

**LAKE AGASSIZ WATER AUTHORITY****BOARD OF DIRECTORS**

**City Commission Chambers  
Fargo, North Dakota  
April 14, 2023**

A meeting of the Lake Agassiz Water Authority (LAWA) board of directors was held at the City Commission Chambers, Fargo, ND, on April 14, 2023. The meeting was called to order by Chair Mahoney at 10:00 a.m.

**MEMBERS PARTICIPATING**

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

**MEMBERS ABSENT**

Associate Member Jim Moe  
Associate Member Brett Lambrecht  
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 Johnson to approve the board meeting agenda. Second by Director Althoff. Upon voice vote, motion carried.**

**CONSIDERATION OF MINUTES**

**Motion by Director Bohnsack to approve the January 6, 2023, LAWA Board minutes as distributed. Second by Director Johnson. Upon voice vote, motion carried.**

## **OFFICER REPORT**

Vice Chair Vein did not have a report.

## **COMMITTEE REPORTS**

### **Technical Advisory Committee (TAC)**

Al Grasser, Chair, LAWA TAC, reported the committee meet on February 1, 2023, by video conference. At that time, the committee received an updated construction schedule for Transmission Pipeline East, Contract 5B, and approved the plans and specifications on Contract 5C. The committee also reviewed and acted upon the following change orders:

#### **Missouri River Intake Screen Structure and Tunnel, Task Order 2530**

#### **Change Order No. 5**

Mr. Grasser referred to Change Order No. 5, stating Black and Veatch provided a detailed report to the committee regarding the claim received from Michels Corporation (Michels) due to the discovery of boulders at the Red River Valley Water Supply Project (RRVWSP) screen structure site. Michels maintains this caused unexpected challenges and delays installing sheet piles from February through April 2022.

It was the consensus of the committee the differing site conditions and the construction methodology used to install sheets both played a role in the claim regarding the Missouri River Intake site. The committee also agreed with the Red River Valley Committee negotiating resolution of the claim.

As a result of the negotiations, the committee recommends the board approve this change order.

Kip Kovar, Deputy Program Manager, RRVWSP Engineering, explained the negotiation process for this change order started out at \$3.2 million and was settled at \$1.59 million. He also reported Garrison Diversion's Red River Valley and Executive Committees have approved this change order.

Mr. Kovar added when Contract 2 closes out, there will be credits coming back for work items the contractor did not have to complete, such as silt removal. The impact of this change order could then result in an increase to the overall contract of \$500,000 rather than \$1.59 million after the credits are applied.

**Motion by Alternate Reilly to approve Change Order No. 5, RRVWSP Missouri River Intake Screen Structure and Tunnel, Contract 2, Task Order 2530, in the amount of \$1,590,000. Second by Director Schmidt. Upon roll call vote, the following directors voted aye: Althoff, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Reilly and Schuler. Those voting nay: none. Motion carried.**

#### **Change Order No. 4**

Mr. Kovar referred to Change Order No. 4, which is related to the contractor running into coal during tunneling operations at the Missouri River Intake. The contractor is claiming more maintenance was involved due to this occurrence. The change order describes three items of

work that transpired. These included a change in site conditions due to the presence of coal, a change related to the addition of two 10-inch outlets that were installed on the screen riser pipe and a change related to permanently plugging pipe extending vertically through the seal plug installed by ICS. The change order results in an increase of \$33,256.35 to the contract price.

**Motion by Director Johnson to approve Change Order No. 4 on Task Order 2530 for the RRVWSP Missouri River Intake, Screen Structure and Tunnel, Contract 2, in the amount of \$33,256.35. Second by Director Schmidt. Upon roll call vote, the following directors voted aye: Althoff, Bohnsack, Carlisrud, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Reilly and Schuler. Those voting nay: none. Motion carried.**

### **Financial Advisory Committee (FAC)**

Maureen Storstad, Co-Chair, LAWA FAC, reported the committee met on March 29.

#### 2022/2023 Agreed Upon Procedures (AUP)

Ms. Storstad commented instead of LAWA going through an annual audit due to volume of activity, LAWA's financial records have been reviewed through Agreed Upon Procedures (AUP) the last couple of years. This process is being suggested again for Fiscal Year 2022 and Fiscal Year 2023 to be conducted by EideBailly.

Ms. Storstad reviewed the seven listed items to be tested under the AUP. These were approved by the LAWA FAC and are recommended for approval by the LAWA board today.

#### Branch Pipeline Reserve Methodology

Ms. Storstad stated much of the discussion during the FAC meeting was in regard to branch pipeline reserves and funding recommendations. She referred to the memorandum and other documentation included in today's meeting materials which provide more detail on the reserve methodology, copies which are attached to these minutes as Annex II.

Ms. Storstad said the discussions related to repairs that would be funded for branch pipelines in the event an emergency repair is needed. Exhibit E of the Project Participation Agreement (PPA) had already provided calculations for funding reserves for the main pipeline so the finance team tried to emulate that when looking for an approach for the branch pipeline. Three recommendations are proposed in the memorandum. First, branch pipeline reserves should be funded at a consistent level with the main pipeline reserves. It is recommended all future branch pipeline users be required to contribute annually to a branch pipeline reserve fund totaling 0.05 percent of their respective branch pipeline's asset value, which is to be evaluated and adjusted annually if needed. Second, branch pipeline reserves should be placed in a common reserve fund for the shared benefit of all branch pipelines. Third, main pipeline reserves can be utilized for emergency repairs on branch pipelines in the event of insufficient funds in the branch pipeline reserve fund. These funds would ultimately be reimbursed from the branch pipeline reserve.

Shawn Gaddie, Advanced Engineering and Environmental Services (AE2S), answered questions from the board members concerning the approaches taken on the branch pipeline reserve option.

**Motion by Vice Chair Vein to approve branch pipeline reserve funding as follows: 1) reserves should be funded at a consistent level with main pipeline reserves and branch pipeline users required to contribute annually to a branch pipeline reserve fund totaling 0.05 percent of their respective branch pipeline's asset value 2) reserves should be placed in a common reserve fund for all branch pipelines and 3) main pipeline reserves can be utilized for emergency repairs on branch pipelines in the event of insufficient funds in the branch pipeline reserve fund.**

**Motion is also to approve the suggested Agreed Upon Procedures for Lake Agassiz Water Authority's Fiscal Year 2022 and 2023 financial statements to be conducted by EideBailly. Second by Director Carlsrud. Upon voice vote, the following directors voted aye: Althoff, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Reilly and Schuler. Those voting nay: none. Motion carried.**

### **RRVWSP UPDATE**

**Construction Update** - - Mr. Kovar provided a construction update, along with photos, of work performed this winter on Contract 2 at the Missouri River Intake on the wet well.

Mr. Kovar reported Garney Construction crews will begin mobilizing on May 1 with pipe installation to begin approximately June 1 on Contract 5B, Transmission Pipeline East. This year there will be two pipeline crews and two cleanup crews at the construction site.

Mr. Kovar added Garney's top executives and construction foremen attended a special Garrison Diversion board meeting on April 11 in Carrington. At that time, they presented their construction schedule for Contract 5B and plans for getting the contract completed this year.

Mr. Kovar stated if adequate funding is received from the state legislature, Contract 5C, Bordulac to James River, and Contract 5D, Sykeston to Carrington, on Transmission Pipeline East are ready to bid, as well as Contract 6A and Contract 6B.

