

GARRISON DIVERSION CONSERVANCY DISTRICT**EXECUTIVE COMMITTEE**

**Garrison Diversion Conservancy District
Carrington, North Dakota
March 10, 2016**

A meeting of the Executive Committee of the Garrison Diversion Conservancy District was held at the Garrison Diversion headquarters, Carrington, North Dakota, on March 10, 2016. The meeting was called to order by Chairman Vein at 11:05 a.m.

DIRECTORS PRESENT

Chairman Ken Vein
Vice Chairman Ken Royse
Second Vice Chairman Steve Metzger
Director Dave Anderson
Director Jeff Breker
Director Kelly Klosterman
Director Bill Krivarchka

DIRECTORS ABSENT

Director Roger Fenstad
Director Bill Ongstad

OTHERS PRESENT

Staff members of the Garrison Diversion Conservancy District were present along with others. 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.

AGENDA

Chairman Vein referred to today's agenda, stating that he would like to amend the agenda. Following the Oakes Irrigation Research Site (OIRS) Update, he would like to take a short break. In addition, under Other Business, he would like to add the item Water Service Contract.

Motion by Second Vice Chairman Metzger to approve today's meeting agenda as amended. Second by Director Klosterman. Upon voice vote, motion carried.

READING OF THE MINUTES

Motion by Director Krivarchka to dispense with a reading of the December 2, 2015, Executive Committee minutes and approve them as distributed. Second by Director Breker. Upon voice vote, motion carried.

FINANCIAL REPORT

Financial Statements - - Merri Mooridian, Administrative Officer, Garrison Diversion, reviewed the financial statements for the period of January 1, 2016, through February 29, 2016. Copies of the financial statements are attached to these minutes as Annex II.

Revenues through February are broken out as follows: General Fund \$1,473,336; Operations and Maintenance \$365,596; MR&I \$67,372; Red River Valley Water Supply Project \$1,175,317 and Irrigation Fund \$0.

Expenditures were: General Fund \$437,832; Operations and Maintenance \$541,072; MR&I \$67,372; Red River Valley Water Supply Project \$237,390 and Irrigation Fund \$3,696.

Income through February is \$3,002,913 with expenditures of \$1,277,362.

Garrison Diversion reserve accounts total \$5,329,629.

The balance of funds held at Bremer Bank is \$5,629,374 and \$6,353,818 at the Bank of North Dakota.

Motion by Director Anderson to accept the financial statements for the period of January 1, 2016, through February 29, 2016. Second by Vice Chairman Royse. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Krivarchka, Metzger, Royse and Vein. Those voting nay: none. Absent and not voting: Fenstad and Ongstad. Motion carried.

2015 Final Budget Revisions - - Ms. Mooridian referred to the Income Analysis Statement illustrating the final budget revisions for 2015 and reviewed each adjustment with the committee. A copy of the analysis statement is attached to these minutes as Annex III.

Motion by Second Vice Chairman Metzger to approve the final 2015 budget revisions as follows:

Income:

General Fund Total	\$ 4,036,847
O&M Total	\$ 4,160,455
MR&I Total	\$ 2,060,524
RRVWSP Total	\$ 2,135,075
Irrigation Total	\$ 874,795

Expenses:

General Fund

Administration

- Electronic Communications, increase of \$172
- Utilities, increase of \$2,899
- Data Processing, **decrease of \$3,071**

Professional Services**RRVWSP Development**

- Engineering, increase of \$4,173
- Financial, decrease of \$4,173

Irrigation Development

- Irrigation Development, increase of \$7,257

Irrigation District Expense

- Irrigation District Expenses, decrease of \$2,257
- OTA Title Transfer
Legal, decrease of \$5,000

GDU O&M

- Contracted Services (Eng/Survey), increase of \$33,885
- Supplies, decrease of \$153,194
- Equipment Maintenance, increase of \$6,945
- Overhead Expense, increase of \$112,364

Second by Director Klosterman. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Krivarchka, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad and Ongstad. Motion carried.

Budget Timeline - - Ms. Mooridian referred to the budget timeline included in the meeting packet. This is used as a guide in the budget preparation process and is provided for the committee's information.

2017 Preliminary Budget - - Ms. Mooridian referred to the 2017 Draft Budget of Revenues and Expenditures, a copy which is attached to these minutes as Annex IV. It is based very closely on the 2016 budget. Projected revenues are \$27,820,712 with expenditures of \$27,525,733. A second preliminary budget will be presented to the committee in June with the final budget to be recommended to the full board in July.

BUREAU OF RECLAMATION REPORT

Arden Freitag, Deputy Area Manager, Bureau of Reclamation, provided highlights on Reclamation projects and activities. A copy of the written report is attached to these minutes as Annex V.

Northwest Area Water Supply (NAWS) Project

Mr. Freitag reported that the Supplemental EIS Record of Decision on NAWS was completed in August. The court accepted the schedule for motions in the litigation at the end of December. The scheduled date to receive supplemental complaints from the state of Missouri and the province of Manitoba was January 29. Responses to those complaints are currently being worked on and are due the end of March. Reclamation is working on two different general motions on NAWS. The state filed a motion on March 1 to modify the injunction on construction. This would allow the state to proceed with design and preconstruction activities. A Memorandum of Understanding has been worked out with the State Water Commission and Garrison Diversion to outline how the design work will proceed, and it supports the motion to modify the injunction, showing the court that no federal funding was at risk during the lawsuit.

Mr. Freitag stated that the motion has been filed, and both complaints from Missouri and Manitoba included requests for the court to impose an injunction on design and all work on NAWS Project.

The date for submitting the second motion is April 11, 2016, which is a motion for summary judgement on the NAWS Project. The date for the defendants to reply to that motion is June 17.

MR&I

Mr. Freitag reported that congress added \$47 million to Reclamation's rural water program in fiscal year 2016, and that brought the total rural water funding up to \$65 million. Reclamation allocated that funding to five of the six authorized rural water projects. Garrison Diversion was allocated a total of \$24.8 million. Of the rural water projects that were funded, Garrison Diversion received about 38 percent of the funding.

Mr. Freitag also reported that the budget for fiscal year 2017 has been released. Garrison Diversion was allocated \$7.4 million.

Mr. Freitag said the 2015 MR&I funding agreement has gone to Reclamation's cost price analysis, and the cost estimates are being reviewed. It should be finalized in the next several weeks.

OM&R Program

Mr. Freitag stated that the McClusky and New Rockford Canals work plan budget is in Reclamation's regional office for review. The operation and maintenance agreement expires this year. This will be extended for one year with the funding modification, and a new agreement will be worked on for 2017.

McClusky Canal - - Mr. Freitag said that the second value analysis study on the slide repair was completed in February. Cost savings were identified from \$30,000 up to \$1 million. The design team will be working on addressing those savings and incorporating them into the designs. The agreement for preconstruction work will be a separate agreement, and Reclamation is working with Garrison Diversion staff to get the details submitted to the regional office for review.

GDU Irrigation

Turtle Lake and McClusky Canal Irrigation - - Mr. Freitag commented that there have been four new project additions this year. Reclamation is working on environmental compliance, which should soon be ready so construction can proceed this year. The project power contracts will not be ready until next year.

Office of Inspector General Report

Mr. Freitag said Reclamation is responsible for replying to the Office of Inspector General (OIG) Report in naming the irrigation acreage to be developed in the Garrison Diversion Unit. There are two other items to address, and they are the future of the Oakes Test Area and the New Rockford Canal. At some point in time, Reclamation needs to get together with Garrison Diversion staff to hold a meeting with stakeholders on the New Rockford Canal.

MR&I PROGRAM

Construction Report - - Duane DeKrey, Secretary, referred to the MR&I construction report dated February 29, 2016. MR&I expenditures in 2016 are \$24,824. Federal MR&I funds remaining are \$12,936,832. A copy of the report is attached to these minutes as Annex VI.

2016 MR&I Funding List - - Chairman Vein referred to the letter dated March 10 from the state engineer, showing a proposed allocation of FY2016 MR&I funding of \$15,560,000. There was \$4,148,500 previously approved. The table lists the additional projects being recommended for 2016 by the state engineer totaling \$11,411,500. A copy of the letter is attached to these minutes as Annex VII.

Project updates were provided by representatives of the recommended additional projects for 2016, including Burlington Water Main, Cass Rural Water Leonard Service Area, Carrington Water Tower, Rugby Water Treatment Plant, Westhope Water System, Southwest Pipeline, Carrington Water Tower and Wahpeton Water Treatment Plant.

Chairman Vein commented that the 2016 MR&I funds had already been approved and then additional funds became available. That is why the second round of projects came forth. Much of that came through the State Water Commission because of the state water plan.

Blake Crosby, Executive Director, ND League of Cities, addressed the board and explained the process used to select the cities on the list and coming before the committee today for MR&I funding approval.

Motion by Director Breker to recommend approval of the new project list for 2016 federal MR&I Program funds totaling \$11,411,500 to the full board.

Burlington Water Main	\$ 600,000
Cass Rural Water Leonard Service Area	\$ 2,370,000
Carrington Water Tower	\$ 1,900,000
Casselton Water Tower	\$ 1,248,000
Kindred Water Tower	\$ 735,000
New England Water Tower	\$ 1,592,500
Rugby Water Treatment Plant Improvements	\$ 458,000
Wahpeton Water Treatment Plant Improvements	\$ 960,000
Westhope Water System Improvements	\$ 255,000
Southwest Pipeline Project	\$ 1,000,000
State Administration	\$ 293,000
TOTAL	\$11,411,500

Second by Director Anderson.

Motion by Second Vice Chairman Metzger allowing Vice Chairman Royse to abstain from the vote. Second by Director Klosterman. Upon voice vote, motion carried.

Upon roll call vote, the following directors voted aye to the funding recommendation: Anderson, Breker, Klosterman, Krivarchka, Metzger and Vein. Those voting nay: none. Those abstaining: Royse. Absent and not voting: Fenstad and Ongstad. Motion carried.

NAWS Memorandum of Understanding (MOU)

Secretary DeKrey referred to a copy of the MOU on NAWS between the state, represented by Garrison Diversion and the State Water Commission, and Reclamation with respect to design and preconstruction of the water treatment plant. The MOU asks for a modification to the injunction by the judge. The modification would allow the state to begin designing the water treatment plant without the use of federal funds nor will the state be able to seek reimbursement for cost of design or preconstruction activities performed before the injunction is lifted or the litigation is otherwise resolved. A copy of the agreement is attached to these minutes as Annex VIII.

Secretary DeKrey said since Garrison Diversion is the federal pay master for the state, we were asked to be a signatory on the document, along with Reclamation and the State Water Commission. He added that Garrison Diversion's legal counsel reviewed the agreement before he signed off on it. He suggested that the board approve the agreement.

Tami Norgard, Vogel Law Firm, added that the agreement does not commit Garrison Diversion to any expenditure of funds.

Mr. Freitag stated that the connection for Reclamation is the agreement they have with Garrison Diversion for the state MR&I Program and NAWS is part of that.

Motion by Director Anderson to approve the NAWS Memorandum of Understanding between the State of North Dakota and the Bureau of Reclamation regarding the biota water treatment plant. Second by Vice Chairman Royse. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Krivarchka, Metzger, Royse and Vein. Those voting nay: none. Absent and not voting: Fenstad and Ongstad. Motion carried.

MCCLUSKY CANAL UPDATE

Slide Repair - - Kip Kovar, District Engineer, Garrison Diversion, said a work plan and budget was submitted to complete the preconstruction activities for the slide repair project, which included approximately \$4 million in equipment for earth moving. The regional office suggested that Garrison Diversion purchase its own equipment. Garrison Diversion does not have the funds to do this so a letter is being drafted for equipment justification, justifying why Reclamation should purchase the equipment.

Master Irrigation Plan - - Mr. Kovar reported that work continues on the Master Irrigation Plan, and a draft should be ready for the Agriculture and Natural Resources Committee meeting on April 21.

Irrigation Update - - Mr. Kovar gave an update on the completed and potential new irrigation projects along the McClusky Canal.

Mile Marker 7.5 Irrigation Project - - Mr. Kovar commented that the opportunity to sell the Mile Marker 7.5 Irrigation Project has come up. In order to do that, the owners have asked to have their water service contract amended. Right now the water service contracts go through the year 2040. Garrison Diversion's contract with the Bureau of Reclamation goes through 2051. In order to sell the project, the owners would like to amend the contract to match Reclamation's contract.

Motion by Director Klosterman to amend the Mile Marker 7.5 Irrigation Project water service contract so that the term coincides with the Bureau of Reclamation's water service contract. Second by Director Krivarchka. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Krivarchka, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad and Ongstad. Motion carried.

OAKES IRRIGATION RESEARCH SITE UPDATE

Director Klosterman provided a status update on the OIRS, stating that everything is on schedule at the site. The linear system is up, the horizontal well has been installed, and the general manager has been hired.

Director Klosterman added that as the last two meetings with SBARE, Oakes has been ranked number one in regard to need. There is a meeting tomorrow to go over all the information.

RED RIVER VALLEY WATER SUPPLY PROJECT UPDATE

Status Report - - Mr. Kovar called attention to the Engineering Update dated March 3, 2016, which is provided for the committee's information. It provides a summary of the ongoing task orders for the RRVWSP. A copy of the update is attached to these minutes as Annex IX.

Mr. Kovar provided a PowerPoint presentation reviewing the conceptual engineering status and summary of existing task orders for the RRVWSP. A copy of the presentation is attached to these minutes as Annex X.

Conceptual Design Report Task Order

Mr. Kovar reviewed what is included in the Conceptual Design Report Task Order, which will combine all the concept task orders into one report. These efforts include project cost estimates broken out into segments, estimated O&M costs, construction timelines, identifying segments that can and should be done first, recommendations for moving forward and a regulatory review.

Mr. Kovar also referred to and explained the planning level budget, stating that the top half represents the conceptual level design for approximately \$5 million. The next phase would be preliminary engineering at \$10 million.

Chairman Vein said in the next several months we need to get more accurate in planning and further consolidate the project, and this task order would help bring everything together so that a better financial plan can be presented to the Water Topics Committee.

Mr. Kovar said the task order should also help prioritize certain segments that need to be done first.

Chairman Vein added that the task order will also require approval from the Lake Agassiz Water Authority (LAWA).

Motion by Director Klosterman to approve the Conceptual Design Report Task Order up to \$200,000. Second by Director Krivarchka. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Krivarchka, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad and Ongstad. Motion carried.

Lake Agassiz Water Authority Update

Chairman Vein reported that the LAWA Board has been meeting every other month, along with the Red River Valley Committee. The LAWA Technical Advisory committee has been re-established and recently began meeting monthly. The committee includes city engineers, public works directors, rural water managers and a representative from the State Water Commission. The technical information is vetted first through this committee to make sure it is technically sound. The committee is chaired by the city engineer of Grand Forks, Al Grasser.

Development Agreement - - Chairman Vein referred to the RRVWSP Development Agreement included in the meeting materials, which is the agreement between LAWA and each of the water users paying for their pro rata share of the RRVWSP costs. A copy of the Development Agreement is attached to these minutes as Annex XI.

Chairman Vein said the intent is for Ms. Mooridian to begin meeting with all of the current water systems to go over the agreement and re-identify the volume or quantity of water they wish to nominate for.

Ms. Mooridian stated that the agreement solely addresses the member's responsibility for its pro rata share of the local 10 percent cost share of the project development costs through June 30, 2017. She added this agreement, which includes a Latecomer Policy, was approved by the LAWA Board at their February 26 meeting. If the agreement isn't signed by October 1, 2016, the member will pay the amount set forth in the Latecomer Policy, which includes a penalty of 20 percent.

Ms. Mooridian added there is a contingency in the agreement stating that it is valid and enforceable only if LAWA can obtain similar agreements from other members that represent at least 100 cfs in the aggregate. If 100 cfs is not obtained, the agreement is null and void.

Planning Level Budget - - Ms. Mooridian referred to the Planning Level Budget that Mr. Kovar reviewed in his presentation. This has been presented at all of the LAWA and Garrison Diversion meetings, including the Red River Valley Committee.

Brownstein Hyatt Farber Schreck - - Chairman Vein reported that Brownstein Hyatt Farber Schreck is the environmental law firm that the board approved hiring to assist with the RRVWSP. They have had an initial meeting where two of the firm's representatives came to Carrington and met on March 1 and 2.

Ms. Norgard gave a summary of the two-day meeting with David Bernhardt and Larry Jensen of Brownstein Hyatt Farber Schreck and provided some background on the knowledge and expertise they bring with them.

Chairman Vein referred to a copy of the fee agreement between Garrison Diversion and Brownstein Hyatt Farber Schreck provided with the meeting materials, and Ms. Norgard commented on the negotiated rates.

Ms. Mooridian informed the committee that proposals were received from three firms, and a selection committee consisting of Chairman Vein and Director Fenstad, along with Mayor Mahoney and Director Mehnart-Meland, representing LAWA, interviewed two firms. There was a unanimous consent to go with Brownstein Hyatt Farber Schreck.

Motion by Vice Chairman Royse to approve the fee agreement between Garrison Diversion and Brownstein Hyatt Farber Schreck for federal lobbying service. Second by Second Vice Chairman Metzger. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Krivarchka, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad and Ongstad. Motion carried.

