

LAKE AGASSIZ WATER AUTHORITY**BOARD OF DIRECTORS**

**Ramada Plaza & Suites
Fargo, North Dakota
May 5, 2015**

A meeting of the Lake Agassiz Water Authority (LAWA) was held at the Ramada Plaza and Suites, Fargo, North Dakota, on May 5, 2015. The meeting was called to order at 1 p.m.

MEMBERS PRESENT

Director LaVonne Althoff
Director Rick Bigwood
Director Clark Cronquist
Director Mark Johnson
Director Ralf Mehnert-Meland
Director Carol Siegert
Director Ken Vein
Director Bob Werkhoven
Alternate Pat Zavoral
Acting Chair Duane DeKrey

MEMBERS ABSENT

Director Keith Nilson

OTHERS PRESENT

Staff members of the Garrison Diversion Conservancy District were present along with others. The registration sheet is attached to these minutes as Annex I.

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

MEETING CHAIR

Motion by Director Siegert to approve Duane DeKrey as Acting Chair for today's board meeting. Second by Director Cronquist. Upon voice vote, motion carried.

APPROVAL OF AGENDA

Motion by Director Siegert to approve the board meeting agenda. Second by Director Mehnert-Meland. Upon voice vote, motion carried.

CONSIDERATION OF THE MINUTES

Motion by Director Cronquist to approve the December 4, 2014, minutes as distributed. Second by Director Althoff. Upon voice vote, motion carried.

CONSIDERATION OF COMMUNICATIONS

None

COMMITTEE REPORTS

None

FINANCIAL REPORT

2014 Audit - - Duane DeKrey, Acting Chair, referred to the 2014 Lake Agassiz Water Authority (LAWA) audit and reviewed the findings with the board.

Collateral Pledging

Acting Chair DeKrey stated that under collateralization was listed as a significant deficiency in the audit. The deposits are required to be fully insured or bonded. If not covered by insurance or bonding, they are required to have securities pledged as collateral equal to 110 percent of the deposits. Our response was that subsequent to the year-end, collateralization was secured with the bank on the deposits and pledged at 110 percent fulfilling this deficiency before the end of the audit. A copy of the pledge sheet is attached to these minutes as Annex II.

Motion by Director Bigwood to accept the 2014 LAWA audit. Second by Director Werkhoven. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Cronquist, Johnson, Mehnert-Meland, Siegert, Vein and Werkhoven. Alternates voting aye: Zavoral. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

A copy of the 2014 audit can be obtained by contacting the Garrison Diversion Conservancy District.

2014 Budget Analysis Statement - - Acting Chair DeKrey referred to the Budget Analysis statement for the period of January 1 to December 31, 2014, a copy which is attached to these minutes as Annex III.

Total income for 2014 was \$838,314. Expenses were \$136,664.

Motion by Director Vein to accept the budget analysis statement for the period of January 1 to December 31, 2014. Second by Director Cronquist. Upon roll call vote, the following directors voted aye: Althoff, Cronquist, Johnson, Siegert, Vein and Werkhoven. Alternates voting aye: Zavoral. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

Bills Paid - - Acting Chair DeKrey reviewed bills paid since the December board meeting, including expenses for water sampling and right-of-way expenses.

Summary of Dues Paid - - Acting Chair DeKrey referred to the table showing membership fees and cost share payments submitted. The total received for 2013 and 2014 dues was \$53,400, along with \$798,025 in cost share payments. This is provided for the board's information.

2015 Budget Analysis Statement - - Acting Chair DeKrey referred to the Budget Analysis statement for the period of January 1 to March 31, 2015, a copy which is attached to these minutes as Annex IV.

Total income for 2015 was \$18. Expenses are \$15,635. The ending bank balance as of March 31 is \$741,435.

Motion by Director Althoff to accept the Budget Analysis Statement for the period of January 1 to March 31, 2015. Second by Director Werkhoven. Upon roll call vote, the following directors voted aye: Althoff, Cronquist, Johnson, Siegert, Vein and Werkhoven. Alternates voting aye: Zavoral. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

Bills Paid - - Acting Chair DeKrey reviewed bills paid in 2015, including expenses for water sampling, auditing fees, membership dues and directors expenses.

