

GARRISON DIVERSION CONSERVANCY DISTRICT**BOARD OF DIRECTORS
CONFERENCE CALL**

**Garrison Diversion Conservancy District
Carrington, North Dakota
April 2, 2020**

A meeting of the Board of Directors of the Garrison Diversion Conservancy District was held by conference call at the Garrison Diversion Conservancy District in Carrington, North Dakota, on April 2, 2020. The meeting was called to order by Chairman Royse at 10 a.m.

DIRECTORS PRESENT

Chairman Ken Royse
Vice Chairman Alan Walter
Second Vice Chairman Ken Vein
Director Dave Anderson
Director Jay Anderson
Director Rick Anderson
Director Greg Bischoff
Director Nikki Boote
Director Jeff Breker
Director Richard Cayko
Director Mark Cook
Director Roger Fenstad
Director Norman Haak
Director Cliff Hanretty
Director David Johnson
Director Geneva Kaiser
Director Bruce Klein
Director Kelly Klosterman
Director Ward Koeser
Director Brandon Krueger
Director Nancy Marquart
Director Steve Metzger
Director Bill Ongstad
Director Jim Pellman
Director John Peyerl
Director Kenny Rogers
Director Mike Tweed
Secretary Duane DeKrey

DIRECTORS ABSENT

Director Bill Krivarchka

OTHERS

An attendance sheet is attached to these minutes as Annex I.

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

ANNOUNCEMENTS AND INTRODUCTIONS

Chairman Royse called on guests in the audience to introduce themselves and identify whom they represent.

READING OF THE MINUTES

Motion by Director Koeser to dispense with a reading of the January 9 and 10, 2020, board minutes and approve them as distributed. Second by Director Fenstad. Upon voice vote, motion carried.

RESOLUTION OF APPRECIATION

Chairman Royse presented and read the resolution of appreciation for Arden Freitag, Area Manager, Dakotas Area Office, Bureau of Reclamation, who will be retiring May 31, 2020. The resolution is attached to these minutes as Annex II.

Motion by Director Haak to approve the resolution of appreciation for Arden Freitag. Second by Director Metzger. Upon voice vote, motion carried.

OFFICER AND COMMITTEE REPORTS

Chairman - - Chairman Royse reported on meetings he has attended and issues affecting Garrison Diversion.

Executive Committee

Financial Statements

Merri Mooridian, Administrative Officer, Garrison Diversion, referred to and reviewed Garrison Diversion's financial statements for the period of January 1, 2020, through February 29, 2020. Copies of the financial statements are attached to these minutes as Annex III.

Revenues through February are broken out as follows: General Fund \$1,847,819; MR&I \$759,082; Operations and Maintenance \$557,672; Red River Valley Water Supply Project \$0 and Irrigation Fund \$17,362.

Expenditures were: General Fund \$461,226; MR&I \$361,278; Operations and Maintenance \$572,249; Red River Valley Water Supply Project \$362,656 and Irrigation Fund \$466.

Income through February is \$3,181,935 with expenditures and transfers out for a total of \$1,961,676.

Garrison Diversion's reserve accounts total \$6,935,267.

Deposits at Bank of North Dakota are \$5,967,500; First International Bank & Trust \$3,626,304; Farm Credit Services \$1,000 and Bremer Bank \$11,603,529.

Motion by Director Cayko to accept the financial statements for the period of January 1, 2020, through February 29, 2020. Second by Director Bischoff. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Johnson, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed, Vein and Walter. Those voting nay: none. Absent and not voting: Krivarchka. Motion carried.

Budget Timeline

Ms. Mooridian referred to and reviewed the Budget Timeline used for budget preparation, which is provided for the board's referral.

Draft 2021 Garrison Diversion Budget

Cindy Hewitt, Accounting Specialist, Garrison Diversion, referred to and reviewed version two of the Draft 2021 Garrison Diversion budget. Current revenue projections are \$47,319,000 with expenses projected to be \$45,440,000. The budget will be revisited at the Executive Committee in June before the full board's approval in September following the required budget hearing.

Vice Chairman - - Vice Chairman Walter reported on the Family Farm Alliance conference he attended in February in Reno.

Second Vice Chairman - - Second Vice Chairman Vein did not have a report.

