

LAKE AGASSIZ WATER AUTHORITY**BOARD OF DIRECTORS**

**Holiday Inn
Fargo, North Dakota
November 3, 2017**

A meeting of the Lake Agassiz Water Authority (LAWA) board of directors was held at the Holiday Inn, Fargo, North Dakota, on November 3, 2017. The meeting was called to order by Chair Mahoney at 11 a.m.

MEMBERS PRESENT

Chair Tim Mahoney
Vice Chair Ken Vein
Director LaVonne Althoff
Director Rick Bigwood
Director Dave Carlsrud
Director John Hancock
Director Mark Johnson
Director Don Moen
Director Keith Nilson
Director Bob Keller
Alternate Kris Knutson for Director Ralf Mehnert-Meland
Alternate Steve Metzger for Director Neil Fandrich
Acting Secretary Merri Mooridian

MEMBERS ABSENT

Associate Member Don Bajampaa

OTHERS PRESENT

Staff members of the Garrison Diversion Conservancy District were present along with others. 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.

AGENDA

Motion by Director Johnson to approve the agenda as presented. Second by Director Althoff. Upon voice vote, motion carried.

CONSIDERATION OF THE MINUTES

Motion by Director Nilson to dispense with a reading of the August 26, 2017, board minutes and approve them as distributed. Second by Director Keller. Upon voice vote, motion carried.

WASHINGTON, DC TRIP

Chair Mahoney announced that a group of LAWA and Garrison Diversion representatives, including Ken Vein, Dave Piepkorn, Merri Mooridian and Tami Norgard, were in Washington, DC, on October 25 and 26 to meet with the Department of Interior and the congressional delegation regarding the Red River Valley Water Supply Project (RRVWSP).

Each of the representatives provided a report on their perspective of the meetings.

COMMITTEE REPORTS

Technical Advisory Committee - - Al Grasser, Chair, Technical Advisory Committee (TAC), informed the board that the committee met on October 19 to review the Draft Preliminary Design Report Executive Summary. The committee was given two weeks to provide comments on the report. Those comments will be reviewed by the committee at its next meeting.

The committee received updates on the StateMod and the alternative discharge site location. Due to a conflict with flowage easements, an alternate discharge location was found that would move the discharge structure about 900 feet to the southeast. The engineers also looked at moving the control valve structure closer to the discharge point.

Mr. Grasser stated that the TAC recommends approval of the alternative discharge site location.

Motion by Director Bigwood to approve the alternative discharge site location. Second by Director Hancock. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Carlsrud, Hancock, Johnson, Keller, Mahoney, Moen, Nilson and Vein. Alternates voting aye: Knutson and Metzger. Those voting nay: none. Absent and not voting: none. Motion carried.

The committee also reviewed and approved new task orders for intake sediment transport analysis, trenchless crossings, discharge site structure design and land services that will be presented today. The committee recommends board approval on the four task orders.

RRVWSP UPDATE

Central North Dakota Environmental Assessment - - Kip Kovar, Deputy Program Manager, RRVWSP Engineering, reported that the Environmental Assessment being prepared by the Bureau of Reclamation regarding Garrison Diversion's request for a water service contract and project pumping power to withdraw up to 20 cubic feet per second of water from the McClusky Canal to serve central North Dakota was completed. Comments were received from Canada and Missouri. Canada's comment letter is requesting clarification regarding how this project relates to the RRVWSP and inter-basin impacts.

Draft Preliminary Design Report Executive Summary - - Mr. Kovar distributed copies of the Draft Preliminary Design Report Executive Summary to the board. Comments have been received from the LAWA TAC members and will be incorporated into the final report, which is expected to be complete by December.

Mr. Kovar said the executive summary provides a really good summary of all the items looked at in the preliminary design stage. A brief review of the table of contents was reviewed with the board, explaining the items covered in the report.

Work Plan Update - - Mr. Kovar referred to the RRVWSP Work Plan Update dated October 24 and provided a status update of the approved task orders. A copy of the update is attached to these minutes as Annex II.

Mr. Kovar informed the board that a Contract Review Committee, consisting of representatives from Garrison Diversion and LAWA, has been formed to review the current engineering contract between Garrison Diversion and Black and Veatch. The first meeting of the committee will be November 30.

Mr. Kovar also informed the board that project delivery methods are beginning to get looked at under the program management process. The various delivery methods will be brought back to the LAWA board to make a policy decision on what method to move forward with.

Mr. Kovar referred to and reviewed each of the following new task orders for the board's consideration.

Task Orders

Intake Sediment Transport Analysis

The purpose of this task order is to provide information as requested by the State Water Commission to evaluate the Sovereign Lands Permit for the Missouri River Intake as well as support the overall design of the intake screens. The outcome will be the completion of a sediment transport analysis of the Missouri River in the general vicinity of the proposed intake screens. The cost of this task order is \$396,000.

Trenchless Crossings

The purpose of this task order is for final design of the tunneled or trenchless crossings in the first 28-mile section of pipeline selected for final design. The outcome will be the award of a construction contract to a contractor to build the engineer-designed trenchless crossings. The cost of this task order is \$452,000.

Discharge Site Structure Design

The purpose of this task order is for completion of the final design of the discharge structure. The outcome will be the preparation of construction contract documents which the owner can publically solicit competitive bids for construction. The cost of this task order is \$508,000.

Land Services

The purpose of this task order is for survey support services and easement and option acquisition for RRVWSP parcels located inside of Segment 1 (28 miles). The cost of this task order is \$556,446.

Motion by Alternate Metzger to approve the following task orders for the RRVWSP:

1) Intake Sediment Transport Analysis in the amount of \$396,000; 2) Trenchless Crossings in the amount of \$452,000; 3) Discharge Design Structure in the amount of \$508,000 and 4) Land Services (Segment 1) and associated work flow manager upgrades in the amount of \$556,446. Second by Director Nilson. Upon roll call vote,

the following directors voted aye: Althoff, Bigwood, Carlsrud, Hancock, Johnson, Keller, Mahoney, Moen, Nilson and Vein. Alternates voting aye: Knutson and Metzger, Those voting nay: none. Absent and not voting: none. Motion carried.

