

LAKE AGASSIZ WATER AUTHORITY**BOARD OF DIRECTORS**

**City Commission Chambers
Fargo, North Dakota
October 27, 2022**

A meeting of the Lake Agassiz Water Authority (LAWA) board of directors was held at the City Commission Chambers, Fargo, ND, on October 27, 2022. The meeting was called to order by Chair Mahoney at 10:00 a.m.

MEMBERS PARTICIPATING

Chair Timothy Mahoney
Vice Chair Ken Vein
Director LaVonne Althoff (by video conference)
Director Rick Bigwood (by video conference)
Director Bill Bohnsack
Director Tom Erdmann (by video conference)
Director Mark Johnson
Director Jim Schmaltz
Director Travis Schmidt (arrived at 10:25 a.m.)
Alternate Brian Riley for Director Keith Nilson
Alternate Marc Pritchard for Director Travis Schmidt
Associate Member Carol Siegert
Secretary Duane DeKrey

MEMBERS ABSENT

Director Dave Carlsrud
Associate Member Dick Johnson
Associate Member Brett Lambrecht

Garrison Diversion staff and others attended. A copy of the registration sheet is attached to these minutes as Annex I.

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

APPROVAL OF AGENDA

Motion by Director Schmaltz to approve the board meeting agenda. Second by Director Bohnsack. Upon voice vote, motion carried.

CONSIDERATION OF MINUTES

Motion by Director Schmaltz to approve the August 12, 2022, LAWA Board minutes as distributed. Second by Director Johnson. Upon voice vote, motion carried.

OFFICER REPORT

Vice Chair Vein did not have a report.

COMMITTEE REPORTS

Technical Advisory Committee - - Kip Kovar, Secretary, LAWA Technical Advisory Committee (TAC), reported the committee met virtually on October 26, 2022. At that time, the committee received updates on Red River Valley Water Supply Project (RRVWSP) construction and approved a scope reallocation under existing task orders and three new change orders, all of which require final approval by the board today. An update was also provided on contractor claims.

Proposed Reallocation Under Existing Task Orders

Kurt Ronnekamp, Black & Veatch, referred to the letter submitted by Black & Veatch to Garrison Diversion relating to the proposed adjustments to several existing task orders. These changes are necessary to address either reductions in or additions to the previously agreed to task order scopes and/or fees. This includes three different task orders proposed to complete additional work that has been done and work that will be forthcoming.

The proposed changes will increase the aggregate amount contracted with Black & Veatch by \$62,654. The professional services fee increase necessary for the additions is largely offset by a reduction to existing task orders.

Mr. Ronnekamp summarized the newly incorporated work and the credits that have been provided on the engineering and financial task orders. The incorporated work includes Task Order 2330 for modeling support and Task Orders 5333/5360 regarding pipeline design and Geotech work under Contracts 5c, 5d and 6 for an additional cost of \$135,000.

The fee credits involve Task Orders 2420, 5430 and 6410, which are the bidding phase services for the first intake contract, the first pipeline project and also the Sheyenne River Outfall. The most significant comes from Task Order 2330 on the design contract for the second project at the Missouri River Intake. The design of the structure was significantly downsized, and the structure became much smaller. The total fee credits for these four task orders are \$487,346.

Offset by the credits are additional items the engineering and finance teams are looking to provide are addressed in the following three task orders. The first is Task Order 2630, which is for construction phase services on the Missouri River Intake, Contract 2. It involves evaluation of contractor claims, as well as requests for information/changes and submission of formal change orders. Two other items included with the change order are revised onsite tunnel staffing and the extension of project completion. The requested fee reallocation is \$325,000.

The second task order is Task Order 1420 for Phase 2 Operational Planning, which is being executed by Burian & Associates and Wilson. It involves additional modeling runs, unanticipated StateMod support, support to Garrison Diversion addressing 2021 drought impacts, alternative support regarding the Washburn raw water supply and review/report related to aquatic invasive species. The requested fee reallocation is \$140,000.

