

LAKE AGASSIZ WATER AUTHORITY**SPECIAL MEETING
BOARD OF DIRECTORS****City Commission Chambers
Fargo, North Dakota
October 11, 2023**

A special meeting of the Lake Agassiz Water Authority (LAWA) board of directors was held at the City Commission Chambers, Fargo, ND, on October 11, 2023. The meeting was called to order by Chair Mahoney at 9:44 a.m.

BOARD MEMBERS PRESENT

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

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.

WELCOME

Timothy Mahoney, Fargo Mayor and LAWA Chair, welcomed everyone to the meeting and called on John Hoeven, United States Senator, for comments.

REMARKS FROM SENATOR HOEVEN

Senator Hoeven commented on the various water supply projects in North Dakota, including the Red River Valley Water Supply Project (RRVWSP), Eastern North Dakota Alternate Water Supply (ENDAWS), Northwest Area Water Supply (NAWS), etc. and their importance.

Senator Hoeven said it is important to make sure ENDAWS is fully utilized because it saves a quarter of a billion dollars in terms of building out the RRVWSP upfront in addition to saving on annual operating costs.

Senator Hoeven stated the Dakota Water Resources Act (DWRA) will also need to be reauthorized in order to increase the MR&I cost ceiling, which is nearly exhausted. This will provide an additional funding option for the federal cost share.

The federal portion of the \$1.16 billion RRVWSP is \$454 million. The challenge is to get this in a timely way. The local users and the state are stepping up and paying their share of the project so the federal government needs to get their portion done as well.

INTRODUCTIONS

Board members and special guests around the table were introduced.

Camille Touton, Commissioner, Bureau of Reclamation, provided remarks on behalf of the Bureau of Reclamation (Reclamation), stating the heart of Reclamation is about people, and it is important for her to be here today to learn more about the RRVWSP and the communities the project will serve. Reclamation will continue to work with Senator Hoeven and congress to make sure they have the resources to move these important projects forward.

PRESENTATION ON RRVWSP/ENDAWS

Mayor Mahoney and Kip Kovar, District Engineer, Garrison Diversion, provided a PowerPoint presentation on the RRVWSP. Mayor Mahoney led the history and need for the project. He also provided a project overview and financial overview, concentrating on the benefits and cost savings to the RRVWSP using ENDAWS. Mr. Kovar gave a construction progress report, reviewing the ongoing and completed project segments and explained upcoming segments and contract designs.

Brandon Bochenski, Grand Forks Mayor, stated Grand Forks is concerned about industrial water use. The Grand Forks area is a large producer of value added agriculture. Water is a big piece of that. Grand Forks supports the RRVWSP 100%, and ENDAWS will allow them to deliver water at a much lower cost to the users and constituents.

Bernie Dardis, West Fargo Mayor and LAWA Associate Member, said West Fargo buys water from the City of Fargo. His biggest concern is the affordability of the RRVWSP and the costs that will be incurred by Grand Forks and Fargo, along with their other partners throughout the system. He expressed how grateful we are for the investment made by the state during the legislative session, which is critically important for the RRVWSP. The support of Senator Hoeven also speaks volumes.

Tom Erdmann, Carrington Mayor and LAWA Director, shared his history of the McClusky Canal growing up in that area and the frustration of the local citizens whose land was taken out of production due to construction of the canal. The McClusky Canal and Lonetree Reservoir were supposed to be tremendous assets to the community.

Mayor Erdmann said the option to use ENDAWS is the best news he has ever heard and good news to the people in Sheridan and Wells Counties. They will finally see a benefit come out of the canal system.

Brent Esplin, Missouri Basin Regional Director, Bureau of Reclamation, asked about the prospect of state funding for the RRVWSP.

Andrea Travnicek, Director, Department of Water Resources, answered \$180 million was approved by the state legislature in SB 2020, which is the Department of Water Resources funding bill, and \$60 million was allocated from the Water Infrastructure Revolving Loan Fund for the local cost share in the 2023-2025 biennium. There is also over \$900 million of legislative intent.

Mayor Mahoney added there has also been discussion by the legislative team to bond out like was done by the Fargo/Moorhead (FM) Area Diversion Project, and that would change the time sequence of the bill.

Senator Hoeven said if federal funding would get approved, this would allow the state to bond out and build the project as expeditiously as possible because it would save a lot of money.