**Work Plan Update** - - Mr. Kovar referred to a copy of the RRVWSP Work Plan Update dated April 4, 2023, which summarizes engineering and construction activities. A copy of the work plan update is attached to these minutes as Annex III.

### **Contractor Prequalification Process**

Mr. Kovar reminded the board of its previous approval for a task order to move forward with the contractor prequalification process. The deadline was March 31; however, that deadline has been extended for three weeks. Approximately 15 contractors have downloaded the package.

### **Statement of Interest for Engineering Services**

Mr. Kovar said as the RRVWSP grows, it is hoped more funding will be received from the state legislature and construction will accelerate. In preparation for that, the engineering and consulting team will also need to expand. To kick that process off, a statement of interest for professional engineering services was sent out.

The purpose of this document is to notify the engineering community of the opportunity for a variety of services that will be needed. Some of the services could involve design, material testing, soil borings, construction inspection, etc.

For those submitting an application, it will be used to gauge the interest and capabilities of engineering firms with offices in North Dakota to provide various services. Firms that complete this request will start to receive future updates regarding the RRVWSP.

**Program Schedule** - - Merri Mooridian, Deputy Program Manager, RRVWSP Administration, reviewed the 2021-2022 RRVWSP Program Schedule dated April 3, 2023. The schedule focuses on the ongoing construction projects, including substantial and final completion dates. New items are highlighted. A copy of the program schedule is attached to these minutes as Annex IV.

**Planning Level Budget** - - Ms. Mooridian referred to the RRVWSP Planning Level Budget dated March 31, 2023. The total combined program budget is estimated at \$139 million. Actual program expenses are \$79.4 million with total outstanding expenses of \$59.7 million. Total program efforts are 57 percent complete. A copy of the budget is attached to these minutes as Annex V.

**Legislative Update** - - Duane DeKrey, Secretary, and Ms. Mooridian provided updates on the water related bills being monitored at the 2023 legislative session.

Mr. DeKrey said as far as policy bills go, it has been a really good session. SB 2020 currently includes \$180 million for the RRVWSP. A plan on how to finance the local cost share is now being worked on. The bill also contains legislative intent of \$953 million for the RRVWSP. He encouraged everyone to talk with their legislators about keeping the intent in the bill because it shows the state is committed to the future of this project.

Ms. Mooridian added in regard to the long-term low interest loan, we use the water infrastructure revolving loan fund. An additional \$100 million was included in SB 2020, which includes \$60 million for the local match.

## **FINANCIAL REPORT**

**2022 Budget Analysis Statement** - - Ms. Mooridian reviewed the Budget Analysis Statement for the period of January 1, 2023, to March 31, 2023, a copy which is attached to these minutes as Annex VI.

Ms. Mooridian stated total income through March is \$214,161. Expenses are \$235,888.

The total bank balance at the end of March was \$476,664.

**Bills Paid** - - Ms. Mooridian also reviewed the bills paid since the last board meeting to cover legal fees and annual membership dues.

**Motion by Director Schmaltz to approve the Budget Analysis Statement for the period of January 1, 2023, through March 31, 2023, as well as the bills paid to Ohnstad Twichell, North Dakota Water Coalition and North Dakota Water Users Association. Second by Director Johnson. Upon roll call vote, the following directors voted aye: Althoff, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Reilly and Schuler. Those voting nay: none. Motion carried.**

**Summary of Membership Dues** - - Ms. Mooridian referred to the table illustrating membership dues received. The amount of dues income received for 2023 to date is \$29,950.

## **UNFINISHED BUSINESS**

**City of Washburn** - - Chair Mahoney reported a meeting was held recently with Washburn where he had asked what amount the city could afford if they were included in the RRVWSP intake.

Mr. Kovar said the presentation has been updated at the direction of RRVWSP leadership to make it more affordable for Washburn. The plan is to schedule another meeting with the City of Washburn next week.

## **NEW BUSINESS**

**Northeast North Dakota Partnership Request** - - Brian Reilly, Manager, Walsh Rural Water District, referred to the letter submitted on behalf of Northeast North Dakota rural water systems. They are in full support of the RRVWSP; however, the total amount of cfs appropriated for the five water systems in the RRVWSP will present a challenge in terms of how the water will be incorporated and distributed through their systems. This is being worked on as a group within the five districts, and he and Jeremy Schuler, Manager Northeast Regional Water District, are heading up the preliminary work. There are a lot of unanswered questions, and they would like to utilize Garrison Diversion's expertise to develop a better understanding of their needs and water availabilities. They are requesting a partnership between Garrison Diversion and Northeast North Dakota rural water systems both financially and technically to prepare an analysis of their water supply needs. A copy of the letter is attached to these minutes as Annex VII.

A meeting will be scheduled with Garrison Diversion staff.

Mr. Kovar stated no details have been worked out, but he hopes LAWA will be supportive of working with the Northeast systems and trying to determine how they fit into the RRVWSP.

**Motion by Vice Chair Vein that LAWA support the partnership working with the Northeast North Dakota rural water systems to determine their water supply needs and how these systems may fit into the RRVWSP. Second by Director Schmaltz.**

Mr. Schuler expressed the need for assistance in determining the water supply availability for the citizens of Northeast North Dakota. He pointed out a study was conducted by NDSU over 15 years ago, and they are not comfortable with this study.

Vice Chair Vein added the purpose of LAWA is to look at all the areas in Eastern North Dakota and what they can do for water and water supply not just the RRVWSP. He thinks this fits in with LAWA's original intent. Although there is a lot of focus on the RRVWSP, the willingness for Garrison Diversion to help is a great partnership.

**Upon roll call vote, the following directors voted aye: Althoff, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Reilly and Schuler. Those voting nay: none. Motion carried.**

**North Dakota Insurance Reserve Fund Annual Meeting & Election** - - Mr. DeKrey commented the North Dakota Insurance Reserve Fund (NDIRF) has sent notice of its annual meeting. The purpose of the 2023 Annual Meeting is to review 2022 business, discuss current and future business and elect representatives in the "Others" and "Schools" categories to the NDIRF board of directors.

Mr. DeKrey said he will plan to attend the meeting on May 10 on behalf of Garrison Diversion and could represent LAWA as well unless they would like to choose a representative from the board.

Chair Mahoney asked if anyone from the board would like to volunteer to vote on the board's behalf during the election.

Director Erdmann offered to attend on behalf of LAWA.

**Motion by Director Schmidt authorizing Director Erdmann to cast votes on behalf of LAWA at the ND Insurance Reserve Fund's annual meeting on May 10, 2023. Second by Director Althoff. Upon roll call vote, the following directors voted aye: Althoff, Bohnsack, Carlsrud, Erdmann, Johnson, Mahoney, Schmaltz, Schmidt and Vein. Alternates voting aye: Reilly and Schuler. Those voting nay: none. Motion carried.**

Chair Mahoney stated he has a conflict with the July 14 LAWA Board meeting date and would like to change the meeting date to July 13.

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

The meeting adjourned at 10:47 a.m.

