

GARRISON DIVERSION CONSERVANCY DISTRICT

RED RIVER VALLEY COMMITTEE

**Holiday Inn
Fargo, North Dakota
March 8, 2019**

A meeting of the Red River Valley Committee of the Garrison Diversion Conservancy District was held on March 8, 2019, at the Holiday Inn, Fargo, North Dakota. The meeting was called to order by Chairman Jay Anderson at 1:15 p.m.

DIRECTORS PRESENT

Board Chairman Ken Royse
Committee Chairman Jay Anderson
Director Greg Bischoff
Director Geneva Kaiser
Director Ken Vein
Secretary Duane DeKrey

DIRECTORS ABSENT

Director Roger Fenstad

OTHERS PRESENT

Steve Metzger, Director, Foster County, Garrison Diversion Conservancy District, Carrington, North Dakota
Kip Kovar, District Engineer, Garrison Diversion Conservancy District, Carrington, North Dakota
Merri Mooridian, Administrative Officer, Garrison Diversion Conservancy District, Carrington, North Dakota
Lisa Schafer, Executive Assistant, Garrison Diversion Conservancy District, Carrington, North Dakota
Steve Burian, Advanced Engineering and Environmental Services, Grand Forks, North Dakota
Tami Norgard, Vogel Law Firm, Fargo, North Dakota

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

READING OF THE MINUTES

Motion by Director Bischoff to dispense with a reading of the December 14, 2018, Red River Valley Committee minutes and approve them as distributed. Second by Director Kaiser. Upon voice vote, motion carried.

RED RIVER VALLEY WATER SUPPLY PROJECT (RRVWSP) UPDATE

The committee reviewed items covered during the Lake Agassiz Water Authority (LAWA) Board meeting that was held prior to this meeting today. Updates were provided on the McClusky Canal Water Source and RRVWSP Land Acquisition.

2018 RRVWSP Work Plan Status - - Kip Kovar, District Engineer, Garrison Diversion, provided highlights from the 2018 RRVWSP Work Plan Status. This lists prior year work items with the status of each appearing in red. A copy of the work plan status is attached to these minutes as Annex I.

Work Plan Update - - Mr. Kovar referred to the RRVWSP Work Plan Update dated February 26, 2019, provided for the committee's reference.

Task Order Reallocation

Mr. Kovar next referred to the letter from Black & Veatch regarding the reallocation of several approved RRVWSP task orders. Adjustments are necessary to address either reductions in or additions to the previously agreed to task order scopes of work. If the reallocation is approved, formal amendments will be made to each task order that is affected by the changes.

Cost increases necessary for the additions will be offset by reduction to or deferments of existing tasks already authorized. Therefore, there is not an increase to the overall RRVWSP budget.

Mr. Kovar reminded the committee the full board had approved the task order reallocation in January. Notification was later received from the Department of Health indicating that the discharge permit would be delayed. The letter was then revised and bidding assistance was removed; however, financial analysis is included.

The new scope of authorizations requiring approval included the following:

- Project Information Management System (PIMS) software and services
- Program management support services
- NDPDES discharge permitting assistance
- Upper Sheyenne River discharge feasibility study
- Financial planning support

Mr. Kovar went through a summary of additions showing the fee increases for new work and amendments totaling \$707,000, which are offset by reductions or deferments totaling \$707,000, of currently approved task orders.

Motion by Director Bischoff to recommend approval of the revised reallocation of funds under existing RRVWSP task orders to the Executive Committee. Second by Director Kaiser. Upon roll call vote, the following directors voted aye: Anderson, Bischoff, Kaiser, Royse and Vein. Those voting nay: none. Absent and not voting: Fenstad. Motion carried.

2019 RRVWSP Work Plan - - Mr. Kovar referred to and reviewed a copy of the Draft 2019 RRVWSP Work Plan, highlighting the design, bidding and land acquisition portions. A copy of the proposed work plan is attached to these minutes as Annex II.

Mr. Kovar stated the work plan depends upon what the legislature approves for funding. Hopefully, the project can move forward with early out projects.

Motion by Director Vein to approve the proposed 2019 RRVWSP Work Plan. Second by Director Bischoff. Upon roll call vote, the following directors voted aye: Anderson, Bischoff, Kaiser, Royse and Vein. Those voting nay: none. Absent and not voting: Fenstad. Motion carried.

2019-2021 Draft Biennium Budget -- Ms. Mooridian referred to the Draft 2019-2021 Biennium Budget, stating this is in follow up to the 2019 RRVWSP Work Plan. If \$50 million is received for the RRVWSP this biennium, this budget table illustrates how the funding would be expended. It is for the committee's information and does not require approval until the legislature approves the exact funding amount.

