

LAKE AGASSIZ WATER AUTHORITY**JOINT BOARD OF DIRECTORS
and
WORK GROUP MEETING****Doublewood Inn
Fargo, North Dakota
March 9, 2010**

A joint meeting of the Lake Agassiz Water Authority (LAWA) Board and LAWA Work Group was held at the Doublewood Inn, Fargo, North Dakota, on March 9, 2010. The meeting was called to order by Acting Chair Burley at 10 a.m.

BOARD MEMBERS PRESENT

Acting Chair Keith Burley
Director LaVonne Althoff
Director Rick Bigwood
Director Clark Cronquist
Director John Drees
Director Kenneth Evenson
Director Curt Kreun
Director Carol Siegert
Secretary Dave Koland

BOARD MEMBERS ABSENT

Chair Bruce Furness
Director Kelli Poehls

OTHERS PRESENT

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

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

APPROVAL OF AGENDA

The agenda stood approved as presented.

CONSIDERATION OF THE MINUTES

Motion by Director Cronquist to approve the December 8, 2009, minutes as distributed. Second by Director Althoff. Upon voice vote, motion carried.

WORKSHOP OBJECTIVES

David Johnson, District Engineer, Garrison Diversion, provided a background on the operational plan process, stating that another review of the draft operational plan will be presented today. Following that, final comments should be provided and this part of the process will be considered complete.

RRVWSP OPERATIONAL PLAN OVERVIEW

Revised Draft Operational Plan - - Steve Burian and Grant Slick, Advanced Engineering and Environmental Services, provided an overview of the draft operational plan via PowerPoint and explained the final refinements since the last workshop meeting in December. A copy of the revised draft operational plan is attached to these minutes as Annex I. A copy of the PowerPoint presentation is also attached as Annex II.

The four areas that came out of the previous workshop and are included in the final refinements are: 1) canal to Sheyenne River dilution, 2) downstream water quality mass balance, 3) modeled flows and 4) defined project shutdown as 4 cfs during flood events.

Mr. Burian added that it has been suggested that the operational plan remain a draft because it will always be changing. The approval process has not been established. It is recommended this be established with input from the stakeholders.

Questions and concerns from the board and work group attendees regarding the operational plan were addressed by Mr. Burian.

CONSIDERATION OF COMMUNICATIONS

Department of Interior - - Dave Koland, Secretary, referred to the letter from the Commissioner of Reclamation dated January 22, 2010, regarding EERC's letter concerning the use of the Dakota Aquifer as a water supply for the RRVWSP. A copy is attached to these minutes as Annex III.

EERC - - Mr. Koland also referred to EERC's response dated January 20 to Garrison Diversion's technical memorandum regarding the same issue. A copy of EERC's letter is attached to the minutes as Annex IV.

These letters are provided for the board's information.

OFFICER REPORTS

None

COMMITTEE REPORTS

None

FINANCIAL REPORT

Mr. Koland referred to the LAWA financial statements for the period of January 1, 2009, to December 31, 2009, and January 1, 2010, to February 28, 2010, copies which are attached to these minutes as Annex V.

LAWA's bank balance as of December 31, 2009, was \$150,544.

Total income for 2009 was \$401,291.

In December, LAWA paid \$123,060 to Garrison Diversion as a reimbursement for RRVWSP expenditures.

Total expenses for 2009 were \$250,746.

LAWA's bank balance as of February 28, 2010, is \$160,523.

Dues income received for 2010 totals \$27,500.

Total income as of February 28, 2010, is \$178,055.

Total expenses through February 28, 2010, are \$8,532.

Questions from the board regarding the financial statements were addressed by Mr. Koland and Mr. Johnson.

Motion by Director Bigwood to accept the financial statements for the period of January 1, 2009, to December 31, 2009; January 1, 2010, to January 31, 2010; and January 1, 2010, through February 28, 2010. Second by Director Drees. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Drees, Evenson, Kreun and Siegert. Those voting nay: none. Absent and not voting: Furness and Poehls. Motion carried.

Mr. Koland informed the board that an annual audit will be conducted on LAWA's financial records April 12-14.

RED RIVER VALLEY WATER SUPPLY PROJECT UPDATE

Mr. Johnson referred to the Red River Valley Water Supply Project (RRVWSP) Status Reports dated January 4 and March 2, included in the meeting packet, and reviewed recent project activities. Copies of the reports are attached to these minutes as Annex VI.

Work Plan - - Mr. Johnson reported that the 2009 work plan is three-fourths complete, including pre-final design, permitting, operational plan and right-of-way. This effort should be finished in the next three months.

Right-of-Way - - As of March 2, 26 landowners had not signed access agreements. Discussion in a more formal manner is taking place with these landowners, and as of today, that number is down to approximately 16 landowners.

Tami Norgard, Vogel Law Firm, stated that any entity that has the power of eminent domain, before going out and taking property, has the right to get access to the property to do soil sampling and surveys. A letter has been sent to the landowners stating the surveyors have the right to be on the property and explaining that the landowners will be paid for damages to crop, tiling or fences even though no damages are anticipated. The landowners were given a deadline for responding in February. There were still 26 that had not responded, and they were given an extra week. There was follow up by the land agent, and a petition has now been filed with the four courts asking that an order be given allowing entry to the now 16 properties and offering to pay any compensation for damage done. It is being made very clear that property is not being condemned.

Ms. Norgard added that after the deadline was identified, one or two access agreements are trickling in per day. It is hopeful that the 16 will whittle down to a handful by the time we actually have to go to court and ask for court approval.

UNFINISHED BUSINESS

None

NEW BUSINESS

Value Engineering Study - - Mr. Johnson referred to the memo date March 3, 2010, regarding value engineering. This explains the value engineering process, which is generally conducted by the federal agency. They are required to complete a value engineering process to assure that they are getting the best value for the federal dollar. A copy of the memo is attached to these minutes as Annex VII.

Mr. Johnson said the question before the LAWA board is what type of representation would they like to have on the review team.

Two areas of expertise are recommended. One is experience with large diameter pipeline projects and the second is someone who knows the hydrology of the Sheyenne and Red Rivers in quantity and quality.

Mr. Koland added that LAWA, representing the users, has a real interest in making sure that this process is the best that it can be. One way to perform the evaluation is to hire different engineering firms. In order to do that, we need to go through the procurement process and issue a request for proposals (RFP). The same procedure could be followed as when Black and Veatch was selected as the engineering firm. At that time, a selection committee was formed of six people. This included three representatives from Garrison Diversion, the state engineer, a representative from Fargo and a representative from Grand Forks.

Mr. Koland suggested that the LAWA board make a recommendation as to what expertise is being sought when requesting the RFP.

Questions and concerns from the board regarding the value engineering study were addressed by Mr. Koland and Mr. Johnson.

Motion by Director Cronquist recommending that Garrison Diversion conduct a RFP for value engineering services that includes Sheyenne and Red River hydrology and water quality expertise, as well as large diameter pipeline construction expertise. Second by Director Evenson. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Evenson, Kreun and Siegert. Those voting nay: none. Absent and not voting: Furness and Poehls. Motion carried.

OTHER

Next Meeting - - The next board meeting will be June 8, 2010, in Fargo at 1 p.m.

There being no further business to come before the committee, the meeting adjourned at 12:15 p.m.

(SEAL)

Keith Burley, Acting Chair

Dave Koland, Secretary