

LAKE AGASSIZ WATER AUTHORITY

BOARD OF DIRECTORS

**Holiday Inn
Fargo, North Dakota
September 18, 2015**

A meeting of the Lake Agassiz Water Authority (LAWA) was held at the Holiday Inn, Fargo, North Dakota, on September 18, 2015. The meeting was called to order by Chair Mahoney at 9 a.m.

MEMBERS PRESENT

Chair Timothy Mahoney
Vice Chair Ken Vein
Director LaVonne Althoff
Director Rick Bigwood
Director Clark Cronquist
Director Mark Johnson
Director Ralf Menhert-Meland
Director Carol Siegert
Director Bob Werkhoven
Secretary Duane DeKrey

MEMBERS ABSENT

Director Keith Nilson

OTHERS PRESENT

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

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

APPROVAL OF AGENDA

Motion by Director Althoff to approve the board meeting agenda. Second by Director Menhert-Meland. Upon voice vote, motion carried.

CONSIDERATION OF THE MINUTES

Motion by Director Cronquist to approve the May 5, 2015, minutes as distributed. Second by Director Siegert. Upon voice vote, motion carried.

CONSIDERATION OF COMMUNICATIONS

None

COMMITTEE REPORTS

None

EXPECTATIONS OF LAWA

Governance Model - - Tami Norgard, Vogel Law Firm, provided a review on how the Lake Agassiz Water Authority was created and its authorities.

Water Demands and Nominations - - Merri Mooridian, Administrative Officer, Garrison Diversion, referred to the table prepared by EES Consulting in 2008 showing the nominations that were calculated subsequent to the Environmental Impact Statement that was done on the Red River Valley Water Supply Project (RRVWSP). These are the nominations that were being looked at then, but they may need to be updated. A copy of the table is attached to these minutes as Annex II.

Funding/Cost Share - - Vice Chair Vein stated that most of the work done to date on the RRVWSP has had 90 percent funding come from the state and 10 percent from the local users.

Vice Chair Vein said there is a need to establish a long-term cost share policy because there is value to the users participating in the overall cost. As the project moves forward, LAWA should remain consistent and continue with the 90-10 cost share.

Collaboration - - Vice Chair Vein talked about the value of collaboration, along with the important role that Garrison Diversion plays in the project and its relationship with the LAWA board. The two other bodies that LAWA needs to work closely with are the Water Topics Overview Committee and the State Water Commission.

Vice Chair Vein stated that there are still aspects of the RRVWSP that will have a federal impact so it will be important to keep the congressional delegation informed as well.

Vice Chair Vein added that another entity is the Valley Prosperity Partnership, and it may be helpful to work with them to assist in moving the project forward.

PROJECT HISTORY

Ms. Mooridian reviewed the past history of the RRVWSP, which included a PowerPoint presentation.

Kip Kovar, District Engineer, Garrison Diversion, provided the background on past studies completed and alternatives considered for the project that have led up to its current status and the future outlook for a state and local partnership to move the project forward.

A copy of the PowerPoint presentation is attached to these minutes as Annex III.

RED RIVER VALLEY WATER SUPPLY PROJECT UPDATE

Work Plan/Task Order Update - - Ms. Mooridian said that a work plan was presented to the board in May with a total amount of \$2.2 million. In following with the 90-10 cost share, LAWA approved \$220,000 for its 2015 budget. Currently, with the task orders that are underway and ones that are being developed for the future, the work plan is at \$4 million. This would bring the project to the concept design phase.

Ms. Mooridian recommended that the board approve the revised \$4 million work plan and budget of \$400,000.

Motion by Director Menhert-Meland to approve the revised \$4 million work plan and budget of \$400,000. Second by Director Althoff. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Cronquist, Johnson, Mahoney, Menhert-Meland, Siegert, Vein and Werkhoven. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

Water Topics Overview Committee Update - - Duane DeKrey, Secretary, referred to the list of legislators who serve on the Water Topics Overview Committee that is included in the meeting packet. He encouraged the board to interact with the committee members and visit with them about the RRVWSP.

Waters of the United States - - Ms. Norgard provided a PowerPoint presentation concerning the Waters of the United States (WOTUS) Rule, which is part of the Clean Water Act. She explained that WOTUS is a determination of what the federal government has jurisdiction over. It is important to the RRVWSP because there are a lot of prairie potholes, wetlands and streams and tributaries in North Dakota. The question arises who has jurisdiction over these water bodies - the federal or state government. A copy of the presentation is attached to these minutes as Annex IV.