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Timothy Mahoney, Chair

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Duane DeKrey, Secretary

REGISTRATION

LAWA Board Meeting  
Fargo Commission Chambers  
April 14, 2023

NAME	ADDRESS
Kimberly Cook	GDCD
Bruce Grubb	City of Fargo
Tami Norgard	Vogel Law Firm
Bill Bolte	Mayville City
KelVonne AHMOFF	SEW
Mark Johnson	CRWA
Brian Reilly	WRWD
Jeremy Schuler	NRWD
Jim Schwartz	ECRW
Travis Schmidt	Moorehead Public Service
Dave Carlsson	Valley City
Ep Kovar	GACA
Berrie Dandrea	West Fargo
John Shockey	Ohman Twinn, P.C.
Ken Lem	Grand Forks
Tim Matczak	City of Fargo
Duane DeKney	GDCD
Muni Mmihai	GDCD
Jay Paul Anderson	GDCD
Alan M. Walter	GDCD
Steve L. Burian	Burian & Associates
Marc Pritchard	Moorehead Public Service
Keith Mykleseth	EAST GRAND FORKS WATER & LIGHT
Rocky Schneider	AEZS
SNOW GADDIE	AEZS
Michael Anderson	ND State Water Commission
Neil Breidenbach	ECRW.
By Video Conference:	

Maureen Stoorstad  
Al Grasser  
Greg Bischoff  
Tom Erdmann

City of Grand Forks  
City of Grand Forks  
Garrison Diversion  
City of Carrington

## Re: Branch Pipeline Reserve Funding Recommendations

During recent discussions with the City of Washburn, Washburn requested better clarification regarding how repairs would be funded on the proposed branch pipeline from the Missouri River Intake in the event of a break or other required emergency repairs/extraordinary maintenance. At the time of the inquiry from Washburn, it was realized the Project Participation Agreement (PPA) did not offer a specific approach addressing the particular issue.

PPA Exhibit E, regarding overall Red River Valley Water Supply Project (RRVWSP) Main Pipeline Operations, Maintenance, Administration, and Reserves (OMA&R), as drafted does offer detail as to how reserves are to be calculated for the Main Pipeline. In an attempt to emulate the OMA&R funding approach for the RRVWSP Main Pipeline for Branch Pipelines, the financial team has developed a series of recommendations and associated edits to PPA Exhibit E. PPA Exhibit E in its current draft form, including the proposed Branch Pipeline OMA&R funding approach, is attached to this memo for reference.

The proposed recommendations for funding Branch Pipeline reserves consists of the following three components:

- **Recommendation #1 – Branch Pipeline reserves should be funded at a consistent level with the Main Pipeline Reserves.** Currently, the recommended Main Pipeline annual reserve funding amount equals approximately 0.05% of the total Main Pipeline estimated asset value (currently estimated at \$575,000 annually in 2023\$). This value was established based upon a projected renewal and replacement analysis performed by Black & Veatch and AE2S Nexus. Consistent with the reserve funding of the Main Pipeline, it is recommended that all future Branch Pipeline users are required to contribute reserves annually to a Branch Pipeline reserve fund totaling 0.05% of their respective Branch Pipelines asset value, which is to be evaluated and adjusted annually.
- **Recommendation #2 – Branch Pipeline reserves should be placed in a common reserve fund for all proposed Branch Pipelines.** To maximize the benefits of participating in a regional project for all Branch Pipeline users regardless of their specific location, it is recommended all Branch Pipeline reserves be placed in a common reserve fund for the shared benefit of use on future renewal, replacement, and extraordinary maintenance needs.
- **Recommendation #3 – Main Pipeline reserves can be utilized for emergency repairs on Branch Pipelines in the event of insufficient funds in the Branch Pipeline reserve fund.** Given the significant difference in the projected value of the Main Pipeline reserve fund in comparison to the Branch Pipeline reserve fund, it is recommended the Main Pipeline reserve be utilized as a form of backstop for the Branch Pipeline reserve fund in the event funds are required for Branch Pipeline repairs exceeding the balance of the Branch Pipeline reserve fund. If Main Pipeline reserves are utilized for Branch Pipeline needs, it is further recommended that subsequent Branch Pipeline reserve contributions be deposited to the Main Pipeline reserve fund until a time in which all previously utilized Main Pipeline reserve funds are paid in full.

As stated, the above recommendations were developed to create consistency with the Main Pipeline OMA&R funding approach as outlined in Exhibit E of the PPA and to maximize the benefits for participating in a large regional project for Branch Pipeline users. These recommendations were presented to the Lake Agassiz Water Authority (LAWA) Financial Advisory Committee (FAC) on March 29, 2023. The LAWA FAC recommends final approval of the proposed recommendations to the LAWA Board.

## Exhibit E

### OMA&R Cost Responsibility of Participants, LAWA, and Garrison Diversion

October 11, 2022

Each Participant is responsible for its share of RRVWSP Operational, Maintenance, Administration, and Replacement (OMA&R) Costs. OMA&R costs are shown in Exhibit A. The formula for allocation of OMA&R costs to Participants is dependent on project operation modes, Delivery Entitlements (from Exhibit B), Tiered Cost Allocations (from Exhibit D), and Release Entitlement requests resulting in Release Refill Operations. This exhibit outlines the general approach for how OMA&R costs are allocated to the Participants. It is anticipated that if additional OMA&R costs are realized in the future, the allocation of these costs will follow this same general framework.

OMA&R costs are highly dependent upon how the Project will operate. There are numerous potential Operational scenarios (discussed in Exhibit G), but from an OMA&R cost perspective, the Project will generally have four operational modes as follows:

- **Maintenance Flow Operations** – OMA&R costs associated with meeting the 6 cfs maintenance flow requirements.
- **Direct Pipeline Delivery and Maintenance Flow Operations** – OMA&R costs associated with providing water concurrently to Direct Pipeline Users while continuing to meet the 6 cfs maintenance flow requirements.
- **Reservoir Fill and Release Refill Operations** – OMA&R costs associated with filling and/or refilling the reservoir. Under this operating mode, reservoir fill costs are shared among all Direct River Users while refill costs will be paid by Direct River Users that exercised their Release Entitlements causing the need for Release Refill Operations, along with Downstream Users who utilized Project Water.
- **Direct Pipeline Delivery and Reservoir Fill / Release Refill Operations** – OMA&R costs associated with providing water concurrently to Direct Pipeline User while filling and/or refilling the reservoir. Under this operating mode, costs associated with direct pipeline usage are paid by the Direct Pipeline Users requesting water. Reservoir fill costs are shared among all Direct River Users while refill costs will be paid by Direct River Users that exercised their Release Entitlements causing the need for Release Refill Operations, along with Downstream Users who utilized Project Water.

The estimated OMA&R costs, presented in Exhibit A, are assigned a cost classification for purposes of allocating the OMA&R costs to the Participants. The cost categories and classifications are shown in Table E.E.1. Near-Term Capital Reserve Costs have been included with the Fixed MA&R Costs classification are based on the estimated replacement need for recurring replacement assets (equipment, mechanical, electrical, etc.) average over the first 20-years of project operations. The Long-Term Renewal and Replacement Costs are costs associated with repair and replacement of long-life assets (piping, concrete, facilities, etc.). These costs have not currently been estimated. While these long-term costs will eventually be realized, it is assumed that the Near-Term Capital Reserve costs will

cover the routine repair and replacement needs and keep the Project will be in good working order through construction and into the first decades of operations. The Long-Term Renewal and Replacement Costs can be deferred for approximately the first 20 to 25 years after project commissioning. The method for assigning OMA&R costs to the Participants is based on the cost classifications shown in Table E.E.2 and Table E.E.3.

