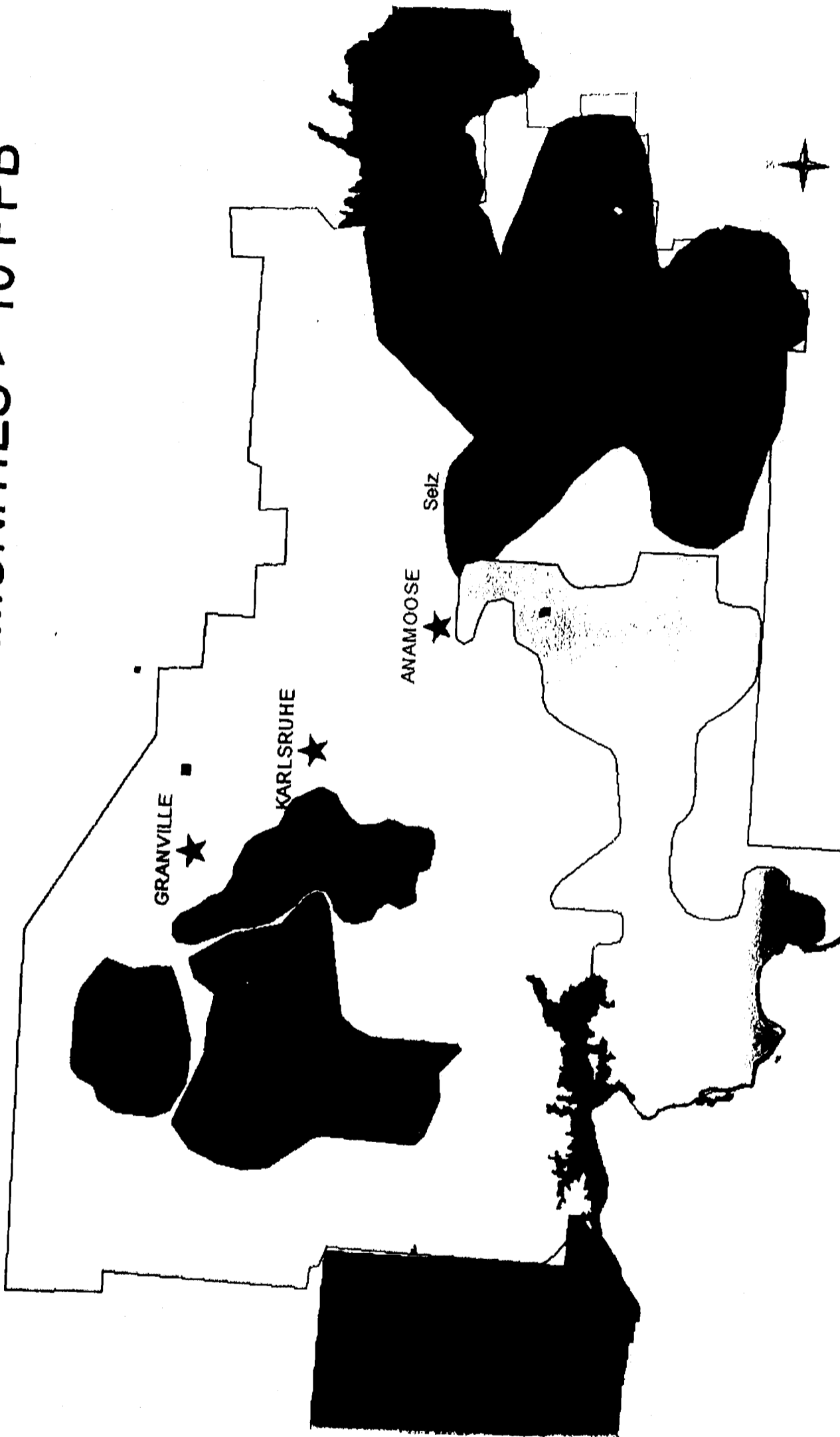
10	Open Bid for Phase I	
	Phase I Contracts	
	Advertise for Bids Phase II	
11	Open Bid for Phase II	
	Phase II Contracts	
12	Phase I Construction Begins	
13	Phase II Construction Begins	
14		
15		
16	Phase I Construction Begins	
18	Phase I Construction Completed	
25	Phase II Construction Completed	
26		
27		
28	Phase II Construction Completed	
31		
	Note: Two areas exist for compression of the time line.	
	1. Cooperation of the BOR of Review periods.	
	2. Completion of the Feasibility Study prior to the end of the Bi-ennium	

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Dennis H. H. H.
Operator's signature