The third is Task Order 8410, 2021/23 Biennium Financial Support, being completed by AE2S Nexus. This task order involves additional budget for expanded meeting and subcommittee participation, increased involvement in the Project Participation Agreement (PPA) development, additional user outreach meetings, expanded outreach to Fargo and further evaluation of federal funding. The requested fee reallocation is \$85,000.

The total of requested additions for the three task orders is \$550,000.

Motion by Director Schmaltz to approve the proposed reallocation under existing task orders, including total fee credits of \$487,346 and total additions of \$550,000, resulting in a net increase of \$62,654 to the aggregate amount contracted with Black & Veatch. Second by Alternate Pritchard. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Erdmann, Johnson, Mahoney, Schmaltz, and Vein. Alternates voting aye: Riley and Pritchard. Those voting nay: none. Absent and not voting: Carlsrud. Motion carried.

Task Orders

RRVWSP Task Order 1430

Project Management Information System Procurement and Implementation Services

Mr. Kovar presented Task Order 1430, which is for the procurement and implementation of a Project Management Information System (PMIS). Once installed, the system will be used for retaining, organizing and storing data and files through the use of a software vendor.

The software vendor selected by Garrison Diversion and the engineering team is e-Builder. Black & Veatch will procure the software solution and implementation services of e-Builder under its Master Services Agreement with e-Builder, which is assignable to Garrison Diversion in the future. Garrison Diversion will retain ownership of all data and files stored and organized in this software solution. The end result of this task order will be licenses (annually renewed for a fee) and a fully implemented PMIS ready to go live in July 2023. It will be used to handle the thousands of documents generated during the life of the RRVWSP beginning with the 2023-25 biennium. Historical information will also be loaded into the system. These professional services are provided on an hourly basis; the fee is estimated based on the scope and nature of the work and the eight-month schedule.

Merri Mooridian, Deputy Program Manager, RRVWSP Administration, added it is very important the PMIS work in conjunction with Garrison Diversion's accounting system. The cost to have an accounting consultant work on this project has not been included at this point. There will be additional costs to get the PMIS and the accounting software coordinated.

The cost of the task order is \$498,000.

Motion by Alternate Reilly to approve RRVWSP Task Order 1430, Project Management Information Services, in the amount of \$498,000. Second by Director Bohnsack. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Erdmann, Johnson, Mahoney, Schmaltz, and Vein. Alternates voting aye: Riley and Pritchard. Those voting nay: none. Absent and not voting: Carlsrud. Motion carried.

**ENDAWS Task Order 7420
2021-23 Biennium Land Services Phase 2, ENDAWS East/West Transmission Pipeline**

Mr. Kovar reminded the board Land Services Phase 1 allowed for surveying and landowner outreach from the break tank to the Sheyenne River Discharge Structure enabling the gathering of right-of-way, which has been ongoing for the last couple of years.

Mr. Kovar presented Task Order 7420, Land Services Phase 2, which is for survey support services and easement acquisition of ENDAWS parcels for the transmission pipeline route from approximately the McClusky Canal Intake and Pumping Station site on the west to the connection point with the RRVWSP Transmission Pipeline East (TPE) 32 miles to the east. This includes a total of 69 parcels.

Elements of this easement acquisition task order are:

1. Completion of legal descriptions and Certificates of Survey for 69 parcels,
2. Production of GIS maps
3. Data input into ESRI ArcGIS WMX app
4. Research and title/ownership reports for all parcels
5. Contacts and negotiations with landowners and full documentation

The cost of the task order is \$727,000.

Motion by Vice Chair Vein to approve ENDAWS Task Order 7420, 2021-23 Biennium Land Services Phase 2 ENDAWS East/West Transmission Pipeline, in the amount of \$727,000. Second by Director Bohnsack. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Riley. Those voting nay: none. Absent and not voting: Carlsrud. Motion carried.

**RRVWSP Task Order 1440
General Contractor & Tunneling Subcontractor Prequalification Process Development & Implementation**

Mr. Kovar said the issue of prequalification for contractors has been discussed at previous committee meetings. Prior bidding efforts have required contractors to submit qualifications at the time of bid opening. This has caused some complications when opening bids and researching contractor qualifications. As a result, the low bid did not qualify.

