

LAKE AGASSIZ WATER AUTHORITY

BOARD OF DIRECTORS

**Holiday Inn
Fargo, North Dakota
January 31, 2020**

A meeting of the Lake Agassiz Water Authority (LAWA) board of directors was held at the Holiday Inn, Fargo, North Dakota, on January 31, 2020. The meeting was called to order by Chair Mahoney at 11 a.m.

MEMBERS PRESENT

Chair Timothy Mahoney
Vice Chair Ken Vein
Director Bill Bohnsack
Director Dave Carlsrud
Director Tom Erdmann
Director John Hancock
Director Mark Johnson
Alternate Steve Hansen for Director LaVonne Althoff
Alternate Jeremy Schuler for Director Rick Bigwood
Alternate Kris Knutson for Director Ralf Mehnert-Meland
Alternate Brian Reilly for Director Keith Nilson
Associate Member Dick Johnson
Associate Member Carol Siegert
Secretary Duane DeKrey

MEMBERS ABSENT

Director Nels Halgren
Associate Member Don Bajumpaa

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.

APPROVAL OF AGENDA

Motion by Director Johnson to approve the board agenda. Second by Director Hancock. Upon voice vote, motion carried.

INTRODUCTIONS

Chair Mahoney called on those in the audience to introduce themselves.

CONSIDERATION OF THE MINUTES

Motion by Vice Chairman Vein to approve the July 11, 2019, and November 15, 2019, Lake Agassiz Water Authority Board minutes as distributed. Second by Director Hancock. Upon voice vote, motion carried.

OFFICER REPORT

Vice Chair Vein did not have a report.

COMMITTEE REPORTS

LAWA Technical Advisory Committee (TAC) - - Al Grasser Chair, LAWA TAC, reported that the TAC met on October 2 in Fargo to review critical action items, including early out construction projects and a task order amendment for environmental services. The committee met again on November 19 by conference phone to determine whether to proceed with trenchless crossings or the pipeline alternate on early out construction for the Red River Valley Water Supply Project (RRVWSP). At that time, the decision was made to move forward with the pipeline alternate, allowing the engineers to finalize plans.

RED RIVER VALLEY WATER SUPPLY PROJECT UPDATE

Program Management Update

Merri Mooridian, Deputy Program Manager, RRVWSP Administration, referred to and commented on the program management update dated January 23, 2020. This is a gantt chart displaying the status of the contingencies to be met in SB 2020 while working toward early out construction on the RRVWSP. Tasks are listed by category according to start and finish dates. This is a fluid working document and a critical tool for planning.

Kip Kovar, Deputy Program Manager, RRVWSP Engineering, called attention to and reviewed a table showing anticipated items of work that will require action by the LAWA TAC and/or LAWA Board to occur within the next six months.

Planning Level Budget

Ms. Mooridian also referred to and reviewed the two graphics showing the RRVWSP Planning Level Budget dated January 10, 2020, copies which are attached to these minutes as Annex II.

Ms. Mooridian said the bar chart illustrates the cumulative project expenses. The funding table shows \$27.8 million has been expended to move the project forward. Final design is 81 percent complete, with actual expenses totaling \$12.3 million. Outstanding expenses on final design are \$2.8 million.

2019-2021 Revised Draft Budget

Ms. Mooridian presented the Revised Draft 2019-2021 Budget for the RRVWSP and reviewed the early out construction items according to priority being proposed in the work plan totaling \$7.5 million at a 75/25 percent cost share. A copy of the budget is attached to these minutes as Annex III.

Future task orders will be presented to the board for their approval regarding these items.

2020 RRVWSP Work Plan

Mr. Kovar presented and reviewed the RRVWSP 2020 Work Plan with the board, a copy which is attached to these minutes as Annex IV.

Motion by Director Erdmann to approve the 2020 RRVWSP Work Plan. Second by Director Johnson. Upon roll call vote, the following directors voted aye: Bohnsack, Carlsrud, Erdmann, Hancock, Johnson, Mahoney and Vein. Alternates voting aye: Hansen, Knutson, Reilly and Schuler. Directors voting nay: none. Absent and not voting: Halgren. Motion carried.

Work Plan Update

Mr. Kovar referred to the RRVWSP Work Plan Update dated January 22, 2020, which provides an update on each of the ongoing task orders. A copy of the update is attached to these minutes as Annex V.

Eastern North Dakota Alternate Water Supply

Notice of Intent

Mr. Kovar referred to Reclamation's Notice of Intent to prepare an Environmental Impact Statement (EIS) and public scoping comment period for the Eastern North Dakota Alternate Water Supply (ENDAWS) Project. This goes into the Federal Register notifying the public of the project and requested comments by December 13, 2019. This would be a bulk water supply project delivering water to the RRVWSP. Garrison Diversion has requested Reclamation consider issuing a contract for up to 165 cfs of water from the GDU facilities. It would include the use of the Snake Creek Pumping Plant, an intake and pump station located along the McClusky Canal, and a bulk transmission pipeline to deliver water to the main transmission pipeline. Notice was published in the Federal Register on November 13, which means the entire process should be completed by November 13, 2020.

MOA Between Reclamation and Garrison Diversion

Mr. Kovar also referred to the Memorandum of Agreement (MOA) between Garrison Diversion and Reclamation. This allows Garrison Diversion to be a cooperating agency on the EIS and describes the responsibilities and procedures to be used by the agencies. The agreement will remain in effect through the publication of the Record of Decision on the Final EIS.

Mr. Kovar stated other items under ENDAWS include work on engineering reports for the EIS and a biota water treatment plant appraisal level analysis. Reclamation must also

provide information to the Corps of Engineers to complete a Missouri River depletion analysis.