10/23/03
Date

NCRWC ARSENIC COMMUNITIES > 10 PPB

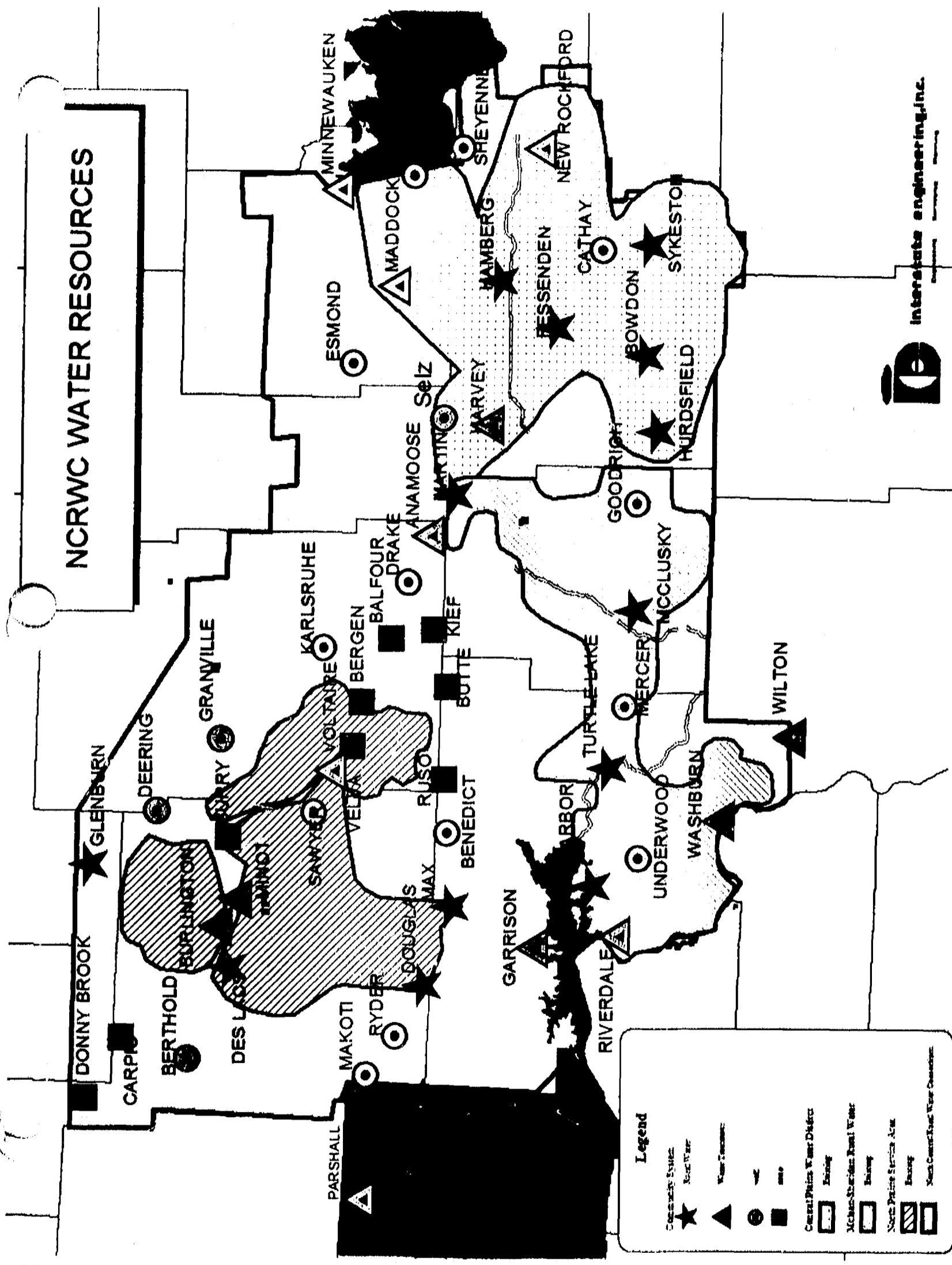


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NCRWC WATER RESOURCES

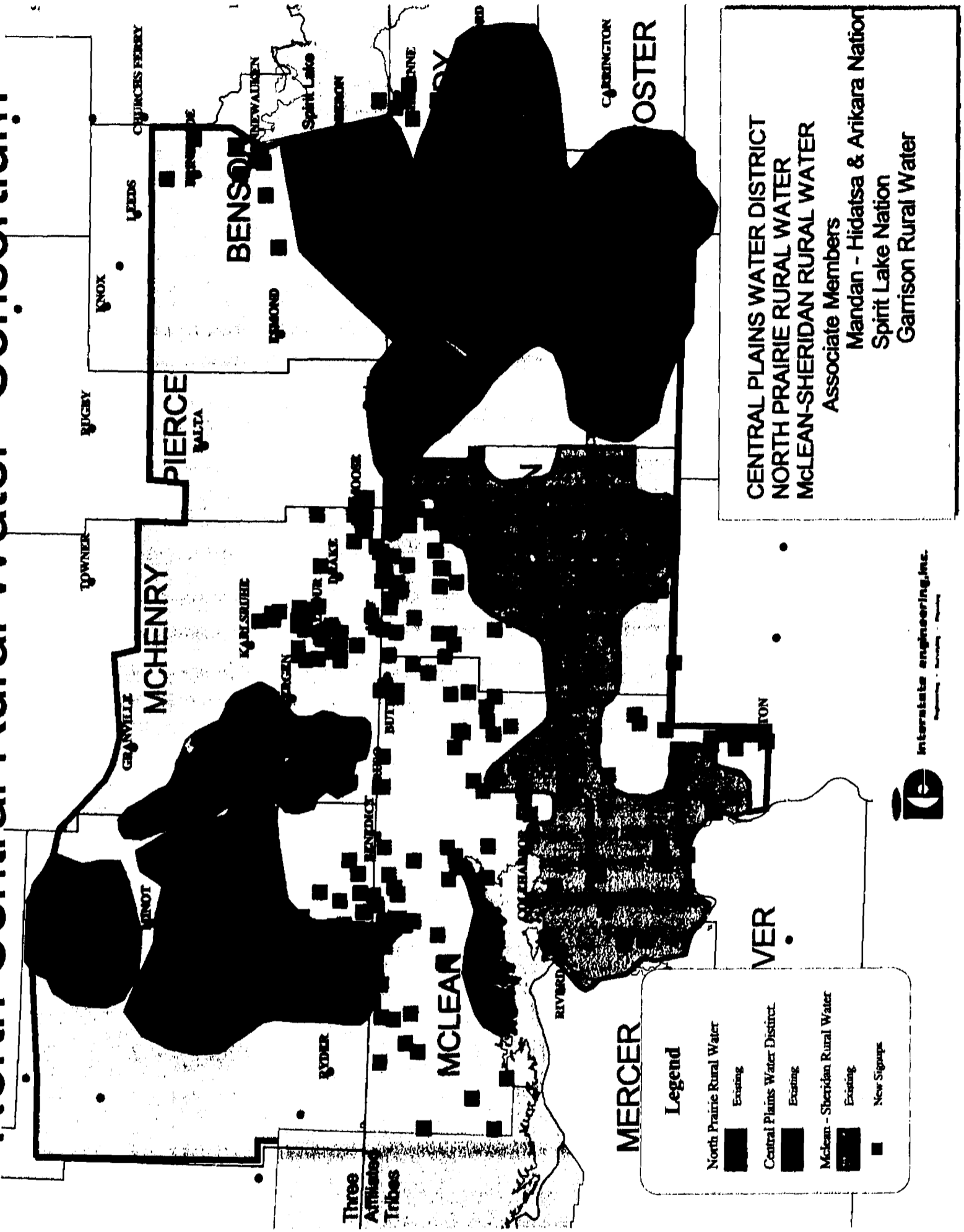


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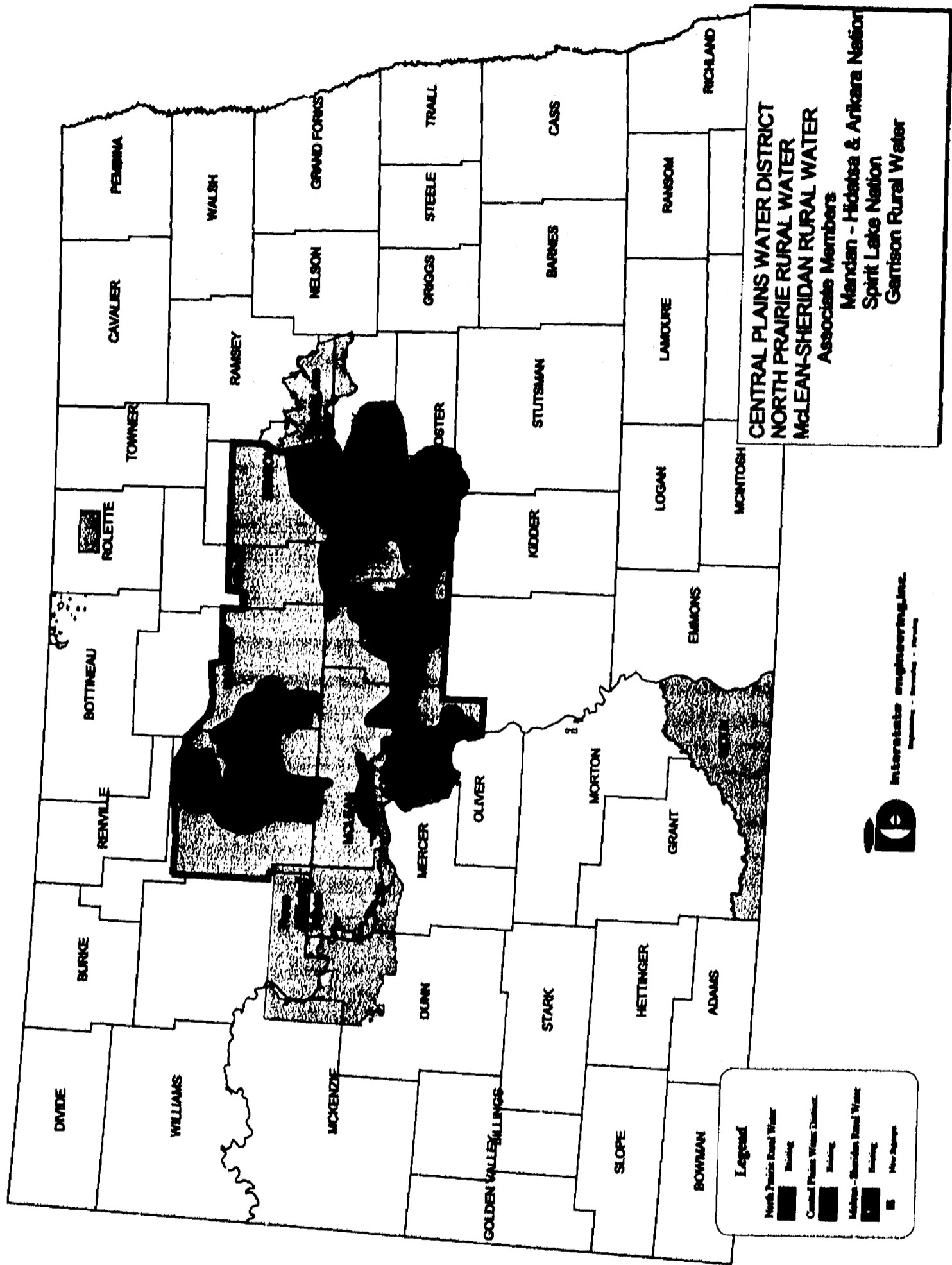
North Central Rural Water Consortium



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Deanna Talbot
 Operator's Signature 10/23/03
Date

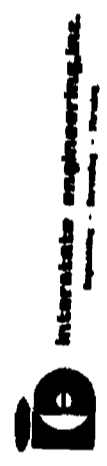
North Central Rural Water Consortium



Legend

- North Prairie Rural Water (stippled)
- Central Prairie Water District (cross-hatched)
- McLean-Sheridan Rural Water (solid black)
- Water Right

CENTRAL PLAINS WATER DISTRICT
NORTH PRAIRIE RURAL WATER
MCLEAN-SHERIDAN RURAL WATER
 Associate Members
 Mandan - Hidatsa & Arikara Nation
