

GARRISON DIVERSION CONSERVANCY DISTRICT

**BOARD OF DIRECTORS
Garrison Diversion Conservancy District
Carrington, North Dakota**

January 20 and 21, 2022

A meeting of the Garrison Diversion Conservancy District Board of Directors was held on January 20 and 21, 2022, at the Garrison Diversion Conservancy District in Carrington, North Dakota. The meeting was called to order by Chairman Walter at 1:30 p.m. on January 20.

MEMBERS PRESENT

Chairman Alan Walter
Vice Chairman Jay Anderson
Second Vice Chairman Roger Fenstad (video conference)
Director Dave Anderson
Director Rick Anderson (video conference)
Director Greg Bischoff
Director Kyle Blanchfield (video conference)
Director Nikki Boote (video conference)
Director Richard Cayko
Director Mark Cook
Director David Johnson (day one only)
Director Geneva Kaiser
Director Larry Kassian
Director Bruce Klein
Director Kelly Klosterman
Director Ward Koeser
Director Bill Krivarchka
Director Brandon Krueger
Director Nancy Marquart (video conference)
Director Steve Metzger
Director Bill Ongstad
Director Brian Orn (video conference)
Director Jim Pellman
Director Kenny Rogers
Director Mike Tweed
Director Ken Vein (video conference)
Director Donald Zimbleman (video conference)
Secretary Duane DeKrey

MEMBERS ABSENT

Director Cliff Hanretty

OTHERS PRESENT

Garrison Diversion staff members and others were present. 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.

READING OF THE MINUTES

Motion by Director Cayko to dispense with a reading of the October 7, 2021, Committee of the Whole, October 7, 2021, Board of Directors and January 11, 2022, Special Board of Directors meeting minutes and approve them as distributed. Second by Director Cook. Upon voice vote, motion carried.

OFFICER AND COMMITTEE REPORTS

Chairman - - Chairman Walter provided a summary of the December 16, 2021, Executive Committee meeting.

Executive Committee

Audit Engagement Letter

Cindy Hewitt, Accounting Specialist, Garrison Diversion, referred to the audit engagement letter received from EideBailly. Garrison Diversion has requested EideBailly audit the 2021 modified cash financial statements of the governmental activities and each major fund. This letter confirms the audit and explains the audit process and the management responsibilities. The price of the audit is \$28,400. A copy of the letter is attached to these minutes as Annex II.

Motion by Director Koeser to approve the audit engagement with EideBailly to conduct an audit of Garrison Diversion's 2021 financial statements. Second by Director Klein. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Financial Statements

Ms. Hewitt referred to and reviewed Garrison Diversion's financial statements for the period of January 1, 2021, through December 31, 2021. Copies of the financial statements are attached to these minutes as Annex III.

Revenues through December 31 are broken out as follows: General Fund \$4,522,020; MR&I Fund \$13,572,626; O&M Fund \$6,453,714; RRVWSP Fund \$18,179,977 and Irrigation Fund \$566,915.

Expenditures were: General Fund \$3,094,114; MR&I Fund \$13,552,716; O&M Fund \$5,213,581; RRVWSP Fund \$19,809,572 and Irrigation Fund \$557,280. Transfers in, which is indirect fees paid to the General Fund from the other funds, total \$1,108,239.

Total expenses budgeted were \$47,498,000. Actual expenditures were \$42,227,263 or 88.9% of the budget. Adding in the transfers in and out, the budget was \$48,764,000. Expenditures were \$43,245,502 or 88.7% of the budget.

Income received through December 31 is \$43,295,252 with expenditures and transfers out totaling \$43,245,502.

Garrison Diversion's reserve accounts total \$7,527,612.

Deposits at Bank of North Dakota are \$8,938,377; First International Bank & Trust \$10,333,251; Farm Credit Services \$1,000 and Bremer Bank \$3,722,044.

Motion by Director Cayko to accept the financial statements for the period of January 1, 2021, through December 31, 2021. Second by Director Metzger. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Affirmation of Banks

Ms. Hewitt explained Section 21-04-13 of the North Dakota Century Code requires Garrison Diversion to examine all outstanding bonds and designate its bank depositories every even numbered year.

Ms. Hewitt stated Garrison Diversion is currently working with BND, Bremer Bank and First International Bank & Trust. As soon as the loan is processed, rates will be researched on certificates of deposit with Edward Jones, Dakota Community Bank & Trust and Financial Strategies Group. She suggested the board approve the designated bank depositories.

Motion by Director Marquart to approve designating Bremer Bank, Bank of North Dakota, Edward Jones, First International Bank & Trust, Dakota Community Bank & Trust and Financial Strategies Group as Garrison Diversion's bank depositories for the calendar years 2022 and 2023. Second by Vice Chairman J. Anderson. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

2021 Budget Revisions

Ms. Hewitt reviewed Garrison Diversion's 2021 budget revisions RV3 with the board. A copy of the budget revisions is attached to these minutes as Annex IV.

Motion by Director Klein to approve the following 2021 budget revisions:

Expenses

General Fund

Recreation

Recreation Matching, increase of \$8,000

Maintenance & Repair

Land & Bldg Maintenance, increase \$150

Auto Expense, decrease of \$150

Second by Director Cook. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Budget Timeline

Ms. Hewitt reviewed the Budget Timeline for the 2023 budget preparation process.

Vice Chairman - - Jay Anderson, Vice Chairman, commented on various activities he has been involved in on behalf of Garrison Diversion, mainly involving the Red River Valley Water Supply Project (RRVWSP).

Second Vice Chairman - - Roger Fenstad, Second Vice Chairman, also reported on how busy the schedule has been with RRVWSP meetings and progress being made on the project.

1st Report of the Nominating Committee - - Director Marquart, Chairperson, Nominating Committee, reported there are three positions up for election this year on the Executive Committee. The individuals with expiring terms are Mark Cook, Bruce Klein and hers. She is not eligible for re-election; however, Directors Cook and Klein are each eligible for another term. Both have indicated they would like to run again.

The Nominating Committee nominates the following directors for the Executive Committee positions: Dave Anderson, Mark Cook and Bruce Klein. If anyone else is interested in running, contact Director Marquart before the end of the day.

Agriculture and Natural Resources Committee - - Director Cook, Chairman, Agriculture and Natural Resources Committee, announced the committee met this morning and heard an update on potential new irrigation sites and a report on the 2021 crop and research season at the Oakes Irrigation Research Site (OIRS). The main topic of discussion was the construction of a building at the OIRS. The conversation revolved around site preparation, building size and a floor plan. The board earlier budgeted \$250,000 to go toward the new building. If the bids on the building exceed \$200,000, an architectural firm needs to be hired. Kip Kovar, District Engineer, Garrison Diversion, will work on developing plans and specifications for the building in order to advertise for bids.

Engineering & Operations Committee - - Director Vein, who chairs the Engineering & Operations Committee (E&O), informed the board the E&O Committee also met this morning at

which time a review of the 2021 O&M Work Plan activities at each of the work sites was provided, along with an update on the McClusky Canal major slide repair project. Following that, the committee reviewed and approved the 2022 O&M Work Plan and Budget as well as the Devils Lake Outlet Work Plan.

MR&I Committee

Director Kaiser, Chairperson, MR&I Committee, conveyed the MR&I Committee met on November 30. An additional \$650,000 in MR&I funds became available from the Bureau of Reclamation (Reclamation) for Fiscal Year 2021, and the committee voted to recommend this funding be awarded to the ENDAWS Project. The State Water Commission met on December 10 and agreed to allocate the \$650,000 for ENDAWS. In addition, the committee discussed the Federal MR&I Program's Five-Year Plan, and a motion was approved authorizing Garrison Diversion staff to work with the SWC to incorporate ENDAWS into the five-year plan.

MR&I Construction Report

Secretary DeKrey referred to the MR&I construction report dated December 31. He reviewed the project expenditures from October through December 2021 totaling \$5,773,230. Total 2021 MR&I expenditures are \$13,420,818. Remaining approved federal MR&I funds are \$27,138,211. Remaining funds to be re-allocated from 2021 total \$68,207. A copy of the report is attached to these minutes as Annex V.

RED RIVER VALLEY WATER SUPPLY PROJECT (RRVWSP)

Red River Valley Committee

Director Bischoff, Chairman, Red River Valley Committee, reported the committee met on November 29 to approve a work change directive and again this morning to review task orders and the recommendation on Contract 5B, which will be presented to the board today.

Director Bischoff also remarked he has been attending the LAWA Board, LAWA Technical Advisory Committee (TAC) and LAWA Financial Advisory Committee (FAC) meetings keeping up-to-date on the RRVWSP progress and activities.

Pipe Size and Hydraulic Analysis

Kip Kovar, District Engineer, Garrison Diversion, referred to the draft technical memorandum regarding the RRVWSP Hydraulic Analysis of the project pipeline prepared by Black & Veatch, Burian & Associates and Advanced Engineering and Environmental Services. Questions have been asked about the flexibility within the system and what is the maximum cfs that can flow through the system since the intake is sized for something larger than 165 cfs.

Mr. Kovar provided a system hydraulics update via PowerPoint. This included an overview of the 2017 hydraulic evaluation, what necessitated a re-examination, design/constructed capacity of the various components, pipe sizes required to deliver higher flows and incremental cost for higher capacity.

Transmission Pipeline East, Contract 5B**Bid Summary**

Mr. Kovar informed the board the bid opening for Contract 5B, Transmission Pipeline East, took place on January 13. Four bids were received from the following: 1) S.J. Louis Construction, 2) Oscar Renda Contracting, 3) Garney Companies and 4) Thaille Construction Company. The bidding process included the base bid of seven miles of pipe, along with three alternative bids. Alternate 1 added another mile of pipe, Alternate 2 also adds another mile of pipe, and Alternate 3 asked for the incremental cost to switch the pipe size to 78 inches.

Mr. Kovar referred to the bid tabulation summary and read off the grand total for the base bid and Alternates 1 and 2, which is nine miles of pipe, which are listed below. A copy of the bid tabulation summary is attached to these minutes as Annex VI.

| | |
|--------------------------------|--------------|
| S.J. Louis Construction, Inc. | \$44,778,550 |
| Oscar Renda Contracting, Inc. | \$53,110,650 |
| Garney Companies, Inc. | \$45,961,700 |
| Thaille Construction Co., Inc. | \$56,673,150 |
| Engineer's Estimate | \$62,768,500 |

Engineer's Recommendation

Mr. Kovar stated after opening bids, the bidders (contractors) also were requested to submit qualifications for their work. These qualifications were reviewed and evaluated by Black & Veatch, and the engineer's recommendation was developed.

Paul Boersma, Black & Veatch, referred to the engineer's recommendation letter and reviewed and explained the evaluation of bids, evaluation of the contractor qualifications, assessment of bid irregularity of the apparent low bidder and the apparent low bidder's approach to electrical subcontracting. A copy of Black & Veatch's recommendation letter is attached to these minutes as Annex VII.

Mr. Boersma said the bottom line is Black & Veatch is not recommending the contract be awarded to the apparent low bidder, S.J. Louis Construction. They are recommending the contract be awarded to the second lowest bidder, Garney Companies.

Ms. Norgard and Nick Suma, Vogel Law, provided comments on the bid irregularity from a legal standpoint.

Notice of Award

Motion by Second Vice Chairman Fenstad to award the base bid plus Alternate 1 and Alternate 2 for the RRVWSP, Contract 5B, Transmission Pipeline East, to Garney Companies in the amount of \$45,961,700 based on the engineer's recommendation. Second by Director Metzger. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Mr. Kovar distributed a copy of the notice of award, which will be submitted to the contractor.

Notice to Proceed

Mr. Kovar said once the contractor returns all of the proper documentation to Garrison Diversion, a notice to proceed with the construction contract needs to be issued.

Motion by Director Bischoff authorizing the general manager to move forward with the notice to proceed on RRVWSP Contract 5B, Transmission Pipeline East with Garney Companies pending submittal of the contractor's documentation. Second by Vice Chairman J. Anderson. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Contractor's Agreement

Mr. Kovar reviewed the contractor's agreement, stating this is provided for the board's information. The contractor's agreement is signed by the contractor verifying the contractor will stick to the items of the bid as well as verifying the plans and specifications. It also certifies and acknowledges the required documentation.

Task Orders

Mr. Kovar reported the LAWA TAC reviewed the following four task orders at their meeting on January 11 with a recommendation each be approved.

Task Order 1420 - Operational Planning, Phase 2

The objectives of this task order are to: 1) develop new draft operational plan protocols based on the framework established in Phase 1. The operational plan protocols will focus on necessary operational activities, processes, protocols, and stakeholder responsibilities that are needed for the effective operation of the RRVWSP, 2) engage project stakeholders and users to incorporate their concerns or priorities into the draft operational plan protocols and 3) develop a draft reservoir operations tool and water accounting tool which will be the first step toward having a predictive reservoir operations tool.

The cost of this task order is \$290,584.

Motion by Director D. Anderson to approve RRVWSP Task Order 1420, Operational Planning, Phase 2, in the amount of \$290,584. Second by Director Cook. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Task Order 5632 - Transmission Pipeline East, Contract 5B, Construction Phase Services

The objective of this task order is to oversee installation of approximately nine miles of pipe and accessory items generally in Foster County just south and east of Carrington. Contract 5B will connect to the east end of Contract 5A and continue east toward the outfall on the Sheyenne River. The pipeline will be 72-inch diameter steel pipeline primarily installed with cut-and-cover methods. There will be one tunneled crossing under the Canadian Pacific Railway.

The cost of the task order is \$4,034,000.

Motion by Second Vice Chairman Fenstad to approve RRVWSP Task Order 5632, Transmission Pipeline East, Contract 5B, Construction Phase Services, in the amount of \$4,034,000. Second by Director Klosterman. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Task Order 5270 - Pipeline Extensions Conceptual Design Update – Phase 1

The objectives of this task order are to: 1) obtain user feedback regarding updated domestic nominations, industrial nominations, projected peak day flow rates, point(s) of service, and route(s) of service, 2) develop a technical memorandum to document updated user nominations, peak flow rates, point(s) of service, and route(s) of service, 3) update the conceptual design of extension pipelines and estimated costs to support an updated plan for how each user will access project water and 4) provide ongoing support of project leadership meetings, project strategy meetings, project participation agreement development, and continued user outreach.

The cost of the task order is \$436,000.

Motion by Director Cook to approve RRVWSP Task Order 5270, Pipeline Extensions conceptual Design Update, Phase 1, in the amount of \$436,000. Second by Director Klein. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Task Order 5280 - ENDAWS Transmission Pipeline, Preliminary Design Services

Initial routing of the pipeline from the McClusky Canal to the hydraulic break tanks site was completed during the appraisal-level design, building upon previous efforts completed about a decade ago when the project was being advanced as part of the original Federal RRVWSP. This preliminary design under this task order effort will further advance the pipeline design and confirm constraints of the pipeline installation so the horizontal alignment can be finalized. Plan and profile drawings will be developed as part of this task order's effort. Another objective is to provide environmental consulting services within a 400-foot-wide survey corridor centered on the proposed ENDAWS route. The work will be performed to demonstrate compliance with commitments outlined in the Environmental Impact Statement (EIS). Field wetland delineation will

be completed, building upon the wetland delineation work done in 2009/2010. A wetland delineation report will be developed and submitted to the COE. A threatened and endangered species and eagle review will also be undertaken along with a cultural resource inventory.

The cost of the task order is \$1,239,000.

Motion by Director Vein to approve RRVWSP Task Order 5280, ENDAWS Transmission Pipeline, Preliminary Design Services, in the amount of \$1,239,000. Second by Director Tweed. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Construction Update - - Mr. Kovar shared photos of and provided updates on the RRVWSP construction sites via PowerPoint. This included the Missouri River Intake Pumping Station and Wet Well tunnel (Contracts 1 and 2), Transmission Pipeline East (Contract 5A) and Sheyenne River Outfall Discharge Structure.

RRVWSP Work Plan Update - - Mr. Kovar referred to the RRVWSP Work Plan Update of January 14, 2022, provided as summary of RRVWSP engineering and funding activities. A copy of the update is attached to these minutes as Annex VIII.

2021-2023 Work Plan Funding

Mr. Kovar referred to the RRVWSP 2021 to 2023 Biennium Budget dated September 29, 2021, listing the work items and cost breakdowns of the \$89.7 million work plan budget. This budget will be updated once the task orders presented today have been approved by the LAWA board.

DEPARTMENT OF WATER RESOURCES REPORT

Andrea Travnicek, Director, Department of Water Resources, addressed the board via video conference providing an update on the agency's current projects and activities, along with a report on the State Water Commission's funding approvals for the RRVWSP and ENDAWS.

RRVWSP CONTINUED

Financial Update

Task Order

Task Order 8410 - 2021-2023 Financial Planning Support

Merri Mooridian, Administrative Officer, Garrison Diversion, referred to and reviewed RRVWSP Task Order 8410, 2021 to 2023 Financial Planning Support. The primary objectives for this task order will be to continue to refine and build upon the draft financial implementation model.

Specific focus will include the finalization of the preferred financial implementation model to be included with the Project Participation Agreements (PPA), including the development of final

preferred cost-share and cost allocation approaches for core project infrastructure (i.e., main pipeline and facilities), non-core project infrastructure (i.e., branch pipelines), and varied project O&M cost allocation conditions (i.e., baseline versus drought supply conditions).

The cost of the task order is \$443,000.

Ms. Mooridian reported the LAWA FAC has reviewed this task order and will recommend its approval at the next LAWA Board meeting. The Garrison Diversion Executive Committee and Red River Valley Committee also recommend approval of the task order.

Motion by Director Bischoff to approve RRVWSP Task Order 8410, 2021 to 2023 Financial Planning Support, in the amount of \$443,000. Second by Second Vice Chairman Fenstad. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Johnson, Kaiser, Kassian, Klein, Klosterman, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty. Motion carried.

Water Infrastructure Revolving Loan Fund

Ms. Mooridian referred to the memo submitted to the State Water Commission from Secretary Travnicek recommending approval of Garrison Diversion's request for RRVWSP funding from the Water Infrastructure Revolving Loan Fund (WIRLF), which is a new fund approved by the 67th legislative assembly. It is administrated by the BND, but the State Water Commission approves project eligibility. A loan request was approved by the State Water Commission at its December 10 meeting in the amount of \$18,215,000 for the RRVWSP. Work will continue with the BND to finalize this loan process. The loan term is 40 years with a two percent interest rate.

Program Schedule - - Ms. Mooridian referred to the RRVWSP Program Schedule dated November 29, 2021, which shows the timeline of the ongoing RRVWSP construction projects.

Planning Level Budget - - Ms. Mooridian referred to the RRVWSP Planning Level Budget dated December 31, 2021. Total program expenses are \$49.7 million.

CENTRAL ND WATER SUPPLY

Ms. Norgard reported on the appeal regarding the State of Missouri's lawsuit on the Central North Dakota Water Supply (CND) project, stating the briefing by Missouri was supposed to take place on December 6; however, extensions have been allowed with the latest extension date January 28, 2022. North Dakota's brief is to follow 30 days later.

EXECUTIVE COMMITTEE NOMINATIONS FROM THE FLOOR

Chairman Walter asked for Executive Committee nominations from the floor three times. No further nominations were received; therefore, nominations ceased.

EXECUTIVE SESSION

Motion by Director Koeser to enter into Executive Session pursuant to N.D.C.C. §44-04-11.2 to discuss: 1) easement negotiations with property owners without easements acquired for Pipeline Segments 4, 6 and 7 and 2) initiation or litigation regarding remaining owners within pipeline Segments 4, 6 and 7. Second by Director Cayko. Upon voice vote, motion carried.

Executive Session began at 4:20 p.m.

Motion by Director D. Anderson to leave Executive Session. Second by Director Klein. Upon voice vote, motion carried.

Executive Session ended at 4:50 p.m., and the board meeting recessed.

The board meeting reconvened at 8:30 a.m. on January 21.

WASHINGTON, DC, REPORT

Luke Johnson and Bella Wolitz of Brownstein Hyatt Farber Schreck (BHFS) provided an overview on federal issues and legislation relating to water and Garrison Diversion within the United States Senate and House of Representatives.

OPERATION & MAINTENANCE (O&M) UPDATE

Ryan Anderson, Engineer, Garrison Diversion, provided a PowerPoint presentation including photos of the major slide repair project along the McClusky Canal.

Mr. Anderson reported in 2021, just under 40,000 loads of spoil were hauled, totaling 675,000 cubic yards. To date, approximately 2.3 million cubic yards have been moved. Nearly 90% of the spoil material hauling has been completed.

