

2009 SENATE NATURAL RESOURCES

SB 2336

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2336

Senate Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 6, 2009

Recorder Job Number: 8898

Committee Clerk Signature



Minutes:

Senator Lyson opened the hearing on SB 2336, relating to the duties of the State Water Commission.

Senator Fischer introduced the bill. This bill's intention is to dissolve the Garrison Conservancy District. I felt this bill should be brought forward for a number of reasons, whether or not it stays in its form. There are several examples that have bothered me throughout the last few years about the exact role Garrison is playing in projects other than the Red River Valley water supply project. I have an article from the Steele County Press (see attachment #1) which is a concern to me. I think there is a misappropriation of funds here and I feel that some accountability needs to be initiated. I have an amendment that I am willing to offer. It does not dissolve Garrison, but puts it under the purview of a legislative committee which is actually much the same as the old Garrison overview committee that the legislature used to have. We had a problem with attendance with that because it was a statutory committee much like this one except it had people who were appointed for their position rather than for their willingness to participate. It has been changed in section 1 54-35-02.7.

Senator Lyson Is this a hog house bill?

Senator Fischer yes, the old bill is out and this will be the new bill.

Senator Triplett in section 2 of the proposed amendment you are requiring a study, but I don't see that there is any appropriations. Are these engineering firms willing to participate at no charge?

Senator Fischer it would be my intent that the conservancy district would pay for those engineering fees. The Conservancy District is already a client of one of the engineering firms and I know the firm and the employee involved in it and I can't see it being an issue.

Senator Schneider haven't we already spent about \$20,000,000 studying this issue?

Senator Fischer the problem is how much of it has been shared with the constituents in detail. I would like to have the information tighter than that so we know exactly where we are going and what we are doing.

Robert Thompson, member of the State Water Commission, spoke in favor of the bill. If you are not going to pass the bill I would be in favor of the amendment. I have ten concerns. I think we need to eliminate the middle man. Instead of running Garrison through a political subdivision we need to run it as a state project. If we are going to have a mill levy it needs to be paid by all the counties in the state. There are a lot of funds that are received by the MR&I funds and they aren't paying the mill levy. It isn't a fair system and some of the money doesn't go for water. The board members could work as a subdivision of the State Water Commission. They could extend the number of board members to eleven. I guess I don't to eliminate people just trying to have a central place where the buck stops so this project will move forward. Why do we have a mill levy? There is no record of discussion. There should have been on the Garrison Diversion. I think the Garrison Diversion name is bad. When congress sees the name they think of environmentalist's when they went up to Canada. It needs to be something like Eastern Dakota Water Supply. If you do change it you will have to hold the State Engineer's Office to a higher level and put in some higher caliper people that will make this project fly.

Mike Dwyer, North Dakota Water User's Association, (see hand out #3). I want to explain what you as legislature have set up in North Dakota in terms of water development and water maintenance so we have an understanding of the role Garrison plays in North Dakota.

Senator Lyson are you opposed to the second section of the amendment?

Mike Dwyer I think the first section is an outstanding idea. We would be more than willing to work with a legislative group to ensure that there is a clear understanding on what is happening in the water community. The only concern I have is that we have the environmental impact statement done and we are ready to go to congress. We don't have the record of decision, but we can go to congress without it.

Senator Lyson wouldn't you agree with section 2 of the amendment if we could get better or more information out of the study?

Mike Dwyer referred the question to another speaker.

Senator Hogue a previous speaker testified that the district was an unnecessary intermediate level of political subdivision. Can you explain why the Conservancy District could do a better job than the State Water Commission?

Mike Dwyer there is an elected official from each county so you have that local connection through the Conservancy District. In the Water commission you have seven appointed members from around the state. They do not really represent a county; they are state wide policy makers. All the irrigation components are more regional in nature. The water commission addresses state policy and allocates the state's funds. This regional entity carries out all those duties that are mentioned there. There are some things that could not be accomplished at the state level.

Senator Schneider I am concerned that by eliminating Garrison as the middle man we would be eliminating the local control and representation. If we were to eliminate Garrison how would we ensure that local input would be heard on these major water projects?

Mike Dwyer that is why I think it is so important that we keep it. The water commission even said that they would prefer to have this regional authority managing that project.

Dave Koland, General Manager of the Garrison Diversion Conservancy District, spoke in opposition to the bill (see attached testimony #4).

Senator Lyson How do you feel about the amendment?

Dave Koland we have no problem with the first section of the amendment. The overview committee is the overview of the project. We do not support section 2. We have been down that road a lot of times to provide the answers and try to find the best possible project we can do. I am willing to do what he is asking. I am willing to get the engineering firms to come in to explain everything. We just can't stop the project for a couple of years while we do studies that have already been done.

Senator Erbele I see the label of this book says Final Environmental Impact Statement for the Red River Water Supply Project. What is that telling us? Is it done? What is the end result and what do we do with it?

Dave Koland the State of North Dakota made their decision on the alternative that they would like to have for supplying eastern North Dakota in 2005. That is documented in the packet I handed out (see attachment #4D).

Senator Hogue the purpose of the bill is to ask whether the district needs to go on. Can you explain why we couldn't broaden the membership on the State Water Commission and eliminate the district?

Dave Koland I would never argue that the Water Commission couldn't do it. The best way to have good sensible water development is to have local projects sponsored by a local entity. That is the District's role.

Curt Kruen, Grand Forks City council and Director on the Lake Agassiz Water Authority Board, spoke in opposition to the bill (see attachment #5). I have two years put into the planning of the project and we have had disagreements. Once you get through those disagreements you will end up with the best plan. This plan is not the most expensive but it is the best plan.

John Leininger, Chairman of the Garrison diversion Conservancy District Board of Directors, Spoke in opposition to the bill (see attachment #6). I am in favor of section 1 and opposed to section 2.

Senator Hogue the district consists of twenty-eight counties and I was wondering if you could explain to us if you make up subcommittees within the twenty-eight counties or do you work as a whole?

John Leininger within our twenty-eight board members we also have committees that deal with the different areas. When we look at projects and there is money proposed or proposed to be expended the full board makes the decision.

Roger Bischoff, Valley City, testified in opposition of the bill (see attachment #7).

Ken Vein, Grand Forks Representative on the garrison Diversion Conservancy District, spoke in opposition to the bill (see attached testimony #8).

Senator Lyson when this study is all done and you are ready to take it to the federal government; does your plan come back to us as a legislature to approve it?

Ken Vein to the best of my knowledge it does not come back to the legislature. The district has represented the state and we have worked through the governor's office and he has declared

this as the preferred alternative and has been endorsed by the Bureau of Reclamation. With the endorsement we have been able to do the environmental impact statement.

Senator Schneider If we were to abolish the Garrison District or under take another study what kind of effect would it have on the federal delegation's ability to find financing for this massive water project?

Ken Vein the process has been laid out in the Dakota Water Resource Act and we have been following that process. The needs and options in the environmental impact statement were all specific things necessary to get us to this point. To retreat at this point in time, I can only imagine it will delay the ability to continue the project forward at the pace we are now.

Ken Rorse, Board Member of the Garrison Diversion Conservancy District, spoke in opposition to the bill (see attached testimony #9). I agree with section 1 and oppose section 2.

Norman Haak, Board Member of the Garrison diversion Conservancy District, spoke in opposition to the bill (see attachment #10). I am in favor of having the overview committee back but I do not oppose the section 2 on the amendment.

Dave Koland handed out testimony for William Ongstad who was not able to make it (see attached testimony #11). He also handed out testimony for David Johnson who was not present (see attached testimony #12).

Joe Belford, Ramsey County Commissioner, I think the Garrison overview committee is a very good idea. I think this will clear up a lot of the questions. I believe education is a very important factor in this process because a lot of the commissioners know very little about the Garrison Conservancy District. I remain neutral on section 2 because I have a major project of my own that I need to worry about.

Senator Hogue the prime sponsor of the bill handed out a news article earlier. I would like to have Mr. Koland address that.

Dave Koland That was not our grant. We have given money to Steele County through the years, but the money has all gone to the Golden Lake multi youth facility. There is a recreational area on Golden Lake ,which is a relatively small lake, which gets a lot of use throughout the county. Any kind of funding like this type would not qualify under the guidelines we have on our recreational program. They have the 25% cost share right, but there must have been some confusion when they were writing their article.

Robert Thompson I did not read section 2 when I said I support the amendments earlier. Section 2 is not the preferred alternative and the State Water Commission along with the Garrison Conservancy District are working together and have unanimously approved the preferred option and that is what the record of dissension is for. I do not concur with section 2, but I do concur with section 1.

Senator Lyson Closed the hearing on SB 2336.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2336

Senate Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 6, 2009

Recorder Job Number: 8899

Committee Clerk Signature



Minutes:

Senator Lyson opened the discussion on SB 2336, relating to duties of the State Water Commission. One of the reasons that the overview board stopped was that they never made the effort to show up for the meetings.

Dave Koland that is just about right. The overview committee was composed of leadership and they finally asked why they were doing it. So then they turned it over to the legislative council. The legislative council assigns the overview function to an interim committee.

Senator Erbele in Norman's testimony he talks about giving money to NDSU. Why do you do that?

Dave Koland each subcommittee tells the board what our accomplishments are each year and we set our work plan. We have one mill to advocate for the Garrison Diversion unit and irrigation is part of that. We use some of that mill to fund irrigation specialist who is through NDSU. The Oaks test area is a bureau project, but NDSU has a research site down there and we provide funding for part of that. Within our board the Agriculture committee has a budget each year that they allocate the money and determine where it would best be spent. We have a five year agreement with NDSU now to fund those positions.

Senator Schneider it seems like we know the answer from the studies. It has been studied to death and I am uncomfortable studying this any further especially since there have been \$20,000,000 and thousands of hours have already been spent on this.

Senator Triplett can someone briefly summarize the question that I had asked regarding where the money comes from or how much money would be involved in doing a study of this sort?

Dave Koland he wanted to have Houston Engineering come to an overview committee and discuss what they had learned in their study already. He also wanted the Garrison Diversion to pay that. I told him I was willing to do that. Because we are a governmental agency we had to go out at the end of the EIS process and advertise for and select a new engineering firm.

Senator Triplett so you are agreeing with Senator Fischer that is a minor study we are looking at?

Dave Koland I told him I was a supporter of the bill if you take section 2 off and we will bring the engineers in to a committee.

Senator Triplett I hear you say you want section 2 to come off the bill, but yet you are also ok with the study that is required in section 2. Can you explain?

Dave Koland if you read the bill literally it sounds like they want us to hold everything for two years and then go back and let the legislation examine this option. To me it sends a terrible message. We have already sent our decision forward. The department of interior has formally made a decision and now we are in Congress and the delegation is tasked with securing our authorization.

Senator Lyson I just want everyone to know where I stand. I am not happy with where they will take the water from. I would rather have them take from the bottom of the damn instead of the top. The argument on their side is that it will only drop the lake by one inch per day in the

worst conditions. I think the people in the northwest territory don't agree, but know it is the only way it is going to get done.

Senator Erbele moves to further amend the hog house amendment to delete section 2 and move passage on section 1.

Senator Schneider seconds the motion.

The motion passed.

Senator Schneider moves a Do Pass as amended and re-referred to Appropriations.

Senator Pomeroy seconds the motion.

The bill received a Do Pass on a vote of 7 to 0.

FISCAL NOTE
Requested by Legislative Council
04/02/2009

Amendment to: Engrossed
SB 2336

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed Senate Bill No. 2336 with House amendments provides that the Legislative Council is to appoint a water-related topics overview committee each interim. The committee is responsible for legislative overview of water-related topics.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

There is no fiscal impact relating to this bill assuming this committee replaces an existing interim committee. If an additional committee is created, the Legislative Council's 2009-11 expenditures would increase by \$27,000 from the general fund for estimated per diem and travel expenses associated with the 9 member committee for the 2009-11 biennium.

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No additional appropriation is needed.

Name:	Allen H, Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	04/03/2009

FISCAL NOTE
Requested by Legislative Council
03/17/2009

Amendment to: Engrossed
SB 2336

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed Senate Bill No. 2336 with House amendments provides that the Legislative Council is to appoint a water-related topics overview committee each interim. The committee is responsible for legislative overview of water-related topics.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

There is no fiscal impact relating to this bill assuming this committee replaces an existing interim committee. If an additional committee is created, the Legislative Council's 2009-11 expenditures would increase by \$27,000 from the general fund for estimated per diem and travel expenses associated with the 9 member committee for the 2009-11 biennium.

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No additional appropriation is needed.

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	03/17/2009

FISCAL NOTE
Requested by Legislative Council
02/10/2009

Amendment to: SB 2336

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$27,000		\$27,000	
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed Senate Bill No. 2336 provides that the Legislative Council is to appoint a Garrison Diversion Overview Committee each interim to address the Garrison Diversion Project and other water-related issues.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill would increase the Legislative Council's 2009-11 expenditures by \$27,000 from the general fund for estimated per diem and travel expenses associated with the 9 member committee for the 2009-11 biennium.

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.*

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.*

The expenditure amounts reflect the estimated expenditures for the 2009-11 and 2011-13 bienniums relating to the Garrison Diversion Overview Committee.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No additional appropriation is needed.

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	02/13/2009

FISCAL NOTE
Requested by Legislative Council
01/21/2009

Bill/Resolution No.: SB 2336

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$57,777,012		\$57,777,012
Expenditures			\$3,060,000	\$57,777,012	\$3,060,000	\$57,777,012
Appropriations			\$3,060,000	\$57,777,012	\$3,060,000	\$57,777,012

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$3,060,000)			(\$3,060,000)		

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill eliminates the Garrison Diversion Conservancy District as a political subdivision.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 8, assigns the ND State Water Commission as the successor. The Conservancy District's 2009 budget was used to provide the revenue, expenditure and appropriation numbers. We did not make any adjustments due to consolidation and would anticipate operating the Conservancy district with its current staff in its present location.

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.*

Neither the tax levy of \$1,420,000 nor the State Aid distribution of \$110,000 per year was included in the revenue. This would total \$3,060,000 per biennium and would need to be provided from other sources. The Conservancy District budgets other funding totaling \$107,777,012 which is derived primarily from federal funding sources. \$50,000,000 of that revenue is included in the executive budget for Southwest Pipeline and Northwest Area Water Supply thus the net increase of \$57,777,012.

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.*

The expenditure amounts were obtained from the Garrison Diversion Conservancy District's 2009 budget and doubled for a 2 year timeframe. The Garrison Diversion Conservancy has 36 full time employees that would need to be added to the ND State Water Commission staff. The expenditure amounts would need to be added to the ND State Water Commission line 76.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

To assume the function of the Garrison Diversion Conservancy District the ND State Water Commission would need

appropriation authority mirroring the estimated expenditures. The executive budget did not contain appropriation authority for this.