 Spirit Lake Nation
 Garrison Rural Water



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Deanna Kallala
 Operator's Signature

10/23/03
 Date

North Central Rural Water Consortium

A cooperative effort on the
parts of

McLean-Sheridan
Rural Water
Central Plains
Water District
and
North Prairie
Rural Water

Our Mission Statement

To generally achieve, more
feasible water supply systems.
Working cooperatively,
to reach the most efficient
goal in service to our respective
customers.

Find us on the Web at
www.ruralwateronline.com/NCRWC.htm

The NCRWC is about cooperating for the benefit of those we serve, and in that process it's about working together toward more feasible water supply and distribution systems. It is about filling the existing gaps between the participating systems and those systems surrounding us. It is about prudent management of all available funding. And, it is about setting system boundaries aside between member systems to accomplish these goals whenever and wherever necessary.

The NCRWC will strive to keep costs affordable to our users by utilizing existing facilities to the fullest extent possible, wherever the needs of those requesting new production and/or distribution facilities in a given area, the NCRWC will review and assess the existing facilities in the area, and use existing member services, or contract with non-members to provide those services to our customers.

This will result in more cost efficient operations, and thus a more affordable rate to our customers. Likewise it will lower the costs of the project overall, and afford the funding agencies the most prudent management of available funds possible.