Comment Letter

Mr. Kovar referred to a copy of LAWA's comment letter on the ENDAWS EIS scoping process. In the letter, LAWA expresses its support for the construction of the ENDAWS project. A copy of the letter is attached to these minutes as Annex VI.

Task Order

AIS Risk and Consequence Analysis for Bureau of Reclamation

Mr. Kovar informed the board that an Aquatic and Invasive Species (AIS) Consequence Analysis is also being requested by Reclamation on ENDAWS to support the EIS, which has been put in the form of a task order and is included in the meeting packet for the board's information. LAWA is not responsible for any of this cost. It is a federal responsibility.

The objective of this task order is to complete a risk and consequence analysis and associated report that will evaluate the risks and consequences of the potential transfer of AIS from the Missouri River Basin to the Hudson Bay Basin related to the project. The parameters of this work were set by Reclamation.

FINANCIAL REPORT

2019 Budget Analysis Statement - - Ms. Mooridian referred to and reviewed the Budget Analysis Statement for the period of January 1 to December 31, 2019, a copy which is attached to these minutes as Annex VII.

Total income received through October is \$31,575. Expenses are \$81,019. The total bank balance at the end of December was \$712,567.

Motion by Director Johnson to approve the Budget Analysis Statement for the period of January 1, 2019, through December 31, 2019. Second by Director Bohnsack. Upon roll call vote, the following directors voted aye: Bohnsack, Carlsrud, Erdmann, Hancock, Johnson, Mahoney and Vein. Alternates voting aye: Hansen, Knutson, Reilly and Schuler. Directors voting nay: none. Absent and not voting: Halgren. Motion carried.

2019 Bills Paid

Ms. Mooridian reported that bills paid since the previous meeting were to Ohnstad/Twichell for legal fees totaling \$13,046.10 and \$10,250 to Garrison Diversion for LAWA's share of the national legal fees to Brownstein Hyatt Farber Schreck.

Motion by Vice Chairman Vein to approve the bills paid. Second by Alternate Hansen. Upon roll call vote, the following directors voted aye: Bohnsack, Carlsrud, Erdmann, Hancock, Johnson, Mahoney and Vein. Alternates voting aye: Hansen, Knutson,

Reilly and Schuler. Directors voting nay: none. Absent and not voting: Halgren. Motion carried.

2020 Budget Analysis Statement - - Ms. Mooridian referred to and reviewed the Budget Analysis statement for the period of January 1 to January 31, 2020, a copy which is attached to these minutes as Annex VIII.

Total income received through January 31 is \$0. Expenses are \$3,747. The total bank balance at the end of January was \$708,820.

2020 Bills Paid

Bills paid in 2020 are \$1,000 to the ND Water Coalition for annual membership dues and \$2,747.50 to Ohnstad Twichell for attorney fees.

Motion by Director Johnson to approve the Budget Analysis Statement for the period of January 1, 2019, through January 31, 2019. Second by Vice Chairman Vein. Upon roll call vote, the following directors voted aye: Bohnsack, Carlsrud, Erdmann, Hancock, Johnson, Mahoney and Vein. Alternates voting aye: Hansen, Knutson, Reilly and Schuler. Directors voting nay: none. Absent and not voting: Halgren. Motion carried.

Membership Dues

Summary of Dues and Cost Share Payments

Ms. Mooridian referred to the table showing LAWA membership dues collected for 2019. The amount collected to date totals \$31,500. This is provided for the board's information.

2020 LAWA Member Dues

Ms. Mooridian next referred to the draft letter prepared to mail out with 2020 LAWA dues statements. She asked for approval to send out the letter and billing statements for 2020 membership dues.

Motion by Alternate Hansen to authorize billing for 2020 LAWA membership dues. Second by Director Bohnsack. Upon roll call vote, the following directors voted aye: Bohnsack, Carlsrud, Erdmann, Hancock, Johnson, Mahoney and Vein. Alternates voting aye: Hansen, Knutson, Reilly and Schuler. Directors voting nay: none. Absent and not voting: Halgren. Motion carried.

2020 LAWA Budget - - Ms. Mooridian referred to the LAWA budget prepared for 2020 and reviewed it with the board. Projected income is \$31,575, with expected expenses of \$122,840. A copy of the budget is attached to these minutes as Annex IX.

Ms. Mooridian stated there is currently no dollar amount included for LAWA's portion of the local cost share. Once it is determined how the cost share will be raised and what the engineering and construction costs are, the budget will be amended.

Motion by Director Johnson to authorize billing for 2020 LAWA membership dues. Second by Alternate Reilly. Upon roll call vote, the following directors voted aye: Bohnsack, Carlsrud, Erdmann, Hancock, Johnson, Mahoney and Vein. Alternates voting aye: Hansen, Knutson, Reilly and Schuler. Directors voting nay: none. Absent and not voting: Halgren. Motion carried.

UNFINISHED BUSINESS

Insurance Advisor - - Ms. Mooridian reported two large national firms have expressed interest in the insurance advisor position. One is Aon, who has previously worked with the Fargo-Moorhead Diversion Authority, and Willis Towers Watson. A committee has been formed of Garrison Diversion and LAWA representatives to interview these two companies, which will take place on February 28.

NEW BUSINESS

Rural Water Members Election - - Ms. Mooridian informed the board that rural water system elections take place in every even numbered year. Eric Volk of the ND Rural Water Systems Association handles the election during the Water EXPO. Elections will be held February 11 in Fargo.

Moorhead Director - - Ms. Mooridian said Ralf Mehnert-Meland is no longer with Moorhead Public Service. As a result, he no longer serves on the LAWA board. By-laws state in order to be a voting member, a development agreement must be signed. After the cost share is determined for the 2019-2021 biennium, the board may revisit Moorhead's position on the board.