2015 Membership Dues - - Acting Chair DeKrey said with recent developments at the state legislature, the board may want to consider whether it wishes to charge for 2015 membership dues. During the legislative session, funding for the Red River Valley Water Supply Project (RRVWSP) was approved at \$12.3 million. With a \$12.3 million budget, LAWA will need \$1.2 million to meet its local cost share. Currently, there is less than \$800,000 in the checking account. If we would like to complete the needed studies and move the project forward, collecting for membership dues and/or a cost share payment would be necessary.

It was suggested that a dues/cost share structure be prepared for the next board meeting with a decision to be made at that time.

Local and State Investment - - A copy of the table showing 2013 and 2014 dues and cost share payments collected was included in the meeting materials for the board's information.

ND Insurance Reserve Fund - - Acting Chair DeKrey stated that he will be attending the annual meeting of the North Dakota Insurance Reserve Fund (NDIRF). The purpose of the meeting is to elect representatives to the board. LAWA is entitled to vote for members. He suggested the board authorize him to vote at the meeting/election.

Motion by Director Cronquist authorizing Duane DeKrey to vote on behalf of the Lake Agassiz Water Authority at the NDIRF annual meeting/election. Second by Director Althoff. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Cronquist, Johnson, Mehnert-Meland, Siegert, Vein and Werkhoven. Alternates voting aye: Zavoral. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

RED RIVER VALLEY WATER SUPPLY PROJECT UPDATE

Acting Chair DeKrey provided a review on the history of the RRVWSP.

Intake Study Results - - Michelle Klose, Assistant State Engineer, State Water Commission, explained the process used for the Missouri River Hydrogeological Investigation and Intake Conceptual Design Study and provided an update on the study to date. The State Water Commission is finishing up the report on the drilling and the wells. The next step is running the pump tests.

Ms. Klose also commented on legislation SB2020 and the specific portion relating to the RRWSP. There is \$7.3 million in funding remaining from this biennium and additional \$5 million obligated for next biennium for a total of \$12.3 million. The bill states the funds will be transferred to Garrison Diversion for the purpose of the RRWSP. There is no mention of a cost share. It is mentioned as a grant.

Ms. Klose said there is a lot of work to undertake for the entire RRWSP. If LAWA and Garrison Diversion would like to complete the pump test, the \$12.3 million would be available to help move that work forward.

Tim Freije, State Water Commission, provided a PowerPoint review of the well intake portion of the study.

2015 Work Plan - - Kip Kovar, District Engineer, Garrison Diversion, presented a draft implementation work plan for the RRWSP and reviewed it with the board. This shows a segmented overlay of the project and the costs associated with each segment. It is also color coded showing a breakdown of the work in three phases; the concept phase, preliminary phase and final phase. The total estimated work plan costs are \$33.7 million. A copy of the draft work plan is attached to these minutes as Annex V.

Mr. Kovar said for 2015, work includes \$1.1 million to finalize alignment, \$700,000 for Baldhill Creek and \$400,000 to start the preliminary permitting process for a total of \$2.2 million. If a 90-10 cost share is used, LAWA's share would be approximately \$200,000.

2015 Budget - - Mr. Kovar referred to and reviewed LAWA's 2015 proposed budget. The beginning bank balance is \$757,051. Total revenues are estimated at \$27,000 with expenses of \$268,198, making an ending bank balance of \$515,952. A copy of the budget is attached to these minutes as Annex VI.

Motion by Director Cronquist to approve the proposed 2015 LAWA Work Plan and Budget. Second by Director Siegert. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Cronquist, Johnson, Mehnert-Meland, Siegert, Vein and Werkhoven. Those voting nay: Alternate Zavoral. Absent and not voting: Nilson. Motion carried.