Name:	David Laschkewitsch	Agency:	ND State Water Commission
Phone Number:	(701) 328-2750	Date Prepared:	01/23/2009

Date: Feb 16, 2009

Roll Call Vote #: #1, 2336

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate _____ Natural Resources _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number 90895.0102

Action Taken Do Pass Do Not Pass Amended Amendment

Motion Made By Sen. Erbele Seconded By Sen. Schneider

Senators	Yes	No	Senators	Yes	No
Senator Stanley W. Lyson, Chairman	/		Senator Jim Pomeroy	/	
Senator David Hogue, Vice Chairman	/		Senator Mac Schneider	/	
Senator Robert S. Erbele	/		Senator Constance Triplett	/	
Senator Layton W. Freborg	/				

Total (Yes) 7 No 0

Absent _____

Floor Assignment _____

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

Amendment only.

Date: Feb 16, 2009

Roll Call Vote # #2 2336

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate _____ Natural Resources _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended Amendment

Motion Made By Sen. Schneider Seconded By Sen. Pomeroy

Senators	Yes	No	Senators	Yes	No
Senator Stanley W. Lyson, Chairman	/		Senator Jim Pomeroy	/	
Senator David Hogue, Vice Chairman	/		Senator Mac Schneider	/	
Senator Robert S. Erbele	/		Senator Constance Triplett	/	
Senator Layton W. Freborg	/				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Sen. Schneider

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

REPORT OF STANDING COMMITTEE

SB 2336: Natural Resources Committee (Sen. Lyson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2336 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-35-02.7 of the North Dakota Century Code, relating to the Garrison diversion overview committee.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Garrison diversion overview committee - Duties. The legislative council is responsible for legislative overview of the Garrison diversion project and related matters and for any necessary discussions with adjacent states on water related topics, during each interim, shall appoint a Garrison diversion overview committee in the same manner as the council appoints other interim committees. The committee must meet quarterly and is responsible for legislative overview of the Garrison diversion project and related matters and for any necessary discussions with adjacent states on water-related topics. The committee consists of nine members and the legislative council shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative council interim committees."

Renumber accordingly

2009 SENATE APPROPRIATIONS

SB 2336

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2336

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-16-09

Recorder Job Number: "Click here to type Digital Recorder Job #"

Committee Clerk Signature

Minutes:

Chairman Holmberg called the committee hearing to order at 9: 45 am in reference to SB 2336 in regards to amend and reenact NDCC relating to Garrison Diversion Overview Committee.

Senator Fischer gave an overview of the bill. Section 2 is taken out. It creates an overview committee or the Garrison Diversion committee. I don't understand approp for travel.

Senator Robinson just quickly. We are rushed composition of committee.

Senator Fischer the old one was leadership this time it is worded fro getistures that want to be on it.

Senator Lindaas on section 1 the overstruck on the bill.

Senator Fischer that is the original bill.

Senator Christmann is 0200 infront of us.

Dave Kollin for the record not into testifying the bill. The org bill did away with conservatiy it reestablished for the the project, different than the the overview committee the leg council asingend those duties to an interim committee we reported to them we don't object to report to any committee.

Chairman Holmberg orig there was a fiscal note, now the bill was just amended and a new fiscal bill.

Close the hearing on 2336.

Senator Fischer moved to do pas. Seconded matherndo pass vote was taken.

On minutes for 2336

SB 2007 vet home budget

Senator Kilzer Passed out amend. Gave testimony on it. Two sets of amend.

0107 first amendment. Explanation on bottom of second page.

Senator Mathern explained part of the amendments.

Kilzer moved and seconded by mther. All in faovor of amend ya carried.

Other amend .0108 don't have. FTE added when vet home opened.

Amend 0108 motioned by Senator Kilzer and seconded \by Senator Mathern voice vote

Chairman Holmberg are we taking up the next set of amendments. Yes.

Senator Mathern Budget amendments. Acted on number 3 and 5. And explained the budget amendments.

Senator Fischer should # 2 read taken away from dept of HS

Senator Mathern it doesn't matter who says what it is approved.

Chairman Holmberg they get their basic care bed .

Senator Mathern Chairman Holmberg

Senator Christmann no cost.

Senator Seymour this is subject to change. They came over here a little more generous.

Senator Christmann moved the amendment #98001.0102. seconded by Senator Seymour
voice vote all yes. .

Senator Fischer the reason why they want to go the newest it wipes out your address book.

Senator Krebsbach I would like to check page 2 of amendments section 8. Leaves me asking
a question (30.58)

Senator Mathern I would say it is correct. ?

Senator Robinson

Senator Christmann I think it is right.

Senator Christmann moved a do pass as amended. Seconded by Senator Seymour Roll call
was taken. 13 yes, 0 nays, 1 absent. The bill passed. SB 2001. Senator Seymour will carry
the bill.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2336

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-16-09

Recorder Job Number: 9526

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee hearing to order at 9: 45 am on SB 2336 regarding the Garrison Diversion Overview Committee.

Senator Fischer presented an overview of the bill indicating Section 2 is removed. He indicated this is the Garrison Diversion committee.

Discussion and further explanation took place about the bill and amendment.

Dave Koland, Garrison Diversion Conservancy District, testified for the record on SB 2336. He stated the original bill did away with conservativity and reestablished the project, different than the overview committee. The Legislative Council assigned those duties to an interim committee. We reported to them and we don't object to report to any committee.

Chairman Holmberg indicated the bill was just amended and has a new fiscal bill.

Chairman Holmberg closed the hearing on SB 2336.

Chairman Holmberg opened SB 2336 for discussion.

Senator Fischer moved a do pass on SB 2336; seconded by **Senator Mathern**. A roll call vote was taken to DO PASS on SB 2336 with 14 yes, 0 no, 0 absent. **Senator Schneider** will carry the bill. (06.23)

Date: 2/16/09
Roll Call Vote #:

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2336

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Fischer Seconded By Mather

Representatives	Yes	No	Representatives	Yes	No
Senator Wardner	✓		Senator Robinson	✓	
Senator Fischer	✓		Senator Lindaas	✓	
V. Chair Bowman	✓		Senator Warner	✓	
Senator Krebsbach	✓		Senator Krauter	✓	
Senator Christmann	✓		Senator Seymour	✓	
Chairman Holmberg	✓		Senator Mather	✓	
Senator Kilzer	✓				
V. Chair Grindberg	✓				

Total Yes 14 No 0

Absent 0

Floor Assignment Natural Resources

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

REPORT OF STANDING COMMITTEE

SB 2336, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2336 was placed on the Eleventh order on the calendar.

2009 HOUSE NATURAL RESOURCES

SB 2336

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2336

House Natural Resources Committee

Check here for Conference Committee

Hearing Date: 3-12-09

Recorder Job Number: 10814

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Chairman Porter – Open the hearing on SB 2336.

Senator Tom Fischer – This bill creates a Garrison diversion overview interim committee. This committee was in place until 2003, and at that time it consisted of leadership as well as chairs of natural resources in the house and senate. This committee will be people who truly have an interest in the water projects and Garrison's actions. The committee would operate within the statutes and the operation of other interim committees. The bill does nothing more than that and the committee's task are to follow the Garrison Conservancy district projects as well as negotiations with other states on water related projects. Questions

Rep. Keiser – The language on line 10 says the committee must meet quarterly. Does it meet quarterly and is it necessary to meet quarterly?

Senator Fischer – Yes.

Rep. Drovdal – Would this committee have the same obligations and responsibilities other interim committees have such as asking question and imposing legislation for the next session?

Senator Fischer – Yes it would have that authority and it also would report to the legislative council. It would operate the same way as any other interim committee and also have the same restrictions.

Rep. Kelsh – There is a statutory interim committee the advisory commission the intergovernmental relations that has non legislators on that commission?

Senator Fischer – umum

Rep. Kelsh – Would this bill specify only a legislator a legislator this commission?

Senator Fischer – It does.

Chairman Porter – This is a regular legislative interim committee.

Senator Fischer – Interim committee, I thought it said so in here. It doesn't say legislative, but it is an interim committee so they have to be legislators.

Chairman Porter – It says in the enabling language it has non legislators as part of the committee. Further testimony in support?

Dave Koland – Garrison Diversion Conservancy District – We have no objection to how the legislature would like to exercise its overview authority on the Garrison Diversion Unite.

However you choose to do it. In the 2003 legislature when the overview committee was done away with, the authority was given to the legislative council to assign that task to an interim committee. The legislative council is assigned that 2 sessions ago to the Ag and Natural Resources committee. Then last interim to the Natural Resources committee. We've provided reports to all those interim committee meetings on the progress of the garrison diversion ?????
Questions?

Rep. Keiser – Do you feel the Natural Resources committee didn't do an adequate job last interim?

Mr. Koland – Oversight is a difficult thing and as you saw as we were discussing 2298, this project, because it is so large, has a number of problems. Our philosophy has been that it be user driven. We've enabled the Lake Agassiz water authority with the local users, they need money. We've let that group drive most of the decisions on this project. At the Garrison Diversion Conservancy board struggle with the same problem, how do you keep control of this process? They meet quarterly, but they formed a committee, assigned one of their committees to meet monthly, and monitor the Lake Agassiz meetings. They deal with very detailed discussions with everything on the project. Dealing with the legislature has an important role in this project, I'm open to any suggestions on how we can keep you up to speed. We've had meeting with Red River Valley legislators and up dated them.

Mike Dwyer – ND Water Users – These water projects are complicated. We have ongoing discussions with the Governor's office. We have to make sure the Governor's office is on board with the direction we're going. We have ongoing discussions with the congressional delegation because they need to be pulling the same direction. To have ongoing discussions with the legislature would ensure we had all branches of the government on board so we could be moving forward. Questions?

Chairman Porter – Any further testimony in support of SB 2336? Any opposition?

Rep. Drovdal – We are studying a Garrison Diversion overview committee. That only consists of the pipeline going east or is that also studying SW Water, Naas project and shouldn't they all be included in a water committee? Shouldn't all the water projects be included?

Dave Koland – The overview is of the Garrison Diversion Unit. Garrison Diversion District is the local sponsor for that project. The Garrison Diversion Unit includes the Red River Valley

Water Supply project, we're authorized for 77,000 acres of irrigation, we have \$25 million recreation program and an MR&I program with \$400 million authorized. They were all outlined

in the Dakota Water Resources Act which reformulated the Garrison Project into what it is today.

Rep. Drovdal – My question is, water issues relate with each other, and if we are going to have an interim committee, why don't we include the other major water projects in ND?

Mr. Koland – The way it is written, you're concentrating on those items. Maybe a committee that's looking at water issues period.

Chairman Porter – Any further opposition? Seeing none we will close the hearing on SB 2336.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2336

House Natural Resources Committee

Check here for Conference Committee

Hearing Date: 3-12-09

Recorder Job Number: 10836

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Chairman Porter – Pull out SB 2336.

Rep. Keiser – Move on Line 9 strike Garrison Diversion and replace it with “water”.

Vice Chairman Damschen – That’s really broad.

Rep. Keiser – It would include Devils Lake, well drilling, water allocation – anything to do with water. This would be an interim committee dedicated to water projects. Water Overview committee.

Chairman Porter – Is there a 2nd?

Rep. DeKrey – 2nd.

Chairman Porter – Further discussion? All in favor – Unanimous voice vote – Opposed – none – motion carries.

Rep. Drovdal – Move Do Pass As Amended.

Chairman Porter – This one has to go to appropriations. We have a motion for a Do Pass As Amended from Rep. Drovdal with a rereferral to appropriations.

Rep. DeKrey – 2nd.

Chairman Porter – A 2nd from Rep. DeKrey. Discussion? Seeing none the clerk will call the roll on a Do Pass As Amended with a rereferral to appropriations.

Yes 11 No 0 Absent 2 Carrier Rep. Hofstad

March 12, 2009

VR
3/13/09

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2336

Page 1, line 2, replace "Garrison diversion overview committee" with "creation of a legislative overview committee for water-related topics"

Page 1, line 6, overstrike "**Garrison diversion**" and insert immediately thereafter "**Water-related topics**"

Page 1, line 9, replace "Garrison diversion" with "water-related topics"

Page 1, line 11, replace "the Garrison diversion project and related matters" with "water-related topics"

Renumber accordingly

Date: 3-12-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2336

House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass As Amended *Referred to Appropriations*

Motion Made By Drovdal Seconded By DeKrey

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep Hanson	✓	
Vice Chairman Damschen	✓		Rep Hunsakor		
Rep Clark	✓		Rep Kelsh		
Rep DeKrey	✓		Rep Myxter	✓	
Rep Drovdal	✓		Rep Pinkerton		
Rep Hofstad	✓				
Rep Keiser	✓				
Rep Nottestad	✓				

Total (Yes) 11 No 0

Absent 2

Floor Assignment Hofstad

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

REPORT OF STANDING COMMITTEE

SB 2336, as engrossed: Natural Resources Committee (Rep. Porter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2336 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "Garrison diversion overview committee" with "creation of a legislative overview committee for water-related topics"

Page 1, line 6, overstrike "**Garrison diversion**" and insert immediately thereafter "**Water-related topics**"

Page 1, line 9, replace "Garrison diversion" with "water-related topics"

Page 1, line 11, replace "the Garrison diversion project and related matters" with "water-related topics"

Renumber accordingly

2009 HOUSE APPROPRIATIONS

SB 2336

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One SB 2336

Full House Appropriations Committee

Check here for Conference Committee

Hearing Date: 3/24/2009

Recorder Job Number: 11475

Committee Clerk Signature

Malissa M. Erhardt

Minutes:

Chairman Svedjan: We will discuss SB 2336.

Todd Porter, District 34, Mandan: This bill comes back in front of us and there was a committee called the Garrison Diversion Overview Committee up until

2003. At that point in time the legislature removed that overview committee. As we looked at this bill we did change it to be a Water Overview Committee rather than a Garrison Diversion Overview Committee and felt that with the importance of water projects all across the State that we needed to have Legislative input and oversight of the State Of ND and the water projects that are going on. That was really the gist of the bill. We wanted it to be something that looked at all the water. The fiscal note is \$27,000 from the general fund to Legislative Council for the operation of the interim committee and I would be happy to answer any questions.

Chairman Svedjan: The fiscal note that I have is date March 17 and it has no fiscal impact.

Todd Porter: I don't have that one.

Rep. Williams: If you look down below under Item B, the paragraph right below it. If you change and add a person increased by \$27,000 from the general fund for (can't understand word) and per diem and travel expenses associated with the nine member committee.

Chairman Svedjan: But then at the bottom under appropriation it says: "No additional appropriation is needed."

Rep. Nelson: As I read the fiscal note I think there is no additional appropriation needed if this committee replaces another interim committee. If it is added to it the additional \$27,000 would be necessary.

Chairman Svedjan: The amendments I have dated March 12, that is where you replace Garrison Diversion with Water Related Topics?

Todd Porter: That is correct. In looking at the Fiscal Note, Under B, that is the explanation, if Legislative Council puts the responsibilities of this overview committee in say Energy and Transmission or into a Standing Natural Resources Committee the Fiscal Note is zero. If they allow it to stand as a stand- alone committee on just water the Fiscal Note is \$27,000.

Rep. Delzer: What is to keep the council from doing this out of their own volition instead of putting it in code?