To date, approximately \$5.5 million of the \$17.5 million budget has been spent on the slide repair project. More costs are expected to be incurred in 2022 on rock, materials and tunneling.

Ongoing and future work includes placing spoil material on adjacent landowners' property. The next step is to negotiate contracts with the landowners, which will happen in the next couple of weeks. Cultural and wetland delineation surveys have been completed and submitted to the proper agencies for concurrence.

Three trenchless tunnels remain to be completed, and seven areas have been identified where water needs to be delivered from the back side of the slopes to the canal to drain the water in order to help with future slide issues.

Another item is cleaning out the water prism of the canal, and the O&M crew is about to the half way point on this job.

The last item is to perform the soil borings to further analyze ongoing slides in areas where slopes have already been laid back 4 to 1.

IRRIGATION UPDATE

Mr. Anderson stated the current number of irrigated acres remains the same as 2021. Two pivots are expected to be added this year.

This fall, five concept projects were put together for producers interested in what it will take to begin irrigating. The total amount of acreage involved is roughly 5,000 acres. Two of these projects would come out of the Missouri River.

BUREAU OF RECLAMATION REPORT

Joe Hall, Area Manager, Bureau of Reclamation (Reclamation), referred to Reclamation's report dated January 21 and provided highlights from ongoing projects involving Garrison Diversion. A copy of the report is attached to these minutes as Annex IX.

MR&I - - Mr. Hall commented the most recent modification completed on the MR&I Program was in December, which increased the percentage of funding for engineering and design and produced the percentage of funding for construction tasks. Reclamation is also currently working with Reclamation's regional office to prepare the Five-Year Cooperative Agreement.

Master Repayment Contract - - Mr. Hall stated Reclamation has been working with Garrison Diversion staff on the Master Repayment Contract. Garrison Diversion provided a number they had in mind, and Reclamation provided their own number. The numbers are a significant amount apart so work continues to come to a closer number. Once that occurs, an amendment will be developed to include 145 cfs for ENDAWS.

Vice Chairman Anderson asked if there is a date or timeline for getting the repayment issue settled and who needs to push to get the contract resolved. Is it Garrison Diversion or is it Reclamation?

Mr. Hall remarked that the ball is in his court. Garrison Diversion has provided what they feel is a proper number. Reclamation has been meeting bi-weekly, and the Regional office is waiting for those at Reclamation working on the repayment process to provide a number. He expects Reclamation will have a revised number by February to give to Garrison Diversion. He does not believe Reclamation's number will match Garrison Diversion's number, but, hopefully, the two can meet somewhere in the middle or at the lower end.

Infrastructure Bill - - Mr. Hall stated some of the numbers in the Bipartisan Infrastructure Law were released last week. There is \$420 million Reclamation-wide for Fiscal Year 2022. Reclamation's Regional Office will be setting up a stakeholders meeting in the next couple of weeks to determine a plan for breaking down the funding. The announcement provided the dollar amount but did not include a breakdown. Following that, he and Dani Fettig with the Dakotas Area Office will set up a meeting with Garrison Diversion.

Mr. Hall added the funding received under the MR&I Program from the Bipartisan Infrastructure Law will go toward State & Tribal MR&I Projects. The State's funding will be allocated to their existing programs, and the priorities will be determined by Garrison Diversion and the State Water Commission. Any projects eligible under the normal programs would be eligible for this funding. Funding will be received for the next five years. The \$420 million received was funding for FY2022, with additional funding over the next four years for the rural water programs Reclamation-wide.

Director Rogers asked whether any of the funding is targeted for the NAWS Biota Water Treatment (BWT) Plant.

Ms. Fettig said there will be funding available that could go toward the BWT Plant, but it would come off of the State MR&I ceiling. The IIJA did not include any separate authorization. All of the funding is for existing authorized rural water projects.

Chairman Walter commented funding for the BWT is being taken off the MR&I funding that was authorized in the Dakota Water Resources Act. This depletes the funding for the rest of the state by taking funding out of the IIJA for the BWT. The BWT is the responsibility of the federal government. Funding should be included in Reclamation's budget to pay for the BWT, and the IIJA funding could be used to fund the remaining systems.

Ms. Fettig replied that Reclamation, as described in the Environmental Impact Statement (EIS) for NAWS, does not have authority to give to the state for other purposes. A separate authorization would be needed in order to budget funding to the BWT separate from the State MR&I Program.

Mr. Hall added Reclamation cannot facilitate increasing funding, but GDCD, the state and others can. Garrison Diversion's and the State's MR&I ceiling is getting close, along with the tribal ceiling. There is some work being done behind the scenes to get the ceiling increased, and this would be a good opportunity to get language included for that plan, that would, hopefully, free up funding for other programs.

RRVWSP EASEMENT NEGOTIATIONS

Ms. Norgard remarked in regard to the topic discussed in Executive Session on January 20, 2022, which is the need to necessitate eminent domain on a handful of landowners located within RRVWSP Pipeline Segments 4, 6 and 7, Garrison Diversion has put together a list of landowners with whom negotiations have been completed and voluntary acquisition has not yet been received.

Chairman Walter read a motion prepared by legal counsel for the board's consideration.

Motion by Director Cayko to initiate eminent domain for the acquisition of right-of-way for the Red River Valley Water Supply Project pipeline on the following properties:

Wayne L. & Diane K. Anderson, NW¼, Section 14, Township 145, Range 62, Foster County
Thomas M. & Ardys J. Dahl, NE¼, Section 19, Township 145, Range 58, Griggs County
Steven A. Erfle, L1-2, Section 30, Township 146, Range 70, Wells County
David J. & Roxane M. Fike, SW4, EX RD, Township 146, Range 70, Section 29, Wells County
Albeana Haluska, SE4, Township 146, Range 72, Section 13, Wells County
Albeana Haluska, SW4, Township 146, Range 72, Section 13, Wells County
Albeana Haluska, NW4, Township 146, Range 72, Section 15, Wells County
Albeana Haluska, E2NE4 EX ABANDONED NP RY, Township 146, Range 72, Section 24, Wells County
Steven & Kristen Jones, SE4, Township 146, Range 70, Section 25, Wells County
Thomas M. & Toni R. Marcotte, NW4, Township 146, Range 68, Section 32, Wells County
Caroline Markwart, NW4 EX HWY, Township 146, Range 71, Section 21, Wells County

Karen A. & The Estate of James R. Neumiller, SE4, Township 146, Range 69, Section 26, Wells County
Karen A. & The Estate of James R. Neumiller, S2SW4 NW4SW4 SW4NW4, Township 146, Range 69, Section 28, Wells County
Fred & Debra Richter, SW4, Township 146, Range 69, Section 27, Wells County
Timothy & Debra Soma, E $\frac{1}{2}$ of SW $\frac{1}{4}$ Lots 3 & 4 Less 10, Township 145, Range 58, Section 18, Griggs County
Timothy & Debra Soma, E $\frac{1}{2}$ of NW $\frac{1}{4}$, Lots 1 & 2, Township 145, Range 58, Section 18, Griggs County
Timothy & Debra Soma, E $\frac{1}{2}$ of W $\frac{1}{2}$, Township 145, Range 58, Section 19, Griggs County
Timothy & Debra Soma, Lots 1, 2, 3 & 4, Township 145, Range 58, Section 19, Griggs County
Timothy & Debra Soma, SE $\frac{1}{4}$, Township 145, Range 59, Section 12, Griggs County
Timothy & Debra Soma, E $\frac{1}{2}$ of SW $\frac{1}{4}$, SW $\frac{1}{4}$ of SW $\frac{1}{2}$, Township 145, Range 59, Section 12, Griggs County
Marcotte Family Land Trust, SW 4, Township 146, Range 69, Section 26, Wells County
Jeanne Ann Unterseher Revocable Living Trust, NE4 EX CEM, Township 146, Range 71, Section 25, Wells County
Shepard View Farm LLC, E $\frac{1}{2}$ of SW $\frac{1}{4}$, Lots 3 & 4, Township 145, Range 58, Section 7, Wells County

Second by Second Vice Chairman Fenstad. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Kaiser, Kassian, Klein, Klosterman, Koeser, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty and Johnson. Motion carried.

ND WATER USERS/IRRIGATION ASSOCIATION REPORT

Dani Quissell, North Dakota Water Users/Irrigation Association, referred to the 2021 ND Irrigation Association Report, which provides their year-end recap. She also referred to the NDIA's 2022 Workplan, stating one of the big items the association plans to work on is holding regional meetings. The first roundtable meeting was held in Oakes to talk about some innovative things to look at for that area and the permit process to get more irrigation started.

Ms. Quissell reported the Natural Resources Conservation Service (NRCS) has \$1 million available through the NRCS' Environmental Quality Incentives Program (EQIP) for irrigators wishing to make changes to their irrigation system to increase water efficiency. Funding availability begins February 1. Examples of eligible projects include converting from flood to pivot, installing variable rate irrigation on an existing low-pressure system or converting a high-pressure center pivot to a low-pressure system.

The NDIA is also still pushing forward trying to get project pumping power added to the Water Resources Development Act (WRDA).

SNAKE CREEK EMBANKMENT

Mr. DeKrey reminded the board of the Snake Creek Embankment issue. Because of seepage concerns under the embankment that were identified as part of a study done by the Corps of Engineers (COE), the COE now limits the differential level between Lake Sakakawea and Lake

Audubon to 43 feet. The consequence of that limitation to the McClusky Canal is the potential for Lake Audubon to be lowered during extreme drought events, preventing the necessary flow being supplied to the canal.

Mr. DeKrey referred to the letter received from the COE dated January 3 informing Garrison Diversion the COE is in the process of reevaluating recent interim risk reduction measures to comply with Section 149 of the 2020 WRDA. The letter indicates the COE is initiating a Dam Safety Modification Study (DSMS) to evaluate reasonable structural and operation alternatives to provide future adaptability for climate resiliency in North Dakota as well as consider the economic and environmental benefits the Snake Creek Embankment provides. A copy of the COE's letter is attached to these minutes as Annex X.

Mr. DeKrey said the letter also invites Garrison Diversion to participate as a Cooperating Agency (CA) in the DSMS. Garrison Diversion agreed to be a CA, along with the State Water Commission and the Department of Water Resources.

Mr. Kovar added the COE is now being forced to bring in economic impacts and will conduct an Environmental Assessment along with the DSMS. It is hoped the COE will now look at the impacts of the RRVWSP, ENDAWS, as well as irrigation and transportation. Alternatives to fix the seepage problem will also be included in the study.

The first public meeting will be held virtually on March 17.

2021 GDCD ACCOMPLISHMENTS

Mr. DeKrey referred to the list of Garrison Diversion's 2021 accomplishments for the board's information. Most notably is the construction progress made in 2021. The Operations and Maintenance Division also had a tremendous year on the McClusky Canal slide repair project. A copy of the list is attached to these minutes as Annex XI.

2022 GDCD WORK PLAN

Mr. DeKrey also referred to and reviewed the proposed 2022 Garrison Diversion Work Plan. Work items added for the new year appear in orange. A copy of the work plan is attached to these minutes as Annex XII.

Motion by Director Koeser to approve the 2022 Garrison Diversion Work Plan. Second by Director Metzger. Upon voice vote, motion carried.

NWRA

2022 Top Priorities & Action Items

Mr. DeKrey referred to the list of the National Water Resources Association's (NWRA) 2022 top priorities and action items. He and Merri Mooridian attended the NWRA Leadership Forum on January 4 and 5 where the top priorities to be pushed in Congress are developed. Input is gathered from North Dakota and the rest of the western states. Infrastructure funding was high on the list for most of the states.

Trip Reports

Mr. DeKrey reported on the NWRA Leadership Forum he attended in Arizona, providing highlights from the water infrastructure and irrigated agriculture tour to Yuma.

GENERAL MANAGER'S REPORT

Mr. DeKrey informed the board the proposals for audio/visio equipment to be installed at the headquarters board room, Snake Creek Pumping Plant and McClusky O&M offices were presented to the Executive Committee at their meeting on December 16. The initial quote for all three locations totaled approximately \$195,000, which the committee approved. Since that time, the price has increased to \$198,573. Quotes expire in 15 days.

Mr. DeKrey explained the setup that is being planned for the board room, which would be similar to the setup in the Fargo City Commission Chambers.

Mr. DeKrey commented it was discovered that Garrison Diversion is under the state contract; therefore, we are not required to put the project out for bids. He suggested the board increase the authorized expenditure so the project can move forward as soon as possible.

Director Vein suggested including additional funds for unforeseen contingences should they arise.

Motion by Director Krivarchka to increase the amount authorized for installing audio/visio equipment at Carrington, Snake Creek Pumping Plant and McClusky up to \$225,000. Second by Director Vein. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cayko, Cook, Fenstad, Kaiser, Kassian, Klein, Klosterman, Koeser, Krivarchka, Krueger, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Hanretty and Johnson. Motion carried.

EXECUTIVE COMMITTEE ELECTIONS

Report of Nominating Committee

Director Marquart reported there were no other nominations made during the board meeting yesterday; therefore, the nominations from the Nominating Committee are: Dave Anderson, Mark Cook and Bruce Klein for the Executive Committee.

Motion by Director Marquart to dispense with the rules and a unanimous ballot be cast electing Dave Anderson, Mark Cook and Bruce Klein to the Executive Committee. Second by Director Tweed.

Director Anderson took a moment explaining his interest for serving on the Executive Committee.

Upon voice vote, motion carried.

UPCOMING EVENTS

Chairman Walter reviewed the list of upcoming meetings and events.

OTHER

There being no other business to come before the board, the meeting adjourned at 10:20 a.m.

(SEAL)

Alan Walter, Chairman

Duane DeKrey, Secretary

REGISTRATION

Annex I
22-21

BOARD OF DIRECTORS MEETING
Garrison Diversion Conservancy District
January 20-21, 2022
Carrington, ND

| NAME | ADDRESS |
|----------------|---------|
| Paul Boersma | BTW |
| Mark Redger | SWWA |
| Brent Erickson | AEZS |
| Brett Jochim | AEZS |
| Lynn Anderson | GOLD |
| Lisa Schaper | GOLD |
| Kp/Kem | GOLD |
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January 5, 2022

Board of Directors
Garrison Diversion Conservancy District

You have requested that we audit the modified cash basis financial statements of the governmental activities and each major fund of the Garrison Diversion Conservancy District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In addition, we will audit the entity's compliance over major federal award programs for the period ended December 31, 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Supplementary information other than Required Supplementary Information will accompany the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

1. Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Cash Basis – Budget and Actual – General Fund (Administrative)
2. Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Cash Basis – Budget and Actual – Major Special Revenue Funds
3. Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions – Pensions
4. Schedule of Employer's Share of Net OPEB Liability and Schedule of Employer's Contributions – OPEB
5. Schedule of Taxes Received – Modified Cash Basis
6. Schedule of Expenditures Compared to Budget – Modified Cash Basis

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

1. Board of Directors by County

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, Uniform Guidance and/or any state or regulatory audit requirements we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about [Client]'s ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the governing body of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the District's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely, the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;

15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by us, including
 - i. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - ii. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report;
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- Type, print, and bind the financial statements prepared by you
- Completion of the auditee's portion of the Data Collection Form

We will not assume management responsibilities on behalf of the District. The District's management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

The District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

Fees and Timing

Brian Stavenger is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our audit in March 2022.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Invoices are payable upon presentation. We estimate that our fee for the audit will be as follows:

| | |
|--|------------------|
| Audit of financial statements | \$ 23,575 |
| Single audit - \$4,825 per major program, assuming one | <u>4,825</u> |
| Total | <u>\$ 28,400</u> |

As noted above actual out-of-pocket expenses will be billed if onsite services are requested, plus the travel time of the professional(s) coming onsite at 50% of their hourly rates.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information we will require to perform our engagement, as well as a planned timeline for the engagement. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such audit documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

Other Matters

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor's report but before the date your financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Government Auditing Standards require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Fargo, North Dakota. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in your financial statements that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the audit. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by North Dakota state law. Any unresolved Dispute shall be submitted to a federal or state court located in Fargo, North Dakota.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



Brian Stavenger, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Garrison Diversion Conservancy District by:

Chair, Board of Directors

Date

| Garrison Diversion Conservancy District Combined Statement of Revenues and Expenses For the Twelve Months Ended December 31, 2021 | | | | | | |
|--|----------------------|---|-----------------------------------|--|--------------------|----------------------|
| | General Fund | Municipal Rural, and Industrial Fund | Operations Maintenance Fund | Red River Valley Water Supply Project | Irrigation Fund | Total |
| Beginning Bank Balance | \$6,775,183 | \$4,006 | \$166,246 | \$943,136 | \$141,854 | \$8,030,425 |
| Revenues: | | | | | | |
| Irrigation Admin | 974 | | | | | 974 |
| Lease Income | 2,303 | | | | | 2,303 |
| Revenue from Sale of Fixed Assets | | | 10,776 | | | 10,776 |
| Miscellaneous Income | 6,270 | | | | 1,711 | 7,981 |
| Interest Income | 181,129 | 28 | 57 | | 111 | 181,325 |
| Tax Levy | 3,998,639 | | | | | 3,998,639 |
| State Aid Distribution | 247,652 | | | | | 247,652 |
| Contract Revenue | 85,053 | 13,572,598 | 6,044,317 | 18,179,977 | 565,093 | 38,447,038 |
| Non-Project Income | | | 398,564 | | | 398,564 |
| Total Revenues | \$4,522,020 | \$13,572,626 | \$6,453,714 | \$18,179,977 | \$566,915 | \$43,295,252 |
| Expenditures: | | | | | | |
| Director Expense | 164,738 | | | | | 164,738 |
| Employee Expense | 1,058,903 | 66,260 | 2,258,611 | | | 3,383,774 |
| Administrative Expense | 155,299 | 65,638 | 102,002 | | | 322,939 |
| Public Education | 84,470 | | | | | 84,470 |
| Professional Services | 384,729 | | 1,313,505 | 247,953 | | 1,946,187 |
| Irrigation Development | 269,756 | | | | | 269,756 |
| Water Supply Projects | 41,531 | | | | | 41,531 |
| GDCD Recreation Project | 782,016 | | | | | 782,016 |
| DWRA Recreation Project | 4,045 | | | | | 4,045 |
| Maintenance & Repairs | 73,055 | | 819,359 | | 339,140 | 1,231,554 |
| Capital Purchases | 75,572 | | 720,104 | 95,848 | 2,633 | 894,157 |
| Construction in Progress | | | | 19,465,771 | | 19,465,771 |
| MR&I Project Expenses | | 13,420,818 | | | | 13,420,818 |
| Principal Debt Payments | | | | | 164,193 | 164,193 |
| Interest Payments | | | | | 51,314 | 51,314 |
| Total Expenditures * | \$ 3,094,114 | \$ 13,552,716 | \$ 5,213,581 | \$ 19,809,572 | \$ 557,280 | \$ 42,227,263 |
| Transfer In/Out | \$ 1,018,239 | \$ (19,882) | \$ (998,357) | \$ - | \$ - | \$ - |
| Revenues Over Expenditures | \$ 2,446,145 | \$ 28 | \$ 241,776 | \$ (1,629,595) | \$ 9,635 | \$ 1,067,989 |
| Net Change in Assets | 3,020,264 | | (99,487) | 726,535 | (53,933) | \$ 3,593,379 |
| Ending Bank Balance | \$ 12,241,592 | \$ 4,034 | \$ 308,535 | \$ 40,076 | \$ 97,556 | \$ 12,691,793 |