If this means another system serves users signed up by a member system, we're all for it! Be they members of the NCRWC, or not. Our goal is to provide service to the prospective customer at the most affordable rate possible, and at the same time offer the funding agencies the best deal for their funding dollar. We are committed to that goal, even if it means giving up connections to another system.

We as a group, feel it is our responsibility to set the standard for the way things should be done in funding such projects in the future, and in that we will strive to present an example to all systems in the Great State of North Dakota.

Interstate Engineering, Inc.
Engineering - Surveying - Planning

Q: Is this a Merger?

A: No, it is not. Each Member System will retain their separate Identity. The NCRWC is simply a mechanism to accomplish our respective goals in expansion, in the most feasible manner. We simply feel that we can accomplish a great deal more for the surrounding area working cooperatively, rather than competing against each other.

Q: Who are the NCRWC members?

A: Member systems include - Central Plains Water District - Fessenden; North Prairie Rural Water - Minot; and McLean-Sheridan Rural Water - Turtle Lake. Associate Members are - The Three Affiliated Tribes and Spirit Lake Nation.

Q: What is the role of the Associate Members?

A: The Associate Members have agreed to sell Member Systems water from treatment plants on the reservation to serve customers outside of the reservations, rather than our having to duplicate these facilities.

Q: What is the political make up of the NCRWC?

A: Central Plains is a Water District, North Prairie is a Non-Profit, and McLean-Sheridan is governed jointly by the Water Resources Boards of McLean and Sheridan Counties. The NCRWC is established as a Non-Profit Corporation.

Q: Who are the Board Members?

A: The NCRWC Board is comprised of Board Members and Managers of the three member systems. The respective Boards felt, given the complexity of the venture upon which we were about to embark that the Managers' knowledge of the systems was necessary. Each system also appointed an alternate Board Representative and By-Laws were established in such fashion so as to allow additional member systems.

Q: What other benefits might be seen?

A: The three Member Systems have already discussed, contingency connections to allow another system to serve portions of the neighboring system during outages, where feasible. Likewise discussion has been entertained in respect to shared manpower, essentially hiring one employee to work a given distribution area, irrespective of which system's facilities he might be working on in any given day.

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Operator's Signature

10/23/03
Date

Project History

The North Central Rural Water Consortium's inception began in McLean-Sheridan's efforts toward "Phase IV" Expansion. As indicated on the map at right, over 200 rural connections signed up for the Phase IV project. Likewise the communities of Underwood, Wilton, Anamoose, and Benedict, committed to McLean-Sheridan's Phase IV Feasibility Study.

