

LAKE AGASSIZ WATER AUTHORITY

BOARD OF DIRECTORS

**Fargo Commission Chambers
March 25, 2022**

A meeting of the Lake Agassiz Water Authority (LAWA) board of directors was held at the Fargo Commission Chambers on March 25, 2022. The meeting was called to order by Chair Mahoney at 10 a.m.

MEMBERS PARTICIPATING

Chair Timothy Mahoney
Vice Chair Ken Vein (by video conference)
Director LaVonne Althoff
Director Rick Bigwood (by video conference)
Director Bill Bohnsack
Director Dave Carlsrud
Director Tom Erdmann (by video conference)
Director Mark Johnson
Director Keith Nilson
Director Jim Schmaltz
Director Travis Schmidt
Associate Member Steven Dale (by video conference)
Secretary Duane DeKrey

MEMBERS ABSENT

Associate Member Dick Johnson
Associate Member Carol Siegert

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

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

APPROVAL OF AGENDA

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

CONSIDERATION OF MINUTES

Motion by Director Johnson to approve the January 25, 2022, LAWA Board minutes as distributed. Second by Director Bohnsack. Upon voice vote, motion carried.

OFFICER REPORT

Vice Chair Vein did not have a report.

COMMITTEE REPORTS

Technical Advisory Committee - - Al Grasser, Chair, LAWA Technical Advisory Committee (TAC), reported the LAWA TAC met virtually on March 8, 2022. At that time, the committee received construction, pipe size/hydraulic, operation and work plan updates on the Red River Valley Water Supply Project (RRVWSP). A discussion was held regarding the possibility of using a prequalification process for contractors prior to contract bidding. No action was taken on the issue at that time; however, the committee felt it may be worth pursuing prequalification. Staff was directed to conduct further research on this issue. The committee also approved two change orders for corrections to the wet well floor at the Missouri River intake.

Operational Planning - - Mr. Grasser informed the board Steve Burian, Burian & Associates, provided a PowerPoint presentation at the TAC meeting reviewing and explaining Phase 1 and Phase 2 of the RRVWSP Operational Planning efforts. This included research conducted and the various technical components that come into making the operations for the RRVWSP successful.

Operational Planning Subcommittee

Mr. Grasser said the idea of establishing a separate subcommittee is being recommended by the LAWA TAC. This subcommittee would help develop the RRVWSP operational planning details.

Mr. Grasser stated Dan Portlock, Utility Engineer, City of Fargo, and Melanie Parvey, Water Works Director, City of Grand Forks, have been approached to serve as chair and vice chair, respectively. Both individuals have agreed to accept these positions. A subcommittee roster is attached to these minutes as Annex II.

Mr. Grasser commented how the subcommittee will interface with the TAC and/or the LAWA Board is yet to be determined.

Motion by Director Carlsrud to approve the formation of the Operational Planning Subcommittee. Second by Director Schmaltz. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Nilson, Schmaltz, Schmidt and Vein. Those voting nay: none. Motion carried.

RRVWSP UPDATE

Work Plan and Construction Updates - - Paul Boersma, Black & Veatch, reported on the engineering activities, stating a preconstruction meeting will be held on March 31 in Carrington regarding the pipeline construction of Contract 5B. In parallel with that, ongoing design work is taking place on Segments 5C, 5D and 6. There are also engineering efforts taking place with operational planning.

A copy of the RRVWSP Work Plan Update dated January 14, 2022, which summarizes engineering and construction activities, is attached to these minutes as Annex III.

Mr. Boersma provided updates and shared photos of the Missouri River Intake and the Sheyenne River Outfall Discharge Structure. Construction is going slower than expected at the intake site, and the tunneling most likely will be bored this summer. Construction of the discharge site is nearly complete.

Mr. Boersma also informed the board once the area dries out at the pipeline construction site for Contract 5A, which is the first mile and a half of pipeline that was built, final restoration will take place.

Program Schedule - - Merri Mooridian, Deputy Program Manager for RRVWSP Administration, Garrison Diversion, reviewed the 2021-2022 RRVWSP Program Schedule dated March 1, 2022. The schedule focuses on the ongoing construction projects, including substantial and final completion dates.

Planning Level Budget - - Ms. Mooridian referred to the RRVWSP Planning Level Budget dated February 28, 2022. The total combined program budget is estimated at \$139 million. Actual program expenses are \$51.9 million with total outstanding expenses of \$87 million. Total program efforts are 37 percent complete. A copy of the budget table is attached to these minutes as Annex IV.