LAWA Audit - - Ms. Mooridian reminded the board of its decision to conduct an audit on LAWA financial statements every other year. The managing partner of EideBailly said instead of doing an audit, an agreed upon procedures could be done for \$4,000-\$6,000. This would look at any key areas the board would like looked into. A three-year audit of 2017, 2018 and 2019 would cost \$9,000.

Ms. Mooridian suggested having the co-chairs of the LAWA Financial Advisory Committee recommend what areas to research if the board would want to go with the agreed upon procedures.

It was the consensus of the board to go ahead with the agreed upon procedures approach and work with the Financial Advisory chairs.

EXECUTIVE SESSION

Motion by Alternate Schuler to enter into Executive Session pursuant to N.D.C.C. § 44-04-19.1 (9) (10) to provide direction to LAWA's attorney and Negotiating Team regarding the Memorandum of Understanding between LAWA and Garrison Diversion. Second by Director Alternate Reilly. Upon roll call vote, the following directors voted aye: Bohnsack, Carlsrud, Erdmann, Hancock, Mahoney and Vein. Alternates voting aye: Hansen, Knutson, Reilly and Schuler. Directors voting nay: none. Absent and not voting: Halgren. Motion carried.

The board entered in Executive Session at 11:50 a.m.

The board reconvened into regular session at 12:35 p.m. and immediately adjourned.

Timothy Mahoney, Chair

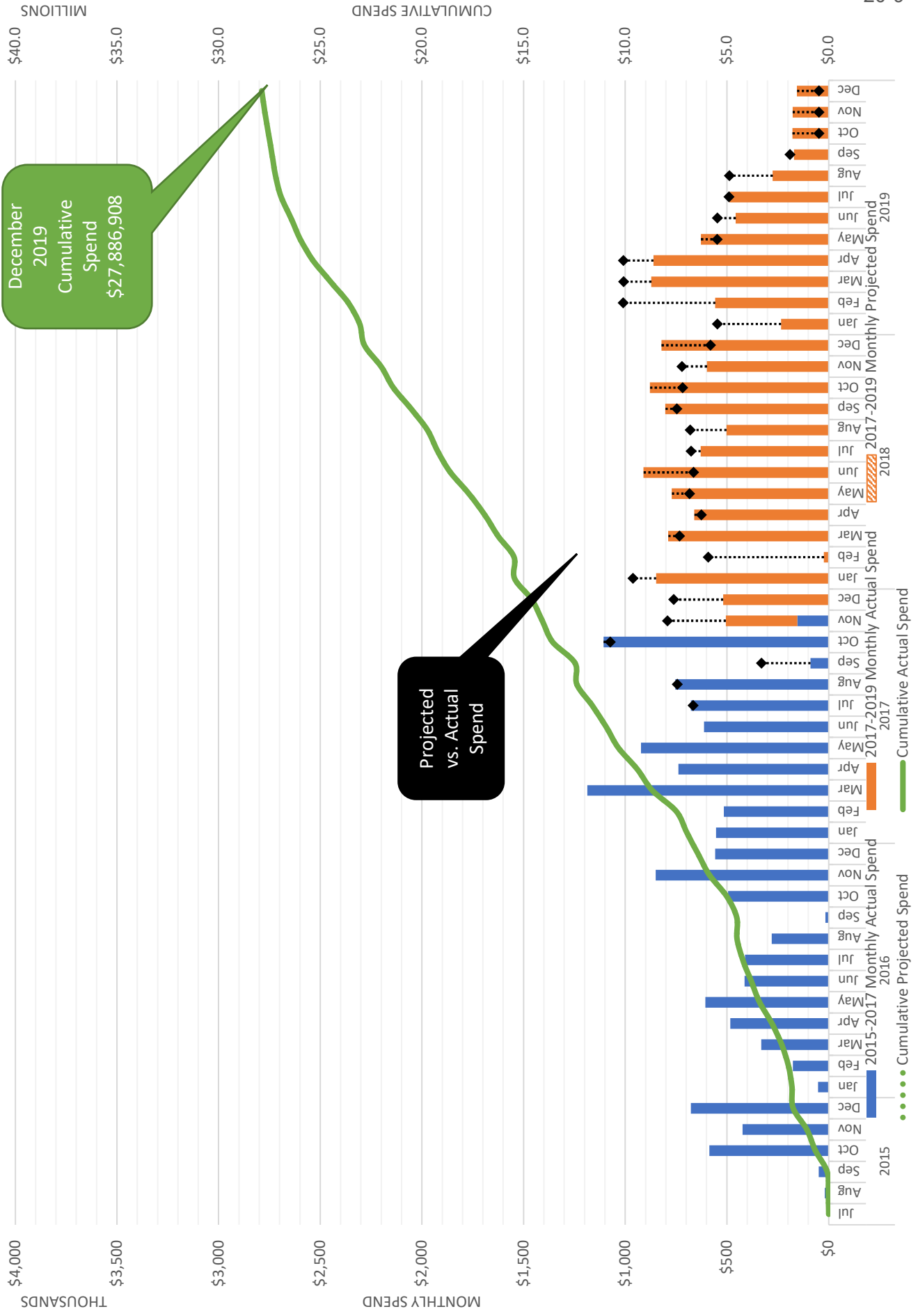
Duane DeKrey, Secretary

REGISTRATION

LAWA Board Meeting
Fargo, North Dakota
January 31, 2020

NAME	ADDRESS
Steve Burian	Burian & Associates, LLC
Keith Myklebust	EGF WAL DAPT
Bruce Grubb	City of Fargo
Dave Mielchen	City of Fargo
Al Grusser	City of Grand Forks.
Kimberly Cook	GDGD
Marc Richard	Moonhead Public Service
Greg Bischoff	GDGD Barnes County
Sgt Paul Anderson	GDGD Ransom County
Charles Vein	GDGD Foster County
DAN PORTLOCK	GRAND FORKS
BERNIE DARDIS	CITY OF FARGO
April Walker	City of West Fargo
Lisa Schaefer	A. Walker Consulting.
	GDGD