LEGISLATIVE UPDATE

Senate Bill 2020 - - Acting Chair DeKrey reported on SB2020, which is the bill containing the State Water Commission's budget. The funding for the RRWSP, included in this bill, was directly appropriated to Garrison Diversion. He added that Garrison Diversion intends to continue working collaboratively with the State Water Commission on the project, and the work plan that LAWA approved today will be presented to the State Water Commission.

UNFINISHED BUSINESS

Koland Resolution - - Acting Chair DeKrey referred to the resolution presented to Dave Koland on behalf of LAWA at his retirement banquet. He recommended the board formally approve the resolution. A copy of the resolution is attached to these minutes as Annex VII.

Motion by Director Vein to approve the resolution of appreciation for Dave Koland. Second by Director Mehnert-Meland. Upon roll call vote, the following directors voted

aye: Althoff, Cronquist, Johnson, Mehnert-Meland, Siegert, Vein and Werkhoven. Alternates voting aye: Zavoral. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

NEW BUSINESS

LAWA Website - - Kim Cook, Communications Director, Garrison Diversion, showed the board the sample website being developed for LAWA. A majority of the design work has been completed.

Election of Officers - - Acting Chair DeKrey informed the board that Mayor Mahoney has indicated that he would be interested in serving as the chair for LAWA.

Motion by Director Siegert nominating Mayor Mahoney as chair.

Acting Chair DeKrey called for further nominations from the floor three times.

Motion by Director Vein to cease nominations and a unanimous ballot be cast for Mayor Mahoney as chair. Second by Director Mehnert-Meland. Upon voice vote, motion carried.

Motion by Alternate Zavoral nominating Ken Vein as second vice chair.

Acting Chair DeKrey called for further nominations from the floor three times.

Motion by Director Siegert to cease nominations and a unanimous ballot be cast for Ken Vein as vice chair. Second by Director Mehnert-Meland. Upon voice vote, motion carried.

Motion by Director Siegert nominating Duane DeKrey as secretary-treasurer.

Acting Chair DeKrey called for further nominations from the floor three times.

Motion by Alternate Zavoral to cease nominations and a unanimous ballot be cast for Garrison Diversion's general manager as secretary-treasurer. Second by Director Mehnert-Meland. Upon voice vote, motion carried.

OTHER

There being no further business to come before the committee, the meeting adjourned at 2:25 p.m.



Duane DeKrey, Acting Chair



Duane DeKrey, Secretary

REGISTRATION

LAWA Board Meeting
Fargo, North Dakota
May 5, 2015

NAME	ADDRESS
Kimberly Cook	GDCD
Kin Kellar	GDCD
Mike Jwyer	ND Water Users
Steve Burian	AE2S
John Froelich	Barnes Co Commissioner, Valley City
SANFORD CASE	AE2S
Paul Boersma	BTV
Lawrence Woodbury	Houston Engineering
CRAIG DODDEN	AMERICAN SPIRALWELD PIPES
Jeff Blakely	American SpiralWeld Pipe
PAUL BLANCHARD	NWP, CO
Steve Metzger	GDCD
Tim Freizer	ND SWC
Michelle Klose	ND SWC
Paul Carlson	GDCD
Roger L. Feilstad	GDCD
John Leininger	GDCD
Roger Bischoff	GDCD
Geneva Kauer	GDCD
CHRIS BRUNGARDT	CITY OF WEST FARGO
RANDY RAPACZ	E.G.F. WATER + LIGHT DEPT.
Bruce Embert	City of Fargo
Tred Feloud	City of Grand Forks
Al Grasse	City of Grand Forks
Ken Vein	GDCD/City of G.F.
Mark Johnson	LAWA
Carol Siebert	LAWA - Hunter City

REGISTRATION

LAWA Board Meeting
Fargo, North Dakota
May 5, 2015

NAME	ADDRESS
Steve Hansen	SEWUD
Lorraine Bluff	SEW / WAWA
Pat Zarnul	Fargo
Tim MAMMER	Fergus
Duane DeKrey	Carrington GDCD
Lisa Schaper	GDCD
Tommy Noyes	Vogel Law Firm -
Clark Cronquist	LAWA
Rick Bigwood	LAWA - NE Regional / Water District
Bob Werkhous	LAWA Valley City Mayor
RAVE MEMBERS - WELAND	MOORHEAD PUBLIC SERVICE
Kristofer Knutson	Moorhead Public Service

