

MINUTES

**North Dakota State Water Commission
Telephone Conference Call Meeting
Bismarck, North Dakota**

June 9, 1993

The North Dakota State Water Commission held a telephone conference call meeting in the Governor's Conference Room, State Capitol, Bismarck, North Dakota, on June 9, 1993. Chairman, Governor Edward T. Schafer, called the meeting to order at 1:45 PM, and requested State Engineer and Chief Engineer-Secretary, David Sprynczynatyk, to call the roll. The Chairman declared a quorum was present.

MEMBERS PRESENT:

Governor Edward T. Schafer, Chairman
Sarah Vogel, Commissioner, Department of Agriculture, Bismarck
Joyce Byerly, Member from Watford City
Elmer Hillesland, Member from Grand Forks
Daniel Narlock, Member from Grand Forks
Jack Olin, Member from Dickinson
Norman Rudel, Member from Fessenden
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
David Sprynczynatyk, State Engineer and Chief Engineer-Secretary, North Dakota State Water Commission, Bismarck

OTHERS PRESENT:

State Water Commission Staff Members
Bill Nowling, Fargo Forum
(The attendance register is on file with the official minutes.)

The meeting was recorded to assist in compilation of the minutes.

APPROVAL OF AGENDA

There being no additional items for the agenda, the Chairman declared the agenda approved and requested Secretary Sprynczynatyk to present the agenda.

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June 9, 1993 - Bismarck, ND
State Water Commission Conference Call Meeting
Bill Nowling - Fargo Forum

Governor Edward T. Schafer - Chairman

Sarah Vogel, Commissioner, Dept. of Ag., Bismarck

David Sprynczynatyk, SWC, Bismarck

Charles Hydell, SWC, Bismarck

Sharon Jackson, SWC, Bismarck

**CONSIDERATION OF MINUTES
OF APRIL 6, 1993 MEETING -
APPROVED AS AMENDED**

The minutes of the April 6, 1993 meeting were considered. The following amendments were approved:

Page 4, first paragraph, line 7 - corrected to read "The 12-inch PVC piping has begun arriving and the contractor has begun distributing it along the alignment."

Page 5, second paragraph, line 5 - corrected to read "One area centers around a reservoir near New Hradec, one around the Davis Buttes reservoir, and one around the Taylor reservoir."

It was moved by Commissioner Byerly, seconded by Commissioner Thompson, and unanimously carried, that the minutes of the April 6, 1993 meeting be approved as amended.

**BALDHILL DAM SAFETY PROJECT -
CONSIDERATION AND APPROVAL
OF LOCAL/STATE COST SHARE
ARRANGEMENT; AND STATE
ENGINEER'S AUTHORIZATION TO
EXECUTE AGREEMENT
(SWC Project No. 300)**

Secretary Sprynczynatyk stated negotiations have continued concerning the dam safety modifications to Baldhill Dam. The Corps of Engineers District Office in St. Paul has provided a draft agreement and written comments have been provided

by the State Water Commission. Secretary Sprynczynatyk said that to date agreement has not been reached by the district and the state on all of the issues. He said the most notable issue is whether the state can insert language into the agreement concerning the appropriation and allocation of the water in the dam.

Once the negotiations between the district and the state are completed, the agreement will be forwarded up through the Corps' Division Office, to the Office of the Chief of Engineers, and eventually to the Office of Assistant Secretary. Secretary Sprynczynatyk said that hopefully the final agreement can be signed later this year. The Corps of Engineers has tentatively moved up the start of construction to late 1994.

The agreement with the Corps required a non-federal cost share of 1.744 percent of the costs associated with the dam safety modifications. Secretary Sprynczynatyk said this cost was previously calculated to be \$369,900, but the Corps is hopeful that the actual costs will be somewhat less based on more recent estimates.

On September 15, 1992, the State Water Commission agreed to become the non-federal sponsor for the sponsor and approved an allocation of \$184,000 (50 percent) from the contract fund. The State Engineer was also directed to begin negotiations with the five cities that currently hold an allocation of the storage in Baldhill Dam for the remaining 50 percent of the non-federal costs.

The negotiations began on December 2, 1992 in Valley City, and all five of the cities have now agreed to provide the 50 percent cost share and have agreed, in principal, to a draft agreement between the local entities and the State Water Commission. At the request of the City of Lisbon, the Red River Joint Water Resource Board agreed to provide \$14,800 towards the local contribution. The agreement between the locals and the State Water Commission essentially involves the cost share shown in the following table:

	<u>Portion of Total Cost (Rounded Off)</u>	<u>Estimated Dollar Allocation</u>
City of Fargo	0.567%	\$ 120,360
City of Grand Forks	0.083%	17,800
City of Valley City	0.113%	24,000
City of West Fargo	0.016%	3,290
City of Lisbon	0.022%	4,700
Red River Joint Board	<u>0.070%</u>	<u>14,800</u>
	0.872%	\$ 184,950
State Water Commission	<u>0.872%</u>	<u>184,950</u>
Total Non-Federal	1.744%	\$ 369,900

It was the recommendation of the State Engineer that the State Water Commission approve the cost share arrangement, as shown above, with the local entities and authorize the State Engineer to execute the agreement with the local entities on behalf of the State Water Commission.