GENERAL MANAGER'S REPORT

Garrison Diversion

Engineer

Mr. DeKrey reported Ryan Anderson has been hired for the engineer position and will be assisting with O&M activities and McClusky Canal Irrigation projects.

Financial & Administrative Coordinator

Mr. DeKrey also reported that today is the closing date for submitting applications for the financial and administrative coordinator position.

Meetings & Travel

Mr. DeKrey reported on his recent and upcoming meetings and travel.

2016 COMMITTEE ASSIGNMENTS

Chairman Vein referred to the list of 2016 committee assignments included with the meeting materials. This is provided for the committee's information.

WASHINGTON, DC, CONSULTING SERVICES

Chairman Vein reviewed the discussion that took place at the January board meeting regarding Garrison Diversion's contract with Peter Carlson and the fact that the State Water Commission has decided not to participate in the Will and Carlson contract with Garrison Diversion. This has caused Garrison Diversion to take a look at what type of consulting services we will be needing in the future with federal issues.

Chairman Vein added that the board authorized management to develop a strategy addressing Garrison Diversion's needs for consulting services at the federal level and negotiate a contract with Will and Carlson and/or Water Strategies and bring the results back to the Executive Committee.

Chairman Vein referred to copies of the proposals for consulting services received from Will and Carlson and Water Strategies that are included in the meeting materials. He said the options before the committee are to update the contract between Garrison Diversion and Will and Carlson, hire Water Strategies, or do nothing.

The committee reviewed both proposals and discussed retainer fees/rates, future federal issues that would be coming up relating to Garrison Diversion, along with what is available in the budget.

The committee suggested that management attempt to negotiate with Water Strategies for a lower monthly retainer fee, and ask what is considered additional work not covered by the retainer and how much would they charge for that.

Ms. Mooridian stated that the Executive Committee could give the general manager direction in regard to contacting Water Strategies for additional information and bring their response back to the April board meeting. In the meantime, she asked what are the committee's wishes with regard to the Will and Carlson contract because the board agreed to continue paying Peter Carlson through March.

Motion by Director Anderson authorizing the general manager to terminate Will and Carlson's consulting services effective April 30. Second by Director Klosterman. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad, Krivarchka and Ongstad. Motion carried.

BOARD POLICY CHANGES

Chapter 1, Section 1.8 - - Amendment or Suspension of Policy

Ms. Norgard reviewed the existing language in Chapter 1, Section 1.8, which currently states that the board must be given at least two-weeks advance notice of the intent to change board policy. She referred to a copy of the proposed resolution changing the advance notice to five calendar days.

Chapter 5, Section 5.11 - - Spending Authorization

Ms. Norgard reviewed the existing language in Chapter 5, Section 5.11, regarding the general manager's spending authorization. Typically, the general manager has the authority to approve expenditures within the board-approved budget. She referred to the proposed resolution changing the policy so that expenditures that are under \$75,000 and not within the board-approved budget can be approved by the general manager. Anything above \$75,000 and not within the board-approved budget must be formally approved by the board.

A copy of the proposed resolution is attached to these minutes as Annex XII.

Motion by Director Breker to recommend approval of the proposed resolution regarding Board Policy changes to Chapter 1, Sections 1.8, Amendment or Suspension of Policy and Chapter 5, Section 5.11, Spending Authorization, to the full board. Second by Director Anderson. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad, Krivarchka and Ongstad. Motion carried.

Chapter 8, Section 8.9 - - Standing Committees

Ms. Norgard referred to the existing language in Chapter 8, Section 8.9, which currently states the committee name as the Public Relations and Red River Valley Committee. The proposed resolution changes the committee name to the Red River Valley (RRV) Committee, a copy which is attached to these minutes as Annex XIII.

Ms. Norgard said the other proposed change in language deals with the authority of the RRV Committee to make decisions. Due to timeliness and the rapidly changing RRWSP, the negotiations that take place and expenses that are incurred, there is a also need for greater spending authority for the RRV Committee, which was discussed at their December 18 committee meeting. The proposed resolution includes the terms and conditions in regard to spending authority and decision making of the committee.

Ms. Norgard said in addition to the current language authorizing the committee to make expenditures within the approved budget, the proposed change would allow the committee to authorize spending for nonbudgeted items up to \$100,000 or any nonbudgeted items that are unanticipated urgent issues. Nonbudgeted items that are not urgent and exceed \$100,000 must be approved by the full board or Executive Committee. All RRV Committee approved expenditures will be presented to the full board or Executive Committee at the next available meeting.

Questions from the Executive Committee were addressed by Ms. Norgard.

Motion by Director Klosterman to recommend approval of the proposed resolution regarding Board Policy changes to Chapter 8, Section 8.9, Standing Committees, to the full board. Second by Director Anderson. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad, Krivarchka and Ongstad. Motion carried.

UPCOMING EVENTS

Chairman Vein reviewed a list of upcoming meetings and events.

OTHER BUSINESS

Water Service Contract - - Mr. Kovar said currently Garrison Diversion has a water service contract for irrigation along the McClusky Canal; however, in order to do any other projects, we need to have the ability to market and sell water for municipal, rural and industrial purposes. He suggested getting these documents into place for future projects.

Motion by Director Anderson to recommend moving forward with the Bureau of Reclamation on a water service contract for municipal, rural and industrial water to serve Central North Dakota from the McClusky Canal. Second by Vice Chairman Royse. Upon roll call vote, the following directors voted aye: Anderson, Breker, Klosterman, Metzger, Royse and Vein. Those voting nay: none. Directors absent and not voting: Fenstad, Krivarchka and Ongstad. Motion carried.

There being no further business to come before the committee, the meeting adjourned at 3:35 p.m.

(SEAL)

Kenneth Vein, Chairman

Duane DeKrey, Secretary

REGISTRATION

EXECUTIVE COMMITTEE MEETING
Garrison Diversion
Carrington, North Dakota
March 10, 2016

NAME	ADDRESS
Merrill M. M. Dean	GDCD
Kip Kolar	GDCD
Arden Freitag	Reclamation
Jeffrey Mattern	SWC
Marlene M. Smith	GDCD
Ryan Anderson	GDCD
Tami Norgard	Vogel Law Firm
Kevin Mayer	City of Casselton
Ed McConnell	City of Casselton
Steve Burien	AES
Blake Crosby	ND League of Cities
Eric Volk	ND Rural Water
BRYAN ZIEGLER	BARTLETT & WEST
Patrick Samson	Ackerman-Estvad - City of Burlington
Elizabeth Heisey	City of Rugby
Dennis MIRANOWSKI	City of Wahpeton
Lisa Schaffer	GDCD

**GARRISON DIVERSION CONSERVANCY DISTRICT
COMBINED STATEMENT OF REVENUES AND EXPENDITURES
JANUARY 1--FEBRUARY 29, 2016**

	General Fund	GDU Operations & Maintenance Fund	Municipal, Rural, and Industrial Fund	Red River Valley Water Supply Project	Irrigation Fund	Total
Beginning Bank Balance January 1, 2016	\$3,566,680	\$320,849	\$3,828	\$250,855	\$182,032	\$4,324,244
REVENUES:						
Net Change in Assets	\$76,122	\$2,643	\$0		(\$57)	\$78,708
MR&I Overhead	\$24,357					\$24,357
O&M Overhead	\$95,844					\$95,844
GF Admn Charge from Irrigation Fund	\$0					\$0
Lease Income	\$0					\$0
Revenue from Sale of GFAG	\$0					\$0
Miscellaneous Income	\$50					\$50
Interest Income	\$3,317	\$158	\$0	\$17	\$57	\$3,549
Tax Levy	\$1,197,553					\$1,197,553
State Aid Distribution	\$65,298					\$65,298
Contract Revenue	\$10,795	\$273,554	\$67,372	\$1,175,300	\$0	\$1,527,021
Irrigation Fund Bond/Loan Proceeds					\$0	\$0
O&M Project Income		\$544				\$544
O&M Non-project Revenue		\$88,697				\$88,697
Total Revenues	\$1,473,336	\$365,596	\$67,372	\$1,175,317	\$0	\$3,081,621
EXPENDITURES:						
Directors Expense	\$26,986					\$26,986
Employee Expenses	\$174,033					\$174,033
Administrative Expenses	\$27,213					\$27,213
Public Education	\$50,895					\$50,895
Professional Services	\$57,684					\$57,684
Irrigation Development	\$14,355					\$14,355
GDCD Recreation Grant Program	\$77,562					\$77,562
DWRA Recreation Program	\$277					\$277
Irrigation Districts Expenses	\$0					\$0
Irrigation Fund					\$3,696	\$3,696
Maintenance & Repairs	\$8,827					\$8,827
Capital Purchases	\$0					\$0
Operations and Maintenance Fund		\$541,072				\$541,072
State Administration			\$42,548			\$42,548
MR&I Project Expenditures			\$24,824			\$24,824
RRVWSP Fund				\$227,390		\$227,390
Total Expenditures	\$437,832	\$541,072	\$67,372	\$227,390	\$3,696	\$1,277,362
TRANSFERS IN/OUT		\$0	\$0	\$0		\$0
REVENUES OVER EXPENDITURES*	\$1,035,504	(\$175,476)	\$0	\$947,927	(\$3,696)	\$1,804,259
Ending Bank Balance Feb. 29, 2016	\$4,602,184	\$145,373	\$3,828	\$1,198,782	\$178,336	\$6,128,503

*Depreciation not reflected

**GARRISON DIVERSION CONSERVANCY DISTRICT
INCOME BUDGET ANALYSIS STATEMENT
JANUARY 1--FEBRUARY 29, 2016**

GENERAL, O&M, MR&I, RRVWSP, and IRRIGATION FUNDS	Budget 01-01-16 to 12-31-16	Income Received to 2-29-16	Percent of Amount Budgeted	Balance of Budget 2-29-16
MR&I Overhead	\$100,000	\$24,357	24.4%	\$75,643
O&M Overhead	579,431	95,844	16.5%	483,587
GF Admn Charge from Irrigation Fur	0	0	0.0%	0
Lease Income	2,500	0	0.0%	2,500
Miscellaneous Income	1,000	50	5.0%	950
Interest Income (all funds)	11,000	3,549	32.3%	7,451
Tax Levy	2,458,203	1,197,553	48.7%	1,260,650
State Aid Distribution	250,000	65,298	26.1%	184,702
General Fund Contract Revenue	30,000	10,795	36.0%	19,205
MR&I Contract Revenue	7,180,000	67,372	0.9%	7,112,628
O&M Contract Revenue	3,719,815	273,554	7.4%	3,446,261
O&M Project Income	0	544	0.0%	(544)
O&M Non-project Revenue	375,000	88,697	23.7%	286,303
RRVWSP Contract Revenue	6,080,000	1,175,300	19.3%	4,904,700
Irrigation Fund Revenue	1,000,000	0	0.0%	1,000,000
Revenue from Sale of GFAG	0	0	0.0%	0
TOTAL	\$21,786,949	\$3,002,913	13.8%	\$18,784,036

**GARRISON DIVERSION CONSERVANCY DISTRICT
EXPENSE BUDGET ANALYSIS STATEMENT
JANUARY 1--FEBRUARY 29, 2016**

GENERAL, O&M, MR&I, RRVWSP and IRRIGATION FUNDS	Budget 01-01-15 to 12-31-15	Expenditures Chargeable to 2015 Budget	Budget 01-01-16 to 12-31-16	Expen- ditures to 2-29-16	Percent of Amount Budgeted	Balance of Budget 2-29-16
Directors Expenses	\$205,000	\$201,046	\$215,000	\$26,986	12.6%	\$188,014
Employee Expenses	1,311,528	1,052,571	1,186,098	174,033	14.7%	1,012,065
Administrative Expenses	205,000	154,076	193,000	27,213	14.1%	165,787
Operations & Maintenance Fund	4,580,315	4,109,057	4,094,815	541,072	13.2%	3,553,743
Red River Valley Supply Project	8,000,000	1,753,806	6,080,000	227,390	3.7%	5,852,610
MR&I Fund	10,248,970	2,060,508	7,180,000	67,372	0.9%	7,112,628
Public Education	247,750	144,128	105,200	50,895	48.4%	54,305
Professional Services	1,209,800	916,588	632,000	57,684	9.1%	574,316
Maintenance & Repairs	58,000	45,497	58,000	8,827	15.2%	49,173
Irrigation Districts Expense	9,900	0	24,900	0	0.0%	24,900
Irrigation Fund	5,430,000	836,555	1,000,000	3,696	0.4%	996,304
Irrigation Development	478,875	485,225	444,275	14,355	3.2%	429,920
Capital Purchases	66,000	19,525	76,000	0	0.0%	76,000
GDCD Recreation Grant Program	431,329	321,453	350,000	77,562	22.2%	272,438
DWRA Recreation Program	15,000	5,952	10,000	277	2.8%	9,723
TOTALS	\$32,497,467	\$12,105,987	\$21,649,288	\$1,277,362	5.9%	\$20,371,926

**GARRISON DIVERSION CONSERVANCY DISTRICT
EXPENSE BUDGET ANALYSIS STATEMENT
January 1--February 29, 2016**

	Budget 1/1/15 to 12/31/15	Expenditures Chargeable to 2015 Budget	Budget 1/1/16 to 12/31/16	2016 Actual as of 2/29/16	Balance of Budget as of 2/29/16	Percentage of Budget Spent
GENERAL FUND						
Directors Expense						
Directors Per Diem	\$90,000	\$88,498	\$90,000	\$12,952	\$77,048	14.4%
Directors Expense	\$115,000	\$112,548	\$125,000	\$14,034	\$110,966	11.2%
Total Directors Expense	\$205,000	\$201,046	\$215,000	\$26,986	\$188,014	12.6%
Employee Expense						
Employee Salaries	\$769,281	\$640,460	\$750,000	\$115,392	\$634,608	15.4%
General Manager Exp	\$40,000	\$17,567	\$40,000	\$1,274	\$38,726	3.2%
Travel	\$66,000	\$27,430	\$48,000	\$4,380	\$43,620	9.1%
Deputy Manager	\$25,800	\$0	\$0	\$0	\$0	0.0%
Admn Officer - Merri Mooridian	\$14,200	\$14,056	\$10,000	\$3,579	\$6,421	35.8%
Dist. Engr - Kip Kovar	\$10,000	\$7,387	\$10,000	\$67	\$9,933	0.7%
Engineer - Ryan Anderson	\$0	\$0	\$10,000	\$0	\$10,000	0.0%
Dir. Comm. - Kim Cook	\$8,000	\$2,067	\$8,000	\$347	\$7,653	4.3%
Emp Exp Other	\$8,000	\$3,920	\$10,000	\$387	\$9,613	3.9%
Professional Development	\$10,000	\$5,569	\$10,000	\$2,469	\$7,531	24.7%
Employee Training	\$8,000	\$5,569	\$8,000	\$2,469	\$5,531	30.9%
Wellness Program	\$2,000	\$0	\$2,000	\$0	\$2,000	0.0%
Benefits	\$426,247	\$361,545	\$338,098	\$50,518	\$287,580	14.9%
GDCD FICA	\$70,587	\$59,705	\$64,260	\$9,593	\$54,667	14.9%
Retirement	\$116,604	\$90,066	\$96,950	\$16,455	\$80,495	17.0%
Hospital & Life Insurance	\$132,000	\$116,392	\$135,720	\$21,480	\$114,240	15.8%
Unemployment Comp	\$3,815	\$2,769	\$3,468	\$0	\$3,468	0.0%
Work Force Safety	\$7,000	\$1,916	\$7,000	\$0	\$7,000	0.0%
Dental / Vision Ins.	\$17,160	\$13,033	\$15,600	\$2,246	\$13,354	14.4%
Long-term Disability Ins	\$5,662	\$4,245	\$5,100	\$744	\$4,356	14.6%
Vacation/Sick Leave Liability	\$73,419	\$73,419	\$10,000	\$0	\$10,000	0.0%
Total Employee Expense	\$1,311,528	\$1,052,571	\$1,186,098	\$174,033	\$1,012,065	14.7%
Administration						
Postage	\$10,000	\$9,193	\$6,000	\$34	\$5,966	0.6%
Printing	\$1,000	\$0	\$0	\$0	\$0	0.0%
Communications	\$17,000	\$17,172	\$15,000	\$3,494	\$11,506	23.3%
Utilities	\$33,000	\$35,899	\$33,000	\$6,070	\$26,930	18.4%
Meetings & Events	\$7,000	\$5,070	\$7,000	\$1,740	\$5,260	24.9%
Miscellaneous	\$7,000	\$1,266	\$7,000	\$253	\$6,747	3.6%
Subscriptions/Publications	\$5,000	\$3,442	\$5,000	\$1,411	\$3,589	28.2%
Data Processing	\$25,000	\$14,385	\$15,000	\$3,458	\$11,542	23.1%
Employee Recruiting	\$9,000	\$0	\$4,000	\$299	\$3,701	7.5%
Supplies	\$29,000	\$14,937	\$35,000	\$3,597	\$31,403	10.3%
Small Office Equipment	\$15,000	\$10,121	\$15,000	\$0	\$15,000	0.0%
Dues	\$12,000	\$10,074	\$13,000	\$6,262	\$6,738	48.2%
Insurance	\$8,000	\$7,727	\$10,000	\$0	\$10,000	0.0%
Annual Independent Audit	\$27,000	\$24,790	\$28,000	\$595	\$27,405	2.1%
Total Administration	\$205,000	\$154,076	\$193,000	\$27,213	\$165,787	14.1%
Public Education						
GDCD Tours	\$5,000	\$5,000	\$5,000	\$0	\$5,000	0.0%
Other Tours	\$5,000	\$0	\$5,000	\$0	\$5,000	0.0%
Marketplace	\$0	\$0	\$0	\$0	\$0	0.0%
ND Water Users Ass'n Dues	\$20,000	\$10,000	\$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	\$9,000	\$18,000	\$9,000	\$9,000	50.0%
Missouri River Coordinator	\$143,550	\$78,107	\$0	\$0	\$0	0.0%
Missouri River Joint Board/MRRIC	\$15,000	\$14,543	\$15,000	\$7,146	\$7,854	47.6%
NWRA Presidency--Dave Koland	\$10,200	\$5,914	\$10,200	\$576	\$9,624	5.6%
Nature Based Tourism Development	\$1,000	\$0	\$0	\$0	\$0	0.0%
Conference Booth Fees, Sponsorships	\$8,000	\$5,767	\$10,000	\$173	\$9,827	1.7%
Miscellaneous	\$8,000	\$1,797	\$8,000	\$0	\$8,000	0.0%
Total Public Education	\$247,750	\$144,128	\$105,200	\$50,895	\$54,305	48.4%