Pledges to Pledgee Portfolio Consolidated															
Pledged To: Lake Agassiz Water Authority															
as of 03/31/2015															
Safeskeeping Code	CUSTP Trans No	Description Coupon Maturity Date	FAS 115 PreRefund Price	Moody S&P Fitch	Original Face Remaining Face Pledged %	Original Face	Par Value	Pledged	Book Value	Market Value					
WF 313989	110381DCI 0000013753	BRISTOL WI SCH DIST #1 3.500000 05/01/2033	HTM	NA AA	340,000.00 340,000.00	340,000.00	340,000.00		348,475.65	356,493.40					
WF 313990	539233P23 0000012899	LIVONIA MI MUNI BLDG AUTH WAYN 4.650000 05/01/2023	HTM	Aa2 AA	360,000.00 360,000.00	360,000.00	360,000.00		360,000.00	395,596.80					
2 Total Pledged											700,000.00	708,475.65	752,090.20		
To: 14:1751 Lake Agassiz Water Authority															



2014 Budget Analysis
For the period of January 1, 2014 - December 31, 2014

Income	2014 Budget	Actual as 12/31/14	Balance of Budget
Dues Income	\$ 27,096.00	\$ 40,150.00	\$ (13,054.00)
Interest Income	\$ 9.00	\$ 59.91	\$ (50.91)
Miscellaneous	\$ 109.00	\$ 79.00	\$ 30.00
Cost Share Payments	\$ 990,000.00	\$ 798,025.00	\$ 191,975.00
Total Income	\$ 1,017,214.00	\$ 838,313.91	\$ 178,900.09

Expenses			
Dues Expenses	\$ 1,250.00	\$ 1,250.00	\$ -
Accounting	\$ 5,000.00	\$ 5,150.00	\$ (150.00)
Insurance	\$ 500.00	\$ 482.00	\$ 18.00
Service Fees	\$ 66.00	\$ 66.00	\$ -
Water Quality Sampling	\$ 35,000.00	\$ 39,691.53	\$ (4,691.53)
Right-of-Way	\$ 660,000.00	\$ 90,024.60	\$ 569,975.40
Engineering	\$ 330,000.00	\$ -	\$ 330,000.00
Total Expenses	\$ 1,031,816.00	\$ 136,664.13	\$ 895,151.87

Account Activity		
Beg. Bank Balance 1-1-14		\$ 55,401.62
Income Received		\$ 838,313.91
Total Funds Available		\$ 893,715.53
Service Fees	\$ 66.00	
#1097 ND Water Coalition	\$ 1,000.00	
#1098 Eide Bailly	\$ 4,500.00	
#1099 NDRW Systems	\$ 250.00	
#1100 Garrison Diversion	\$ 11,475.72	
#1101 EideBailly	\$ 650.00	
#1102 Garrison Diversion	\$ 8,444.11	
#1103 Insure Forward	\$ 482.00	
#1104 Garrison Diversion	\$ 11,634.20	
#1105 Garrison Diversion	\$ 90,024.60	
#1106 Garrison Diversion	\$ 8,137.50	
Total Expenses	\$ 136,664.13	
Ending Bank Balance		\$ 757,051.40