Red River Valley Committee - - Director Jay Anderson, who chairs the Red River Valley (RRV) Committee, reported on the Lake Agassiz Water Authority (LAWA) Technical Advisory Committee (TAC) meeting he attended on March 10. At that time, the plans and specifications for early out construction projects on the Red River Valley Water Supply Project (RRVWSP) were reviewed and an update provided on the StateMod.

RED RIVER VALLEY WATER SUPPLY PROJECT

Eastern North Dakota Alternate Water Supply (ENDAWS)

Kip Kovar, District Engineer, Garrison Diversion, reported Black & Veatch is working on three engineering reports regarding ENDAWS. One is on cost estimates for alternatives, the second is biota water treatment plant costs and alternatives and the third is an aquatic invasive species risk and consequence analysis. These reports are wrapping up and are 99 percent complete. They will be appendices to the Environmental Impact Statement (EIS). The expected release date of the Draft EIS to the cooperating agencies is April 15.

RRVWSP Work Plan Update

Mr. Kovar referred to and reviewed the RRVWSP Work Plan Update dated March 25, 2020, which provides an update on each of the ongoing task orders. Recently, a lot of effort has gone into the plans and specifications on the early out projects. A copy of the update is attached to these minutes as Annex IV.

Mr. Kovar added the most significant thing that has taken place since the January board meeting is the Department of Environmental Quality's release of the draft discharge permit on March 23. There is now a 60-day comment period on the draft that closes on May 23.

Plans and Specifications

Mr. Kovar stated the deadline to provide written comments on the plans and specifications for early out projects was March 31, and no comments were received. The LAWA TAC intends to present the plans and specifications to the LAWA board on April 17 and recommend approval on all three.

Mr. Kovar said Garrison Diversion also needs to approve the final plans and specifications. Since a permit is needed from the railroad and the Department of Transportation, there is a timing issue on the permits. He is asking the board to authorize the RRV Committee to approve the plans and specification when it meets on April 17 following the LAWA board meeting.

Mr. Kovar provided details on the bidding process that will take place following approval of the plans and specifications.

Motion by Director Fenstad authorizing the Red River Valley Committee to approve the plans and specifications for the three RRVWSP early out construction projects. Second by Second Vice Chairman Vein. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Johnson, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed, Vein and Walter. Those voting nay: none. Absent and not voting: Krivarchka. Motion carried.

Program Management Update - - Ms. Mooridian referred to and reviewed the program management chart dated March 25. The top portion of the chart defines the schedule of work required by SB 2020. The bottom portion shows other RRVWSP activities. The chart displays the status of all the work being done on the RRVWSP, listing start and finish dates of tasks by category. This is a critical tool for planning and continues to be refined.

Ms. Mooridian commented with the release of the draft discharge permit, the final permit is anticipated by June 1. Final approval of all permits for the project must be received before receiving certification from the state engineer.

Planning Level Budget - - Ms. Mooridian also referred to and reviewed the two graphics showing the RRVWSP Planning Level Budget dated February 29, copies which are attached to these minutes as Annex V. The bar chart illustrates the cumulative project expenses, which total \$28.2 million.

Ms. Mooridian reported phased final design is 84 percent complete. Actual expenses are \$12.7 million, and \$2.4 million remains outstanding.

Ms. Mooridian said the total program budget for the RRVWSP is \$30.7 million. Of the 2017-2019 \$17 million appropriation, \$14.5 million has been expended. An outstanding \$2.3 million has been committed. 2017-2019 funds not committed are \$108,523.

2019-2021 Revised Budget

Ms. Mooridian referred to the Revised Draft Budget for 2019-2021 and reviewed the early out construction items according to priority that are being proposed in the work plan totaling

\$7.5 million at a 75/25 percent state and local cost share. The construction portion on early out projects is at a 90/10 percent state and local cost share from the 2017-2019 biennium. A copy of the draft budget is attached to these minutes as Annex VI.

Ms. Mooridian stated program management, which is item ten in the revised budget, had been included in the bidding services task orders approved at the January board meeting. The fees for program management have since been removed from these task orders, and a separate program management task order in the amount of \$450,000 was approved by the Executive Committee in March.

Mr. Kovar referred to and reviewed an anticipated 12-month schedule/checklist showing items included in the scope of work. These items require approval by the LAWA and Garrison Diversion boards, along with the TAC .