Merri Mooridian, Deputy Program Manager, RRWSP Administration, provided an update on the financial aspects of the project, reporting that the Bank of North Dakota and Public Finance Agency have been brought on as part of the financial advisory team. The next LAWA Finance Committee meeting will be held on November 20.

Planning Level Budget

2015-2017

Ms. Mooridian referred to the planning level budget for last biennium dated October 20, 2017, and reviewed the current costs by category. The total spent on Conceptual Design is \$4.9 million, Preliminary Design \$6.8 million, and Administrative, Legal and Financial \$1 million. The total amount expended this biennium is \$12.8 million. The current total cost estimate was \$13.8. There are a few remaining costs expected before the budget is closed out at year end. A copy of the budget is attached to these minutes as Annex III.

2017-2019

Ms. Mooridian next referred to and reviewed the work plan budget for the 2017-2019 biennium, which shows that \$656,905 has been expended through October. The current costs estimates are broken out as follows: Preliminary Design Amendments \$1.3 million, Final Design \$9.6 million, Easements and Options \$5 million, and Financial, Legal and Administration \$3.1 million. The total estimated budget for Design, Easements and Administration is \$19 million and \$13 million for Construction. These numbers will be reviewed and refined in order to bring the budget down to the \$30 million appropriation from the legislature. A copy of the 2017-2019 budget is attached to these minutes as Annex IV.

BOARD MEMBERS AND ALTERNATES

Ms. Mooridian reported after Century Code changes and expanding into Central North Dakota, the city of Carrington was added as a new member to LAWA. Board elections were held on September 29. At that time, Neil Fandrich was elected to represent Carrington, and Don Moen was elected to represent Mayville.

FINANCIAL REPORT

2017 Budget Analysis Statement - - Ms. Mooridian referred to and reviewed the Budget Analysis statement for the period of January 1, 2017, to October 31, 2017, a copy which is attached to these minutes as Annex V.

Total income through October 31, 2017, is \$1,209,897. Expenses are \$601,321. The total bank balance at the end of October is \$921,826.

Motion by Director Althoff to approve the Budget Analysis Statement for the period of January 1, 2017, through October 31, 2017. Second by Director Carlsrud. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Carlsrud, Hancock, Johnson, Keller, Mahoney, Moen, Nilson and Vein. Alternates voting aye: Knutson and Metzger. Those voting nay: none. Absent and not voting: none. Motion carried.

Bills Paid - - Since the last board meeting, LAWA paid \$152,077 for its 10% cost share of expenditures to Garrison Diversion.

Summary of Dues and Cost Share Payments - - Ms. Mooridian referred to the table showing membership dues and cost share payments received. Dues collected in 2017 total \$32,550. Cost share payments submitted in 2017 are \$1,177,294.

UNFINISHED BUSINESS

LAWA Bylaws - - Ms. Mooridian referred to a copy of the LAWA Bylaws that was mailed out to the board members, stating that changes appear in red and anything being revised or replaced appears in bold/black. The main changes are due to changes in the ND Century Code. A copy of the bylaws, including changes is attached to these minutes as Annex VI.

Tami Norgard, Vogel Law Firm, referred to each of the sections containing changes and reviewed these changes with the board.

Chair Mahoney stated that this is considered a first reading of the bylaws. The board will vote on the proposed changes at the time of the second reading, which will be at the next board meeting. If the board members have any other changes or corrections, contact Tami Norgard or Merri Mooridian to be incorporated into the final reading.

Cost Share - - Chair Mahoney reported that cost share for the RRWWSP was recently discussed with the Legislative Interim Committee and the State Water Commission. Members of the interim committee explained that the bill came out that the \$17 million and \$13 million in funding would be a grant and there was no idea of a cost share. It was felt that the 90/10 cost split was making people uncomfortable because it was believed it could set a precedent for long-term funding for the project. It appears the House of Representatives feels very strongly that LAWA should have some money in the project.

Chair Mahoney said it is now being determined if a financial model could be worked out which people pay over time. So going forward, would there be a way of financing the project in such a method that a pledge is made to put money toward the project, but you may have more time to do it.

Ms. Mooridian questioned if the board would like to have the financial team (Advanced Nexus) look into whether there could be a financing method deferring some of the costs and laying out a payment structure if there is to be a cost share.

Vice Chair Vein said that is a good idea. LAWA should show that it has skin in the game. He added that everyone relies on budgets, and if the cost share is not currently budgeted, it may be impossible to come up with the amount that is needed. By working with the financial team, there may be a way to show the legislature that LAWA is putting money toward the project and also figure out a feasible payment plan for the system users.

Ms. Mooridian said she will discuss this with the financial team and bring some ideas back to the board at the next meeting.

Senator Gary Lee stated that politically it would be a wise move to have a plan showing some sort of future cost share participation.

NEW BUSINESS

Associate Member - - Ms. Mooridian said according to the new bylaws and what is included in the century code, in order to be a director, your system must sign a development agreement. Carol Siegert, a former board member from the city of Hunter, which is served by a rural water system, is no longer eligible to be a board member. She would like to remain on the board as a possible associate board member representing Hunter if the board so approves.

Motion by Director Keller to approve adding the city of Hunter as an associate member to LAWA. Second by Vice Chair Vein. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Carlsrud, Hancock, Johnson, Keller, Mahoney, Moen, Nilson and Vein. Alternates voting aye: Knutson and Metzger. Those voting nay: none. Absent and not voting: none. Motion carried.

Contracts Development Team - - Ms. Mooridian stated that it is getting to the point where project participation agreements and water service contracts need to be developed. Previously, LAWA set up a subcommittee to come up with the development agreements.

Chair Mahoney commented that LAWA has a working relationship with Garrison Diversion, but since the RRVWSP is often times getting the funding from the legislative body, LAWA is the one doing the lobbying, and it is represented by this board. He suggested that a Memorandum of Understanding (MOU) be developed between LAWA and Garrison Diversion. He gave the example of the Washington, DC, consulting firm, which costs \$3,500 per month. The firm recently came to Garrison Diversion and requested an increase in the monthly fee.