Water Infrastructure Revolving Loan Fund

Credit Agreement

John Shockley, Ohnstad Twichell, presented and reviewed the draft Credit Agreement between LAWA, Garrison Diversion and the cities of Fargo and Grand Forks, which was emailed to the board prior to the meeting. These constituents had previously entered into Series C interim financing agreement. As part of this financing agreement, it was contemplated that the local share would be funded through a Bank of North Dakota (BND) loan.

Mr. Shockley stated Garrison Diversion has been successful in coordinating with the BND to secure a loan of \$18.215 million. The interest rate is two percent for a term of 40 years.

Mr. Shockley said he has been working on a credit agreement with bond counsels for Garrison Diversion and the BND. The agreement serves as a backstop for Garrison Diversion and the cities of Fargo and Grand Forks during the interim between Series C and the finalization of the Project Participation Agreement (PPA). These entities are essentially guaranteeing the payment of the BND loan until the PPA is finalized.

Mr. Shockley added it is contemplated the revenue generated under the PPA will be pledged to the overall financing of the project. This credit agreement is an interim bridge solution to the local funding option. The credit agreement is really the nuts and bolts of the interim Series C agreement.

Motion by Director Johnson to approve the Credit Agreement by and between the Garrison Diversion Conservancy District, Lake Agassiz Water Authority, City of Fargo and City of Grand Forks. Second by Director Bohnsack. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Nilson, Schmaltz, Schmidt and Vein. Those voting nay: none. Motion carried.

CENTRAL NORTH DAKOTA WATER SUPPLY – STATE OF MISSOURI LAWSUIT

Tami Norgard, Vogel Law, reported on the appeal regarding the State of Missouri's lawsuit on the Central North Dakota Water Supply (CND) project, stating Missouri has finished its briefing. North Dakota's briefing is due April 4, 2022.

FINANCIAL REPORT

2022 Budget Analysis Statement - - Ms. Mooridian reviewed the Budget Analysis Statement for the period of January 1 to February 28, 2022, a copy which is attached to these minutes as Annex V.

Ms. Mooridian stated total income through February is \$568,144. Expenses are \$383,415.

The total bank balance at the end of February was \$761,303.

Motion by Director Nilson to approve the Budget Analysis Statement for the period of January 1 through February 28, 2022. Second by Director Althoff. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Nilson, Schmaltz, Schmidt and Vein. Those voting nay: none. Motion carried.

Summary of Dues and Cost Share Payments

Ms. Mooridian referred to the table showing a total of \$25,050 collected for 2022 LAWA membership dues.

UNFINISHED BUSINESS

User Outreach - - Steve Burian, Burian & Associates, provided an update on the user outreach meetings. In early 2022, a pause was taken on the user outreach meetings due to a variety of other things taking place on the RRVWSP, including operational planning and financial modeling.

Mr. Burian commented the overall goal for user outreach is to obtain as many signatures as possible on the PPA by year end; therefore, a couple more rounds of user meetings will be coming up.

Project Participation Agreements - - Ms. Norgard provided an update on the PPA, stating four issues have been identified for further conversation between LAWA and Garrison Diversion leadership, which she reviewed with the board. A meeting among LAWA and Garrison Diversion is scheduled for May 5.

Mr. Shockley emphasized the importance from the end users' standpoint to participate in the discussions regarding the operational plan and the legislative cost share issues.

NEW BUSINESS

Ms. Mooridian reported EideBailly conducted the Agreed Upon Procedures (AUP) for LAWA last week. The results of the AUP will be presented at the next board meeting.

Chair Mahoney asked for the board's assistance in educating the state legislators regarding the RRVWSP and the Eastern North Dakota Alternate Water Supply (ENDAWS) in an effort to promote funding.

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

The meeting adjourned at 10:45 a.m.