### **Branch Pipeline OMA&R Cost Responsibility**

In addition to the OMA&R costs presented in Exhibit A and allocated to participants based on the methodology above, OMA&R costs for branch pipelines will be the responsibility of applicable branch pipeline users. Branch Pipeline OMA&R costs are allocated to branch pipeline users as follows:

- **Variable Operating** – Paid directly by branch pipeline users who are requesting deliveries on their branch system. Multiple users on the same branch system would split costs proportionately based on actual water use.
- **Fixed Operating and Maintenance** – Paid directly by all users of a branch pipeline system proportionate to nomination.
- **Administrative** – Costs will be covered by administrative costs contributions to the core system. No additional administrative costs are anticipated to be required of the branch systems.
- **Near-Term Reserve** – Near-term annual reserve targets will be established for each branch pipeline system based on a percentage of the branch pipeline system asset value (example approach: 0.05% of asset value to be funded annually after branch pipeline system commissioning and start-up). Users of branch pipeline systems will begin paying near-term reserve costs when their respective branch pipeline begins construction and will be split between users of the same branch system based on nomination. Near-term reserve contributions from all branch system users regardless of location will be pooled and used on extraordinary maintenance and/or systems failures on any of the branch pipeline systems. In the event that branch pipeline reserves are insufficient, near-term reserve contributions from the core system can be utilized to supplement branch pipeline needs, with future branch pipeline reserve contributions transferred to the core system reserve fund until such time original core system reserve contributions are fully paid back.
- **Long-Term Replacement & Renewal** – deferred until after branch systems are operational and initial debt is near retirement.

**Table E.E.1 – OM&R Cost Categories and Cost Classifications:**

<b>Cost Category</b>		<b>Cost Classification</b>
Operational	Chemicals (Treatment)	Variable Operating Costs
	Power (Pumping & WTP)	Variable Operating Costs
	RRV Operations (Labor)	Increased Operation Labor
	Contingency (10%)	Variable Operating Costs
Maintenance and Administration	Maintenance (Labor, Equipment, Contractors)	Fixed MA&R Costs
	Administrative (Legal, Insurance, Financial Management, Engineering Management))	Fixed MA&R Costs
	Contingency (10%)	Fixed MA&R Costs
Renewal and Replacement	Near-Term Capital Reserve Costs	Fixed MA&R Costs
	Long-Term Renewal/Replacement Costs	TBD/Deferred

**Table E.E.2 – OMA&R Cost Classifications and Allocation Methodology**

<b>Cost Classification</b>	<b>Description</b>	<b>Allocation Methodology</b>
Fixed MA&R Costs	Fixed costs for maintenance, administration, and replacement that do not change with Project operating flow rate.	Paid by all Participants following the Tiered Cost Allocation from Exhibit D.
Increased Operation Labor	Fixed costs for additional operating labor required generally when the Project is delivering water to Lake Ashtabula. During Maintenance Operations and Direct Pipeline Delivery Operations this cost is not incurred.	Paid by Direct River Users based on Delivery Entitlements for reservoir filling operations and/or based on exercised Release Entitlements and costs incurred during the resulting Release Refill Operations.
Variable Operational Costs	Variable costs associated with Project operating. These costs increase based on Project operating flow rate and includes costs for reservoir filling requirements due to natural losses and spillage.	Costs determined on a unit basis (per cfs) and applied to Participants dependent on operating mode, see Table E.E.3.

**Table E.E.3 – OMA&R Variable Operational Cost Allocation Methodology**

<b>Project OM&amp;R Operating Mode</b>	<b>Variable Operational Cost Allocation Methodology</b>
Maintenance	Paid by all Participants following the Tiered Cost Allocation from Exhibit D.
Direct Pipeline Delivery	Directly charged to Direct Pipeline Users requesting delivery.
Reservoir Fill	Paid by all Direct River Users based on Delivery Entitlements from Exhibit B.
Reservoir Release Refill	Paid by Direct River Users (and potentially Downstream Users benefiting from releases and Upstream return flows) based on costs incurred when exercising their Release Entitlements causing the need for Release Refill Operations.

The cost categories, shown in Table E.E.1, are either fixed in that they do not change with increased operating flows or variable in that they change depending on what flow rate the project is operating at. A summary of anticipated monthly OMA&R cost estimates at various Project flow rates is provided as Table E.E.4 where the fixed costs are constant and the variable costs increase as the Project operates closer to the design capacity of 165 cubic feet per second (cfs). The Increased Operation Labor Costs category are costs associated with the need to increase operational staff during reservoir fill and/or refill operations. The exact flow rate that triggers this increase is yet to be determined and is currently estimated as occurring between a Project operating flow rate between 20 and 30 cfs.

**Table E.E.4 – Monthly OMA&R Cost Estimates (2022\$) at Various Operating Flow Rates:**

	<b>Project Operating Flow Rate</b>				
	<b>6 cfs</b>	<b>20 cfs</b>	<b>30 cfs</b>	<b>65 cfs</b>	<b>140 cfs</b>
Fixed MA&R Costs	213,900	213,900	213,900	213,900	213,900
Increased Operation Labor Costs		Note 1	96,100	96,100	96,100
Variable Operational Costs	29,900	91,086	136,792	318,555	914,483
<b>Total</b>	<b>\$243,800</b>	<b>\$304,986</b>	<b>\$446,792</b>	<b>\$628,555</b>	<b>\$1,224,483</b>

Note 1: Cost for Increased Operations is included in the MA&R costs at 20 cfs.

To demonstrate the OMA&R costs responsibilities of Project Participants, six example scenarios have been developed that bookend the various ranges of potential project operation as noted in Table E.E.5. In these examples, it is assumed that all Project Development Agreement (PDA) Participants continue to participate in the project and have beneficial use access to project water. In the near-term, if a Participant does not have operational access to the water, the OMA&R cost associated with Direct Pipeline, Reservoir Fill, or Release Refill will not apply and will not be charged to those Participants. Because of the need to provide maintenance flows through the entire Project pipeline, the amount of maintenance flow required will change based on pipeline delivery volume and location. This is demonstrated in Example 2. The additional examples show how costs are assigned to various Participants based on project operating modes, flow rates, and release requests.

Table E.E.5 – OMA&R Operating Cost Scenarios:

Direct Pipeline Delivery		
	NO	YES
NO	<p><b>Maintenance Operations</b></p> <ul style="list-style-type: none"> <li>• Fixed MA&amp;R Costs – paid by all Participants (tiered)</li> <li>• Variable Operational Costs <ul style="list-style-type: none"> <li>• Maintenance Flow – paid by all Participants (tiered)</li> </ul> </li> </ul>	<p><b>Direct Pipeline Delivery &amp; Maintenance Operations</b></p> <ul style="list-style-type: none"> <li>• Fixed MA&amp;R Costs – paid by all Participants (tiered)</li> <li>• Variable Operational Costs <ul style="list-style-type: none"> <li>• Maintenance Flow – paid by Participants (tiered) and flow required depending upon location of Direct Pipeline Use</li> <li>• Direct Pipeline – directly charged to users requesting flows based on actual incremental Operational costs</li> </ul> </li> </ul>
YES	<p><b>Reservoir Fill / Refill Operations</b></p> <ul style="list-style-type: none"> <li>• Fixed MA&amp;R Costs – paid by all Participants (tiered)</li> <li>• (Fixed) Increased Operation Labor Costs <ul style="list-style-type: none"> <li>• Fill Use – paid by all Direct River Users (proportional to nomination)</li> <li>• Refill Use – paid by Direct River Users (proportional to reservoir releases / requests)</li> </ul> </li> <li>• Variable Operational Costs <ul style="list-style-type: none"> <li>• Maintenance Flow – n/a</li> <li>• Reservoir Fill – paid by all Direct River Users (proportional to nomination) *</li> <li>• Release Refill – paid by Direct River Users (proportional to reservoir releases)</li> </ul> </li> </ul>	<p><b>Direct Pipeline Delivery &amp; Reservoir Fill / Refill Operations</b></p> <ul style="list-style-type: none"> <li>• Fixed MA&amp;R Costs – paid by all Participants (tiered)</li> <li>• (Fixed) Increased Operation Labor Costs <ul style="list-style-type: none"> <li>• Fill Use – paid by all Direct River Users (proportional to nomination)</li> <li>• Refill Use – paid by Direct River Users (proportional to reservoir releases / requests)</li> </ul> </li> <li>• Variable Operational Costs <ul style="list-style-type: none"> <li>• Maintenance Flow – n/a</li> <li>• Reservoir Fill – paid by all Direct River Users (proportional to nomination) *</li> <li>• Release Refill – paid by Direct River Users (proportional to reservoir releases)</li> <li>• Direct Pipeline – directly charged to users requesting flows</li> </ul> </li> </ul>

\* Includes costs for reservoir filling requirements due to natural losses and spillage. In the near-term, if a Participant does not have operational access to Project water, OMA&R cost associated Reservoir Fill will not apply to them.