This task order would develop and implement a general contractor and tunneling subcontractor prequalification process.

The objectives of this task order are as follows:

1. Generate robust contractor, subcontractor, and supplier interest

2. Develop a prequalified list of reputable and qualified contractors and tunneling subcontractors
3. Speed evaluation of bids and contract award
4. Reduce the risk of bid protest and subsequent project delay

The cost of the task order is \$158,000.

Tami Norgard, Vogel Law, stated she had a couple of the attorneys who specialize in construction law at their firm look into whether this process could be used. The conclusion was you can certainly prequalify contractors for the purpose of determining if they are a responsible bidder. Using the prequalification process would assist the engineers, and it would provide some certainty to the contractors/bidders knowing they have been prequalified. She pointed out; however, any other contractors could not be prohibited from bidding.

Motion by Director Schmidt to approve RRVWSP Task Order 1440, General Contractor and Tunneling Subcontractor Prequalification Process Development and Implementation in the amount of \$158,000. Second by Director Johnson.

Director Schmaltz asked if the contractors will be qualified for a period of time or just for a specific bid contract.

Mr. Kovar said he believes the contractor would be prequalified for the next couple of years. Following that, they would be able to renew or update their qualifications.

Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Riley. Those voting nay: none. Absent and not voting: Carlsrud. Motion carried.

RRVWSP UPDATE

Construction Update - - Mr. Kovar provided an update and shared progress photos from the construction site for Missouri River Intake Contract 2.

Mr. Kovar next provided an update on Transmission Pipeline East Contract 5A, including photos of the easement restoration process taking place. An update and progress photos were also provided on Transmission Pipe East Contract 5B. Approximately 7,500 feet of pipe has been installed.

Vice Chair Vein asked if there is any type of financial guarantee if the contractor does not get caught up on Contract 5B.

Ms. Norgard answered that is all included in the construction contract. If the deadline is not met for substantial completion, liquidated damages are \$2,000 per day.

Mr. Kovar added the contractor is definitely being pressured by Garrison Diversion to bring in more crews next year.

Ms. Norgard stated missing deadlines is something that can be taken into consideration the next time the contractor bids on a project for the RRVWSP.

Work Plan Update - - A copy of the RRVWSP Work Plan Update dated October 20, 2022, which summarizes engineering and construction activities, is attached to these minutes as Annex II.

Program Schedule - - Ms. Mooridian reviewed the 2021-2022 RRVWSP Program Schedule dated September 26, 2022. The schedule focuses on the ongoing construction projects, including substantial and final completion dates.

Planning Level Budget - - Ms. Mooridian referred to the RRVWSP Planning Level Budget dated September 30, 2022. The total combined program budget is estimated at \$139 million. Actual program expenses are \$69.7 million with total outstanding expenses of \$69.2 million. Total program efforts are 50 percent complete. A copy of the budget table is attached to these minutes as Annex III.

2021-2023 Work Plan Funding - - Ms. Mooridian referred to the January 25, 2022, funding table listing the approved work items and cost breakdowns of the \$89.7 million RRVWSP Work Plan budget.

Draft Legislative Request - - Ms. Mooridian said work is currently being done regarding legislative intent for the RRVWSP. She reviewed a list of upcoming key legislative asks to improve project affordability.

The anticipated legislative funding request for the upcoming biennium is \$255 million.

The plan is to continue moving forward with the federal ENDAWS portion of the project. Garrison Diversion and LAWA are in favor of this, and conceptual design is proceeding.

Chairman Mahoney recognized Senator John Hoeven and asked him if he had anything to add regarding possible federal funding for the RRVWSP.

Senator Hoeven said they are hard at work on obtaining funding for the RRVWSP. He had hoped no new authorization would be needed; however, authorization is required. This will need to be done through the Water Resources Development Act (WRDA). The congressional staff will work to get this done, and he feels they are making good overall progress in terms of ENDAWS and with DOI.

