

WHEREAS, it is the mission of the State Water Commission (SWC) to “improve the quality of life and strengthen the economy of North Dakota by managing the water resources of the state for the benefit of its people”;

WHEREAS, the SWC’s available funds for the 2015 - 2017 biennium are estimated to be \$1.2 billion (20% of the Oil Extraction Tax plus carryover) and that the available funds for future biennia are projected to be even greater;

WHEREAS, the state’s municipalities and rural/regional water systems are the primary suppliers for supply, treatment and conveyance of water for domestic and industrial uses;

WHEREAS, the Water Topics Overview Committee was tasked in the last legislative session to develop a schedule of priorities with respect to water projects and to study policies regarding the development and financing of water projects;

WHEREAS, the SWC has developed new funding policies and priorities which the Water Topics Overview Committee had endorsed with the caveat that it would see how well they worked; and

WHEREAS, the SWC has now reviewed the 2015 - 2017 biennium municipal and rural applications for funding and determined eligibility, prioritization and grant and loan dollars to be available for each project.

NOW, THEREFORE, be it recommended that the SWC revise their newly adopted policies and priorities as they relate to Water Supply projects as follows:

1. All water supply projects are eligible for up to 75% grant with the remainder of the project cost eligible for loan. Terms for the loan would be 1% for up to 40 years.
2. Studies, reports, analyses, surveys, models, assessments, mapping projects, or engineering designs and improvements of a water supply system be considered high priority projects.
3. All project costs are eligible for reimbursement except operations and maintenance costs.
4. That rate comparisons for affordability determination and ranking for municipalities be dropped from consideration because rates do not accurately represent the cost of water to a water purchaser (i.e. special assessments, lot purchase price, general taxes, sales taxes, etc. are all in addition to published water rates).
5. Affordability criteria should be used to support project grant funding rather than loans.
6. Water projects for industrial growth are eligible and considered high priority projects.