2015 Budget Analysis
For the period of January 1, 2015 - March 31, 2015

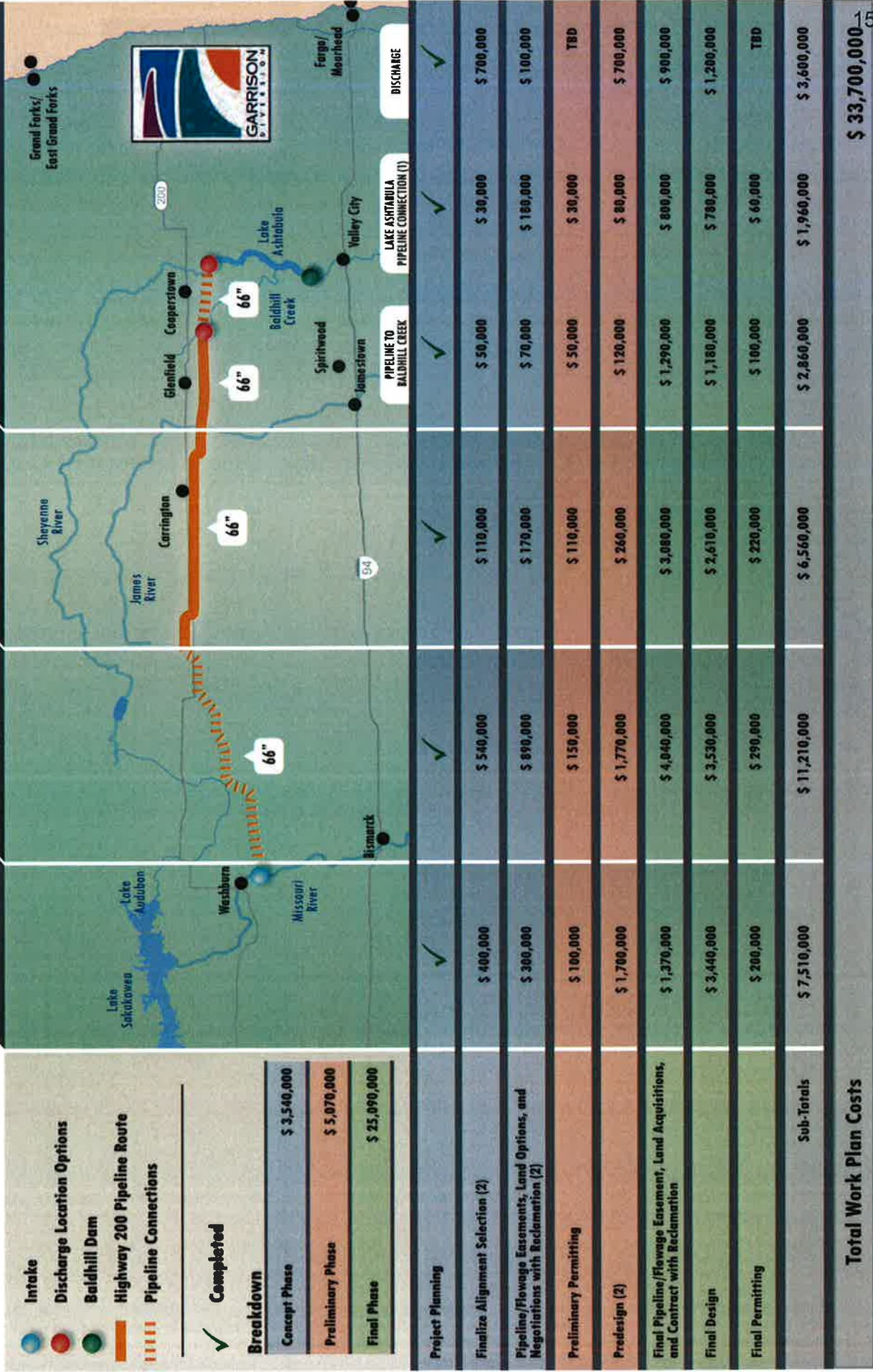
Income	2015 Budget	Actual as 3/31/15	Balance of Budget
Dues Income	\$ 27,000.00	\$ -	\$ 27,000.00
Interest Income	\$ 30.00	\$ 18.69	\$ 11.31
Miscellaneous	\$ 69.00	\$ -	\$ 69.00
Voluntary Assessment	\$ -	\$ -	\$ -
Total Income	\$ 27,099.00	\$ 18.69	\$ 27,080.31