Red River Valley Water Supply Project Planning Level Budget



December 2019 Cumulative Spend \$27,886,908

Projected vs. Actual Spend

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

Annex II
20-10

January 10, 2020	Percent Complete	Current Estimate	Actual Expenses	Outstanding Expenses
Conceptual Design Subtotal	100%	\$ 5,302,130	\$ 5,302,130	\$ 0
Preliminary Design Subtotal	100%	\$ 10,217,606	\$ 10,217,606	\$ 0
Final Design				
Engineering				
Pipeline Final Design - 28 miles	94%	\$ 3,320,000	\$ 3,120,535	\$ 199,465
Trenchless Final Design	100%	\$ 452,000	\$ 452,000	\$ (0)
Discharge Final Design	98%	\$ 508,000	\$ 495,915	\$ 12,085
Land Services - Segments 1, 2a, 2b, 4	70%	\$ 1,602,285	\$ 1,117,788	\$ 484,497
Geotechnical	94%	\$ 544,000	\$ 511,923	\$ 32,077
Sediment Transport	94%	\$ 396,000	\$ 374,198	\$ 21,802
Missouri River Intake Final Design	96%	\$ 2,035,000	\$ 1,956,211	\$ 78,789
Upper Sheyenne Discharge Analysis *	93%	\$ 111,723	\$ 104,030	\$ 7,693
Unmanned Aircraft System Services	100%	\$ 71,443	\$ 71,443	\$ (0)
Value Engineering	73%	\$ 262,539	\$ 191,173	\$ 71,366
NDPDES Permit Application Supplement	86%	\$ 395,000	\$ 339,618	\$ 55,382
Field Verification of PDR Pipeline Alignment	75%	\$ 114,000	\$ 85,720	\$ 28,280
<i>Construction Phase Engineering</i>	<i>Upcoming</i>		\$ -	\$ -
Land Acquisition				
Acquire Options	44%	\$ 134,000	\$ 59,316	\$ 74,684
Acquire Easements	102%	\$ 1,164,000	\$ 1,192,300	\$ (28,300)
Acquire Real Estate	0%	\$ 78,000	\$ -	\$ 78,000
Financial, Administration, Legal, Etc.				
Financial Modeling/Cost Allocation	62%	\$ 1,521,047	\$ 950,175	\$ 570,872
Program Management Set Up	97%	\$ 553,000	\$ 535,206	\$ 17,794
Program Management Information System	16%	\$ 293,100	\$ 47,915	\$ 245,185
Administration (communications, LAWA)	77%	\$ 550,000	\$ 423,212	\$ 126,788
Stakeholder Support	20%	\$ 398,830	\$ 78,846	\$ 319,984
Legal	43%	\$ 600,000	\$ 259,648	\$ 340,352
<i>Undesignated</i>	<i>0%</i>	<i>\$ 108,523</i>	<i>\$ -</i>	<i>\$ 108,523</i>
Final Design, Easement & Administration Subtotal	81%	\$ 15,212,490	\$ 12,367,172	\$ 2,845,318
Construction				
<i>Pipeline Trenchless Construction</i>	<i>Upcoming</i>		\$ -	\$ -
<i>Discharge Construction</i>	<i>Upcoming</i>		\$ -	\$ -
<i>Intake Construction</i>	<i>Upcoming</i>		\$ -	\$ -
Construction Subtotal	0%	\$ -	\$ -	\$ -
Total Program Budget	91%	\$ 30,732,226	\$ 27,886,908	\$ 2,845,318

2015/2017 State Appropriation \$12,359,000	\$ 12,359,000
2015/2017 LAWA Cost Share \$1,373,225	\$ 1,373,225
2015/2017 total	\$ 13,732,225
2017/2019 State Appropriation**	\$ 17,000,000
RRVWSP Program Budget	\$ 30,732,225
2017/2019 Appropriation Spent to Date	\$ 14,154,683
2017/2019 Committed Outstanding	\$ 2,736,796
2017/2019 Not Committed	\$ 108,523

* not subject to local cost share

** not including \$13 million for early out construction



2019 to 2021 Biennium Budget (Early-Outs w/ Min Additional Spend)