Chair Mahoney said LAWA works in concert with Garrison Diversion, but it comes out of either our budget or their budget. A MOU would help define who the lead organization on certain issues is, and there would be a more clearly defined path going forward.

Ms. Norgard said there should be some contractual relationship that identifies who is obligated to pay what and how to deal with dispute resolution or something on that order. Eventually, a bulk water supply contract will also be needed. It is being contemplated that LAWA will buy bulk water from Garrison Diversion. LAWA will then likely sell water to the individual stakeholders. Contracts between LAWA and the users also need to be developed.

Ms. Norgard proposed using the same process that was used with the development agreements, which is where legal counsel provided a draft and then some of the system's attorneys were at the table to review the draft and provide input, including Fargo, Grand Forks, Moorhead and Cass Rural Water District.

Motion by Vice Chair Vein to establish a team for Contract Development and a Memorandum of Understanding. Second by Director Nilson. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Carlsrud, Hancock, Johnson, Keller, Mahoney, Moen, Nilson and Vein. Alternates voting aye: Knutson and Metzger, Those voting nay: none. Absent and not voting: none. Motion carried.

OTHER

There being no further business to come before the committee, the meeting adjourned at 12:20 p.m.

Timothy Mahoney, Chair

Merri Mooridian, Acting Secretary

REGISTRATION

LAWA Board Meeting
Fargo, North Dakota
November 3, 2017

NAME	ADDRESS
Kumbarly Cook	GDCD
Steve L. Burian	AES
Bruce P. Garabito	City of Fargo
Al Grasser	City of Grand Forks
Todd Island	City of Grand Forks
BRIAN JOHNSON	EGF WATER & LIGHT
Keith Myklesest	" "
Dave Piephorn	CITY OF FARGO
Geneva Kaiser	GDCD Stutsman County
Jay Paul Anderson	GDCD Ransom County
Greg Bischoff	GDCD Barnes City
DENNIS MIRANOWSKI	CITY OF WAHPETON
Jack Dayer	North Dakota Water Users Association
Pam A. Lee	Senator Dist 22
Dave Carlsted	Valley City
Mark Johnson	CROWD Dist.
Keith Nilson	WRWD
Rick Bigwood	NERWD
Tami Norgard	Vogel LAW Firm
Lisa Schaefer	SARCA
Meri Monick	Sanison Division
Tim Maassen	City of Fargo
Ken Vein	City of Grand Forks
Sp Kover	GDCD
Steve Metzger	Carvington
Kristofer Knutsen	Moorhead Public Service
Don Moen	CITY OF MAYVILLE
Bob Keller	Stutsman Rural Water

REGISTRATION

LAWA Board Meeting
 Fargo, North Dakota
 November 3, 2017

NAME	ADDRESS
<i>Salonne Althoff</i>	<i>SEW</i>
<i>John Hanson</i>	<i>Spussy Water District</i>

RRVWSP Work Plan Update October 24, 2017

Goal

Spring 2016	Completed Conceptual Design and Cost Estimate
Summer 2017	Complete Preliminary Design and Cost Estimate for pipeline and pump station(s)
2017 - 2018	Complete Phased Final Design and Cost Estimates
2019 - 2027	Phased Bidding and Construction

Total draft budget to complete Conceptual, Preliminary and Final designs is \$66 million. The ND legislature appropriated \$12.359 million for the RRVWSP for the 2015-2017 biennium. The conceptual design phase has been completed; therefore, no further updates will be included in this report. The ND legislature appropriated \$30 million for the RRVWSP for the 2017-2019 biennium.

Preliminary Design

The conceptual design is complete and was released in September 2016. Preliminary design is underway, and it is estimated to cost \$10 million to complete the preliminary design on the entire project. Moving forward with limited funds, it is cost effective to start project phasing. The Implementation Plan will provide a road map to move forward with items that have to be completed first, which include permit phasing, design phasing, and construction phasing.

1) Pipeline alignment McClusky to the split – This pipeline segment from the McClusky Canal traversing east to the split is required for all options under the Implementation Plan. This segment, therefore, has the highest priority of all segments. Preliminary design items include field wetland boundaries, determining trenchless construction boundaries, utility identification, location of valves and blowoffs, and horizontal and vertical layout of pipeline. Estimated cost is \$2,800,000.

Status – Additional land access agreements and field services were required due to rerouting in some areas. Field services are complete. The first draft of the pipe profile has been completed. Air and vacuum protection, manways and blowoffs have been placed.

2) Missouri River Conventional Intake/COE Permit – The Implementation Plan identified using a conventional intake near Washburn as a viable option for the RRVWSP. Conventional intake plans and drawings will be generated and submitted to the COE for approval. Work includes preliminary design of the intake and pump station, survey, river bathymetric survey, environmental and geotechnical information, and permit application. Estimated cost is \$1,000,000.

Status – Field work is complete, and draft intake drawings have been prepared for submittal to the USCOE. The intake application was received by the USCOE March 13, 2017. A preconstruction notification meeting was held May 3. The USCOE letter received July 19, 2017, stated Section 408 is not applicable. USCOE letter received July 31 requested a Biological Assessment (BA) associated with the intake be completed. Draft BA was submitted October 11, 2017.

3) Pipeline alignment Washburn to McClusky – This pipeline segment from Washburn to the McClusky Canal is required for all Missouri River intake options. This segment, therefore, has a high priority. Preliminary design items include field wetland boundaries, determining trenchless construction boundaries, utility identification, location of valves and blowoffs, and horizontal and vertical layout of pipeline. Estimated cost is \$594,551.

Status – Additional land access agreements and field services were required due to rerouting in some areas. Field services are complete. The first draft of the pipe profile has been completed. Air and vacuum protection, manways and blowoffs have been placed.