**OMA&R Example 1: Maintenance Operations (Estimated Monthly Costs in 2022\$)**

- Pipeline Delivery Flow Rate = 0 cfs
- Reservoir Fill = 0 cfs
- Reservoir Release Refill = 0 cfs
- Maintenance Flow = 6 cfs

Participants	All Participants Nominations (cfs)	Direct River Users Nominations (cfs)	Tiered Cost Allocation (%)	Fixed Costs			Variable Operational Costs (\$4,983 per cfs per month)				Total Monthly OMA&R Costs (2022\$)
				Fixed MA&R Costs	Increased Operation Labor		Maintenance Flows	Direct Pipeline	Reservoir Fill	Reservoir Release Refill	
					Reservoir Fill	Reservoir Refill					
Fargo / West Fargo / Cass Rural	83.70	83.70 (59.7%)	66.744 %	142,766			19,956				162,722
Grand Forks / East Grand Forks	28.10	28.10 (20.0%)	14.418 %	30,840			4,311				35,152
Stutsman Rural Water / Jamestown	15.00		4.551 %	9,735			1,361				11,096
Valley City	1.50	1.50 (1.1%)	0.783 %	1,675			234				1,909
Carrington / Carrington JDA	2.50		0.759 %	1,623			227				1,849
Others	28.43	26.89 (19.2%)	12.745 %	27,262			3,811				31,073
Total	159.23	140.19 (100%)	100.000 %	\$213,900	\$0	\$0	\$29,900	\$0	\$0	\$0	\$243,800

1. Direct River Users Nominations are nominations only within the RRV User Group that access Project water from the river system
2. Tiered Cost Allocation from Exhibit D
3. Allocated based on Tiered Cost Allocation
4. Allocated based on Direct River Users Nomination and release requests requiring reservoir refill (in the near-term these cost would only be paid by users that have access to project water; however, cost are shown to all applicable users as if they had access)
5. Allocated based on Direct Pipeline Use (if any) and Tiered Cost Allocation
6. Charged to Direct Pipeline Users requesting the water

**OMA&R Example 2: Direct Pipeline Delivery & Maintenance Operations (Estimated Monthly Costs in 2022\$)**

- Pipeline Delivery Flow Rate = 5 cfs to Stutsman Rural Water / Jamestown (≈ 60% down the Project length)
- Reservoir Fill = 0 cfs
- Reservoir Release Refill = 0 cfs
- Maintenance Flow = 4 cfs

Participants	All Participants Nominations (cfs)	Direct River Users Nominations (cfs)	Tiered Cost Allocation (%)	Fixed Costs			Variable Operational Costs (\$4,756 per cfs per month)				Total Monthly OMA&R Costs (2022\$)
				Fixed MA&R Costs	Increased Operation Labor		Maintenance Flows	Direct Pipeline	Reservoir Fill	Reservoir Release Refill	
					Reservoir Fill	Reservoir Refill					
Fargo / West Fargo / Cass Rural	83.70	83.70 (59.7%)	66.744 %	142,766			12,696				155,462
Grand Forks / East Grand Forks	28.10	28.10 (20.0%)	14.418 %	30,840			2,743				33,583
Stutsman Rural Water / Jamestown	15.00		4.551 %	9,735			866	23,778			34,379
Valley City	1.50	1.50 (1.1%)	0.783 %	1,675			149				1,824
Carrington / Carrington JDA	2.50		0.759 %	1,623			144				1,767
Others	28.43	26.89 (19.2%)	12.745 %	27,262			2,424				29,686
Total	159.23	140.19 (100%)	100.000 %	\$213,900	\$0	\$0	\$19,023	\$23,778	\$0	\$0	256,701

**OMA&R Example 3: Reservoir Fill Operations (Estimated Monthly Costs in 2022\$)**

- Pipeline Delivery Flow Rate = 0 cfs
- Reservoir Fill = 140 cfs
- Reservoir Release Refill = 0 cfs
- Maintenance Flow = 0 cfs

Participants	All Participants Nominations (cfs)	Direct River Users Nominations (cfs)	Tiered Cost Allocation (%)	Fixed Costs			Variable Operational Costs (\$6,532 per cfs per month)				Total Monthly OMA&R Costs (2022\$)
				Fixed MA&R Costs	Increased Operation Labor		Maintenance Flows	Direct Pipeline	Reservoir Fill	Reservoir Release Refill	
					Reservoir Fill	Reservoir Refill					
Fargo / West Fargo / Cass Rural	83.70	83.70 (59.7%)	66.744 %	142,766	57,376			545,989			746,131
Grand Forks / East Grand Forks	28.10	28.10 (20.0%)	14.418 %	30,840	19,263			183,301			223,404
Stutsman Rural Water / Jamestown	15.00		4.551 %	9,735							9,735
Valley City	1.50	1.50 (1.1%)	0.783 %	1,675	1,028			9,785			12,488
Carrington / Carrington JDA	2.50		0.759 %	1,623							1,623
Others	28.43	26.89 (19.2%)	12.745 %	27,262	18,433			175,408			221,103
Total	159.23	140.19 (100%)	100.000 %	\$213,900	\$96,100	\$0	\$0	\$914,483	\$0	\$0	\$1,224,483

**OMA&R Example 4: Reservoir Fill and Refill Operations (Estimated Monthly Costs in 2022\$)**

- Pipeline Delivery Flow Rate = 0 cfs
- Reservoir Fill = 120 cfs
- Reservoir Release Refill = 20 cfs to Fargo / West Fargo / Cass Rural
- Maintenance Flow = 0 cfs

Participants	All Participants Nominations (cfs)	Direct River Users Nominations (cfs)	Tiered Cost Allocation (%)	Fixed Costs			Variable Operational Costs (\$6,532 per cfs per month)				Total Monthly OMA&R Costs (2022\$)
				Fixed MA&R Costs	Increased Operation Labor		Maintenance Flows	Direct Pipeline	Reservoir Fill	Reservoir Release Refill	
					Reservoir Fill	Reservoir Refill					
Fargo / West Fargo / Cass Rural	83.70	83.70 (59.7%)	66.744 %	142,766	49,180	13,729		467,991	130,640		804,305
Grand Forks / East Grand Forks	28.10	28.10 (20.0%)	14.418 %	30,840	16,511			157,115			204,466
Stutsman Rural Water / Jamestown	15.00		4.551 %	9,735							9,735
Valley City	1.50	1.50 (1.1%)	0.783 %	1,675	881			8,387			10,943
Carrington / Carrington JDA	2.50		0.759 %	1,623							1,623
Others	28.43	26.89 (19.2%)	12.745 %	27,262	15,800			150,350			193,411
Total	159.23	140.19 (100%)	100.000 %	\$213,900	\$82,371	\$13,729	\$0	\$783,843	\$130,640	\$0	\$1,224,483