RRVWSP 2020 Work Plan

Mr. Kovar referred to and reviewed the 2020 RRVWSP Work Plan, a copy which is attached to these minutes as Annex VII. This was approved by the LAWA board and Garrison Diversion's Executive Committee in March.

Insurance Advisor

Ms. Mooridian informed the board two large national firms were interviewed for the insurance advisor position by representatives from Garrison Diversion and LAWA. Interviews were held on February 28 with Aon, who has previously worked with the Fargo-Moorhead Diversion Authority, and Willis Towers Watson.

Ms. Mooridian said it was the selection committee's consensus to move forward with AON. AON has more experience with projects similar to the RRVWSP. Vogel Law is preparing a draft contract between Garrison Diversion and AON.

BUREAU OF RECLAMATION REPORT

Arden Freitag, Area Manager, Bureau of Reclamation (Reclamation), provided highlights from Reclamation's quarterly written report dated April 2, 2020, a copy which is attached to these minutes as Annex VIII.

Budget - - Mr. Freitag stated that Congress did pass additional funding for the rural water program so the allocation this year now comes to \$36.5 million. In 2021, the President's request for Garrison Diversion is \$3.5 million.

NAWS - - Work is continuing on the design of the biota water treatment plant and the intake at the Snake Creek Pumping Plant. Ninety percent design review was held on March 4 for the biota water treatment plant, and the State Water Commission plans to advertise for bids early this summer.

ENDAWS - - Mr. Freitag stated the Corps of Engineers' depletion study was completed March 20, and the risk and consequence analysis and engineering studies are being completed now. With that, the dates were extended for the first draft of the EIS. That is scheduled to be completed April 15, and at that time, a draft would be ready for Garrison Diversion and the other cooperating agencies to review. The review draft would go to the secretary's review team on May 1, and on May 22, the draft would be released to the public.

Reclamation is currently working on a preferred alternative. Treatment options will be similar to what was required for NAWS to comply with the Boundary Waters Treaty.

Central North Dakota - - Mr. Freitag commented that Reclamation is working with their solicitor's office to provide a response on the lawsuit with the state of Missouri concerning the Central North Dakota Water Supply Project.

McClusky Canal

Mr. Freitag reported that an additional \$3.5 million was received from congress for the slide repair project.

Cooperative Agreement

Mr. Freitag informed the board that the regional director has determined that this will be the last year for the cooperative agreement regarding the operation and maintenance of the Garrison Diversion Principal Supply Works. Reclamation is working on modifications to increase the funding ceiling and adding funding for the rest of the year. After September, a different agreement is needed, and those issues need to be worked out.

Mr. Kovar informed the board Garrison Diversion is again using its own funds for operation and maintenance activities since Reclamation has provided no 2020 funding and funds have run out under the current O&M Cooperative Agreement. He asked Mr. Freitag if he had any updates on this issue.

Mr. Freitag replied that Reclamation is hoping to send the 2020 budget for cost price review and are talking sometime in May.

Oakes Test Area Title Transfer - - Mr. Freitag stated Reclamation continues to work with the Dickey-Sargent Irrigation District (DSID) on the title transfer agreement for the OTA. The schedule is to complete the transfer by the end of 2020. An O&M Transfer Agreement needs to be done before transfer can take place. A draft title transfer agreement should be sent to the DSID on April 3.

MCCLUSKY CANAL UPDATE

O&M Update - - Mr. Kovar reported on the changes to work schedules at the O&M sites due to the coronavirus (COVID-19). Travel has been limited at the Oakes and New Rockford sites since there is only one employee at each of those sites. No non-essential travel is taking place, and projects are being worked on in-house. At McClusky, the job sites have been broken down to four or five locations, with employees driving directly to their work sites each morning.

Work will resume on the McClusky Canal slide repair in the next couple of weeks, which will be another work activity allowing social distancing and keeping employees safe.

Mr. Kovar also commented on the O&M Cooperative Agreement and the push toward an O&M Transfer Agreement. Garrison Diversion staff was intending to travel to Colorado to meet with an organization that had gone through an O&M Transfer Agreement. This will now need to happen by conference call. The financial obligation and liability still remain big issues regarding the transfer agreement.

