



Garrison Diversion
Conservancy District
P.O. Box 140
Carrington, ND 58421

PROVIDING *water*
FOR NORTH DAKOTA'S FUTURE.

garrison diversion conservancy district
2015 ANNUAL REPORT



our mission

TO PROVIDE A RELIABLE, HIGH QUALITY
AND AFFORDABLE WATER SUPPLY TO
BENEFIT THE PEOPLE OF NORTH DAKOTA.

EXECUTIVE LETTER

2015 was an important year for the Garrison Diversion Conservancy District (Garrison Diversion). We continued to provide vital services and programs that help meet North Dakota's water needs, and, after years of preliminary planning, we took further steps that will lead to the future construction of the Red River Valley Water Supply Project (RRWSP).

And that's just the tip of the iceberg.

Agriculture and Natural Resources

Garrison Diversion has always been dedicated to providing a reliable water source for agriculture, which has resulted in many irrigation projects over the years. In 2015, we completed the Mile Marker 49 Irrigation Project, the Mile Marker 10 Irrigation Project and the Water Service Contract for the Mile Marker 1.7 Irrigation Project. We also continued assisting with the maintenance of some of our state's important wildlife areas.

Operations and Maintenance (O&M)

The O&M team is responsible for ensuring that the Garrison Diversion Unit's (GDU) Principal Supply Works operate reliably. Thanks to the staff's proven expertise, they also regularly assist other agencies and organizations with operations and maintenance at major facilities like the Jamestown Dam and Devils Lake Outlets.

Recreation

For years, our Matching Recreation Grant Program has provided funds to support local recreation projects in communities across our district. In 2015, Garrison Diversion awarded \$282,097 to 24 projects in our member counties.

Municipal, Rural and Industrial (MR&I)

Garrison Diversion is committed to supporting MR&I projects across the state. Last year, we developed 26 drought management plans and 26 water conservation plans for local communities. We also awarded \$10.1 million from the MR&I Fund in cooperation with the State Water Commission (SWC) for water system expansions.

This is just a snapshot of some of the important projects Garrison Diversion worked on over the past year. I couldn't be more proud of what we accomplished in 2015 as my first year as the General Manager. I look forward to continuing our important work in the years ahead.

The 2015 Annual Report is full of articles that demonstrate the ways Garrison Diversion is working to provide North Dakotans with a reliable, high quality and affordable water supply. Thanks for reading.



A handwritten signature in black ink that reads "Duane DeKrey".

Duane DeKrey
General Manager



A handwritten signature in black ink that reads "Kenneth Vein".

Kenneth Vein
Board Chairman

GARRISON DIVERSION *board of directors*



Back Row L-R

Dave Anderson, Pierce County; Kelly Klosterman, Richland County; Steve Metzger, Foster County; Cliff Hanretty, McHenry County; Ken Vein, Grand Forks County; Roger Fenstad, Cass County; John Leininger (deceased), Griggs County

Middle Row L-R

Bill Ongstad, Wells County; Kenny Rogers, Bottineau County; Tim Schindler, Sheridan County; Geneva Kaiser, Stutsman County; Renae Rayner, Steele County; Norman Haak, Dickey County; Mike Tweed, Eddy County; Ward Koeser, Williams County

Front Row L-R

Mark Cook, Renville County; Dr. Bill Krivarchka, Traill County; Ken Royse, Burleigh County; Jeff Breker, Sargent County; Dennis Wendel, LaMoure County; Jay Anderson, Ransom County; John Peyerl, Ramsey County; Dave Johnson, Benson County

Not Pictured

Rick Anderson, McLean County; Richard Cayko, McKenzie County; Alan Walter, Ward County; Dan Marquart (deceased), Nelson County; Roger Bischoff, Barnes County



AGRICULTURE AND *natural resources*

Agriculture remains an important element of Garrison Diversion's foundation. In 2015, we continued to support irrigation development across the state by developing or constructing irrigation projects, providing funding for agricultural and irrigation research and development through the ND Irrigation Association and the NDSU Oakes Irrigation Research Site (OIRS).