**GARRISON DIVERSION CONSERVANCY DISTRICT
EXPENSE BUDGET ANALYSIS STATEMENT
January 1--February 29, 2016**

	Budget 1/1/15 to 12/31/15	Expenditures Chargeable to 2015 Budget	Budget 1/1/16 to 12/31/16	2016 Actual as of 2/29/16	Balance of Budget as of 2/29/16	Percentage of Budget Spent
Professional Services						
Odney	\$129,000	\$101,985	\$150,000	\$10,223	\$139,777	6.8%
Black & Veatch	\$445,800	\$286,044	\$85,000	-\$33,375	\$118,375	-39.3%
Will & Carlson	\$45,000	\$43,801	\$45,000	\$7,121	\$37,879	15.8%
Sundog Web Hosting	\$4,000	\$3,164	\$3,000	\$0	\$3,000	0.0%
RRVWSP Development	\$350,000	\$263,885	\$140,000	\$4,273	\$135,727	3.1%
Technical Support for LAWA	\$15,000	\$0	\$15,000	\$0	\$15,000	0.0%
Engineering	\$220,000	\$224,173	\$50,000	\$0	\$50,000	0.0%
Legal	\$40,000	\$37,286	\$10,000	\$4,273	\$5,727	42.7%
Financial	\$12,000	\$0	\$12,000	\$0	\$12,000	0.0%
Consultants	\$60,000	\$0	\$50,000	\$0	\$50,000	0.0%
Meeting, Misc. Exp	\$3,000	\$2,426	\$3,000	\$0	\$3,000	0.0%
Water Conservation Plan	\$99,000	\$99,000	\$99,000	\$11,995	\$87,005	12.1%
Prof Services Other	\$7,000	\$0	\$10,000	\$0	\$10,000	0.0%
Legal Services	\$130,000	\$118,709	\$100,000	\$57,447	\$42,553	57.4%
Total Professional Services	\$1,209,800	\$916,588	\$632,000	\$57,684	\$574,316	9.1%
Irrigation Development						
ND Irrigation Association	\$50,000	\$50,000	\$50,000	\$0	\$50,000	0.0%
NDSU Oakes Field Trials	\$267,875	\$267,875	\$267,875	\$0	\$267,875	0.0%
Robert Titus Lease	\$36,000	\$35,093	\$16,400	\$14,385	\$2,015	87.7%
Irrigation Development	\$125,000	\$132,257	\$110,000	-\$30	\$110,030	0.0%
Total Irrigation Development	\$478,875	\$485,225	\$444,275	\$14,355	\$429,920	3.2%
Recreation						
GDCD Recreation Grant Program	\$431,329	\$321,453	\$350,000	\$77,562	\$272,438	22.2%
DWRA Recreation Program	\$15,000	\$5,952	\$10,000	\$277	\$9,723	2.8%
Total Recreation	\$446,329	\$327,405	\$360,000	\$77,839	\$282,161	21.6%
Irrigation Districts Expense						
Irrigation Districts	\$4,900	\$0	\$4,900	\$0	\$4,900	0.0%
Oakes Title Transfer	\$5,000	\$0	\$20,000	\$0	\$20,000	0.0%
Technical Support	\$0	\$0	\$15,000	\$0	\$15,000	0.0%
Legal	\$5,000	\$0	\$5,000	\$0	\$5,000	0.0%
Total Irrigation Districts Expense	\$9,900	\$0	\$24,900	\$0	\$24,900	0.0%
Maintenance & Repair						
Equipment Maintenance	\$15,000	\$12,028	\$20,000	\$6,533	\$13,467	32.7%
Small Yard Equipment Purchases	\$4,000	\$0	\$4,000	\$0	\$4,000	0.0%
Land & Bldg Maintenance	\$22,000	\$21,738	\$17,000	\$468	\$16,532	2.8%
Auto Expense	\$17,000	\$11,731	\$17,000	\$1,826	\$15,174	10.7%
Total Maintenance & Repair	\$58,000	\$45,497	\$58,000	\$8,827	\$49,173	15.2%
Capital Purchases						
Office Equip & Furniture	\$15,000	\$0	\$15,000	\$0	\$15,000	0.0%
Yard Equipment	\$20,000	\$0	\$20,000	\$0	\$20,000	0.0%
Vehicle	\$20,000	\$19,525	\$30,000	\$0	\$30,000	0.0%
Land and Buildings	\$11,000	\$0	\$11,000	\$0	\$11,000	0.0%
Total Capital Purchases	\$66,000	\$19,525	\$76,000	\$0	\$76,000	0.0%
Total General Fund	\$4,238,182	\$3,346,061	\$3,294,473	\$437,832	\$2,856,641	13.3%

**GARRISON DIVERSION CONSERVANCY DISTRICT
EXPENSE BUDGET ANALYSIS STATEMENT
January 1--February 29, 2016**

	Budget 1/1/15 to 12/31/15	Expenditures Chargeable to 2015 Budget	Budget 1/1/16 to 12/31/16	2016 Actual as of 2/29/16	Balance of Budget as of 2/29/16	Percentage of Budget Spent
IRRIGATION FUND						
McClusky Canal Irrigation	\$2,930,000	\$836,555	\$1,000,000	\$3,696	\$996,304	0.4%
Construction	\$2,500,000	\$423,289	\$500,000	\$0	\$500,000	0.0%
Operations	\$430,000	\$413,266	\$500,000	\$3,696	\$496,304	0.7%
Oakes Test Area Development	\$2,500,000	\$0	\$0	\$0	\$0	0.0%
Total Irrigation Fund	\$5,430,000	\$836,555	\$1,000,000	\$3,696	\$996,304	0.4%
GDU O & M						
Salaries and Benefits	\$1,957,139	\$1,842,108	\$1,957,139	\$381,082	\$1,576,057	19.5%
Salaries	\$1,373,466	\$1,261,608	\$1,373,466	\$266,917	\$1,106,549	19.4%
Benefits	\$583,673	\$580,500	\$583,673	\$114,165	\$469,508	19.6%
Travel	\$29,739	\$23,816	\$29,739	\$2,079	\$27,660	7.0%
Training	\$3,709	\$3,585	\$3,209	\$0	\$3,209	0.0%
Utilities	\$88,790	\$81,939	\$88,790	\$11,249	\$77,541	12.7%
Contractual Services	\$520,000	\$553,885	\$50,000	\$36,251	\$13,749	72.5%
Supplies	\$470,560	\$311,851	\$470,560	\$36,433	\$434,127	7.7%
Equipment Purchases	\$401,158	\$326,107	\$387,158	\$14,474	\$372,684	3.7%
Equipment Rental	\$15,000	\$14,028	\$14,000	\$0	\$14,000	0.0%
Equipment Maintenance	\$158,858	\$165,803	\$158,858	\$13,037	\$145,821	8.2%
Safety	\$38,155	\$32,760	\$38,155	\$6,050	\$32,105	15.9%
Miscellaneous	\$14,977	\$7,780	\$14,977	\$1,238	\$13,739	8.3%
Materials	\$302,799	\$53,600	\$302,799	\$5,380	\$297,419	1.8%
O&M Overhead Expense	\$579,431	\$691,795	\$579,431	\$33,799	\$545,632	5.8%
Total GDU O & M	\$4,580,315	\$4,109,057	\$4,094,815	\$541,072	\$3,553,743	13.2%
MR&I Fund						
State Administration	\$382,754	\$185,002	\$180,000	\$42,548	\$137,452	23.6%
MR&I Project Expenditures	\$9,866,216	\$1,875,506	\$7,000,000	\$24,824	\$6,975,176	0.4%
Total MR&I Fund	\$10,248,970	\$2,060,508	\$7,180,000	\$67,372	\$7,112,628	0.9%
RRV Water Supply Project						
Right of Way	\$6,000,000	\$810	\$1,530,000	\$0	\$1,530,000	0.0%
Final/Preliminary Design	\$2,000,000	\$1,752,996	\$4,550,000	\$227,390	\$4,322,610	5.0%
Financing/Contracts	\$0	\$0	\$0	\$0	\$0	0.0%
Travel & Supplies	\$0	\$0	\$0	\$0	\$0	0.0%
Total RRVWSP	\$8,000,000	\$1,753,806	\$6,080,000	\$227,390	\$5,852,610	3.7%
TOTAL ALL FUNDS	\$32,497,467	\$12,105,987	\$21,649,288	\$1,277,362	\$20,371,926	5.9%

**GARRISON DIVERSION CONSERVANCY DISTRICT
RESERVES STATEMENT
FEBRUARY 29, 2016**

OPERATING RESERVE	\$2,788,931.67
<p>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.</p>	
O&M EMERGENCY RESERVE	822,817.55
<p>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.</p>	
DEFICIENCY RESERVE	802,287.54
<p>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.</p>	
PROJECT DEVELOPMENT RESERVE	915,592.98
<p>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.</p>	
TOTAL GARRISON DIVERSION CONSERVANCY DISTRICT RESERVES	===== \$5,329,629.74 =====

**GARRISON DIVERSION CONSERVANCY DISTRICT
FUNDS HELD IN BANK OF NORTH DAKOTA ACCOUNTS
AS OF FEBRUARY 29, 2016**

FUND	Account Name/Reserve	Interest Rate	Maturity Date	Cash Balance
General	Checking Account	0.050%		\$899,084.71
General	Money Market Deposit Account	0.050%		3,703,102.32
General	Recreation Matching, Oper. Res.	0.100%		282,160.64
General	Recreation Reserve, Oper. Res	0.100%		948,186.28
General	Accrued Leave Res., Oper. Res.	0.100%		98,084.75
General	Operating Reserve	0.200%	11-14-16	47,000.00
General	Deficiency Reserve	0.200%	05-22-16	124,146.00
General	Project Development	0.200%	05-22-16	252,054.00
	TOTAL			\$6,353,818.70

**GARRISON DIVERSION CONSERVANCY DISTRICT
FARM CREDIT SERVICES OF NORTH DAKOTA STOCK
AS OF FEBRUARY 29, 2016**

FUND	Account Name/Reserve Account Purpose	Principal Balance	Maturity Date	Cash Balance
General	Operating Reserve for Irrigation	\$ 125,000.00	05-01-2025	\$ 1,000.00

**GARRISON DIVERSION CONSERVANCY DISTRICT
FUNDS HELD IN BREMER BANK ACCOUNTS
AS OF FEBRUARY 29, 2016**

Account Type Deposit Insurance / Pledging Status	Book Balance	Collateral Value / Pledge Amount	Interest Rate	Maturity Date
Repurchase Agreement Sweep Account				
Collateralized with repurchase agreement collateral at 110% of balance.				
Execusweep - M R & I Working Fund	\$0.00		0.20%	
Subject to limit of \$250,000 FDIC Insurance. FHLB Letter of Credit and Security Pledges collateralizing the excess at 110%				
Noninterest Bearing Deposit Accounts				
Irrigation Fund	178,335.65		0.00%	
Total Noninterest Bearing Checking Balance	<u>\$178,335.65</u>			
Interest Bearing Checking Accounts				
Dev Const & Mgmt Rec Facility	83,766.62		0.01%	
FlexComp Program	7,348.87		0.01%	
Red River Valley Water Supply Project	1,198,781.80		0.01%	
M R & I Working Fund	3,828.30		0.01%	
Operations & Maintenance Fund	145,371.96		0.21%	
O & M FlexComp	3,330.44		0.01%	
Debt Service Reserve--Irr Fund	142,196.40		0.07%	
O&M Res--Irr Fund	113,289.54		0.07%	
Total Interest Bearing Checking Balance	<u>\$1,697,913.93</u>			
Savings Accounts				
Money Mkt Inv - O & M Accr Leave Reserve	171,902.27		0.03%	
GF Interest Acct	4,224.56		0.03%	
Total Savings Balance	<u>176,126.83</u>			
Certificates of Deposit				
Operating Res. Certificate of Deposit	542,000.00		0.80%	01-01-18
Operating Res. Certificate of Deposit	820,000.00		0.70%	11-11-17
Operating Res. Certificate of Deposit	50,500.00		0.70%	08-19-17
O&M Emergency Res. Certificate of Deposit	210,000.00		0.80%	05-24-18
O&M Emergency Res. Certificate of Deposit	106,317.55		0.61%	06-22-17
O&M Emergency Res. Certificate of Deposit	156,500.00		0.45%	02-17-16
O&M Emergency Res. Certificate of Deposit	350,000.00		0.45%	08-24-17
Deficiency Res. Certificate of Deposit	228,141.54		0.60%	06-22-17
Deficiency Res. Certificate of Deposit	200,000.00		0.70%	08-19-17
Deficiency Res. Certificate of Deposit	250,000.00		0.80%	01-01-18
Proj Dev Res. Certificate of Deposit	350,000.00		0.70%	09-12-17
Proj Dev Res. Certificate of Deposit	313,538.98		0.60%	06-30-17
Total Certificate of Deposit Balance	<u>3,576,998.07</u>			
Total Accounts & CD Balance	\$5,629,374.48	\$7,483,712.98		
Pledging Adequacy Calculation				
Total Deposit Account Balance	\$5,629,374.48			
Less: FDIC Insurance Coverage	(250,000.00)			
Deposit Balance to Secure	<u>\$5,379,374.48</u>			
x 110%	1.10			
Security Pledging Required	<u>\$5,917,311.93</u>			
Market Value - Total Securities Pledged	\$5,983,712.98			
FHLB Letter of Credit	1,500,000.00			
Total Collateral Pledged	\$7,483,712.98			
Pledging Excess	\$1,566,401.05			

**GARRISON DIVERSION CONSERVANCY DISTRICT
TAX COLLECTIONS STATEMENT
January 1 through February 29, 2016**

County	Estimated Taxes to be Collected 2014 Levy	Current Tax Collections Year to Date	Delinquent Tax Collections Year to Date	Int. & Penalty Collections Year to Date	State Aid Dist. Year to Date
Barnes	\$70,949.55	\$27,596.38	\$351.10	\$40.04	\$1,338.86
Benson	29,062.12	13,551.43	172.30	18.77	952.80
Bottineau	55,541.22	24,244.65	221.37	32.48	1,051.14
Burleigh	393,847.99	207,255.52	930.96	0.00	10,099.22
Cass	602,447.46	258,296.61	1,706.82	168.39	13,929.36
Dickey	35,128.20	16,215.86	294.67	29.00	1,038.10
Eddy	11,510.02	5,052.77	35.19	3.25	568.42
Foster	21,896.47	5,157.45	44.61	7.52	1,396.91
Grand Forks	249,669.13	100,452.02	770.32	78.79	3,092.55
Griggs	17,573.16	7,709.47	57.09	10.04	567.98
LaMoure	35,034.80	16,546.04	178.88	22.23	1,022.69
McHenry	36,895.98	13,134.99	106.70	12.51	485.33
McKenzie	113,697.09	22,098.57	728.47	54.12	2,808.55
McLean	64,751.81	30,737.16	317.39	44.27	2,061.18
Nelson	23,326.93	9,063.44	73.66	9.31	509.54
Pierce	27,394.98	10,314.67	126.14	14.92	781.27
Ramsey	48,028.49	21,353.79	162.77	18.04	1,431.33
Ransom	32,523.69	13,292.88	83.07	8.86	0.00
Renville	22,656.70	11,568.86	138.91	14.48	700.73
Richland	80,018.63	34,664.00	493.23	50.16	1,476.45
Sargent	30,071.80	12,865.45	81.46	11.06	732.86
Sheridan	12,025.75	6,252.69	77.18	11.97	1,001.23
Steele	27,533.00	11,489.50	158.67	17.12	489.81
Stutsman	90,934.89	42,958.34	327.77	36.77	2,158.95
Trails	44,855.91	23,909.71	101.35	12.87	929.23
Ward	319,452.63	123,092.55	3,095.15	276.71	14,673.12
Wells	35,300.88	14,648.86	134.25	18.65	0.00
Williams	284,073.97	101,275.61	762.00	0.00	0.00
TOTALS	\$2,816,203.25	\$1,184,799.27	\$11,731.48	\$1,022.33	\$65,297.61