4) Pipeline alignment split to Baldhill Creek – This pipeline segment from the split to Baldhill Creek is required for all Red River Valley delivery options under the Implementation Plan. This segment, therefore, has a high priority. Preliminary design items include field wetland boundaries, determining trenchless construction boundaries, utility identification, location of valves and blowoffs, and horizontal and vertical layout of pipeline. Estimated cost is \$574,783.

Status – Additional land access agreements and field services were required due to rerouting in some areas. Field services are complete. The first draft of the pipe profile has been completed. Air and vacuum protection, manways and blowoffs have been placed.

5) Workflow Manager – The overall objective of this task is to provide a robust Geographical Information System (GIS) that is a single source for all spatially related data with anytime access by team members, GDCCD, and other stakeholders. The GIS will contain parcels, rights-of-way, survey data, access agreements, landowner information, easements, and other pertinent data. Estimated cost is \$150,000.

Status – All software has been purchased. Three training classes on the software have been held. Data continues to be uploaded to the site. The site was activated September 9, 2016.

6) Main Pumping Station, Pre-Treatment, Break Tank, Control Valve Structure, Hydraulics and Transient – Preliminary Engineering – The RRWSP conceptual design identified a number of alternatives for delivering Missouri River water to eastern and central North Dakota. Alternatives included various water sources, river intake facilities, pumping stations, water treatment plant locations, conveyance pipeline, and discharge locations. In general, work associated with this task order includes preliminary engineering design for the associated project elements identified below; site selection; optimization of the conceptual level design for the hydraulics and preliminary transient analysis; coordination of work associated with field services; and update opinion of probable construction costs for the project elements: Main pumping station, Pre-treatment, Break tank, and RRV control valve structure. The following assumptions were made: project capacity flow rate 165 cfs, water treatment plant location is Washburn, and discharge location is Baldhill Creek. Estimated cost is \$997,267.

Status – Preliminary site selection for pre-sedimentation basin, water treatment plant, main pump station, hydraulic break tank, and control valve structure is nearly complete. Hydraulic analysis and facility layouts are complete.

7) Aerial Photography and LIDAR Services – To facilitate preliminary design, base mapping in the form of digital ortho-photographs, surface model, and plan features is needed for the pipeline corridor, approximately 162 miles in length. The most efficient method by which to obtain this large amount of data is through aerial photography and light imaging, detection, and ranging (LiDAR), supplemented by ground surveys. Estimated cost is \$259,984.

Status – The pipeline corridor has been flown, and data has been processed. Aerial photography and LIDAR products are being used for preliminary design.

8) StateMod Water Supply Model – GDCD has recently updated user demands and has obtained preliminary nominations from 35 cities and rural water systems across central and eastern North Dakota totaling 159.24 cfs. With these updated demands, an updated design basis is needed to support the sizing of the RRVWSP pipeline. The Bureau of Reclamation (BOR) used the StateMod water supply model to support the original RRVWSP during the EIS. The StateMod model is complex, using hundreds of diversions across eastern ND and western MN with different withdrawal points and water right priorities. This task order will develop a design basis to support the RRVWSP pipeline sizing, review existing StateMod files, regenerate a current understanding of how the model was constructed, and run the model so that the 2008 FEIS results can be duplicated. Estimated cost is \$103,100.

Status – StateMod files from BOR have been received. The model is running, and the original 2010 preferred alternative is being regenerated for calibration. A workshop was held May 26 to review model operation, assumptions and future recommendations. The 2016 user demands/nominations have been uploaded to the model, and return flows are being reviewed.

9) Pipeline Extensions – To date, the layout and estimated cost of transmission pipelines to provide water to the users without existing river access has not been developed. The purpose of this Task Order is to develop a conceptual plan and associated estimated costs for these users to access the Project. The plan is expected to include turnouts on the core pipeline for future connections, the extension of the core pipeline with smaller diameter pipelines into the additional service areas, and additional pump stations to convey the flow. Estimated cost is \$627,333.

Status – The first round of pipeline extension routes has been generated. User needs are being compared with pipeline sizing for each route. Coordination meetings were held with potential users. Comments on pipe size and routing scenarios were received. Extension routes were revised, and cost estimates were provided.

10) Discharge Design – This task order is for a permit level design for the discharge structure, including energy dissipation structure to reduce the energy in water as it exits the pipeline near the receiving water body and the concrete apron to convey the water into the receiving water body. Estimated cost is \$300,000.

Status – Potential Sheyenne River discharge sites were reviewed at the recommendation of the LAWA Technical Advisory Committee. A site has been selected, and field data is being processed. ND Department of Health has indicated they will most likely require a ND Pollution Discharge Elimination System permit for the project. Preliminary work started on what the water treatment plant would be to achieve the permit. USCOE indicated they have flowage easements for the potential discharge site

and may have to be reviewed for 408 permission. Currently, a secondary site is being developed approximately 1,000 feet away to avoid 408 permission.

11) Pipeline Amendment #1 - Preliminary design amendment #1 was required because of alignment changes: changing the discharge site from Baldhill Creek to the Sheyenne River, moving portions of the pipeline closer to roadways and section lines, and avoiding FWS easement boundaries. Amendment work will include field wetland boundaries, determining trenchless construction boundaries, utility identification, location of valves and blowoffs, and horizontal and vertical layout of pipeline. Estimated cost is \$920,648.

12) Discharge Amendment #1 - This task order amendment is to include new work required to obtain a North Dakota Pollutant Discharge Elimination System (NDPDES) permit to discharge water to the Sheyenne River, including coordination with the NDDOH. Estimated cost is \$317,000.

13) StateMod Amendment #1 – This amendment will include modifying the original model data, return flows and data input files, as well as run the new scenarios. Modifications were needed to run the model because of the limited documentation from the Bureau of Reclamation. Estimated cost is \$111,736. The 2016 user demands/nominations have been uploaded to the model, and return flows are being reviewed.

Final Design

The draft preliminary design is almost complete and was released early October 2017. Moving forward with limited funds, it is cost effective to start project phasing. Priority items to move forward first with final design and construction are discharge structure, trenchless crossings and portions of the intake.