* Depreciation not reflected

| GARRISON DIVERSION CONSERVANCY DISTRICT | | | | |
|--|--------------------------------|---|--|----------------------------------|
| INCOME BUDGET ANALYSIS STATEMENT | | | | |
| For the Twelve Months Ended December 31, 2021 | | | | |
| General, O&M MR&I, RRVWSP, and Irrigation Funds | Budget for 2021 | Income Received to December 2021 | Percentage of Amount Budgeted | Balance of Budget |
| Irrigation Admin | \$1,100 | \$974 | 88.5% | \$126 |
| Lease Income | \$2,300 | \$2,303 | 100.1% | (\$3) |
| Miscellaneous Income | \$0 | \$7,981 | 00.0% | (\$7,981) |
| Revenue Sale of Fixed Assets | \$0 | \$10,776 | 00.0% | (\$10,776) |
| Interest Income | \$203,650 | \$181,325 | 89.0% | \$22,325 |
| Tax Levy | \$3,490,000 | \$3,998,639 | 114.6% | (\$508,639) |
| State Aid | \$230,000 | \$247,652 | 107.7% | (\$17,652) |
| General Fund Contract Revenue | \$40,600 | \$85,053 | 209.5% | (\$44,453) |
| O&M Contract Revenue | \$7,365,270 | \$6,044,317 | 82.1% | \$1,320,953 |
| MR&I Contract Revenue | \$15,154,950 | \$13,572,598 | 89.6% | \$1,582,352 |
| RRVWSP Contract Revenue | \$21,036,000 | \$18,179,977 | 86.4% | \$2,856,023 |
| Irrigation Fund Revenue | \$642,400 | \$565,093 | 88.0% | \$77,307 |
| Project Revenue | \$7,730 | \$0 | 00.0% | \$7,730 |
| Non-Project Revenue | \$212,000 | \$398,564 | 188.0% | (\$186,564) |
| Total Revenues | \$48,386,000 | \$43,295,252 | 89.5% | \$5,090,748 |

| GARRISON DIVERSION CONSERVANCY DISTRICT | | | | | | |
|--|-----------------------|------------------------------|-----------------------|-------------------------------------|---|-------------------------|
| Expense Budget Analysis Statement | | | | | | |
| For the Twelve Months Ended December 31, 2021 | | | | | | |
| General, O&M MR&I, RRVWSP, and Irrigation Funds | Expenditures | | Expenditures | | Percentage Spent Amount Budgeted | Balance of Budget |
| | Budget for 2020 | Charged to 2020 Budget | Budget for 2021 | Expenditures to December 2021 | | |
| Expenses | | | | | | |
| Director Expenses | \$250,000 | \$104,568 | \$270,000 | \$164,738 | 61.0% | \$105,262 |
| Employee Expenses | \$3,665,950 | \$3,349,475 | \$4,126,000 | \$3,383,774 | 82.0% | \$742,226 |
| Administrative Expenses | \$408,920 | \$371,316 | \$435,000 | \$322,939 | 74.2% | \$112,061 |
| Public Education | \$92,500 | \$82,529 | \$107,000 | \$84,470 | 78.9% | \$22,530 |
| Professional Services | \$3,992,350 | \$965,330 | \$3,497,875 | \$1,946,187 | 55.6% | \$1,551,688 |
| Irrigation Development | \$285,000 | \$246,153 | \$270,125 | \$269,756 | 99.9% | \$369 |
| Water Supply Program | \$0 | \$0 | \$300,000 | \$41,531 | 13.8% | \$258,469 |
| GDCD Recreation Grant Program | \$384,000 | \$383,249 | \$775,000 | \$782,016 | 100.9% | (\$7,016) |
| DWRA Recreation Program | \$7,500 | \$7,351 | \$10,000 | \$4,045 | 40.5% | \$5,955 |
| Irrigation District Expense | \$34,900 | \$21,110 | \$2,000 | \$0 | 0.0% | \$2,000 |
| Maintenance & Repairs | \$1,959,050 | \$1,105,776 | \$1,586,091 | \$1,231,554 | 77.6% | \$354,537 |
| Capital Purchases | \$965,000 | \$474,199 | \$859,909 | \$894,157 | 104.0% | (\$34,248) |
| Construction in Progress | \$6,000,000 | \$1,517,331 | \$20,000,000 | \$19,465,771 | 97.3% | \$534,229 |
| MR&I Fund | \$22,000,000 | \$16,863,077 | \$15,000,000 | \$13,420,818 | 89.5% | \$1,579,182 |
| Principal on Debt Repayment | \$196,000 | \$153,973 | \$189,000 | \$164,193 | 86.9% | \$24,807 |
| Interest on Debt Repayment | \$90,000 | \$57,606 | \$70,000 | \$51,314 | 73.3% | \$18,686 |
| Total Expenses | \$40,331,170 | \$25,703,043 | \$47,498,000 | \$42,227,263 | 88.9% | \$5,270,737 |
| Transfers In/Out | | | | | | |
| MR&I | \$21,000 | \$19,303 | \$20,000 | \$19,882 | 99.4% | \$118 |
| O&M | \$874,000 | \$873,382 | \$1,217,000 | \$998,357 | 82.0% | \$218,643 |
| Irrigation | (\$40,000) | (\$39,836) | \$0 | \$0 | 0.0% | \$0 |
| RRVWSP | \$20,000 | \$17,728 | \$29,000 | \$0 | 0.0% | \$29,000 |
| Total Transfers Out | \$875,000 | \$870,577 | \$1,266,000 | \$1,018,239 | 80.4% | \$247,761 |
| Total Expenses & Transfers Out | \$41,206,170 | \$26,573,620 | \$48,764,000 | \$43,245,502 | 88.7% | \$5,518,498 |

| GARRISON DIVERSION CONSERVANCY DISTRICT RESERVES STATEMENT December 31, 2021 | |
|---|-----------------------|
| OPERATING RESERVE | |
| Operating Reserve authorized to be established in the amount of \$300,000.00 per resolution of the Board dated January 15, 1970. Limit changed to \$330,000 by Board action on January 6, 1995. Reserve cap removed by Board action July 2, 1997. | \$5,111,019.34 |
| O&M EMERGENCY RESERVE | |
| O&M Emergency Reserve to be established in the amount of \$500,000.00 by Article 13 (a) of the Master Contract and by action taken by the Board dated January 16, 1970. Limit changed to \$1,500,000.00 July 1980. Reserve capped at \$822,817.55 by Board action July 2, 1997. | 750,000.00 |
| DEFICIENCY RESERVE | |
| Deficiency Reserve to be established in the amount of \$750,000.00 by Article 13 (b) of the Master Contract. Limit changed to \$1,500,000.00 July 1980. Reserve capped at \$802,287.54 by Board action July 2, 1997. | 750,000.00 |
| PROJECT DEVELOPMENT RESERVE | |
| Project Development Reserve to be established in the amount of \$750,000.00 by resolution of the Board dated July 17, 1969. Limit changed to \$1,000,000.00 July 1982. Reserve capped at \$915,592.98 by Board action July 2, 1997. | 915,592.98 |
| TOTAL GARRISON DIVERSION CONSERVANCY DISTRICT RESERVES | \$7,526,612.32 |

| Garrison Diversion Conservancy District Funds in Bank of North Dakota December 31, 2021 | | | | |
|---|---------------------------------|---------------|---------------|------------------------|
| Fund | Account Name/Reserve | Interest Rate | Maturity Date | Balance |
| General | Checking Account | 0.07% | | \$ 210,448.74 |
| General | Water Assistance Grant Matching | 0.07% | | \$ 128,064.32 |
| General | Money Market Deposit Account | 0.07% | | \$ 8,294,654.27 |
| General | Water Assistance Grant Reserve | 0.07% | | \$ 130,405.00 |
| General | Accrued Leave-Operating Reserve | 0.07% | | \$ 174,804.69 |
| | Total Deposits | | | \$ 8,938,377.02 |

| Garrison Diversion Conservancy District Funds in First International Bank & Trust December 31, 2021 | | | | |
|---|---------------------------------------|---------------|---------------|-------------------------|
| Fund | Account Name/Reserve | Interest Rate | Maturity Date | Balance |
| General | CD 118849-Deficiency Reserve | 0.25% | 01/29/22 | \$ 200,000.00 |
| General | CD 119561-O&M Emergency Reserve | 0.25% | 04/01/22 | \$ 83,682.45 |
| General | CD 119210 | 0.25% | 08/09/22 | \$ 2,500,000.00 |
| General | CD 119245 | 0.25% | 09/30/22 | \$ 1,000,000.00 |
| General | CD 118955-Project Development | 0.50% | 01/19/23 | \$ 350,000.00 |
| General | CD 118848-O&M Emergency Res. | 0.50% | 03/29/23 | \$ 350,000.00 |
| General | CD 119070-Operating Reserve | 0.50% | 04/17/23 | \$ 820,000.00 |
| General | CD 118954 | 0.50% | 04/19/23 | \$ 500,000.00 |
| General | CD 119130 | 0.50% | 05/18/23 | \$ 1,000,000.00 |
| General | CD 118850-Operating Reserve | 0.40% | 07/20/23 | \$ 50,500.00 |
| General | CD 119434-Deficiency Reserve | 0.50% | 11/30/23 | \$ 175,854.00 |
| General | Recreation Matching-Operating Reserve | 0.30% | | \$ 2,169,227.48 |
| General | Money Market Funds | 0.30% | | \$ 85,969.39 |
| General | Recreation Reserve-Operating Reserve | 0.30% | | \$ 1,048,017.85 |
| | Total Deposits | | | \$ 10,333,251.17 |
| Pledging | Total Deposits | | | \$ 10,333,251.17 |
| | Less:FDIC Coverage | | | (250,000.00) |
| | Deposit Balance to Secure | | | 10,083,251.17 |
| | Less: Pledging | | | 10,967,476.70 |
| | Pledging Excess | | | \$ 884,225.53 |

| Garrison Diversion Conservancy District Farm Credit Services of North Dakota Stock December 31, 2021 | | | | |
|--|----------------------|-------------------|---------------|-------------|
| Fund | Account Name/Reserve | Principal Balance | Maturity Date | Balance |
| General | Operating Reserve | \$ 44,411.29 | 05/01/25 | \$ 1,000.00 |

| BREMER BANK DEPOSIT AND PLEDGING SUMMARY December 31, 2021 | | | | | |
|---|--|----------------------|----------------------|---|--|
| <i>Account Type</i> | <i>Balance</i> | <i>Interest Rate</i> | <i>Maturity Date</i> | <i>Deposit Insurance / Pledging Status</i> | |
| <i>Demand Deposit Accounts</i> | | | | | |
| Non-Interest Bearing Checking Accounts | | | | Total Demand Deposits | \$348,609.70 |
| xxxx61 | Operations & Maintenance Fund | 308,532.02 | 0.00% | Less: FDIC Insurance Coverage | 250,000.00 |
| xxxx52 | Red River Valley Water Supply | 40,077.68 | 0.00% | Demand Deposit Balance to Secure | \$98,609.70 |
| | | | | x 110% | 1.10 |
| Total Demand Deposits | 348,609.70 | | | Pledging Required on Demand Deposits | \$108,470.67 |
| <i>Time and Savings Deposits</i> | | | | | |
| Interest Bearing Checking | | | | | |
| xxxx34 | Irrigation Fund | 97,554.77 | 0.01% | | |
| xxxxxx62 | M R & I Working Fund | 4,033.88 | 0.01% | | |
| | Total Interest Bearing Checking Balance | <u>101,588.65</u> | | | |
| Savings Accounts | | | | | |
| xxxx41 | O&M - Accrued Leave Reserve | 145,079.87 | 0.0275% | | |
| xxxxxx63 | Irrigation - Debt Service Reserve | 281,709.42 | 0.0275% | | |
| | Total Savings Balance | <u>426,789.29</u> | | | |
| Certificates of Deposit | | | | | |
| xxxx0394 | Certificate of Deposit-Operating Reserve | 47,000.00 | 0.45% | 2/20/2022 | |
| xxxx8862 | Certificate of Deposit-Project Dev Reserve | 252,054.00 | 0.45% | 2/24/2022 | |
| xxx1061 | Certificate of Deposit-Deficiency Reserve | 124,146.00 | 0.45% | 2/24/2022 | |
| xxx907-1 | Certificate of Deposit-Operating Reserve | 542,000.00 | 0.24% | 3/1/2022 | |
| xxx906-1 | Certificate of Deposit-Deficiency Reserve | 250,000.00 | 0.24% | 3/1/2022 | |
| xxxxxx803-1 | Certificate of Deposit | 1,000,000.00 | 0.20% | 4/11/2022 | |
| xxxxxx106 | Certificate of Deposit-OM Emergency Res. | 106,317.55 | 0.25% | 5/22/2022 | |
| xxx591-1 | Certificate of Deposit-OM Emergency Res. | 210,000.00 | 0.35% | 4/24/2023 | Total Time & Savings Deposit Account Balance |
| xxxxxx933-1 | Certificate of Deposit-Project Dev Reserve | 313,538.98 | 0.35% | 8/30/2023 | Less: FDIC Insurance Coverage |
| | Total CD Balance | <u>2,845,056.53</u> | | | 250,000.00 |
| | | | | | Time & Savings Deposit Balance to Secure |
| | | | | | \$3,123,434.47 |
| | | | | | x 110% |
| | | | | | 1.10 |
| Total Time & Savings Deposit Account Balance | \$3,373,434.47 | | | Pledging Required on Time & Savings Deposits | \$3,435,777.92 |
| Total Deposits | \$3,722,044.17 | | | Total Pledging Required on all Deposits | \$3,544,248.59 |
| | | | | Pledging at Wells Fargo | \$10,910,444.00 |
| | | | | Pledging Excess | \$7,366,195.41 |

| GARRISON DIVERSION CONSERVANCY DISTRICT | | | | | | |
|--|----------------------------|----------------------------|----------------------------------|-----------------------------|-------------------|--------------------------------|
| Tax Collections Statement | | | | | | |
| For the Twelve Months Ending December 31, 2021 | | | | | | |
| County | 2021 Tax Levy Budget | 2021 Tax Collections | Balance of Tax Levy Budget | 2021 State Aid Budget | 2021 State Aid | Balance State Aid Budget |
| Barnes | \$77,000 | \$84,843 | (\$7,843) | \$5,000 | \$5,242 | (\$242) |
| Benson | 31,000 | 35,325 | (4,325) | 4,000 | 4,022 | (22) |
| Bottineau | 58,000 | 62,451 | (4,451) | 3,000 | 4,265 | (1,265) |
| Burleigh | 488,000 | 529,410 | (41,410) | 36,000 | 30,306 | 5,694 |
| Cass | 795,000 | 966,935 | (171,935) | 55,000 | 59,239 | (4,239) |
| Dickey | 38,000 | 44,012 | (6,012) | 4,000 | 4,184 | (184) |
| Eddy | 13,000 | 15,126 | (2,126) | 2,000 | 2,314 | (314) |
| Foster | 24,000 | 28,377 | (4,377) | 6,000 | 6,521 | (521) |
| Grand Forks | 299,000 | 319,614 | (20,614) | 10,000 | 12,095 | (2,095) |
| Griggs | 20,000 | 21,709 | (1,709) | 2,000 | 2,342 | (342) |
| LaMoure | 41,000 | 42,858 | (1,858) | 4,000 | 4,236 | (236) |
| McHenry | 41,000 | 49,079 | (8,079) | 2,000 | 2,642 | (642) |
| McKenzie | 266,000 | 370,771 | (104,771) | 27,000 | 33,291 | (6,291) |
| McLean | 74,000 | 82,145 | (8,145) | 8,000 | 8,252 | (252) |
| Nelson | 25,000 | 26,184 | (1,184) | 2,000 | 2,205 | (205) |
| Pierce | 30,000 | 33,278 | (3,278) | 3,000 | 3,072 | (72) |
| Ramsey | 54,000 | 60,900 | (6,900) | 5,000 | 5,730 | (730) |
| Ransom | 35,000 | 38,854 | (3,854) | - | - | - |
| Renville | 24,000 | 24,247 | (247) | 3,000 | 2,769 | 231 |
| Richland | 86,000 | 102,629 | (16,629) | - | - | - |
| Sargeant | 35,000 | 38,632 | (3,632) | 3,000 | 2,932 | 68 |
| Sheridan | 14,000 | 15,768 | (1,768) | 4,000 | 4,100 | (100) |
| Steele | 28,000 | 30,367 | (2,367) | 2,000 | 2,014 | (14) |
| Stutsman | 117,000 | 129,916 | (12,916) | 8,000 | 8,500 | (500) |
| Traill | 51,000 | 58,174 | (7,174) | 3,000 | 3,911 | (911) |
| Ward | 324,000 | 335,115 | (11,115) | 18,000 | 20,733 | (2,733) |
| Wells | 40,000 | 43,168 | (3,168) | 3,000 | 3,425 | (425) |
| Williams | 362,000 | 408,752 | (46,752) | 8,000 | 9,310 | (1,310) |
| Totals | \$ 3,490,000 | \$ 3,998,639 | \$ (508,639) | \$ 230,000 | 247,652 | \$ (17,652) |

| GARRISON DIVERSION CONSERVANCY DISTRICT EXPENSE BUDGET ANALYSIS STATEMENT For the Twelve Months Ended December 31, 2021 | | | | | | |
|---|--------------------------------|---|---------------------------------|------------------------------------|--|----------------------------------|
| | Budget 1/1/1 to 12/31/20 | Expenditures Chargeable to 2020 Budget | Budget 1/1/21 to 12/31/21 | 2021 Actual as of 12/31/2021 | Balance of Budget as of 12/31/2021 | Percentage of Budget Spent |
| GENERAL FUND | | | | | | |
| Directors Expense | | | | | | |
| Directors Per Diem | \$115,000 | \$81,776 | \$130,000 | \$102,309 | \$27,691 | 78.7% |
| Directors Expense | \$135,000 | \$22,792 | \$140,000 | \$62,429 | \$77,571 | 44.6% |
| Total Directors Expense | \$250,000 | \$104,568 | \$270,000 | \$164,738 | \$105,262 | 61.0% |
| Employee Expense | | | | | | |
| Employee Salaries | 728,985 | \$638,796 | 726,000 | \$698,075 | \$27,925 | 96.2% |
| General Manager Exp | 40,000 | \$5,457 | 35,000 | \$10,116 | \$24,884 | 28.9% |
| Travel | 68,000 | \$8,606 | 61,000 | \$30,673 | \$7,249 | 50.3% |
| Admn Officer - Merri Mooridian | 25,000 | \$5,402 | 25,000 | \$17,938 | \$7,062 | 71.8% |
| Dist. Engr - Kip Kovar | 10,000 | \$1,294 | 10,000 | \$4,052 | \$5,948 | 40.5% |
| Engineer - Ryan Anderson | 5,000 | \$463 | 5,000 | \$1,630 | \$3,370 | 32.6% |
| Dir. Comm. - Kim Cook | 8,000 | \$641 | 6,000 | \$1,248 | \$4,752 | 20.8% |
| Emp Exp Other | 20,000 | \$806 | 15,000 | \$5,805 | \$9,195 | 38.7% |
| Professional Development | 22,000 | (\$1,199) | 17,000 | \$9,050 | \$7,950 | 53.2% |
| Employee Training | 20,000 | (\$1,199) | 15,000 | \$9,050 | \$5,950 | 60.3% |
| Wellness Program | 2,000 | \$0 | 2,000 | \$0 | \$2,000 | 0.0% |
| Benefits | 356,140 | \$293,793 | 369,000 | \$310,989 | \$58,011 | 84.3% |
| GDCD FICA | 64,155 | \$51,061 | 65,000 | \$57,250 | \$7,750 | 88.1% |
| Retirement | 104,110 | \$91,934 | 103,000 | \$99,924 | \$3,076 | 97.0% |
| Hospital & Life Insurance | 153,520 | \$135,112 | 165,000 | \$136,004 | \$28,996 | 82.4% |
| Unemployment Comp | 650 | \$316 | 1,000 | \$273 | \$727 | 27.3% |
| Dental / Vision Ins. | 13,105 | \$9,509 | 14,000 | \$11,032 | \$2,968 | 78.8% |
| Work Force Safety | 2,790 | \$330 | 1,000 | \$333 | \$667 | 33.3% |
| Long-Term Disability Ins | 5,810 | \$5,531 | 7,000 | \$6,173 | \$827 | 88.2% |
| Vacation/Sick Leave Liability | 12,000 | \$0 | 13,000 | \$0 | \$13,000 | 0.0% |
| Total Employee Expense | 1,215,125 | \$945,453 | 1,208,000 | \$1,058,903 | \$149,097 | 87.7% |
| Administration | | | | | | |
| Postage | \$7,000 | \$4,491 | \$7,000 | \$4,954 | \$2,046 | 70.8% |
| Communications | \$31,000 | \$29,181 | \$27,000 | \$14,521 | \$12,479 | 53.8% |
| Utilities | \$30,000 | \$29,495 | \$33,000 | \$30,888 | \$2,112 | 93.6% |
| Meetings & Events | \$10,000 | \$3,071 | \$10,000 | \$4,541 | \$5,459 | 45.4% |
| Subscriptions/Publications | \$5,500 | \$4,972 | \$7,000 | \$5,457 | \$1,543 | 78.0% |
| Miscellaneous | \$3,500 | \$1,225 | \$9,000 | \$3,222 | \$5,778 | 35.8% |
| Data Processing | \$21,000 | \$18,273 | \$21,000 | \$18,312 | \$2,688 | 87.2% |
| Employee Recruiting | \$5,000 | \$0 | \$5,000 | \$0 | \$5,000 | 0.0% |
| Supplies | \$19,000 | \$16,334 | \$20,000 | \$12,770 | \$7,230 | 63.9% |
| Small Office Equipment | \$26,000 | \$25,877 | \$15,000 | \$6,708 | \$8,292 | 44.7% |
| Dues | \$15,500 | \$14,948 | \$15,000 | \$12,931 | \$2,069 | 86.2% |
| Insurance | \$13,000 | \$12,017 | \$13,000 | \$12,995 | \$5 | 100.0% |
| Annual Independent Audit | \$30,000 | \$27,900 | \$31,000 | \$28,000 | \$3,000 | 90.3% |
| Total Administration | \$216,500 | \$187,784 | \$213,000 | \$155,299 | \$57,701 | 72.9% |
| Public Education | | | | | | |
| GDCD Tours | \$5,500 | \$5,000 | \$10,000 | \$1,820 | \$8,180 | 18.2% |
| ND Water Users Ass'n Dues | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$0 | 100.0% |
| ND Water Coalition Dues | \$14,000 | \$14,000 | \$14,000 | \$14,000 | \$0 | 100.0% |
| ND Water Magazine | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$0 | 100.0% |
| Missouri River Joint Board/MRRIC | \$22,000 | \$21,927 | \$15,000 | \$14,850 | \$150 | 99.0% |
| Conference Booth Fees, Sponsorships | \$10,000 | \$3,261 | \$20,000 | \$13,211 | \$6,789 | 66.1% |
| Miscellaneous | \$3,000 | \$340 | \$10,000 | \$2,589 | \$7,411 | 25.9% |
| Total Public Education | \$92,500 | \$82,528 | \$107,000 | \$84,470 | \$22,530 | 78.9% |