**GARRISON DIVERSION CONSERVANCY DISTRICT
GDCD RECREATION GRANT PROGRAM
OUTSTANDING PROJECTS
JULY 1, 1990, to FEBRUARY 29, 2016**

COUNTY	PROJECT	GRANT APPROVAL DATE	OUTSTANDING PROJECTS	PROJECTS APPROVED 2015	EXPENDITURES 1990 to 12-31-15	EXPENDITURES 1-1-16 to 2-29-16	ADJUSTMENTS	BALANCE REMAINING 2-29-16
Barnes	North Country Trail Improvements	04-30-14	\$ 18,714.00					\$ 18,714.00
Bottineau	Tommuy Turtle Park Improv/Welcome Cntr	10-08-15		\$ 50,000.00				\$ 50,000.00
Burleigh	Kiwanis Park Playground Equipment	10-08-15		\$ 23,250.00				\$ 23,250.00
Cass	Progressive Ag Fields Picnic Area	09-30-14	\$ 2,500.00					\$ 2,500.00
Dickey	Pheasant Lake Frisbee Golf	04-23-15		\$ 742.00				\$ 742.00
Dickey	Pheasant Lake/Wilson Dam Signs	04-30-14	\$ 1,500.00			\$ 1,500.00		\$ -
Eddy	Campbell Memorial Park Playground Equip	04-23-15		\$ 12,500.00				\$ 12,500.00
Foster	Community Entertainment Pavilion	04-23-15		\$ 7,980.00				\$ 7,980.00
Foster	CrossRoads Shelter/Restroom	04-23-15		\$ 3,675.00				\$ 3,675.00
Foster	Lake Juanita Playground	09-30-14	\$ 1,759.00					\$ 1,759.00
McLean	Brekken-Holmes Campground Improv	04-23-15		\$ 7,500.00				\$ 7,500.00
McLean	McLean County Fairgrounds Upgrades	10-09-13	\$ 20,213.00					\$ 20,213.00
McLean	Underwood Parks Playground Equip.	10-09-13	\$ 1,617.00					\$ 1,617.00
Nelson	Stump Lake Café Canopies	05-06-13	\$ 5,000.00					\$ 5,000.00
Nelson	Toina Bay Boat Ramp/Fish Cleaning Stn	04-23-15		\$ 6,646.00				\$ 6,646.00
Pierce	Eastside Park Improvements	05-06-13	\$ 9,425.00		\$ 8,633.16			\$ 791.84
Ramsey	Lakewood Beach Dock & Fishing Pier	10-08-15		\$ 3,750.00				\$ 3,750.00
Ransom	McLeod Restroom Project	04-30-14	\$ 11,471.00					\$ 11,471.00
Renville	Glenburn Park Playground Equipment	04-23-15		\$ 3,528.00	\$ 3,494.25			\$ 33.75
Renville	Mohall Fairgrounds Playground Equipment	04-23-15		\$ 10,000.00				\$ 10,000.00
Renville	Mohall Gun Club Traphouses	09-30-14	\$ 15,750.00		\$ 6,016.01			\$ 9,733.99
Richland	Brianwood Court Playground	04-30-14	\$ 2,500.00					\$ 2,500.00
Richland	Hankinson City Pk Restroom Replacement	10-08-15		\$ 10,000.00				\$ 10,000.00
Richland	Wyndmere Rock Garden Park Equipment	04-23-15		\$ 17,554.00	\$ 11,155.03			\$ 6,398.97
Sargent	Silver Lake Park Picnic Shelter	10-08-15		\$ 1,583.00				\$ 1,583.00
Steele	Golden Lake Pavilion Deck	10-09-13	\$ 1,875.00			\$ 1,875.00		\$ -
Stutsman	Medina City Park Playground Equipment	04-23-15		\$ 8,750.00				\$ 8,750.00
Stutsman	Pelican Point Campground	04-23-12	\$ 10,500.00					\$ 10,500.00
Trails	Halton Park Shelter/Picnic Area	04-23-15		\$ 1,670.00				\$ 1,670.00
Ward	Minot to AFB Multi-use Path	09-30-14	\$ 25,000.00			\$ 25,000.00		\$ -
Ward	Minot to AFB Multi-use Path	04-23-15		\$ 25,000.00		\$ 25,000.00		\$ -
Ward	Trail Shelters Around Minot Area	10-08-15		\$ 9,626.00				\$ 9,626.00
Williams	Blacktail Dam Upgrades	04-30-14	\$ 25,875.00					\$ 25,875.00
Williams	Epping/Springbrook Playground Equip.	09-30-14	\$ 6,180.00			\$ 6,180.00		\$ -
Williams	Epping/Springbrook Vault Toilet	09-30-14	\$ 16,925.00			\$ 11,888.30		\$ 5,036.70
Williams	Kota Ray Dam Vault Toilet	09-30-14	\$ 8,463.00			\$ 6,118.61		\$ 2,344.39
TOTAL			\$185,267.00	\$203,754.00	\$29,298.45	\$77,561.91	\$0.00	\$ 282,160.64

\$282,160.64

**GARRISON DIVERSION CONSERVANCY DISTRICT
DWRA RECREATION PROGRAM
CHAIN OF LAKES RECREATION
JANUARY 1, 2008, to FEBRUARY 29, 2016**

DESCRIPTION	Interest Income	Bureau of Reclamation Income	Income from Returned Recreation Funds	Expenditures Eligible for Cost Share	Expenditures Ineligible for Cost Share
2008					
2008 Totals	\$19.62	\$149,000.00	\$168,675.40	\$3,870.71	
2009					
2009 Totals	\$145.51	\$0.00	\$25,606.33	\$117,101.89	\$60.57
2010					
2010 Totals	\$96.61	\$0.00	\$5,986.16	\$80,610.93	\$4,781.83
2011					
2011 Totals	\$66.09	\$0.00	\$5,981.63	\$0.00	\$4,834.57
2012					
2012 Totals	\$25.97	\$0.00	\$0.00	\$0.00	\$4,942.10
2013					
2013 Totals	\$10.08	\$0.00	\$0.00	\$0.00	\$4,098.21
2014					
2014 Totals	\$9.28	\$0.00	\$0.00	\$0.00	\$4,144.18
2015					
2015 Totals	\$8.85	\$0.00	\$0.00	\$0.00	\$5,951.86
2016					
Income:					
GDCD Recreation Grant Funds Returned From Projects					
Interest Income	\$1.43				
Expenditures:					
Chain of Lakes Recreation Facilities Maintenance					\$277.00
2016 Totals	\$1.43	\$0.00	\$0.00	\$0.00	\$277.00
GRAND TOTALS	\$383.44	\$149,000.00	\$206,249.52	\$201,583.53	\$29,090.32

\$100,791.77 = 50 Percent

COST SHARE SUMMARY:

Total Bureau of Reclamation Funds Received to Date	\$ 149,000.00
Less 50% of Expenditures Eligible for Cost Share	\$ (100,791.77)
Balance of Federal Funds	<u>\$ 48,208.24</u>
Total GDCD Unused Recreation Funds to Date	\$ 206,249.52
Less 50% of Expenditures for Cost Share	\$ (100,791.77)
Less Facilities Maintenance	\$ (29,090.32)
Balance of GDCD Unused Recreation Funds	\$ 76,367.44
Plus Interest Income to Date	\$ 383.44
Balance of GDCD Funds	\$ 76,750.88
Less 12-31-12 transfer to Recreation Reserve (zero in 2013, '14, '15)	\$ (41,192.49)
Balance of GDCD Funds	\$ 35,558.39
Balance of Federal Funds	\$ 48,208.24
Cash Balance in DWRA Account 2-29-16	<u>\$ 83,766.62</u>

**GARRISON DIVERSION CONSERVANCY DISTRICT
INCOME BUDGET ANALYSIS STATEMENT - FINAL
JANUARY 1, 2015, THROUGH DECEMBER 31, 2015**

GENERAL, O&M, MR&I, RRVWSP and IRRIGATION FUNDS	Budget 01-01-15 to 12-31-15	Income Received to 12-31-15	Percent of Amount Budgeted	2015 Revised Final Budget
Transfers In (MR&I)	\$181,847	\$113,830	62.6%	\$113,830
Transfers In (O&M)	579,431	862,973	148.9%	862,973
GF Admn Charge from Irr Fund	0	604		604
Lease Income	2,500	2,303	92.1%	2,303
Miscellaneous Income	1,000	497	49.7%	497
Interest Income	15,000	11,802	78.7%	11,802
Contract Revenue	30,000	18,198	60.7%	18,198
Revenue from Sale of GFAG	0	0	0.0%	0
Tax Levy	2,215,695	2,719,697	122.7%	2,719,697
State Aid Distribution	250,000	306,944	122.8%	306,944
General Fund Total	\$3,275,473	\$4,036,847	123.2%	\$4,036,847
Interest Income	-	50	-	50
Revenue from Sale of GFAG	-	-	-	-
O&M Contract Revenue	4,205,315	3,602,666	1	3,602,666
O&M Non-project Revenue	375,000	548,558	1	548,558
O&M Project Revenue	-	9,180	-	9,180
O&M Total	\$4,580,315	\$4,160,455	90.8%	\$4,160,455
MR&I Interest Income*	0	17	0	17
WDRF Interest Income	0	0	0	0
MR&I Contract Revenue*	10,248,970	2,060,507	0	2,060,507
MR&I Total	\$10,248,970	\$2,060,524	20.1%	\$2,060,524
Interest Income	0	38	0.0%	38
Contract Revenue	8,000,000	2,135,037	26.7%	2,135,037
RRVWSP Total	\$8,000,000	\$2,135,075	26.7%	\$2,135,075
Interest Income	-	176	0.0%	176
Miscellaneous Income	-	-	0.0%	-
Contract Revenue	5,430,000	874,619	16.1%	874,619
Irrigation Fund Total	\$5,430,000	\$874,795	16.1%	\$874,795
TOTAL	\$31,534,758	\$13,267,697	42.1%	\$13,267,697

*Includes MR&I State Funding

GARRISON DIVERSION CONSERVANCY DISTRICT
FINAL BUDGET
January 1, 2015 to December 31, 2015

3/4/16 3:05 PM	Budget 2015	2015 Actual as of 12/31/15	Revision	2015 Final Budget
<u>Directors Expense</u>				
Directors Per Diem	\$90,000	\$88,498		\$90,000
Directors Exp	\$115,000	\$112,548		\$115,000
Total Directors Expense	\$205,000	\$201,046	\$ -	\$205,000
<u>Employee Expense</u>				
Employee Salaries	\$769,281	\$640,460		\$769,281
General Managers Expense	\$40,000	\$17,567		\$40,000
Travel	\$66,000	\$27,430		\$66,000
Administrative Officer	\$14,200	\$14,056		\$14,200
District Engineer	\$10,000	\$7,387		\$10,000
Deputy Manager	\$25,800	\$0		\$25,800
Communications Director	\$8,000	\$2,067		\$8,000
Emp Exp Other	\$8,000	\$3,920		\$8,000
Professional Development	\$10,000	\$5,569		\$10,000
Benefits	\$426,247	\$361,545		\$426,247
GDCD FICA	\$70,587	\$59,705		\$70,587
Retirement	\$116,604	\$90,066		\$116,604
Hospital & Life Insurance	\$132,000	\$116,392		\$132,000
Unemployment Comp	\$3,815	\$2,769		\$3,815
Vision / Dental	\$17,160	\$13,033		\$17,160
Workforce Safety Insurance	\$7,000	\$1,916		\$7,000
Long Term Disability Ins	\$5,662	\$4,245		\$5,662
Vacation/Sick Leave Liability	\$73,419	\$73,419		\$73,419
Total Employee Expense	\$1,311,528	\$1,052,571	\$ -	\$1,311,528
<u>Administration</u>				
Postage	\$10,000	\$9,193		\$10,000
Printing	\$1,000	\$0		\$1,000
Electronic Communications	\$17,000	\$17,172	\$ 172	\$17,172
Utilities	\$33,000	\$35,899	\$ 2,899	\$35,899
Meetings & Events	\$7,000	\$5,070		\$7,000
Subscriptions	\$5,000	\$3,442		\$5,000
Miscellaneous	\$7,000	\$1,266		\$7,000
Data Processing	\$25,000	\$14,385	\$ (3,071)	\$21,929
Employee Recruiting	\$9,000	\$0		\$9,000
Supplies	\$29,000	\$14,937		\$29,000
Small Office Equipment	\$15,000	\$10,121		\$15,000
Dues	\$12,000	\$10,074		\$12,000
Insurance	\$8,000	\$7,727	\$ -	\$8,000
Annual Independent Audit	\$27,000	\$24,790		\$27,000
Total Administration	\$205,000	\$154,076	\$ -	\$205,000
<u>Public Education</u>				
GDCD Tours	\$5,000	\$5,000		\$5,000
Other Tours	\$5,000	\$0		\$5,000
Marketplace	\$0	\$0		\$0
ND Water Users	\$20,000	\$10,000		\$20,000
ND Water Coalition	\$14,000	\$14,000		\$14,000
ND Water Magazine	\$18,000	\$9,000		\$18,000
Missouri River Joint Board/MRRIC	\$15,000	\$14,543		\$15,000
Missouri River Coordinator	\$143,550	\$78,107		\$143,550
LEMC Project Down Stream - Belford	\$0	\$0		\$0
NWRA Presidency - Dave Koland	\$10,200	\$5,914		\$10,200
Nature Based Tourism Development	\$1,000	\$0		\$1,000
Conferences/Sponsorships	\$8,000	\$5,767		\$8,000
Miscellaneous	\$8,000	\$1,797		\$8,000
Total Public Education	\$247,750	\$144,128	\$ -	\$247,750

**GARRISON DIVERSION CONSERVANCY DISTRICT
FINAL BUDGET
January 1, 2015 to December 31, 2015**

3/4/16 3:05 PM	Budget 2015	2015 Actual as of 12/31/15	Revision	2015 Final Budget
Professional Services				
Odney	\$129,000	\$101,985	\$ -	\$129,000
Black & Veatch	\$445,800	\$286,044		\$445,800
Will & Carlson	\$45,000	\$43,801		\$45,000
Sundog Web Hosting	\$4,000	\$3,164		\$4,000
RRVWSP Development	\$350,000	\$263,885	\$0	\$350,000
Technical Support for LAWA	\$15,000	\$0		\$15,000
Engineering	\$220,000	\$224,173	\$ 4,173	\$224,173
Legal	\$40,000	\$37,286		\$40,000
Financial	\$12,000	\$0	\$ (4,173)	\$7,827
Consultants	\$60,000	\$0		\$60,000
Meeting, Misc. Exp	\$3,000	\$2,426		\$3,000
Water Conservation Plan	\$99,000	\$99,000		\$99,000
Prof Services Other	\$7,000	\$0		\$7,000
Legal Services	\$130,000	\$118,709		\$130,000
Total Professional Services	\$1,209,800	\$916,588	\$ -	\$1,209,800
Irrigation Development				
ND Irrigation Association	\$50,000	\$50,000		\$50,000
NDSU Oakes Field Trials	\$267,875	\$267,875		\$267,875
Bob Titus Lease	\$36,000	\$35,093		\$36,000
Irrigation Development	\$125,000	\$132,257	\$ 7,257	\$132,257
Total Irrigation Development	\$478,875	\$485,225	\$ 7,257	\$486,132
Recreation				
Recreation Matching	\$431,329	\$321,453		\$431,329
DWRA Recreation Program	\$15,000	\$5,952		\$15,000
Total Recreation	\$446,329	\$327,405	\$ -	\$446,329
Irrigation District Expense				
Irrigation District Expenses	\$4,900	\$0	\$ (2,257)	\$2,643
OTA Title Transfer	\$5,000	\$0	\$ (5,000)	\$ -
Technical Support	\$0	\$0		\$0
Legal	\$5,000	\$0	\$ (5,000)	\$0
Total Irrigation District Expense	\$9,900	\$0	(7,257)	\$2,643
Maintenance & Repair				
Equipment Maintenance	\$15,000	\$12,028		\$15,000
Small Yard Equipment Purchases	\$4,000	\$0		\$4,000
Land & Bldg Maintenance	\$22,000	\$21,738		\$22,000
Auto Expense	\$17,000	\$11,731		\$17,000
Total Maintenance & Repair	\$58,000	\$45,497	\$ -	\$58,000
Capital Purchases				
Office Equip & Furniture	\$15,000	\$0		\$15,000
Yard Equipment	\$20,000	\$0		\$20,000
Vehicle	\$20,000	\$19,525		\$20,000
Land & Buildings	\$11,000	\$0		\$11,000
Total Capital Purchases	\$66,000	\$19,525	\$ -	\$66,000
General Fund Subtotal	\$4,238,182	\$3,346,061	\$ -	\$4,238,182