Chair Mahoney stated another thing Senator Hoeven is working on is the cost of water coming out of the McClusky Canal. The estimate provided by the Bureau of Reclamation (Reclamation) is too high, and Reclamation has been asked to relook at that.

Senator Hoeven said we need to continue working on getting the cost lowered. He also feels it is too high.

Ms. Mooridian announced legislative workshops are in the process of being set around the state. The venues have been secured, and the invites will be sent out soon.

CENTRAL NORTH DAKOTA WATER SUPPLY – STATE OF MISSOURI LAWSUIT

Ms. Norgard reported on the appeal regarding the State of Missouri's lawsuit on the Central North Dakota Water Supply (CND) project, stating oral arguments have been scheduled for November 16 before the 8th Circuit Court of Appeals.

FINANCIAL REPORT

Agreed Upon Procedures - - Cindy Hewitt, Accounting Specialist, Garrison Diversion, presented the LAWA Report on Selected Agreed-Upon Procedures for the period of January 1, 2020, to December 31, 2021, and reviewed the steps involved with this review. She added no exceptions were discovered, and everything is being done appropriately on LAWA's behalf. A copy of the report is attached to these minutes as Annex IV.

Motion by Director Schmaltz to accept the Report on Selected Agreed-Upon Procedures for the Lake Agassiz Water Authority prepared by EideBailly for the period of January 1, 2020, to December 31, 2021. Second by Director Bohnsack. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Riley. Those voting nay: none. Absent and not voting: Carlsrud. Motion carried.

2022 Budget Analysis Statement - - Ms. Mooridian reviewed the Budget Analysis Statement for the period of January 1, 2022, to September 30, 2022, a copy which is attached to these minutes as Annex V.

Ms. Mooridian stated total income through September is \$727,896. Expenses are \$801,788.

The total bank balance at the end of July was \$502,681.

Motion by Director Bohnsack to approve the Budget Analysis Statement for the period of January 1, 2022, through September 30, 2022. Second by Director Johnson. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Erdmann, Johnson, Mahoney, Nilson, Schmaltz, Schmidt and Vein. Alternates voting aye: Reilly. Those voting nay: none. Absent and not voting: Carlsrud. Motion carried.

Bills Paid

Ms. Mooridian also reviewed the bills paid since the last board meeting to cover legal fees, consulting services and cost share.

Summary of Dues and Cost Share Payments - - Ms. Mooridian referred to the table showing 2022 LAWA membership dues collected total \$26,400.

UNFINISHED BUSINESS

User Outreach Meetings - - Mr. Burian provided an update on user outreach meetings. Recent meetings with representatives of Fargo and Grand Forks have taken place. Another presentation was made to the City of Washburn at their September city council meeting. They, in turn, made a request for their own intake at the Pre-Commission and State Water Commission meetings on September 15 and October 13, respectively. The State Water Commission tabled the city's request for its own intake and requested Washburn go back and have further conversations with LAWA/Garrison Diversion representatives.

Mr. Burian also reported a meeting was held with Rainbow Energy, and a subsequent meeting has been scheduled.

Project Participation Agreements - - John Shockley, Ohnstad Twichell, provided an update on the PPA. Meetings are being scheduled with Fargo and Grand Forks for the end of November or beginning of December to make some final approvals. The final exhibits, which

are very important aspects of the PPA, have recently been received and will also need to be reviewed with Fargo and Grand Forks. He hopes to have approvals to bring back to the next LAWA Board meeting.

Ms. Norgard stated if any of the user systems would like a copy of the draft PPA, contact her or Mr. Shockley and a copy will be provided to them.

NEW BUSINESS

Motion by Director Johnson to adjourn the meeting. Second by Director Schmidt. Upon voice vote, motion carried.

The meeting adjourned at 11:15 a.m.