Timothy Mahoney, Chair

Duane DeKrey, Secretary

REGISTRATION

LAWA Board Meeting
Fargo Commission Chambers
March 25, 2022

NAME	ADDRESS
Lisa Schape	GDCA
Greg Bischoff	GDCA
Blair Allen	GDCA
Steve L. Burian	B+A
Keith mykleseeth	EGF water & light dept
Tony Hall	City of Fargo
Simon Gossig	AERS
Marc Ritchard	Marblehead Public Service
Tami Norgard	Vogel Law Firm
Meri Mordick	GDCA
Duane DeKray	GDCA
Tim Munn	City of Fargo
John Shockley	Onstad Twichell, P.L., Well Fargo
LAWAN. HOFF	SEC
Jim Schwartz	East Central water
Keith Nilson	Walsh Rural water
Bruce Grubb	City of Fargo
Alan M. Walter	GDCA
Trans Schmitt	Marblehead Public Service
Dave Carlsson	Valley City
Bill Bohnsack	Mojave ND
Mark Johnson	CRWA
Al Grasser	City of Grand Forks
Paul Boersma	Black & Veatch
Cindy Hewitt	Garrison Diversion

**LAKE AGASSIZ WATER AUTHORITY TECHNICAL ADVISORY COMMITTEE
OPERATIONAL SUBCOMMITTEE**

NAME	ORGANIZATION	CONTACT INFO
Greg Bischoff, Chairman, Red River Valley Committee	Garrison Diversion	701-840-9816 (Cell) gbischoff@csicable.net
Paul Boersma, Associate Vice President	Black & Veatch	708-203-3579 (Office) BoersmaPM@bv.com
Brent Brinkman, Assistant Manager	Cass Rural Water District	218-790-1300 (Cell) Brent.brinkman@cassruralwaterdistrict.com
Steve Burian, President & CEO	Burian & Associates	701-740-4881 (Cell) Steve.burian@burianassociates.com
Dave Carlsrud, Mayor	City of Valley City	701-845-8126 (Office) dcarlsrud@valleycity.us
Shawn Gaddie, Director, Infrastructure Management	AE2S	701-866-3639 (Cell) Shawn.Gaddie@AE2S.com
Steve Hansen, General Manager	Southeast Water Users District	701-899-2327 (Cell) stevehh2o@yahoo.com
Kip Kovar, Deputy Program Manager, RRVWSP Engineering	Garrison Diversion	701-652-5736 (Cell) kkovar@gdcd.org
Merri Mooridian, Deputy Program Manager, RRVWSP Administration	Garrison Diversion	701-302-1904 (Cell) merrim@gdcd.org
Melanie Parvey, Water Works Director	City of Grand Forks	701-738-8781 (Office) MParvey@grandforksgov.com
Dan Portlock, Water Utility Engineer	City of Fargo	701-476-6799 (Office) dportlock@FargoND.gov

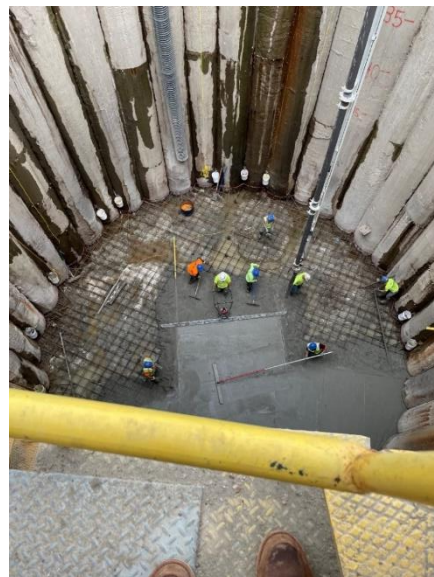
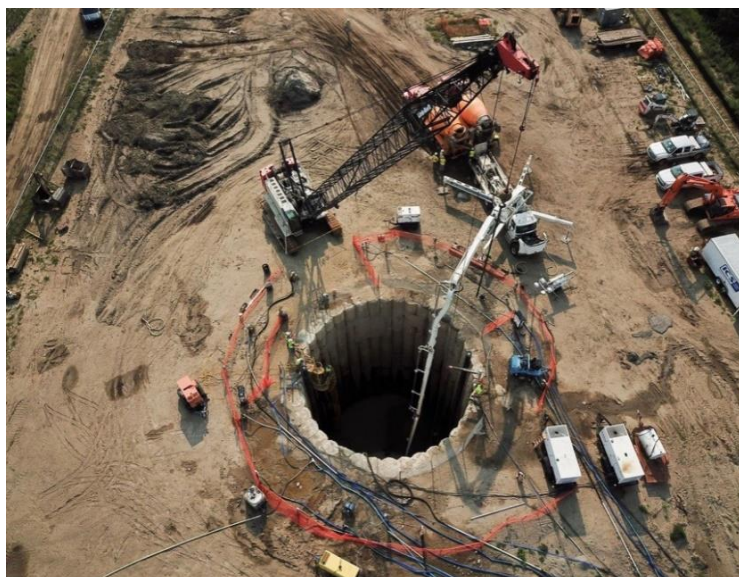
**RRVWSP Work Plan Update
March 17, 2022**