Todd Porter: As we looked at this in House Natural Resources Committee, we felt that with the projects the size of the Fargo Water Project Naas, Southwest Water and all of the other projects across the State that there isn't a central focal point from a Legislative standpoint and Legislative overview for water related projects. There hasn't been a reporting mechanism back that I can remember where the Garrison District has come in and said here is where we are in the Fargo Water project to an interim committee and here is where we are with the South Fargo Flood Project. Here is what is left on the Grand Forks Dike Project. Here is what is going on with the Naas project and I think that as we deal with these bills with water they certainly carry a lot of impact and a lot of money with them and I think that we get kind of blind-sided during the Legislative process with everybody's projects. These are on-going projects and it needs to be an on-going reporting process back to an interim committee rather than just all of a sudden appearing in front of us. We had the bonding bill for the Fargo Water Project in House Natural Resources that took the authority from Lake Agasse and gave it to the Garrison Water District and there is no obligation with those bonds and so we virtually passed a bill that didn't have a revenue source but allowed them to bond on that in today's market of bonding wouldn't happen. We had about an hour and a half of testimony and about three days to decide whether or not that was a good idea. I think that those kinds of issues need to be

looked at by this body during the interim so that we have more information and more knowledge of what we are doing rather than just saying we know that Fargo needs a water supply in the cases of a drought. Now with the language that we passed in that bill it goes way further than that.

Rep. Delzer: The point I was trying to make is the council can do this without Legislation. Matter of fact not very long ago we took this committee out of Legislation for the reason that the Council wanted to be able to decide what to do and how to do it and I have a problem with us putting it back in there. What I don't have a problem with us doing is if the Council decides that the 17-member committee should do and if this is what they want to study. They should request it be a part of the existing committee assignments.

Chairman Svejdan: If this were given a Do Pass and it passed do you still have the council budget?

Rep. Delzer: Yes, Mr. Chairman. It is still in section and it come down here. We did kick it out but we could either take it back up there or we could take it here. That doesn't matter and covering that is not a big issue. The issue is whether or not we want another committee in code.

Rep. Berg: If I am correct this bill was introduced to get rid of the Garrison Servicing District.

Todd Porter: This bill in its original form I believe you are correct.

Rep. Berg: I think that part of why we have this today is the way it has worked its way through the Senate and the House. I agree with Rep. Porter I think these water issues are really important. I think that we don't get enough information early enough as Legislators to make appropriate decisions but I think the decisions we made are good. Also, I have served on Garrison Diversion Committee and ended up like so many things that are mandated in code that when the need is gone no one shows up and they don't get anything done. Personally, I agree with Rep. Delzer I don't think we should pass this bill to put this mandated study in statute but having said that if there were a Sunset Clause on it for two years or something like that we can always come back in and renew it.

Chairman Svedjan: You referenced a study?

Rep. Berg: I should say interim committee, I apologize. Rep. Porter do you have any discussion about putting a 4-year Sunset Clause on this or anything like that.

Todd Porter: We didn't. I guess everything we do has a two year Sunset Clause so I am not a real big fan of Sunset Clauses but as we went through the last interim we had a Natural Resources interim committee that had three bills that they dealt with and they met two or three times throughout the interim and we had probably twenty bills that came in front of us during this session that dealt

with water that dealt with bonding that dealt with water projects and mill levy's and a whole vast array of things that could have been looked during the interim from the expansion into the water related topics to the Legislative Council.

Rep. Glassheim: It seems to me that what this bill is saying is that water is going to be a very important aspect of everything we do from now on and for the next 100 years and we the Legislature wish to have a pretty permanent standing committee in the interim that will deal with a variety of very important large dollar amount projects that will be on our plate for many years to come.

Todd Porter: You are absolutely right the Governor while he was in Fargo just committed \$75 million to the South Fargo Flood Project. That has to be appropriated at some point in time through the Legislature over the next three bienniums so there are things that are happening and going on that we have to start being in tune with.

Chairman Svejdan: Any further discussion?

Rep. Skarpohl: If we were to kill this bill, the Garrison Diversion Overview Committee would still exist as it is today?

Todd Porter: No, Rep. Skarpohl, that committee was disbanded in 2003.

Chairman Svejdan: So there is no Garrison Diversion Overview Committee?

Todd Porter: There is no overview of Garrison except while we are in session.

Now, we have made Garrison the primary player in the entire Eastern ND water supply project. The connection of the Sheyenne River to Lake Ashtubula to Fargo to branching off and they have changed the mode to a water system. They are talking about taking raw water out between Lake Ashtubula and Carrington for industrial use and they are talking about branching off into rural systems after that fact because it is going to be a treated system. So you are not talking about a pipe that will run once in awhile and put water into Bald Hill Dam. You are talking about an entire Eastern ND water system that we just gave the complete authority to the Garrison Conservancy District.

Chairman Svedjan: Any further discussion?

Rep. Nelson: Move for a Do Pass.

Rep. Kerzman: 2nd.

Chairman Svedjan: Any further discussion?

Rep. Berg: I would like to amend it so it would have a Sunset Clause of December 1, 2013. This will go for a couple bienniums and then we can relook at it.

Chairman Svedjan: We have a substitute motion to amend. We will add the Sunset Clause and that date again was December 1, 2013.

Rep. Weiland: 2nd.

Rep. Glassheim: Is this an amendment to the motion or substitute motion?

Chairman Svedjan: It is a substitute motion to take up a requested amendment.

Rep. Glassheim: If the substitute motion fails then you are back to the other one.

Rep. Berg: If the substitute motion passes we are still back to a Do Pass just amended.

Chairman Svedjan: It would require a Do Pass As Amended. Any further discussion on the motion to amend? Hearing none I will take a voice vote. All in favor of that amendment say I. Consent. All but one. Voice vote carries. That amendment is adopted.

Rep. Nelson: Motion for a Do Pass As Amended.

Rep. Kerzman: 2nd.

Chairman Svedjan: Any further discussion? Seeing none we will take a roll call vote on a Do Pass As Amended to SB 2336.

Clerk Sand: Roll Call Vote: Yes: 17. No: 6. Absent: 2. Carrier: Rep. Nelson.

Chairman Svedjan: Motion carries. We will close the Committee Hearing on SB 2336.

Date: 3/24/09
 Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2336

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Nelson Seconded By Kerzman

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

VR
3/25/09

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2336

In lieu of the amendments adopted by the House as printed on page 942 of the House Journal, Engrossed Senate Bill No. 2336 is amended as follows:

Page 1, line 2, replace "Garrison diversion overview committee" with "creation of a legislative overview committee for water-related topics; and to provide an expiration date"

Page 1, line 6, overstrike "**Garrison diversion**" and insert immediately thereafter "**Water-related topics**"

Page 1, line 9, replace "Garrison diversion" with "water-related topics"

Page 1, line 11, replace "the Garrison diversion project and related matters" with "water-related topics"

Page 1, after line 15, insert:

"SECTION 2. EXPIRATION DATE. This Act is effective through November 30, 2013, and after that date is ineffective."

Renumber accordingly

Date: 3/24/09
 Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2336

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number TBD

*Amend.
motion*

Action Taken sunset to 12/1/13

Motion Made By Bury Seconded By Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voie Vote - carries

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

Date: 3/24/09
 Roll Call Vote #: 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2334

Full House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Do Passed as Amended

Motion Made By Nelson Seconded By Kerzman

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich		✓			
Rep. Skarphol		✓	Rep. Kroeber	✓	
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer		✓	Rep. Glassheim	✓	
Rep. Thoreson			Rep. Kaldor	✓	
Rep. Berg	✓		Rep. Meyer	✓	
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom		
Rep. Bellew		✓	Rep. Kerzman	✓	
Rep. Kreidt	✓		Rep. Metcalf	✓	
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 17 No 6

Absent 2

Floor Assignment Nelson

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

REPORT OF STANDING COMMITTEE

SB 2336, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 6 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2336 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on page 942 of the House Journal, Engrossed Senate Bill No. 2336 is amended as follows:

Page 1, line 2, replace "Garrison diversion overview committee" with "creation of a legislative overview committee for water-related topics; and to provide an expiration date"

Page 1, line 6, overstrike "**Garrison diversion**" and insert immediately thereafter "**Water-related topics**"

Page 1, line 9, replace "Garrison diversion" with "water-related topics"

Page 1, line 11, replace "the Garrison diversion project and related matters" with "water-related topics"

Page 1, after line 15, insert:

"SECTION 2. EXPIRATION DATE. This Act is effective through November 30, 2013, and after that date is ineffective."

Renumber accordingly

2009 TESTIMONY

SB 2336

Valley City family okays pipeline near residence

By Jon E. Flatland
Publisher

A rural Valley City family has agreed to allow the TransCanda Keystone Pipeline to run near its residence, removing one of the final obstacles to building the pipeline this summer.

According to the North Dakota Public Service Commission, Albert K. and Gloria Wittenberg signed an agreement allowing the pipeline to run just 425 feet from their home.

The pipeline will be located across a county road from the Wittenberg residence and will not actually cross their land.

Regulations call for pipelines to

be at least 500 feet away from private residences, however, the PSC said it recognizes obstacles to moving the line either east or west to avoid the Wittenbergs' home.

According to Commissioner Kevin Cramer, moving the line east put it on Wittenberg's land and also affects neighboring landowners. Moving it west requires it to cross a pond.

The PSC formally accepted the Wittenberg's waiver and issued a notice to the public that it will consider the waiver as part of its decision about a route permit, even though it is not part of the official record of public hearings held two months ago.

County gets \$14,000 for courthouse

The Garrison Diversion Conservancy District is about to show Steele County the money.

\$14,820 dollars, to be exact.

The Steele County Commissioner's Court approved a capital improvement grant from the conservancy district Tuesday that will enable county officials to refurbish parts of the courthouse.

bish parts of the courthouse.

As part of the grant -- which Steele County must fund 25 percent, the county plans to repair the ceiling in the third-floor courtroom, as well as replace the chairs on the prosecution side and make repairs to the conference room.



Students in Finley-Sharon's kindergarten classroom next week. From left, Evan Christian, Logan Krueger, Kaden Goughnour, Payton Brauer.

Finley-Sharon

Hannv

PROPOSED AMENDMENTS TO SENATE BILL NO. 2336

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-35-02.7 of the North Dakota Century Code, relating to the Garrison diversion overview committee; and to provide for a study by the Garrison Diversion Conservancy District.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Garrison diversion overview committee - Duties. ~~The legislative council is responsible for legislative overview of the Garrison diversion project and related matters and for any necessary discussions with adjacent states on water-related topics, during each interim, shall appoint a Garrison diversion overview committee in the same manner as the council appoints other interim committees. The committee must meet quarterly and is responsible for legislative overview of the Garrison diversion project and related matters and for any necessary discussions with adjacent states on water-related topics. The committee consists of nine members and the legislative council shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative council interim committees.~~

SECTION 2. GARRISON DIVERSION CONSERVANCY DISTRICT STUDY OF RED RIVER VALLEY WATER SUPPLY PROJECT ALTERNATIVES. The Garrison Diversion Conservancy District shall study the two final alternatives to deliver Missouri River water to the Red River valley water supply project--the import Missouri River water through the Garrison diversion unit to the Sheyenne River and the import Missouri River water to the Red River valley alternatives. In conducting this study, the Garrison Diversion Conservancy District shall retain a consultant, subject to approval of the legislative council's Garrison diversion overview committee, to evaluate both alternatives. The evaluation must include a study of the feasibility and fiscal requirements of each alternative. The Garrison Diversion Conservancy District shall report its findings and recommendations to the Garrison diversion overview committee by September 1, 2010."

Renumber accordingly

WATER SUMMARY: 2009 Legislative Session

I. Water Governance

- A. State: State Water Commission and State Engineer
- B. Regional: Southwest Water Authority and Garrison Diversion Conservancy District
- C. Local: Water Resource Districts/Joint Water Boards/Rural Water Systems

II. Functions/Duties

- | | |
|---|--|
| <ul style="list-style-type: none"> A. State Water Commission/State Engineer <ul style="list-style-type: none"> 1. Water Development/Water Infrastructure 2. Water Permits 3. Drainage Permits 4. Weather Modification B. Water Resource Districts (Water Managers) <ul style="list-style-type: none"> 1. Surface Water 2. Local Contracts/Projects C. Rural Water Systems D. Southwest Water Authority <ul style="list-style-type: none"> 1. Southwest Pipeline 2. Other Water Supplies (Energy) 3. Local Representation (County Directors) | <ul style="list-style-type: none"> E. Garrison Diversion Conservancy District <ul style="list-style-type: none"> 1. Maintain Federal Facilities 2. Irrigation 3. Oakes Test Area 4. Recreation Facilities 5. Federal Contracts/Bureau of Reclamation 6. M,R&I Funding/Contracts 7. Red River Valley Water Supply 8. Devils Lake Outlet Maintenance 9. Wildlife Features 10. Local Representation (LAWA and County Directors) |
|---|--|

III. Funding (HB 1020)

- A. Resources Trust Fund, Water Development Trust Fund, General Fund, Federal
- B. Water Infrastructure Needs

Devils Lake Flood Control (Fargo) General Water Management Irrigation Missouri River Management MR&I	NW Oil Impact MR&I Northwest Area Water Supply (NAWS) Red River Valley Water Supply Southwest Pipeline Weather Modification
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- C. Water Coalition
- D. Local Contribution
 - 1. Water Resource Districts: 4 mills/Special Assessments
 - 2. Joint Water Boards: 2 mills
 - 3. GDCD and SWA: 1 mill

IV. Water Legislation Issues

- | | |
|--|---|
| <ul style="list-style-type: none"> A. Funding (Additional Funds?) B. Red River Valley Water Supply/Garrison <ul style="list-style-type: none"> 1. Funding Plan Revision 2. Bonding Authorization/GDCD (SB 2298) C. Southwest Water Authority (SB 2193/HB 1278) <ul style="list-style-type: none"> 1. Mill Levy Extension/Mandan 2. Energy Water Issues D. Energy Issues <ul style="list-style-type: none"> 1. HB 1322/1352 | <ul style="list-style-type: none"> E. Water Resource Districts <ul style="list-style-type: none"> 1. Compensation: \$45 to \$100 (SB 2251) 2. Mill Levy: 4 to 8 mills (SB 2252) 3. Indemnity (SB 2256) 4. Quick Take (SB 2255) 5. Flood prone areas (SB 2253) 6. Maintenance of federal projects (SB 2254) F. Irrigation <ul style="list-style-type: none"> 1. Irrigation Repair Parts (HB 1289) |
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Testimony by Dave Koland, General Manager
Garrison Diversion Conservancy District

To the

Senate Natural Resources Committee
Hearing on SB 2336

Bismarck, North Dakota
February 6, 2009

Mr. Chairman, members of the committee; my name is Dave Koland. I serve as the General Manager of the Garrison Diversion Conservancy District (District).