1) Pipeline segment 28 miles – This task order will begin final design on a portion of the RRWSP and is the first of several pipeline design task orders that will be executed to complete the project. Given the current level of state and local funding allocated for the project's design and construction, the length of the initial segment selected for final design and preparation of construction contract documents is approximately 28 miles. The general location of the 28-mile pipeline segment is in Foster and Wells Counties. The alignment and limits of the pipeline being designed under this task order are identified on the RRWSP route overview map. This task order will deliver bid ready documents for this 28-mile segment. Estimated cost is \$3,840,000.

2) Geotechnical – This task order will allow engineers to drill supplemental borings along the Preliminary Design Report (PDR) pipeline alignment and discharge site and to complete laboratory testing of soil samples collected. These supplemental borings are necessary to characterize subsurface soil conditions not covered by the 2008 investigation. Relevant existing soils data from the 2008 investigation will be used to the maximum extent practical to support activities. Estimated cost is \$544,000.

Status- Letters to landowners informing them of the upcoming geotechnical work were sent October 17, 2017. Work is anticipated to start October 30, 2017.

Financial

1) Financial Modeling/Cost Allocation – Financial costs to the local users of the RRWSP under various funding methods, project implementation scenarios, and cost-share scenarios will need to be evaluated. Financing strategies will be generated from these scenarios. The task order will assist GDCD in this effort. Estimated cost is \$363,800.

Status – The cost allocation model was refined to include a tiered allocation structure, which considers how project users will benefit from the project by assessing both water supply needs, as well as access to project water. Initial evaluations of project financing mechanisms and local debt options are taking place. In addition to a detailed review and incorporation of project capital costs into the overall financial planning effort, costs associated with continued project operations, maintenance, and renewal for project long-term and recurring replacement assets are being incorporated.

2) Municipal Advisor – Ernst & Young Infrastructure Advisors (EYIA) was selected through an RFP process to provide municipal advisory services for the RRWSP. In addition, Springsted will be retained on an as-needed basis for the issuance of bonds and related efforts. These firms have a fiduciary responsibility to GDCD. Estimated cost is \$374,835.

Status – EYIA is refining a financial model using capital spend rates based on different financing scenarios. Currently, market risks are being calculated. A request for information was developed and various large project contractors were contacted to gain market perspectives. EYIA's work is jointly occurring and being incorporated in modeling being completed by AE2S and Black & Veatch. The models will be reviewed by the LAWA Financial Advisory Committee.

Program

1) Program Management – The overall RRWSP is expected to spend \$30 million in the 2017-2019 biennium and then potentially \$180 million or more the next biennium. The objective of this task order will support the development and maintenance of a variety of program management support tools to help successfully execute the project. The tools and processes are expected to be developed and implemented during this biennium and be ready to support a significantly increased program size in the following biennium. Estimated cost is \$491,000

Red River Valley Water Supply Project Planning Level Budget October 20, 2017						
July 2015 through October 2017						
			Current Estimate	Actual July 2015 - Oct 2017	Outstanding Expenses	Estimated
	% Complete					
Conceptual Engineering (July 2015 - June 2016)						
Missouri River Intake Investigation	100%		\$ 1,141,058	\$ 1,141,058	\$ -	
Horizontal Collector Well	100%		\$ 400,564	\$ 400,564	\$ -	
Hydraulic and Pump System	100%		\$ 478,455	\$ 478,455	\$ -	
Pipeline Alignment	100%		\$ 958,000	\$ 958,000	\$ -	
Discharge System (Baldhill Creek)	99%		\$ 805,988	\$ 798,256	\$ 7,732	
Land Services	96%		\$ 469,980	\$ 450,259	\$ 19,721	
Needs Assessment	100%		\$ 149,863	\$ 149,863	\$ -	
Water Treatment Plant Analysis	99%		\$ 438,731	\$ 435,774	\$ 2,957	
Implementation Plan	84%		\$ 190,000	\$ 159,037	\$ 30,963	
Sub-Total	99%		\$ 5,032,639	\$ 4,971,266	\$ 61,373	
Preliminary Engineering (July 2016 - June 2017)						
Needs Assessment - amendment #1 & 2	100%		\$ 294,604	\$ 294,604	\$ -	
Missouri River Conventional Intake Design	96%		\$ 999,578	\$ 963,620	\$ 35,958	
Pipeline Alignment McClusky to Split & Land Services (ROE)	100%		\$ 2,515,425	\$ 2,515,425	\$ -	
Pipeline Alignment Washburn-McClusky & Land Services (ROE)	100%		\$ 593,683	\$ 592,149	\$ 1,534	
Pipeline from Split to Baldhill Creek (RRV) Land Services (ROE)	99%		\$ 574,783	\$ 568,482	\$ 6,301	
<i>Baldhill Creek Analysis Phase II</i>	On Hold					
Land Services (Aerial)	100%		\$ 259,984	\$ 259,984	\$ -	
Main Pump Station and Break Tank	82%		\$ 997,267	\$ 814,661	\$ 182,606	
StateMod	100%		\$ 103,100	\$ 103,100	\$ (0)	
Pipeline Extensions	72%		\$ 627,333	\$ 452,421	\$ 174,912	
<i>McClusky Canal Intake</i>	On Hold					
Discharge Design (Sheyenne/Baldhill)	100%		\$ 300,000	\$ 300,000	\$ -	
<i>Water Treatment Plant, does not include pilot</i>	On Hold					
Sub-Total	94%		\$ 7,265,757	\$ 6,864,447	\$ 401,310	
Administration, Legal and Financial						
Administration (cost & schedule, communications, LAWA)						
Legal	64%		\$ 240,208	\$ 113,854	\$ 126,354	
Financial Modeling	67%		\$ 375,000	\$ 239,859	\$ 135,141	
Municipal Advisor	68%		\$ 413,800	\$ 277,980	\$ 135,820	
Workflow Manager	89%		\$ 374,835	\$ 254,366	\$ 120,469	
Sub-Total	66%		\$ 1,553,843	\$ 1,019,243	\$ 534,600	
Total	93%		\$ 13,852,239	\$ 12,854,956	\$ 997,283	
90% State Cost Share			\$ 12,467,015	\$ 11,569,460	\$ 897,555	
10% LAWA Cost Share			\$ 1,385,224	\$ 1,285,496	\$ 99,728	