Ms. Travnicek added the Department of Water Resources will be working closely with the mayors, Garrison Diversion and the governor going into the next legislative session to determine what the funding package could look like for the RRVWSP. Getting water to the eastern part of the state is a high priority.

Mayor Mahoney summarized the request to the federal government is \$454 million for the federal portion of ENDAWS, \$90 million of shovel ready ENDAWS construction and an increase in the DWRA MR&I authorization would be needed.

Mayor Mahoney called on all mayors at the table for their comments.

Mayor Erdmann reiterated the impact to the McClusky community when the McClusky Canal was constructed. The area was looking forward to the recreation and irrigation benefits from the Garrison Diversion Unit Project, which did not happen. McClusky and nearby towns have since decreased in size. Carrington has been able to maintain its population base and is a thriving community. The smaller communities with populations under 2,000 are struggling to maintain the population and employment base due to the economy.

Shelly Carlson, Moorhead Mayor, commented Moorhead is a very fast growing community, and Moorhead and several cities on the western side of Minnesota are very interested in the RRVWSP for water resiliency. Even though Moorhead has access to an aquifer, because of water resiliency and the way climate change is happening, it is always beneficial to have an additional second backup. Moorhead is also trying to determine the affordability of the RRVWSP, but they are very supportive of the project.

Travis Schmidt, General Manager, Moorhead Public Service and LAWA Director, said the RRVWSP is a great project, and Moorhead is very interested in it. They, too, are trying to figure out the funding mechanisms. That is the key piece to the growth in Clay County, Moorhead and Dilworth.

Dave Carlsrud, Valley City Mayor and LAWA Director, said the Sheyenne River Valley is the largest basin in the state, and all the water comes through Valley City. Like Fargo, they have drought meetings in the morning and permanent flood protection meetings in the afternoon. When you have flooding in the spring and drought by July, you need something with a fluid operation to keep the water flowing. From a small town, Valley City is very concerned about costs because they do not have the cash flow to handle much. At what point is it an expense for the community, and at what point is it an investment for our city? If the cost to participate in the RRVWSP does not come down, Valley City will not be able to afford it, and they will be

watching the water flow through Valley City when they don't have enough. Federal funding assistance is critical to them.

Mayor Bochenski added, similar to Moorhead, East Grand Forks is on the Minnesota side and they have, for the most part, committed to part of Grand Forks' nomination and funding that as well. They see the need for the RRVWSP from south to north along the valley.

Mayor Dardis said looking at the \$454 million eligible for the federal share of ENDAWS, he cannot emphasize enough how critically important that was when meeting with the North Dakota House and Senate leadership in regard to funding the RRVWSP. The question as to how much funding the federal government might provide was asked continuously. If you take a list of the users that have signed up for the project, there are some gaps that need to be filled, and it all comes down to affordability. It is crucial we have the federal partner contributing at a level that can bring the Carringtons and the Valley Cities into the project, as well the community he represents. LAWA is very dependent upon the success of the RRVWSP and being a 10-year build. There must be federal funding for the ENDAWS portion of the project.

Mayor Carlsrud also called attention to the cost savings of operation and maintenance costs using ENDAWS, which is a huge factor. If the users have to invest in the project itself, they cannot afford the operating costs.

Senator Hoeven asked if anyone else would like to comment.

Tami Norgard, Vogel Law, commented water that is sold from the McClusky Canal benefits Reclamation due to the Repayment Contract, which is a huge federal benefit.

Duane DeKrey, General Manager, Garrison Diversion and LAWA Secretary, stated the groundwater in the state is nearly all appropriated. The Missouri River is the only answer for central and eastern North Dakota. Eastern and central North Dakota are the only parts of the state not covered by a regional water project.

Keith Nilson, LAWA Director, said he is from a rural water system, and their concern is affordability. His area is struggling to keep their population. If the cost to participate in the RRVWSP comes in too high, they will have less people to pay for it. All of the other rural systems are in the same boat.

Jay Anderson, Garrison Diversion Vice Chairman, stated North Dakota will not know the total impact of the RRVWSP until it is up and running. The overall economic impact to the state will be huge.