No.	Description	Detail	Task Orders Auth	19/21 Biennium Project Development Budget (mil \$)			Construction Budget per Biennia (mil \$) ^{1,2,3}					
				Total	State 75%	Local 25%	19/21 Biennium			21/23	Future	
							Total	State 90%	Local 10%			
1	Financial, Administration, Legal, Insurance, Etc.	Administration of program, including financial, legal, public communication, administrative, insurance advising, etc. expenditures	Apr-20	\$ 0.70	\$ 0.52	\$ 0.17						
	Scope: Administration, legal, and financial modeling/planning											
	Need: Annual Garrison Diversion budget for program admin		Jan-21	\$ 0.70	\$ 0.52	\$ 0.17	\$ -	\$ -	\$ -	\$ -	\$ -	TBD
2	Early-Out Missouri River Intake Pumping Station Wetwell	40' diameter x 65' deep concrete wetwell and initial site development for a 165-cfs pumping station at the Missouri River near Washburn	Mar-20	\$ 0.08	\$ 0.06	\$ 0.02						
	Scope: Bidding assistance and construction of intake wetwell											
	Need: Early-out project to meet legislative intent		Jun-20 ⁵				\$ 3.6	\$ 3.2	\$ 0.4	\$ -	\$ -	
3	Early-Out Pipeline - Contract 5a	1.5 miles of 72" open-cut pipeline, including associated 84" diameter tunnel under RRV&W Railroad and U.S. Highway 281 south of Carrington	Mar-20	\$ 0.15	\$ 0.11	\$ 0.04						
	Scope: Bidding assistance, const mgmt, inspection, & constr											
	Need: Early-out project to meet legislative intent		Jul-20	\$ 0.58	\$ 0.44	\$ 0.15	\$ 9.1	\$ 8.2	\$ 0.9	\$ -	\$ -	
4	Early-Out Discharge Structure on the Sheyenne River	145-cfs energy dissipation structure and outfall channel to Sheyenne River near Cooperstown, including initial site development	Mar-20	\$ 0.08	\$ 0.06	\$ 0.02						
	Scope: Bidding assistance and construction of disch structure											
	Need: Early-out project to meet legislative intent		Jun-20 ⁵				\$ 1.7	\$ 1.5	\$ 0.2	\$ -	\$ -	
5	Missouri River Intake Crib and Tunnel	Marine geotechnical investigation; design of 8, 48" dia T-screens and crib in Missouri River and 1,600' long 72" diameter tunnel from crib to wetwell	Mar-20	\$ 0.61	\$ 0.46	\$ 0.15						
	Scope: Marine borings, final design services, and bidding assist											
	Need: Design facility so it can be built by permit deadline		Jan-21	\$ 0.15	\$ 0.11	\$ 0.04	\$ -	\$ -	\$ -	\$ 26	\$ 49	
6	Biota Water Plant and Main Pumping Station	165-cfs water treatment facility; 165-cfs main pumping station and associated surge control building	Oct-20	\$ 0.25	\$ 0.19	\$ 0.06						
	Scope: NDPDES discharge permitting support services											
	Need: On-call services for permit acquisition support										\$ 111	
7	Land Services⁴	Conversion of expiring options to easements; and intake and discharge real estate costs and legal support	Jan-21	\$ 0.66	\$ 0.50	\$ 0.17						
	Scope: Easement and intake/discharge real estate acquisition											
	Need: Convert remaining Segment 2 options to easements										\$ 10	
8	Environmental Consulting	Provide on-call consulting for wetlands, environmental, cultural, and archeological aspects during the biennium	Jan-21	\$ 0.10	\$ 0.08	\$ 0.03						
	Scope: Assistance with wetlands and other permitting issues											
	Need: Identify and address environmental issues as they arise											
9	Pipeline and Trenchless Crossings - Contract 5b	26.5 miles of 72" open-cut pipeline, including associated 84" diameter tunnels	Oct-20	\$ 0.58	\$ 0.44	\$ 0.15						
	Scope: Design wrap-up and bidding assistance											
	Need: Keep program on track for 2029 completion		Jan-21	\$ 0.15	\$ 0.11	\$ 0.04	\$ -	\$ -	\$ -	\$ 163	\$ -	
10	Reserve for Expected but Yet Undefined Projects	A 8.1-percent reserve providing flexibility to adapt to work plan changes over the next two years	TBD	\$ 0.56	\$ 0.42	\$ 0.14						
	Scope: Reserve budget to accommodate work plan changes											
	Need: Prudent reserve											
Total Program Budget				\$ 7.5	\$ 5.6	\$ 1.9	\$ 14.4	\$ 13.0	\$ 1.4	\$ 189	\$ 170	

Notes:

1. Construction costs include management, engineering services during construction, inspection, field quality control, and construction.
2. Projects indicated for construction funding in a given biennium will be shovel ready for construction at the start of the biennium.
3. Future capital costs are escalated to an anticipated midpoint of construction at 3 percent per annum for the respective component with the RRVWSP expected to be finished by 2029. All future RRVWSP construction projects and costs are not shown.
4. Future land services costs are the amount likely to be paid to land owners for real estate, easements, crop damage and field obstructions. Costs for Segment 3 option to easement conversions and easements from scratch are not included in the estimates.
5. Construction management, engineering services during construction, inspection, and field quality control are funded out of the 2017/19 biennium budget so a cost is not shown in the current budget for these efforts. A new task order authorizing these services will be needed when indicated.

RRVWSP 2020 Work Plan

1. Obtain a North Dakota NPDES discharge permit
2. Early Out Projects – approve contract documents, final plans and specifications, advertise, award three construction contracts and begin construction on:
 - a. Missouri River Intake Pump Station Wetwell
 - b. Discharge Structure, and
 - c. 1.5 miles of pipeline, a portion of Segment 1 (28-mile segment)
3. Approve construction services task orders to support the three early out construction projects
4. Continue with Missouri River Intake Design to be ready prior to expiration of Nationwide 12 Permit
 - a. Missouri River Intake Marine Geotechnical Investigation
 - b. Final Design
 - c. Bidding services – anticipated in 2021
5. Biota Water Treatment Plant and Main Pumping Station – continue with NDPDES permit support
6. Land Services – continue securing ROW and acquisition of properties
7. Pipeline and Trenchless Crossings Contract 5 Design – have the remainder of Segment 1 (26.5 miles) bid ready for next biennium 2021-2023
8. Continue use of previously developed program management tools to support financial and budget tracking, to mitigate project risks and to monitor schedule performance
9. Continue refinement of financial models
 - a. Overall Financial Model
 - b. Cost Allocation Plan
 - c. Ability to Pay System Scenarios
10. Present financial models to stakeholders and policymakers
11. Develop legislative plan for 2021-2023 biennium
12. Develop Project Participation Agreements
13. Implement MOU with Garrison Diversion
14. Acquire insurance advisor services
15. Continue communications

RRVWSP Work Plan Update January, 22 2020

Goal

Spring 2016	Completed Conceptual Design and Cost Estimate
Summer 2017	Completed Preliminary Design and Cost Estimate for pipeline and pump station(s)
2017 - 2019	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. The ND legislature appropriated \$30 million for the RRVWSP for the 2019-2021 biennium.