OTHER

There being no further business to come before the committee, the meeting was adjourned at 1:40 p.m.

(SEAL)

Jay Anderson, Chairman

Duane DeKrey, Secretary

Red River Water Supply Project 2018 Work Plan Status

1. Finalize pipeline Preliminary Design Report for the entire alignment – **Complete.**
2. Complete a VE on the Preliminary Design Report – **Final Comments sent to VE team and waiting VE team completion.**
3. Complete Phased Final Design with the objective of letting early-out contracts this biennium and being prepared to let a \$120-million pipeline contract next biennium.
 - a. 28-mile Pipeline – **90-percent plans and specs will be completed in March with 2 to 5 miles 100-percent plans and specs will be complete in June. Holding balance of first pipeline segment at 90 percent until construction schedule is better defined and funding for construction is in place.**
 - b. Trenchless Crossings – **Ready in March.**
 - c. Discharge Structure – **Ready in March.**
 - d. Intake/Wet Well – **Ready in March**
4. Update StateMod and finalize required import flow rate – **Complete.**
5. Exercise existing easement options that will otherwise expire – **85 percent complete; ongoing.**
6. Develop Program Management tools to support financial and budget tracking. **Tool development is complete; regular updates and maintenance will continue.**
7. Obtain Intake permit coverage under United States Army Corp of Engineers Nationwide 12 – **Complete.**
8. Complete Sediment Transport Analysis and obtain Sovereign Lands Permit – **Analysis and report complete; permit from State Water Commission anticipated in the February/March timeframe.**
9. Complete North Dakota NPDES permit process – **Draft permit anticipated to be issued in June. We expect a 30-day comment period, with a 30-day extension likely granted by the Department of Health, resulting in a final permit in late August.**
10. Continue refinement of financial models – **Ongoing.**
 - a. Overall Financial Model – **The Financial Planning Team constructed a series of robust financial models to evaluate sensitivity to multiple underlying funding plan variables. These variables included an analysis of variability regarding State core pipeline and**

- branch pipeline capital cost-share level, financing terms, construction schedule, drought operations cost funding, and branch pipeline implementation scenarios.
- b. Cost Allocation Plan – In addition to modeling variability regarding State core pipeline capital cost-share level, State versus Local cost allocation variability was evaluated for drought operations, baseline operations, and long-term project renewal costs. Furthermore, allocation of Local cost share to Users was developed using a tiered allocation model that is based on access to and need for the project.
 - c. Ability to Pay System Scenarios – To evaluate the Users most feasible capital cost-share, debt financing approach, construction schedule, and drought operating cost share, a series of “Ability to Pay” system scenarios were evaluated. The results of these scenarios were correlated with specific end user impacts, which was measured in terms of the anticipated percentile impact to a typical users’ monthly water bill under either baseline or drought operating circumstances.
11. Develop legislative plan for 2019-2021 biennium – Development and consensus of five goals for the 2019 legislative including: 1) \$50-million grant for construction of pipeline segment, land acquisition, facility and pipeline design, and management and administrative services; 2) affordable cost-share between state and local users; 3) long-term low interest loan from the State in the form of a 40-year 2-percent loan; 4) drought operation and funding plan through State Water Commission budget mitigation fund; and 5) 10-year project funding plan and construction schedule commitment.
 12. Present financial models to stakeholders and policymakers – End User Bill Impacts Financial Analysis developed under item 9.c. have been presented to representatives of all prospective users who have a Board Member on the Lake Agassiz Water Users Board of Directors. LAWA FAC meeting in March 2019 will roll out the analysis for all nominated systems that provided data.
 13. Develop Project Participation agreements – Ongoing.
 14. Develop and implement MOU with Garrison Diversion – Ongoing.
 15. Continue communications – Completed last year and ongoing for 2019.
 - a. Develop and distribute RRVWSP Quarterly Newsletter
 - b. Staff LAWA display booths at appropriate conferences and events
 - c. Prepare and distribute news releases regarding RRVWSP and LAWA efforts
 - d. Develop articles for ND Water and other potential publications
 - e. Maintain social media sites for RRVWSP
 - f. Maintain RRVWSP and LAWA websites
 - g. Develop landowner communication tools
 - h. Develop RRVWSP education tools – videos, presentations, handouts, etc.
 - i. Prepare for 2019 Legislative session