It was moved by Commissioner Vogel and seconded by Commissioner Olin that the State Water Commission approve the cost share arrangement with the local entities as recommended by the State Engineer for the Baldhill Dam safety modifications, and that the State Engineer be authorized to execute the agreement for the project with the local entities on behalf of the State Water Commission.

Commissioners Byerly, Hillesland, Narlock, Olin, Rudel, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**CONSIDERATION OF REALLOCATION
OF RESOURCES TRUST FUND FOR
1991-1993 BIENNIUM**

The 1991 State Legislature approved the spending limit from the Resources Trust Fund as part of the 1991-1993 State

Water Commission budget. Secretary Sprynczynatyk said this limit was based upon forecasted revenues into the Resources Trust Fund from oil and gas tax revenues, although the State Water Commission is limited in its expenditure to actual revenues into the Resources Trust Fund if the revenues received are less than forecasted. He indicated this is the case during the current biennium whereby actual revenues are nearly \$2 million less than the spending limit approved by the Legislature. This shortfall is due to lower oil and gas prices and production levels than were forecasted in early 1991 for the 1991-1993 biennium.

Secretary Sprynczynatyk explained the State Water Commission has authority to allocate the available revenues to projects as it determines appropriate. This authority is given under the law creating the contract fund. Because of the uncertainty of revenues, he said the State Water Commission ends up approving several Resources Trust Fund allocations during the biennium. The most recent allocation was made on September 15, 1992, and at that time the revenue forecast was estimated at \$14,476,787, which included \$2,128,668 in carryover projects. The March, 1993 forecast estimated the revenues at \$14,372,227. The revenues would have decreased further, but the Southwest Pipeline Project repayments, the MR&I loan payments, and other revenues replaced a portion of the oil and gas tax reductions.

Based on the March, 1993 Resources Trust Fund revenue forecast, Secretary Sprynczynatyk presented for the Commission's consideration, the following reallocation request for funding from the Resources Trust Fund for the 1991-1993 biennium:

<u>Project</u>	<u>Current Allocation</u>	<u>Proposed Allocation</u>
Garrison MR&I Program	\$ 6,500,000	\$ 7,501,441
General Projects	756,973	739,915
Maple River Dam	500,000	500,000
Devils Lake Feasibility Study	500,000	500,000
Northwest Area Water Supply	50,000	50,000
Drought Disaster Livestock Program	300,000	300,000
Hydrologic Investigations	556,446	486,446
Souris River Flood Control	1,637,924	1,637,924
State Water Commission Operations	1,546,776	1,546,776
Carryover Projects	2,128,668	1,109,725
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Total	\$14,476,787	\$14,372,227

It was the recommendation of the State Engineer that the State Water Commission approve the final allocation of the Resources Trust Fund for the 1991-1993 biennium, as shown above, and that the approved funds for projects not completed this biennium be carried over into the next biennium, as provided for in the appropriation for the State Water Commission for the 1993-1995 biennium.

It was moved by Commissioner Olin and seconded by Commissioner Rudel that the State Water Commission approve the final allocation of the Resources Trust Fund for the 1991-1993 biennium as recommended by the State Engineer, and that approved funds for projects not completed this biennium be carried over into the next biennium, as provided for in the appropriation for the State Water Commission for the 1993-1995 biennium.

Commissioners Byerly, Hillesland, Narlock, Olin, Rudel, Swenson, Thompson, Vogel, and Chairman Schafer voted aye. There were no nay votes. The Chairman declared the motion unanimously carried.

**NEXT STATE WATER
COMMISSION MEETING**

The State Water Commission and Garrison Diversion Conservancy District will hold a joint meeting in Devils Lake at Camp Grafton on July 1, 1993, beginning at 1:30 PM. The State Water Commission will meet on July 2, 1993, at the Devils Lake Elks Lodge, at 8:30 AM.

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There being no further business to come before the State Water Commission, it was moved by Commissioner Thompson, seconded by Commissioner Vogel, and unanimously carried, that the State Water Commission telephone conference call meeting adjourn at 2:10 PM.


Edward T. Schafer
Governor-Chairman

SEAL


David A. Spry
State Engineer and
Chief Engineer-Secretary