CONSTRUCTION

Wet Well Construction Contract 1

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

Pump truck moving concrete to the bottom for the second pour



Pipeline Construction

All pipe and trenchless work have been installed to date (5,950' total distance). The pipeline walk through was completed and approved. Forty percent of the final restoration has been completed. The pipeline passed the pressure test.

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





Discharge Structure Construction

The contractor has reached substantial completion and is installing railing and grates this week. To date, \$1,362,147.25 has been paid on the original contract amount of \$1,516,955.00.

Missouri River Intake Tunnel and Screen Final Design Contract 2

As the apparent low bidder at \$18,896,900, Michels was issued notice of award on June 9, 2021. Michels has completed the road work, temporary bridge and coffer dam. Michels continues to excavate material from the coffer dam. All pipe has been delivered, including the micro tunneling boring machine. It is anticipated tunneling will begin on July 15, 2022. To date, \$7,044,082.00 has been paid on the original contract amount of \$18,896,000.00.



DESIGN

Pipeline segments 5C (8 miles), 5D (10 miles) and 6 (25 miles) are currently under design.

Bids for Contract 5B were opened on January 13, 2022. Four bids were received: SJ Louis, Garney Corp, Oscar Renda, and Thalle, with the award being made to Garney Corp.

A preconstruction meeting is scheduled for March 31, 2022.

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

Annex IV
22-37

February 28, 2022	Percent Complete	Current Estimate	Actual Expenses	Outstanding Expenses
Conceptual Design Subtotal		\$ 5,302,130	\$ 5,302,130	\$ -
Preliminary Design Subtotal		\$ 10,217,606	\$ 10,217,606	\$ -
Final Design Completed Subtotal		\$ 10,198,949	\$ 10,198,949	\$ -
Financial, Administration, Legal, Completed		\$ 1,397,474	\$ 1,397,474	\$ -
Land Acquisition Completed		\$ 1,593,004	\$ 1,593,004	\$ -
Subtotal Completed		\$ 28,709,162	\$ 28,709,162	\$ -
Financial Modeling/Cost Allocation	88%	\$ 1,521,047	\$ 1,343,036	\$ 178,011
Program Management Information System	56%	\$ 113,100	\$ 63,149	\$ 49,951
Stakeholder Support	56%	\$ 398,830	\$ 223,889	\$ 174,941
Subtotal	80%	\$ 2,032,977	\$ 1,630,073	\$ 402,904
Engineering/Land Acquisitions				
Missouri River Intake - Screen Structure Design	72%	\$ 1,884,000	\$ 1,357,874	\$ 526,126
Operational Plan Phase 1	47%	\$ 106,000	\$ 50,192	\$ 55,808
Operational Plan Phase 2	0%	\$ 290,584		\$ 290,584
Land Acquisition 2019/2021	46%	\$ 650,000	\$ 301,705	\$ 348,295
2019 to 2021 Biennium Program Management Services	94%	\$ 166,191	\$ 155,582	\$ 10,609
Project Planning, Finance, Admin, etc.	17%	\$ 433,809	\$ 72,685	\$ 361,124
Final Design Transmission Pipeline - 5b	79%	\$ 545,000	\$ 431,695	\$ 113,305
Final Design Transmission Pipeline - 5c & 5d	5%	\$ 970,000	\$ 46,557	\$ 923,443
Final Design Transmission Pipeline - 6	3%	\$ 4,000,000	\$ 132,727	\$ 3,867,273
Acquire Easements	5%	\$ 2,919,000	\$ 152,129	\$ 2,766,871
Admin/Finance/Legal	0%	\$ 2,400,000		\$ 2,400,000
ENDAWS-Local Portion	0%	\$ 309,750		\$ 309,750
Undesignated Savings	Upcoming	\$ 261,017	\$ -	\$ 261,017
Engineering & Land Acquisition Subtotal		\$ 14,935,351	\$ 2,701,146	\$ 12,234,205
Construction				
Pipeline 5A & Trenchless	84%	\$ 10,157,651	\$ 8,540,216	\$ 1,617,435
Construction Contract	92%	\$ 8,366,201	\$ 7,697,690	\$ 668,511
Bidding Services	87%	\$ 86,685	\$ 75,621	\$ 11,064
Construction Phase Services	88%	\$ 868,145	\$ 766,905	\$ 101,240
Contingency	if needed	\$ 836,620	\$ -	\$ 836,620
Discharge Structure	66%	\$ 2,449,799	\$ 1,620,921	\$ 828,878
Construction Contract	94%	\$ 1,516,955	\$ 1,426,884	\$ 90,071
Bidding Services	72%	\$ 56,799	\$ 40,737	\$ 16,062
Construction Phase Services	79%	\$ 193,000	\$ 153,301	\$ 39,699
Contingency	if needed	\$ 683,045		\$ 683,045
Missouri River Intake Wetwell	81%	\$ 6,148,227	\$ 4,985,783	\$ 1,162,444
Construction Contract	89%	\$ 4,989,406	\$ 4,455,949	\$ 533,457
Bidding Services	64%	\$ 56,881	\$ 36,662	\$ 20,219
Construction Phase Services	81%	\$ 612,000	\$ 493,172	\$ 118,828
Contingency	If needed	\$ 489,940	\$ -	\$ 489,940
Missouri River Intake Screen Structure & Tunnel	16%	\$ 23,000,000	\$ 3,756,920	\$ 19,243,080
Construction Contract	17%	\$ 18,896,900	\$ 3,200,721	\$ 15,696,179
Construction Phase Services	25%	\$ 2,260,000	\$ 556,199	\$ 1,703,801
Contingency	If needed	\$ 1,843,100	\$ -	\$ 1,843,100
Pipeline 5B	0%	\$ 51,600,000	\$ -	\$ 51,600,000
Construction Contract	0%	\$ 45,961,700	\$ -	\$ 45,961,700
Construction Phase Services	0%	\$ 4,486,000	\$ -	\$ 4,486,000
Contingency	If needed	\$ 1,152,300		\$ 1,152,300
Construction Subtotal	20%	\$ 93,355,677	\$ 18,903,840	\$ 74,451,837
Total Program Budget	37%	\$ 139,033,167	\$ 51,944,221	\$ 87,088,946

