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August 16, 2010

The Honorable Kent Conrad
Chairman
Senate Budget Committee
United States Senate
Washington, DC 20510-6100

The Honorable Judd Gregg
Ranking Member
Senate Budget Committee
United States Senate
Washington, DC 20510-6100

Dear Senator Conrad and Senator Gregg:

Thank you for providing the City of Fargo with the opportunity to provide testimony with regard to the "Devils Lake Flooding Disaster: A Red River Valley Perspective." A field hearing of the US Senate Budget Committee to address this important topic is greatly appreciated. As you know, the City has previously expressed concerns about the changing water quality conditions in the City's water source, the Sheyenne River, due to operation of the Devils Lake Emergency Outlet. The primary water quality concern has been elevated sulfate concentrations being transported downstream to the City of Fargo intake on the Sheyenne River near West Fargo.

The City of Fargo understands the necessity of moving water out of Devils Lake, but it should be noted that the problems in Devils Lake have expanded beyond the immediate Devils Lake Basin to become a regional issue that warrants regional solutions for all stakeholders. The City of Fargo relies upon the Sheyenne River as a vital component of its current and future water supply system. In fact, the City has utilized the Sheyenne River for our water supply on over 40 percent of the days since 2007 (559 of 1,308 days from January 1, 2007 through July 31, 2010).

Impacts to our source water quality, especially elevated sulfate concentrations in the Sheyenne River, are concerning because the Fargo Water Treatment Plant was not designed with processes capable of removing sulfates. Historical concentrations below the EPA's secondary maximum contaminant level of 250 mg/L did not warrant sulfate treatment at the time of design. During the design of our Water Treatment Plant, we did make a significant commitment to provide our consumers with high quality, aesthetically acceptable water. Elevated sulfate concentrations in our source water will impact the aesthetic (taste and odor) quality of our drinking water and may have potential health impacts, including diarrhea and dehydration, which are most severe with infants, elderly, and transient consumers. As a major economic center for the region that hosts a significant transient population for health care, employment, shopping, conventions, entertainment, and higher education, we have a very large group of potentially impacted consumers.

As the stakeholders work to develop a satisfactory solution to Devils Lake flooding, the City of Fargo strongly encourages efforts to prevent an uncontrolled release of water from Devils Lake. An uncontrolled discharge from a natural outlet on the east side of Devils Lake has many uncertainties that could impact downstream communities, including the strong possibility of wide spread flooding and significant further water quality degradation. The City would also like to encourage the investigation of year-round operation of the Emergency Outlet. Year-round operation could remove additional water from the lake and could alleviate large fluctuations in sulfate concentration in the Sheyenne River. Given historical Sheyenne River usage patterns by the City of Fargo, it is less likely that the City will be drawing water from the Sheyenne River during winter months.

The City of Fargo currently supplies drinking water to its residents and to the customers of the Cass Rural Water Users District. The City of Fargo also provides regional wastewater treatment, serving several neighboring communities and sanitary districts. With the City's increasing service boundaries, the impact of our drinking water quality extends beyond the boundaries of our City limits and into the metropolitan area and county, which has combined statistical area population of over 200,000.

Recently, the Cities of Fargo and West Fargo have begun discussions related to a regional water supply system that would provide both communities and the Cass Rural Water Users District with a reliable water system. Additional planning and coordination are necessary before moving forward with this regional water system, but it is clear that the Sheyenne River will be an integral part of the water supply and drought mitigation plans for this system. We expect that one solution to the elevated sulfate concentrations in the Sheyenne River could be provided to satisfy the City of Fargo, the City of West Fargo, and the Cass Rural Water Users District.

In order to minimize the drinking water impacts associated with elevated source water sulfate concentrations, the City has estimated that capital improvements of approximately \$50 to \$70 million will be needed for our Water Treatment Plant. The cost range is based on the concentration of sulfate in the Sheyenne River ranging from 450 mg/L to 750 mg/L. The City is prepared to address capacity expansion of its Water Treatment Plant to accommodate our growth, but we are not prepared to fund these necessary capital improvements for sulfate treatment without financial burden to our consumers. As such, funding of the Devils Lake flooding disaster should include funds necessary to mitigate the downstream impacts of the Devils Lake outlet, including state and federal funding for the City of Fargo's drinking water system.

Your efforts to achieve a comprehensive solution to the Devils Lake flooding situation are greatly appreciated. The challenges now associated with Devils Lake are very significant, and

could have potentially long-term devastating impacts to the region. As you continue your work to develop solutions to the regional Devils Lake issue, the solutions must address the following:

- Prevention of additional local flooding.
- Prevention of an uncontrolled discharge to the Sheyenne River.
- Increased flows from the lake, including consideration of year-round discharges.
- Sulfate treatment for downstream water treatment plants on the Sheyenne River.

With state and federal funding to provide sulfate treatment processes at our Water Treatment Plant to meet the treatment standard of 250 mg/L, the City is prepared to support a stream standard variance for sulfate in the Sheyenne River of up to 750 mg/L. We understand this variance would allow a much more aggressive discharge of water from Devils Lake to prevent further flooding impacts. Without this funding as part of the regional solution, however, the City desires to continue use of its Sheyenne River supply with sulfate concentrations that do not exceed the natural historic levels.

Note that as a supplement to this testimony, I have attached the testimony that I provided to Senator Byron Dorgan at the US Senate Energy and Water Appropriations Subcommittee Hearing on February 19, 2010. Along with the attachment, please accept this letter as Fargo's formal submittal to the Budget Committee Hearing "Devils Lake Flooding Disaster: A Red River Valley Perspective."

Sincerely,



Dennis R. Walaker
Mayor

- c. Commissioners
Pat Zavoral, City Administrator
Bruce Grubb, Enterprise Director
Erik Johnson, City Attorney