* 2015-/2017 state appropriation \$12,359,000

Red River Valley Water Supply Project
2017-2019 Planning Level Budget

Work Task	Percent Complete	Total Amount	Amount Spent to October 2017	Remaining Amount
Preliminary Design				
Pipeline Amendment #1	45%	\$ 920,648	\$ 417,827	\$ 502,821
Discharge Amendment #1	34%	\$ 317,000	\$ 107,911	\$ 209,089
StateMod Amendment #1	38%	\$ 111,736	\$ 42,076	\$ 69,660
Subtotal	117%	\$ 1,349,384	\$ 567,814	\$ 781,570
Final Design				
Pipeline Final Design - 28 miles	0%	\$ 3,840,000	\$ -	\$ 3,840,000
Trenchless Final Design	Upcoming	\$ 452,000	\$ -	\$ 452,000
Discharge Final Design	Upcoming	\$ 508,000	\$ -	\$ 508,000
Intake Final Design	Upcoming	\$ 2,000,000	\$ -	\$ 2,000,000
Land Services	Upcoming	\$ 450,000	\$ -	\$ 450,000
Geotechnical	0%	\$ 544,000	\$ -	\$ 544,000
Sediment Transport	Upcoming	\$ 396,000	\$ -	\$ 396,000
Trenchless Construction Phase Services	Upcoming	\$ 500,000	\$ -	\$ 500,000
Discharge Construction Phase Services	Upcoming	\$ 500,000	\$ -	\$ 500,000
Intake Construction Phase Services	Upcoming	\$ 500,000	\$ -	\$ 500,000
Subtotal	107%	\$ 9,690,000	\$ -	\$ 9,690,000
Easements & Options				
Exercise Existing Options	Upcoming	\$ 4,192,035	\$ -	\$ 4,192,035
Acquire New Options & Easements	Upcoming	\$ 857,985	\$ -	\$ 857,985
Subtotal	0%	\$ 5,050,020	\$ -	\$ 5,050,020
Financial, Administration, Legal, Etc.				
Financial Modeling/Cost Allocation	10%	\$ 800,000	\$ 76,975	\$ 723,025
Program Management Set Up	0%	\$ 491,000	\$ 342	\$ 490,658
Administration (communications, LAWA)	0%	\$ 800,000	\$ -	\$ 800,000
Systems Outreach/Signups	Upcoming	\$ 550,000	\$ 11,774	\$ 538,226
Legal	0%	\$ 500,000	\$ -	\$ 500,000
Subtotal	0%	\$ 3,141,000	\$ 89,091	\$ 3,051,909
Design, Easement & Administration Subtotal	225%	\$ 19,230,404	\$ 656,905	\$ 13,523,479
Construction				
Pipeline Trenchless Construction	Upcoming	\$ 7,000,000	\$ -	\$ 7,000,000
Discharge Construction	Upcoming	\$ 2,000,000	\$ -	\$ 2,000,000
Intake Construction	Upcoming	\$ 4,000,000	\$ -	\$ 4,000,000
Construction Subtotal	0%	\$ 13,000,000	\$ -	\$ 13,000,000
Total	225%	\$ 32,230,404	\$ 656,905	\$ 26,523,479



2017 Budget Analysis
For the period of January 1, 2017 - October 31, 2017

Income	2017 Budget	Actual as 10/31/17	Balance of Budget
Dues Income	\$ 27,000.00	\$ 32,550.00	\$ (5,550.00)
Interest Income	\$ 50.00	\$ 52.73	\$ (2.73)
Miscellaneous	\$ -	\$ -	\$ -
Cost Share/Development Agr.	\$ 1,200,000.00	\$ 1,177,294.77	\$ 22,705.23
Total Income	\$ 1,227,050.00	\$ 1,209,897.50	\$ 17,152.50

Expenses

Dues Expenses	\$ 1,280.00	\$ 1,280.00	\$ -
Accounting	\$ 5,000.00	\$ -	\$ 5,000.00
Directors Expense	\$ 100.00	\$ -	\$ 100.00
Insurance	\$ 550.00	\$ 502.00	\$ 48.00
Service Fees	\$ 66.00	\$ 49.50	\$ 16.50
Water Quality Sampling	\$ 5,500.00	\$ -	\$ 5,500.00
Engineering	\$ 1,233,657.00	\$ 546,411.54	\$ 687,245.46
Adm/Legal/Financial	\$ 70,000.00	\$ 53,078.75	\$ 16,921.25
Total Expenses	\$ 1,316,153.00	\$ 601,321.79	\$ 714,831.21

Account Activity

Beg. Bank Balance 1-1-17		\$ 313,250.51
Income Received		\$ 1,209,897.50
Total Funds Available		\$ 1,523,148.01
Service Fees	\$ 49.50	
#1130 ND Water Coalition	\$ 1,000.00	
#1131 ND Rural Water Systems	\$ 280.00	
#1132 Void	\$ -	
#1133 Garrison Diversion	\$ 220,116.01	
#1134 Garrison Diversion	\$ 227,296.83	
#1135 Insure Forward	\$ 502.00	
#1136 Garrison Diversion	\$ 152,077.45	

Total Expenses	\$ 601,321.79	
Ending Bank Balance		\$ 921,826.22

**Bylaws
Of
Lake Agassiz Water Authority**
Revised October 2017

SECTION I – Place of Business

The principal office of the Lake Agassiz Water Authority, hereinafter referred to as LAWA, shall be located within the state of North Dakota.