In addition, the McClusky Canal in central North Dakota has become a valuable resource to several farmers looking to develop irrigation on their farmland. Garrison Diversion continued the McClusky Canal Irrigation Project by completing the 220-acre Mile Marker (MM) 49 Irrigation Project and the 200-acre MM 10 Irrigation Project. In addition, a water service contract was secured for the 550-acre MM 1.7 Irrigation Project.

Garrison Diversion also spent a significant amount of time developing a Master Irrigation Plan to address how irrigation development can be maximized along the canal in the future.

Garrison Diversion continued to invest in the development of the OIRS Expansion Plan. The OIRS is a vital research site providing invaluable data to farmers across North Dakota. In order to assist the OIRS, Garrison Diversion purchased five acres of land and facilitated the purchase of a used plot combine and a linear irrigation system with help from our research partners, the ND Soybean Growers and the ND Corn Growers.

Garrison Diversion also worked to maintain, enhance and protect North Dakota's natural resources by assisting with maintenance at the Audubon and Arrowwood National Wildlife Refuges, Lonetree Wildlife Management Area and various Fish and Wildlife tracts.



OPERATIONS AND *maintenance*

Working cooperatively with the Bureau of Reclamation (BOR), the Garrison Diversion O&M crew kept the existing GDU facilities in good working condition. The GDU facilities include the McClusky Canal, New Rockford Canal and Oakes Test Area.

Garrison Diversion maintains O&M employees in four locations – Carrington, New Rockford, Oakes and McClusky. The staff includes a professional engineer, master electrician, certified diesel mechanic, painting and coating specialists, vegetative management specialists and multiple heavy equipment operators. Garrison Diversion also retains a large fleet of equipment with dozers, loaders, backhoes, trucks and excavators, and many specialized pieces that allow for work in a variety of situations.

“We had a great year for getting our work done, whether completing special projects or routine tasks,” said Kip Kovar, District Engineer. “We have an excellent staff that is very capable of doing whatever work is asked of them. The weather cooperated when we needed it to in order for us to keep our work on track.”

One large undertaking in 2015 was coating the inside of the #2 discharge pipe at the Snake Creek Pumping Plant (SCPP). The discharge pipe runs from the SCPP underneath Hwy 83 into Lake Audubon and is approximately 12 ft in diameter and around 800 ft long. The complex project took three to six employees nearly two months to complete.

Expertise in canal maintenance, earth moving and other construction areas enables the O&M staff to assist federal and state government agencies. Cooperative agreements with the SWC, BOR, ND Game & Fish and U.S. Fish & Wildlife Service benefit everybody involved.

The O&M crew assisted the SWC with monitoring and operating the Devils Lake Outlets, along with water sampling, mowing and spraying as part of routine operations at the Devils Lake Outlets. The crew also helped the BOR complete specialty concrete repairs at Jamestown Dam.

Garrison Diversion also completed O&M on irrigation facilities within the McClusky Canal Irrigation Project, which includes pumping stations and delivery pipes.



RED RIVER VALLEY WATER SUPPLY *project*

The need for a reliable and sustainable water supply in the Red River Valley is real. The RRWSP will help meet the water supply needs of the users in the Valley and along the pipeline route to ensure the continued prosperity of central and eastern North Dakota.

Over the course of the year, significant progress was made on the RRWSP. We are excited about the level of interest expressed by legislators during the 2015 session. They appropriated \$12.3 million for the 2015-2017 biennium and have indicated future legislative intent to help fund the actual development of the RRWSP. The funding set the stage for the completion of conceptual design work. Garrison Diversion also implemented multiple task orders as part of the conceptual design phase of the RRWSP:

- Missouri River Intake Investigation
- Horizontal Alignment
- Horizontal Collector Well Conceptual Design
- Baldhill Creek Investigation
- Hydraulic and Pump Analysis
- Water Treatment Plant

In 2015, the Missouri River Intake Investigation was completed.