**Red River Valley Water Supply Project
2019 Draft Work Plan**

1. Early-Out Projects – Finalize designs in March, advertise and award three construction contracts, and begin construction of:
 - a. Trenchless Crossings (contract 5A),
 - b. Discharge Structure, and
 - c. Missouri River Intake Pumping Station Wetwell.
2. Complete marine borings in the Missouri River and begin development of geotechnical reports for the Missouri River Intake.
3. Begin final design of facilities to be built in and under the Missouri River to meet USACE Nationwide 12 permit schedule requirements.
4. Begin conceptual design of new McClusky Canal Intake and Pumping Station.
5. Investigate routing and begin preliminary design of a new McClusky pipeline, including wetlands delineation and surveys.
6. Complete final design and associated plans and specifications in June; advertise and award construction contract for 4-mile pipeline (contract 5A).
7. Complete final design and development of associated plans and specs for 24-mile pipeline (contract 5B).
8. Begin final design and development of associated plans and specifications for 24-mile pipeline (contract 4 or 6).
9. Begin advancement of the Biota Water Plant, Main Pumping Station, and Control Valve Structure designs to a 30-percent completion stage.
10. Land Acquisition
 - a. Secure required main pipeline easements; obtain options for the McClusky pipeline.
 - b. Purchase land for Missouri River Intake and Control Valve/Discharge Structures sites.
 - c. Begin platting, appraisals, and site assessments for acquisition of Hydraulic Break Tanks, Biota Water Plant, and McClusky Canal Intake and Pumping Station sites.
11. Begin development of a report with strategies and protocol for operating the water supply system, including Lake Ashtabula releases, to meet project participant needs.
12. Continue use of previously developed program management tools to support financial and budget tracking, to mitigate project risks, and to monitor schedule and performance.
13. Select a vendor and begin implementation of a Project Information Management System software solution to manage workflows and organize/retain project data.
14. Obtain a Sovereign Lands Permit for the Missouri River Intake from the State Water Commission in the February/March timeframe.
15. Continue working to obtain a North Dakota NPDES discharge permit with a draft permit anticipated by June based on recent discussions with the NDDH. Final permit is expected in late August.

**Red River Valley Water Supply Project
2019 Draft Work Plan**

16. Continue refinement of financial models
 - a. Finalize Overall Financial Model – Finalize model and incorporate final determinations for construction schedule, project cost share, local financing structure, and drought funding plan.
 - b. State/BND Interface and RTF Forecasting Support/Outreach – Support Garrison Diversion in relaying key considerations for projected costs as they relate to the State’s share of the project. Work will include refinement of construction spend schedule to ensure State understands RTF funding implications as well as further development of the preferred approach to drought operations funding.
 - c. Final Cost Allocation Plan – Work with users through LAWA FAC to make final determinations for cost allocation approach for domestic and industrial nominations. Work will include ensuring all nominating systems understand final approach and anticipated long-term obligations and impacts from the project.
 - d. User Agreement Financial Terms and Conditions – Assist Garrison Diversion and Legal Team in developing appropriate terms and conditions for agreements considering all anticipated allocated costs related to project capital, financing, operations, and renewal.
 - e. 2019 Local Share Capital Financing Support – Assist in securing first State loan for the project and executing initial State loan allocations to the users per the agreed upon terms and conditions.
 - f. Capital Accounting and Cost Allocation Protocol Development – Develop protocol and systems required to ensure cost allocation over time remains consistent with final agreed upon approach for the allocation methodology.
 - g. Ability to Pay System Scenarios
17. Develop legislative plan for 2019-2021 biennium – Create brochures, presentations, testimony, and host social and meetings that are all focused on five goals for the 2019 legislative session including: 1) \$50MM grant for construction of pipeline segment, land acquisition, facility and pipeline design, and management and administrative services; 2) affordable cost-share between state and local users; 3) long-term low interest loan from the State in the form of a 40-year 2-percent loan; 4) drought operation and funding plan through State Water Commission budget mitigation fund; and 5) 10- year project funding plan and construction schedule commitment.
18. Present financial models to stakeholders and policymakers – Assist Garrison Diversion in working with users to relay and garner feedback from evaluations undertaken under refinement of financial models discussed above.
19. Finalize and execute Project Participation Agreements
20. Finalize and implement a Memorandum of Understanding between Garrison Diversion and LAWA

**Red River Valley Water Supply Project
2019 Draft Work Plan**

21. Continue communications
 - a. Develop and distribute RRVWSP Quarterly Newsletter
 - b. Staff LAWA display booths at appropriate conferences and events
 - c. Prepare and distribute news releases regarding RRVWSP and LAWA efforts
 - d. Monitor media
 - e. Develop articles for ND Water and other potential publications
 - f. Develop content and monitor social media sites for RRVWSP
 - g. Maintain RRVWSP and LAWA websites
 - h. Develop landowner communication tools
 - i. Develop RRVWSP education tools (videos, presentations, handouts, etc.)
 - j. Develop communication strategies and execute on content and events that support goals of 2019 Legislative session
 - k. Hold a 2019 Water Conference and develop content to support goals of conference