Expenses			
Dues Expenses	\$ 1,250.00	\$ 1,000.00	\$ 250.00
Accounting	\$ 5,400.00	\$ 4,800.00	\$ 600.00
Directors Expense	\$ 40.00	\$ 40.00	\$ -
Insurance	\$ 482.00	\$ -	\$ 482.00
Service Fees	\$ 66.00	\$ 16.50	\$ 49.50
Water Quality Sampling	\$ 40,000.00	\$ 9,778.59	\$ 30,221.41
Right-of-Way	\$ -	\$ -	\$ -
Engineering	\$ 221,000.00	\$ -	\$ 221,000.00
Total Expenses	\$ 268,238.00	\$ 15,635.09	\$ 252,602.91

Account Activity

Beg. Bank Balance 1-1-15		\$ 757,051.40
Income Received		\$ 18.69
Total Funds Available		\$ 757,070.09
Service Fees	\$ 16.50	
#1107 Void	\$ -	
#1108 Garrison Diversion	\$ 40.00	
#1109 Water Coalition	\$ 1,000.00	
#1110 EideBailly	\$ 4,800.00	
#1111 Garrison Diversion	\$ 9,778.59	
Total Expenses	\$ 15,635.09	
Ending Bank Balance		\$ 741,435.00

Red River Valley Water Supply Project Implementation Work Plan



(1) Lake Ashlabula Pipeline Connection not required if discharged through Baldhill Creek.
 (2) Reduced costs shown for the Highway 200 and Pipeline to Baldhill Creek segments since portions of alignment sections, pipeline easements, and preliminary designs previously completed.



**LAKE AGASSIZ WATER AUTHORITY
2015 PROPOSED BUDGET**

	2014 Actual	2015 BUDGET
Beginning Bank Balance	\$55,401.62	\$757,051.40
REVENUES:		
Dues Income	\$40,150.00	\$27,000.00
Interest Income	\$59.91	\$30.00
Cost Share Payments	\$798,025.00	\$0.00
Miscellaneous	\$79.00	\$69.00
Total Revenues	\$838,313.91	\$27,099.00
EXPENDITURES:		
Dues Expense	\$1,250.00	\$1,250.00
Accounting	\$5,150.00	\$5,400.00
Insurance	\$482.00	\$482.00
Service Fees	\$66.00	\$66.00
Water Quality Sampling	\$39,691.53	\$40,000.00
Right-of-Way	\$90,024.60	\$0.00
Engineering	\$0.00	\$221,000.00
Total Expenses	\$136,664.13	\$268,198.00
REVENUES OVER EXPENDITURES*	\$701,649.78	(\$241,099.00)
Ending Bank Balance	\$757,051.40	\$515,952.40



BOARD RESOLUTION OF APPRECIATION

Dave Koland

WHEREAS, Dave Koland became the General Manager of the Garrison Diversion Conservancy District in 2003; and

WHEREAS, Dave Koland and the Garrison Diversion Conservancy District, representing the State of North Dakota, participated with the United States Bureau of Reclamation in a joint study of a project to provide reliable drinking water supplies to eastern North Dakota, which became known as the Red River Valley Water Supply Project; and,

WHEREAS, Dave Koland, through the Garrison Diversion Conservancy District, has provided excellent management leadership for the Red River Valley Water Supply Project; and

WHEREAS, Dave Koland has served as the Secretary to the Lake Agassiz Water Authority since 2003, providing support, dedication and direction in the further development of the Red River Valley Water Supply Project; and,

WHEREAS, Dave Koland has been a dedicated member of the North Dakota Water Coalition in presenting Lake Agassiz Water Authority concerns and issues to the Water Coalition; and

WHEREAS, Dave Koland has also shown outstanding leadership in presenting Lake Agassiz Water Authority issues, concerns and information to the North Dakota Legislative body; and,

NOW, THEREFORE, BE IT RESOLVED, the members of the Board of Directors of the Lake Agassiz Water Authority do hereby express their sincere appreciation to **Dave Koland** for his commitment to our organization.

BE IT FURTHER RESOLVED, that this Resolution be inscribed upon the permanent records of the proceedings of the Board and an official copy presented to **Dave Koland**.



Bruce Furness, Chair

1-5-2015

Date