The District is the local political subdivision created in 1955 to be the local sponsor that would construct the Garrison Diversion Unit (GDU) of the Missouri River Basin Project as authorized by Congress on December 22, 1944. We serve as the fiscal agent for the federal dollars that come to North Dakota through this project and are party to the numerous contracts with the federal Bureau of Reclamation to implement those parts of the project Congress has authorized North Dakota to construct. Amendments in 1986 and 2000 have changed the Garrison Diversion Unit from a million acre irrigation project into a multipurpose project with an emphasis on the development and delivery of municipal and rural water supplies. The District's mission remains: **To provide a reliable, high quality and affordable water supply for the benefit of North Dakota.**

To implement the statewide portions of the Garrison Diversion Unit project, the State Water Commission and the District have executed a Joint Powers Agreement that requires the District to consult regularly with the

Governor and the State Water Commission. The Legislative Council is responsible for legislative overview of the Garrison Diversion [Unit] project and related matters.

The District is governed by a 28-member board of directors. Each of the 28 counties that are members of the District elect one person at the general election to serve on the board of directors and levy one mill to support the activities of the District.

The District board of directors works through a committee system to provide oversight to the numerous activities of the District. The Executive Committee monitors the financial, federal matters, and overall operations of the District. The Agriculture and Natural Resources Committee works to develop and enhance irrigation in North Dakota. The Recreation Committee oversees the \$6.5 million federal Dakota Water Resources Act Recreation program and the District Recreation Program that returns two-tenths or 20% of our one mill levy to recreation projects within the District. Through 2008, that program has returned over \$2.4 million to local recreation projects. The Engineering and Operations Committee oversees the work the District does under contract with the Bureau of Reclamation for the operation and maintenance of the Principal Supply Works of the Garrison Diversion Unit. The Public Relations and Red River Valley Committee monitors the Red River Valley Water Supply Project and the public information activities of the District. This committee has been meeting monthly since the Red River Valley studies got underway in 2003. The Municipal,

Rural and Industrial (MR&I) Committee is a joint committee with the State Water Commission and shares responsibility for the State MR&I program that was created by the 1986 Reformulation Act.

Attached is a sheet that quantifies the 2008 accomplishments of the District. You will see that we work closely with the State Water Commission on a regular basis to further water development in North Dakota.

In 1955, North Dakota considered the construction of the Garrison Diversion Unit so important to the future of North Dakota that it created a local political subdivision and charged it with the single task of funding and developing the GDU project for "the prosperity and general welfare of all of the people of North Dakota". Against all odds, by overcoming Canada's concerns, and despite the bluster of both Minnesota and Missouri, we are further along today than we have ever been to meeting the critical water supply needs of our state. The District has preformed this task without a state appropriation to fund its operations and has willingly invested its own resources to put the water behind Garrison Dam to beneficial use for the people of North Dakota. The District's role and future are as important today as they were in 1955.

2008 Accomplishments Garrison Diversion Conservancy District

A. Federal

- Participated in three Bureau of Reclamation Garrison Diversion Unit Stakeholder meetings and one Standing Rock Sioux Tribe meeting.
- Participated in three national Bureau of Reclamation Managing for Excellence meetings.
- Participated in four Missouri River Recovery Implementation Committee (MRRIC) meetings.
- Traveled to Washington, DC, with area tribes and participated in congressional and administration meetings, as well as met individually with ND congressional delegation regarding Garrison Diversion issues.
- Testified at Senator Dorgan's water development roundtable meeting in Bismarck.
- The \$6.5 million Dakota Water Resources Act Recreation Cooperative Agreement was signed.

B. MR&I Program

- Worked on a regular basis with the State Water Commission and the ND Rural Water Systems Association.
- Garrison Diversion participated in seven ND Water Coalition meetings.
- A new cost-share agreement was implemented with the State Water Commission.
- Drought management plans were developed for 34 cities in the Red River Valley.
- Funds of \$16,933,832 were distributed from the MR&I Fund and \$865,408 from the Water Development Resource Fund.

C. Develop and enhance irrigation in North Dakota

- Funds of \$160,000 were provided to NDSU Extension to support irrigation research.
- NDSU was provided \$15,000 for an irrigation research outreach program.
- NDSU was provided \$25,000 to support the irrigation advisory position.
- The ND Irrigation Association was provided with \$50,000 in funding to support their efforts.
- Efforts were continued to access project pumping power.
- A long-term lease option for the Oakes Irrigation Research Site was initiated.
- Water supply alternatives for the Oakes Test Area title transfer were developed, and streamflow measurements were collected on the James River.

- McClusky Canal irrigation contracts from 1-year to 5-year contracts were extended, and two new irrigation contracts in the McClusky Canal service area were signed with Garrison Diversion's assistance.
- Canvassing landowners was initiated in the McClusky Canal service area to determine interest in irrigation development.

D. Red River Valley Water Supply Project

- Support was provided to the Department of Interior for the Record of Decision process.
- A meeting was held with OMB concerning the Red River Valley Water Supply Project Report to Congress.
- Garrison Diversion provided support for Lake Agassiz Water Authority including facilitation of monthly meetings, administration, legal, and engineering services.
- The development of a cost allocation plan was continued.
- Meetings were held with nine water systems considering nominations.
- Garrison Diversion participated in nine outreach meetings across the state regarding the Red River Valley Water Supply Project.
- An Agreement of Intent process was developed with water systems, as well as an operational plan task order.
- Garrison Diversion invested \$79,063 in Red River Valley studies.

E. Natural Resources

- Garrison Diversion assisted with the maintenance of Audubon & Arrowwood National Wildlife Refuges.
- Facilitated an agreement between the Upper Sheyenne Joint Board and Wells County Soil Conservation District for a Sheyenne River Water Quality Assessment.
- Communications were continued with the Natural Resources Trust.

F. Recreation Program

- Funds totaling \$181,780 were awarded to 22 projects through the matching recreation grant program.
- Disbursed \$126,332 to matching recreation grant program awardees.
- In coordination with the Bureau of Reclamation, the Chain of Lakes recreation areas along the McClusky Canal were enhanced with the addition of campsites, boat ramps, vault toilets, tree planting, and a new day use area.

G. Administrative/Legislative

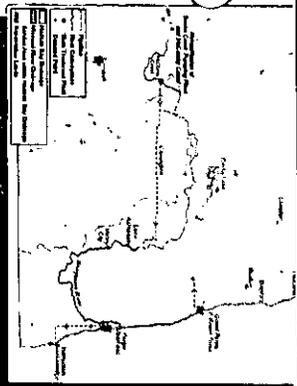
- Testified at two North Dakota Legislature Natural Resources Interim Committee hearings.
- Several bulletins and newsletters were published throughout the year; Manager's Message (12 issues), Lake Agassiz Water Authority Bulletin (6 issues), Dickey Sargent Irrigation District newsletter (4 issues), Legislative Update (2 issues) and the 2007 Annual Report.

- Numerous Lake Agassiz Water Authority and Red River Valley Water Supply Project public information pieces were developed.
- Garrison Diversion and Lake Agassiz Water Authority booths were displayed and staffed at seven conferences/events.
- Facilitated 34 Garrison Diversion Committee meetings.
- Capital Purchases/Improvements
 - (a) 2008 Dodge van
 - (b) Lanier LP440c laser printer
 - (c) Completed kitchen, workroom and bathroom updates at headquarters' building

H. Engineering & Operations

- Quality staff and equipment were maintained.
 - (a) Major equipment purchases
 - (i) 325 Caterpillar excavator with extra long boom
 - (ii) T320 Bobcat skidsteer
 - (iii) 2008 Towmaster heavy-haul trailer
 - (iv) 2008 1-ton Chevrolet pickup
 - (v) 2008 ¾-ton Chevrolet Pickup
 - (vi) 2008 1-ton Ford pickup with service body
- The "5 Year Work Plan" was updated and implemented.
- The 2008 annual work plan was completed on GDU facilities.
 - (a) New four-stall garage at headquarters
 - (b) Delivered 2,346 acre-feet of water at the Oakes Test Area
 - (c) Placed six miles of erosion control along McClusky Canal
- The 2008 annual work plan was completed for Devils Lake Outlet maintenance.
- The 2008 water quality sampling plan was completed for Lake Agassiz Water Authority.
- Preliminary engineering for slide repair on the McClusky Canal was initiated.
- A geothermal heating system was installed for the McClusky O&M building.
- Purchased 127 acres of land along the New Rockford Canal and established a flood easement. The land was then sold.
- Actions were signed and completed for a cooperative agreement with ND Game & Fish to install dikes and water control structures at Painted Woods Lake.
- A Memorandum of Understanding was signed with the Southwest Water Authority for Garrison Diversion to provide emergency service support.

Preferred Alternative

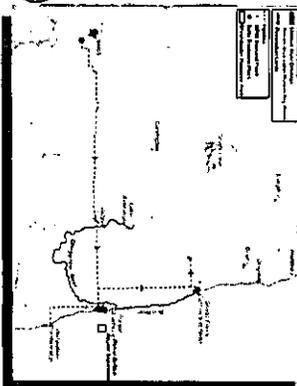


Construction Costs:
\$659.8 million

Annual O&M Costs
 Facility Costs = \$96,000
 Equipment & Labor = \$942,000
 Power Costs = \$78,000
 Total O&M Costs = \$1,116,000

Annual Average Missouri River Depletion:
 Minimum = 1,192 ac-ft
 Maximum = 86,469 ac-ft
 Average = 31,686 ac-ft

I-94 Pipeline

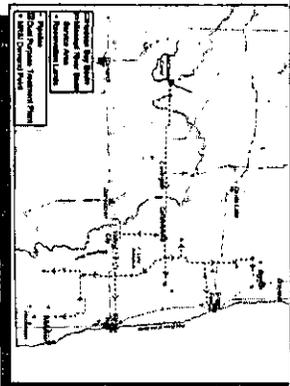


Construction Costs:
\$1,065 million

Annual O&M Costs
 Facility Costs = \$257,000
 Equipment & Labor = \$1,158,000
 Power Costs = \$1,564,000
 Total O&M Costs = \$2,979,000

Annual Average Missouri River Depletion:
 Minimum = 21,382 ac-ft
 Maximum = 68,769 ac-ft
 Average = 28,111 ac-ft

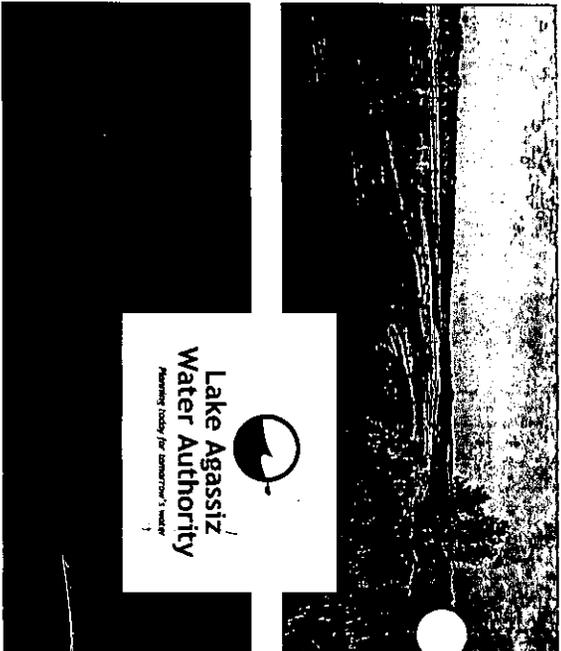
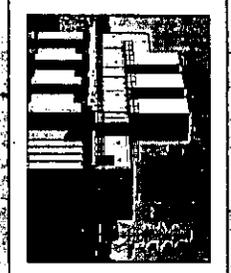
Replacement Water Supply



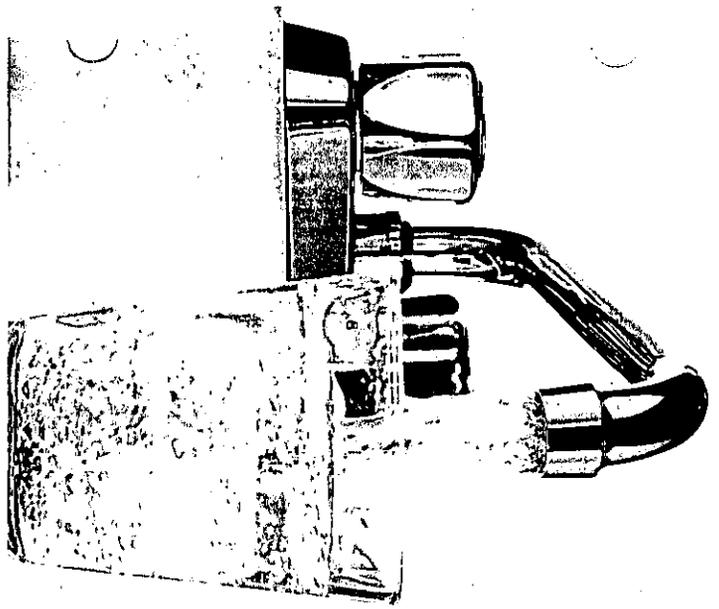
Construction Costs:
\$2.23 billion

Annual O&M Costs
 Facility Costs = \$351,200
 Equipment & Labor = \$1,322,000
 Power Costs = \$201,000
 Total O&M Costs = \$1,874,200

Annual Average Missouri River Depletion:
 Minimum = N/A
 Maximum = 113,702 ac-ft
 Average = N/A



Delivering water from the Missouri River to the Sheyenne and Red Rivers is the best plan for the Red River Valley, the state and the nation.



The Red River Valley Water Supply Project
 SECURING OUR FUTURE TODAY.



Lake Agassiz Water Authority
 Planning today for tomorrow's water.

Missouri River Alternatives

The alternatives compared below use the Missouri River system, which is the largest and most reliable source of water in North Dakota.

Preferred Alternative	Reasons for Preference
Garrison Diversion Unit Import to Sheyenne River Alternative	<ul style="list-style-type: none"> Using Lake Ashland provides 22.4 billion gallons of storage. It would take 22,400 million-gallon water towers to hold as much water. Stored water is delivered by gravity (no pumps). State-of-the-art water treatment plants exist in the Valley and will continue to be used. Water systems don't want to rely on a sole treatment plant over 200 miles away. It is a simple concept - just keep Lake Ashland full. Using Lake Ashland as a storage reservoir allows the pipeline to continually operate, providing maximum benefit of the transmission pipeline.
Least Costly to Operate and Maintain	<ul style="list-style-type: none"> The plan is adaptable to different growth patterns in the Valley. Provides core infrastructure for all water systems in the Valley and has capacity to serve northern rural water systems directly from the pipeline. The Sheyenne and Red Rivers provide increased water delivery capacity to the systems compared to a pipeline. Using river conveyance enhances return flow capture and reuse of Project water.
Least Costly to Construct	<ul style="list-style-type: none"> There is infrastructure already in place; it's advantageous to use what is available and has already been invested in. The Principal Supply Works (Snake Creek Pumping Plant, Lake Audubon, and McCluskey Canal) Existing water treatment plants in the Red River Valley Estimated cost for 42 miles of pipeline and intake to avoid using the Principal Supply Works is approximately \$150 million. The transmission pipeline from McCluskey Canal to Lake Ashland is the least costly to construct to import Missouri River water.
Most Environmentally Beneficial	<ul style="list-style-type: none"> Utilizing the elevation of Lake Sakakawea saves over \$1 million at a pump. Gravily does most of the work. Once the water is over the Continental Divide, approximately 12 miles from the treatment plant, it is 113 miles downhill to Lake Ashland. 475 miles of river channel is used to convey the water. Has the lowest miles of major transmission line to maintain and replace (122 miles). Baldwin Dam is used to release flows to meet the aquatic needs recommended by the ND Game & Fish Department. Minimum 23 cfs (year-round) Spring flush 215 cfs for 46-72 hours Minimum 69 cfs in April Using Lake Ashland and the Sheyenne and Red Rivers to store and convey water provides benefits to the aquatic environment, including fish, mussels, and riparian habitat. Mainly impacts the Missouri River. Maximum of 0.5% of average annual flows are needed. Missouri River water is only used when needed.