| GARRISON DIVERSION CONSERVANCY DISTRICT EXPENSE BUDGET ANALYSIS STATEMENT For the Twelve Months Ended December 31, 2021 | | | | | | |
|---|--------------------------------|---|---------------------------------|------------------------------------|--|----------------------------------|
| | Budget 1/1/1 to 12/31/20 | Expenditures Chargeable to 2020 Budget | Budget 1/1/21 to 12/31/21 | 2021 Actual as of 12/31/2021 | Balance of Budget as of 12/31/2021 | Percentage of Budget Spent |
| Professional Services | | | | | | |
| Communications | \$150,000 | \$23,913 | \$242,875 | \$129,120 | \$113,755 | 53.2% |
| Engineering | \$175,000 | \$1,449 | \$125,000 | \$25,651 | \$99,349 | 20.5% |
| RRVWSP Development | \$332,000 | \$69,357 | \$357,000 | \$59,534 | \$297,466 | 16.7% |
| Technical Support for LAWA | \$15,000 | \$0 | \$15,000 | \$0 | \$15,000 | 0.0% |
| Engineering | \$150,000 | \$0 | \$100,000 | \$0 | \$100,000 | 0.0% |
| Legal | \$75,000 | \$63,388 | \$150,000 | \$55,310 | \$94,690 | 36.9% |
| Financial | \$12,000 | \$0 | \$10,000 | \$0 | \$10,000 | 0.0% |
| Consultants | \$50,000 | \$6,069 | \$50,000 | \$469 | \$49,531 | 0.9% |
| Meeting, Misc. Exp | \$30,000 | (\$100) | \$32,000 | \$3,755 | \$28,245 | 11.7% |
| Prof Services Other | \$50,000 | \$37,459 | \$45,000 | \$2,056 | \$42,944 | 4.6% |
| Legal Services | \$175,000 | \$170,933 | \$200,000 | \$168,368 | \$31,632 | 84.2% |
| Total Professional Services | \$882,000 | \$303,111 | \$969,875 | \$384,729 | \$585,146 | 39.7% |
| Irrigation Development | | | | | | |
| ND Irrigation Association | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$0 | 100.0% |
| NDSU Oakes Irrigation Site | \$167,875 | \$167,875 | \$178,000 | \$178,000 | \$0 | 100.0% |
| Robert Titus Lease | \$17,125 | \$16,484 | \$16,453 | \$16,453 | \$0 | 100.0% |
| Irrigation Development | \$50,000 | \$11,795 | \$25,672 | \$25,303 | \$369 | 98.6% |
| Total Irrigation Development | \$285,000 | \$246,154 | \$270,125 | \$269,756 | \$369 | 99.9% |
| Recreation | | | | | | |
| GDCD Recreation Grant Program | \$384,000 | \$383,249 | \$775,000 | \$782,016 | (\$7,016) | 100.9% |
| DWRA Recreation Program | \$7,500 | \$7,351 | \$10,000 | \$4,045 | \$5,955 | 40.5% |
| Total Recreation | \$391,500 | \$390,600 | \$785,000 | \$786,061 | (\$1,061) | 100.1% |
| Water Supply Grant Program | \$0 | \$0 | \$300,000 | \$41,531 | \$258,469 | 13.8% |
| Irrigation Districts Expense | | | | | | |
| Irrigation Districts | \$4,900 | \$0 | \$2,000 | \$0 | \$2,000 | 0.0% |
| Oakes Title Transfer | \$30,000 | \$21,110 | \$0 | \$0 | \$0 | 0.0% |
| Technical Support | \$25,000 | \$21,110 | \$0 | \$0 | \$0 | 0.0% |
| Legal | \$5,000 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Total Irrigation Districts Expense | \$34,900 | \$21,110 | \$2,000 | \$0 | \$2,000 | 0.0% |
| Maintenance & Repair | | | | | | |
| Equipment Maintenance | \$25,000 | \$18,979 | \$29,000 | \$25,718 | \$3,282 | 88.7% |
| Small Yard Equipment Purchases | \$5,000 | \$0 | \$4,350 | \$4,350 | \$0 | 100.0% |
| Land & Bldg Maintenance | \$30,000 | \$24,451 | \$33,941 | \$34,007 | (\$66) | 100.2% |
| Auto Expense | \$18,000 | \$3,996 | \$11,000 | \$8,980 | \$2,020 | 81.6% |
| Total Maintenance & Repair | \$78,000 | \$47,426 | \$78,291 | \$73,055 | \$5,236 | 93.3% |
| Capital Purchases | | | | | | |
| Office Equip & Furniture | \$20,000 | \$0 | \$20,000 | \$13,863 | \$6,137 | 69.3% |
| Yard Equipment | \$20,000 | \$0 | \$20,000 | \$0 | \$20,000 | 0.0% |
| Vehicle | \$35,000 | \$0 | \$35,000 | \$0 | \$35,000 | 0.0% |
| Land and Buildings | \$15,000 | \$12,660 | \$61,709 | \$61,709 | \$0 | 100.0% |
| Total Capital Purchases | \$90,000 | \$12,660 | \$136,709 | \$75,572 | \$61,137 | 55.3% |
| Total General Fund | \$3,535,525 | \$2,341,394 | \$4,340,000 | \$3,094,114 | \$1,245,886 | 71.3% |

| GARRISON DIVERSION CONSERVANCY DISTRICT EXPENSE BUDGET ANALYSIS STATEMENT For the Twelve Months Ended December 31, 2021 | | | | | | |
|--|--------------------------------|---|---------------------------------|------------------------------------|--|----------------------------------|
| | Budget 1/1/1 to 12/31/20 | Expenditures Chargeable to 2020 Budget | Budget 1/1/21 to 12/31/21 | 2021 Actual as of 12/31/2021 | Balance of Budget as of 12/31/2021 | Percentage of Budget Spent |
| IRRIGATION FUND | | | | | | |
| McClusky Canal Irrigation: | \$950,000 | \$335,184 | \$389,000 | \$341,773 | \$47,227 | 87.9% |
| Construction | \$500,000 | \$60,211 | \$3,000 | \$2,633 | \$367 | 87.8% |
| Operations | \$450,000 | \$274,973 | \$386,000 | \$339,140 | \$46,860 | 87.9% |
| Debt Payments | \$286,000 | \$211,579 | \$259,000 | \$215,507 | \$43,493 | 83.2% |
| Principal | \$196,000 | \$153,973 | \$189,000 | \$164,193 | \$24,807 | 86.9% |
| Interest | \$90,000 | \$57,606 | \$70,000 | \$51,314 | \$18,686 | 73.3% |
| Total Irrigation Fund | \$1,236,000 | \$546,763 | \$648,000 | \$557,280 | \$90,720 | 86.0% |
| GDU O & M | | | | | | |
| Salaries and Benefits | \$2,240,760 | \$2,221,022 | \$2,644,000 | \$2,209,512 | \$434,488 | 83.6% |
| Salaries | \$1,518,030 | \$1,459,115 | \$1,646,000 | \$1,466,657 | \$179,343 | 89.1% |
| Benefits | \$722,730 | \$761,907 | \$998,000 | \$742,855 | \$255,145 | 74.4% |
| Travel | \$18,980 | \$8,956 | \$33,000 | \$7,478 | \$25,522 | 22.7% |
| Training | \$4,815 | (\$350) | \$5,000 | \$748 | \$4,252 | 15.0% |
| Utilities | \$103,415 | \$100,299 | \$101,000 | \$90,035 | \$10,965 | 89.1% |
| Contractual Services | \$510,350 | \$355,887 | \$1,628,000 | \$1,313,505 | \$314,495 | 80.7% |
| Supplies | \$788,340 | \$336,803 | \$631,000 | \$451,582 | \$179,418 | 71.6% |
| Capital Purchases | \$375,000 | \$203,819 | \$720,200 | \$720,104 | \$96 | 100.0% |
| Small Equipment Purchases | \$25,000 | \$19,819 | \$20,000 | \$17,352 | \$2,648 | 86.8% |
| Equipment Rental | \$109,580 | \$21,137 | \$11,000 | \$134 | \$10,866 | 1.2% |
| Equipment Maintenance | \$323,490 | \$319,382 | \$313,000 | \$265,602 | \$47,398 | 84.9% |
| Safety | \$59,270 | \$58,645 | \$61,000 | \$40,873 | \$20,127 | 67.0% |
| Miscellaneous | \$18,355 | \$12,875 | \$54,000 | \$11,967 | \$42,033 | 22.2% |
| Materials | \$184,640 | \$86,237 | \$146,800 | \$84,689 | \$62,111 | 57.7% |
| Total GDU O & M | \$4,761,995 | \$3,744,531 | \$6,368,000 | \$5,213,581 | \$1,154,419 | 81.9% |
| MR&I Fund | | | | | | |
| Salaries & Benefits | \$74,500 | \$66,062 | \$68,000 | \$66,260 | \$1,740 | 97.4% |
| State Administration | \$70,650 | \$70,358 | \$67,000 | \$65,638 | \$1,362 | 98.0% |
| MR&I Project Expenditures | \$22,000,000 | \$16,863,077 | \$15,000,000 | \$13,420,818 | \$1,579,182 | 89.5% |
| Total MR&I Fund | \$22,145,150 | \$16,999,497 | \$15,135,000 | \$13,552,716 | \$1,582,284 | 89.5% |
| RRV Water Supply Project | | | | | | |
| Right of Way | \$1,400,000 | \$114,314 | \$250,000 | \$198,929 | \$51,071 | 79.6% |
| Design/Construction in Progress | \$6,000,000 | \$1,600,526 | \$20,000,000 | \$19,362,690 | \$637,310 | 96.8% |
| Salaries & Benefits | \$52,500 | \$49,686 | \$107,000 | \$0 | \$107,000 | 0.0% |
| Professional Services | \$1,200,000 | \$306,332 | \$650,000 | \$247,953 | \$402,047 | 59% |
| Financing/Legal/Administration | \$1,000,000 | \$294,215 | \$450,000 | \$235,668 | \$214,332 | 52.4% |
| Other Engineering | \$200,000 | \$12,117 | \$200,000 | \$12,285 | \$187,715 | 6.1% |
| Total RRVWSP | \$8,652,500 | \$2,070,858 | \$21,007,000 | \$19,809,572 | \$1,197,428 | 94.3% |
| TOTAL ALL FUNDS | \$40,331,170 | \$25,703,043 | \$47,498,000 | \$42,227,263 | \$5,270,737 | 88.9% |

**GARRISON DIVERSION CONSERVANCY DISTRICT
GDCD RECREATION GRANT PROGRAM
OUTSTANDING PROJECTS
July 1, 1990 to December 31, 2021**

| COUNTY | PROJECT | GRANT APPROVAL DATE | OUTSTANDING PROJECTS | PROJECTS APPROVED 2021 | EXPENDITURES 04-23-15 to 12-31-2020 | EXPENDITURES 1-1-21 to 12-31-21 | AMOUNTS RETURNED TO PROGRAM | BALANCE REMAINING 12-31-21 |
|---------------|---|---------------------------|-------------------------|------------------------------|---|---------------------------------------|-----------------------------------|----------------------------------|
| Barnes | Hi-Line Prairie Gardens/Orchard Phase III | 05-02-18 | \$ 16,055.00 | | \$ 12,743.89 | | | \$ 3,311.11 |
| Barnes | Sheyenne River Water Trail | 04-29-21 | | \$ 51,005.00 | | | | \$ 51,005.00 |
| Bottineau | Bottineau Fair Ground Arena | 05-02-19 | \$ 7,146.00 | | \$ 2,503.75 | \$ 4,642.25 | | \$ - |
| Bottineau | VFW Park Bathroom | 09-26-19 | \$ 10,000.00 | | | \$ 9,443.31 | | \$ 556.69 |
| Bottineau | Antler Memorial Playground | 05-06-20 | \$ 5,643.00 | | | | | \$ 5,643.00 |
| Bottineau | Lake Metigoshe Boat Ramp | | | \$ 6,625.00 | | | | \$ 6,625.00 |
| Burleigh | Elk Ridge Neighbor Park Amenities | 05-02-19 | \$ 100,000.00 | | | \$ 100,000.00 | | \$ - |
| Burleigh | McDowell Dam Vault Toilet | 09-26-19 | \$ 3,478.00 | | | | | \$ 3,478.00 |
| Burleigh | Zonta Park Prairie Play Nodes | 09-26-19 | \$ 15,053.00 | | | \$ 9,450.50 | | \$ 5,602.50 |
| Burleigh | Burleigh County Commission | 05-06-20 | \$ 6,000.00 | | | \$ 5,196.75 | \$ (803.25) | \$ - |
| Burleigh | North Central Park Improvements | 10-01-20 | \$ 82,136.00 | | | | | \$ 82,136.00 |
| Burleigh | Sertoma Park Fitness Improvements | 04-29-21 | | \$ 75,167.00 | | | | \$ 75,167.00 |
| Burleigh | Tom O'Leary Restroom | 04-29-21 | | \$ 80,513.00 | | | | \$ 80,513.00 |
| Burleigh | Steckel Boat Landing Picnic Shelter | 04-29-21 | | \$ 6,000.00 | | | | \$ 6,000.00 |
| Burleigh | 4H Arena Play Area | 09-23-21 | | \$ 31,291.00 | | | | \$ 31,291.00 |
| Burleigh | Sibley Campground Electrical Updates | 09-23-21 | | \$ 36,746.00 | | | | \$ 36,746.00 |
| Cass | Meadowlark Park | 05-06-20 | \$ 219,799.00 | | \$ 64,052.92 | \$ 155,746.08 | | \$ - |
| Cass | RRV Fair Campground Phase I | 05-06-20 | \$ 4,721.00 | | | | | \$ 4,721.00 |
| Cass | Casselton Parks Revitalization | 10-01-20 | \$ 1,995.00 | | | \$ 605.00 | | \$ 1,390.00 |
| Cass | Maplewood Park/Playground Shelter | 04-29-21 | | \$ 202,300.00 | | \$ 202,300.00 | | \$ - |
| Cass | Casselton Shared Use Path | 09-23-21 | | \$ 50,000.00 | | | | \$ 50,000.00 |
| Cass | Mapleton Shared Use Path | 09-23-21 | | \$ 50,000.00 | | | | \$ 50,000.00 |
| Dickey | Pheasant Lake Boat Ramp Sign | 05-02-19 | \$ 973.00 | | | | | \$ 973.00 |
| Dickey | West Side Park Playground | 04-29-21 | | \$ 7,520.00 | | | | \$ 7,520.00 |
| Eddy | Campbell Memorial Playground Equip | 04-23-15 | \$ 12,500.00 | | \$ 11,945.92 | | \$ (554.08) | \$ - |
| Eddy | Eddy County Recreational Pavilion | 09-26-19 | \$ 8,933.00 | | | | | \$ 8,933.00 |
| Eddy | Warming House/Boat Rental Building | 04-29-21 | | \$ 5,750.00 | | | | \$ 5,750.00 |
| Foster | Courthouse Park | 05-02-18 | \$ 7,383.00 | | | \$ 7,383.00 | | \$ - |
| Foster | Foster County Fairgrounds Picnic Shelter | 09-23-21 | | \$ 5,191.00 | | | | \$ 5,191.00 |
| Grand Forks | Kannowski Skate Park-Phase II | 09-26-19 | \$ 35,000.00 | | | \$ 35,000.00 | | \$ - |
| Grand Forks | Bringewatt Park Water Station | 09-23-21 | | \$ 10,000.00 | | | | \$ 10,000.00 |
| Griggs | ADA Restroom/Concession Stand | 10-07-16 | \$ 6,125.00 | | \$ 3,977.60 | | | \$ 2,147.40 |
| Griggs | Hannaford Park Playground | 10-03-18 | \$ 7,309.00 | | \$ 6,709.50 | | | \$ 599.50 |
| LaMoure | Sunset Park Revitalization Phase II | 05-06-20 | \$ 45,000.00 | | | | | \$ 45,000.00 |
| LaMoure | County Park Playground Equipment | 04-29-21 | | \$ 4,573.00 | | \$ 4,573.00 | | \$ - |
| McHenry | Upham Park Improvement | 04-29-21 | | \$ 9,125.00 | | | | \$ 9,125.00 |
| McHenry | Splash Pad | 09-23-21 | | \$ 19,838.00 | | \$ 1,475.00 | | \$ 18,363.00 |
| McKenzie | McKenzie County Athletic Park | 05-06-20 | \$ 50,000.00 | | | \$ 50,000.00 | | \$ - |
| McLean | Wilderness Park Improvement | 05-02-18 | \$ 10,000.00 | | | | | \$ 10,000.00 |
| McLean | Fair Bleachers & Benches | 09-26-19 | \$ 8,770.00 | | \$ 8,323.75 | | | \$ 446.25 |
| McLean | Walking/Bike Path Underwood | 05-06-20 | \$ 15,668.00 | | | | | \$ 15,668.00 |
| McLean | Mercer Memorial Park Playground | 10-01-20 | \$ 18,248.00 | | | | | \$ 18,248.00 |
| McLean | Lakeside Park Gazebo/Riverdale | 04-29-21 | | \$ 1,500.00 | | | | \$ 1,500.00 |
| McLean | Picnic Tables/Turtle Lake | 04-29-21 | | \$ 1,980.00 | | \$ 1,980.00 | | \$ - |
| McLean | Playground Equipment-Coleharbor | 09-23-21 | | \$ 23,460.00 | | | | \$ 23,460.00 |
| McLean | Spring Creek Boat Ramp Extension | 09-23-21 | | \$ 50,000.00 | | \$ 50,000.00 | | \$ - |
| Nelson | Tolna City Park Restrooms | 10-03-18 | \$ 21,933.00 | | | | | \$ 21,933.00 |
| Nelson | Playground Equipment-Pekin | 05-06-20 | \$ 14,302.00 | | \$ 10,402.15 | \$ 3,899.85 | | \$ 0.00 |
| Pierce | Buffalo Lake Camp Site | 04-29-21 | | \$ 3,250.00 | | | | \$ 3,250.00 |
| Pierce | Barton Park Picnic Tables/Play Gym | 09-23-21 | | \$ 1,250.00 | | | | \$ 1,250.00 |
| Ramsey | Creel Bay Dock & Slip | 10-03-18 | \$ 18,750.00 | | | \$ 18,750.00 | | \$ - |
| Ransom | Dead Colt Walkway | 04-29-21 | | \$ 23,750.00 | | | | \$ 23,750.00 |
| Ransom | Sandager Park Pavilion | 04-29-21 | | \$ 11,000.00 | | | | \$ 11,000.00 |
| Renville | Mouse River Park Playground Expansion | 10-01-20 | \$ 2,062.00 | | | | | \$ 2,062.00 |
| Renville | Mouse River Park Picnic Shelter | 04-29-21 | | \$ 2,075.00 | | | | \$ 2,075.00 |
| Renville | Mouse River Park Campground Electrical | 09-23-21 | | \$ 3,750.00 | | | | \$ 3,750.00 |
| Richland | Colfax Park Board | 10-03-18 | \$ 2,925.00 | | \$ 719.07 | | \$ (2,205.93) | \$ - |
| Richland | City Park Improvement-Abercrombie | 04-29-21 | | \$ 34,682.00 | | | | \$ 34,682.00 |
| Richland | Campground-Hankinson Park Board | 04-29-21 | | \$ 29,984.00 | | | | \$ 29,984.00 |
| Sargent | Silver Lake Teardrop & Hill Hookups | 10-03-18 | \$ 3,015.00 | | | \$ 3,015.00 | | \$ - |
| Sargent | Silver Lake Bath House | 05-06-20 | \$ 6,377.00 | | | | | \$ 6,377.00 |
| Sargent | Wildlife Observation Deck & Trail | 10-01-20 | \$ 4,500.00 | | | \$ 4,500.00 | | \$ - |
| Sheridan | Hoffer Lake Beach & Swimming Develop. | 09-23-21 | | \$ 4,093.00 | | | | \$ 4,093.00 |
| Steele | City Park Development-Colgate | 04-29-21 | | \$ 6,250.00 | | | | \$ 6,250.00 |
| Stutsman | Medina Park Frisbee Golf | 09-26-19 | \$ 2,250.00 | | | | | \$ 2,250.00 |
| Stutsman | Medina Park RV Electrical Hookups | 09-26-19 | \$ 2,000.00 | | | | | \$ 2,000.00 |
| Stutsman | City Park Development-Kensal | 04-29-21 | | \$ 11,250.00 | | \$ 11,250.00 | | \$ - |
| Stutsman | Park Bench Project-Stutsman County | 04-29-21 | | \$ 3,113.00 | | | | \$ 3,113.00 |
| Stutsman | Memorial Park Phase I | 04-29-21 | | \$ 17,475.00 | | \$ 16,201.08 | \$ (1,273.92) | \$ - |
| Stutsman | Electrical Upgrades for Campers | 09-23-21 | | \$ 1,750.00 | | | | \$ 1,750.00 |
| Trail | Mayville Nature Trail | 05-05-17 | \$ 13,500.00 | | | | \$ (13,500.00) | \$ - |
| Trail | Walking Trail | 10-07-16 | \$ 896.00 | | \$ 152.69 | | \$ (743.31) | \$ - |
| Trail | Mayville Island Park Improvement | 05-02-18 | \$ 20,000.00 | | \$ 18,738.25 | | \$ (1,261.75) | \$ - |
| Trail | Rainbow Garden Enhancements | 10-03-18 | \$ 13,585.00 | | \$ 4,314.50 | \$ 3,067.94 | \$ (6,202.56) | \$ - |
| Trail | Riverwalk Park & Trail System | 05-06-20 | \$ 89,973.00 | | | | | \$ 89,973.00 |
| Trail | Willowood Campground Bathroom | 05-06-20 | \$ 43,750.00 | | | | | \$ 43,750.00 |
| Ward | Ward County Park Improvements | 05-02-18 | \$ 7,934.00 | | | \$ 7,934.00 | | \$ - |
| Ward | Nelson Carlson Tire Swing | 05-02-19 | \$ 1,273.00 | | | \$ 1,224.75 | \$ (48.25) | \$ - |
| Ward | West Park-State Fair | 05-06-20 | \$ 26,450.00 | | | \$ 21,861.60 | | \$ 4,588.40 |
| Ward | Rice Lake Pavilion | 05-06-20 | \$ 26,950.00 | | | | | \$ 26,950.00 |
| Wells | Centennial Nature Park West Pathway | 05-02-19 | \$ 5,503.00 | | | | | \$ 5,503.00 |
| Wells | Family & Community Center | 10-04-19 | \$ 50,000.00 | | | \$ 50,000.00 | | \$ - |
| Williams | Blacktail Dam Fire Rings | 05-02-19 | \$ 540.00 | | | \$ 540.00 | | \$ - |
| Williams | Little Egypt Development | 05-02-19 | \$ 2,681.00 | | | \$ 1,977.06 | \$ (703.94) | \$ - |
| Williams | Confluence Beautification | 05-06-20 | \$ 3,675.00 | | | | | \$ 3,675.00 |
| Williams | Little Egypt Phase 2 | 04-29-21 | | \$ 14,650.00 | | | | \$ 14,650.00 |
| Williams | McGregor Dam Vault Toilet | 04-29-21 | | \$ 17,500.00 | | | | \$ 17,500.00 |
| Williams | Confluence Ramp | 04-29-21 | | \$ 4,750.00 | | | | \$ 4,750.00 |
| TOTALS | | | \$1,082,759.00 | \$919,156.00 | \$144,583.99 | \$782,016.17 | (\$27,296.99) | \$ 1,048,017.85 |