Second Vice Chairman Vein said it seems there has been a steady deterioration of the federal obligation to the GDU project and more and more keeps getting pushed upon Garrison Diversion. It is one thing to have authorization and the next thing is to have appropriations. Then it appears if there are appropriations, there is some reason why Reclamation does not pay their bills on time. It is frustrating to see this continued deterioration of the federal government's promises to the state of North Dakota.

Chairman Royse clarified Garrison Diversion is attempting to work with Reclamation to get a handle on two issues: 1) risk and liability and 2) the payment schedule.

Mr. Kovar stated for Garrison Diversion to cover 97 percent of the government's share of this agreement makes no sense.

Second Vice Chairman Vein said he has a hard time supporting an O&M Transfer Agreement moving ahead. There have been too many empty promises over the years on the Garrison Diversion Unit.

Director Fenstad said he is in total disagreement with an O&M Transfer Agreement. He believes the responsibility is ridiculously put on Garrison Diversion's shoulders. It should be the responsibility of the federal government and signing a transfer agreement is a bad idea.

Director Breker said he is also upset with this process going forward; however, we need to understand what battles we can fight and which ones we can win.

Second Vice Chairman Vein said he would like to see some sort of legal opinion as to what Garrison Diversion's options are.

Tami Norgard, Legal Counsel, Vogel Law, said through Garrison Diversion's national legal counsel, there is someone working on what Garrison Diversion's options are concerning the O&M Transfer Agreement. This individual has experience working with Reclamation's solicitor's office. These options will be prepared in writing and submitted to the board.

Duane DeKrey, Secretary, stated that staff will continue to work the issue and zero in on the legal options. He will also get the conference call scheduled with the Colorado organization to get information on how the transfer agreement is working for them.

Chairman Royse suggested a motion be made by the board rejecting the concept of the transfer agreement and directing the general manager to review legal options in order to maintain a cooperative agreement status and submit it to the regional and Washington, DC, Reclamation offices.

Mr. Freitag commented that he will convey the board's concerns to the regional office. He added the O&M Transfer Agreement is the traditional type of agreement Reclamation has with irrigation districts and projects after they have completed and turned over into operation status. A lot of the districts cover 100 percent of costs. There are a few districts that pay 50

percent or 98 percent of the costs, and they are reimbursed semi-annually. The difference with those is that they got into that situation over a number of years, and it has been transitioned into their budget. Not to say that is the right way to do business, but that is the way Reclamation has been doing business with all these other districts for many years.

Mr. Freitag said he did talk to Reclamation's Washington office this morning, and they have received the inquiry from Senator Hoeven's office. Reclamation is looking into the proposal from Garrison Diversion on the \$250,000 reimbursement.

Second Vice Chairman Vein said this is a significant shift, and there will be long-term impacts. Garrison Diversion needs to know what our options are moving forward. We have legal counsel in Washington that should certainly be able to provide some options. He would like to be able to make an informed decision before he votes on the O&M Transfer Agreement.

Motion by Second Vice Chairman Vein requesting additional information from Garrison Diversion's legal counsel in Washington, DC, as to options available and a legal opinion regarding the Bureau of Reclamation's proposed O&M Transfer Agreement. Second by Director Fenstad. Upon roll call vote the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Hanretty, Johnson, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed, Vein and Walter. Those voting nay: Haak. Absent and not voting: Krivarchka. Motion carried.

Irrigation Update - - Ryan Anderson, Engineer, Garrison Diversion, referred to the most recent irrigation map showing the location of the projects along the McClusky Canal. These are all of the 2019 water service contracts.

Mr. Anderson also referred to the table providing a breakdown of the current irrigation projects, including acres involved per project and landowner names. A total of 7,247.6 acres were irrigated in 2019. As of now, these are the acres that are signed up for the 2020 irrigation season.

Mr. Anderson added there has recently been interest expressed by an irrigator for a potential project near Mile Marker 7.

MR&I PROGRAM

Construction Report - - Mr. DeKrey referred to the MR&I construction report dated February 29, 2020. MR&I expenditures in 2020 are \$326,851. Remaining approved federal MR&I funds are \$14,346,682. Approximately \$5 million of 2019 MR&I funding remains to be expended. A copy of the report is attached to these minutes as Annex IX.