Timothy Mahoney, Chair

Duane DeKrey, Secretary

REGISTRATION

LAWA Board Meeting
 Fargo Commission Chambers
 October 27, 2022

NAME	ADDRESS
Lisa Schapp	Good
Kimberly Cook	GDCC
Steve/L. Burian	Burian + Associates
Greg Bischoff	GDCC
Simon Goppik	AE25
Keith Markish	EGF
Jay Paul Anderson	GDCC
Rocky Schneider	AE25
Michael Anderson	Hillsboro
Dennis Dandine	West Fargo
Tami Norgard	Vogel Law Firm
Meri Munkie	GDCC
Duane DeMay	GDCC
Shalwan	City of Fargo
John Shockey	Christal Twighell, Law Firm/LAWA
Ken Vein	City of GF/ Garrison
Kip Low	GDCC
Bill Bohnsack	Mayville
Iris Schmitt	Meathead Public Service
Mark Johnson	CRWD
Carol Siegel	Hunter City
Jim Schwartz	EAST CENTRAL RURAL
Alan M. Walter	GDCC - Ward City Rep.
Brent Brinkman	CRWD
Jerry Blomeke	Cass RW Dist.
Bruce Corubb	City of Fargo
John Hovson	Bismarck
Marc Pritchard	Meathead Public Service

**RRVWSP Work Plan Update
October 20, 2022**

CONSTRUCTION

Wet Well Construction Contract 1

The last finish grade pour (approximately 1.5' thick) completed on August 30, 2021, was deemed defective. The final floor heaved due to poor water pressure, and two secants continue to leak small amounts of water. We are currently working with the contractors to remedy the issues. Grout void space below the existing 1' reinforced concrete slab and secant repair will be removed from this contract and added to Contract 2 through Work Change Directive No.1. This will allow Contract 2 to continue without delay in schedule.

Pipeline Construction

Contract 5A

Substantial completion has been achieved, and a final punch list has been generated for close out.

To date, \$7,697,689.95 has been paid on the original contract amount of \$8,366,201.00.

Reclaimed property



Typical air release manhole



Contract 5B

The original pipe delivery of June 15 was delayed due to surface blemish in the steel coil. To date, 6,741 feet have been installed out of the 9 miles. High ground water has slowed the pipe installation progress.

To date, \$4,898,153.78 has been paid on the original contract amount of \$45,961,700.00.

Discharge Structure Construction

Final payment has been made. Original contract amount of \$1,516,955.00 plus change order #1 for \$4,929.00 for a final contract price of \$1,521,884.00.

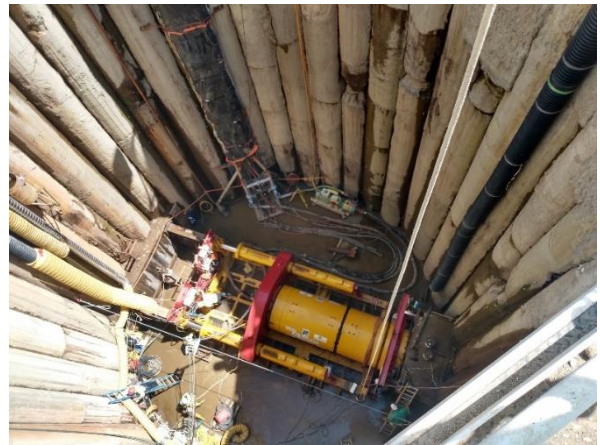
Missouri River Intake Tunnel and Screen Final Design Contract 2

As the apparent low bidder at \$18,896,900, Michels was issued notice of award on June 9, 2021. Michels has completed the road work, temporary bridge and coffer dam. The seal plug was poured. Tunneling began on July 12, 2022, and holed through the coffer dam on August 6. To date, \$11,664,859.82 has been paid on the original contract amount of \$18,896,000.00.

Site overview



Launching the MTBM



Riser pipe in the coffer dam



DESIGN

Pipeline segments 5C (8 miles), 5D (10 miles) are at 99% complete, and Contract 6 (25 miles) is at 60% complete.