Preliminary Design

The conceptual design was released in September 2016. The majority of the preliminary design has been completed; of the \$10 million cost estimate, approximately \$15,000 remains to be expended on the task orders. 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 must be completed first, which includes permit phasing, design phasing and construction phasing.

Final Design

The draft preliminary design 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, 1.5 miles of pipeline and portions of the intake.

1) Pipeline segment 28 miles – This task order will begin final design on a portion of the RRVWSP 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 RRVWSP route overview map. This task order will deliver bid ready documents for this 28-mile segment. Estimated cost is \$3,840,000.

Status – Letters have been sent to utility companies asking for facility locations and details where crossings might occur. The 90% plans and specification were submitted in March 2019.

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 – All borings and soil resistivity tests are complete. A draft Geotechnical Baseline Report and Corrosion Protection Design Guide has been developed.

3) Sediment Transport Analysis – This task order will provide information as requested by the North Dakota State Water Commission (SWC) to evaluate the Sovereign Lands Permit for the Missouri River intake, as well as support the overall design of the intake screens. Estimated cost is \$396,000.

Status – All field work was completed prior to the river freezing. A request was made to USACE for a river analysis model HEC-RAS. Developed 1D and 3D models and completed geomorphic analyses. The final Sediment Transport Report has been sent to the SWC for review.

4) Trenchless Crossings – This task order is for final design of tunneled or trenchless crossings in the first 28-mile section of pipeline selected for final design. The general outcome of this task order will be the preparation of construction contract documents. Estimated cost is \$452,000.

Status – The 90% plans and specifications were ready February 2019.

5) Discharge Site Structure – This task order is for final design of the discharge structure. The general outcome of this task order will be the preparation of construction contract documents. Estimated cost is \$508,000.

Status – The 90% designs are available for review.

6) Land Services – This task order is for survey support services, easement and option acquisition for RRWSP parcels. The RRWSP pipeline is separated into segment 1, 2a and 2b, 3 and 4. Authorization has been approved to move forward with only segment 1. Estimated cost for segment 1 is \$556,446. A second authorization was approved for segment 2a, 2b and 4. Estimated cost is \$1,232,839.

Status – Pipeline Segment 1 status; 99% easements signed. All letters to landowners asking for converting options to easements and asking for options have been sent. The appraisal reports for the intake and discharge land have been received.

7) Drone Aerial Coverage – This task order is for unmanned aircraft system services for the initial 28-mile pipeline corridor, discharge site and intake site. Oblique view videos will be captured and incorporated into the GIS database. Estimated cost is \$71,443.

Status – The intake, discharge and pipeline segment 1 have been completed.

8) Missouri River Intake – This task order is for preliminary design of the Missouri River intake including a submerged crib, a tunnel from the crib to a pumping station on the river bank, and a pumping station, including utility extensions necessary and site civil design in order to develop the site. To support early out construction, final designs will be performed for the wet well, access road for construction vehicles and site drainage. Estimated cost is \$1,985,000.

Status – USACE has issued NW 12 permit for the intake. The Missouri River Intake Pump Station physical modeling is complete. The intake design passed all Hydraulic Institute tests. The 90% design for the wetwell are ready for review. Received USACE coverage under Nation Wide 6 and 33 for the marine boring investigations.

9) NDPDES Permit Application Supplement – This task order provides support documentation on how the proposed RRVWSP water treatment plant meets the established requirements of the Boundary Waters Treaty Act. Estimated cost is \$195,000.

Status – The NDPDES permit application was submitted to NDDOH on July 31, 2018.

10) Value Engineering – HDR was selected to complete a value engineering study on the RRVWSP. Estimated cost is \$198,539.

Status – The value engineering study workshop was held September 10-14. The draft report was issued on September 28, and the final report was submitted January 1, 2019.

11) Value Engineering Assistance – This task order provides Black and Veatch support services to the value engineering process. Estimated cost is \$64,000.

12) StateMod Amendment No. 3 – This task order provides support to respond to GDCD, LAWA, stakeholder and SWC requests for additional analysis. Estimated cost is \$193,428.

13) Field Verification of PDR Pipeline Alignment- This task order provides support services to field verify 139 miles of the PDR alignment not currently under design. Estimated cost is \$164,000.

Financial Modeling & Stakeholder Outreach

1) Municipal Advisor – Ernst & Young Infrastructure Advisors (EYIA) provides municipal advisory services for the RRVWSP. The overall objective is to develop a robust financial plan to finance the RRVWSP. The model will include construction schedule alternatives, capital debt structure options and on-going operational and renewal costs. Estimated cost is \$508,872.

Status – EYIA has refined the financial models based on effective construction schedules and debt financing approaches. The financial model includes quantified market risks and various cost-share alternatives. This work is on hold until further direction is received from stakeholders/policymakers. EYIA's work is jointly occurring and being incorporated into modeling being completed by AE2S Nexus and Black & Veatch. The models are reviewed by the LAWA Financial Advisory Committee.

2) Financial Modeling/Cost Allocation – The task order is for AE2S Nexus to assist EYIA in development of the overall financial plan and use that plan as the basis for the cost allocation model for each participating system. Estimated cost is \$512,175.

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 water supply needs, as well as access to project water. Feasibility and ability to pay studies

are being conducted for roughly ten systems - both large and small systems. This work is in conjunction with the work being completed by EYIA.

3) Stakeholder Re-engagement – This task order will provide support in meeting with each of the 35 systems that signed development agreements. The objective of each meeting is to obtain a signed Project Participation Agreement and Water Service Contract. Estimated cost is \$398,830.