Approved Project Funding

Mr. DeKrey reported on the following MR&I Projects which were approved for funding from the FY2020 MR&I Program at the March 19 Executive Committee meeting:

ENDAWS EIS

An additional \$345,000 in MR&I funding was approved for Black & Veatch Engineering to complete an Aquatic Invasive Species (AIS) report to support the EIS findings. The AIS analysis will evaluate the risks and consequences of the potential transfer of AIS from the Missouri River Basin to the Hudson Bay Basin. MR&I funding was previously approved for \$885,000 at 100 percent for Black & Veatch Engineering to prepare supporting documents on various options and a water treatment plant report for the EIS. The additional \$345,000 in funding at 100 percent brings the federal total to \$1,230,000.

NRWD Expansion Phase II

The Northeast Regional Water District (NRWD) was approved for additional federal MR&I funding to go toward their Expansion Phase II Project for 25 additional water users. NRWD has received these additional user sign-ups and has doubled the signup fee to those users to help offset the project costs. The overall expansion project involves installing a new water system to 301 rural users in western Cavalier County and eastern Towner County in NRWD's Langdon Branch. NRWD installed a pipeline from the city of Devils Lake's water treatment plant to the existing Langdon Branch and for the Expansion Phase II Project. The total project cost is \$12,500,000, which calculates to a cost per hookup of \$41,500.

Previous approved federal MR&I funding for NRWD was \$8,605,000 at 75%. The \$750,000 brings the total cost-share to \$9,355,000.

NAWS

NAWS was approved funding in the amount of \$15,655,000. The request includes the Westhope Corner to the Souris Corner pipeline (Contract 2-48) for 15.25 miles of 14-inch pipeline to extend the distribution system along Highway 5. This is the second to last segment of the distribution system along Highway 83 and Highway 5 from Minot to the city of Bottineau. The total estimated construction cost of this segment is \$7,169,750, with project funding split between a 65% federal share of \$4,660,000, and a 35% local share of \$2,509,750 being paid by Minot. The request includes funding for construction of the Biota Water Treatment Plant Phase I (Contract 7-1D) near the city of Max, with an estimated construction cost \$55,597,750.

Prior federal funding included the design of plans and specifications, which are 90% complete. Bidding and construction are expected to begin in late 2020, with anticipated completion in 2023. The plant was determined to be a 100% federal funding responsibility, but fluctuation in annual federal appropriations requires the state to cover some of the required federal share to ensure continued construction progress. There is MR&I funding of \$10,995,000 available for Phase I construction, with the balance of \$44,602,750 to be covered by the state.

These three funding requests will also be presented to the State Water Commission for its approval at their April 9 meeting.

Five-Year Plan

Mr. DeKrey referred to the MR&I Program's Five-Year Plan for fiscal years 2020 to 2024 included in the meeting materials. The plan is used to address variations in appropriations and priorities. It is submitted to Reclamation for their use in estimating the State's capacity to

expend funding. The attached table shows total federal funding need of \$173 million and local funding need of \$35 million, with estimates for each year of the plan. A copy of the plan is attached to the minutes as Annex X.

GENERAL MANAGER'S REPORT

Oakes Test Area Title Transfer - - Mr. DeKrey reported in regard to the Oakes Test Area (OTA) title transfer, there are a number of agreements/contracts and environmental reviews taking place in order to make the transfer of the OTA process go forward. There is an issue with capital repayment of the power infrastructure, which is being worked on.

Security System Update - - Mr. DeKrey said management has been researching security systems to determine what type to install at the District Headquarters in Carrington. This has temporarily been placed on hold due to COVID-19.

COVID-19 - - Mr. DeKrey said Garrison Diversion is following the governor's guidelines due to COVID-19, and he explained the office staff is rotating days working remotely or at the office. This method will continue until the governor comes out with something different.

Mr. DeKrey added that Ms. Mooridian is keeping track of the COVID-19 relief plan regarding personnel issues.

All Staff Meeting - - Mr. DeKrey reported the All Staff meeting was planned for the end of April. No rescheduled date has been set, which is also due to COVID-19.

North Dakota Insurance Reserve Fund (NDRF) - - Mr. DeKrey commented that the North Dakota Insurance Reserve Fund (NDRF) has sent notice of its annual meeting. The purpose of the 2020 Annual Meeting is to review 2019 business, discuss current and future business and elect representatives in the "Others" and "Schools" categories to the NDRF board of directors. Garrison Diversion is entitled to vote.

Mr. DeKrey said he will plan to attend the meeting and suggested the board authorize him to vote on the board's behalf during the election.