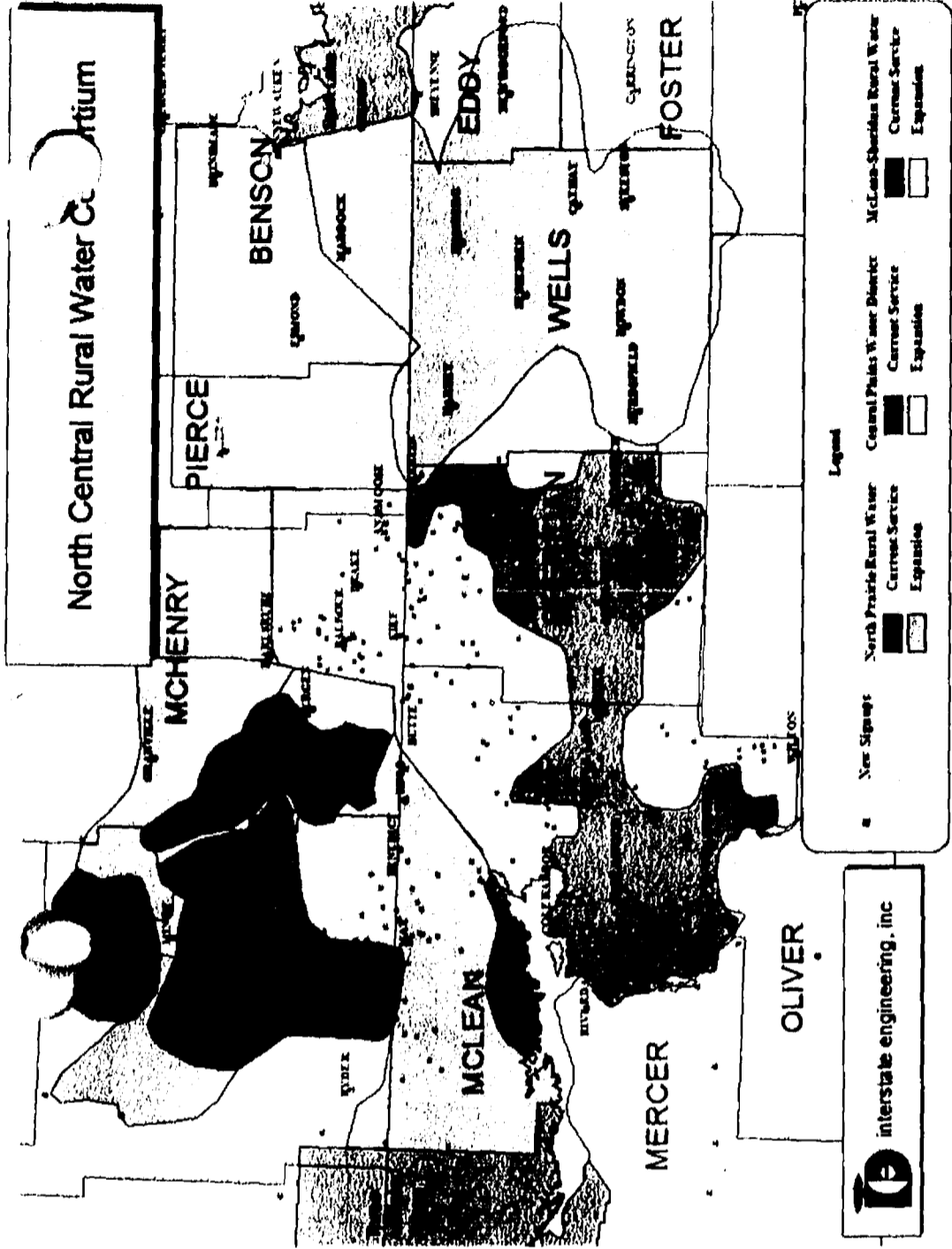
The Benedict area presented a challenge in the project, in that although user density was good in the immediate area, little interest was found in route from the source. This resulted in a user density of 3.5 miles per user, and in turn drove user density on the project overall to 2.8 miles per user.

In attempting to overcome this hurdle, McLean-Sheridan approached North Prairie Rural Water about assuming these connections, tying them into existing NP lines in the Max area. Assuming the new service lines could be constructed under McLean-Sheridan's project grants, North Prairie agreed. North Prairie also had plans for expansion in the rural Minot area, and when the numbers found there were combined with those in the Benedict area User Density dropped from 3.5 miles per user, to less than 3-4 mile. And, in turn, by removing the Benedict area from McLean-Sheridan's project, density on the remainder of Phase IV dropped to 1.8 miles per user as well, thus presenting each system with a more feasible project. McLean-Sheridan's project density was greatly enhanced, and North Prairie benefited from grant funds in expansion to the Benedict area.

Likewise, looking at the gap in coverage existing between the McLean-Sheridan and Central Plains systems, cooperative efforts were entertained to fill the gap there under McLean-Sheridan's Phase IV Project. Again, discussions ensued between the system managers to determine Central Plains needs, and Central Plains indicated their needs were far more extensive, that they would like to develop the remaining portion of the former Benson Rural Water Project, serving roughly 150 rural homes, and the City of Minnewauken. It was suggested in this meeting, that the 3 systems work together and seek funding as one large project.

In that North Prairie and Central Plains needs were very real, and existed primarily outside of what would be considered plausible as a part of the McLean-Sheridan Phase IV Project, the Consortium concept afforded a means too address the other systems needs. Discussions continued between the system managers, and the concept was presented the respective Boards. Each Board felt it in their system's best interest, to participate.

There remained however, some territory on the outer perimeters of the combined distribution area, where providing service would be difficult. In viewing available resources, the Fort Berthold and Spirit Lake water systems appeared to provide the simplest options in securing service for those customers.



interstate engineering, inc

Find us on the Web at:

www.ruralwateronline.com/NCRWC.htm

It was thus decided, to approach the Tribes about the Consortium efforts. In discussions with the Tribal Entities, both indicated that because their funding came from a separate pool, full membership was likely not of benefit to them. Both were however, very much interested in potential sales outside of the reservations and agreed to sell water to the Consortium Members, to serve the areas in question. In wishing to remain informed of all happenings on the NCRWC, for planning of their own projects, the tribes requested Associate Membership.

Diversity in governance of the three member systems presented a minor challenge, and Non-Profit status was dictated as our only means of combining the three agencies. The NCRWC was certified a ND Non-Profit Corporation, by the Secretary of State's Office, April 29, 2002.