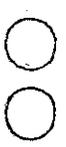
Environmental Benefits/Impacts

Benefits:

- Improved Sheyenne River fish and mussel habitat
- Improved Red River fish habitat
- Improved protected areas of riparian habitat along the Sheyenne River
- Meets ND Game & Fish aquatic needs recommendations

Impacts:

Minimal environmental impacts



All Alternatives utilize similar design criteria based upon projected municipal, rural and industrial (MIR&I) demand through 2050, utilize similar pipeline materials and have similar minimum operational life expectancy of 100 years (McCluskey Canal and Snake Creek Pumping Plant potential life expectancy, with proper maintenance, can exceed another 100 years).

194 Pipeline (Missouri River Import to Red River Valley Alternative)

Would supplement local water supplies by using a pipeline from the Missouri River near Bismarck to Fargo and Grand Forks.

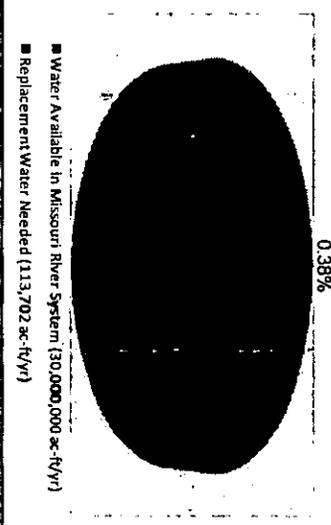
Not preferred because:

- There is no capacity for northern rural water systems.
- Requires additional booster pump.
- Annual pumping costs are \$1.4 million more than the Preferred Alternative; a cost solely paid by local water systems.
- Costs \$400 million more to construct than the Preferred Alternative.
- Doesn't provide instream flows to benefit the aquatic community.
- Doesn't have any internal storage capacity, only pipeline capacity.
- Pipeline limits peak conveyance capacity.

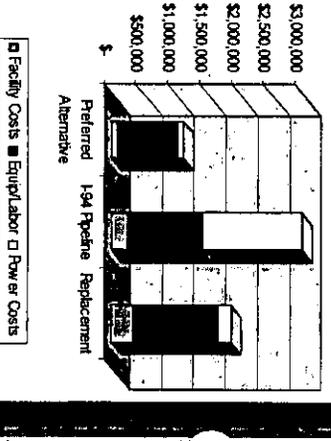
Not preferred because:

- A replacement water supply is not needed—only a supplemental water supply is needed during times of drought.
- Water systems don't want "all their eggs in one basket."
- Don't want to solely rely on a treatment plant that is 200 miles away.
- Systems want to maintain their existing treatment plants as a backup (more costly to pay for replacement water and maintain local treatment plant).
- Doesn't provide instream flows to benefit the aquatic community.
- Costs \$1.57 billion more to construct than the Preferred Alternative.

Maximum Missouri River Use



Annual O&M Cost Comparison



Benefits:

- Affects riparian areas in the Sheyenne and Red Rivers with improved flows during a 1930s-type drought

Impacts:

- Adverse impacts to the Sheyenne River mussels.

Benefits:

- Improved Red River fish and mussel habitat
- Affects riparian areas in the Sheyenne and Red Rivers with improved flows during a 1930s-type drought

Impacts:

- General loss in fish and mussel habitat in Sheyenne River
- Adverse impacts to the Sheyenne River mussels

All Alternatives utilize similar design criteria based upon projected municipal, rural and industrial (MIR&I) demand through 2050, utilize similar pipeline materials and have similar minimum operational life expectancy of 100 years (McCluskey Canal and Snake Creek Pumping Plant potential life expectancy, with proper maintenance, can exceed another 100 years).

To:

Senate Majority Leader Bob Stenehjem
Senate Minority Leader David O'Connell
Senate President Jack Dalrymple
Senate President Pro Tempore Tom Fischer
Senate Natural Resources Chair Stanley Lyson
House Speaker David Monson
House Majority Leader Al Carlson
House Minority Leader Merle Boucher
House Natural Resources Chair Todd Porter

Honorable Gentlemen:

This is to update you on the current status of the Red River Valley Water Supply Project. While we don't usually expect or experience smooth sailing on a project of this nature, we are moving forward in this important effort to provide a long term dependable water supply to eastern North Dakota.

Enclosed for your consideration are two letters detailing the current status of the Environmental Impact Study (EIS) on the Red River Valley Water Supply Project (RRVWSP).

The November 1, 2005, letter from Governor John Hoeven sets out the process North Dakota used to select the preferred alternative that was recommended to the Secretary of Interior for his final decision.

The January 15, 2009, letter from Secretary of the Interior Dirk Kempthorne disclosed that on December 4, 2008, the Department reported to Congress its conclusions regarding the most appropriate alternative to address the purpose and need for the Red River Valley Water Supply Project: the Preferred Alternative contained in the Final Environmental Impact Statement identified as the Garrison Diversion Unit Import to Sheyenne River Alternative.

Secretary Kempthorne also disclosed that the Department has formally determined that the proposed treatment of Missouri River water is adequate to meet the requirements of the Boundary Waters Treaty of 1909.



The 39 page Comprehensive Report to Congress, Red River Valley Water Supply Project is available at your request or online at www.rrwsp.com. The final administrative step in the Environmental Impact Study (EIS) process, that has been underway since 2002, will be a Record of Decision (ROD) that will be issued after the use of Missouri River water is authorized by Congress.

We stand ready to provide a more in-depth briefing (or briefings) on the Red River Valley Water Supply Project to any group or committee that you deem appropriate.

Sincerely,

Dave Koland
General Manager





— State of —
North Dakota

Office of the Governor

John Hoeven
Governor

November 1, 2005

The Honorable Gale A. Norton
Department of the Interior
1849 C Street, NW
Washington, DC 20240

Re: Selection of Preferred Alternative for the Red River Valley Water Supply Project

Dear Secretary Norton:

In December 2000, Congress enacted the Dakota Water Resources Act (DWRA) to address their concern regarding the quality and quantity of water for citizens in Eastern North Dakota. The Bureau of Reclamation prepared a report of the water needs in the affected areas and proposals for meeting those needs. Congress designated the State of North Dakota as a joint lead to work cooperatively on an Environmental Impact Statement with the Bureau of Reclamation. The DWRA allows the ultimate selection of the preferred alternative to rest with the Secretary of Interior in consultation with the State of North Dakota and affected communities. After extensive study, cooperative efforts with affected water users, and careful consideration, the State of North Dakota as joint lead agency in the Red River Valley Water Supply Project selected the GDU Import to the Sheyenne River as its preferred alternative in the Draft Environmental Impact Statement (EIS).

The Garrison Diversion Conservancy District represents the State of North Dakota in the EIS process and actively consulted with the affected communities and State agencies as the study progressed. Throughout this process, Garrison Diversion and the Bureau of Reclamation presented detailed study information to the Lake Agassiz Water Authority, which is the official governing body representing the affected communities. The Co-Leads presented information regarding scope and design of alternatives, needs and option information, environmental impact information, legal obstacles, project costs, financing options and mitigation. With this knowledge, on October 4, 2005, the Lake Agassiz Water Authority voted unanimously to select the GDU Import to the Sheyenne River Alternative as its choice. On October 7, 2005, after presentations on the alternatives, the Garrison Diversion Board of Directors voted unanimously to select the same alternative. Similarly, with the benefit of extensive presentation of materials, on November 1, 2005, the North Dakota State Water Commission voted unanimously to select the GDU Import to the Sheyenne River Alternative as the preferred option to meet the comprehensive water needs in the Red River Valley.

600 E Boulevard Ave
Bismarck, ND 58505-0001
Phone: 701.328.2200
Fax: 701.328.2205
www.nd.gov



THE SECRETARY OF THE INTERIOR
WASHINGTON

JAN 15 2009

GP-1000
WTR-4.03

MEMORANDUM

To: Michael J. Ryan
Regional Director, Great Plains Region

Through: Kameron L. Onley *Kameron L. Onley*
Acting Assistant Secretary – Water and Science
Acting Commissioner *Ryan Seate*
Bureau of Reclamation

From: Dirk Kempthorne *Dirk Kempthorne*
Secretary of the Interior

Subject: Compliance with Boundary Waters Treaty and Consultation Requirements of the Dakota Water Resources Act (DWRA) of 2000 for the Red River Valley Water Supply Project (Project).

The Red River Valley of eastern North Dakota faces a potential water supply crisis in coming years. Most of the people living in the Red River Valley rely on the drought-prone Red River of the North and its tributaries as their primary or sole source of water. For this reason, the Project has been analyzed. In order to offset the adverse impacts of future drought through the year 2050, the Bureau of Reclamation's recommended approach for the Project would entail transporting water from the Missouri River Basin to the Red River Valley to supply water to meet the comprehensive water needs of people and industries in the Red River Valley.

The purpose of the memorandum is to document the Department's determinations and analyses reached in coordination and consultation with other Executive Branch agencies, pursuant to the DWRA. On December 4, 2008, pursuant to DWRA, the Department reported to Congress its conclusions regarding the most appropriate alternative to address the purpose and need for the Project: the Preferred Alternative contained in Reclamation's Final Environmental Impact Statement (FEIS) identified as the Garrison Diversion Unit (GDU) Import to Sheyenne River Alternative (GDU Import Alternative). The Department has also assessed and determined, pursuant to DWRA that the proposed treatment of Missouri River waters, as described in the FEIS for the Preferred Alternative, is adequate to meet the requirements of the Boundary Waters Treaty of 1909. The Department has completed the required consultations on this determination with the Environmental Protection Agency (EPA) and the U.S. State Department (State Department) as specified in DWRA Section 1(h). The attached Memorandum of Understanding (attachment 1) among the three agencies (the Department, EPA, and the State Department) details the extraordinary coordination our agencies have taken over a 2 year period to fully implement and comply with this provision of the DWRA.

Requirements of the Dakota Water Resources Act of 2000

The DWRA (Public Law 106-554) provides the underlying authority for the Project. Section 8 directs the Secretary of the Interior to conduct a comprehensive study of the water quality and quantity needs of the Red River Valley in North Dakota and possible options for meeting those needs. It also directs the Secretary of the Interior and the state of North Dakota to "jointly prepare and complete a draft environmental impact statement concerning all feasible options to meet the comprehensive water quality and quantity needs of the Red River Valley and the options for meeting those needs including delivery of Missouri River water to the Red River Valley." See DWRA at Section 8(c)(2)(A).

Because the GDU Import Alternative involves the transfer of surface water from the Missouri River Basin into the Hudson Bay Basin, i.e., the Project would move water between basins, compliance with provisions of DWRA (Section 1 (h)) and the Boundary Waters Treaty of 1909 must be addressed.

Section 1(h) of the DWRA provides: "*Prior to construction of any water systems authorized under this Act to deliver Missouri River water into the Hudson Bay basin, the Secretary, in consultation with the Secretary of State and the Administrator of the Environmental Protection Agency, must determine that adequate treatment can be provided to meet the requirements of the Treaty between the United States and Great Britain relating to Boundary Waters Between the United States and Canada, signed at Washington, January 11, 1909 (26 Stat. 2448; TS 548) (commonly known as the Boundary Waters Treaty of 1909).*"

The Boundary Water Treaty forms the basis for consultation between the United States and Canada on transboundary issues. Article IV of the Treaty states: "*It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.*"

Summary of GDU Import Alternative

The GDU Import Alternative would develop and deliver a bulk water supply to meet both short-term and long-term future water needs of the Red River Valley in North Dakota and Minnesota. This approach to the Project would include construction of features and facilities needed to develop and deliver sufficient water to existing infrastructure for distribution to municipal, rural, and industrial (MR&I) water users in the service area (Figure 1). The service area includes the thirteen eastern counties of North Dakota, plus the Minnesota communities of Breckenridge, Moorhead, and East Grand Forks. As noted above, the proposed Project would supply water to meet the needs of people and industries in the Red River Valley through the year 2050. The purpose of the proposed action in the FEIS was established by Congress and is defined by the DWRA to meet the "comprehensive water quality and quantity needs of the Red River Valley" through year 2050. See DWRA at Section 8(c)(2)(A). The quality and quantity needs are defined by DWRA as MR&I water supplies, water quality, aquatic environment, recreation, and water conservation measures. See DWRA at Section 8(b)(2). The DWRA only authorizes construction of features that meet water supply needs, including MR&I water supply demands, groundwater recharge, and streamflow augmentation. See DWRA at Section 8(a)(2). These needs were quantified in Reclamation's 2005 *Final Report on Red River Valley Water Needs and Options*, which is a needs assessment and engineering study. This report was prepared and published pursuant to DWRA Section 8(b).

The FEIS was prepared in accordance with the NEPA, the Council on Environmental Quality's NEPA regulations (40 CFR 1500-1508), and Department policies. At this time, the Department believes it is appropriate to defer proceeding to a Record of Decision (thereby completing the NEPA process with

Alternative, as this alternative would require additional Congressional authorization, consistent with the provisions of DWRA. The Department's current view is that upon such authorization, the Department would then review the authorized project to determine whether any additional NEPA analysis is required or appropriate.