Garrison Diversion also hosted “When the Valley Turns Dry” water conference to educate the public on the monumental project. The conference focused on the RRWSP and the need for a supplemental water supply in eastern North Dakota. In 2015, Garrison Diversion also provided administrative support to the Lake Agassiz Water Authority, including facilitating meetings and providing legal and engineering services.



RECREATION

Recreation opportunities across the state are valued by residents and visitors of North Dakota alike. Garrison Diversion is proud to bring value to our state by offering the Matching Recreation Grant Program. The program distributes 20% of Garrison Diversion's one-mil levy to eligible projects within the district.

In 2015, Garrison Diversion's Matching Recreation Grant Program awarded funds to help communities provide safe park equipment for children and grandchildren, multi-use paths to get the blood flowing and new campsites designed to help people kick back and relax for the weekend. A total of \$282,097 was awarded to 24 projects within the district, allowing many communities to expand or enhance recreation opportunities offered for residents and visitors.

In addition, the program expended over \$320,000 to previously approved recreation projects. To date, over \$4 million has been expended on recreation projects.



2015 Approved Projects

Bottineau County

- Tommy Turtle Park Improvement Project and Welcome Center construction

Burleigh County

- New playground equipment at Kiwanis Park in Bismarck

Cass County

- New vault toilet at Brewer Lake
- Red River Valley Fair campground renovations

Dickey County

- Disc golf course at Pheasant Lake

Eddy County

- New playground equipment for the Archie and Jessie Campbell Memorial Park in New Rockford

Foster County

- Shelter/restroom construction along the recreational trail near CrossRoads Golf Course
- Community entertainment pavilion at the Foster County Fairgrounds

Grand Forks County

- Additional camper sites and a disc golf course at the Fordville Dam Recreation Area

McLean County

- Brekken Holmes Recreation Area improvements

Nelson County

- Boat ramp upgrades and a new fish cleaning station at the Tolna Bay Recreation Area

Ramsey County

- New dock and fishing pier at Lakewood Beach on Creel Bay

Ransom County

- New playground equipment for the Dead Colt Creek Recreation Area

Renville County

- Playground equipment at the Mohall Fairgrounds
- Playground equipment for the Glenburn City Park

Richland County

- ADA accessible restrooms at the Hankinson City Park
- New playground equipment for the Wyndmere Rock Garden Park

Sargent County

- New picnic shelter at Silver Lake Park

Stutsman County

- Playground equipment for the Medina City Park

Trail County

- Hatton park shelter and picnic area upgrades

Ward County

- Continued development of the multi-use path between Minot and the Minot Air Force Base
- Construction of shelters along the fitness trails in Ward County
- Electrical upgrades in the industrial camping lot at the ND State Fair

Wells County

- Establishing a new primary water source for the Fessenden Golf Course

MUNICIPAL, RURAL AND *industrial*



Garrison Diversion's mission is to provide a reliable, high quality and affordable water supply to benefit the people of North Dakota. The state MR&I program, jointly administered by Garrison Diversion and the SWC, provides funding to deliver quality water throughout the state. In 2015, \$2.1 million was distributed through the MR&I program to help water systems deliver high quality and affordable water to homes, businesses and farms. An additional \$10.12 million was awarded to other MR&I projects across the state.

Garrison Diversion also provided funding to the ND Rural Water Systems Association to assist with the completion of 26 drought management plans and 26 water conservation plans for communities in North Dakota.



OVERVIEW OF *financial statements*

The financial statements provide readers with a broad overview of Garrison Diversion's finances, in a manner similar to a private-sector business.



Garrison Diversion Statement of Net Position

Assets	2015	2014
Cash	\$6,254,143	\$5,091,577
Investments	\$4,001,199	\$4,000,198
Land	\$143,667	\$123,667
Land improvements	\$360,780	\$390,647
Construction in progress	-	\$93,426
Buildings	\$835,727	\$866,449
Equipment	\$1,802,179	\$1,982,078
Pipeline	\$2,336,389	\$1,902,076
Total assets	\$15,734,084	\$14,450,118
Liabilities		
Bond payable	\$1,108,693	\$1,192,655
Note payable	\$225,000	-
Total liabilities	\$1,333,693	\$1,192,655
Net assets		
Net investment in capital assets	\$4,145,049	\$4,165,688
O&M emergency fund	\$822,818	\$822,818
Deficiency fund	\$802,288	\$802,288
Project development fund	\$915,593	\$915,593
Red River Valley Water Supply	\$250,855	-
Unrestricted fund	\$7,463,788	\$6,551,076
Total net assets	\$14,400,391	\$13,257,463
Total liabilities and net assets	\$15,734,084	\$14,450,118