**GARRISON DIVERSION CONSERVANCY DISTRICT
FINAL BUDGET
January 1, 2015 to December 31, 2015**

3/4/16 3:05 PM	Budget 2015	2015 Actual as of 12/31/15	Revision	2015 Final Budget
Irrigation Fund				
McClusky Canal Irrigation	\$2,930,000	\$836,555		\$2,930,000
Construction	\$2,500,000	\$423,289		\$2,500,000
MM7.5 Operations	\$430,000	\$413,266		\$430,000
Oakes Test Area Development	\$2,500,000	\$0		\$2,500,000
Total Irrigation Fund	\$5,430,000	\$836,555	\$ -	\$5,430,000
GDU O & M				
Salaries & Benefits	\$1,957,139	\$1,842,108		\$1,957,139
Salaries	\$1,373,466	\$1,261,608		\$1,373,466
Benefits	\$583,673	\$580,500		\$583,673
Travel	\$29,739	\$23,816		\$29,739
Training	\$3,709	\$3,585		\$3,709
Utilities	\$88,790	\$81,939		\$88,790
Contracted Services (Eng / Survey)	\$520,000	\$553,885	\$ 33,885	\$553,885
Supplies	\$470,560	\$311,851	\$ (153,194)	\$317,366
Equipment Purchases	\$401,158	\$326,107		\$401,158
Equipment Rental	\$15,000	\$14,028	\$ -	\$15,000
Equipment Maintenance	\$158,858	\$165,803	\$ 6,945	\$165,803
Safety	\$38,155	\$32,760		\$38,155
Miscellaneous	\$14,977	\$7,780		\$14,977
Materials	\$302,799	\$53,600		\$302,799
Overhead Expense	\$579,431	\$691,795	\$ 112,364	\$691,795
Total GDU O & M	\$4,580,315	\$4,109,057	\$ -	\$4,580,315
MR&I FUND				
Water Development and Research Fund	\$0	\$0		\$0
State Administration	\$382,754	\$185,002		\$382,754
MR&I Project Expenditures	\$9,866,216	\$1,875,506		\$9,866,216
Total MR&I Fund	\$10,248,970	\$2,060,508	\$ -	\$10,248,970
RRV Water Supply Project				
ROW	\$6,000,000	\$810		\$6,000,000
Permits	\$0	\$0		\$0
Design	\$2,000,000	\$1,752,996		\$2,000,000
Financing/Contracts	\$0	\$0		\$0
Operational Plan	\$0	\$0		\$0
Travel & Supplies	\$0	\$0		\$0
Total RRVWSP	\$8,000,000	\$1,753,806	\$ -	\$8,000,000
TOTAL ALL FUNDS	\$32,497,467	\$12,105,987	\$ -	\$32,497,467

**GARRISON DIVERSION CONSERVANCY DISTRICT
BUDGET OF REVENUES AND EXPENDITURES
January 1, 2017 to December 31, 2017**

	General Fund	Operations & Maintenance Fund	Municipal, Rural, and Industrial Fund	Red River Valley Water Supply Project	Irrigation Fund	Total
REVENUES:						
Transfers In (MR&I)	\$ 100,000					\$ 100,000
Transfers In (O&M)	\$ 811,358					\$ 811,358
Transfers In (RRVWSP)						\$ 0
Non-project Activities		\$ 500,000				\$ 500,000
Lease Income	\$ 500					\$ 500
Miscellaneous Income	\$ 500					\$ 500
Interest Income	\$ 11,000					\$ 11,000
Tax Levy	\$ 2,759,879					\$ 2,759,879
State Aid Distribution	\$ 250,000					\$ 250,000
BOR O&M Allocation		\$ 4,092,475				\$ 4,092,475
Contract Revenue	\$ 5,000		\$ 7,120,000	\$ 11,020,000	\$ 1,150,000	\$ 19,295,000
Total Revenues	\$ 3,938,237	\$ 4,592,475	\$ 7,120,000	\$ 11,020,000	\$ 1,150,000	\$ 27,820,712
EXPENDITURES:						
Directors Expense	\$ 220,000					\$ 220,000
Employee Expenses	\$ 1,347,083					\$ 1,347,083
Administrative Expenses	\$ 219,000					\$ 219,000
Public Education	\$ 95,000					\$ 95,000
Professional Services	\$ 767,000					\$ 767,000
Irrigation Development	\$ 459,275					\$ 459,275
Recreation Matching	\$ 360,000					\$ 360,000
Irrigation Districts Expenses	\$ 24,900					\$ 24,900
Irrigation Fund					\$ 1,150,000	\$ 1,150,000
Maintenance & Repairs	\$ 66,000					\$ 66,000
Capital Purchases	\$ 85,000					\$ 85,000
O&M Fund		\$ 4,592,475				\$ 4,592,475
MR&I Fund			\$ 7,120,000			\$ 7,120,000
RRVWSP Fund				\$ 11,020,000		\$ 11,020,000
Total Expenditures	\$ 3,643,258	\$ 4,592,475	\$ 7,120,000	\$ 11,020,000	\$ 1,150,000	\$ 27,525,733
REVENUES OVER EXPENDITURES*	\$ 294,979	\$ 0	\$ 0	\$ 0		\$ 294,979
OTHER FINANCING SOURCES (USES)						
Appropriated fund balance (operating reserve)						\$ -
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
NET CHANGE IN TOTAL FUND BALANCE	\$ 294,979	\$ -	\$ -	\$ -	\$ -	\$ 294,979

*Flexible Spending Programs and Depreciation not reflected
3/4/16 4:23 PM

**GARRISON DIVERSION CONSERVANCY DISTRICT
BUDGET**

January 1, 2017 to December 31, 2017

3/4/16 4:29 PM	Budget 2016	Budget 2017
<u>Directors Expense</u>		
Directors Per Diem	\$90,000	\$95,000
Directors Exp	\$125,000	\$125,000
Total Directors Expense	\$215,000	\$220,000
<u>Employee Expense</u>		
Employee Salaries	\$750,000	\$838,000
General Managers Expense	\$40,000	\$40,000
Travel	\$48,000	\$58,000
Administrative Officer	\$10,000	\$15,000
District Engineer	\$10,000	\$10,000
Engineer	\$10,000	\$10,000
Communications Director	\$8,000	\$8,000
Emp Exp Other	\$10,000	\$15,000
Professional Development	\$10,000	\$14,000
Employee Training	\$8,000	\$12,000
Wellness Program	\$2,000	\$2,000
Benefits	\$338,098	\$397,083
GDCD FICA	\$64,260	\$71,375
Retirement	\$96,950	\$109,499
Hospital & Life Insurance	\$135,720	\$167,750
Unemployment Comp	\$3,468	\$4,162
Vision / Dental	\$15,600	\$21,600
Workforce Safety Insurance	\$7,000	\$7,000
Long Term Disability Ins	\$5,100	\$5,698
Vacation/Sick Leave Liability	\$10,000	\$10,000
Total Employee Expense	\$1,186,098	\$1,347,083
<u>Administration</u>		
Postage	\$6,000	\$10,000
Printing	\$0	\$0
Electronic Communications	\$15,000	\$22,000
Utilities	\$33,000	\$38,000
Meetings & Events	\$7,000	\$7,000
Subscriptions	\$5,000	\$5,000
Miscellaneous	\$7,000	\$7,000
Data Processing	\$15,000	\$25,000
Employee Recruiting	\$4,000	\$4,000
Supplies	\$35,000	\$35,000
Small Office Equipment	\$15,000	\$15,000
Dues	\$13,000	\$13,000
Insurance	\$10,000	\$10,000
Annual Independent Audit	\$28,000	\$28,000
Total Administration	\$193,000	\$219,000
<u>Public Education</u>		
GDCD Tours	\$5,000	\$5,000
Other Tours	\$5,000	\$5,000
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
Missouri River Coordinator	\$0	\$0
NWRA Presidency - Dave Koland	\$10,200	\$0
Nature Based Tourism Development	\$0	\$0
Conferences/Sponsorships	\$10,000	\$10,000
Miscellaneous	\$8,000	\$8,000
Total Public Education	\$105,200	\$95,000

**GARRISON DIVERSION CONSERVANCY DISTRICT
BUDGET
January 1, 2017 to December 31, 2017**

3/4/16 4:29 PM	Budget 2016	Budget 2017
<u>Professional Services</u>		
Odney	\$150,000	\$150,000
Black & Veatch	\$85,000	\$150,000
Will & Carlson	\$45,000	\$45,000
Sundog Web Hosting	\$3,000	\$3,000
RRVWSP Development	\$140,000	\$180,000
Technical Support for LAWA	\$15,000	\$15,000
Engineering	\$50,000	\$50,000
Legal	\$10,000	\$50,000
Financial	\$12,000	\$12,000
Consultants	\$50,000	\$50,000
Meeting, Misc. Exp	\$3,000	\$3,000
Water Conservation Plan	\$99,000	\$99,000
Prof Services Other	\$10,000	\$10,000
Legal Services	\$100,000	\$130,000
Total Professional Services	\$632,000	\$767,000
<u>Irrigation Development</u>		
ND Irrigation Association	\$50,000	\$50,000
NDSU Oakes Field Trials	\$267,875	\$267,875
Bob Titus Lease	\$16,400	\$16,400
Irrigation Development	\$110,000	\$125,000
Total Research	\$444,275	\$459,275
<u>Recreation</u>		
Recreation Matching	\$350,000	\$350,000
DWRA Recreation Program	\$10,000	\$10,000
Total Recreation	\$360,000	\$360,000
<u>Irrigation District Expense</u>		
Irrigation District Expenses	\$4,900	\$4,900
OTA Title Transfer	\$20,000	\$20,000
Technical Support	\$15,000	\$15,000
Legal	\$5,000	\$5,000
Total Irrigation District Expense	\$24,900	\$24,900
<u>Maintenance & Repair</u>		
Equipment Maintenance	\$20,000	\$20,000
Small Yard Equipment Purchases	\$4,000	\$4,000
Land & Bldg Maintenance	\$17,000	\$25,000
Auto Expense	\$17,000	\$17,000
Total Maintenance & Repair	\$58,000	\$66,000
<u>Capital Purchases</u>		
Office Equip & Furniture	\$15,000	\$20,000
Yard Equipment	\$20,000	\$20,000
Vehicle	\$30,000	\$30,000
Land & Buildings	\$11,000	\$15,000
Total Capital Purchases	\$76,000	\$85,000
General Fund Subtotal	\$3,294,473	\$3,643,258

**GARRISON DIVERSION CONSERVANCY DISTRICT
BUDGET
January 1, 2017 to December 31, 2017**

3/4/16 4:29 PM	Budget 2016	Budget 2017
<u>Irrigation Fund</u>		
McClusky Canal Irrigation	\$1,000,000	\$1,150,000
Construction	\$500,000	\$500,000
Operations	\$500,000	\$650,000
Oakes Test Area Development	\$0	\$0
Total Irrigation Fund	\$1,000,000	\$1,150,000
<u>GDU O & M</u>		
Salaries & Benefits	\$1,957,139	\$2,190,283
Salaries	\$1,373,466	\$1,498,145
Benefits	\$583,673	\$692,138
Travel	\$29,739	\$37,461
Training	\$3,209	\$6,500
Utilities	\$88,790	\$80,820
Contracted Services (Eng / Survey)	\$50,000	\$51,000
Supplies	\$470,560	\$401,013
Equipment Purchases	\$387,158	\$396,040
Equipment Rental	\$14,000	\$14,000
Equipment Maintenance	\$158,858	\$141,525
Safety	\$38,155	\$43,824
Miscellaneous	\$14,977	\$9,059
Materials	\$302,799	\$409,592
Overhead Expense	\$579,431	\$811,358
Total GDU O & M	\$4,094,815	\$4,592,475
<u>MR&I FUND</u>		
State Administration	\$180,000	\$120,000
MR&I Project Expenditures	\$7,000,000	\$7,000,000
Total MR&I Fund	\$7,180,000	\$7,120,000
<u>RRV Water Supply Project</u>		
ROW	\$1,530,000	\$0
Design	\$4,550,000	\$10,400,000
Financing/Legal/Adminstration	\$0	\$620,000
Travel & Supplies	\$0	\$0
Total RRVWSP	\$6,080,000	\$11,020,000
TOTAL ALL FUNDS	\$21,649,288	\$27,525,733

**Garrison Diversion Executive Committee Meeting
March 10, 2016
Carrington, ND**

Reclamation Activities

NAWS SEIS

In August 2015, Reclamation issued the Record of Decision. This action completed the requirements of the National Environmental Policy Act. It also fulfilled Reclamation's obligation under the District Court order from the ongoing litigation. In December 2015 the U.S. District Court issued an order identifying the schedule for various court filings applicable to all parties involved in the litigation. On January 29, 2016, the Province of Manitoba, Canada and the State of Missouri (Plaintiffs) filed separate legal challenges with the court. In summary, their claims are that Reclamation failed to comply with the National Environmental Policy Act (NEPA); therefore, a decision based on these analyses are arbitrary, capricious and an abuse of discretion and otherwise not in accordance with the law.

Reclamation (Defendant) filed the Administrative Record with the court on February 5, 2016. During the months of March and April several additional court filings are planned. These filings include a motion to modify the current injunction and a motion for summary judgement. The process of potentially modifying the injunction includes the steps below. These motions will be filed between March 1, 2016, and April 25, 2016.

- State of North Dakota (Defendant) plans to file a motion to request a modification to the current injunction to allow for design work of the Biota WTP.
- Plaintiffs will have an opportunity to file a motion in opposition of this request, and
- Defendants will have an opportunity to reply to their opposition.
- The court will consider the motions and issue a ruling. There is no timeline for when the court will rule on this motion.

In response to the Plaintiffs' challenge to the Reclamation's compliance with NEPA, several motions will be filed with the court between April 11 and June 17, 2016. The filings include the following:

- Defendants will file a motion for summary judgement. This motion will include responses to the Plaintiffs' claims.
- Plaintiffs will file a motion in opposition to the motion for summary judgement.
- Defendants will have an opportunity to reply to the Plaintiffs' opposition.
- The court will consider the motions and issue a ruling. There is no timeline for when the court will rule on this motion.

Because of the ongoing litigation and the injunction in place preventing any construction activity on the Project, the court will need to rule on the adequacy of Reclamation's environmental analysis before construction of the selected alternative can move forward.

Municipal, Rural, and Industrial Program

Indian MR&I Program:

Standing Rock MR&I System

Bids were opened on Contract 3-7 on September 24, 2015. The low bidder was Northwest Asphalt, Inc., of Shakopee, Minnesota, in the amount of \$2,694,679.37. The project includes the installation of approximately 9.6 miles of 18-inch diameter PVC Pipe and related appurtenances. This project starts approximately 2 miles north and 7 miles east of McLaughlin, South Dakota, and proceeds north to the North/South Dakota state line. The project is scheduled for completion by November 1, 2016. The project is in winter shut down.

Spirit Lake MR&I System

Final inspection was completed for the 750,000-gallon West Fort Totten Tank (School Tank Project); the tank will be filled and disinfected when construction of the School Tank Pipeline is completed in the spring 2016. The School Tank Pipeline has all 12-inch pipe installed and pressure tested, and will be complete upon the installation of two control vaults, miscellaneous piping, and pipeline connections in spring 2016.

The final punch list items for the Tokio Tank have been completed by the Tribe's consultant and final inspection is expected to be completed in April 2016.

Contract 7-16A, Wood Lake Service Area, will be advertised for bids in March 2016 and tentatively scheduled for bid opening on April 19, 2016. The project consists of two areas located approximately one-half and four miles southwest of Tokio and includes the installation of approximately 7.8 miles of 6-inch to 1½-inch PVC pipe, 24 services, road crossings, connections to existing pipelines and other related appurtenances. The project is expected to be completed in late 2016.

Fort Berthold Rural Water System

Fort Berthold Rural Water (FBRW) is planning to advertise the Twin Buttes Area 2 water distribution system expansion project in the near future, which will add about 30 miles of pipe (varying in size from 6-inch to 1-inch) and 48 services. Requisite work is also being conducted so several additional services can be installed under the first change order.

Designs are well underway for a new 600 gpm water treatment plant, located near Twin Buttes, and a larger raw water transmission line from the intake site to the water treatment plant.

Reclamation, IHS, the Corps of Engineers, and FBRW are collaborating to complete shoreline protection work at the Twin Buttes and White Shield Intakes. The intakes are at risk due to damage by fluctuating water levels in the reservoir during and following the flood in 2011. Reclamation obligated additional funding for this project in FY 2015, with the work planned for completion in late 2016.

Turtle Mountain Rural Water System

Turtle Mountain has begun expansion of the Rolette well field to a total of 2400 gpm with the addition of seven new groundwater wells, matching the recently expanded capacity of the water

treatment plant. The project was awarded to Meyer Contracting, Inc. on September 2015 in the amount of \$1,253,766.85. Meyer met their first milestone before winter shut down and work is expected to begin again this spring. In addition, Turtle Mountain opened bids on February 25, on an electrical and controls contract to tie the new groundwater wells in with the existing control station.

Bids were opened on the Reservoir B project on August 25, 2015, with the low bid being awarded to Landmark at an amount of \$2,468,000. IHS, USDA, and Reclamation are providing the funding for this project which is expected to begin in spring 2016, with completion expected by the end of FY 2017.

Turtle Mountain is also working on acquiring easements to expand the distribution system around the Lake Upsilon area. The design for the project is nearing completion and bidding is expected to occur later this spring.

Trenton Indian Service Area

The Trenton Indian Service Area is working with IHS and Reclamation on the design of a booster station to replace and upsize an existing station to upsize the pumps and serve the expanded service area. Reclamation provided funding for the project in FY 2015, with the work set to start in FY 2016.

State MR&I Program

South Central Regional Water District

Contract 2015-1, North Logan and Kidder Country Rural Distribution Project – Plans and specifications have been submitted to Reclamation for review. The plans and specifications are in order. The project sponsor is still working on obtaining rights-of-way and there is a minor cultural avoidance area within the project area. The sponsors and engineer are modifying alignments in this area. There are more than 350 users, including recreational users, signed up for the project. Reclamation signed the CEC for this project on August 18, 2015.