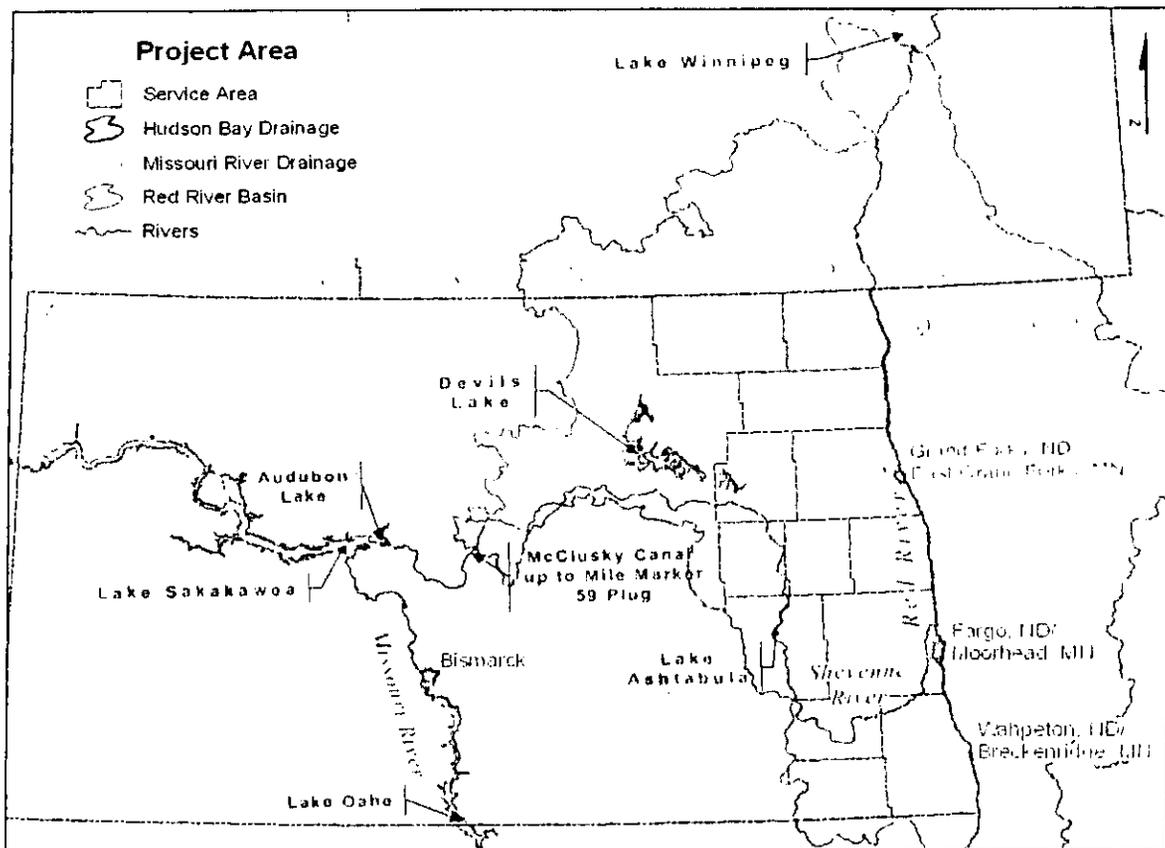


Figure 1. Area of the Proposed Project. Counties in yellow are the thirteen counties to be served by the project.

Identification of the Preferred Alternative in FEIS

As noted above, in the FEIS Reclamation and North Dakota identified the Garrison Diversion Unit (GDU) Import to Sheyenne River Alternative as the preferred alternative (Figure 2). The Missouri River is a more reliable water source than the Red River (North Dakota In-Basin Alternative) and possibly reliance on Minnesota groundwater (Red River Basin Alternative) based on results of U.S. Geological Survey studies.

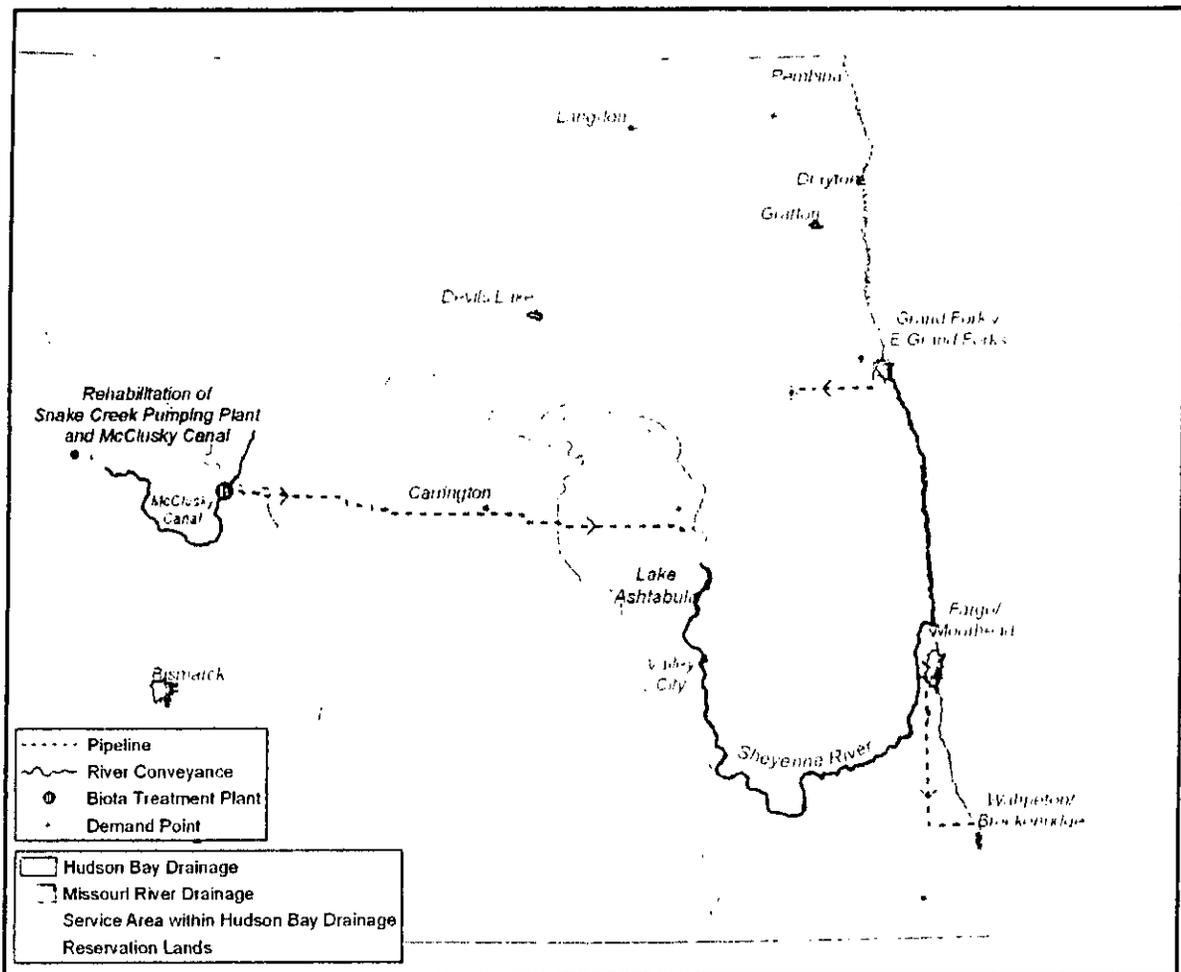


Figure 2 - Preferred alternative GDU Import to Sheyenne River

This alternative has no technical constructability issues and is the least costly of the three Missouri River import alternatives. All the alternatives have water permitting or legislative approval issues, but the Red River Basin Alternative has the added uncertainty of asking Minnesota to approve use of its valuable water sources to benefit another state contrary to the concerns of its citizens as expressed during the NEPA process. The Missouri River import alternatives, while requiring future congressional approval pursuant to Section 8(a)(3)(B) of DWRA, have the advantage that the North Dakota State Engineer granted a water permit in 1967 to withdraw sufficient water for the Project to precede without the conditions Minnesota has placed on their groundwater sources. Permit number 01416 allows the use of 1.212 million acre-feet annually, which is more than would be needed for this proposed Project. To address concerns raised by the Province of Manitoba, in-filter Dissolved Air Flotation (DAF), treatment option or a comparable, cost effective treatment option with filtration (removal), which meets their biota treatment goals was identified for this alternative to reduce the risk of invasive species.

Consultation with EPA and the State Department under DWRA Section 1(h)

Over the course of nearly 2 years, Reclamation, acting on behalf of the Secretary of the Interior, EPA and the State Department thoroughly considered the acceptability of the recommended preferred alternative and the recommended treatment processes. The agencies developed an in-depth consultation process that provided EPA and the State Department the unprecedented opportunity to review and comment during the NEPA process. Through extensive consultations with the EPA and the State Department, the agencies have reached the following conclusions:

1. The in-filter DAF treatment process as proposed by the Province of Manitoba or a comparable, cost effective treatment process has been selected as the treatment process for the Preferred Alternative. The agencies agree the DAF process, or a comparable process, coupled with filtration, ultraviolet disinfection and chlorination is adequate treatment and will meet the requirements of the Boundary Waters Treaty.
2. The Preferred Alternative complies with the provisions of the Boundary Waters Treaty of 1909 as required by and set forth in section 1 of the DWRA.
3. The most cost effective treatment measures will be used that incorporate a multi-barrier process including filtration prior to any water crossing the basin boundary.
4. The requirements for the Project are unique and specific to that Project. The agencies will consider other projects on a case by case basis considering the unique qualities of other projects to ensure compliance with the Boundary Waters Treaty.

The aforementioned conclusions are based on the following features that would be incorporated into the Project design.

- Raw water from the Missouri River will be treated prior to crossing the basin divide using the multiple barrier approach described.
- Appropriate engineering controls and fail-safe systems will be incorporated in the water treatment plant to minimize the risk of releasing untreated water in the Hudson Bay basin.
- Standard procedures for facility inspection, operation, routine maintenance and capital replacement will be implemented to minimize the potential for facility degradation and breakdowns.
- Contingency plans, emergency response procedures, and periodic exercises to address system operations and treatment effectiveness will be developed.
- Development of an adaptive management plan for the treatment plant which continually evaluates the performance of the treatment processes and identifies possible modifications to the treatment.

Therefore, in consideration of the FEIS, the identified treatment process and the extensive consultations undertaken with EPA and the State Department, the Department has made the following determinations:

1. The Preferred Alternative project meets the legal requirements of the DWRA with respect to consultations with EPA and State Department relative to the Boundary Waters Treaty; and,
2. The identified treatment processes are adequate to meet the requirements of the Boundary Waters Treaty.



DIRK KEMPTHORNE
Secretary of the Interior

JAN 15 2009

Date

Attachments -2

Testimony by Curt Kruen, Council Member
Grand Forks City Council

To the

Senate Natural Resources Committee
SB2336 Hearing

Bismarck, North Dakota
February 6, 2009

Mister Chairman, members of the committee, thank you for this opportunity to testify on Senate Bill 2336 being considered by your committee. My name is Curt Kruen; I am a Grand Forks City council member and a director on the Lake Agassiz Water Authority Board.

I have been a director on the Lake Agassiz Water Authority (Lake Agassiz) since it was organized in 2003 to be the voice of the local users of the proposed Red River Valley Water Supply Project. As you may know, Garrison Diversion Conservancy District (District) provides support to Lake Agassiz. This includes engineering, legal, financial and administrative support.

Lake Agassiz has been meeting almost monthly since its inception six years ago. During that time the District has been monumental in pushing the Red River Valley Water Supply Project studies forward. The District brings the matters that are of concern to Lake Agassiz for their consideration and input. The District brings in experts such as engineers and financial consultants to help Lake Agassiz in their decision process.

My experience with the District has been positive. They have been doing a superb job in the Red River Valley Water Supply Project studies and have a wealth of knowledge pertaining to the Project that would not be easily transferred. Removing the District from the Red River Valley Water Supply Project will be a detriment to Lake Agassiz and to North Dakota.

For these reasons, and the others you will hear today, it is important for you to vote against Senate Bill 2336. Again, thank you for allowing my testimony to be heard today.

**Testimony of John Leininger, Chairman of the Board
Garrison Diversion Conservancy District
Senate Bill 2336
Natural Resources Committee
February 6, 2009**

Chairman Lyson and committee members, I am John Leininger, and I serve as Chairman of the Garrison Diversion Conservancy District Board of Directors. I represent Griggs County, and I am here to speak in opposition to Senate Bill 2336.

In 1944, the Pick-Sloan Act was adopted to create six dams along the Missouri River for flood control, irrigation and hydropower. As you know, the dam created in North Dakota was the Garrison Dam and the lake, Lake Sakakawea, was to be used for flood control, recreation and irrigation. The federal government promised the State of North Dakota one million acres of irrigation and municipal waters to replace the thousands of fertile acres of bottomland lost when the land became flooded. They also promised the Three Affiliated Tribes, new land to replace what was lost to the permanent flood and potable water for their domestic uses. What did we get? Only 75,000 acres of irrigated land and many of the Native Americans living in the rural areas still do not have potable water on their farms and ranches.

In 1955, the State of North Dakota created a political subdivision, the Garrison Diversion Conservancy District, to develop the diversion of water from Lake Sakakawea for irrigation, domestic, municipal, industrial, power, recreation and other benefits to areas of need in North Dakota. Counties across the state joined this new organization with hopes of receiving water from the dam for irrigation and municipal, rural and industrial purposes. The Garrison Diversion Conservancy District currently consists of 28 member counties.

In 1986, legislation by the US Congress adopted the Garrison Diversion Reformulation Act . This changed the focus of the original legislation to municipal, rural and industrial

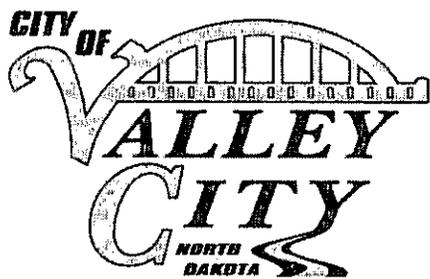
water projects, and the amount of irrigation was reduced to 130,940 acres. The loss of promised irrigated land was a severe economic blow to the State of North Dakota. Even though the primary purpose was changed, the Garrison Diversion Conservancy District board members and staff continued the battle of securing funding for water projects in North Dakota.

In 2000, the Garrison Diversion Conservancy District board and staff once again found themselves in a battle in Washington to save the Project. They worked tirelessly for the people of North Dakota to save what they could of the original promises made in 1944 by our US Government. A compromise, the Dakota Water Resources Act, was reached at the time between Congress and the State of North Dakota. The Dakota Water Resources Act amends the Garrison Diversion Reformulation Act of 1986. The Dakota Water Resources Act is a program to meet the Indian and non-Indian water needs in ND. It provided \$200 million for Indian MR&I, \$200 million for state MR&I, \$200 million for the Red River Valley Water Supply Project, \$6.5 million for recreation and \$20 million for the Natural Resources Trust. If it had not been for Garrison Diversion Conservancy District members and our congressional leaders, all would have been lost, including the Red River Valley Water Supply Project.

The Garrison Diversion Conservancy District board members, each of whom represent a county, have a deep passion for the water projects that are currently on the drawing board for the people of North Dakota. Our board is deeply committed to making the Garrison Diversion Unit project a reality for North Dakota. On behalf of the people in the State of North Dakota, I urge you to vote "do not pass" regarding this proposed legislation.

#7

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February 5, 2009

To: Chairman Lyson & Members of the Natural Resources Committee

From: Ken Evenson, Vice President of Valley City Commission & Member Board of Director
Lake Agassiz Water Authority

Jon R Cameron, City Administrator, Valley City, ND

Subject: Opposed to S.B. 2336

On behalf of the City of Valley City, we are opposed to the passage of S.B. 2336.