**OMA&R Example 5: Direct Pipeline Delivery & Reservoir Fill Operations (Estimated Monthly Costs in 2022\$)**

- Pipeline Delivery Flow Rate = 5 cfs to Stutsman Rural Water / Jamestown ( $\approx$  60% down the Project length)
- Reservoir Fill = 140 cfs
- Reservoir Release Refill = 0 cfs
- Maintenance Flow = 0 cfs

Participants	All Participants Nominations (cfs)	Direct River Users Nominations (cfs)	Tiered Cost Allocation (%)	Fixed Costs			Variable Operational Costs (\$6,679 per cfs per month)				Total Monthly OMA&R Costs (2022\$)
				Fixed MA&R Costs	Increased Operation Labor		Maintenance Flows	Direct Pipeline	Reservoir Fill	Reservoir Release Refill	
					Reservoir Fill	Reservoir Refill					
Fargo / West Fargo / Cass Rural	83.70	83.70 (59.7%)	66.744 %	142,766	57,376			558,306			758,447
Grand Forks / East Grand Forks	28.10	28.10 (20.0%)	14.418 %	30,840	19,263			187,436			237,539
Stutsman Rural Water / Jamestown	15.00		4.551 %	9,735			33,397				43,132
Valley City	1.50	1.50 (1.1%)	0.783 %	1,675	1,028			10,005			12,708
Carrington / Carrington JDA	2.50		0.759 %	1,623							1,623
Others	28.43	26.89 (19.2%)	12.745 %	27,262	18,433			179,365			225,060
Total	159.23	140.19 (100%)	100.000 %	\$213,900	\$96,100	\$0	\$33,397	\$935,112	\$0	\$0	\$1,278,509

**OMA&R Example 6: Direct Pipeline Delivery & Reservoir Fill and Refill Operations (Estimated Monthly Costs in 2022\$)**

- Pipeline Delivery Flow Rate = 5 cfs to Stutsman Rural Water / Jamestown ( $\approx$  60% down the Project length)
- Reservoir Fill = 120 cfs
- Reservoir Release Refill = 20 cfs to Fargo / West Fargo / Cass Rural
- Maintenance Flow = 0 cfs

Participants	All Participants Nominations (cfs)	Direct River Users Nominations (cfs)	Tiered Cost Allocation (%)	Fixed Costs			Variable Operational Costs (\$6,679 per cfs per month)				Total Monthly OMA&R Costs (2022\$)
				Fixed MA&R Costs	Increased Operation Labor		Maintenance Flows	Direct Pipeline	Reservoir Fill	Reservoir Release Refill	
					Reservoir Fill	Reservoir Refill					
Fargo / West Fargo / Cass Rural	83.70	83.70 (59.7%)	66.744 %	142,766	49,180	13,729		478,548	133,587		817,809
Grand Forks / East Grand Forks	28.10	28.10 (20.0%)	14.418 %	30,840	16,511			160,659			208,011
Stutsman Rural Water / Jamestown	15.00		4.551 %	9,735			33,397				43,132
Valley City	1.50	1.50 (1.1%)	0.783 %	1,675	881			8,576			11,132
Carrington / Carrington JDA	2.50		0.759 %	1,623							1,623
Others	28.43	26.89 (19.2%)	12.745 %	27,262	15,800			153,741			196,803
Total	159.23	140.19 (100%)	100.000 %	\$213,900	\$82,371	\$13,729	\$33,397	\$801,524	\$133,587	\$0	\$1,278,509

RRVWSP Work Plan Update  
April 4, 2023

**CONSTRUCTION**

**Wet Well Construction Contract 1**

The project is closed with the final payment sent in April, 2023.

**Pipeline Construction**

**Contract 5A**

Final completion has been achieved, and close out papers are being generated. To date, \$8,393,396.44 has been paid on the current contract amount of \$8,393,396.44.

Reclaimed Property



Typical Air Release Manhole



**Contract 5B**

The original pipe delivery of June 15 was delayed due to a surface blemish in the steel coil. To date, 6,741 feet have been installed out of the nine miles. High groundwater has slowed the pipe installation progress.

To date, \$7,446,780.51 has been paid on the original contract amount of \$45,961,700.00. Change Order No. 1 has been approved for -\$1,410,437.41 for the current contract price of \$44,551,262.59.



Example of 150-Foot ROW

### Discharge Structure Construction

Final payment has been made. Original contract amount was \$1,516,955 plus Change Order No. 1 for \$4,929 for a final contract price of \$1,521,884.

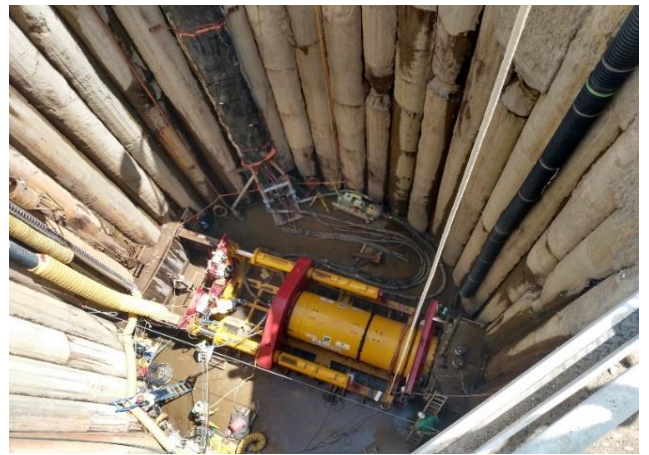
### Missouri River Intake Tunnel and Screen Final Design Contract 2

As the apparent low bidder at \$18,896,900, Michels was issued notice of award on June 9, 2021. Michels is working on removing and restoring temporary construction items near the cofferdam site. Tunneling began on July 12, 2022, and holed through the cofferdam on August 6. Currently, the contractor is working on the divider walls inside the wet well. To date, \$14,244,293.03 has been paid on the original contract amount of \$18,896,000.00. Four change orders have been approved for a current contract price \$19,320,615.60.