| GARRISON DIVERSION CONSERVANCY DISTRICT WATER ASSISTANCE GRANT PROGRAM OUTSTANDING PROJECTS June 1 to December 31, 2021 | | | | | | | | | |
|--|---------|--------------------------|---------------------------|-------------------------|------------------------------|---------------------------------------|-----------------------------------|----------------------------------|---------------|
| COUNTY | Sponsor | PROJECT | GRANT APPROVAL DATE | OUTSTANDING PROJECTS | PROJECTS APPROVED 2021 | EXPENDITURES 6-1-21 to 12-31-21 | AMOUNTS RETURNED TO PROGRAM | BALANCE REMAINING 12-31-21 | |
| Burleigh | SCRWD | Irman, Mary Jo | 06-01-21 | | \$ 1,511.00 | \$ 1,510.25 | | \$ 0.75 | |
| Burleigh | SCRWD | Roehrich, Cody | 06-01-21 | | \$ 1,398.00 | \$ 1,397.29 | | \$ 0.71 | |
| Eddy | CPWD | Rue, Dylan | 06-01-21 | | \$ 3,800.00 | | | \$ 3,800.00 | |
| Nelson | TCRWD | Reinhart, Marlin | 08-11-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Nelson | TCRWD | Syverson, Joey & Kirstie | 08-11-21 | | \$ 9,725.00 | \$ 9,725.00 | | \$ - | |
| Ramsey | GRWD | Eveslage, Travis | 06-01-21 | | \$ 1,830.00 | \$ 1,830.00 | | \$ - | |
| Ramsey | GRWD | Kowal, Alex | 06-01-21 | | \$ 1,830.00 | \$ 1,830.00 | | \$ - | |
| Ramsey | GRWD | Triepke, Travis | 06-01-21 | | \$ 1,830.00 | \$ 1,830.00 | | \$ - | |
| Ramsey | GRWD | Myklebust, Lee | 8/26/2021 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Renville | USWD | Backes Brothers Farm | 08-11-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Renville | USWD | Bloms, Brian | 08-11-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Renville | USWD | Bloms, Richard | 08-11-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Renville | USWD | Lynch, Andrew & Amanda | 08-11-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Richland | SEWUD | Andvik, Bruce & April | 08-11-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Richland | SEWUD | Holck, Jeremy | 08-11-21 | | \$ 6,442.00 | \$ 6,441.50 | | \$ 0.50 | |
| Sheridan | MSRWD | Stein, Chris & Angela | 06-01-21 | | \$ 2,325.00 | \$ 2,325.00 | | \$ - | |
| Stutsman | SRWD | Agri Partners ND, LLC | 06-01-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Stutsman | SRWD | Carlson, Layne | 06-01-21 | | \$ 9,000.00 | | | \$ 9,000.00 | |
| Stutsman | SRWD | Carlson, Ryan | 06-01-21 | | \$ 9,000.00 | | | \$ 9,000.00 | |
| Stutsman | SRWD | Christenson, Gordon | 06-01-21 | | \$ 1,500.00 | | | \$ 1,500.00 | |
| Stutsman | SRWD | Dunwoody, Clint | 06-01-21 | | \$ 10,000.00 | | | \$ 10,000.00 | |
| Stutsman | SRWD | Ganser, Travis | 06-01-21 | | \$ 2,500.00 | \$ 2,500.00 | | \$ - | |
| Stutsman | SRWD | Sabinash, Mike | 06-01-21 | | \$ 10,000.00 | \$ - | | \$ 10,000.00 | |
| Stutsman | SRWD | Reich, Becky | 08-11-21 | | \$ 4,500.00 | | | \$ 4,500.00 | |
| Wells | CPWD | Martin, Jeff | 08-11-21 | | \$ 6,250.00 | \$ 6,250.00 | | \$ - | |
| | | City of Turtle Lake | | | 6,154.00 | 5,891.64 | | \$ 262.36 | |
| TOTALS | | | | | \$0.00 | \$169,595.00 | \$41,530.68 | \$0.00 | \$ 128,064.32 |

**GARRISON DIVERSION CONSERVANCY DISTRICT
BUDGET OF REVENUES AND EXPENDITURES Rv3
January 1, 2021 to December 31, 2021**

| | General Fund | Operations & Maintenance Fund | Municipal, Rural, and Industrial Fund | Red River Valley Water Supply Project | Irrigation Fund | Total |
|-------------------------------------|---------------------|-------------------------------------|--|--|--------------------|----------------------|
| REVENUES: | | | | | | |
| Irrigation Admin | \$ 1,100 | | | | | \$ 1,100 |
| Project Income | | \$ 7,730 | | | | \$ 7,730 |
| Lease Income | \$ 2,300 | | | | | \$ 2,300 |
| Miscellaneous Income | | | | | | \$ - |
| Interest Income | \$ 198,000 | | \$ 50 | | \$ 5,600 | \$ 203,650 |
| Tax Levy | \$ 3,136,000 | | | | | \$ 3,136,000 |
| State Aid Distribution | \$ 584,000 | | | | | \$ 584,000 |
| O&M Non-Project Income | | \$ 212,000 | | | | \$ 212,000 |
| Contract Revenue | \$ 40,600 | \$ 7,365,270 | \$ 15,154,950 | \$ 21,036,000 | \$ 642,400 | \$ 44,239,220 |
| Total Revenues | \$ 3,962,000 | \$ 7,585,000 | \$ 15,155,000 | \$ 21,036,000 | \$ 648,000 | \$ 48,386,000 |
| EXPENDITURES: | | | | | | |
| Directors Expense | \$ 270,000 | | | | | \$ 270,000 |
| Employee Expenses | \$ 1,208,000 | \$ 2,743,000 | \$ 68,000 | \$ 107,000 | | \$ 4,126,000 |
| Administrative Expenses | \$ 213,000 | \$ 155,000 | \$ 67,000 | | | \$ 435,000 |
| Public Education | \$ 107,000 | | | | | \$ 107,000 |
| Professional Services | \$ 969,875 | \$ 1,628,000 | | \$ 450,000 | | \$ 3,047,875 |
| Irrigation Development | \$ 270,125 | | | | | \$ 270,125 |
| Recreation Matching | \$ 793,000 | | | | | \$ 793,000 |
| Water Assistance Grant Program | \$ 300,000 | | | | | \$ 300,000 |
| Irrigation Districts Expenses | \$ 2,000 | | | | | \$ 2,000 |
| Maintenance & Repairs | \$ 78,291 | \$ 1,101,800 | | | \$ 386,000 | \$ 1,566,091 |
| Capital Purchases | \$ 136,709 | \$ 740,200 | | \$ 20,450,000 | \$ 3,000 | \$ 21,329,909 |
| MR&I Project Expenditures | | | \$ 15,000,000 | | | \$ 15,000,000 |
| Debt Service Payments | | | | | \$ 189,000 | \$ 189,000 |
| Interest on Debt Service | | | | | \$ 70,000 | \$ 70,000 |
| Total Expenditures | \$ 4,348,000 | \$ 6,368,000 | \$ 15,135,000 | \$ 21,007,000 | \$ 648,000 | \$ 47,506,000 |
| Revenues Over (Under) Expenditures* | \$ (386,000) | \$ 1,217,000 | \$ 20,000 | \$ 29,000 | \$ - | \$ 880,000 |
| Transfers In (Out) | \$ 1,266,000 | \$ (1,217,000) | \$ (20,000) | \$ (29,000) | \$ - | \$ - |
| Net Change in Fund Balance | \$ 880,000 | \$ - | \$ - | \$ - | \$ - | \$ 880,000 |

**GARRISON DIVERSION CONSERVANCY DISTRICT
BUDGET OF REVENUES AND EXPENDITURES Rv3
January 1, 2021 to December 31, 2021**

| | 2021 Budget | Revision | Revised 2021 Budget |
|-------------------------------|------------------------|-----------------|------------------------------------|
| REVENUES: | | | |
| Irrigation Admin | \$ 1,100 | | \$ 1,100 |
| Project Income | \$ 7,730 | | \$ 7,730 |
| Lease Income | \$ 2,300 | | \$ 2,300 |
| Miscellaneous Income | \$ - | | \$ - |
| Interest Income | \$ 203,650 | | \$ 203,650 |
| Tax Levy | \$ 3,136,000 | | \$ 3,136,000 |
| State Aid Distribution | \$ 584,000 | | \$ 584,000 |
| O&M Non-project Income | \$ 212,000 | | \$ 212,000 |
| Contract Revenue-General Fund | \$ 40,600 | | \$ 40,600 |
| Contract Revenue-O&M | \$ 7,365,270 | | \$ 7,365,270 |
| Contract Revenue-MR&I | \$ 15,154,950 | | \$ 15,154,950 |
| Contract Revenue-RRVWSP | \$ 21,036,000 | | \$ 21,036,000 |
| Contract Revenue-Irrigation | \$ 642,400 | | \$ 642,400 |
| Total Revenues | \$ 48,386,000 | \$ - | \$ 48,386,000 |

GARRISON DIVERSION CONSERVANCY DISTRICT
Budget RV3
January 1, 2021 to December 31, 2021

| | Budget 2021 | Revision | Revised Budget |
|----------------------------------|---------------------|-------------|---------------------|
| <u>Directors Expense</u> | | | |
| Directors Per Diem | \$ 130,000 | | \$ 130,000 |
| Directors Exp | \$ 140,000 | | \$ 140,000 |
| Total Directors Expense | \$ 270,000 | \$ - | \$ 270,000 |
| <u>Employee Expense</u> | | | |
| Employee Salaries | \$ 726,000 | | \$ 726,000 |
| General Managers Expense | \$ 35,000 | | \$ 35,000 |
| Travel | \$ 61,000 | \$ - | \$ 61,000 |
| Administrative Officer | \$ 25,000 | | \$ 25,000 |
| District Engineer | \$ 10,000 | | \$ 10,000 |
| Engineer | \$ 5,000 | | \$ 5,000 |
| Communications Director | \$ 6,000 | | \$ 6,000 |
| Emp Exp Other | \$ 15,000 | | \$ 15,000 |
| Professional Development | \$ 17,000 | \$ - | \$ 17,000 |
| Employee Training | \$ 15,000 | | \$ 15,000 |
| Wellness Program | \$ 2,000 | | \$ 2,000 |
| Benefits | \$ 369,000 | \$ - | \$ 369,000 |
| GDCD FICA | \$ 65,000 | | \$ 65,000 |
| Retirement | \$ 103,000 | | \$ 103,000 |
| Hospital & Life Insurance | \$ 165,000 | | \$ 165,000 |
| Unemployment Comp | \$ 1,000 | | \$ 1,000 |
| Vision / Dental | \$ 14,000 | | \$ 14,000 |
| Workforce Safety Insurance | \$ 1,000 | | \$ 1,000 |
| Long Term Disability Ins | \$ 7,000 | | \$ 7,000 |
| Vacation/Sick Leave Liability | \$ 13,000 | | \$ 13,000 |
| Total Employee Expense | \$ 1,208,000 | \$ - | \$ 1,208,000 |
| <u>Administration</u> | | | |
| Postage | \$ 7,000 | | \$ 7,000 |
| Communications | \$ 27,000 | | \$ 27,000 |
| Utilities | \$ 33,000 | | \$ 33,000 |
| Meetings & Events | \$ 10,000 | | \$ 10,000 |
| Subscriptions | \$ 7,000 | | \$ 7,000 |
| Miscellaneous | \$ 9,000 | | \$ 9,000 |
| Data Processing | \$ 21,000 | | \$ 21,000 |
| Employee Recruiting | \$ 5,000 | | \$ 5,000 |
| Supplies | \$ 20,000 | | \$ 20,000 |
| Small Office Equipment | \$ 15,000 | | \$ 15,000 |
| Dues | \$ 15,000 | | \$ 15,000 |
| Insurance | \$ 13,000 | | \$ 13,000 |
| Annual Independent Audit | \$ 31,000 | | \$ 31,000 |
| Total Administration | \$ 213,000 | \$ - | \$ 213,000 |
| <u>Public Education</u> | | | |
| GDCD Tours | \$ 10,000 | | \$ 10,000 |
| ND Water Users | \$ 20,000 | | \$ 20,000 |
| ND Water Coalition | \$ 14,000 | | \$ 14,000 |
| ND Water Magazine | \$ 18,000 | | \$ 18,000 |
| Missouri River Joint Board/MRRIC | \$ 15,000 | | \$ 15,000 |
| Conferences/Sponsorships | \$ 20,000 | | \$ 20,000 |
| Miscellaneous | \$ 10,000 | | \$ 10,000 |
| Total Public Education | \$ 107,000 | \$ - | \$ 107,000 |

GARRISON DIVERSION CONSERVANCY DISTRICT
Budget RV3
January 1, 2021 to December 31, 2021

| | Budget 2021 | Revision | Revised Budget |
|--|---------------------|-----------------|---------------------|
| Professional Services | | | |
| Communications | \$ 242,875 | | \$ 242,875 |
| Engineering | \$ 125,000 | | \$ 125,000 |
| RRVWSP Development | \$ 357,000 | \$ - | \$ 357,000 |
| Technical Support for LAWA | \$ 15,000 | | \$ 15,000 |
| Engineering | \$ 100,000 | | \$ 100,000 |
| Legal | \$ 150,000 | | \$ 150,000 |
| Financial | \$ 10,000 | | \$ 10,000 |
| Consultants | \$ 50,000 | | \$ 50,000 |
| Meeting, Misc. Exp | \$ 32,000 | | \$ 32,000 |
| Prof Services Other | \$ 45,000 | | \$ 45,000 |
| Legal Services | \$ 200,000 | | \$ 200,000 |
| Total Professional Services | \$ 969,875 | \$ - | \$ 969,875 |
| Irrigation Development | | | |
| ND Irrigation Association | \$ 50,000 | | \$ 50,000 |
| NDSU Oakes Irrigation Site | \$ 178,000 | | \$ 178,000 |
| Bob Titus Lease | \$ 16,453 | | \$ 16,453 |
| Irrigation Development | \$ 25,672 | | \$ 25,672 |
| Total Irrigation Development | \$ 270,125 | \$ - | \$ 270,125 |
| Recreation | | | |
| Recreation Matching | \$ 775,000 | \$ 8,000 | \$ 783,000 |
| DWRA Recreation Program | \$ 10,000 | | \$ 10,000 |
| Total Recreation | \$ 785,000 | \$ 8,000 | \$ 793,000 |
| Water Assistance Grant Program | \$ 300,000 | | \$ 300,000 |
| Irrigation District Expense | | | |
| Irrigation District Expenses | \$ 2,000 | | \$ 2,000 |
| OTA Title Transfer | \$ - | \$ - | \$ - |
| Technical Support | \$ - | | \$ - |
| Legal | \$ - | | \$ - |
| Total Irrigation District Expense | \$ 2,000 | \$ - | \$ 2,000 |
| Maintenance & Repair | | | |
| Equipment Maintenance | \$ 29,000 | | \$ 29,000 |
| Small Yard Equipment Purchases | \$ 4,350 | | \$ 4,350 |
| Land & Bldg Maintenance | \$ 33,941 | \$ 150 | \$ 34,091 |
| Auto Expense | \$ 11,000 | \$ (150) | \$ 10,850 |
| Total Maintenance & Repair | \$ 78,291 | \$ - | \$ 78,291 |
| Capital Purchases | | | |
| Office Equip & Furniture | \$ 20,000 | | \$ 20,000 |
| Yard Equipment | \$ 20,000 | | \$ 20,000 |
| Vehicle | \$ 35,000 | | \$ 35,000 |
| Land & Buildings | \$ 61,709 | | \$ 61,709 |
| Total Capital Purchases | \$ 136,709 | \$ - | \$ 136,709 |
| General Fund Subtotal | \$ 4,340,000 | \$ 8,000 | \$ 4,348,000 |