The Garrison Diversion Conservancy District and the State Water Commission both serve the citizens of North Dakota admirably, but have separate and distinct roles and functions. Garrison Diversion Conservancy District supplements the activities of the State Water Commission and provides a more specialized service to the member counties and specifically in support of the Lake Agassiz Water Authority.

In the legislation that created the Lake Agassiz Water Authority in 2003, the Garrison Conservancy District was directed to provide the administrative support for Lake Agassiz. Since the creation of the Lake Agassiz Water Authority, Garrison Diversion has worked diligently to provide us with the cost allocation study and projected the water needs for each user to enable the users to make informed decisions on water nomination levels for the project. In addition, Garrison Diversion staff have worked with Congress, the Office of Management and Budget, the Department of Interior, the State of Minnesota and Canadian officials to identify and resolve issues.

The State Water Commission is good at what they do, but S.B. 2336 would result in an increase in their responsibilities, thus reducing the focus on individual projects and specifically the Lake Agassiz project. We believe that the elimination of the Garrison Diversion Conservancy District, as proposed in S.B. 2336, would result in a reduced focus on the needs of the Lake Agassiz Water Authority to the detriment of the citizen and communities served by the district. We respectfully request that you vote "No" on S.B. 2336.

Testimony by Ken Vein, Board Member
Garrison Diversion Conservancy District

To the

Senate Natural Resources Committee
Hearing on Senate Bill 2336

Bismarck, ND
February 6, 2009

Mr. Chairman, members of the committee, my name is Ken Vein. I am the Grand Forks County representative on the Garrison Diversion Conservancy District (District) and I chair the Public Relations/Red River Valley Committee. I am a registered professional engineer in the State of North Dakota with 30 years of experience working on water related issues.

Other District board members on the Committee are Bill Krivarchka from Trail County, Jon Lingren from Cass County and Bud Lyons from Ransom County. We all have a personal stake in the success of the Red River Valley Water Supply Project. We represent counties in eastern North Dakota that are relying on the implementation of this project. The need for this project is clearly identified in the Needs and Options Study, where the state-wide impact of the 'Do Nothing' alternative could be a negative \$2 billion a year.

Our committee typically meets monthly, immediately following the Lake Agassiz Water Authority meetings, to review progress and to address administrative and policy issues. Committee reports are made quarterly at every Executive Committee meeting and at every District Board meeting where all policy decisions are voted on. The Committee and Board have worked hard to stay on top of this Project.

Eliminating the Garrison Diversion Conservancy District and the oversight we have would be a tremendous setback. Anyone new coming in and taking over our responsibilities without our institutional knowledge would be at a severe disadvantage as this Project is extremely complex and requires a huge time commitment.

I urge you to vote do not pass on SB2336. Thank you for your time.

**Testimony by Ken Royse, Board Member
Garrison Diversion Conservancy District**

To the

**Senate Natural Resources Committee
Hearing on SB 2336**

**Bismarck, ND
February 6, 2009**

Mr. Chairman, members of the committee; my name is Ken Royse, I am a professional consulting civil engineer and I serve on the Board of Directors of Garrison Diversion Conservancy District representing Burleigh County.

I think that one reason we are here today is because the Garrison Conservancy District is not well understood as to our role in water development and the benefits we provide to the general public of our State.

I also think that to a large extent you can judge a board or association by its members. Let me introduce to you, in a small part, some of our board members:

- On our board we have agribusiness men, professional engineers, teachers and higher education professors, principals, coaches, accounting and medical professionals, small and large business owners, current and past public work directors, and seed and implement dealers.
- Our members serve as school board members, soil conservation members and managers, township supervisors, American Legion and Knights of Columbus members, Farm Bureau members, directors of local banks, and members of local fire protection districts.
- Recent board members include the current mayor of Williston, a former mayor of Fargo, a former Valley City Commissioner, and a former mayor of Rugby.

- Recent board members also include County Commissioners from McKenzie County, Barnes County, and Nelson County----- in fact; one of our current members is the immediate past president of the ND Association of Counties.
- Our board members are also involved in numerous other water associations in the state including having a number of our members serving on various County Water Resource Boards, one of our members being a past president of the ND Water Users, one member currently a first vice president of the ND Water Users, several members serving on the executive board of the ND water users, one member currently as first vice president of the ND State Water Resource Board, several of our members serve on the ND Water Coalition, and one of our members is the current chairman of the ND Irrigation Caucus.
- We also have several members involved as Board members on various joint water boards, rural water boards, irrigation boards, and other water and natural resource related boards.
- A number of our members have had a variety of highly respected roles in non-water related boards including:
 - President of the ND Community Education Association
 - Chairman of the National Rural Revitalization Task Force
 - Director positions on the ND Farm Bureau
 - Director and executive positions on the US Durum Growers Association
 - President of the ND Municipal Power League
 - President of the ND Landowners Association
 - Member of the ND State Seed Commission
 - Director of the ND Wheat Commission
 - Former President of the US Durum Growers
 - Director of the ND State Fair Board
- And lastly, each of our 28 members is an elected official from their resident county---- running and being elected in a general election to serve as their county representative on the Garrison Diversion Conservancy Board.

The point of this exercise of telling you of the make up our board is an attempt to introduce you to the character of our members---and by extension the character of our Board. I think you can see that our board is a highly professional board, made up of individuals who take community service very seriously. All of us believe in the importance of water development in our State and all of us believe that Garrison Diversion plays an important role in that development.

I know that as legislators you have your own role to play in how our state functions and how we use our public funds. But if you believe that elimination of Garrison will promote water development efficiency I think you are mistaken. Garrison provides a grass roots organization of elected members, from willing counties, which carry out and conduct water development services which are not and cannot easily be provided by a State agency such as the State Water Commission. In fact, the SWC has or will testify that they do not have the desire to take on the role of the GDU or to see this bill succeed

On behalf of my constituents of Burleigh County and of the City of Bismarck, I urge you to oppose Senate Bill 2336.

**GARRISON DIVERSION CONSERVANCY DISTRICT
BOARD OF DIRECTORS**

Executive Committee

John Leininger, Chairman
Ken Vein, 1st Vice Chairman
Ken Royse, 2nd Vice Chairman
Dennis Wendel
Dave Johnson
Kenny Rogers
Jim Burbidge
Alan Walter
John Peyerl
Rick Anderson, Ex Officio

County

Griggs
Grand Forks
Burleigh
LaMoure
Benson
Bottineau
Renville
Ward
Ramsey
McLean

Committee Appointments

Agriculture

Dennis Wendel, Co-Chairman
Kenny Rogers, Co-Chairman
Norman Haak
Steve Metzger
Tim Schindler

County

LaMoure
Bottineau
Dickey
Foster
Sheridan

Public Relations/Red River Valley

Ken Vein, Chairman
Bud Lyons
Jon Lindgren
Bill Krivarchka

County

Grand Forks
Ransom
Cass
Traill

Budget & Finance

Jim Burbidge, Chairman
Rick Anderson
Ken Royse
Cliff Hanretty

County

Renville
McLean
Burleigh
McHenry

Recreation

Dave Johnson, Chairman
Dan Marquart
LeRoy Johnson
Richard Fugleberg
Richard Cayko

County

Benson
Nelson
Pierce
Steele
McKenzie

Municipal, Rural & Industrial

Alan Walter, Chairman
Tom Olson
Jeffrey Breker
Ward Koeser
Bill Ongstad

County

Ward
Stutsman
Sargent
Williams
Wells

Engineering & Operations

John Peyerl, Chairman
Kelly Klosterman
Charles Richter
Roger Bischoff

County

Ramsey
Richland
Eddy
Barnes

Testimony by Norman Haak, Board Member
Garrison Diversion Conservancy District

To the

Senate Natural Resources Committee
Hearing on SB 2336

February 6, 2009

Mr. Chairman, members of the committee; my name is Norman Haak. I am a farmer and I am elected to serve on the Garrison Diversion Conservancy District (District) Board of Directors, representing Dickey County.

I am one of 28 board members that oversee the District's activities. I serve on the Ag and Natural Resources Committee, which works to develop and enhance irrigation in North Dakota. The Ag and Natural Resources Committee works closely with NDSU. We provide over \$200,000 to help fund the NDSU Oakes Irrigation Research Site, the NDSU Irrigation Specialist Position and the NDSU Extension Irrigation and Outreach Program. Without the help of Garrison Diversion Conservancy District these important programs, which advance Ag research and development to benefit farmers throughout the state would not happen.

Dickey County has the only operating federal irrigation project, the Oakes Test Area, left from the 1,000,000 acres of irrigation originally envisioned when we lost the 500,000 acres of farmland under Lake Sakakawea. The Oakes Test Area is operated in conjunction with the Dickey/Sargent Irrigation District,

consisting of the farmers who irrigate within the Test Area. Next year, we hope to irrigate around 4,000 acres.

The Dakota Water Resources Act states that within two years of receiving the Record of Decision on the Red River Valley Water Supply Project a title transfer must be completed at the Oakes Test Area. The Dickey/Sargent Irrigation District is looking to receive the title transfer and take over the operations. The Garrison Diversion Conservancy District is helping Dickey/Sargent prepare for this action.

In addition to irrigation benefits, Dickey County has received recreation funding through the District's matching grant program, as have each of the 28 counties in the District.

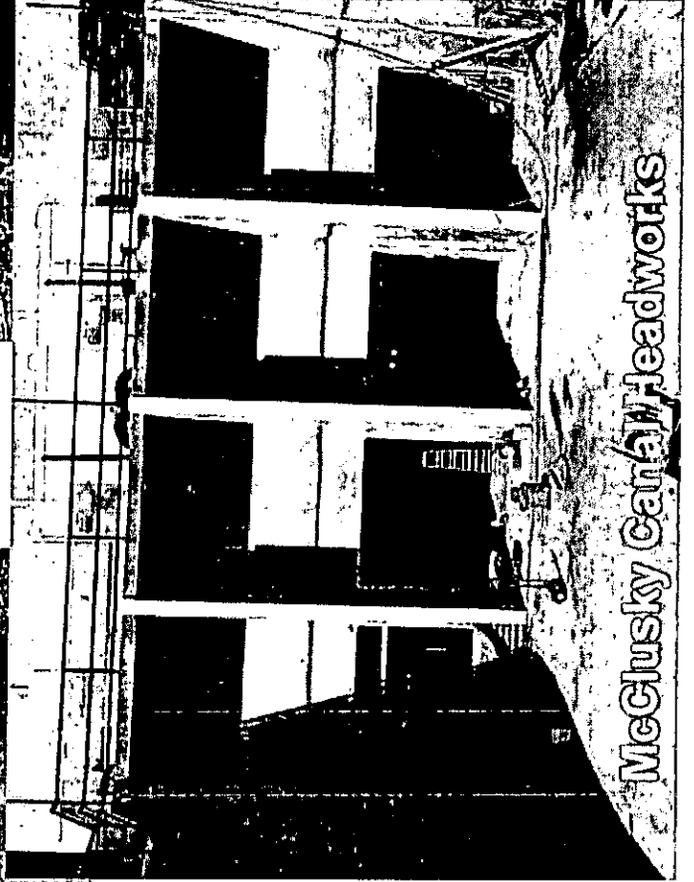
SB2336 proposes to transfer the activities of the Garrison Diversion Conservancy District to the State Water Commission. This will not provide any benefit to the citizens of North Dakota. In my opinion the State Water Commission already has a "full plate" with the authorities they are charged with. I urge you to vote no on SB2336. Thank you for allowing my testimony today.

McClusky Canal Work

Long-reach excavator



Canal rip-rapping



McClusky Canal Headworks

Snake Creek Pumping

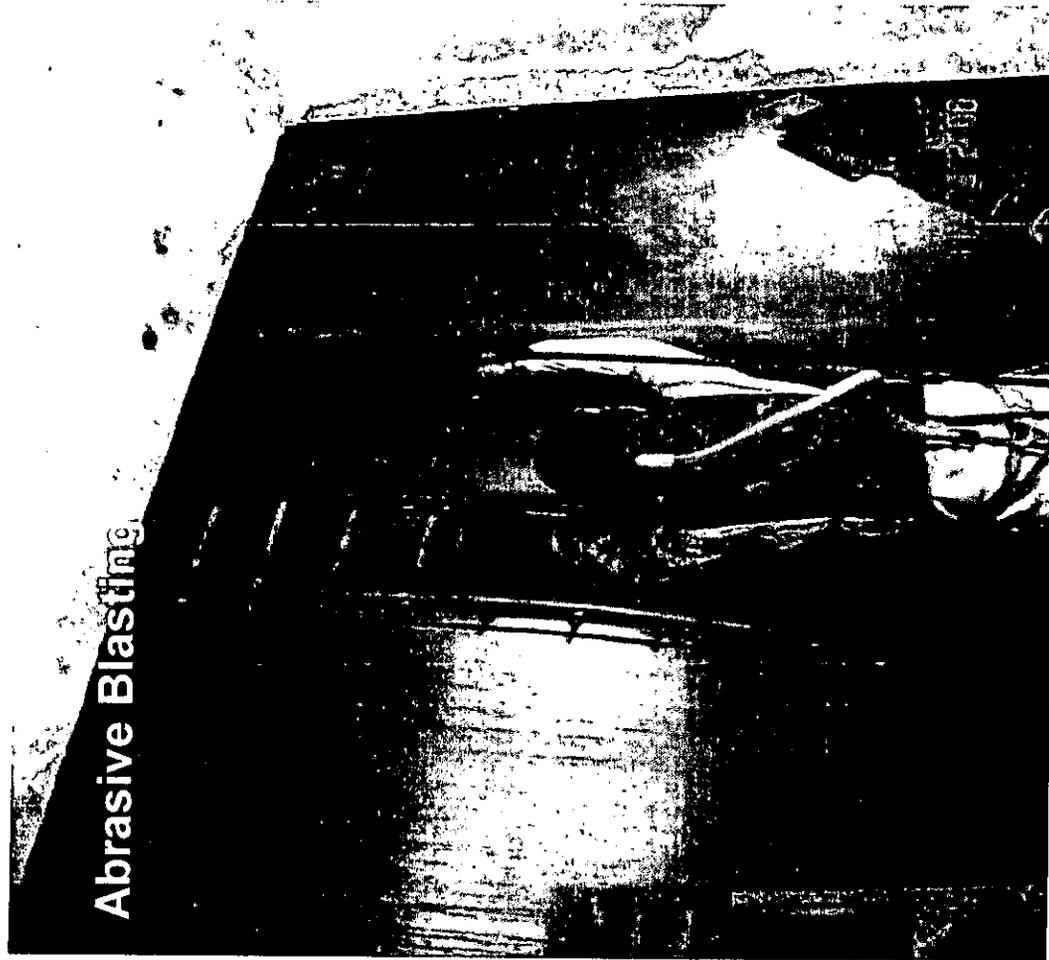
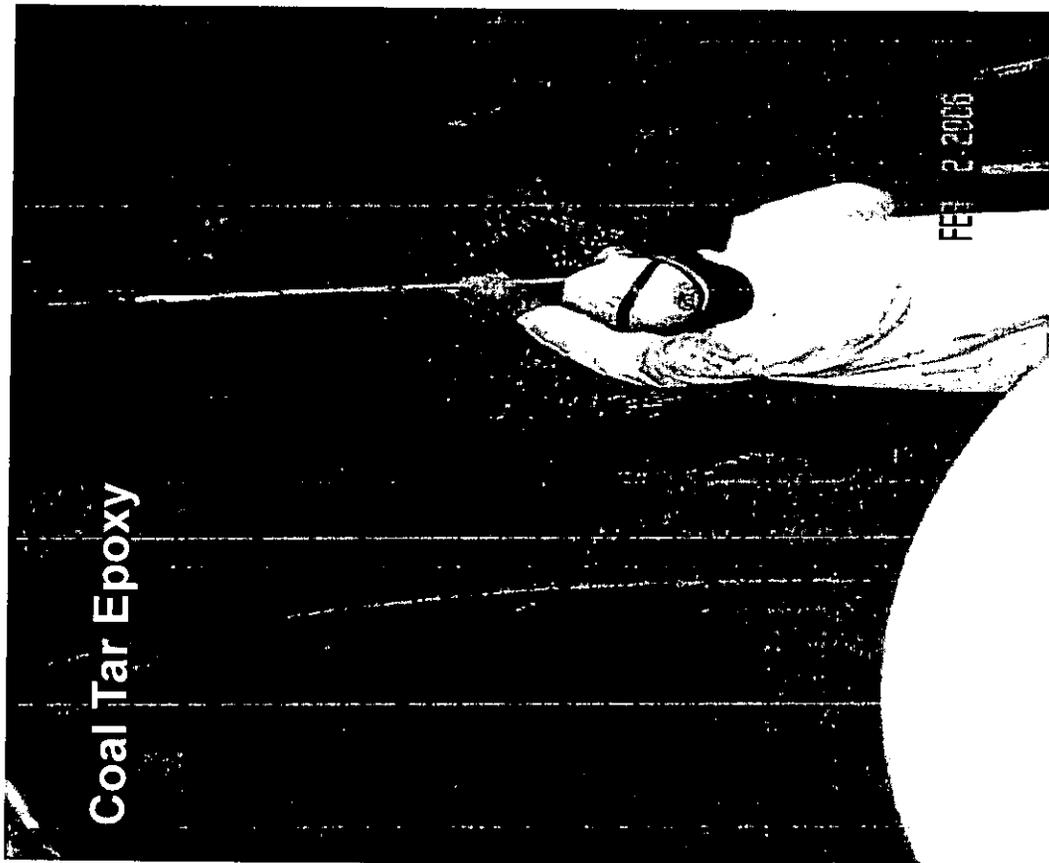
Plant- Cofferdam (removal)