Motion by Director Hanretty authorizing the general manager to cast votes on behalf of Garrison Diversion at the ND Insurance Reserve Fund's annual meeting on May 20, 2020. Second by Director Metzger. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Johnson, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed, Vein and Walter. Those voting nay: none. Absent and not voting: Krivarchka. Motion carried.

Director Elections - - Mr. DeKrey said for the directors whose terms are expiring on the board, the deadline for submitting petitions and other required documentation to the county auditor's office is April 6. The Secretary of State has directed the county auditors to accept scanned or faxed signatures due to social distancing.

FUTURE MEETINGS

Chairman Royse reviewed a list of upcoming meetings and meeting cancellations with the board.

Lance Gaebe, Executive Vice President, ND Water Users Association, updated the board on current plans for the joint meeting between the Water Resource Districts and Garrison Diversion in July at Grand Forks.

EXECUTIVE SESSION

Lawsuit with State of Missouri

Motion by Director Metzger to enter into Executive Session for the purpose of discussing the State of Missouri's lawsuit regarding the Central North Dakota Water Supply with legal counsel. Second by Director Koeser. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Johnson, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed, Vein and Walter. Those voting nay: none. Absent and not voting: Krivarchka. Motion carried.

Executive Session began at 1:40 PM

Motion by Director Klein to end Executive Session and reconvene into regular session. Second by Director Cook. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Johnson, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed, Vein and Walter. Those voting nay: none. Absent and not voting: Krivarchka. Motion carried.

Executive Session ended at 2:11 PM

Motion by Director Fenstad authorizing Vogel Law to retain legal counsel in the State of Missouri to represent the Garrison Diversion Conservancy District in the State of Missouri's lawsuit regarding the Central North Dakota Water Supply. Second by Director Metzger. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Johnson, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed, Vein and Walter. Those voting nay: none. Absent and not voting: Hanretty and Krivarchka. Motion carried.

MOU with Lake Agassiz Water Authority

Motion by Director Cayko to enter into Executive Session to discuss negotiation strategy regarding the Memorandum of Understanding between Garrison Diversion and Lake Agassiz Water Authority with legal counsel. Second by Director Cook. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed and Walter. Those voting nay: none. Absent and not voting: Krivarchka and Vein. Motion carried.

The Executive Session began at 2:25 PM

Motion by Director Koeser to adjourn Executive Session and reconvene into regular session. Second by Director Tweed. Upon roll call vote, the following directors voted

aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed and Walter. Those voting nay: none. Absent and not voting: Krivarchka and Vein. Motion carried.

The Executive Session ended at 3:00 PM

Director D. Anderson asked legal counsel to distribute the Cooperation Agreement including the changes suggested during the Executive Session.

Ms. Norgard said she will forward a revised draft of the agreement by email to all directors.

Motion by Director Walter to revise the proposed Cooperation Agreement between Garrison Diversion and Lake Agassiz Water Authority excluding all step-in rights provisions and suggest that step-in rights be addressed in a future agreement. The board's approval of this proposed amendment is contingent upon each board member having the opportunity to review the revised cooperation agreement with no objections. If there are any objections, the board will hold a special meeting. Second by Director Fenstad.

Director Bischoff asked what happens if there are objections to the revised agreement.

Ms. Norgard suggested the board be given a week to review the revised agreement. If any of the directors would like to discuss terms, let the chairman know. There could then be a small group conversation regarding the concerns. If the concerns are not resolved, another board conference call could be held prior to April 17. If no one asks for a board meeting within the next seven days, the draft which was sent out to Garrison Diversion's board members will be sent to LAWA.

Ms. Norgard stated she will include a deadline date and explain the review process when she sends out the revised Cooperation Agreement.

Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Boote, Breker, Cayko, Cook, Fenstad, Haak, Hanretty, Kaiser, Klein, Klosterman, Koeser, Krueger, Marquart, Metzger, Ongstad, Pellman, Peyerl, Rogers, Royse, Tweed and Walter. Those voting nay: none. Absent and not voting: Johnson, Krivarchka and Vein. Motion carried.

OTHER BUSINESS

There being no further business to come before the board, the meeting adjourned at 3:15 p.m.

(SEAL)

Chairman Ken Royse

Secretary Duane DeKrey