GARRISON DIVERSION CONSERVANCY DISTRICT
Budget RV3
January 1, 2021 to December 31, 2021

| | Budget 2021 | Revision | Revised Budget |
|--|----------------------|-----------------|----------------------|
| <u>Irrigation Fund</u> | | | |
| McClusky Canal Irrigation | \$ 389,000 | | \$ 389,000 |
| Construction | \$ 3,000 | | \$ 3,000 |
| Operations | \$ 386,000 | | \$ 386,000 |
| Debt Payments | \$ 259,000 | | \$ 259,000 |
| Principal | \$ 189,000 | | \$ 189,000 |
| Interest | \$ 70,000 | | \$ 70,000 |
| Total Irrigation Fund | \$ 648,000 | \$ - | \$ 648,000 |
| <u>GDU O & M</u> | | | |
| Salaries & Benefits | \$ 2,644,000 | \$ - | \$ 2,644,000 |
| Salaries | \$ 1,646,000 | | \$ 1,646,000 |
| Benefits | \$ 998,000 | | \$ 998,000 |
| Travel | \$ 33,000 | | \$ 33,000 |
| Training | \$ 5,000 | | \$ 5,000 |
| Utilities | \$ 101,000 | | \$ 101,000 |
| Contracted Services (Eng / Survey) | \$ 1,628,000 | | \$ 1,628,000 |
| Supplies | \$ 631,000 | | \$ 631,000 |
| Equipment Purchases | \$ 720,200 | | \$ 720,200 |
| Small Equipment Purchases | \$ 20,000 | | \$ 20,000 |
| Equipment Rental | \$ 11,000 | | \$ 11,000 |
| Equipment Maintenance | \$ 313,000 | | \$ 313,000 |
| Safety | \$ 61,000 | | \$ 61,000 |
| Miscellaneous | \$ 54,000 | | \$ 54,000 |
| Materials | \$ 146,800 | | \$ 146,800 |
| Total GDU O & M | \$ 6,368,000 | \$ - | \$ 6,368,000 |
| <u>MR&I FUND</u> | | | |
| Salaries & Benefits | \$ 68,000 | | \$ 68,000 |
| State Administration | \$ 67,000 | | \$ 67,000 |
| MR&I Project Expenditures | \$ 15,000,000 | | \$ 15,000,000 |
| Total MR&I Fund | \$ 15,135,000 | \$ - | \$ 15,135,000 |
| <u>RRV Water Supply Project</u> | | | |
| ROW | \$ 250,000 | | \$ 250,000 |
| Design/Construction in Progress | \$ 5,000,000 | | \$ 5,000,000 |
| Construction | \$ 15,000,000 | | \$ 15,000,000 |
| Salaries & Benefits | \$ 107,000 | | \$ 107,000 |
| Financing/Legal/Administration | \$ 450,000 | | \$ 450,000 |
| Other Engineering | \$ 200,000 | | \$ 200,000 |
| Total RRVWSP | \$ 21,007,000 | \$ - | \$ 21,007,000 |
| TOTAL ALL FUNDS | \$ 47,498,000 | \$ 8,000 | \$ 47,506,000 |

| GARRISON DIVERSION CONSERVANCY DISTRICT | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|--------------|
| MR&I Project Construction Report | | | | | | |
| December 31, 2021 | | | | | | |
| Project | Current Funding | | | 2021 | | |
| | Federal | | MR&I Fund | | MR&I Fund | |
| | MR&I Funding | Expenditures | MR&I Funding | Expenditures | MR&I Funding | Expenditures |
| | | | | | Total | Federal |
| | | | | | Expenditures | MR&I Funding |
| | | | | | | Remaining |
| McLean-Sheridan BB Expansion* | \$ 735,000.00 | \$ 608,011.82 | \$ 115,995.49 | \$ 724,007.31 | \$ 10,992.69 | |
| South Central RWD-Logan Booster Station | \$ 495,000.00 | \$ 423,955.67 | | \$ 423,955.67 | \$ 71,044.33 | |
| Gladstone Water Main & Storage Tank | \$ 735,000.00 | \$ 698,631.89 | \$ 36,368.11 | \$ 735,000.00 | \$ - | |
| Glenburn Distribution | \$ 99,750.00 | \$ 99,750.00 | | \$ 99,750.00 | \$ - | |
| Glenburn Water Storage* | \$ 1,137,750.00 | \$ 1,065,520.64 | \$ 40,664.09 | \$ 1,106,184.73 | \$ 31,565.27 | |
| NAWS-Minot Water Treatment Plant | \$ 14,859,836.00 | \$ 14,859,836.00 | | \$ 14,859,836.00 | \$ - | |
| NAWS-Biota Treatment Plant | \$ 34,161,169.00 | \$ 5,265,669.37 | \$ 7,561,387.16 | \$ 12,827,056.53 | \$ 21,334,112.47 | |
| Biota WTP Ultra Violet Reactor | \$ 707,125.00 | \$ 63,640.79 | \$ 7,071.21 | \$ 70,712.00 | \$ 636,413.00 | |
| Biota WTP Dissolved Air Flotation Equip | \$ 1,843,870.00 | \$ 72,450.00 | \$ 8,050.00 | \$ 80,500.00 | \$ 1,763,370.00 | |
| NAWS-Westhope All Seasons III | \$ 4,186,000.00 | \$ 3,415,593.77 | \$ 135.69 | \$ 3,415,729.46 | \$ 770,270.54 | |
| NAWS-Glenburn to Renville | \$ 3,058,343.00 | \$ 2,370,905.91 | \$ 318,612.27 | \$ 2,689,518.18 | \$ 368,824.82 | |
| NAWS-Westhope to Souris River | \$ 3,514,026.00 | \$ 1,903,179.15 | \$ 1,295,381.76 | \$ 3,198,560.91 | \$ 315,465.09 | |
| NAWS-Souris Corner to Bottineau | \$ 3,000,000.00 | | \$ 2,149,126.97 | \$ 2,149,126.97 | \$ 850,873.03 | |
| New England Water Tower * | \$ 1,493,863.30 | \$ 1,461,028.47 | \$ 7,185.21 | \$ 1,468,213.68 | \$ 25,649.62 | |
| Northeast Regional Water | \$ 9,355,000.00 | \$ 6,514,528.84 | \$ 1,880,840.26 | \$ 8,395,369.10 | \$ 959,630.90 | |
| Totals | \$ 79,381,732.30 | \$ 38,822,702.32 | \$ 13,420,818.22 | \$ 52,243,520.54 | \$ 27,138,211.76 | |

\$68,207.58 to be re-allocated for projects completed in 2021 with remaining funding. *

BID TABULATION SUMMARY

Red River Valley Water Supply Project
Transmission Pipeline East
Carrington to Borden, Foster County, ND
Contract 5B, Task Order 5532



Bid Opening 2:00 p.m. CST, Thursday, January 13, 2022

| No. | Bidder | Env 1 | | | | | | | Env 2 | | Base Bid | Additive Bid Alternate No. 1 | Additive Bid Alternate No. 2 | Grand Total of Base Bid and Alternates 1 & 2 | Additive Bid Alternate No. 3 | Grand Total of Base Bid and Alternates 1, 2 & 3 |
|--|-------------------------------|---|---|--|--|---|---|--|-----------------------------|-----------------------------|----------------|------------------------------|------------------------------|--|------------------------------|---|
| | | Bid Bond Included in the Amount of 5 percent of Bid | Contractor's license or Certificate of Renewal Included | Non-Collusion Affidavit Included and Completed | E/CDC C-451 Qualifications Statement Completed | Meets General Contractor Qualification Requirements | Meets Tunneling Contractor Qualification Requirements | Proposed Subcontractors, Suppliers, and Manufacturers Questionnaire Included and Completed | Acknowledged Addendum No. 1 | Acknowledged Addendum No. 2 | | | | | | |
| 1 | S.J. Louis Construction, Inc. | X | X | X | X | X | X | X | X | \$35,058,340.00 | \$5,204,360.00 | \$4,515,850.00 | \$44,778,550.00 | \$3,592,050.00 | \$48,370,600.00 | |
| 2 | Oscar Renda Contracting, Inc. | X | X | X | X | X | X | X | X | \$43,302,600.00 | \$5,139,200.00 | \$4,668,850.00 | \$53,110,650.00 | \$5,598,000.00 | \$58,708,650.00 | |
| 3 | Garney Companies, Inc. | X | X | X | X | X | X | X | X | \$36,482,450.00 | \$4,846,550.00 | \$4,632,700.00 | \$45,961,700.00 | \$4,338,450.00 | \$50,300,150.00 | |
| 4 | Thalle Construction Co., Inc | X | X | X | X | X | X | X | X | \$44,971,150.00 | \$6,072,950.00 | \$5,629,050.00 | \$56,673,150.00 | \$5,131,500.00 | \$61,804,650.00 | |
| 10 | Engineer's Estimate | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | \$49,675,500.00 | \$6,801,500.00 | \$6,291,500.00 | \$62,768,500.00 | \$4,665,000.00 | \$67,433,500.00 | |
| <p>Garrison Diversion Conservancy District PO Box 140 Carrington, ND 58421 701-652-3194</p> <p style="text-align: right;">District Engineer / Deputy Director of RRVWSP for Engineering Kip Kovar, PE January 13, 2022</p> | | | | | | | | | | | | | | | | |



January 20, 2022

Garrison Diversion Conservancy District
 Red River Valley Water Supply Project
 Transmission Pipeline East
 Carrington to Bordulac, Foster County, ND
 Task Order 5532, Contract 5B

BV Project 188972/408872
 BV File 55.5532

Mr. Duane DeKrey
 General Manager
 PO Box 140
 Carrington, ND 58421

Dear Mr. DeKrey:

This letter provides the bid results of the bid opening held at Garrison Diversion Conservancy District's Carrington Office on January 13, 2022, at 2 p.m. local time. A total of four bids were received for the Transmission Pipeline East, Contract 5B project (the Project): all four bids were opened and read aloud. The bid results in the order they were opened are as follows:

Table 1 – Bid Tabulation Summary

| Contractor | Base Bid (~7 mi 72" pipe) | Additive Bid Alternate No. 1 (~1 mi 72" pipe) | Additive Bid Alternate No. 2 (~1 mi 72" pipe) | Grand Total of Base Bid Plus Alternates 1 & 2 | Additive Bid Alternate No. 3 (78" pipe) |
|---|------------------------------|---|---|---|---|
| <i>S.J. Louis Construction, Inc.*</i> | \$35,058,340 | \$5,204,360 | \$4,515,850* \$4,716,750* | \$44,778,550* \$44,979,450* | \$3,592,050* \$3,592,050* |
| Oscar Renda Contracting, Inc. | \$43,302,600 | \$5,139,200 | \$4,668,850 | \$53,110,650 | \$5,598,000 |
| Garney Companies, Inc. | \$36,482,450 | \$4,846,550 | \$4,632,700 | \$45,961,700 | \$4,338,450 |
| Thalle Const. Co., Inc. | \$44,971,150 | \$6,072,950 | \$5,629,050 | \$56,673,150 | \$5,131,500 |
| Engineer's Estimate | \$49,675,500 | \$6,801,500 | \$6,291,500 | \$62,768,500 | \$4,665,000 |

* Duplicates of two pages were included in the Bid Form for Additive Bid Alternates Nos. 2 and 3; Additive Bid Alternate No. 3 had the same price so that irregularity was of no effect.

The apparent low bid for the Base Bid plus Additive Bid Alternates Nos. 1 and 2 was submitted by SJ Louis Construction, Inc. of Rockville, Minnesota (SJ Louis). The second low bid was submitted by Garney Companies, Inc. of North Kansas City, Missouri (Garney).

Before providing a recommendation, this letter addresses the following four considerations:

- Evaluation of the bids,
- Evaluation of the submitted qualifications for general contracting and tunneling,
- Assessment of a bid irregularity of the apparent low bidder, and
- Addresses the apparent low bidder's approach to performing electrical work.



EVALUATION OF THE BIDS

A comparison of the sum of the Base Bid and Additive Alternates Nos. 1 and 2 of the apparent low bidder and second low bidder shows a difference of 2.6 percent. This indicates the bidders had a good understanding of the Project. Bids generally fell into two groupings: the apparent low's and second low's bids were in the first grouping in the \$45 to \$46 million range, and the other two bidders were in the second grouping in the \$53 to \$57 million range. The engineer's opinion of probable construction cost prepared by Black & Veatch was \$62,768,500, which was higher than the four bidders.

EVALUATION OF THE CONTRACTOR QUALIFICATIONS

To demonstrate a general contractors' qualifications to perform the work contemplated in the plans and specifications, Specification Section 00 45 20.2 – General Contractor Qualifications Form required general contractors to have the following minimum qualifications:

- A minimum of 10 years of experience installing large diameter steel pipe.
- At least three successfully completed projects within the last 10 years with these characteristics:
 - Projects must each have been at least 10,000 feet in length.
 - They must each have included installation of 42-inch or larger diameter pipe.
 - Projects must each have included steel pipe handling and installation.

As you know, a critical part of the Work is the trenchless crossing of the Canadian Pacific Railway's main line. Due to this fact, Specification Section 00 45 21 – Tunneling Contractor Qualifications Form was included in the specifications requiring the tunneling contractor/subcontractor to have the following minimum qualifications:

- At least 10 years of experience tunneling using similar equipment to that specified for this Project, which is either a microtunnel boring machine (MTBM) or an earth pressure balance machine (EPBM).
- Two successfully completed projects within the last 10 years with these characteristics:
 - Projects must each have been at least 300 feet in length.
 - Each project must have included installation of 72-inch or larger diameter casing pipe.
 - Projects must each have used similar machines to what is required here.
- One referenced project must have a 300-ft tunnel drive in glacial geology.

Evaluation of the Apparent Low Bidder, SJ Louis Construction, Inc.

Upon review of the information submitted with the bid, it was determined that SJ Louis met the required 10 years of experience for both general contracting and tunneling. The following Table 2 summarizes SJ Louis' referenced projects for general contracting and tunneling and provides our assessment of those projects relative to the required general contractor and tunneling contractor/subcontractor qualifications.

The apparent low bidder, SJ Louis, provided with its bid a list of five projects to demonstrate it was qualified to complete the Work as the general contractor as defined in the specifications. Black & Veatch subsequently determined through interviews of project contacts provided by SJ Louis two referenced projects met the qualification requirements and three did not. See Table 2 for the evaluation of projects submitted. Three qualifying projects were required by the specifications, so SJ Louis does not meet the specified general contractor qualifications requirements.

Table 2 – SJ Louis’ Referenced Projects for Demonstration of Qualifications

| Summary of Qualifications Required | Referenced Project | Engineer’s Evaluation of Acceptability |
|--|--|---|
| <p>General Contractor Qualifications At least three successfully completed projects within the last 10 years with these characteristics:</p> <ul style="list-style-type: none"> • Each project must have been at least 10,000 feet in length. • They must have included installation of 42-inch or larger diameter pipe. • Projects must have included steel carrier pipe handling and installation. | <ol style="list-style-type: none"> 1. City of Columbus, OH, Upground Reservoir Project: Engineer was able to verify project information and successful completion with contact provided. 2. City of Gillette, WY; Madison Pipeline Project: Engineer was able to verify technical project information with contact provided. 3. Central Utah Water Conservancy District, UT; Spanish Fork Canyon Pipeline Project: Engineer was able to verify project information and successful completion with contact provided. 4. Semitropic-Rosamound Water Bank Authority, Palmdale, CA; Antelope Valley Water Bank Project: Reference was not contacted as project did not meet screening criteria. 5. Canadian River Municipal Water Authority, Sanford, TX; Aqueduct Pipe Repairs: Engineer was able to verify project information and successful completion with contact provided. | <ol style="list-style-type: none"> 1. Valid project reference. Project met time, material, size, and length requirements. 2. Not a valid project reference. Project met time, material, size, and length requirements. However, the City of Gillette refuses to provide information concerning SJ Louis’ performance due to a non-disclosure agreement signed between the City of Gillette and SJ Louis. Consequently, we are unable to verify SJ Louis’ performance. 3. Not a valid project reference. Information submitted by SJ Louis indicates project met size, length, and material requirements; however, the project is outside the 10-year window of November 2011 to November 2021. 4. Not a valid project reference. Met size, length, and material requirements; however, the project is outside the 10-year window of November 2011 to November 2021. 5. Valid project reference. Project met time, material, size, and length requirements. |
| <p>Tunneling Qualifications Two successfully completed projects within the last 10 years with these characteristics:</p> <ul style="list-style-type: none"> • Projects must have been at least 300 feet in length. • They must have included installation of 72-inch diameter or larger casing pipe. • Projects must have used similar machines to what is required for this Project. • One of the referenced projects must have been completed in glacial geology. | <ol style="list-style-type: none"> 1. Town of Cary, NC; West Reedy Branch and Beaver Creek, Contract 7: Engineer was able to verify project information and successful completion with contact provided. 2. El Paso Water Utilities, El Paso, TX; Eastside Interceptor Phase 5: Engineer was able to verify project information and successful completion with contact provided. 3. City of Dallas, TX; Elm Fork 72” Water Main: Engineer was able to verify project information and successful completion with contact provided. 4. Reference Left Blank 5. Harford County Department of Procurement, Harford, MD; Bush Creek Force Main; Engineer was able to verify project information and successful completion with contact provided. | <ol style="list-style-type: none"> 1. Valid project reference. A portion of the project met length, diameter, and time criteria. Tunneling was not in glacial geology. Steel casing pipe installed for the qualifying tunnel while another used liner plate. 2. Valid project reference. Project met length, diameter, and time criteria. Tunneling was not in glacial geology. Steel casing pipe installed. 3. Not a valid project reference. Project met length, time, and diameter criteria; however, liner plate was used for tunneling. Tunneling was not in glacial geology. 4. No reference provided. 5. Not a valid project reference. Project met the diameter and time criteria; however, the installed length is too short. Tunneling was not in glacial geology. Steel casing pipe installed. |



Per the information submitted with its bid, SJ Louis intends to self-perform the tunneling work. They provided a list of four tunneling projects to demonstrate their tunneling qualifications: Black & Veatch determined only three of the four projects listed met the tunneling time, length, and size requirements. Of those three, one project was not a valid project because it did not meet the requirement of using casing pipe. Instead it used tunnel liner plate. Also concerning the three projects that met the time, length, and diameter requirement, none of the projects were tunneled in glacial geology. One tunneling project in glacial geology was required in the specifications, so SJ Louis also does not meet the tunneling contractor qualifications requirements either.

Black & Veatch determined SJ Louis is not qualified for either the general contractor or tunneling qualifications of this Project in accordance with the Contract Documents based on the information SJ Louis submitted with its bid. Therefore, Black & Veatch moved to an evaluation of the apparent second low bidder.

Evaluation of the Apparent Second Low Bidder, Garney Companies, Inc.

The apparent second low bidder, Garney, meets the required 10 years of experience for general contracting and its tunneling subcontractor meets the 10-year requirement as well. The following Table 3 summarizes Garney's referenced projects for general contracting and tunneling and provides our assessment of those projects relative to the required general contractor and tunneling contractor/subcontractor qualifications.

Garney provided with its bid a list of five projects to demonstrate they were qualified to complete the pipeline installation as the general contractor. References for the five projects were contacted, and all five provided positive responses to their respective projects. Black & Veatch subsequently determined four of the five referenced projects met the specific threshold experience requirements. See Table 3 for the evaluation of projects submitted. The one project that was deemed too short to qualify was the Devil's Lake Outlet project for the North Dakota State Water Commission; the steel portion of the project was under the 10,000-ft threshold. Three qualifying projects were required by the specifications, so Garney does meet the specified general contractor qualifications requirements with four acceptable projects submitted.

Garney intends to subcontract the tunneling work to Minger Construction Company, Inc. (Minger) per the information shown on Specification Section 00 43 36 - Proposed Subcontractors, Suppliers, and Manufacturers Questionnaire submitted with the bid. Minger provided a list of five tunneling projects to demonstrate their tunneling qualifications. References for the five projects were contacted and all five provided positive responses to their respective projects completed by Minger. Black & Veatch subsequently determined all five projects met the specification requirements; two qualifying projects were required. Minger does, therefore, meet the specified tunneling contractor/subcontractor qualifications requirements.