**2022 Budget Analysis**

For the period of January 1, 2022- February 28, 2022

Income	2022 Budget	Actual as 02/28/2022	Balance of Budget
Dues Income	\$ 30,000.00	\$ 23,350.00	\$ 6,650.00
Interest Income	\$ -		\$ -
Miscellaneous	\$ -		\$ -
Cost Share-Interim Finance	\$ 1,504,000.00	\$ 544,794.77	\$ 959,205.23
Total Income	\$ 1,534,000.00	\$ 568,144.77	\$ 965,855.23
Expenses			
Dues Expenses	\$ 6,300.00	\$ 6,000.00	\$ 300.00
Accounting	\$ 7,500.00		\$ 7,500.00
Directors Expense	\$ 500.00		\$ 500.00
Insurance	\$ 550.00		\$ 550.00
Construction	\$ 1,144,000.00	\$ 292,683.68	\$ 851,316.32
Engineering	\$ 300,000.00	\$ 43,242.16	\$ 256,757.84
Property Acquisition/Easements	\$ 40,000.00	\$ 21,394.94	\$ 18,605.06
Adm/Legal/Financial	\$ 131,500.00	\$ 20,094.48	\$ 111,405.52
Total Expenses	\$ 1,630,350.00	\$ 383,415.26	\$ 1,246,934.74
Net Income (Loss)	\$ (96,350.00)	\$ 184,729.51	\$ (281,079.51)

Account Activity

Beg. Bank Balance 1-1-2022	\$ 576,574.18
Income Received	\$ 568,144.77
Total Funds Available	\$ 1,144,718.95

Ck#1197 Garrison Diversion	\$ 209,356.05
Ck#1198 ND Water Users Assoc	\$ 5,000.00
Ck#1199 ND Water Coalition	\$ 1,000.00
Ck#1200 Ohnstad Twichell	\$ 14,382.00
Ck#1201 Ohnstad Twichell	\$ 3,740.00
Ck#1202 Garrison Diversion	\$ 149,937.21

Total Expenses	\$ 383,415.26
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Ending Bank Balance	\$ 761,303.69
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