**Red River Valley Water Supply Project
Planning Level Budget**

September 30, 2022	Percent Complete	Current Estimate	Actual Expenses	Outstanding Expenses
Conceptual Design Subtotal		\$ 5,302,130	\$ 5,302,130	\$ -
Preliminary Design Subtotal		\$ 10,217,606	\$ 10,217,606	\$ -
Final Design Completed Subtotal		\$ 10,198,949	\$ 10,198,949	\$ -
Financial, Administration, Legal, Completed		\$ 1,397,474	\$ 1,397,474	\$ -
Land Acquisition Completed		\$ 1,593,004	\$ 1,593,004	\$ -
Subtotal Completed		\$ 28,709,162	\$ 28,709,162	\$ -
Financial Modeling/Cost Allocation	90%	\$ 1,521,047	\$ 1,366,989	\$ 154,058
Program Management Information System	67%	\$ 113,100	\$ 75,605	\$ 37,495
Stakeholder Support	64%	\$ 398,830	\$ 256,405	\$ 142,425
Subtotal	84%	\$ 2,032,977	\$ 1,698,999	\$ 333,978
Engineering/Land Acquisitions				
Missouri River Intake - Screen Structure Design	75%	\$ 1,884,000	\$ 1,405,768	\$ 478,232
Operational Plan Phase 1	86%	\$ 106,000	\$ 90,886	\$ 15,114
Operational Plan Phase 2	43%	\$ 290,584	\$ 124,115	\$ 166,469
Land Acquisition 2019/2021	57%	\$ 650,000	\$ 373,463	\$ 276,537
2019 to 2021 Biennium Program Management Services	100%	\$ 166,191	\$ 165,814	\$ 377
Project Planning, Finance, Admin, etc.	29%	\$ 433,809	\$ 126,913	\$ 306,896
Final Design Transmission Pipeline - 5b	100%	\$ 545,000	\$ 545,000	\$ (0)
Final Design Transmission Pipeline - 5c & 5d	64%	\$ 970,000	\$ 616,236	\$ 353,764
Final Design Transmission Pipeline - 6	39%	\$ 4,000,000	\$ 1,547,318	\$ 2,452,682
Acquire Easements	10%	\$ 2,919,000	\$ 288,725	\$ 2,630,275
Admin/Finance/Legal	18%	\$ 2,400,000	\$ 426,790	\$ 1,973,210
ENDAWS-Local Portion	75%	\$ 309,750	\$ 233,020	\$ 76,730
<i>Undesignated Savings</i>	<i>Upcoming</i>	\$ 261,017	\$ -	\$ 261,017
Engineering & Land Acquisition Subtotal		\$ 14,935,351	\$ 5,944,049	\$ 8,991,302
Construction				
Pipeline 5A & Trenchless	85%	\$ 10,157,651	\$ 8,659,056	\$ 1,498,595
Construction Contract	92%	\$ 8,393,396	\$ 7,697,690	\$ 695,706
Bidding Services	87%	\$ 86,685	\$ 75,621	\$ 11,064
Construction Phase Services	102%	\$ 868,145	\$ 885,745	\$ (17,600)
<i>Contingency</i>	<i>if needed</i>	\$ 809,425	\$ -	\$ 809,425
Discharge Structure	71%	\$ 2,449,799	\$ 1,741,274	\$ 708,525
Construction Contract	100%	\$ 1,521,884	\$ 1,521,884	\$ 0
Bidding Services	72%	\$ 56,799	\$ 40,737	\$ 16,062
Construction Phase Services	93%	\$ 193,000	\$ 178,654	\$ 14,346
<i>Contingency</i>	<i>if needed</i>	\$ 678,116	\$ -	\$ 678,116
Missouri River Intake Wetwell	81%	\$ 6,148,227	\$ 5,007,147	\$ 1,141,080
Construction Contract	90%	\$ 4,950,839	\$ 4,455,949	\$ 494,891
Bidding Services	64%	\$ 56,881	\$ 36,662	\$ 20,219
Construction Phase Services	84%	\$ 612,000	\$ 514,536	\$ 97,464
<i>Contingency</i>	<i>if needed</i>	\$ 528,506	\$ -	\$ 528,506
Missouri River Intake Screen Structure & Tunnel	55%	\$ 23,000,000	\$ 12,621,821	\$ 10,378,179
Construction Contract	56%	\$ 19,287,359	\$ 10,804,112	\$ 8,483,247
Construction Phase Services	80%	\$ 2,260,000	\$ 1,817,710	\$ 442,291
<i>Contingency</i>	<i>if needed</i>	\$ 1,452,641	\$ -	\$ 1,452,641
Pipeline 5B	10%	\$ 51,600,000	\$ 5,403,095	\$ 46,196,905
Construction Contract	11%	\$ 44,551,263	\$ 4,898,154	\$ 39,653,109
Construction Phase Services	11%	\$ 4,486,000	\$ 504,942	\$ 3,981,058
<i>Contingency</i>	<i>if needed</i>	\$ 2,562,737	\$ -	\$ 2,562,737
Construction Subtotal	36%	\$ 93,355,677	\$ 33,432,393	\$ 59,923,283
Total Program Budget	50%	\$ 139,033,167	\$ 69,784,604	\$ 69,248,564