Southwest Pipeline Project

Contract 2-8E, Dunn Center Service Area Main Transmission Pipeline – Construction is completed. A final change order to adjust estimated quantities to actual installed quantities was signed and sent out by Reclamation on February 23, 2016.

Contract 2-8F, East Center Service Area – This contract was awarded on February 27, 2014, to Carstensen Contracting, Inc., in the amount of \$7,162,006. This project includes 20 miles of 16-inch through 14-inch PVC pipe, 17.5 miles of 10-inch through 6-inch PVC pipe, 2 steel VFD booster stations, master meter vault for Killdeer, road crossings, connections to other pipelines, etc. The contractor has completed punch list items and is nearing closeout with determination of final quantities.

Contract 5-17, Dunn Center Water Storage Tank – This contract was awarded to Caldwell Tanks, Inc., of Louisville, Kentucky, in the amount of \$2,438,000. This is a 1,000,000 gallon storage tank. A pre-final inspection was conducted the week of November 9, 2015. The contractor is working on the punch list items.

Contract 1-2A, Supplementary Raw Water Intake - Bids were opened on Contract 1-2A, Supplementary Raw Water Intake. This project includes a vertical reinforced concrete caisson approximately 151 feet in depth, 14 foot inside diameter, 3 foot thick walls, 2800 feet of 30-inch intake pipe and lake intake structure. The contract was awarded to James W. Fowler Company of Dallas, Oregon, in the amount of \$12,994,000. The contractor has completed the installation of the caisson shaft. Tunneling operation for the intake pipeline began on July 15, 2015. Tunneling operations were halted in early November 2015 due to a failure of a 10 foot pipe section.

Contract 7-9F, the East Center Service Area – This contract was awarded to Eatherly Constructors, Inc. of Leawood, Kansas in the amount of \$8,454,836. Reclamation concurred on the recommendation to award on November 15, 2013. This project includes 275 miles of 8-inch through 1½-inch pipe, 394 services, road crossings, connections to existing pipelines, etc. The substantial completion date is now August 27, 2016. A total of 355 users have been connected under this contract to date. There are yet to be another 39 users to be connected in 2016 to complete the contract.

OM&R Program

- McClusky and New Rockford Canals: Reclamation with Garrison Diversion developed a work plan and budget for calendar year 2016 for the GDU Routine O&M Program. The O&M Cooperative Agreement is being modified to include the work plan activities, budget obligation, and extend the agreement 1 year through 2017.

Reclamation, Garrison Diversion and Black & Veatch conducted the second value analysis study for the McClusky Canal Slide Repairs on February 1-5, 2016. The study resulted in nine potential cost savings proposals (from \$30,000 up to \$1 million) which will be forwarded to the design team for further consideration.

Reclamation and Garrison Diversion are proceeding with a new agreement for the preconstruction activities for the McClusky Canal slide repair work. This new agreement would cover negotiation and implementation of agreements with cooperating landowners, NEPA/NHPA compliance activities, and equipment purchases/leases. Garrison Diversion will submit a proposed detailed scope of work and budget narrative to Reclamation for review, determination of appropriate business instrument, and cost price analysis. Preparation of a new separate agreement for construction of the slide repairs will commence once sufficient information on the scope of work and budget for the construction activities are available.

GDU Irrigation

- Turtle Lake and McClusky Canal Irrigation Areas:
 - Reclamation received a request from Garrison Diversion to add the MM 0.4R, MM 3.2L, MM 7.5L expansion, and MM 42R Projects. Reclamation has initiated

environmental compliance and permits to allow construction on the projects to proceed.

- The water service contract with Garrison Diversion will be amended to add 507.1 acres of irrigation from the McClusky Canal for the 2016 irrigation season. This includes 436.7 acres of new irrigation, additional acreage previously under an individual contract, and adjustments to Garrison Diversion contract. The total acres irrigated out of the McClusky Canal will be 5,414.7 acres with 5,036.2 acres under the Garrison Diversion contract.
 - Reclamation has initiated discussions to modify the GDCD irrigation power contract to allow for project use power for all sites along the McClusky Canal that are under the Garrison Diversion water service contract.
-
- Reclamation is working with Garrison Diversion to finalize an MOU clarifying the process to request irrigation development from the McClusky Canal and related water and power contracts.
 - Oakes Test Area: At the request of the Dickey-Sargent Irrigation District, Reclamation is preparing information on the process and costs for title transfer.
 - Reclamation is preparing an annual water service contract for Dickey-Sargent Irrigation District to irrigate up to 5,000 acres in the Oakes Test Area for 2016. The anticipated water supply will be drain return flows, ground water, and releases from the Jamestown Reservoir conservation pool. The Annual James River Operations Meeting has been scheduled for April 5, 2016, beginning at 9:00 a.m., at the Stutsman County Law Enforcement Center in Jamestown, ND. The purpose of the meeting is to coordinate James River operations for 2016. Attending agencies include; Corps of Engineers, Fish & Wildlife Service, National Weather Service, U.S. Geological Survey, Bureau of Reclamation, Garrison Diversion Conservancy District, North Dakota State Water Commission, South Dakota Department of Environment & Natural Resources, North Dakota Game & Fish Department, North Dakota Department of Health, Dickey-Sargent Irrigation District, County Emergency Managers, County Park Boards, City of Jamestown, James River Water Development District.
 - Standing Rock Irrigation Project:
The Tribe awarded a contract to rehabilitate and expand the capacity of the Tribe's Eagle Unit pumping plant near Wakpala, South Dakota. This project will allow for expansion of approximately 700 acres irrigated in this unit and allow the Tribe to fully serve the existing 950 acres. The project is scheduled for completion by May 2016. The Tribe is working on purchasing lands to allow for expansion. The Tribe is still looking for suitable lands to complete the remaining approximately 300 acres.

GARRISON DIVERSION CONSERVANCY DISTRICT
MR&I Project Construction Report
Current Federal Funding
February 29, 2016

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>		<u>5</u>	<u>7</u>
	<u>Prior</u>	<u>2016</u>	<u>State</u>	<u>Funding Source</u>		<u>Total Funds</u>	<u>Federal</u>
	<u>MR&I Fund</u>	<u>MR&I Fund</u>	<u>Grant</u>	<u>MR&I Fund</u>	<u>Federal</u>	<u>Approved</u>	<u>MR&I Fund</u>
	<u>Expenditures</u>	<u>Expenditures</u>					<u>Remaining</u>
McLean-Sheridan BB Expansion	\$1,219,509.68	\$0.00	\$698,288.83	\$735,000	\$735,000	\$1,433,288.83	\$213,779.15
South Central RWD-FY2010 P2	\$8,855,253.13	\$0.00	\$0	\$8,950,746	\$8,950,746	\$8,950,746	\$95,492.79
South Central RWD-FY2010 P3	\$9,696,155.25	\$0.00	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$303,844.75
South Central RWD-FY2012 P4	\$7,663,959.63	\$24,824.07		\$7,700,000	\$7,700,000	\$7,700,000	\$11,216.30
South Central RWD-FY2014 P4	\$0.00	\$0.00	\$0	\$937,500	\$937,500	\$937,500	\$937,500.00
South Central RWD-FY2014 P5	\$0.00	\$0.00	\$0	\$4,987,500	\$4,987,500	\$4,987,500	\$4,987,500.00
South Central RWD-FY2015 P5	\$0.00	\$0.00	\$0	\$4,387,500	\$4,387,500	\$4,387,500	\$4,387,500.00
SWPP-FY2015	\$0.00	\$0.00	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000.00
	\$27,434,877.69	\$24,824.07	\$698,289	\$39,698,246	\$39,698,246	\$40,396,535	\$12,936,832.99
						\$40,396,535	



MUNICIPAL, RURAL AND INDUSTRIAL WATER SUPPLY PROGRAM

900 EAST BOULEVARD AVE • BISMARCK, ND 58505-0850 • 701-328-2752 • TDD 701-328-2750

March 10, 2016

Mr. Ken Vein, Chairman
Garrison Diversion Conservancy District
PO Box 140
Carrington, ND 58421-0140

RE: 2016 Federal MR&I Water Supply Funding

Dear Ken:

The following table shows a proposed allocation of the FY2016 Federal Municipal, Rural, and Industrial Water Supply (MR&I) funding from Garrison Diversion Unit budget of \$15,560,000. There was \$4,148,500 previously approved for Gladstone, Makoti, Glenburn, Mohall, and Sherwood. The following table lists the additional projects being recommended for 2016.

Project	Project Cost	Eligible Cost	MR&I Funding	
			%	Grant
Burlington Water Main	\$1,000,000	\$1,000,000	60	\$600,000
Cass Rural Water Leonard Service Area	\$3,167,000	\$3,160,000	75	\$2,370,000
Carrington Water Tower	\$3,185,000	\$3,166,667	60	\$1,900,000
Casselton Water Tower	\$2,110,000	\$2,080,000	60	\$1,248,000
Kindred Water Tower	\$1,230,000	\$1,225,000	60	\$735,000
New England Water Tower	\$2,799,872	\$2,654,167	60	\$1,592,500
Rugby Water Treatment Plant Improvements	\$763,000	\$763,000	60	\$458,000
Wahpeton Water Treatment Plant Improvements	\$1,600,000	\$1,600,000	60	\$960,000
Westhope Water System Improvements	\$425,000	\$425,000	60	\$255,000
Southwest Pipeline Project	\$1,000,000	\$1,000,000		\$1,000,000
State Administration	\$390,667	\$390,667	75	\$293,000
Recommended Total	\$17,670,539	\$17,464,501		\$11,411,500
Previously Approved Total	\$6,483,400	\$5,531,400		\$4,148,500
Total	\$24,153,939	\$22,995,901		\$15,560,000

Ken Vein – 2016 Federal MR&I Water Supply Funding
Page 2
March 10, 2016

Projects for Funding Approval

City of Burlington - The funding request is for construction of a 300,000-gallon water tower and new 10-inch water main to address current and future demands of the system. Burlington serves 1,060 people with the water supply from the Northwest Area Water Supply project. Burlington will work on the water main in 2016 and the water tower will be considered in the near future. The water main estimated cost is \$1,000,000 and a 60% grant is \$600,000.

Cass Rural Water Users District Leonard Service Area - The funding request is for installation of 25 miles of distribution pipeline to serve 35 rural water users and 60 individual service connections in the city of Leonard to address water quality issues with arsenic. The estimated cost is \$3,167,000 with eligible costs of \$3,160,000, and a 75% grant is \$2,370,000.

City of Carrington - The funding request is for construction of a new 500,000-gallon elevated water storage tank and installation of new high service pump building to address current and future demands of the system. Carrington serves 2,075 people, service areas of Stutsman Rural Water District, and service areas of Greater Ramsey Water District. The water supply is from ground water wells. The estimate cost is \$3,185,000 with eligible costs of \$3,166,667, and a 60% grant is \$1,900,000.

City of Casselton - The funding request is for construction of a 500,000-gallon water tower to address current and future demands of the system. Casselton serves 2,491 people and purchases water from Cass Rural Water Users District. The estimated cost is \$2,110,000 with eligible costs of \$2,080,000, and a 60% grant is \$1,248,000.

City of Kindred - The funding request is for construction of a new 150,000-gallon water storage tank to address current and future demand of the system. Kindred serves 722 people and the water supply is from the Cass Rural Water Users District. The estimated cost is \$1,230,000 with eligible costs of \$1,225,000, and a 60% grant is \$735,000.

City of New England - The funding request is for construction of a new 200,000-gallon water storage tank and installation of new water main to address current and future demand of the system. New England serves 632 people and the water supply is from the Southwest Pipeline Project. The estimated cost is \$2,799,872 with eligible costs of \$2,654,167, and a 60% grant is \$1,592,500.

City of Rugby - The funding request is for improvements to the water treatment plant to increase efficiency of booster pump station, lime handling system, and electric upgrades. Rugby serves 2,900 people and All Seasons Water Users District. The estimated cost is \$763,000, and a 60% grant is \$458,000.

City of Wahpeton - The funding request is for improvements to the water treatment plant to increase efficiency and capacity in lime handling system and electric upgrades. Wahpeton serves 7,853 people. The water supply is from ground water wells. The estimated cost is \$1,600,000, and a 60% grant is \$960,000.

Ken Vein – 2016 Federal MR&I Water Supply Funding
Page 3
March 10, 2016

City of Westhope - The funding request is for installation of new water main to address current and future demand of the system. Westhope serves 427 people. The water supply is from ground water wells. The estimated cost is \$425,000, and a 60% grant is \$255,000.

Southwest Pipeline Project - The major projects being constructed are the supplemental raw water intake estimated at \$18.9 million and the Dickinson water treatment plant estimated at \$31.7 million. The request is for an MR&I grant of \$1,000,000.

I recommend the Garrison Diversion Conservancy District approve the new projects listed in the above table for total of \$11,411,500 Federal MR&I funding. The funding is in the form of a grant towards eligible costs, contingent on available funding, and the projects follow the Federal MR&I program requirements.

Sincerely,



Todd Sando, P.E.
Chief Engineer-Secretary

TS:jnm/ 237-03BRL / 237-03CAS / 237-03CRR / 237-03CSS / 237-03KIN / 237-03NGL / 237-03RUG
/ 237-03WAH / 237-03WES / 1736-05 / 237-03

**Memorandum of Understanding Between the
State of North Dakota and the Bureau of Reclamation
With respect to Design and Pre-Construction of the
Northwest Area Water Supply (NAWS) Biota Water Treatment Plant**

The parties to this agreement are the State of North Dakota, represented by the Garrison Diversion Conservancy District and the North Dakota State Water Commission (State) and the Bureau of Reclamation (Reclamation). The Parties mutually agree that:

- In accordance with the Dakota Water Resources Act of 2000, Reclamation has responsibilities to meet the requirements of the Boundary Waters Treaty Act (Treaty) and for construction, operation, maintenance, and replacement of water treatment and related facilities attributable to meeting the requirements of the Treaty.
- Reclamation is also responsible for assuring compliance with the Record of Decision (dated August 21, 2015) and Final Supplemental EIS for the NAWS project.
- Design and pre-construction activities of systems and facilities within the NAWS Biota Water Treatment Plant (WTP) relating to Treaty and Record of Decision compliance will be subject to additional review and further participation by Reclamation beyond that required under Cooperative Agreement No. R12AC60014 for the Construction of the ND State MR&I Program.
- NAWS construction is currently enjoined by a federal court order originally issued in 2005 and modified most recently on March 1, 2013 (NAWS injunction). The State intends to seek permission from the court to undertake design work for the Biota WTP during the pendency of the NAWS injunction.
- Should the court grant the State permission to undertake design work for the Biota WTP, the State will use only State and Local funds and will assume all financial responsibility associated with this work until the NAWS injunction is lifted or the litigation is otherwise resolved.
- The State will not, at any time in the future, seek federal reimbursement for the cost of the design and preconstruction activities for the Biota WTP performed before the NAWS injunction is lifted or the litigation is otherwise resolved. The State expects Reclamation to resume its role as a cost share partner once the NAWS injunction is lifted or the litigation is otherwise resolved.
- Reclamation and the State will follow the review and approval process associated with Cooperative Agreement No. R12AC60014 for all of this work, including the additional reviews and studies listed below to assure that all design and pre-construction activities taking place after the injunction is lifted or litigation otherwise resolved would be allowable, allocable, and reasonable.
- The State will provide the scope of work, 30%, 60%, 90%, and final designs for Reclamation's review and approval. The State and Reclamation will participate in design meetings with the State's selected consulting firm(s) performing the designs.

- The State will participate with Reclamation to complete Value Studies and Design, Estimating, and Construction reviews as required by Reclamation policy prior to final design.
- The State and Reclamation intend to enter into cooperative agreement(s) that define the roles and responsibilities for the construction and operation and maintenance phases of the Biota WTP.



Duane DeKrey
General Manager
Garrison Diversion Conservancy District

24 Feb 16

Date



Todd Sando, P.E.
Chief Engineer and Secretary
North Dakota State Water Commission

2/16/16

Date



David Rosenkrance
Dakotas Area Manager
Bureau of Reclamation

2/18/16

Date

RRVWSP Engineering Update March 3, 2016

Goal

Spring 2016 complete Conceptual design and cost estimate
Winter 2016 complete Preliminary design and cost estimate
Year-End 2017 complete Final design and cost estimate
2018-2024 Phased Bidding and Construction

Total draft budget to complete Conceptual, Preliminary and Final design is \$66 million. ND legislature appropriated \$12.3 million for the RRVWSP this past session.

Current Task Order Development consists of: 1) Missouri River Intake, 2) Baldhill Creek Discharge, 3) Horizontal Alignment, 4) Hydraulic and Pump Analysis, 5) draft Horizontal Collector Well Conceptual Design, 6) draft Land Services, 7) draft Needs Assessment and 8) draft Water Treatment Plant Analysis.

Conceptual Design

1) Missouri River Intake Investigation Task Order – A Missouri River bank filtration intake near Washburn is proposed to reduce the amount of federal permits for the RRVWSP. Results of two previous studies indicated only the Washburn area may support 122 cfs and recommended further study up to four sites. Work includes well pumping tests to determine yield of horizontal collector wells at the sites and the recommended number and spacing of the horizontal collector wells at each site. The previous work was contracted through the SWC and CH2M Hill. The proposed work in this task order is contracted through GDCD and CH2M Hill. Cost of the work is \$1,306,790.