In summarizing what we hope to accomplish, the communities of Granville, Karlsruhe, Anamoose, and Selz each face violation of the new Arsenic standard. Wilton has an aging treatment plant, in need of major renovation, while surface water has encroached upon their wellfield, rendering part of their wells unusable at this time. And, Underwood faces loss of their water supply to coal mining activities of the Falkirk Mine, in the very near future. The NCRWC project will address the needs of each of these communities, and we anticipate, provide service to 600+ rural households throughout 7 counties in Central North Dakota. The members' distribution systems will cover approximately 10% of the entire state of ND. The NCRWC is the way of the future; in developing and sharing our resources responsibly.

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Operator's Signature: *Deanna D. [Signature]* Date: 10/23/03

Testimony on: SCR NO. 4037

Hearing Date: March 27, 2003

**By: DOUGLAS NEIBAUER, EXECUTIVE DIRECTOR
SOUTH CENTRAL REGIONAL WATER DISTRICT**

The concept of South Central Regional Water System was developed to fulfill a goal in the South Central Regional Water District's Strategic Plan. Goal one of the plan is to "Develop and implement a system expansion plan to serve the unmet water needs of the counties in South Central North Dakota".

A Feasibility Study has been completed for the South Central Regional Water System Project and an application has been submitted to the Municipal, Rural & Industrial (MR&I) water supply program for a 70% grant and we will be applying for loans to construct the system through USDA RUS and EPA for 30% of the project cost. As you may know, the federal Office of Budget & Management is currently scrutinizing funding of rural water projects through the Bureau of Reclamation. There is an active campaign in four states hoping to convince the federal government to restore money in the federal budget for rural water projects in 2004 and beyond.

The South Central Regional Water System will provide an affordable, high quality and reliable water to the existing 3096 farms/rural households in Burleigh County, to over 1600 new rural customers and ten (10) municipalities that made application for service in the five county area consisting of Burleigh, Emmons, McIntosh, Logan and Kidder Counties. The municipalities that have the potential to receive bulk water through this project are Ashley, Braddock, Hague, Hazelton, Linton, Napoleon, Strasburg, Venturia, Wilton and Wishek.

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Douglas Neibauer
Operator's signature

10/23/03
Date

(Page 2 SCR No. 4037 testimony by Douglas Nelbauer)

The project has the promise to help stimulate growth and economic development in South Central North Dakota, an area that is currently battling a severe drought that has depleted water sources in many areas. This project will be the answer to EPA's concern for arsenic in community water supplies that include the cities of Strasburg, Tappen, Pettibone, Medina, and other areas that have Arsenic levels that exceed current EPA standards. It is apparent; this entire area needs a remedy to the current water shortages and quality problems in their current ground water supplies.

Funding through the federal legislation of the Dakota Water Resource Act of 2000 is critical and is needed now to start construction on South Central Regional Water and the North Central Water Consortium Projects. Without federal funding through the MR&I grant program, we will fail in our mission to meet the unmet water needs in this area of North Dakota which will provide regional water to about one-third of the state from these two projects.

For record South Central Regional Water District (formerly Burleigh Water Users Cooperative) is a large established regional water system that has a very successful history in constructing an excellent reliable water distribution system in spite of funding constraints. We are extremely proud of our experienced staff and established track record supplying high quality, affordable water to the existing nine bulk users and more than 2800 rural farms/households in Burleigh County. We want to extend this valuable resource to the remainder of South Central North Dakota.

The support expressed in SCR No. 4037 will be a great asset to help persuade the federal agencies to continue funding rural water projects through the MR&I water supply program for North Central Water Consortium & South Central Regional Water projects.

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Deanna Hallen
Operator's Signature

10/23/03
Date

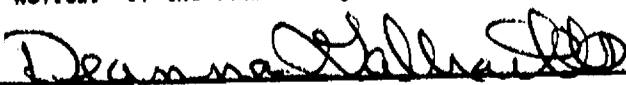
Testimony before the House Natural Resources Committee on SCR 4037

March 27, 2003

Mr. Chairman, members of the House Natural Resources Committee, my name is Daniel Rouse. Many of you know me in my capacity as Legal Counsel to the State Tax Commissioner. However, today, I am here before you (on a break) in my capacity as a rural Bismarck resident, and as Vice President of the Board of Directors of the South Central Regional Water District, formerly known as the Burleigh Water Users Cooperative. The South Central Regional Water District is one of the two entities covered by this resolution and whose continued and expanded delivery of good, clean water is vital to the future of North Dakota. I ask for your support of SCR 4037.