Status – Reevaluating financial modeling and outreach.

Program

1) Program Management – The overall RRWSP is expected to spend \$30 million in the 2017-2019 biennium and 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.

Status – Program management meeting #1 focused on all aspects of PM, PM #2 focused on the schedule, and other meetings were held developing PM tools and gaining knowledge about program delivery models. Draft Program Management Plan, Construction Management Plan and Design Guidance Manual have been submitted for review. A risk management was held focusing on short term risk to the project.

2) Program Management Information System – This task order will assist GDCD in making initial contact with vendors and to solicit formal submittals from those vendors to provide hardware, software and services. Estimated cost is \$43,100.



Lake Agassiz Water Authority

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Carrington, ND 58421

Phone 701-652-3194
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December 5, 2019

Mr. Arden Freitag
United States Bureau of Reclamation
Dakotas Area Office
304 East Broadway Avenue
Bismarck, ND 58501

**Re: Eastern North Dakota Alternate Water Supply Project Environmental Impact
Statement Scope**

Dear Mr. Freitag:

The Lake Agassiz Water Authority (“LAWA”), on behalf of itself and member communities and water districts, appreciates the opportunity to comment on the scope of the environmental impact statement (“EIS”) that the Bureau of Reclamation (“BOR”) intends to prepare to evaluate the impacts of the construction of the Eastern North Dakota Alternate Water Supply Project (“ENDAWS”). Based on LAWA’s analysis of the available ENDAWS information, LAWA agrees with BOR that the construction of ENDAWS is needed to “improve water reliability standards, given the significant variation in water supplies and high potential for drought on the Red River.” Issues of significance that should be adequately analyzed by BOR in preparing its EIS, as well as those issues which should be eliminated from the study are detailed below.

The State of North Dakota created LAWA in order to, among other things, store and distribute water to eastern and central North Dakota through the bulk purchase of water from the Garrison Diversion Conservancy District (“Garrison Diversion”), who requested the study of the ENDAWS option for beneficial and public uses. LAWA requests that BOR consider the comments of LAWA and other North Dakota local governments as their economies and prosperity rely heavily on the development of a safe, secure, and high-quality water supply.

LAWA supports BOR’s proposed action: the construction of ENDAWS. This alternative will provide a more affordable water supply option for the State of North Dakota’s Red River Valley Water Supply Project (“state RRVWSP”). Regardless of the ENDAWS option, state and local entities will develop a much needed Missouri River water supply for eastern and central North

December 5, 2019

Page 2

Dakota communities. Through the state RRVWSP, LAWA's members will prevent catastrophe from occurring in the event of a 1930's style drought in the Red River Valley. By utilizing ENDAWS and other underutilized Garrison Diversion Unit facilities, the state RRVWSP will save approximately \$200 million in construction costs and millions of dollars annually in operation and maintenance costs. These savings, in turn, will be passed onto LAWA and our members, the ultimate end users of the water.

As part of its evaluation, BOR identifies compliance with the Boundary Waters Treaty Act of 1909 and "the risk and consequences of transferring aquatic invasive species ("AIS") from the Missouri River Basin to the Hudson Bay Basin, as a result of project operations." BOR should include in its analysis the significant amounts of research and review of treatment options that have been done to date in regards to AIS crossing from the Missouri River Basin to the Hudson Bay Basin. This includes the former federally sponsored RRVWSP, the Northwest Area Water Supply (NAWS), and the Devils Lake Outlet project.

It is noteworthy that Manitoba has regularly been involved with the federal government in negotiating for treatment levels. After consultation in the federally sponsored RRVWSP, BOR determined basic treatment would meet the BWTA, which consists of coagulation, flocculation, sedimentation, UV disinfection, chlorination, and chloramines. A more extensive level of treatment was negotiated in NAWS after 16 years of litigation. Much less treatment was required in the Devils Lake Outlet, which is a state project constructed with a state NDPDES permit issued by the predecessor to the North Dakota Department of Environmental Quality ("NDDEQ"). To the extent NDDEQ agrees with Garrison Diversion on its treatment proposal for the state RRVWSP, there is no reason for BOR to require a heightened standard for the alternative water supply through ENDAWS. The same water, water from the Missouri River, will be crossing the divide with or without ENDAWS. While the federal government needs to meet the BWTA, so long as a NDPDES permit is issued and upheld as adequate, there should be no legal basis on which to raise the bar for BWTA, particularly when there are no standards associated with BWTA, nor is there any enforcement. There would be no legal basis for BOR to require more.

To the extent BOR requires a heightened treatment standard in order to comply with the BWTA, or conditions any water contract on a heightened treatment standard beyond what is required by the NDDEQ, BOR must be prepared to cover those costs and not forward those costs onto Garrison Diversion and the ultimate end users. The cost of compliance with the BWTA is a federal expense under the Dakota Water Resources Act. In fact, since the state RRVWSP could be constructed as a simple water to water transfer without any NDPDES permit, the costs of all treatment could be argued to be a federal responsibility.

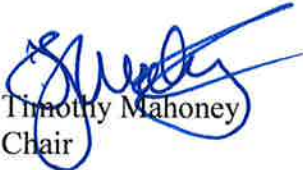
Many, if not all, of the issues identified for evaluation have been extensively studied in the Central North Dakota Water Supply Project ("CND"), which resulted in the issuance of a Finding of No Significant Impact ("FONSI") in September 2018. Currently, BOR and Garrison

December 5, 2019
Page 3

Diversion are developing a water service contract, which will allow Garrison Diversion to purchase up to 20 cubic feet per second (cfs) out of the McClusky Canal for use within the Missouri River Basin. The utilization of ENDAWS would simply upsize the already-studied 20cfs pipe and allow the additional use of 145 cfs from the McClusky Canal to be conveyed to the state RRVWSP facilities. The geographic scope of the CND and ENDAWS projects are identical, although there is some discussion of changing the route of the 145cfs pipeline slightly. The scope of environmental review is identical. The environmental impacts between the two projects should be identical and the analysis and outcome for ENDAWS should be the same as the CND. Accordingly, the BOR's Environmental Assessment ("EA") for the CND, which includes analysis of the scope of water needs of central North Dakota, and resulting FONSI, should be incorporated by reference in the environmental review documents required for ENDAWS.