Status – All field work has been completed. The final report is complete and was presented to the LAWA Technical Advisory Committee on January 22.

Results suggest that the desired RRVWSP intake capacity of 122 cfs may be achievable through bank filtration intakes at multiple sites. Nine to fourteen collector wells spread across four sites would be required.

2) Discharge System (Baldhill Creek Investigation) Task Order – Utilizing the Baldhill Creek as a water conveyance to Lake Ashtabula could eliminate the need for 13 miles of pipeline and provide a savings of \$30 million. Studies include creek capacity and the interaction of Baldhill Creek with groundwater aquifers and impacts, if any, to adjacent lands. Estimated cost is \$806,000.

Status – Of the 27 hydraulic structures, 22 have been granted access, 49 of 96 channel cross sections have been granted access, and surveys have been completed. Seven monitoring sites were active this fall and have been shut down for the year due to ice formation. A draft report is expected in March.

3) Pipeline Alignment Task Order - The original RRVWSP alignment went from the McClusky Canal to Lake Ashtabula; however, the intake will now be moved to the Missouri River near Washburn. An alignment needs to be established from Washburn to Highway 200 connecting to the original alignment. Also, the original alignment needs to be refined to minimize permitting. Estimated cost is \$960,000.

Status –The alignment has been reviewed by GDCD and LAWA and is ready to submit to the USCOE for jurisdictional determination.

4) Hydraulic and Pump System Task Order – The intake site has moved from the McClusky Canal to the Missouri River near Washburn, including a new segment of pipeline connecting the two. This task order will build on existing data and expand and refine the hydraulic operational characteristics of the pump stations and control facilities required to successfully operate the RRVWSP. The specific goals will be to provide an updated hydraulic analysis of the entire project, a conceptual layout of pumping facilities and a conceptual level cost estimate of those pumping facilities. Estimated cost is \$480,000.

Status –The team discussed a range of pumping flows, placement of a water treatment plant, closed system versus open system using break tank, and hydraulic differences with each option.

5) Horizontal Collector Well Conceptual Design Task Order – The information collected from the Missouri River intake studies will be used to develop conceptual design and cost estimates. Estimated cost is \$400,000.

Status – Four sites have been identified with potential hydrogeology. It is estimated that 9 to 14 collector wells would be required to achieve the desired capacity spread across the four sites. An additional 30 miles of pipe will be required to manifold the collector well sites together. Efforts have started to develop a conceptual design for each of the collector wells. The horizontal alignment for the piping to each collector well has been established, as have the initial pump sizes for each collector well.

6) Land Services Task Order - The original RRVWSP alignment went from the McClusky Canal to Lake Ashtabula; however, the intake will now be moved to the Missouri River near Washburn. An alignment needs to be established from Washburn to Highway 200 connecting to the original alignment. This task order will prepare ROW data and documents for acquiring new easements. Estimated cost is \$470,000.

Status – No work has been completed to date.

7) Needs Assessment Task Order – The original capacity of the RRVWSP was 122 cfs. Staff will begin updating users of the current State proposed project. Water users in

the LAWA service area will be asked to review their needs to determine if 122 cfs is an appropriate size. Furthermore, systems along the pipeline routes in Central North Dakota will be canvassed to see if there is a need to service those systems from the State project. The task order will assist GDCD staff in this effort. Estimated cost is \$150,000.

Status – A list of potential users has been generated. Letters to the systems and informational pieces are in draft form. The mailings will update potential users of the project status and will request meetings with the systems. The mailings, which started in early January, will go out in phases. Phone calls and system visits will follow.

8) Water Treatment Plant Analysis Task Order – The federally proposed WTP used pre-treatment, filtration and disinfection processes located near the McClusky Canal. The State project will be using Missouri River water through a horizontal collector well near Washburn. The location and level of treatment needs to be reviewed. A range of treatment processes will be developed to complement the RRWSP Concept design and estimate.

Status –The Bismarck collector well data and the results from the bank filtration study are being used to establish expected conditions in the source water. Overall treatment goals have been drafted that are consistent with the Boundary Waters Treaty for a biota water treatment plant. Three treatment processes have been developed and are being evaluated.


9) Conceptual Design Report – The report will include project costs, operation and maintenance costs, construction schedule, review regulatory issues, and discuss project phasing.

Status - This task order is being drafted.

Preliminary Design

The conceptual design is nearly complete and is anticipated to be released in May. Engineering teams are ready to start the preliminary design phase. It is estimated to cost \$10 million to complete the preliminary design on the entire project. Moving forward with limited funds, it may be cost effective to start project phasing. Project phasing is moving forward with items that have to be completed first, which include permit phasing, design phasing and construction phasing.

Status – Task orders are being developed in coordination with project phasing strategies.



Red River Valley Water Supply Project

Presented to:
GDCD Executive Committee

March 10, 2016

Today's Agenda

- Review Conceptual Engineering Status
- Preview Current Costs
- Next Steps:
 - Conceptual Design Report Task Order (April – May)
 - Preliminary Engineering Task Order (June through April, 2017)

Review - Conceptual Engineering Status

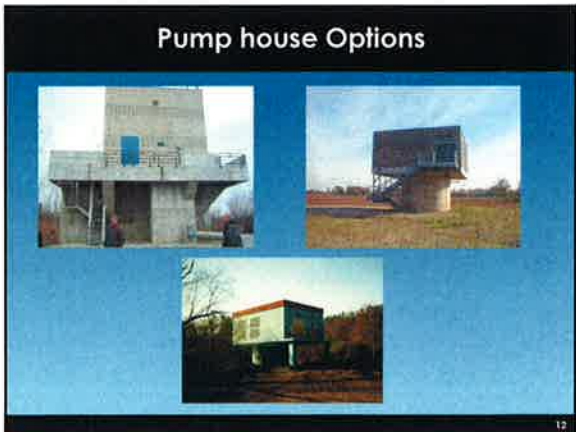
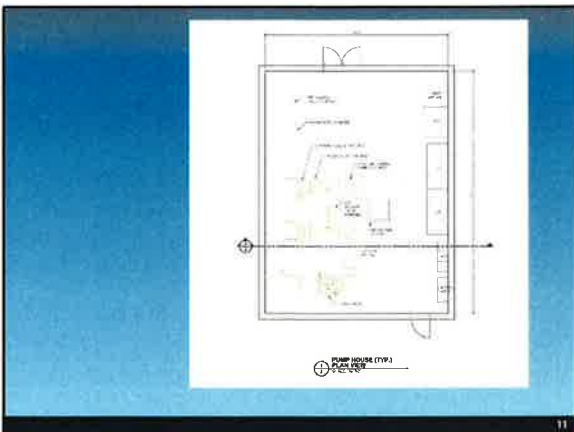
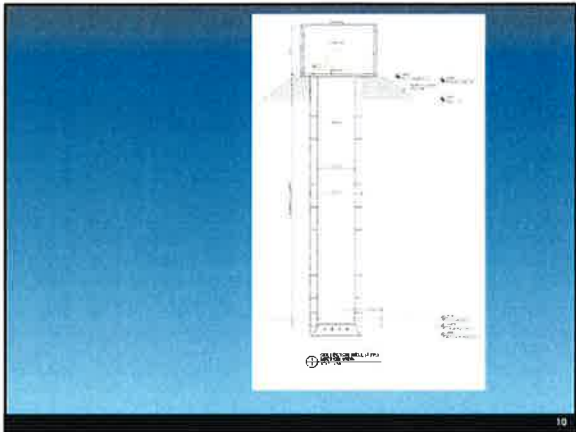
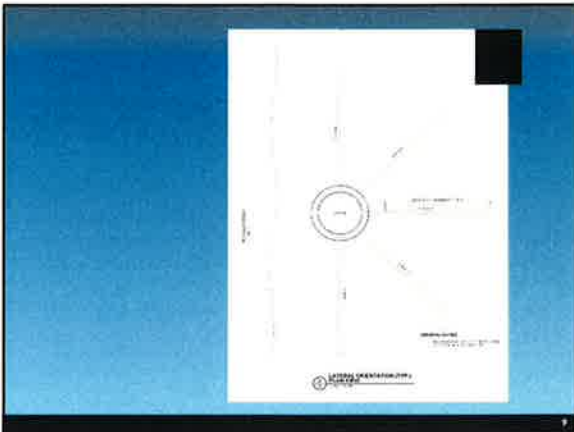
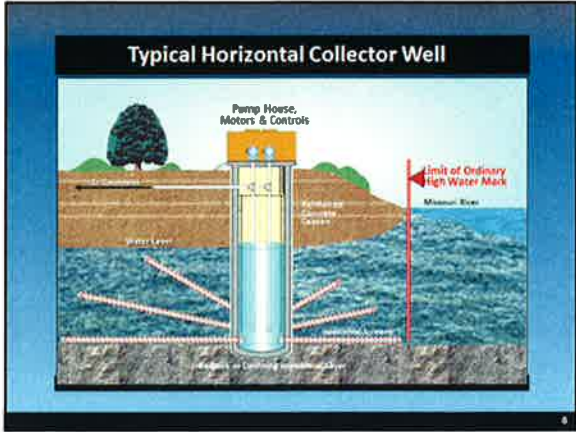
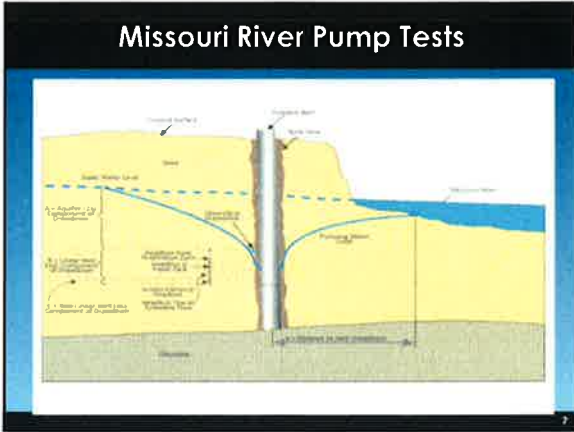
Review of Conceptual Engineering Status

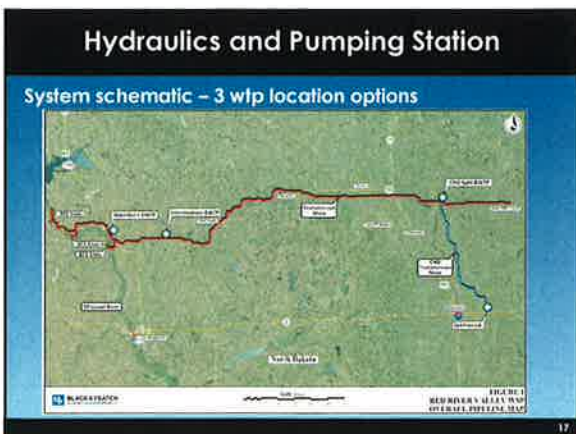
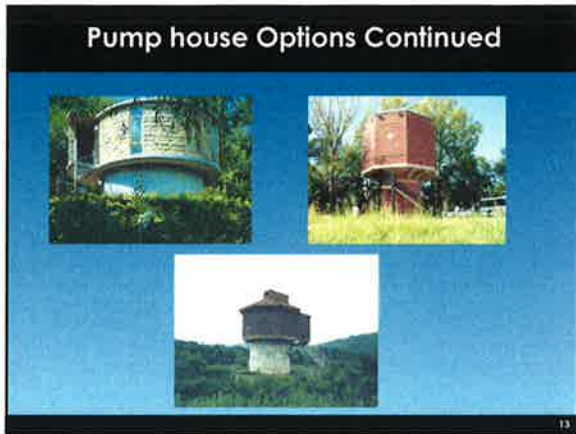
- May 2015 – Approved \$4 million for:
 - Missouri River Intake Investigation
 - Baldhill Creek Discharge Study
 - Horizontal Alignment
 - Hydraulic and Pump Analysis
 - Horizontal Collector Well
- October 2015 – Approved \$620,000 for:
 - Needs Assessment
 - Land Services
- December 2015 – Approved up to \$600,000 for:
 - Water Treatment Plant Analysis

Conceptual Engineering Status

Conceptual Engineering (July 2015 – June 2016)	% Complete	Current Estimate	Actual July - Feb 2016
Missouri River Intake Investigation	84%	\$1,306,790	\$1,100,000
Horizontal Collector Well	28%	\$400,000	\$110,126
Hydraulic and Pump System	50%	\$481,081	\$241,538
Pipeline Alignment	80%	\$960,000	\$763,512
Discharge System (Baldhill Creek)	50%	\$804,000	\$401,993
Land Services	8%	\$470,000	\$38,141
Needs Assessment	51%	\$150,000	\$76,558
Water Treatment Plant Analysis	37%	\$438,731	\$161,552
Conceptual Report and Phasing	draft		
Sub-Total	58%	\$5,012,602	\$2,893,420

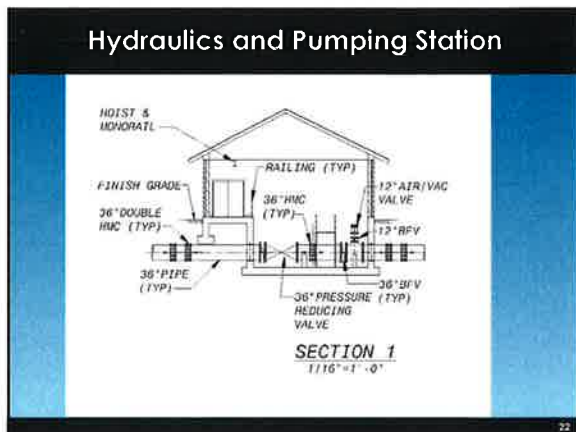
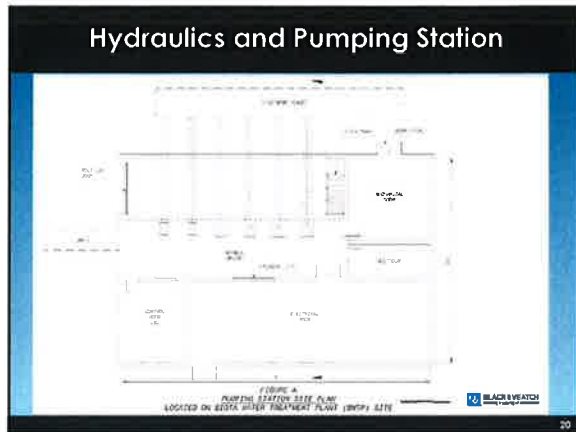
Examples of Completed Work





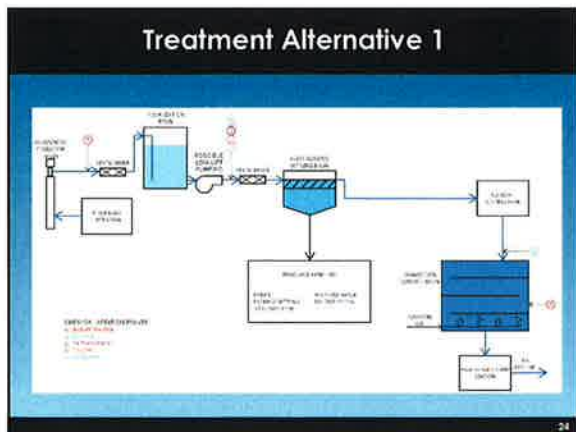
Hydraulics and Pumping Station Option 1 – 122 cfs

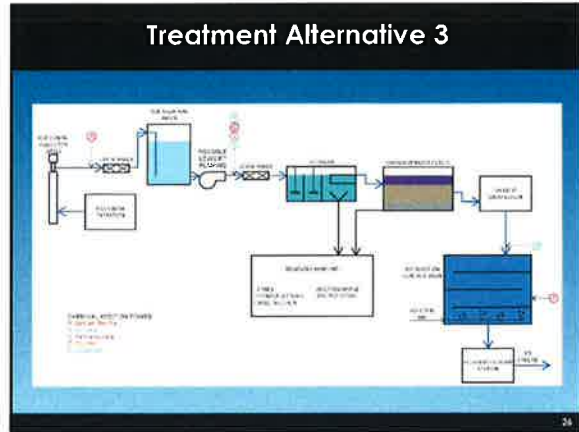
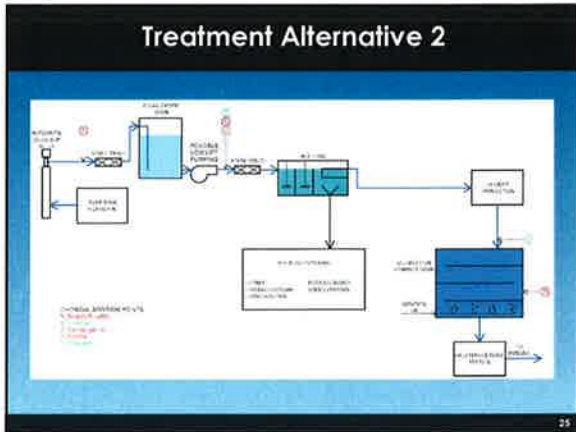
PIPE SEGMENT START	PIPE SEGMENT END	LENGTH, FT	MILES	DIAMETER, IN	TOTAL DYNAMIC HEAD, FT	TOTAL CONNECTED HP
BWTP						
Washburn	High Point (Break Tank)	302,300	57	66	645	11,000
High Point (Break Tank)	CND Split	343,000	65	66	Gravity	---
CND Split	Baldhill Creek	122,000	23	60	Gravity	---
CND Split	Spiritwood	220,000	42	54	Gravity	---
	Subtotal		220			11,000
	BFS					15,200
	Total					26,200