SECTION II – Membership

LAWA membership shall consist of cities, ~~and~~ water districts, and other water distribution systems who pay dues to the authority and are located in that part of the state which is included within the boundaries of: Cavalier, Pembina, Walsh, Nelson, Grand Forks, Griggs, Steele, Traill, Barnes, Cass, Ransom, Sargent, ~~and~~ Richland, and Stutsman Counties. Minnesota cities may join the authority, provided a portion of the city is located within five miles [8.05 kilometers] of North Dakota, or if the city uses the Red River for its primary water supply. Any other county, city, water district or Canadian governmental entity or water supply system may join the authority upon application of its board and approval of the application by a majority of the LAWA board. LAWA shall require any new member to pay for a pro rata share of the project costs previously incurred by the authority members. LAWA also may require an entity contracting for a water supply to pay an additional fee if the entity joins the project late. Membership dues will be determined by the LAWA Board of Directors.

The Board of Directors may designate associate members to LAWA who are non-voting members of the Board.

SECTION III – Election of Board Members

A. Composition of the Board:

1. One member from a city with a population greater than forty thousand located east of state highway 1 and north of state highway 200.
2. One member from a city with a population greater than forty thousand located east of state highway 1 and south of state highway 200.
3. One member from a city with a population of five thousand, but not more than forty thousand located east of state highway 1.
4. One member from a city with a population of less than five thousand located east of state highway 1.
5. Two members from water districts located east of state highway 1 and north of state highway 200.
6. Two members from water districts located east of state highway 1 and south of state highway 200.

7. One member from water districts located east of state highway 1.
8. One member from a Minnesota city with a population of more than thirty thousand and which is located within five miles [8.05 kilometers] of North Dakota.
9. One member from water districts located west of state highway 1.
10. One member from a city west of highway 1.

B. Term and Election of Board Members: North Dakota city members must be selected for two-year terms by election by cities ~~located east of highway 1~~ during the annual meeting of the North Dakota league of cities in every odd-numbered year beginning in 2003. Cities that have paid dues in the calendar year the vote is taken, or signed a development agreement or other application agreement with the authority before the date of the election, are eligible to vote. Water district members must be selected for two-year terms by election by water districts ~~locate east of state highway 1~~ during the annual meeting of the North Dakota rural water systems association in every even-numbered year beginning in 2004. ~~The initial selection of members must be at a meeting held by the board of directors of the North Dakota league of cities and by the board of directors of the North Dakota rural water systems association. The initial city members shall serve until the annual meeting of the North Dakota league of cities in 2003 and the initial water district members shall serve until the annual meeting of the North Dakota rural water systems association in 2004.~~ Water districts that have paid dues in the calendar year the vote is taken, or have signed a development agreement or other participation agreement with the authority before the date of the election, are eligible to vote. For elections of board members after July 1, 2017, a candidate for board member must have a development agreement, water supply contract, or project participation agreement with the authority or the Garrison Diversion Conservancy District. The initial Minnesota city is Moorhead, as it is an associate member of the authority. Moorhead will serve in this capacity until the league of Minnesota cities annual conference in 2006. During even-numbered years thereafter, Minnesota cities within five miles [8.05 kilometers] of the Red River or that use the Red River as a primary water supply may elect their representative.

C. Vacancies. If a Director position on the Board becomes vacant because of death, resignation, removal, disqualification or for any other cause related to the person filling the role of Director representing a LAWA member, the LAWA member shall appoint another person to represent the member as a Director on the LAWA Board thereafter. If a Director position on the Board becomes vacant because of death, resignation, removal, disqualification, change in legislation or for any other cause related to the LAWA member no longer being eligible to have a seat on the Board, the remaining Directors shall fill the vacant Director position by appointment of a new city or water district member for the remaining portion of the term. The Board shall fill the remaining portion of the term by selecting a like member from a list of nominees suggested by the League of Cities for a city member vacancy or from the North Dakota Rural Water Systems Association for a water district member vacancy.

SECTION IV – Meetings

- A. Regular Meetings. The Board of Directors shall meet at least four times a year, at a time and place designated by the Chair. The Board of Directors can, by majority vote, cancel any of the regular meetings.
- B. Special Meetings. Special meetings of the Board of Directors may be called by the Secretary on order of the Chair or upon written request of the majority of the voting members of the Board. The Chair and/or a majority of the Board shall designate the time and place of the special meeting.
- C. Meeting Notice.
1. Regular Meetings. At least ~~twenty~~ ten days advance written notice, through electronic communications, shall be given to all members of meeting dates. This notice shall generally describe the subject matter to be considered at the meeting. Any voting member may place items on the agenda of a regular meeting provided the request is submitted at least five ~~ten~~ (5 ~~10~~) days prior to the regular meeting.
 2. Special Meetings. Notice of a special meeting must be mailed or electronically communicated to each Director at least three ~~six~~ days before the meeting, provided that a special meeting may be held at any time when all members of the board are present or consent in writing. The notice shall set out the purpose and business to be considered at the meeting.
- D. Quorum. A quorum shall consist of a majority of the voting Board of Directors. Any number of Directors shall constitute a quorum to adjourn a meeting for want of a quorum.
- E. Alternate Designation. A Director may officially designate an alternate to attend meetings and to act on the Director's behalf periodically during the year. The designation shall be made in writing by each Director, submitted to the Secretary ~~at the first LAWA meeting each calendar year~~. While the use of alternatives is acceptable, the Board strongly encourages each Director to personally attend meetings. An Alternate may vote in place of the elected Director on any issues that arise during the course of a properly noticed meeting, with the exception of votes on amendments to the bylaws.
- F. Public Meetings. All meetings shall be open to the public in accordance with North Dakota Open Meeting laws.
- G. Meeting Minutes. The Secretary shall prepare and distribute meeting minutes to each Director. Minutes of all meetings may be approved without reading if they have been distributed prior to the next meeting.