I am fortunate to be a member of a forward-thinking water district which has recently completed a long-range business plan for growth within south central North Dakota. One of the major focus areas of our business plan was to identify and ensure that communities in the south central region of North Dakota - which we could realistically service - were given the same opportunities for safe, clean drinking water that others within the rural Bismarck area we presently serviced were enjoying. We see this initiative as necessary for those citizens to maintain their lives, families, and legacies in the many farms and communities that are now at increasing risk of personal harm due to, among other factors, the high arsenic levels. We also saw this as an excellent tool for economic development - both in terms of the project necessary to get the water to the people as well as in the value-added benefit those communities would enjoy from the delivery of safe drinking water for personal and business use.

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However, we are not there yet. We need the support of this legislative body, the executive branch of our state government, and the federal government in order to deliver the water those communities need.

As an aside, I am also a reserve judge advocate in the United States Air Force. While I function mostly as a preliminary judge, my military travels and training have nevertheless reinforced my growing awareness of the increasing global dominance of the issue of potable water. In the future, it will not be unheard of for countries to more aggressively compete for, and quite possibly go to war over, access to safe, drinkable water. While I do not anticipate North Dakota going to war with Canada, Montana, or even South Dakota over water rights, my point is that potable water will only increase its role globally as a major factor influencing the quality of life for those who benefit from its access. Our efforts within the South Central Regional Water District are directed toward assuring that resource is made available to our citizens.

Mr. Chairman, members of the House Natural Resources Committee, I strongly urge you to support SCR 4037. This resolution is a step toward improved quality of life for North Dakotans, increased economic development, and an investment in our future. I would be happy to respond to any questions. Thank you.

SCR 4037
Testimony of Rocky Thomas
Natural Resources Committee Hearing
3/27/03

Mr. Chairman, members of the Natural Resources Committee, my name is Rocky Thomas; I am manager of the McLean-Sheridan Rural Water System and I serve as Secretary/Treasurer of the North Central Rural Water Consortium Board. I am here today to speak on the NCRWC's behalf, and request your support for Senate Concurrent Resolution 4037.

From its meager beginning as expansion of the McLean-Sheridan system, the NCRWC project has grown to encompass expansion of 3 existing rural water systems in central ND. When developed this project will fill the gaps in service areas from Wilton to Carpio, to Churches Ferry and to Carrington. The NCRWC project will address Arsenic problems in the communities of Granville, Karlsruhe, Anamoose, and Selz. We will assist in serving the needs of Pick City, Sakakawea State Park, the Corps of Engineers and the Garrison Dam Fish Hatchery, in meeting surface water regulations and replace Underwood's water supply which will be lost to adjacent mining activities, acting as a wheeling agent for the City of Riverdale. When completed the project will provide potable water to an estimated 700 rural homes, farmsteads, and businesses throughout the area, in addition to those currently served by the three systems.

The NCRWC project is unique in many respects in the State of ND. It is to our knowledge the first fully organized cooperative effort to fill gaps between existing systems. It is the first project to consider setting system boundaries aside, and utilize existing infrastructure to it's fullest potential, for the benefit of the customer. And, according to Tribal Council it is the first organized effort to seek long term working relations with the Three Affiliated Tribes.

The Consortium Project has many worthy aspects, however funding has presented a monumental hurdle to date. While the project was initially coming together as McLean-Sheridan Phase IV, the Dakota Water Resources Act was approved, and the outlook for this project, like many others, was very good. As you are all no doubt aware, the tragic events of September 11th, 2003, curtailed much funding at a federal level, MR&I funds for such projects; the Dakota Water resources Act, were amongst those hit.

The NCRWC persisted in our effort to move forward, utilizing this delay to regroup and strengthen our position. We have come a long way in a very short time. Again however, we are confronted with bleak news in respect to funding; recent news of Bureau of Reclamation funding for the MR&I program being cut, places this project in great jeopardy. We feel the project may ultimately be forced to seeking direct appropriations from the federal government, and should that come pass, we will no doubt need your vote of support on the state level.

Recognizing similar needs and a similar position in our neighbor's part to the south, SCR 4037 was drafted to lend your needed support, to the South Central project as well. Your vote in support of this resolution will simply state that you believe the residents of Central North Dakota are entitled to safe clean drinking water, and the better way of life afforded in having such. As a matter of record the counties served by these two projects include: Ward, McHenry, Pierce, Benson, Wells, Sheridan, McLean, Burleigh, Logan, Emmons, Kidder, McIntosh, and portions of Eddy, and Foster.

In closing Gentlemen, I urge you to review the information you have received in handout, therein you will find our website address, where you will find a great deal more information regarding our project.

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