Report on Selected Agreed-Upon Procedures
January 1, 2020 – December 31, 2021

Lake Agassiz Water Authority

Independent Accountant's Report

The Board of Directors
Lake Agassiz Water Authority
Carrington, North Dakota

We have performed the procedures enumerated below, on selected agreed-upon procedures of Lake Agassiz Water Authority (the Water Authority) as of or for the periods ended December 31, 2020 and 2021. The Water Authority's management is responsible for the accounting records, transactions, processes, and internal controls.

The Water Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reviewing accounting records, transactions, processes, and internal controls as of or for the periods ended December 31, 2020 and 2021 and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Procedures: Review bank statements and bank reconciliations and agree to financial statements for each year using December as the test month.

Bank statement amounts from Bremer Bank as of December 31, 2020 and 2021 agreed to the bank reconciliation amounts for the same dates, and the bank reconciliation amounts agreed to the financial statement amounts for the same dates.

Findings: No exceptions were found as a result of applying the procedures.

2. Procedures: Review process of membership acceptance and related dues billings. Select sample of five member entities for each year and trace actual payments of dues from dues report to bank deposit.

Obtained process details and dues billings for each year. Randomly selected five member entities from 2020 and five member entities from 2021 and traced payments from dues report to bank deposit.

Findings: No exceptions were found as a result of applying the procedures.

3. Procedures: Review process / procedures for cost share billings and determine if cost share billing agree to process and procedures for billing cost share. Select a random sample of five cost share transactions and trace to bank deposit. Verify that amounts paid are in agreement to the Series A and B financing agreements.

Obtained process and procedures for cost share billings. Reviewed cost share summary detailing the billing and agreed to the billing cost share procedures. Agreed cost share totals to the 2021 financial statements. Randomly selected five cost share transactions (three from the City of Fargo and two from the City of Grand Forks) and traced to bank deposit. For the five random selections, also verified the amounts paid are in agreement to the Series A and B financing agreements.

Findings: No exceptions were found as a result of applying the procedures.

4. Procedures: Sample expenditures for supporting documentation and related approvals. Select three disbursements per year that includes at least one payment to Garrison.

Obtained check register for the Bremer Bank checking account for the period January 1, 2020 through December 31, 2021. Randomly selected three disbursements per year, including one each year to Garrison. For each item, obtained supporting invoice and noted proper approval in accordance to the process in place, and check written with proper signers in accordance to the process in place.

Findings: No exceptions were found as a result of applying the procedures.

5. Procedures: Review process of financial reporting to the LAWA Board of Directors and determine adequacy. Review actual Board financial report for one random meeting per year.

Obtain process and procedures for financial reporting to the LAWA board. Randomly selected September 2020 and August 2021 meetings and reviewed respective financial reports in accordance to the process in place.

Findings: No exceptions were found as a result of applying the procedures.

6. Procedures: Determine if appropriate internal controls are in effect for cash disbursements. Make recommendations for improvement in controls, if considered necessary. Validate that each check (sampled in number 4 previously) includes two authorized check signer signatures and one is the chairman of the LAWA board.