Site Overview



Launching the MTBM



Concrete Pour on Divider Wall Inside the Wet Well



**DESIGN**

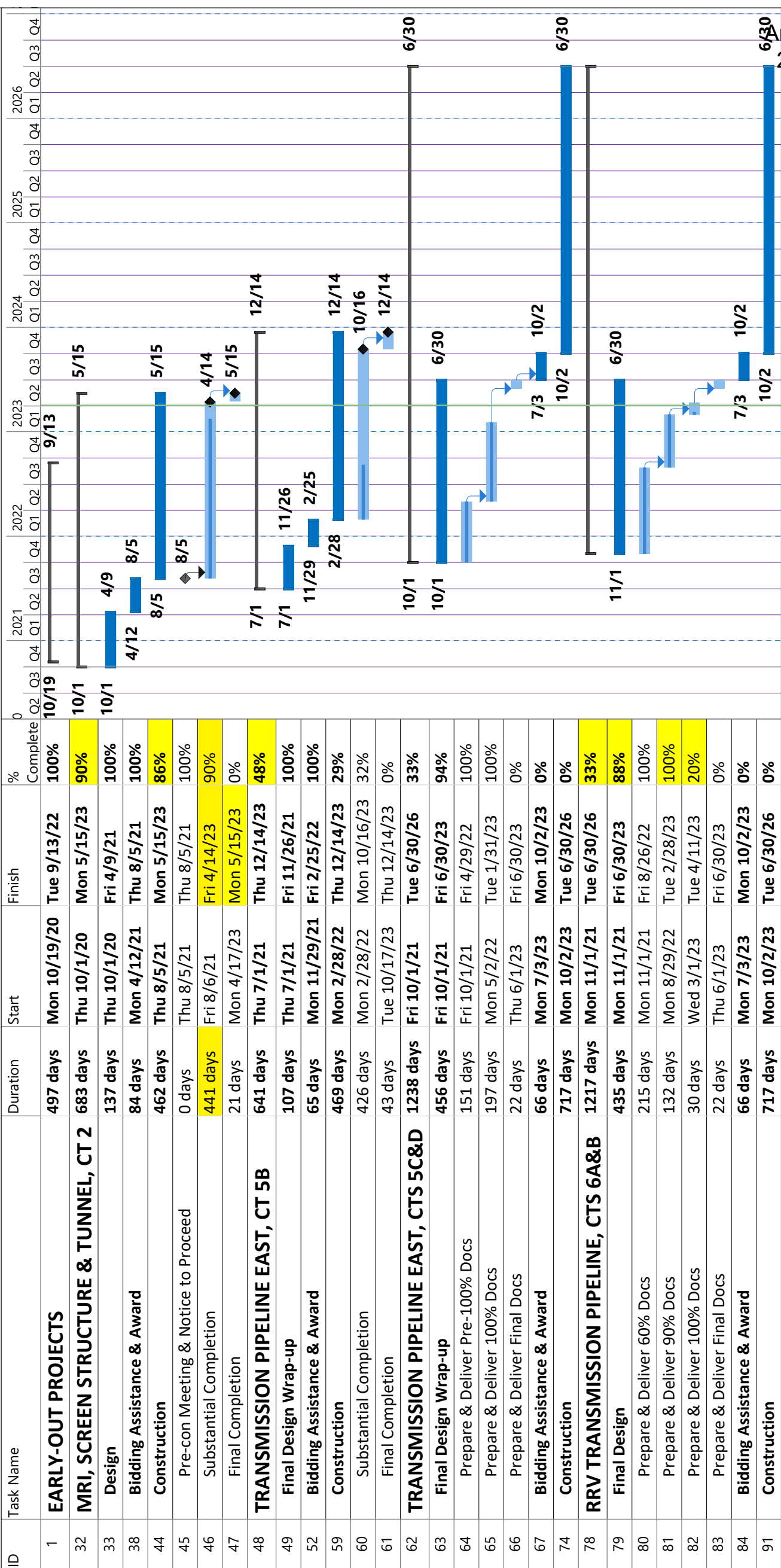
Pipeline segments 5C (8 miles), 5D (10 miles) are at 99% complete, and Contract 6 (25 miles) is at 90% complete.

The design team is also working with Reclamation and USFWS routing the pipeline through wetland and other various existing easements.

2020-2026 Schedule  
Red River Valley Water Supply Project

23-4 GD CD RRVWSP 2020-26 Schedule.mpp

Mon 4/3/23



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

Annex V  
23-37

March 31, 2023	Percent Complete	Current Estimate	Actual Expenses	Outstanding Expenses
<b>Conceptual Design Subtotal</b>		\$ 5,302,130	\$ 5,302,130	\$ -
<b>Preliminary Design Subtotal</b>		\$ 10,217,606	\$ 10,217,606	\$ -
<b>Final Design Completed Subtotal</b>		\$ 10,198,949	\$ 10,198,949	\$ -
<b>Financial, Administration, Legal, Completed</b>		\$ 1,397,474	\$ 1,397,474	\$ -
<b>Land Acquisition Completed</b>		\$ 1,593,004	\$ 1,593,004	\$ -
<b>Subtotal Completed</b>		\$ 28,709,162	\$ 28,709,162	\$ -
Financial Modeling/Cost Allocation	90%	\$ 1,521,047	\$ 1,369,733	\$ 151,314
Program Management Information System	79%	\$ 113,100	\$ 88,867	\$ 24,233
Stakeholder Support	70%	\$ 398,830	\$ 277,535	\$ 121,295
<b>Subtotal</b>	<b>85%</b>	<b>\$ 2,032,977</b>	<b>\$ 1,736,134</b>	<b>\$ 296,843</b>
<b>Engineering/Land Acquisitions</b>				
Missouri River Intake - Screen Structure Design	99%	\$ 1,444,000	\$ 1,428,622	\$ 15,378
Land Acquisition 2019/2021	72%	\$ 650,000	\$ 468,300	\$ 181,700
2019 to 2021 Biennium Program Management Services	100%	\$ 166,191	\$ 166,191	\$ (0)
Project Planning, Finance, Admin, etc.	42%	\$ 433,809	\$ 183,299	\$ 250,510
Final Design Transmission Pipeline - 5b	100%	\$ 545,000	\$ 545,000	\$ (0)
Final Design Transmission Pipeline - 5c & 5d	76%	\$ 970,000	\$ 738,058	\$ 231,942
Final Design Transmission Pipeline - 6	54%	\$ 4,000,000	\$ 2,146,542	\$ 1,853,458
Geotech Transmission Pipeline - 7	0%	\$ 397,000	\$ -	\$ 397,000
Acquire Easements	14%	\$ 2,919,000	\$ 404,890	\$ 2,514,110
Admin/Finance/Legal	34%	\$ 2,739,677	\$ 934,555	\$ 1,805,122
Financial Modeling/Cost Allocation	77%	\$ 528,000	\$ 407,109	\$ 120,891
Pipeline Extensions	56%	\$ 436,000	\$ 243,878	\$ 192,122
Financial/Legal/Stakeholder	0%	\$ 583,093	\$ -	\$ 583,093
Operational Plan Phase 1	98%	\$ 106,000	\$ 104,345	\$ 1,655
Operational Plan Phase 2	39%	\$ 430,584	\$ 167,850	\$ 262,734
PMIS Procurement & Implementation	2%	\$ 498,000	\$ 8,511	\$ 489,489
Contractor Qualifications	2%	\$ 158,000	\$ 2,862	\$ 155,138
ENDAWS-Local Portion	11%	\$ 790,000	\$ 89,053	\$ 700,947
<b>Engineering &amp; Land Acquisition Subtotal</b>		<b>\$ 15,054,677</b>	<b>\$ 7,104,511</b>	<b>\$ 7,950,166</b>
<b>Construction</b>				
<b>Pipeline 5A &amp; Trenchless</b>	<b>93%</b>	<b>\$ 10,155,978</b>	<b>\$ 9,410,441</b>	<b>\$ 745,537</b>
Construction Contract	100%	\$ 8,393,396	\$ 8,393,396	\$ (0)
Bidding Services	100%	\$ 75,621	\$ 75,621	\$ 0
Construction Phase Services	108%	\$ 868,145	\$ 941,424	\$ (73,279)
Contingency	<i>if needed</i>	\$ 818,816	\$ -	\$ 818,816
<b>Discharge Structure</b>	<b>72%</b>	<b>\$ 2,436,800</b>	<b>\$ 1,744,022</b>	<b>\$ 692,778</b>
Construction Contract	100%	\$ 1,521,884	\$ 1,521,884	\$ 0
Bidding Services	100%	\$ 40,736	\$ 40,736	\$ 0
Construction Phase Services	94%	\$ 193,000	\$ 181,402	\$ 11,598
Contingency	<i>if needed</i>	\$ 681,180	\$ -	\$ 681,180
<b>Missouri River Intake Wetwell</b>	<b>81%</b>	<b>\$ 6,186,111</b>	<b>\$ 5,028,202</b>	<b>\$ 1,157,909</b>
Construction Contract	90%	\$ 4,950,907	\$ 4,455,949	\$ 494,958
Bidding Services	100%	\$ 36,662	\$ 36,662	\$ (0)
Construction Phase Services	88%	\$ 612,000	\$ 535,591	\$ 76,409
Contingency	<i>if needed</i>	\$ 586,542	\$ -	\$ 586,542
<b>Missouri River Intake Screen Structure &amp; Tunnel</b>	<b>72%</b>	<b>\$ 23,000,000</b>	<b>\$ 16,595,571</b>	<b>\$ 6,404,429</b>
Construction Contract	74%	\$ 19,320,616	\$ 14,244,293	\$ 5,076,323
Construction Phase Services	91%	\$ 2,585,000	\$ 2,351,278	\$ 233,722
Contingency	<i>if needed</i>	\$ 1,094,384	\$ -	\$ 1,094,384
<b>Pipeline 5B</b>	<b>18%</b>	<b>\$ 51,600,000</b>	<b>\$ 9,128,478</b>	<b>\$ 42,471,522</b>
Construction Contract	18%	\$ 44,644,077	\$ 7,853,079	\$ 36,790,999
Construction Phase Services	28%	\$ 4,486,000	\$ 1,275,399	\$ 3,210,601
Contingency	<i>if needed</i>	\$ 2,469,923	\$ -	\$ 2,469,923
<b>Construction Subtotal</b>	<b>45%</b>	<b>\$ 93,378,889</b>	<b>\$ 41,906,714</b>	<b>\$ 51,472,175</b>
<b>Total Program Budget</b>	<b>57%</b>	<b>\$ 139,175,705</b>	<b>\$ 79,456,521</b>	<b>\$ 59,719,184</b>



