

The following minutes are in draft form subject to review and approval by the Lake Agassiz Water Authority at its next board meeting.

11-01

## **LAKE AGASSIZ WATER AUTHORITY**

### **BOARD OF DIRECTORS**

**Doublewood Inn  
Fargo, North Dakota  
May 10, 2011**

A meeting of the Lake Agassiz Water Authority (LAWA) was held at the Doublewood Inn of Fargo, North Dakota, on May 10. The meeting was called to order by Chair Furness at 1:00 p.m.

#### **MEMBERS PRESENT**

Chair Bruce Furness  
Vice Chair Keith Burley  
Director LaVonne Althoff  
Director Rick Bigwood  
Director Clark Cronquist  
Director Kenneth Evenson  
Director Winston Johnson  
Director Curt Kreun  
Director Carol Siegert  
Alternate Troy Hall for Director Kelli Poehls  
Secretary Dave Koland

#### **MEMBERS ABSENT**

None

#### **OTHERS PRESENT**

Staff members of the Garrison Diversion Conservancy District were present along with others. The registration sheet is attached to the original minutes.

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

#### **APPROVAL OF AGENDA**

The agenda stood approved as presented.

#### **CONSIDERATION OF THE MINUTES**

**Motion by Director Cronquist to approve the December 8, 2010, minutes as distributed. Second by Director Althoff. Upon voice vote, motion carried.**

**CONSIDERATION OF COMMUNICATIONS**

None

**COMMITTEE REPORTS**

None

**AUDIT CONFIRMATION**

Dave Koland, Secretary, referred to the audit confirmation letter received from EideBailly confirming the services they will provide on their audit of the Lake Agassiz Water Authority's financial statements for the year ended December 31, 2010. A copy of the letter is attached to these minutes as Annex I.

**FINANCIAL REPORT**

Mr. Koland referred to the 2010 budget analysis statement for the period of January 1 through December 31, 2010, a copy which is attached to these minutes as Annex II.

The beginning 2010 bank balance was \$150,544. Income was \$34,239, which made \$184,783 available. Total expenses were \$174,715, leaving an ending bank balance of \$10,068.

**Motion by Director Bigwood to accept the financial statement for the period of January 1, 2010, through December 31, 2010. Second by Director Kreun. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Evenson, Furness, Johnson, Kreun and Siegert. Alternates voting aye: Hall. Those voting nay: none. Absent and not voting: none. Motion carried.**

Mr. Koland also reviewed the 2011 budget analysis statement for the period of January 1 to April 30, 2011, a copy which is attached to these minutes as Annex III.

Mr. Koland called attention to the unpaid bills, which total \$110,653.

LAWA's bank balance as of April 30 was \$9,034.

Total income as of April 30 was \$157.

**Motion by Director Bigwood to accept the financial statement for the period of January 1 through April 30, 2011. Second by Director Cronquist. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Evenson, Furness, Johnson, Kreun and Siegert. Alternates voting aye: Hall. Those voting nay: none. Absent and not voting: none. Motion carried.**

**Bills Paid** - - Mr. Koland reviewed bills paid since the last board meeting.

**Unpaid Bills** - - Chair Furness reviewed copies of each of the unpaid bills, including those from Garrison Diversion for water sampling and the 10 percent reimbursement of expenditures on the RRVWSP pre-final design phase and from EideBailly for the 2010 audit.

**2011 LAWA Budget** - - Mr. Koland referred to the 2011 proposed budget, a copy which is attached to these minutes as Annex IV.

Mr. Koland called attention to the current list of unpaid bills totaling \$110,653. The beginning bank balance for 2011 was \$10,068. Under the normal dues structure, LAWA receives around \$28,500 per year. He suggested delaying action on the proposed budget until the board discusses future plans regarding the 2011-2013 work plan.

Vice Chairman Burley said at the December meeting, the unpaid bills were listed at approximately \$141,000 and asked what has changed.

Merri Mooridian, Administrative Officer, Garrison Diversion, commented that there was an error in the list of unpaid bills that were reviewed at the December meeting. The amount that appeared for pre-final design included quarterly billings that were added in twice. This has since been changed, and the correct amount is reflected in the unpaid bills listed today.

### **RED RIVER VALLEY WATER SUPPLY PROJECT (RRVWSP) UPDATE**

Mr. Koland referred to the RRVWSP Status Report dated March 1, 2011, included in the meeting packet and provided a review of project activities. A copy of the report is attached to these minutes as Annex V.

Approximately 76 percent of the right-of-way has been secured. The permitting work has been completed to the level that if can until there is a Record of Decision (ROD). A draft operational plan has been developed and a value engineering review was conducted.

Mr. Koland informed the board members that Garrison Diversion has retained a lobbying firm to assist with obtaining a ROD.

### **LEGISLATIVE SESSION**

Mr. Koland commented that the legislative session was a challenging one, which was recognized early on. There were efforts to stall the RRVWSP, with many attempts to add amendments to the State Water Commission's appropriations bill to try and prevent any state funding going toward the project. These attempts were unsuccessful.