Obtained process and procedures (internal controls) for cash disbursements and reviewed for potential recommendations for improvements. See number 4 for other procedures performed over check signing.

Findings: No recommendations for improvements were noted, and no exceptions were found as a result of applying the procedures.

7. Procedures: Determine if appropriate internal controls are in effect for cash receipts. Make recommendations for improvement in controls, if considered necessary.

Findings: No recommendations for improvements were noted.

We were engaged by the Water Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on reviewing accounting records, transactions, processes, and internal controls as of or for the periods ended December 31, 2020 and 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Water Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and managements of Lake Agassiz Water Authority and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
May 11, 2022

**2022 Budget Analysis**

For the period of January 1, 2022- September 30, 2022

Income	2022 Budget	Actual as 09/30/2022	Balance of Budget
Dues Income	\$ 30,000.00	\$ 26,400.00	\$ 3,600.00
Interest Income	\$ -		\$ -
Miscellaneous	\$ -	\$ 186.00	\$ (186.00)
Cost Share-Interim Finance	\$ 1,504,000.00	\$ 701,310.17	\$ 802,689.83
Total Income	\$ 1,534,000.00	\$ 727,896.17	\$ 806,103.83
Expenses			
Dues Expenses	\$ 6,300.00	\$ 6,305.00	\$ (5.00)
Accounting	\$ 7,500.00	\$ 6,600.00	\$ 900.00
Directors Expense	\$ 500.00		\$ 500.00
Insurance	\$ 550.00	\$ 423.00	\$ 127.00
Construction	\$ 1,144,000.00	\$ 525,975.35	\$ 618,024.65
Engineering	\$ 300,000.00	\$ 114,772.29	\$ 185,227.71
Property Acquisition/Easements	\$ 40,000.00	\$ 42,713.76	\$ (2,713.76)
Adm/Legal/Financial	\$ 131,500.00	\$ 104,999.27	\$ 26,500.73
Total Expenses	\$ 1,630,350.00	\$ 801,788.67	\$ 828,561.33
Net Income (Loss)	\$ (96,350.00)	\$ (73,892.50)	\$ (22,457.50)

Account Activity

Beg. Bank Balance 1-1-2022	\$ 576,574.18
Income Received	\$ 727,896.17
Total Funds Available	\$ 1,304,470.35

Ck#1197 Garrison Diversion	\$ 209,356.05
Ck#1198 ND Water Users Assoc	\$ 5,000.00
Ck#1199 ND Water Coalition	\$ 1,000.00
Ck#1200 Ohnstad Twichell	\$ 14,382.00
Ck#1201 Ohnstad Twichell	\$ 3,740.00
Ck#1202 Garrison Diversion	\$ 149,937.21
Ck#1203 Ohnstad Twichell	\$ 7,200.00
Ck#1204 Eide Bailly	\$ 5,900.00
Ck#1205 Ohnstad Twichell	\$ 5,925.00
Ck#1206 Garrison Diversion	\$ 20,500.00
Ck#1207 Ohnstad Twichell	\$ 6,938.00
Ck#1208 Eide Bailly	\$ 700.00
Ck#1209 Garrison Diversion	\$ 297,882.14
Ck#1210 Ohnstad Twichell	\$ 4,428.00
Ck#1211 ND Rural Water Systems	\$ 305.00
Ck#1212 Garrison Diversion	\$ 17,710.65
Ck#1213 Ohnstad Twichell	\$ 2,025.00
Ck#1214 Insure Forward	\$ 423.00
Ck#1215 Ohnstad Twichell	\$ 1,500.00
Ck#1216 Garrison Diversion	\$ 15,375.00
Ck#1217 Garrison Diversion	\$ 22,104.38
Ck#1218 Ohnstad Twichell	\$ 5,137.50
Ck#1219 Garrison Diversion	\$ 4,319.74
Total Expenses	\$ 801,788.67

Ending Bank Balance \$ **502,681.68**