LAWA hopes the above comments aid BOR's efforts to identify issues of relevance as it moves forward with an EIS for ENDAWS. Coordination and cooperation between LAWA, its member entities and BOR will provide the context necessary to help BOR make the right decision and doing so with the buy-in of the local communities most affected by that decision. LAWA is prepared to engage constructively with BOR as a partner during this process; and it is our hope that BOR uses this opportunity to recognize the full potential of that partnership. At the same time, it will create hundreds of jobs in the state and will provide significant federal revenue from water sales in an otherwise underutilized federal canal. Moving forward positively with ENDAWS is a win/win for the federal, state and local governmental entities involved.

Sincerely,


Timothy Mahoney
Chair

**2019 Budget Analysis**

For the period of January 1, 2019 - December 31, 2019

Income	2019 Budget	Actual as 12/31/2019	Balance of Budget
Dues Income	\$ 34,000.00	\$ 31,500.00	\$ 2,500.00
Interest Income	\$ 80.00	\$ 75.38	\$ 4.62
Miscellaneous	\$ -	\$ -	\$ -
Cost Share/Development Agr.	\$ -	\$ -	\$ -
Total Income	\$ 34,080.00	\$ 31,575.38	\$ 2,504.62
Expenses			
Dues Expenses	\$ 1,290.00	\$ 1,290.00	\$ -
Accounting	\$ -	\$ -	\$ -
Directors Expense	\$ 500.00	\$ -	\$ 500.00
Insurance	\$ 550.00	\$ 502.00	\$ 48.00
Service Fees	\$ -	\$ -	\$ -
Engineering	\$ -	\$ -	\$ -
Adm/Legal/Financial	\$ 109,550.00	\$ 79,227.32	\$ 30,322.68
Total Expenses	\$ 111,890.00	\$ 81,019.32	\$ 30,870.68
Net Income (Loss)	\$ (77,810.00)	\$ (49,443.94)	\$ (28,366.06)

Account Activity

Beg. Bank Balance 1-1-19	\$ 762,011.57
Income Received	\$ 31,575.38
Total Funds Available	\$ 793,586.95

#1143 ND Water Coalition	\$ 1,000.00
#1144 ND Rural Water Systems	\$ 290.00
#1151 Garrison Diversion Conservancy District	\$ 13,837.50
#1152 Ohnstad Twichell P.C	\$ 11,343.72
#1153 Garrison Diversion Conservancy District	\$ 15,375.00
#1154 Insure Forward	\$ 502.00
#1155 Garrison Diversion Conservancy District	\$ 15,375.00
#1156 Ohnstad Twichell P.C	\$ 6,032.10
#1157 Garrison Diversion Conservancy District	\$ 10,250.00
#1158 Ohnstad Twichell P.C	\$ 7,014.00
Total Expenses	\$ 81,019.32

Ending Bank Balance \$ **712,567.63**

**2020 Budget Analysis**

For the period of January 1, 2020- January 31, 2020

Income	2020 Budget	Actual as 01/31/2020	Balance of Budget
Dues Income	\$ 31,500.00	\$ -	\$ 31,500.00
Interest Income	\$ 75.00	\$ -	\$ 75.00
Miscellaneous	\$ -	\$ -	\$ -
Cost Share/Development Agr.	\$ -	\$ -	\$ -
Total Income	\$ 31,575.00	\$ -	\$ 31,575.00
Expenses			
Dues Expenses	\$ 1,290.00	\$ 1,000.00	\$ 290.00
Accounting	\$ 9,000.00	\$ -	\$ 9,000.00
Directors Expense	\$ 500.00	\$ -	\$ 500.00
Insurance	\$ 550.00	\$ -	\$ 550.00
Service Fees	\$ -	\$ -	\$ -
Engineering	\$ -	\$ -	\$ -
Adm/Legal/Financial	\$ 111,500.00	\$ 2,747.50	\$ 108,752.50
Total Expenses	\$ 122,840.00	\$ 3,747.50	\$ 119,092.50
Net Income (Loss)	\$ (91,265.00)	\$ (3,747.50)	\$ (87,517.50)

Account Activity

Beg. Bank Balance 1-1-2020		\$ 712,567.63
Income Received		\$ -
Total Funds Available		\$ 712,567.63
#1159 ND Water Coalition	\$ 1,000.00	
#1160 Ohnstad Twichell P.C	\$ 2,747.50	
Total Expenses	\$ 3,747.50	
Ending Bank Balance		\$ 708,820.13



2020

Income

Dues Income	\$	31,500.00
Interest Income	\$	75.00
Miscellaneous	\$	-
Cost Share/Development Agr.	\$	-
Total Income	\$	31,575.00

Expenses

Dues Expenses	\$	1,290.00
Accounting	\$	9,000.00
Directors Expense	\$	500.00
Insurance	\$	550.00
Engineering	\$	-
Adm/Legal/Financial	\$	111,500.00
Total Expenses	\$	122,840.00

Anticipated Bank Activity

Beginning Bank Balance 1-1-20	\$	712,567.93
Income Budget	\$	31,575.00
Expense Budget	\$	122,840.00
Anticipated Bank Balance 12-31-20	\$	621,302.93