

NORTHWEST AREA WATER SUPPLY

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Ken Crites-MDN

The NAWS pipeline project continues south of Minot while legal action swirls around it on at least two fronts. An evidentiary hearing was held in Minot Monday seeking return of interest on NAWS money that was placed in the city's general fund. The GO Committee also wants a separate bank account for NAWS money. In Washington, a lawsuit is under way to determine if environmental safeguards of the water supply project are strong enough.

GO: Return NAWS cash

Committee wants city to repay \$1 million in interest immediately

By **KEN CRITES**
Staff Writer
kcrites@ndweb.com

The Minot GO Committee wants it all and they want it now.

The committee, chaired by attorney Bob Hale, wants the return of more than \$1 million in interest from the Northwest Area Water Supply money taken out of the city's general fund and returned to the NAWS account.

In addition, GO wants the NAWS funds put into a separate bank account. Committee

members contend that would make the account "transparent" so that people can see what's going on with the money.

The NAWS project, currently under construction, is designed to bring Missouri River water from Lake Sakakawea to Minot and then distribute it to communities in the northwest part of the state. Another part of the project provides for improved water service to communities in the Rugby area.

The city says it needs 120 days to come up with the money. Earlier this year, the court found the city had improperly taken interest from the NAWS funds and put it into the

general fund. It was later used for economic development.

The city also argues that a separate account is not needed for handling of the NAWS funds.

Judge Gail Hagerty of Bismarck presided over a hearing in the City Council Chambers at City Hall Monday and asked for briefs from the parties in 10 days.

The GO Committee, the Ward County Farm Bureau, Jerome Schuler and city have been wrangling over the issues for more than

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two years. The city acknowledged that it owes the NAWS account \$1,020,204.

Monday's hearing was called to present evidence to the court. Hagerty said she didn't want to hear a rehashing of the issues and not to repeat matters that had already been determined.

Lynn Boughey, attorney for the GO Committee, said the city has cash on hand to pay NAWS back now.

City Finance Director Bob Frantsvog disputed that.

"It would be difficult for the city to pay the interest back to NAWS in one lump sum. Our accounts have minimum amounts that must be maintained. We just don't have \$1 million laying around," Frantsvog said.

City Comptroller Jean Senger agreed that the money is not readily available.

"We're not broke, but the money the city has is dedicated and must be kept at certain level," she said, noting that the city borrowing the money would be one option. The city currently has about \$147,000 budgeted to help pay back the interest amount.

Senger said that paying the full amount at one time could affect the city's bond ratings.

The 2 1/2 hour hearing in Minot Monday was held at City Hall, because all of the courtrooms in the Ward County Courthouse were scheduled.

The local issues of paying back the interest and putting the money into a separate fund pale in comparison to the federal lawsuit being faced by NAWS supporters.

The Canadian province of Manitoba has brought a lawsuit against the \$145 million NAWS project seeking to have it shut down until a complete environmental impact study is conducted. The Canadians are concerned about the potential for biota from the Missouri River being transferred into the Hudson Bay drainage.

For that reason, Manitoba officials also want complete treatment of the water removed from Lake Sakakawea either at the source or at Max before it is put into the NAWS pipeline. If the Canadians prevail, that could amount to about \$70 million more added to the price tag for supplying water to Minot and the northwest.

That litigation is still pending in federal court in Washington, D.C.

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