The Statement of Net Position (above) presents information on all of Garrison Diversion's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net assets may serve as a useful indicator of whether the financial position of Garrison Diversion is improving or deteriorating.

Garrison Diversion Statement of Activities

Revenues	2015	2014
Taxes	\$3,026,645	\$2,711,176
Interest on investments	\$12,083	\$11,694
Non-project income	\$616,734	\$437,111
Program income	\$9,180	\$8,345
Contract revenue	\$8,466,634	\$12,573,439
Leases	\$2,303	\$2,303
Miscellaneous	\$497	\$1,467
Total revenue	\$12,134,076	\$15,745,535
Expenditures		
Current		
Directors	\$201,046	\$201,134
Personnel	\$2,791,571	\$2,654,659
Contractual services	\$3,134,324	\$10,412,801
Research	\$449,143	\$264,654
Maintenance	\$528,078	\$547,769
Engineering & survey	\$553,885	\$246,604
Recreation grant program	\$329,885	\$278,879
Other charges	\$2,265,317	\$803,940
Irrigation districts	-	\$225
Capital outlay	\$800,574	\$356,546
Debt service		
Principal	\$83,962	\$79,239
Interest and fiscal charges	\$57,724	\$62,431
Total expenditures	\$11,195,509	\$15,908,881
Revenue over (under) expenses	\$938,567	\$(163,346)
Other financing sources		
Debt issuance	\$225,000	-
Transfers in	\$890,588	\$740,929
Transfers out	\$(890,588)	\$(740,929)
Total other financing sources	\$225,000	-
Net change in fund balance	\$1,163,567	\$(163,346)
Fund balances, beginning of year	\$9,091,775	\$9,255,121
Fund balances, end of year	\$10,255,342	\$9,091,775

The Statement of Activities (above) presents information on all of Garrison Diversion's direct expenses and program revenues for the activities of Garrison Diversion. It shows how the fund balances changed during the year. * Financial data is in draft form. At the time of the Annual Report publication, Garrison Diversion's audit was not finalized.

Statement of General Fund Income and Expenditures

Statement of General Fund Income and Expenditures for the fiscal year ending December 31, 2015.

Income budget	Budget FY 2015	Actual FY 2015
Municipal, Rural & Industrial administration	\$113,830	\$113,830
Operations & Maintenance administration	\$862,973	\$862,973
Interest income	\$11,802	\$11,802
Contract revenue	\$18,198	\$18,198
Lease income	\$2,303	\$2,303
Tax levy	\$3,026,641	\$3,026,641
Miscellaneous income	\$1,101	\$1,101
Total income	\$4,036,848	\$4,036,848

Expense budget	Budget FY 2015	Actual FY 2015
Director's per diem	\$90,000	\$88,498
Director's expenses	\$115,000	\$112,548
Employee's salaries	\$769,281	\$537,458
Employee's expenses	\$116,000	\$50,566
Payroll taxes & benefits	\$426,247	\$361,545
Operations expenses	\$205,000	\$154,076
Irrigation development	\$486,132	\$485,225
Public education	\$247,750	\$144,128
Professional services	\$1,039,800	\$760,593
Legal	\$170,000	\$155,995
Maintenance & repair	\$58,000	\$45,497
Irrigation district expenses	\$2,643	-
Capital purchases	\$66,000	\$19,525
Recreation programs	\$446,329	\$327,405
Total expenses	\$4,238,182	\$3,243,059

Requests for information

The financial report provides a general overview of Garrison Diversion's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Garrison Diversion Conservancy District, P.O. Box 140, Carrington, ND 58421.