Source Water Characterization

CONSTITUENT	ISSUES
Low Dissolved Oxygen	<ul style="list-style-type: none"> Promotes high dissolved Fe / Mn Oxygenation precipitate Fe/Mn Anaerobic pipeline conditions
High Dissolved Iron/Manganese	<ul style="list-style-type: none"> Nuisance precipitation in plant Creates turbidity Impedes UV Disinfection Avoid end-of-pipe red streak
High Alkalinity	<ul style="list-style-type: none"> More acid/base to adjust pH Mineral scaling potential
High Ammonia	<ul style="list-style-type: none"> More chlorine demand (breakpoint chlorinate) & contact time
High Organic Carbon	<ul style="list-style-type: none"> More chlorine required Higher coagulant demand





Cost Estimate

Item	Cost	Note/Assumption
Horizontal Collector Well	\$ 140,000,000	14 wells at \$10m each
Main Pump Station	\$ 35,000,000	Based on CND
WTP/Secondary Pump Station	\$ 240,000,000	Based on \$3m per 1 MGD of treatment
Break Tank	\$ 10,000,000	
Piping	\$ 573,000,000	From Alignment 1M
Discharge Structure	\$ 20,000,000	103 Miles at \$4.3 Million/Mile
Subtotal	\$ 1,018,000,000	
Construction Contingency	\$ 200,000,000	
Total Construction	\$ 1,218,000,000	
Engr, Admin, Legal, Inspect.	\$ 140,000,000	
Real Estate	\$ 15,000,000	
Subtotal	\$ 155,000,000	
Total Project	\$ 1,373,000,000	

- ### Conceptual Design Report Task Order
- Task Order Approval for the following:
- Combine all Concept task orders reports into one Report
 - Estimate Project Costs
 - Estimate OM Costs
 - Construction Timeline
 - Identify segments that can and should be done first
 - Recommendations moving forward
 - Regulatory review

Preliminary Engineering Task Orders

Task Order	Start Date	End Date	Cost	Status
Conceptual Engineering Study (July 2010 - July 2011)	7/1/10	7/1/11	\$ 1,000,000	Completed
Final Design (July 2011 - July 2012)	7/1/11	7/1/12	\$ 2,000,000	In Progress
Construction (July 2012 - July 2015)	7/1/12	7/1/15	\$ 10,000,000	Not Started



RRVWSP PROJECT DEVELOPMENT AGREEMENT

THIS RED RIVER VALLEY WATER SUPPLY PROJECT DEVELOPMENT AGREEMENT (this “Agreement”), dated _____, 2016 (the “Effective Date”), is by and between the Lake Agassiz Water Authority (“LAWA”), a political subdivision of the State of North Dakota, and _____, a [city, water district or other water distribution system] (the “Member”).

Recitals

A. LAWA was established as a political subdivision of the State of North Dakota with an authorized purpose of assisting in the development of a reliable, high quality water supply for eastern North Dakota for various purposes, including domestic, rural water, municipal and industrial uses. LAWA may include interested cities, water districts and other rural water distribution systems in central North Dakota as part of its service area as well.

B. The foregoing shall be accomplished by the bulk purchase of water by LAWA from the Garrison Diversion Conservancy District (“GDCCD”) delivered by the features contemplated as part of a state and locally funded Red River valley water supply project (the “Project”).

C. It is imperative to identify as accurately as possible those Members that will contract with LAWA to purchase water in order to identify the necessary capacity of the system, to develop a sufficiently detailed and accurate preliminary design for the Project, and to generate a commitment to cover the necessary local funds for cost share participation as the Project moves forward. To that end, LAWA and the Member enter into this Agreement to set forth certain terms and conditions relating to Member’s participation in the concept planning and preliminary design of the Project, which is underway and currently being funded by existing LAWA funds. The parties understand that the current funds held by LAWA will be insufficient to meet the local cost share requirements for the concept planning and preliminary design of the Project. This Agreement and contemporaneous agreements with other member entities commit the Member(s) to an assessment for their equitable share of the additional concept planning and preliminary design costs (“Project Development Costs”). To date, the state of North Dakota has been providing 90% of the cost share funding with 10% being paid locally. While this cost share ratio may change if required by the state, it is anticipated that this same cost share ratio will continue through preliminary design.

Agreement

In consideration of the foregoing and the covenants and agreements set forth herein, the parties agree as follows:

1. Member has reviewed and understands the proposed “Red River Valley Water Supply Project Planning Level Budget” (“Budget”) that is attached hereto as Exhibit A. The

Budget is solely LAWA's best estimate to date of Project Development Costs through June 2017, which at this time are estimated to be \$16,218,041. These estimates are not intended to create a financial limit on contributions, but are presented merely to identify the categories of expenses contemplated by this Agreement and the total Project Development Costs anticipated at this point. LAWA, through Member contributions, is responsible to pay the ten percent local share of the total estimated cost, or \$1,621,804.

2. Member has conducted a meaningful review of its anticipated future water needs and has had the opportunity to consult with engineers and legal professionals regarding Member's anticipated future need and the obligations under this Agreement. The water nomination provided by the Member in this Agreement is Member's best estimate of Member's future water supply needs and represents the capacity the Member intends to contract for, so long as the Member deems the costs to be reasonable. For the limited purposes of the obligations of this Agreement, in furtherance of designing and securing capacity in the Project, Member hereby identifies its future water needs from the Project at ____ acre feet per calendar year, with a peak instantaneous peak flow rate of ____ cubic feet per second (cfs) if the Project is constructed. Of this amount, Member anticipates that its nomination would include ____ acre feet annually for domestic needs and ____ acre feet annually for industrial needs. LAWA commits to reserve and protect sufficient water capacity in the Project to sell this nominated allocation to Member on terms that will obligate Member to pay for capital costs, operation and maintenance costs and payment for a water supply.
3. Member would later expect to negotiate and enter into a LAWA Participation Agreement and a Water Supply Agreement once the Project costs are known, modeled and the Operating Plan is complete. The Participation Agreement and Water Supply Agreement will set forth the terms, conditions and proposed payment structure that will be expected of Member once the Project moves into construction and thereafter into operation and maintenance.
4. This Agreement solely addresses the Member's responsibility for its share of the initial costs associated with and limited to the specific categories identified in Exhibit A, through the later of (1) June 30, 2017 if budgeted funds are expended by that date, or (2) thereafter if the completion of the concept planning and preliminary design extends beyond that date and so long as there are budgeted funds available to complete the concept planning and preliminary design. Member hereby agrees to pay its equitable share of the local share of the Project Development Costs. Member's equitable share is determined as a percentage of the Member's nomination over the total sum of nominations.
5. Member agrees that the funds they pay per this Agreement are non-refundable in any and all cases including, without limitation, if the Project is discontinued or terminated or if Member decides not to further participate in the Project.

6. Member acknowledges and agrees that there are a number of risks, any or all of which could occur, that could have the effect of increasing the cost of the Project and/or delaying and/or terminating the Project, including by way of illustration and not limitation, the following: (i) litigation; (ii) court order; (iii) changes in legislation affecting the Project, LAWA and/or the GDCD; (iv) different environmental risks than those previously identified; (v) increased labor costs or costs of materials; (vi) the need to obtain Federal approval or a Federal permit; (vii) the Federal Government's decision to support the Project; (viii) a change in the State of North Dakota's financial ability to fund its portion of the Project; (ix) climate change and variability; and (x) political interference at the local, state or Federal level. Any increase in the identified budgeted costs would require approval of the LAWA Board.
7. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
8. This Agreement (and any interest herein or hereunder) may not be assigned, transferred, pledged, hypothecated or encumbered without the prior written consent of the other party; provided, however, that LAWA may assign this Agreement to GDCD without Member's consent.
9. This Agreement shall be governed by the laws of the State of North Dakota, without giving effect to its choice of laws principles. Venue of any proceedings shall be in the state courts located in Cass County, North Dakota.
10. Members who execute an Agreement for participation in Project Development on or after October 1, 2016 will be considered "latecomers" and will pay those amounts set forth in the LAWA Latecomers Policy attached hereto as Exhibit B, which includes additional contribution required as a risk penalty. Any financial contributions made by latecomers that are not needed to facilitate the addition of the latecomer to the system or otherwise needed for planning, will be considered by the LAWA Board, in its discretion, for reimbursement to entities like this Member who entered agreements to cover development costs on or before October 1, 2016.
11. Contingency: This Agreement is valid and enforceable only if LAWA obtains similar Agreements from other members that represent nominations of at least 100 cfs in the aggregate. If LAWA is unable to secure agreements amounting to 100 cfs to share the costs of this Agreement, this Agreement is null and void and without further effect.

WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

LAKE AGASSIZ WATER AUTHORITY

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Its:_____

EXHIBIT A

**Red River Valley Water Supply Project
Planning Level Budget**

Red River Valley Water Supply Project Planning Level Budget 4-Feb-16						
July 2015 through June 2017						
	% Complete	Current Estimate	Actual			
			July-Dec 2015	Jan.-June 2016	July-Dec 2016	Jan.-June 2017
Conceptual Engineering (July 2015 - June 2016)						
Missouri River Intake Investigation	80%	\$ 1,306,790	\$ 1,046,664	\$ 260,126	\$ -	\$ -
Horizontal Collector Well	initiated	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -
Hydraulic and Pump System	initiated	\$ 481,081	\$ -	\$ 481,081	\$ -	\$ -
Pipeline Alignment	47%	\$ 960,000	\$ 453,550	\$ 506,450	\$ -	\$ -
Discharge System (Baldhill Creek)	30%	\$ 806,000	\$ 238,612	\$ 567,388	\$ -	\$ -
Land Services		\$ 470,000	\$ -	\$ 470,000	\$ -	\$ -
Needs Assessment		\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -
Water Treatment Plant Analysis		\$ 600,000	\$ -	\$ 600,000	\$ -	\$ -
Sub-Total		\$ 5,173,871	\$ 1,738,826	\$ 3,435,045	\$ -	\$ -
Preliminary Engineering (July 2016 - June 2017)						
Horizontal Collector Well		\$ 1,600,000	\$ -	\$ -	\$ 800,000	\$ 800,000
Hydraulic and Pump System		\$ 1,200,000	\$ -	\$ -	\$ 600,000	\$ 600,000
Pipeline Alignment		\$ 3,600,000	\$ -	\$ -	\$ 1,600,000	\$ 2,000,000
Discharge System (Baldhill Creek)		\$ 700,000	\$ -	\$ -	\$ 350,000	\$ 350,000
Land Services (Survey)		\$ 900,000	\$ -	\$ -	\$ 450,000	\$ 450,000
Land Services (Easement Options)		\$ 600,000	\$ -	\$ -	\$ 300,000	\$ 300,000
Water Treatment Plant, does not include pilot		\$ 1,400,000	\$ -	\$ -	\$ 700,000	\$ 700,000
Sub-Total		\$ 10,000,000	\$ -	\$ -	\$ 4,800,000	\$ 5,200,000
Administration, Legal and Financial						
Administration (cost & schedule, communications, LAWA)		\$ 180,000	\$ -	\$ 60,000	\$ 60,000	\$ 60,000
Legal	3%	\$ 564,170	\$ 14,170	\$ 200,000	\$ 175,000	\$ 175,000
Financial		\$ 300,000	\$ -	\$ 125,000	\$ 100,000	\$ 75,000
Sub-Total		\$ 1,044,170	\$ 14,170	\$ 385,000	\$ 335,000	\$ 310,000
Total		\$ 16,218,041	\$ 1,752,996	\$ 3,820,045	\$ 5,135,000	\$ 5,510,000
90% State Cost Share		\$ 14,596,237	\$ 1,577,696	\$ 3,438,041	\$ 4,621,500	\$ 4,959,000
10% LAWA Cost Share		\$ 1,621,804	\$ 175,300	\$ 382,005	\$ 513,500	\$ 551,000

* 2015-/2017 state appropriation \$12,359,000

EXHIBIT B
LAWA Latecomer Policy

DRAFT 3/1/16

**GARRISON DIVERSION CONSERVANCY DISTRICT
RESOLUTIONS TO BE CONSIDERED AT THE _____, 2016 MEETING
OF THE BOARD OF DIRECTORS**

WHEREAS, there are a number of policies of the Garrison Diversion Conservancy District Board Policy (the “Policy” as used herein) that the board of directors desire to amend;

WHEREAS, under Policy 1.8, at least two full weeks advance notice must be given to all board members regarding a proposed change to the Policy;

WHEREAS, the Board deems it appropriate and advisable to update the Policy to shorten the length of such advance notice;

WHEREAS, under Policy 5.11, the board of directors must formally approve expenditures by the general manager that are not reasonably within the board-approved budget;

WHEREAS, the Board deems it appropriate and advisable to update the Policy to provide the general manager with more certainty as to what is permissible without board of director approval; and

NOW, THEREFORE, THE FOLLOWING RESOLUTIONS BE CONSIDERED FOR ADOPTION BY THE BOARD:

1. That the last sentence of Section 1.8 be amended and restated to read in its entirety:
“Except as otherwise provided by law, any policy of the board may be suspended, repealed, amended or waived by a majority vote of the board, provided that at least five (5) calendar days advance notice has been given to all board members of the intention to consider revocation, repeal, waiver or amendment.”
2. That the second sentence of the first paragraph of Section 5.11 be amended and restated to read in its entirety: “However, expenditures that are more than \$75,000 and not within the board-approved budget must be formally approved by the board of directors.”

DRAFT 12/23/15

**GARRISON DIVERSION CONSERVANCY DISTRICT
RESOLUTION OF THE BOARD OF DIRECTORS**

WHEREAS, the Red River Valley Committee (the “RRV Committee”), as described in Chapter 8 of the Garrison Diversion Conservancy District Board Policy (the “Policy” as used herein), has certain procedures it must follow;

WHEREAS, the RRV Committee has a large number of time sensitive decisions that must be made with regard to the state Red River Valley Water Supply Project (the “RRV Project”) and adherence to the current procedures outlined in the Policy often make these decisions difficult or improbable to make in a timely manner due to the limited number of meetings that the Garrison Diversion Conservancy District Board of Directors (the “Board”) and the Executive Committee hold per year; and

WHEREAS, the Board deems it appropriate and advisable to update the Policy to provide the RRV Committee with certain authorities to facilitate the decisions that arise regarding the RRV Project.

NOW, THEREFORE, THE RESOLUTION WAS CONSIDERED AND ADOPTED BY THE BOARD:

1. RESOLVED, THAT: the RRV Committee be the main Garrison Diversion interface with the Lake Agassiz Water Authority (hereinafter “LAWA”) for the planning, design, construction and operation of the RRV Project. Further, due to the time sensitive nature of construction projects, the RRV Committee is delegated certain authorities by the Board to make decisions and authorize the expenditure of funds, as identified and limited in these Resolutions and the Policy.
2. RESOLVED, THAT: the RRV Committee is hereby delegated the authority to approve expenditures and make decisions specifically for the RRV Project (or any federal, state and local iteration of the same) (collectively, the “Project”) that relate to planning, design, construction and operation of the Project. This decision-making and spending authority is limited to the following categories:
 - a. To make expenditures in accordance with the approved budget for the Project, as well as any non-budgeted items up to \$100,000 or all non-budgeted items that are, in the RRV Committee’s determination, vital to address unanticipated urgent issues. Non-budgeted items exceeding \$100,000 that are not items vital to address unanticipated urgent issues must be presented to the Board or Executive Committee for approval.

All expenditures approved by the RRV Committee will be presented to the Board or Executive Committee at the next available meeting.

- b. To negotiate and approve task orders that are contemplated within the budget.
 - c. To negotiate and approve change orders for time extensions, as well as change orders for design, planning, and construction services. The aggregate approval authority for the RRV Committee for change orders on a particular contract shall not exceed 5 percent of the contract total or \$100,000, whichever amount is greater.
 - d. To determine negotiation positions of the Board and to initiate condemnation on behalf of the Board for any property needed in fee for the Project or for pipeline right of way acquisition. As a matter of practice, the Board will generally be the entity to initiate condemnation, but the RRV Committee has the authority to exercise if needed.
 - e. To make application for all permits relating to the design, construction and operation of the Project and to make decisions on permitting and regulatory issues with local, state and federal agencies, entities and authorities.
 - f. To make decisions relating to the significant and material relocation of design routes and determine the site for all facilities; to make alterations in the pipeline alignment; and to make decisions on utilization of various types of infrastructure, parts, or services. It is noteworthy that full Board will maintain the responsibility for larger alignment decisions and other larger policy decisions. Smaller or more minor adjustments in route and alignment may be made at the staff level.
 - g. In cases where prequalification of contractors and vendors is required, the RRV Committee is able to prequalify bidders.
 - h. In cases where landowner claims arise, where landowners allege damages less than \$50,000, the RRV Committee has the authority to negotiate with the landowner and resolve landowner disputes.
3. RESOLVED, THAT: except as modified in these Resolutions, the Policy remains in effect.

Dated: _____, 2016

By: Ken Vein, Chairman