Garney has met both the general contractor and the tunneling contractor/subcontractor qualifications requirements through successful completion of both the referenced pipeline and trenchless crossing projects. Because of this, Black & Veatch determined Garney qualified to complete Garrison Diversion's project based on their compliance with the Project's specified criteria in the Contract Documents.



Table 3 – Garney Companies’ Referenced Projects for Demonstration of Qualifications

| Summary of Qualifications Required | Referenced Project | Engineer’s Evaluation of Acceptability |
|--|---|---|
| <p>General Contractor Qualifications At least three successfully completed projects within the last 10 years with these characteristics:</p> <ul style="list-style-type: none"> • Each project must have been at least 10,000 feet in length. • They must have included installation of 42-inch or larger diameter pipe. • Projects must have included steel carrier pipe handling and installation. | <ol style="list-style-type: none"> 1. Colorado Springs Utilities; Southern Delivery System Raw Water Pipeline: Engineer was able to verify project information and successful completion with contact provided. 2. Central Texas Regional Water Supply Corporation; Vista Ridge Water Supply Project: Engineer was able to verify project information and successful completion with contact provided. 3. North Texas Municipal Water District; Trinity River Main Stem Pipeline and Pump Station: Engineer was able to verify project information and successful completion with contact provided. 4. North Texas Municipal Water District; Bois d’Arc Lake, Raw Water Pipeline: Engineer was able to verify project information and successful completion with contact provided. 5. North Dakota State Water Commission; Devil’s Lake East End Outlet Pipeline Installation: Engineer was able to verify project information and successful completion with contact provided. | <ol style="list-style-type: none"> 1. Valid project reference. Project met time, material, size, and length requirements. 2. Valid project reference. Project met time, material, size, and length requirements. 3. Valid project reference. Project met time, material, size, and length requirements. 4. Valid project reference. Project met time, material, size, and length requirements. 5. Not a valid project reference. Project met time, size, and material requirements, but the length of the steel pipeline portion is too short. |
| <p>Tunneling Qualifications Two successfully completed projects within the last 10 years with these characteristics:</p> <ul style="list-style-type: none"> • Projects must have been at least 300 feet in length. • They must have included installation of 72-inch diameter or larger casing pipe. • Projects must have used similar machines to what is required for this Project. • One of the referenced projects must have been completed in glacial geology. | <ol style="list-style-type: none"> 1. Iowa Department of Transportation; Woodbury Sanitary Sewer: Engineer was able to verify project information and successful completion with contact provided. 2. City of Des Moines, Water Reclamation Authority; Eastside Interceptor Segment 27 Ph 5: Engineer was able to verify project information and successful completion with contact provided. 3. City of Des Moines, Water Reclamation Authority; Eastside Interceptor Segment 27 Ph 3: Engineer was able to verify project information and successful completion with contact provided. 4. City of Bloomington, MN; Penn American Stormwater Project: Engineer was able to verify project information and successful completion with contact provided. 5. Garrison Diversion Conservancy District; Red River Valley Water Supply Project, Transmission Pipeline East, Contract 5A: Engineer was able to verify project information and successful completion with contact provided. | <ol style="list-style-type: none"> 1. Valid project reference. Met size, length, and time criteria. Tunneling in glacial geology. Steel casing pipe installed. 2. Valid project reference. Met size, length, and time criteria. Tunneling in glacial geology. Hobas casing pipe installed. 3. Valid project reference. Met size, length, and time criteria. Tunneling in glacial geology. Hobas casing pipe installed. 4. Valid project reference. Met size, length, and time criteria. Tunneling in glacial geology. Hobas casing pipe installed. 5. Valid project reference. Met size, length, and time criteria. Tunneling in glacial geology. Steel casing pipe installed. |



ASSESSMENT OF THE BID IRREGULARITY OF THE APPARENT LOW BIDDER

The bid specifications required bidders to submit an alternate bid (Additive Bid Alternate No. 2) for the installation of Transmission Pipeline East, STA 7011+00 to 7060+00. SJ Louis submitted two conflicting variations of Additive Bid Alternate No. 2, with one bid listing a price of \$4,515,850.00 and the other listing a price of \$4,716,750.00. SJ Louis' submission of more than one bid is not permitted in the specifications, specifically specification section 00 21 13 – Instructions to Bidders, Paragraphs 15.07 and 19.02, resulting in SJ Louis' bid not conforming with the specifications and requirements. Garrison Diversion's legal counsel has determined that SJ Louis' submission of two conflicting variations of Additive Bid Alternate No. 2 may be deemed a material deviation from the bid specifications. Such a material deviation renders SJ Louis' bid non-responsive and negatively impacts the Garrison Diversion Board of Director's ability to enter into a valid and enforceable contract with SJ Louis, as a contract may be deemed void if it is entered into based on a bid that materially deviates from the bid specifications or contains material irregularities. Garrison Diversion's legal counsel advises SJ Louis' bid may be disqualified based on its submission of two conflicting variations of Additive Bid Alternate No. 2.

EVALUATION OF THE APPARENT LOW BIDDER'S APPROACH TO ELECTRICAL SUBCONTRACTING

Specification Section 00 43 36 – Proposed Subcontractors, Suppliers, and Manufacturers Questionnaire required bidders to name a pipe corrosion protection subcontractor and fiber raceway installation subcontractor or identify whether the bidder intended to self-perform these items. The corrosion control and raceway installation work constitutes less than 5 percent of the Contract Value, so it is a relatively small portion of the Project, but it is critical to successful completion of the Work and the service life of the pipeline. SJ Louis named Farwest Corrosion Control Company as its pipe corrosion protection subcontractor and indicated it intends to self-perform the fiber raceway installation. After seeking clarification from SJ Louis, Black & Veatch learned SJ Louis intends to self-perform the pipe corrosion protection installation. After further investigation, Black & Veatch determined neither Farwest Corrosion Control Company nor SJ Louis were licensed in the State of North Dakota as an electrical contractor to perform the electrical work associated with the pipe corrosion protection or fiber raceway installation work. Because SJ Louis did not identify a licensed electrical subcontractor for pipe corrosion protection subcontractor and fiber raceway installation, and SJ Louis is not itself licensed to perform these items, SJ Louis failed to meet the bid specifications.

SUMMARY AND RECOMMENDATION

Not meeting general contractor and tunneling contractor qualifications and the bid irregularity flagged by Garrison Diversion's legal team are the most significant reasons for not awarding SJ Louis the contract and are adequate by themselves. Not having an electrical license covering portions of the Work is an added concern. For these reasons, Black & Veatch recommends that Garrison Diversion Conservancy District award the Project to the second low bidder, Garney Companies, Inc., for the Base Bid amount of \$36,482,450.00. We further recommend that that Additive Bid Alternates Nos. 1 and 2 be accepted in the amount of \$4,846,550.00 and \$4,632,700.00, respectively, as the total of these three bid items are within the Project's dedicated biennium budget. Black & Veatch further recommends that Additive Bid Alternate No. 3, which involves an upsizing of the pipe to a 78-inch pipeline, not be accepted. A decision on providing additional capacity in the pipeline can be deferred until later; installing the 72-inch pipe now under Contract 5B does not preclude a capacity increase later, if the State and end users make that decision. If Garrison Diversion agrees with these recommendations, the total value of the award for the Base Bid plus Additive Bid Alternates Nos. 1 and 2 is then \$45,961,700.00.

Should you concur with our recommendation and upon receipt of the Notice of Award, Black & Veatch will prepare and submit conformed copies of the Contract Documents to Garney Companies, Inc. for execution.

If you have any questions concerning this recommendation of award for the subject project, please contact us.

Very truly yours,

BLACK & VEATCH CORPORATION



Paul Boersma
Associate Vice President

BLACK & VEATCH CORPORATION



Kurt A. Ronnekamp
Sr. Project Manager

Enclosure(s):

cc: Ms. Merri Mooridian, GDCD
Mr. Kip Kovar, GDCD
Ms. Tami Norgard, Vogel Law
File

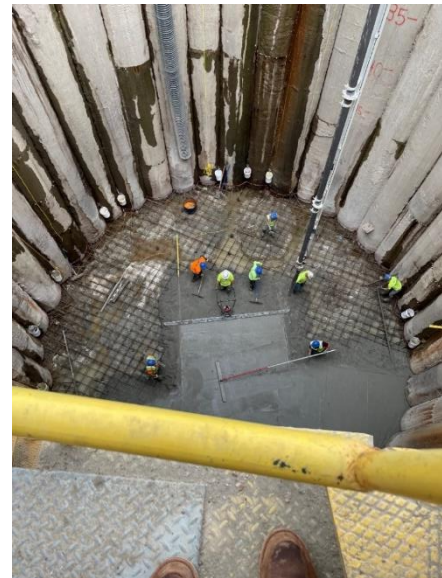
**RRVWSP Work Plan Update
January 14, 2022**

CONSTRUCTION

Wet Well Construction Contract 1

The last finish grade pour (approximately 1.5' thick) completed on August 30 was deemed defective. The final floor heaved due to poor water pressure, and two secants continue to leak small amounts of water. We are currently working with the contractors to remedy the issues. Grout void space below the existing 1' reinforced concrete slab and secant repair will be removed from this contract and added to Contract 2 through Work Change Directive No.1. This will allow Contract 2 to continue without delay in schedule.

Pump truck moving concrete to the bottom for the second pour



Pipeline Construction

All pipe and trenchless work have been installed to date (5,950' total distance). The pipeline walk through was completed and approved. Forty percent of the final restoration has been completed. The pipeline passed the pressure test.

To date, \$5,965,851.76 has been paid on the original contract amount of \$8,366,201.00.



Discharge Structure Construction

The contractor has reached substantial completion and is waiting for steel fabrication this winter. To date, \$1,362,147.25 has been paid on the original contract amount of \$1,516,955.00.



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 has completed the road work, temporary bridge and will start driving sheet pile next week. Michels continues to mobilize and prepare for the tunneling efforts. It is anticipated tunneling will begin February 26, 2022. To date, \$2,598,773.13 has been paid on the original contract amount of \$18,896,000.00.





DESIGN

Pipeline segments 5C (8 miles), 5D (10 miles) and 6 (25 miles) are currently under design.

Bids were opened January 13, 2022, at 2:00 p.m. for Contract 5B. Four bids were received; SJ Louis, Garney Corp, Oscar Renda and Thalle submitted bids.

Bureau of Reclamation Activities

Garrison Diversion Board of Directors Meeting
January 20, 2022

Municipal, Rural, and Industrial Program

Rural Water Budgets:

| Rural Water Budgets | Enacted FY 2021 | Requested FY 2022 |
|--------------------------|-----------------|-------------------|
| GDU | 35.746 | 20.398 |
| State | 19.925 | 11.657 |
| Tribe | 15.821 | 8.741 |
| Lewis & Clark | 17.500 | 9.220 |
| Fort Peck | 30.731 | 17.191 |
| Rocky Boys | 23.984 | 13.504 |
| E NM | 14.850 | 7,790 |
| | | |
| Total | 122.811 | 68,103 |

State Municipal Rural and Industrial Program

Northwest Area Water Supply (NAWS)

Construction activities are ongoing for Contract 7-1B for improvements to the Minot Water Treatment Plant. Construction has begun on the distribution pipeline Contract 2-4C; the Lansford Reservoir and Pump Station (Contract 4-3A/5-3A); and Contract 7-2A Biota Water Treatment Plant.

Design efforts of the Snake Creek Intake Modifications (Contract 6-1A) are ongoing. The 90% plans have been provided for review. Reclamation continues work on the Facility Use Agreement for the use of this facility for the NAWS project. The design of the Bottineau/All Seasons Pump Station (Contract 5-4A/B) is also ongoing.

Bids were opened for the South Prairie Reservoir and Hydraulic Control Structure (Contract 5-1A/B) in mid-November. The bids have been reviewed and the State Water Commission and Garrison have concurred with the award of two contracts to complete the project. One contract is for the combined General, Mechanical and Electrical construction and the second contract is for reservoir construction. Reclamation is reviewing the bid documentation and will be providing Garrison with a letter concurring with the award within the next week.

Reclamation is reviewing comments on the draft Adaptive Management Plan provided by the Adaptive Management Team members and will be scheduling a team meeting in the coming weeks.

Eastern North Dakota Alternate Water Supply

Reclamation has met with Garrison staff and consultants to discuss next steps in moving this project forward with project design to ensure compliance with NEPA commitments. Additional coordination will continue as needed throughout this fiscal year.

Southwest Pipeline Project

Contract 1-2A, Supplementary Raw Water Intake - The State Water Contractors (SWC) has received a permit from the U.S. Army Corps of Engineers for the abandonment and backfilling of the 2nd microtunnel boring machine (MTBM), Geotechnical work, and work within the existing Caisson. This work is currently taking place. A reentry permit from the Corps of Engineers is still ongoing for the contractor's plan to use the horizontal directional drilling to install the raw water intake pipeline. Reclamation participates in bi-weekly coordination calls on this project with the sponsor, U.S. Army Corps of Engineers, and others.

Construction is substantially complete on the Dodge and Richardton Pump Stations (Contracts 4-1E & 4-2B) and the Residual Handling Facility (Contract 3-2E).

Cooperative Agreement

Reclamation and Garrison Diversion's working relationship for the State Municipal, Rural, and Industrial (MR&I) Program is defined by the terms of a Cooperative Agreement (R17AC00049). Thirteen modifications have been completed for this agreement for the purposes of adding construction projects, engineering projects, and/or obligating funds to the agreement. The most recent modification (December 2021) increased the percent of funding available for Engineering and Design tasks and reduced the percent of funding available for construction tasks as requested by Garrison. The period of performance of the agreement is to September 30, 2022.

Dakotas Area Office is working with Regional Office staff to prepare a new 5-year cooperative agreement.

Indian MR&I Program

Standing Rock MR&I System

The Tribe has awarded the Standing Rock Water Treatment Plant Membrane Equipment Procurement project to WesTech Engineering, Inc., from Salt Lake City, Utah, in the amount of \$1,033,556.51. These ceramic membranes will be used to increase the water treatment capacity of the Standing Rock Water Treatment Plant from 3 MGD to 5 MGD. Bartlett & West is the engineer for this project. Change Order No. 1 has been processed, upgrading clean in place (CIP) and backwash pumps and increased the contract by \$117,391.78 for a

total contract price of \$1,150,948.29. Bartlett & West has designed and prepared plans and specifications for the installation of the procured membranes. The installation contract was bid on February 11, 2021, with no bidders. The Installation contract was readvertised with a bid opening of March 16, 2021. The Installation Contract received three bids with the low bid coming from American General Contractors, Inc. of Valley City, North Dakota in the amount of \$2,021,350.87. Notice to Proceed was issued August 5, 2021. The Substantial Completion Date is March 31, 2022. Due to several of the construction supplies having long lead times the Substantial Completion date will not be met. The ceramic membranes were delivered to the Standing Rock Water Treatment Plant on November 16, 2021.

The demolition of the Fort Yates Water Treatment Plant and intake was advertised on October 29, 2021, with a bid opening held on November 30, 2021. There was one bid received in the amount of \$2,961,634.91 from Wagner Construction. This bid is \$1,471,928.36 below the Technical Service Center engineer's estimate of \$4,433,563.27. After submittals are received and reviewed it is anticipated that construction will begin Spring of 2022. The work includes the demolition of the Water Treatment Plant and associated features, the demolition of the intake site, and the reclamation of the lagoons and ponds. These features have been decommissioned from the Standing Rock Rural Water System and no longer serve a purpose. The Technical Service Center completed the 100% plans and specifications, and Bartlett & West will be administering the contract.

I.H.S. held a bid opening for Phase II of the Fort Yates Main Replacement project on April 20, 2021. Two bids were received with the low bid being received from Elite Construction in the amount of \$887,960.00. Contract SR2021-CW-1 is generally described as follows: construction of approximately 4,700 feet of 6-inch and 4-inch PVC pipe and 960 feet of 2-inch and 1-inch high density polyethylene (HDPE) service lines in the community of Fort Yates, ND. The current pipe system consisting of 8, 6, and 4-inch water main pipe will be abandoned in place. The project also includes installation of gate valves, fire hydrants, corporation stops, curb stops, concrete driveway and sidewalk replacement, asphalt restoration, and curb and gutter replacement. The notice to proceed was issued on July 14, 2021, with construction beginning on July 19, 2021. The final completion date will be approximately November 1, 2022.

Spirit Lake MR&I System

Preliminary design and right-of-way acquisitions continued on several projects including: Fort Totten Community Upgrades, Tokio Service Area, Service to Warwick School, and Warwick Service Area.

Fort Totten Community Upgrades' design has been completed by I.H.S. Easements have been signed and awaiting the Grant of Right of Way from Bureau of Indian Affairs (BIA). The Hazard Materials survey was completed by Bureau of Reclamation in June and the Archaeology review was completed in July.

Reclamation staff has continued to work with the Tribe's operators to help resolve operation and maintenance issues with the B6 Booster Station, the St. Michael control vault, and the Water Treatment Plant.

Fort Berthold Rural Water System (FBRWS)

There has been many FBRWS leaks this winter, presumably due to frost heave. During and after the leak repairs, FBRW has been coordinating with EPA regarding the need for boil orders on the effected lines.

Reclamation is starting the NEPA document for the construction of a road to the South Mandaree Intake site.

Microsoft Teams meetings continue to be held with BIA regarding the lack of recorded FBRWS easements in BIA's TAAMS database. BIA is trying to get an understanding of the scope of the issue and is working with Reclamation to get this issue resolved.

FBRW intends to advertise a System Improvement-Subsequent User contract in FY2022. Coordination continues with Indian Health Service (IHS) to get Tribal members connected, where possible, to further the Tribes' remaining construction ceiling dollars. FBRW is trying to get IHS to agree to use IHS' mega-contractor to install connections for non-tribal members, pasture taps, and line extensions, knowing that FBRW would cover those costs.

Turtle Mountain Rural Water System

Contract 3-2 Membrane Treatment Improvements - The membrane treatment project will address the formation of disinfection by-products caused by an organic component in the source ground water. Project re-advertised in September 2019, with two responsible bidders submitting bids, with apparent low bidder being approximately \$1 million over. Consultant negotiated with low bidder, and project was awarded in July 2020. Construction began fall 2020 with the project completion scheduled in 2022.

Contract 2-4 Thorne Reservoir and Booster Station – This project includes the construction of a 500,000-gallon raw water reservoir and booster pumping station, which will help to meet pressure and quantity demands on the system and will increase the efficiencies of the well field pumps. This project was advertised spring 2020, with all bids being \$3 million + above engineer's estimate. Consultant amended the Plans & Specs, and re-advertised fall 2020. Negotiations with contractor took place with the project being awarded spring 2021. Construction has begun with the foundation and walls of pump station being completed. Interior work will continue through the winter with excavation of reservoir taking place in spring.

Contract 1-10 Highway 43 Corridor Phase 3 – This project continues to add main line and service connections along Highway 43 west of the Lake Upsilon area (Phase 2). This project will complete a loop in the system to ensure reliable service to the community. Design is complete. This project has been reduced in priority and put on hold until additional funds can be secured. Turtle Mountain is working with Rollet County as a project sponsor to secure North Dakota state grant funding.

Contract AB-17-J18 Reservoir A Replacement – Will replace two existing water tanks with a one-million-gallon composite water storage tank. Bids were opened September 9, 2020. All

bids were \$2 million over engineer estimate, so contract was not awarded. Negotiations with the Contractor took place and project was awarded spring 2021. Construction has begun.

Contract 4-2 Belcourt Sewer and Water phase 4 – This project will replace aging existing water and sewer lines within Belcourt. Design at approximately 90%.

Contract GP-20-J85 San Haven Water Main Replacement – Replacement of water main in the vicinity of San Haven. 75% design plans have been delivered to Reclamation for Review.

Trenton Indian Service Area

The Hilltop Water and Sewer Replacement and Pressure Reducing Valve (PRV) Vault project was awarded to Teraflex Group, LLC for \$495,835 and construction work was started summer 2018. The project installed 2539 LF of water line and will replace the existing Booster Station B with a PRV to connect to the existing Western Area Water Supply mainline. User agreement with Western Area Water Supply is still being negotiated, with work on the PRV to be completed when agreement is finalized.

Principal Supply Works

Repayment Contract

Reclamation continues to collaborate with Garrison Diversion on the exact pricing of the capital repayment of the Garrison Diversion Unit Project. Reclamation continues to work with Garrison Diversion on an amendment to include the 145 cubic feet per second for Eastern ND Alternate Water Supply (ENDAWS) and the reformulated irrigation components into a repayment contract.