2023

For the period of January 1, 2023- March 31, 2023

<b>Income</b>	<b>2023</b>	<b>Actual as 03/31/2023</b>	<b>Balance of Budget</b>
Dues Income	\$ 30,000.00	\$ 29,950.00	\$ 50.00
Miscellaneous	\$ -	\$ -	\$ -
Cost Share-Interim Finance	\$ 580,000.00	\$ 184,211.41	\$ 395,788.59
<b>Total Income</b>	<b>\$ 610,000.00</b>	<b>\$ 214,161.41</b>	<b>\$ 395,838.59</b>
<b>Expenses</b>			
Dues Expenses	\$ 6,500.00	\$ 6,000.00	\$ 500.00
Accounting	\$ 1,000.00	\$ -	\$ 1,000.00
Directors Expense	\$ 500.00	\$ -	\$ 500.00
Insurance	\$ 550.00	\$ -	\$ 550.00
Construction	\$ 60,000.00	\$ 173,926.37	\$ (113,926.37)
Engineering	\$ 320,000.00	\$ 19,092.98	\$ 300,907.02
Property Acquisition/Easements	\$ 150,000.00	\$ 8,895.46	\$ 141,104.54
Adm/Legal/Financial	\$ 141,500.00	\$ 27,973.23	\$ 113,526.77
<b>Total Expenses</b>	<b>\$ 680,050.00</b>	<b>\$ 235,888.04</b>	<b>\$ 444,161.96</b>
<b>Net Income (Loss)</b>	<b>\$ (70,050.00)</b>	<b>\$ (21,726.63)</b>	<b>\$ (48,323.37)</b>

**Account Activity**

Beg. Bank Balance 1-1-2023		\$ 498,391.24
Income Received		\$ 214,161.41
<b>Total Funds Available</b>		<b>\$ 712,552.65</b>
Ck#1225 Ohnstad Twichell	\$ 2,550.00	
Ck#1226 Garrison Diversion	\$ 211,963.04	
Ck#1227 ND Water Coalition	\$ 1,000.00	
Ck#1228 ND Water Users Assoc	\$ 5,000.00	
Ck#1229 Garrison Diversion	\$ 15,375.00	
<b>Total Expenses</b>	<b>\$ 235,888.04</b>	
<b>Ending Bank Balance</b>		<b>\$ 476,664.61</b>

Garrison Diversion Conservancy District  
Mr. Duane DeKrey  
PO Box 410  
Carrington, ND 58421-0140

FEB 27 2023

Mr. DeKrey

The rural water entities/managers in Northeast ND are passionate about providing water supply to all existing and future users in times of plenty and times of need (drought). A group of managers, from Northeast Regional Water District (NRWD), Walsh Rural Water District (WRWD), Agassiz Water User District (AWUD), Tri-County Water District (TCWD), and East Central Regional Water District (ECRWD), have come together to start looking at future water needs and availability in Northeast ND. As water managers, the number one thing that keeps us up at night is not having a clean, safe, and adequate water supply to provide for our customers in the most economical way.

The fear of the loss or lack of water supply has brought our systems together to help look for a solution for the future. In September of 2021 with these concerns in mind, WRWD (on behalf of Northeast ND managers) applied for an EPA Hazard Mitigation Grant. WRWD was recently notified that it was officially approved for cost share from the EPA to help fund this effort. Eighteen months have passed since the original submittal and further discussion amongst systems has expanded the scope of the report to a larger scale look of what does the next 50-years look like for the rural water supply in Northeast ND.

When outlining what the study of the next 50-years could look like, it is recognized that there is much unknown, but after careful consideration we have pared down our intended analysis to the following 4 primary items:

1. **Water Supply Availability** (How much water do we have and how much do we have access to now, in the future, and in times of drought/contamination?)
2. **Needs** (What does the next 50-years of water needs look like from a residential, agricultural, and industrial use standpoint?)
3. **Water Treatment and Distribution** (What type of treatment is required and how do we get water to where it needs to be in the future?)
4. **Governance** (Are we going to continue to operate as 5-separate water districts, or do we see opportunities to work together either in supply/treatment or in totality, to save money on fixed costs, and reduce redundancies)

The scope of what was intended for the secured EPA grant dollars and system cost-share was primarily meant to cover items 3 and 4 above. However, we still have significant outstanding questions regarding our water supply availability (through either existing aquifers or the RRVWSP) and long-term needs that we must better address to comprehensively plan for our future.

Garrison Diversion has been a key partner to our systems in the past in evaluating similar items. Whether it was through your funding support of past NDSU studies evaluating industrial water needs in the Red River Valley or through your work to support preliminary nominations for the Project

Development Agreement of the RRVWSP, your expertise and understanding of the needs and water availabilities in Eastern ND has been invaluable. As we look to further our current efforts and solidify the understanding of our needs, we would like to request a partnership between GDCD and Northeast ND water districts to complete items 1 and 2 listed above, both from a financial and technical expertise standpoint.

We value GDCD's leadership in providing water to Eastern ND and look forward to a continued partnership to evaluate our future needs. We appreciate your consideration of this preliminary request, and we look forward to the opportunity to work together further to better define your potential support.

Thank You,



Walsh Rural Water District

On behalf of NRWD, AWUD, ECRWD, and TCWD

CC: Kip Kovar, Merri Mooridian, Chairman Mahoney (LAWA)