Ms. Norgard gave an overview of the WOTUS lawsuit and what the impacts of that will be for the RRVWSP. A hearing on the new ruling was held in Fargo on August 21, at which time several individuals testified, including Secretary DeKrey, in regard to how much this ruling would affect the state.

Ms. Norgard stated of the four separate lawsuits, North Dakota's lawsuit, which included 13 partner states, was the only lawsuit where the judge stayed the rule. This means that the RRVWSP project can continue under the old rule.

Secretary DeKrey's declaration from the hearing is attached to these minutes as Annex V.

Program Management - - Vice Chair Vein commented that the RRVWSP is very complex, and to be successful it will continue to take strong leadership to move forward. He reported that he, Mr. DeKrey and members of Garrison Diversion's management team took a couple site tours and visited a couple of other water entities that have done large projects and looked at how they were managed. They also attended a workshop to look at program management. We would like to take advantage of the resources that Garrison Diversion has internally. With that, he added that Merri Mooridian and Kip Kovar are going to co-lead the programming at this phase of the project. Mr. Kovar will be the deputy program manager for engineering, and Ms. Mooridian will be the deputy program manager for administration.

Schedule - - Mr. Kovar said the anticipated schedule and goals in moving the project forward are to have the conceptual design done by the spring of 2016, preliminary design by spring of 2017, final design by spring of 2018 and bidding and construction in 2019.

Mr. Kovar stated the total current implementation work plan cost for the project is approximately \$33.7 million, and this will get us through all the necessary work to prepare for construction. He added that a more detailed budget will be brought to the board at its next meeting.

FINANCIAL REPORT

2015 Budget Analysis Statement - - Ms. Mooridian referred to the Budget Analysis statement for the period of January 1 to August 31, 2015, a copy which is attached to these minutes as Annex VI.

Total income for 2015 is \$27,897. Expenses are \$24,294. The current bank balance is \$760,654.

Motion by Director Menhert-Meland to accept the Budget Analysis statement for the period of January 1 to August 31, 2015. Second by Director Bigwood. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Cronquist, Johnson, Mahoney, Menhert-Meland, Siegert, Vein and Werkhoven. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

Bills Paid - - Ms. Mooridian reviewed bills paid since the May board meeting, including audit expenses, water sampling and insurance.

Summary of Dues Paid - - Ms. Mooridian referred to the table showing membership fees and cost share payments submitted. The total received for 2013 and 2014 dues is \$53,400, along with \$825,803 in cost share payments.

2015 Membership Dues - - Ms. Mooridian said 2015 dues statements have not been mailed. The dues cover the ordinary work plan items. They do not cover engineering. In the past, some type of an assessment was added on for engineering costs. For 2015, it is proposed to use the same dues structure as previous years, which generally brings in approximately \$28,000.

Motion by Director Werkhoven to bill for 2015 membership dues using the previous dues structure. Second by Director Siegert. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Cronquist, Johnson, Mahoney, Menhert-Meland, Siegert, Vein and Werkhoven. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

Chair Mahoney asked that a letter be included with the dues statement letting members know that things are moving forward with the project.

Local and State Investment - - Ms. Mooridian referred to the table showing that the local investment in the project is \$4.6 million. This is between LAWA, Garrison Diversion and the city of Fargo. The State Water Commission has invested \$4.2 million.

NEW BUSINESS

Future Meetings - - Chair Mahoney said there has been discussion suggesting that LAWA go back to meeting monthly. He has asked that staff coordinate some dates and times that work for the group to meet.

League of Cities - - Ms. Mooridian stated that the city members' positions on the board are up in odd years, and they are elected at the League of Cities Conference. The election this year will be held on September 25 at 1 p.m. at the Fargo Holiday Inn. Two members are up for re-election, and they are Carol Siegert and Bob Werkhoven.

Motion by Director Menhert-Meland to endorse Directors Siegert and Werkhoven for re-election to the LAWA board. Second by Director Cronquist. Upon roll call vote, the following directors voted aye: Althoff, Bigwood, Cronquist, Johnson, Mahoney, Menhert-Meland, Siegert, Vein and Werkhoven. Those voting nay: none. Absent and not voting: Nilson. Motion carried.

System Visits - - Secretary DeKrey commented that system visits need to take place to determine which systems want to remain a part of the project.

OTHER

There being no further business to come before the committee, the meeting adjourned at 2:25 p.m.

Timothy Mahoney, Chair

Duane DeKrey, Secretary