Snake Creek Pumping Plant (SCPP)

Reclamation continues discussion with the Corps of Engineers on the Snake Creek embankment foundation concerns. Reclamation has agreed to be a cooperating agency with the Corps of Engineers in preparing their Dam Safety Modification Study and NEPA review. Reclamation and Garrison Diversion are in discussions to prepare a feasibility design and cost estimate to provide water to Snake Creek Pumping Plant and the McClusky Canal in times when the Audubon Reservoir restriction is implemented.

McClusky and New Rockford Canals

Reclamation received and concurred with Garrison Diversion's OM&R 2022 workplan. Reclamation has sufficient FY22 funding available to cover Garrison Diversion budget request. The slide agreement was fully funded last year.

Reclamation and Garrison Diversion staff conducted the annual joint inspection in August. Inspection of the New Rockford shop yard identified an area of petroleum-based product contamination. The extent of the contamination was determined through further investigation of the site in December. It is estimated that 150-200 yards of material may

need to be removed and disposed of. Reclamation is working with Garrison Diversion staff to develop a plan for cleanup.

Irrigation

Jamestown Dam

The 4,000 acre-feet under Dickey-Sargent's long-term water contract was all released from Jamestown Dam in 2021 and cannot be refilled until conditions within the operating principals are met. Reclamation awarded Contract No. 140R6021C0013, Jamestown Dam Stilling Basin Concrete Floor Repairs, to Engineering & Construction Innovations, Inc. out of Minnesota in the amount of \$765,450. This work is anticipated in late summer-fall of 2022.

Turtle Lake and McClusky Canal Irrigation Areas

The total acres irrigated from the McClusky Canal is 7,312 acres. In May, Garrison Diversion requested an additional 360 acres added to the water service contract for 2021. Reclamation sent water service contract amendment #10 on June 8, 2021, to increase the irrigated acres to 7,672. This amendment will likely be signed in the 2022 irrigation season. Reclamation will be preparing the 2022 irrigation rates with collection due by April 1.

Standing Rock Irrigation Project

The Tribe has been approved to use construction funds to replace the buried power lines at the Fort Yates Unit and inspect and rehabilitation of the cathodic protection of Eagle Unit pipeline. Bids for the buried power lines at the Fort Yates Unit were received in December and reviewed by the Tribe. All bids were over \$1 million, so the Tribe decided not to award. The leak found coming from the 24" main pipeline after it leaves the Eagle Unit pumping plant has been repaired along with the replacement of 100 feet of pipe. Total of three leaks at Eagle Unit including this one has brought into question the integrity of the pipeline. A pump failed on August 16, and an additional leak was found and repaired in late August. The pump has been replaced and the leak repaired. Field office had discussions with experts from TSC on inspection of the Eagle Unit pipeline finding that they don't have the capabilities as focus of inspection has shifted to the pipeline's interior condition. Field office had concluded through its research that PICA's pipers acoustic sensor free floating 2.8" diameter ball technology was the best inspection method for a total cost of \$30-45k for the 3 miles of pipe and recommended the technology for the Tribe's consideration. Tribe has decided to not pursue the cathodic protection at Eagle Unit until the integrity of the three miles of pipe is determined. Reclamation is working with the Tribe and their prime irrigator to develop a long-term plan that addresses the remaining issues with the Eagle Unit pumping plant, distribution line, and causeway along with what can be expected for additional pivots near Wakpala. Long-term plan would address issues at the other two units as well. The Tribe continues to work on getting easements to allow for construction of four additional pivots on their Eagle Irrigation Unit, South Dakota. The Tribe has been focusing on using their construction funds to rehabilitate their existing irrigation rather than expand the acreage.

Recreation Development

A new 3-year contract will be required for McLean County Sheriff's Department for the 2022 season. A tree nursery planted in 2018 between Heckers and New Johns Lake will be transplanted to all the campsites around Chain of Lakes Recreation Area when large enough to be viable.

The camp host site is complete, and the District closed off access to the public and locked the hydrant. A press release for recruiting a camp host will go out this winter. Reclamation and the District are planning to purchase a storage shed for East Park Lake this spring.

North Dakota Natural Resources Trust

FY22 money to be determined.

Wildlife Program

Lonetree

Work is starting on the FY22 NEPA Workplan.

Audubon

Work is starting on the FY22 NEPA Workplan.

Arrowwood

The fish barrier was inspected by Smith Root on October 20, 2021. The maintenance agreement option year was executed with Smith-Root on January 1, 2022, for the year. Garrison Diversion finished replacing the failed electrodes, wire connections, and water level sensor on October 28, 2021.

Scattered Tracts

Semi-annual meeting was conducted over Microsoft Teams.



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, OMAHA DISTRICT
1616 CAPITOL AVENUE
OMAHA, NE 68102-4901

Annex X
22-69

January 3, 2022

Planning, Programs, and Project Management Division

Mr. Duane DeKrey, General Manager
Garrison Diversion Conservancy District
P.O. Box 140
Carrington, ND 58421

Dear Mr. DeKrey:

In accordance with Section 149 of the Water Resources Development Act (WRDA) 2020, the Omaha District, U.S. Army Corps of Engineers (Corps) is in the process of reevaluating recent interim risk reduction measures for the Snake Creek Embankment, which divides Lake Audubon and Lake Sakakawea in McLean County, North Dakota. A Water Control Plan (WCP) modification was enacted in 2019 following the completion of an Environmental Assessment (EA) and subsequent Findings of No Significant Impact (FONSI). This WCP update included an operating restriction in times of extreme drought conditions when Lake Audubon is significantly higher in water surface elevation than Lake Sakakawea. A 2007 seepage analysis determined there was considerable increase in the potential for adverse underseepage conditions that could lead to the failure of Snake Creek Embankment when pool differentials exceed 43 feet. This 2019 operating restriction was enacted to provide a high-level risk reduction measure that would manage lake level differences between Lake Sakakawea and Lake Audubon to no greater than 43 feet.

The 2019 WCM update concluded "A dam safety concern arises during drought conditions when Lake Sakakawea's elevation falls more than 43 feet below Lake Audubon's elevation. This constraint requires that Lake Audubon levels be decreased as necessary through operation of the conduit slide gate any time the Lake Sakakawea pool may become 43 feet lower than the Lake Audubon pool level. During drought conditions, the performance of the embankment is monitored closely to evaluate the dam's integrity with regard to hydrostatic pressure and underseepage. Based on the performance of the dam under these loading conditions, the 43-foot differential constraint may be adjusted to ensure safe and efficient operation of the embankment."

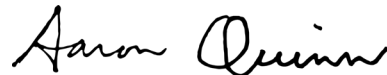
To comply with Section 149, the Corps has been directed to reevaluate the appropriateness of the 2019 WCP and actions to take during large head differential. The Corps is initiating a Dam Safety Modification Study (DSMS) to evaluate reasonable structural and operational alternatives to provide future adaptability for climate resiliency in North Dakota, as well as consider the economic and environmental benefits Snake Creek Embankment provides. Furthermore, the Corps will conduct an EA in accordance with the National Environmental Policy Act (NEPA) as part of the DSMS to assess potential environmental and social effects any proposed actions or modifications would have.

The Corps would like to formally invite the Garrison Diversion Conservancy District (GDCD) to participate in this project as a Cooperating Agency (CA). In accordance with 40 CFR § 1508.5, the lead Federal agency should conduct analyses and documentation in cooperation with State and local governments and other agencies with jurisdiction by law or special expertise. The Corps has determined that the GDCD has both jurisdiction and special expertise as it relates to water supply projects and water supply users of Lake Audubon. The Corps is requesting the GDCD consider its authority and capacity to assume the responsibilities of a CA. If the GDCD accepts, the Corps would work with representatives from your agency to develop a Memorandum of Understanding which would outline responsibilities, tasks, and deliverables between the agencies.

Please provide us with your comments within 30 days receipt of this letter.

If you have any questions or require additional information, please contact Ms. Rebecca Podkowka of my staff at Rebecca.L.Podkowka@usace.army.mil or at (402) 995-2677.

Sincerely,

A handwritten signature in black ink that reads "Aaron Quinn". The signature is written in a cursive, flowing style.

Aaron Quinn
Chief, Environmental & Cultural Resources

2021 ACCOMPLISHMENTS

Garrison Diversion Conservancy District

1) Federal/National

- a) Met with Brent Esplin, Regional Director of Bureau of Reclamation, 3 times
- b) Held multiple meetings with Congressional Delegation to provide updates on RRVWSP and GDCD
- c) Attended NWRA Annual Conference
- d) Attended virtual NWRA Leadership Forum
- e) Attended virtual Family Farm Alliance Conference
- f) Attended NRWA Conference
- g) Met with Assistant Secretary of Interior Beaudreau
- h) Attended WOTUS Field Hearing in Bismarck

2) MR&I Program

- a) Developed and implemented Water Supply Assistance Grant Program
- b) Maintained communications with State Water Commission, ND Rural Water Systems Association and League of Cities
- c) Participated in 3 water supply funding agency meetings
- d) Distributed \$11.5 million from the MR&I Fund
- e) Awarded \$20.8 million to MR&I projects
- f) Awarded \$165,595 in Water Supply Assistance Grant funds
- g) Secured \$650,000 for ENDAWS

3) Agriculture and Irrigation Development

- a) Hosted Irrigation Appreciation supper
- b) Provided \$178,000 for irrigation trials
- c) Provided \$50,000 to support the ND Irrigation Association
- d) Provided \$25,000 towards irrigation development
- e) Provided \$16,453 for the Robert Titus Lease
- f) Approved a 2022 budget of \$167,865 for OIRS
- g) Developed a long-range plan and funding phase-out for OIRS
- h) Converting Water Service Contract to repayment Contract for canal-side irrigation
- i) Presented at the SBARE listening session in support of funding for the OIRS
- j) Presented at ND Water Convention Irrigation Workshop

4) Red River Valley Water Supply Project

- a) Provided support for Lake Agassiz Water Authority
- b) Facilitated 5 Lake Agassiz Water Authority meetings
- c) Facilitated 3 LAWA Technical Advisory Committee meetings
- d) Facilitated 2 LAWA Financial Advisory Committee meetings
- e) Presented the RRVWSP at 2 Water Topics Overview Committee meetings
- f) Engaged in many RRVWSP Leadership Strategy, Financial Planning, and Administrative meetings
- g) Continued meeting with state legislators
- h) Met with House and Senate Majority Leaders regarding RRVWSP
- i) Met with state and federal agencies to provide updates on the RRVWSP
- j) Invested \$15.1 million in the RRVWSP
- k) Updated financial modeling options
- l) Received RRVWSP funding from State Water Commission
- m) Awarded bid for RRVWSP Construction Contracts
 - i) Transmission Pipeline Contract 5A
 - ii) Sheyenne River Outfall Discharge Structure and Site Development
 - iii) Missouri River Intake Screen Structure and Tunnel, Contract 2
- n) Began early out construction on the intake wet well, discharge and pipeline segment
- o) Signed Series C Finance Agreement
- p) Approved the 2021 work plan for RRVWSP
- q) Received signed Record of Decision for ENDAWS, January 2021
- r) Continued right-of-way effort in Griggs, Foster, Wells Counties
- s) Received Nationwide 33 authorization for intake
- t) Participated in regular meetings with BND regarding RRVWSP financials
- u) Hosted Mayors Breakfast
- v) Facilitated multiple RRVWSP User Participation meetings
- w) Met with City of Aberdeen and as a potential RRVWSP participant
- x) Completed Regional Economic Modeling (REMI)
- y) Participated in a quality control visit to the Northwest Pipe plant in Texas
- z) Advertised Contract 5b for the construction of 7-9 miles of transmission pipeline
- aa) SWC approved \$18.2 million loan with 40-year, 2% term
- bb) Completed a Pipe Size & Hydraulic Analysis

5) Natural Resources

- a) Assisted with maintenance of Audubon & Arrowwood National Wildlife Refuges
- b) Assisted with maintenance of Lonetree Wildlife Management Area
- c) Assisted with maintenance of mitigation features as requested by Reclamation
- d) Began creating a wetland area for ND G&F at Painted Woods

6) Recreation Program

- a) Submitted 404 permit application to USACE
- b) Awarded \$919,156 to 38 projects
- c) Expended \$484,575 to previously approved projects
- d) Continued maintenance of recreation facilities at Chain of Lakes Recreation Area
- e) Updated eligibility guidelines for the Matching Recreation Grant Program

7) Administrative/Legislative

- a) Attended multiple meetings with ND Water Users and Water Coalition
- b) Participated in 2021 Legislative Session and Special Legislative Session
 - i) HB 1431
 - ii) HB 1020
 - iii) HB 1132
 - iv) HB 1380
 - v) HB 1425
 - vi) SB 2014
 - vii) SB 2020
- c) Facilitated 33 Garrison Diversion Board & Committee meetings
- d) Reported GDCD activities at 3 State Water Commission meetings
- e) Attended GNDC Policy Summit
- f) Attended Ag Coalition meetings
- g) Attended Great Plains Dynamics Accounting Software Conference
- h) Monitored and applied state and local COVID-19 guidelines and policies
- i) Implemented a Water Supply Assistance Grant Program funded through GDCD
- j) Conducted 2022 Budget Hearing to fulfill statutory requirement
- k) Completed 2020 Audit with no findings
- l) Attended virtual Upper Missouri Water Users Association Conference
- m) Participated in virtual Red River Basin Commission Water Supply Working Group meetings
- n) Attended 2 GDU Semi-Annual meetings
- o) Finalized Indirect Cost calculation to the Interior Business Center
- p) Completed US Census Bureau filing for Revenues and Expenses
- q) Attended regularly scheduled meetings with BOR Area Manager
- r) Installed security system at Headquarters building
- s) Replaced carpet throughout Headquarters building
- t) Painted interior of Headquarters building
- u) Explored program management information system software options
- v) Started search for Bond Counsel
- w) Submitted comments on SWC Governance Study
- x) Explored options for AV system at Headquarters, McClusky and SCLP offices
- y) Held two All Staff Meetings

8) Public Relations

- a) Implemented 2021 Garrison Diversion Communications Work Plan
- b) Implemented 2021 RRVWSP Communications Plan
- c) Developed & submitted 10 ND Water magazine stories
- d) Developed and published the 2020 Annual Report
- e) Prepared and distributed 41 news releases
 - i) GDCD - 37
 - ii) RRVWSP - 4
- f) Staffed Garrison Diversion and LAWA booths at 4 conferences/events
- g) Updated and maintained Garrison Diversion website
- h) Updated and maintained LAWA website
- i) Updated and maintained RRVWSP website
- j) Maintained Facebook and Twitter social media accounts for Garrison Diversion and RRVWSP
- k) Distributed Quarterly RRVWSP Newsletter
- l) Developed multiple information pieces for RRVWSP and Garrison Diversion
- m) Updated exhibit booth displays
- n) Participated in on-air interviews with local media (KFGO)
- o) Continued to support ND's water community
- p) Participated in National AIS week in conjunction with ND G&F
- q) Presented on Garrison Diversion and the RRVWSP at the Red River Basin Commission Conference; International Red River Board; Valley Prosperity Partnership; North Dakota Water Users Joint Water Convention; Lake Agassiz Exchange Club, Valley City Kiwanis, Carrington Lions Club, FM Chamber Eggs & Issues Event, FMWF Chamber Meeting
- r) Hosted Garrison Diversion Water Conference focused on the Red River Valley Water Supply Project
- s) Planned and hosted Groundbreaking Ceremony for the Red River Valley Water Supply Project
- t) Assisted with RRVWSP articles for Foster County Independent, Griggs County Courier, Construction Guide Magazine, Design Develop Construct Journal
- u) Submitted article on GDCD to GND Chamber magazine
- v) Hosted tours of GDCD and RRVWSP facilities and construction sites
 - i) Water Topics Overview Committee
 - ii) ND Water Users – Managing Water through GD
 - iii) Staff and directors construction site visits

9) Engineering & Operations

- a) Completed Snake Creek Pumping Plant Cable and Transformer Replacement Project
- b) Completed construction of the camp host site at East Park Lake
- c) Major equipment purchases
 - i) Farmking Snowblower
 - ii) 2021 Bobcat 5600T/with Mower & Snowblower
 - iii) Bobcat S2072 72" Snowblower
 - iv) 30" Grapple Bucket
 - v) Bobcat PCF64 Plate Compactor
 - vi) 2021 Bobcat T770 Track Loader with Bucket
 - vii) 2020 Bobcat E85 Excavator
 - viii) Crisafulli Diesel Pump
 - ix) 2021 Ford F250 Pickup
 - x) 2021 Big Tex Trailer
 - xi) 2022 Freightliner Dump Truck
- d) Moved approximately 640,000 cubic yards of earth at the Major Slide Repair
- e) Maintained quality staff and equipment
- f) Updated and implemented "5-Year Work Plan"
- g) Completed 2021 annual work plan on GDU facilities
- h) Completed 2021 annual work plan for Devils Lake Outlet maintenance
- i) Operated and maintained 11 McClusky Canal Irrigation Projects
- j) Completed 4 trenchless crossings at the major slide area
- k) Completed work on HWY 83 Lake Audubon discharge conduit for USACE
- l) Participated in 8 NAWS Review meetings

2022 WORK PLAN Garrison Diversion Conservancy District

A. Federal

1. Continue to monitor and engage in WOTUS rule
2. Maintain cooperative agreements with Reclamation
3. Finalize cost of water and sign ENDAWS and Irrigation amendments in Master Repayment Contract

B. MR&I Program

1. Administer Garrison Diversion Water Supply Assistance Grant Program
2. Work with NDRWSA, Reclamation and other agencies to support rural water users
3. Work with ND Water Coalition to examine funding priorities
4. Increase Federal funding for MR&I
5. Sign new MR&I Cooperative Agreement
6. Secure additional funding for ENDAWS

C. Develop and enhance irrigation in North Dakota

1. Provide assistance and support to the ND Irrigation Association
2. Continue to work with ND Extension to secure state funding for the OIRS
3. Seek options for building at OIRS
4. Continue outreach with power coops regarding future development of the McClusky Canal Power Infrastructure Master Plan
5. Continue development of the McClusky Canal Irrigation Project
6. Continue to support irrigation in current state cost-share policy
7. Seek updates to Garrison Diversion irrigation authority in Century Code

D. Red River Valley Water Supply Project

1. Provide support for Lake Agassiz Water Authority
2. Explore James River water for MR&I water delivery
3. Complete 2019-2021 RRVWSP work plan
4. Continue to execute the 2021-2023 RRVWSP work plan
5. Support affordable funding plan for RRVWSP
6. Develop and execute Project Participation Agreement with LAWA
7. Begin construction on 7 to 9-mile (Contract 5B) segment east of Carrington
8. Continue User Participation meetings

E. Natural Resources

1. Assist with maintenance of Audubon & Arrowwood National Wildlife Refuges
2. Assist with maintenance of mitigation features as requested by Reclamation

F. Recreation Program

1. Administer Garrison Diversion Matching Recreation Grant Program
2. Continue maintenance of facilities at Chain of Lakes recreation areas
3. Implement Stump Lake land development

G. Administrative/Legislative

1. Prepare for 2023 legislative session
2. Review and update Garrison Diversion Bylaws & Policy
3. Replace 2016 Durango and 2017 Durango
4. Research and establish a digital filing system
5. Update Employee handbook
6. Update board policies
7. Install AV systems at Headquarters, McClusky and SPCP offices
8. Implement IT security program

H. Public Relations

1. Develop, publish and distribute 2021 Annual Report
2. Develop and distribute RRVWSP Quarterly Newsletter
3. Develop ND Water magazine stories (10 issues)
4. Staff Garrison Diversion and LAWA display booths at appropriate conferences and events
5. Prepare and distribute news releases regarding Garrison Diversion, RRVWSP and LAWA efforts
6. Develop and update public information pieces as needed
7. Maintain social media sites for GDCD and RRVWSP
8. Maintain GDCD, RRVWSP and LAWA websites
9. Implement 2022 Communications Work Plan
10. Finalize and install wall displays at headquarters building

I. Engineering & Operations

1. Maintain quality staff and equipment
2. Complete final design for major slide repair initiative
3. Implement "5-Year Work Plan"
4. Complete 2022 annual work plan on GDU facilities
5. Complete 2022 annual work plan for Devils Lake Outlet maintenance
6. Complete 2022 LAWA water quality monitoring plan
7. Complete 2022 work plan for McClusky Canal Irrigation Projects
8. Assess the future utilization of the New Rockford Canal

* 2022 additions