H. Parliamentary Rules and Voting Procedures.

1. In the absence of the Chair, or Vice-Chair, the Chair shall designate another Director to preside over the meeting.
2. Meetings of the Board of Directors will be governed by the parliamentary rules as outlined in Robert's Rules of Order Newly Revised in all cases where current bylaws and policies do not apply.
3. All actions of the Board of Directors shall be decided by roll call vote. A majority of Directors present at a properly noticed meeting will decide the vote. Each Director shall be entitled to one vote on all matters requiring a vote. Designated Alternates appearing on behalf of an absent Director may vote in place of the Director on all matters with the exception of changes to the bylaws. Vote by proxies will not be allowed at any meeting of the Board of Directors or its Committees, except that a letter proxy vote will be allowed for a change to the bylaws only after the proposed change has had both a first and second reading. . Changes to these bylaws will require a two-thirds (2/3) majority (~~eight~~ **six** directors) of the entire Board.
4. The Chair has a vote as a member of the Board of Directors.

I. Order of Business

1. Roll call
2. Reading of minutes of preceding meeting and action thereon
3. Consideration of communications to the Board
4. Officer reports
5. Committee reports
6. Unfinished business
7. New business

SECTION V – Officers and Staff

- A. Officers. The Board shall elect from its members a Chair and a Vice-Chair at the first meeting of each calendar year. Each member shall hold office until a successor has been duly elected.
- B. Term of Office. Officers are elected for a one-year term or until a successor is elected.
- C. Vacancies. If a vacancy arises in any office because of **any cause including** death, resignation, removal, **or** disqualification ~~or for any other cause of the Director~~ **representing the member entity on the Board**, the **LAWA** Board shall appoint another Director to hold that office for the remaining portion of the term.

- D. Removal of Officer. Officers may be removed from office for misconduct, malfeasance, crime in office, neglect of duty in office, or of habitual drunkenness or gross incompetency. Any member or director may file charges against an officer by filing a written charges with the secretary of the organization. The charges must be accompanied by a petition asking for a hearing on the charges, which must be signed by at least 40 percent of the directors. Such charges shall be voted on at a meeting called for that purpose. The officer shall be informed in writing of the charges and shall have the opportunity to be heard in person and to present witnesses. The member or director presenting charges against an officer shall have the same opportunity. A vote of 60 percent of the directors present at such special meeting is required for removal of an officer.
- E. Chair. The principal officer shall be the Chair who shall in general supervise all business affairs of the LAWA. The Chair will prepare meeting agendas and will preside at meetings of the Board. When authorized by the Board, the Chair will appoint necessary committees and committee chairpersons, sign official documents requiring signature, and will represent LAWA in public and official capacities. The Chair shall also do and perform such other duties as may be assigned by the Board.
- F. Vice-Chair. The Vice-Chair will preside at meetings in the absence of the Chair and assume the office of the Chair if the Chair can no longer serve.
- G. Secretary/Treasurer. The Board shall elect a Secretary and a Treasurer, which offices may be held by the same individual, and either or both offices may be held by an individual who is not a member of the Board or of LAWA.
1. Duties of the Secretary shall be established by the Board and shall include:
 - A. Record all votes and minutes of the Board proceedings and any meetings of any committees established by the Chair.
 - B. Prepare and distribute minutes of all regular and special meetings of the Board and any other committees that may be appointed by the Chair.
 - C. Prepare and distribute notice of all regular and special meetings of the Board, membership and committees.
 - D. The Secretary shall see that all orders and resolutions of the Board are implemented. The Secretary shall also be responsible for preparing any reports that the Board requests.
 - E. Such other duties as the Board may deem appropriate.
 2. Duties of the Treasurer shall be established by the Board and shall include:
 - A. Hold LAWA funds and securities and keep full and accurate accounts of the receipts and disbursements in official books, and deposit such funds in the depository designated by law.
 - B. Perform all recording and fiscal duties relating to the billing and collection of the annual dues.

- C. Prepare all checks, drafts, or orders for payment of money issued in the name of LAWA for signature by the Chair.
- D. Prepare annual budgets for the operation of LAWA. The budget shall reflect operational cost for such fiscal year as the Board shall determine. The proposed budget shall be presented to the Board for review and approval at any meeting.
- E. Such other duties as the Board may deem appropriate.
- F. Staff. The Garrison Diversion Conservancy District shall provide the administrative, technical and legal support for LAWA.

SECTION VI – Committees

A. Establishing Committees. When authorized by the Board, the Chair is empowered to establish committees comprised of Directors and may likewise authorize committees of an advisory nature, the membership of which need not be solely voting Directors. The Chair shall appoint the Chair of all committees. Termination of any committee shall be by action of the Board of Directors.

B. Executive Committee. If the Board chooses to establish an Executive Committee, it shall be comprised of **a minimum of three individuals and should include**; the Chair, the Vice-Chair, and **other another** Board members who will be elected to serve on the Executive Committee by majority vote of the Directors.

SECTION VII – Expenses of Members

Reasonable expenses will be reimbursed to Directors as allowed by state law. If the constituency has an inability to reimburse a Director's expenses, the Board may agree to pay reasonable expenses of a Director upon request.

SECTION VIII – Deposits, Funds & Fundraising

- A. Deposits. All funds of LAWA shall be deposited from time to time to the credit of LAWA in such financial institutions designated as a depository for public funds pursuant to North Dakota Century Code Chapter 21-04
- B. Gifts. The organization may accept gifts, grants, contributions, or bequest for the general purpose or any special purpose of the LAWA.

SECTION IX – Financial Records Review

The financial accounts and transactions of LAWA shall be reviewed biannually by a Certified Public Accountant or by an internal review committee appointed by the Chair.

SECTION X – Amendment to Bylaws

These bylaws may be amended at any regular meeting of the Board by a two-thirds vote of the entire Board only after a second reading of the proposed change. Proposed amendments to the bylaws must be submitted to the Secretary by a Board member at least thirty days prior to the regular meeting at which they are to be considered for a first reading. Notice of the meeting at which the Board will consider this amendment must be mailed by the Secretary to each member of the Board along with a copy of the proposed bylaw amendment at least fifteen days prior to any regular meeting at which the amendment will be considered. Directors may vote on by-laws by written proxy when called for a vote after the second reading. Alternates will not be allowed to vote on proposed changes to the bylaws.