Senator Hoeven said the DWRA needs to be reauthorized so they have the room. That is important for the state and for the tribes. Given that, they need to work ahead on the funding. This needs to be similar to what was done with the FM Area Diversion Project. The federal funding needs to be obtained and put into place. Then the state and local users can work off that and build the RRVWSP in a way that can be done most cost effectively.

Senator Hoeven added how do you get the users to sign up for the project when the cost is not known, and how can you nail down the cost until the federal funding is put into place. The users need to know this stuff. He asked Reclamation how to move forward with the federal funding.

Mr. Esplin said he has worked for Reclamation for 26 years. The last few years have been rewarding due to funding received through the Bipartisan Infrastructure Law (BIL), addressing rural water projects that have been long, drawn out projects. It takes persistence, and Reclamation has worked hard to make sure that projects in our region and projects in North Dakota and South Dakota competed well. Good progress has been made in getting these projects near completion. His region's budget is around \$200 million spread amongst nine western states. There are two parts: getting authorization and appropriations. The challenge is finding a bill that is going to come through.

REMARKS FROM COMMISSIONER TOUTON

Commissioner Touton stated Reclamation is planning for FY2026 at this time. When looking to start the fiscal year for a federal agency, you are planning two years ahead. Knowing the \$454 million immediately and also the \$90 million shovel ready is helpful because not only are they looking at discretionary funding, they are also looking at BIL funding, which this project competes well for. This is why Reclamation dedicated \$77 million to North Dakota alone. That is something they can plan for and have on hand to be able to work towards.

Commissioner Touton said Reclamation needs to look at the \$454 million request and work their way backwards so they can see how it competes within all of Reclamation. These projects are important. She recalls projects that were not seeing completion for decades upon decades. With the BIL funding, they are seeing project completions within a decade. Reclamation is committed because they understand what it means to these communities. She thanked everyone for the continued cooperation and reiterated Reclamation's commitment to working with Senator Hoeven and the state on a path moving forward.

Senator Hoeven commented he would like to get RRVWSP leadership back to Washington to meet with the Office of Management and Budget. He would also like to determine a way to obtain BIL funding because it is in the five-year window, and we need to start working on that now.

Mr. Esplin stated as Reclamation is funding these projects, there have been three pots of money. There are regular appropriations, BIL funding and whether congress continues to add funding to your budget for water projects.

Commissioner Touton added it is helpful when projects are shovel ready.

Senator Hoeven said they need to nail down the game plan and coordinate with Reclamation.

Mr. Esplin commented this is an exciting time for him in his career because Reclamation is making progress and getting water to the rural communities. He recognizes the importance of these projects to their communities. He is an advocate for these projects, and he will continue to advocate for them.

CLOSING REMARKS FROM SENATOR HOEVEN

Senator Hoeven thanked everyone for working together and all the work that has been done on the RRVWSP. The assets that are sitting idle waiting to be utilized make for a good story to tell in terms of what can be brought to fruition and capitalized upon.

Mayor Mahoney concluded saying today is, in a sense, a kickoff for the federal part of the RRVWSP. He is excited there were three different options discussed instead of one and

various ways to make this work. In a community with all the climate things going on, resiliency is paramount. If you do not have water, you cannot do it. The RRVWSP is a project we truly need in the state of North Dakota.

The meeting adjourned at 10:47 a.m.

Timothy Mahoney, Chair

Duane DeKrey, Secretary

REGISTRATION

LAWA Special Board Meeting
Fargo Commission Chambers
October 11, 2023

NAME	ADDRESS
Steve Kuechle	S.J. Louis Construction
Emily Groth	The City of Fargo Comms+GA
Michael Ketch	Senator Cramer's Office
Collin Poolmen	Vogel Law Firm
Ben Lien	Sen. Klobuchar
Carson Ouellette	Sen. Smith
KP Loren	GDCD
Meri Monahan	GDCD
Dave Pledman	FERGO
Greg Bischof	GDCD -
Say Paul Anderson	GDCD
Michael Rabliger	City of Fargo
Archie Ingersoll	City of Fargo
DAN PORTIOCK	CITY OF FARGO
Troy Hall	City of Fargo
BRENT ERFILSON	AEZS
Steve Hausent	SEWUD
Jerry Blomeke	Cass RWD.
Brent Brinkman	ChWD
Steve Burian	Burian + Assoc.
Kumbery Cook	GDCD