Mr. Koland stated that the state legislature has a Water Related Topics Committee that is charged with oversight of the Garrison Diversion Conservancy District and all water issues. Last interim, a report was given at their first committee meeting outlining what work was going to be done on the project during the interim. One of the things that came out of one of the bills this session was to expand the Water Related Topics Committee to 13 members.

Director Kreun said it may be good for LAWA to list, for the Water Related Topics Committee, its priorities and what can be done while waiting for the ROD. It is important for

them to understand that we do not want to sit and wait and the reasons why we do what we do, along with the results that we have gotten.

Pat Zavoral, city of Fargo, asked if the legislature earmarked \$5 million for the RRVWSP.

Mr. Koland said the State Water Commission was essentially given \$437 million with very few earmarks. The governor has presented them a budget, indicating how he expects to spend this money. Included in the governor's budget was \$5 million for the RRVWSP.

Mr. Zavoral suggested laying out a schedule of events that would suggest from a legislative perspective what we intend to do, and from a technical perspective, we have the work plan.

Chair Furness said we are at a crossroads, the question is does LAWA want to move forward with the project hoping to obtain a ROD and authorization. Does LAWA wish to continue spending money, which means there will need to be another special assessment?

Mr. Koland said as an organization, Garrison Diversion has invested money in the RRVWSP, and it is not reluctant to do that to move forward, but LAWA needs to decide whether it wants to continue with the project.

The board members discussed the reasons for moving forward with the RRVWSP and how the work plan could be funded.

It was the consensus of the board that the need for the project has not changed, and it is their desire to keep the project moving ahead.

Mr. Koland believes we should continue to work on the ROD through the summer, and let the Water Related Topics Committee meet and get up to speed on the project.

**Motion by Director Siegert to continue to move forward with the RRVWSP with local and state funding. Second by Director Althoff. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Evenson, Furness, Johnson, Kreun and Siegert. Alternates voting aye: Hall. Those voting nay: none. Absent and not voting: none. Motion carried.**

The board reviewed the list of unpaid bills and projected expenses, determining that approximately \$150,000 was needed to cover these costs.

The board discussed the 2011 dues in addition to a possible special assessment as ways to raise the needed funds.

Chair Furness suggested charging an initial assessment now. Then ask the staff to re-examine the financial situation and report back to the board in July as to what the next assessment will be.

**Motion by Director Cronquist to budget \$150,000 for the special assessment to be billed with the 2011 membership dues. Second by Vice Chair Burley. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Evenson,**

**Furness, Johnson, Kreun and Siegert. Alternates voting aye: Hall. Those voting nay: none. Absent and not voting: none. Motion carried.**

John Leininger, Chairman, Garrison Diversion Conservancy District, thanked the LAWA board members for committing to the RRVWSP.

### **2011 LAWA BUDGET CONTINUED**

Chair Furness recommended waiting until the next board meeting to approve the 2011 budget, subject to the fact that it will now be revised.

### **NEW BUSINESS**

**Jamestown/Stutsman County Development Corporation** - - Mr. Koland referred to the letter from the Jamestown/Stutsman Development Corporation dated March 2, 2011, requesting that Stutsman County be included when planning the RRVWSP. A copy of the letter is attached to these minutes as Annex VI.

The board discussed the letter and which phase of the project Stutsman County would be included in. They also discussed how and what Stutsman County would be charged for joining the project.

Mr. Koland stated that the LAWA Bylaws would have to be referred to see what process should be followed for adding members to the authority.

Tami Norgard, Vogel Law Firm, followed up on the question concerning Stutsman County joining the LAWA, stating that the statute defines who can be members of the authority as cities and water systems within certain counties. Stutsman County is not included in the statute. Water can be sold to entities that are outside of the authority, so there is the ability to sell them water as part of the project. She does not believe they would have the current ability to join the group. That may require legislation.

**ND Insurance Reserve** - - Mr. Koland referred to the notice of annual meeting from the North Dakota Insurance Reserve Fund (NDIRF). He suggested that the board allow the NDIRF chairman to be LAWA's proxy at the meeting/election.

**Motion by Director Evenson authorizing the chairman of the North Dakota Insurance Reserve Fund to be Lake Agassiz Water Authority's proxy at the annual meeting/election. Second by Director Bigwood. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Evenson, Furness, Johnson, Kreun and Siegert. Alternates voting aye: Hall. Those voting nay: none. Absent and not voting: none. Motion carried.**

### **OTHER**

**Correction to Minutes** - - Ms. Mooridian reported that the amount shown as owed to Garrison Diversion for pre-final design at the time of the December 8, 2010, LAWA

meeting was incorrect. The correct amount should have been \$84,023.48, changing the total unpaid and upcoming bills at that time to \$109,798.48.

**Motion by Director Cronquist to correct the total amount of unpaid and upcoming bills in the December 8, 2010, minutes to \$109,798.48. Second by Director Althoff**  
**Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Burley, Cronquist, Evenson, Furness, Johnson, Kreun and Siegert. Alternates voting aye: Hall. Those voting nay: none. Absent and not voting: none. Motion carried.**

**Next Meeting** - - Staff will poll the board members to determine the date of the next board meeting.

There being no further business to come before the committee, the meeting adjourned at 2:40 p.m.

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Bruce Furness, Chair

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Dave Koland, Secretary