North jetty end facing South

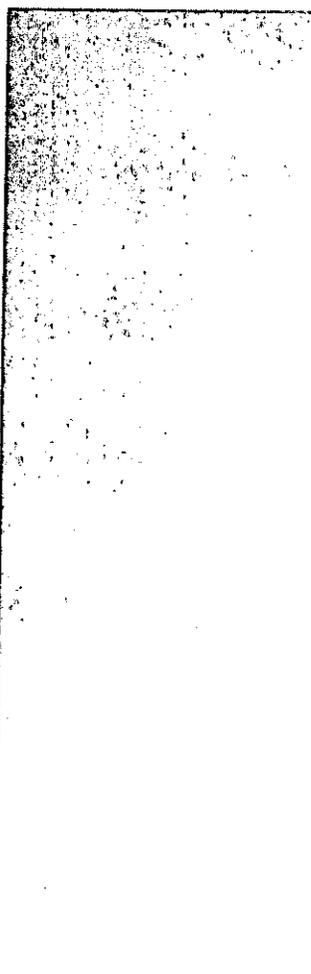
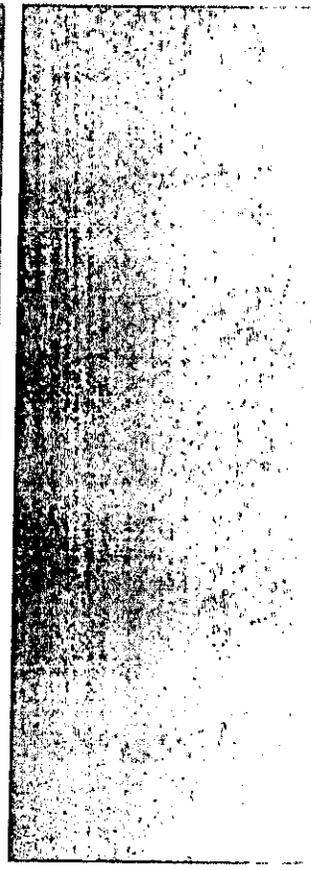


North jetty end facing Southwest

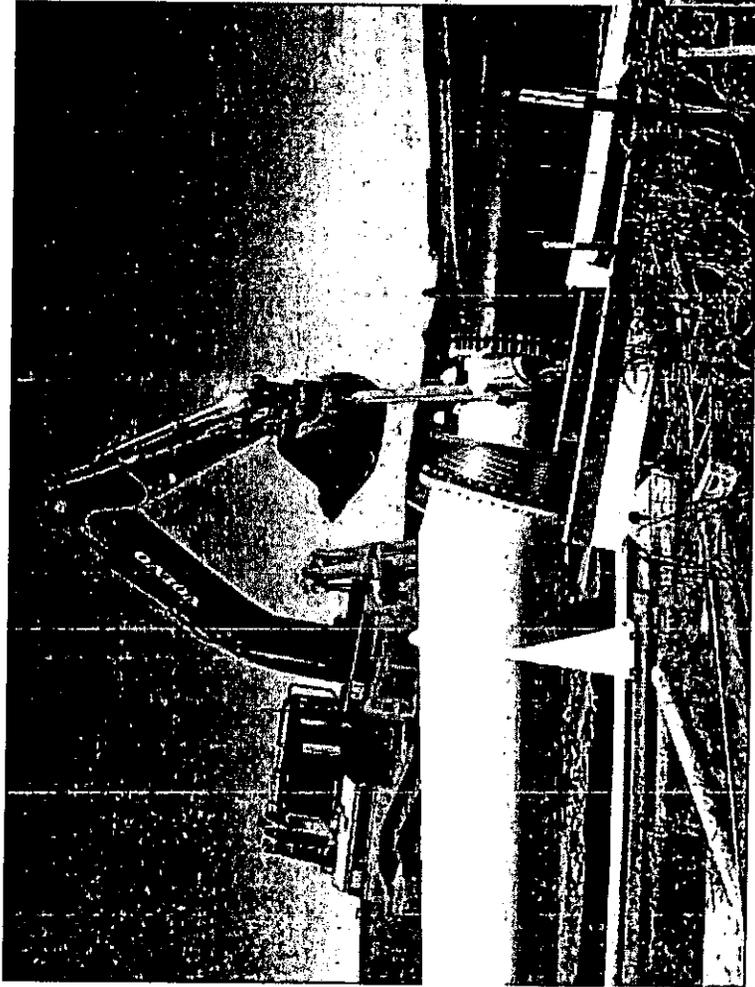
Snake Creek Pumping Plant



● New Johns Day Use Area ●



Devils Lake Outlet

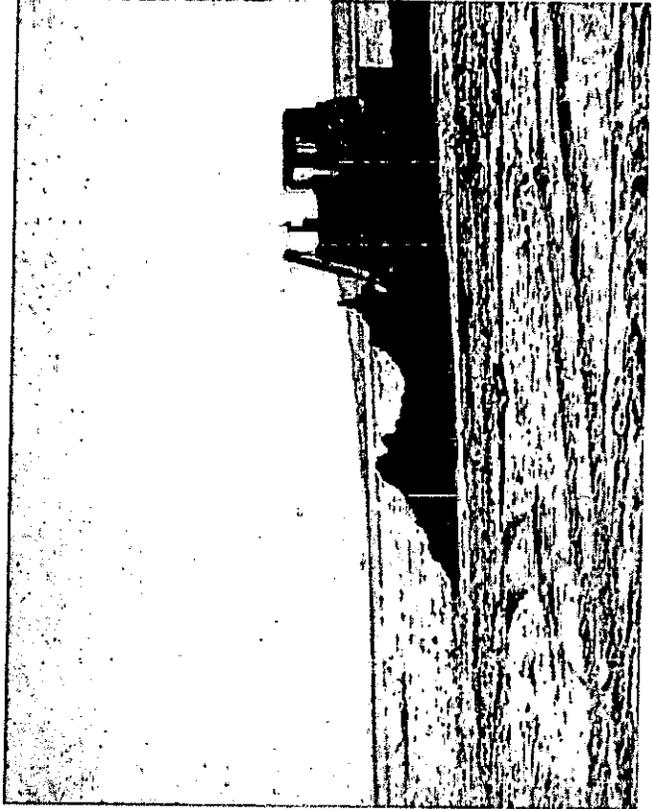
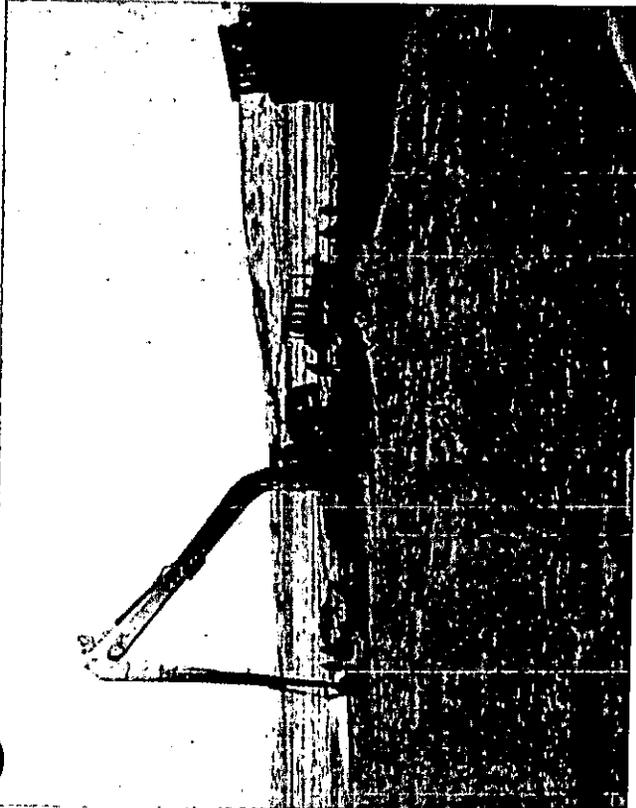


Annual installation and
removal of intake



Fort Yates

Emergency water supply



Testimony by William Ongstad, Board Member
Garrison Diversion Conservancy District

To the Senate Natural Resources Committee
Hearing on SB 2336

Bismarck, North Dakota
February 6, 2009

Mr. Chairman, members of the committee; my name is William Ongstad. I am a farmer living 10 miles east of Harvey and I serve on the Board of Directors of Garrison Diversion Conservancy District (District) representing Wells County. I live three miles north of the New Rockford Canal and farm on both sides of the canal. In 2008, I took off my 35th wheat crop. The District is important to Wells County and all of North Dakota as we uphold our mission, which is: To provide a reliable, high quality and affordable water supply for the benefit of North Dakota. I urge you to vote no on SB2336.

Farming along the canal, I have observed the District employees diligently maintaining the canal and right-of-way for many years. I have also observed State Water Commission Employees digging test well monitoring sites in the area near the canal and areas away from the canal. One site is about a mile east of my farm. It seems to me the District and Water Commission have different purposes and missions.

Another feature we have in Wells County is the Lonetree Wildlife Management area southwest of Harvey. This is managed by the ND Game and Fish Department as a recreation and hunting area. The District and Lonetree cooperate and things are going well in the area.

The ND Legislature created the District to handle Bureau of Reclamation contracts for the state in 1955. It is a system that works well now and has worked well in the past. I, as a farmer who lives in one of the most affected counties, see no reason to change the system at this time. I urge you to vote no on SB 2336. Thank you. If you have any questions my contact information is:

William Ongstad
4135 25th St NE
Harvey, ND 58341
Cell 701-341-2937
Bill.ongstad@gmail.com

Testimony by David Johnson, District Engineer

Garrison Diversion Conservancy District

to the

Senate Natural Resources Committee

Hearing on SB 2336

Bismarck, North Dakota

February 6, 2009

Mr. Chairman, members of the committee; my name is David L. Johnson, and I currently serve as the District Engineer for the Garrison Diversion Conservancy District (District). I am responsible for managing the operations and maintenance program at the District. I am here today to describe the operation and maintenance program, the people involved, our capacity and the unique services provided by the employees of the District.

All of the operation and maintenance work is completed and funded through cooperative agreements or contracts. Once the scope of work is determined, a cooperative agreement is negotiated, and then the District completes the project. The District currently has a Cooperative Agreement with the Bureau of Reclamation (Reclamation) to perform the majority of the maintenance work on the Garrison Diversion Unit Project. In addition, the District has entered into multiple cooperative agreements with state agencies and local political subdivisions for projects. Attached are a few pictures of projects completed by the District.

More specifically, the District currently performs all of the maintenance on the McClusky Canal, New Rockford Canal and the Oakes Test Area irrigation project. The District provides maintenance services on the Snake Creek Pumping Plant, Audubon Wildlife Refuge, Arrowwood Wildlife Refuge bypass channel, Jamestown Dam, Dickinson Dam and tribal MR&I systems when requested by Reclamation.

The District also performs maintenance on the Devils Lake Outlet as requested by the State Engineer. We perform specialty projects for the U.S. Fish and Wildlife Service, Army Corps of Engineers, North Dakota Game and Fish Department, Lake Agassiz Water Authority and other political subdivisions on a project-by-project basis.

The District also provides emergency services to municipal, rural and industrial water supply systems when needed. For example, when Fort Yates ran out of water, Garrison Diversion set up temporary pumps and delivered water to the treatment plant from November through February while a more permanent solution was constructed. The District currently has a memorandum of understanding with the Southwest Water Authority that describes the protocol for performing emergency services in the event that assistance would be needed.

The District has an operation and maintenance staff of 22 full time employees and owns a fleet of equipment to complete the tasks described above. The fleet of equipment includes dozers, excavators, loaders, tractors, semi trucks, end dump trucks and so on. Attached to my testimony is an equipment list.

The District provides several services that are unique to operating canals and large facilities. The following is a partial list of the trained staff and skills required to perform this work; professional engineering, a National Association of Corrosion Engineers certified painting and coatings specialist, a master electrician, a trained diesel mechanic, geographic information system management capabilities, certified pesticide applicators, a certified safety trainer, an irrigation scheduler and multiple heavy equipment operators and truck drivers.

In summary, the District's operation and maintenance staff have valuable expertise, and the District owns the equipment necessary to meet the unique challenges and conditions that are required to maintain and operate the Garrison Diversion Unit Project. The staff has a combined institutional knowledge base of over 272 years of experience and is cross trained to ensure smooth transitions when turnover happens. The program is funded through contracts, it's flexible and efficient.