

Minutes of Meeting

Souris River Joint Water Resource Board

Thursday, January 4, 2018

A regular meeting of the board of directors of the Souris River Joint Water Resource Board was called to order by Chairman David Ashley on Thursday, January 4, 2018, in the Community Room of the Minot Auditorium, Minot, North Dakota. Joint Board members attending the meeting were David Ashley, Clif Issendorf, Roger Sauer, Tom Klein and Dan Jonasson. A roster of those attending the meeting is attached as Attachment A.

The Joint Board discussed the proposed Agenda for the meeting. Chairman David Ashley added three bills to be considered under Agenda Item No. 4, and added "Funding Discussion and Information" as Agenda Item No. 12(a). Clif Issendorf made a motion to accept the Agenda, as amended. Dan Jonasson seconded the motion. The motion was approved without opposition.

The draft Minutes of the December 7, 2017, meeting were discussed. Clif Issendorf asked that the discussion in December relating to the funds paid by the Joint Board to the USACE be added to the December minutes. Clif Issendorf indicated that the money that has been paid to the USACE is significant, and that the Joint Board's discussion should be reflected in the December minutes to keep the public informed. Jack Dwyer indicated that he would add language to the December minutes. Tom Klein made a motion to table the December minutes. Clif Issendorf seconded the motion. The motion passed without opposition.

The Joint Board discussed Agenda Item No. 4 regarding bills. The bills that were considered by the Joint Board are as follows:

<b>Firm</b>	<b>Project</b>	<b>Cost</b>
Barr Engineering	Environmental and Design	\$1,102.50
	StARR Program	\$8,792.82
	BU-1 Burlington	\$54,992.49
	Outlaw Creek	\$1,167.70
	USACE Feasibility Study	\$44,575.50
Houston Engineering	Environmental and Design	\$53,304.48
	SWIF-Outfall Pipes	\$1,027.50
	MI-5 4 <sup>th</sup> Ave Tieback	\$70,744.85
Ackerman-Estvold	Administration	\$27,758.22
	USACE Feasibility Study-WIK	\$25,427.50
Dwyer Law Office	Legal	\$2,490.70
Sherbenske	MI-2A Construction Perkett	\$8,972.51
Dig It Up Backhoe Service	StARR Demolition and Site Restoration	\$104,025.00
HDR Engineering, Inc.	BU-1 MI-5 Ind Ext Review	\$3,670.00
ND Water Coalition*	Dues	\$1,000.00

ND Water Users*	Dues	\$5,000.00
Verendrye Electric*	StARR Utilities	\$176.92
	<b>Total</b>	<b>\$414,228.69</b>

\*3 additional bills attached as Attachment B

The Joint Board discussed the final bill for Barr Engineering. It was discussed that only \$8 was authorized for Barr Engineering after the final bill. Jason Westbrook indicated that additional money was authorized for Barr Engineering's services by the Joint Board at its December meeting. It was discussed that Sherbenske included invoices for supplies that would typically be a cost of the contractor. Ryan Ackerman indicated that the charges in question were under Change Order Request 09 and would be discussed under that agenda item. The Joint Board discussed whether the ND Water Users or ND Water Resource Districts Association would be raising additional funding for additional legislative support. Dan Jonasson made a motion to approve the bills. Tom Klein seconded the motion. The motion passed without opposition.

The Joint Board discussed Agenda Item No. 5 and 6. Jerry Bents provided the Joint Board an update regarding the work being performed by Houston Engineering. Jerry Bents directed the Joint Board's attention to the Project Status Report included in the January Board Packet at pages 113 through 116. Notably, Jerry Bents indicated that the Project had recently obtained the Floodplain Development Permit from the City of Minot, which correlates with the FEMA Letter of Map Revision, leaving only the USACE 404 Permit outstanding before moving forward on Phase MI-1 construction. Jerry Bents indicated that Houston Engineering had been working with the ND Dept. of Health and the City of Minot in order to complete the requisite paperwork to comply with financing the cost of the Project through the ND Revolving Loan Fund. Jerry Bents indicated that the low interest rate could result in savings of approximately \$2.5 million, with a corresponding increase in construction of only \$100,000, approximately. Jerry Bents indicated that Houston Engineering has been collating all changes and addendums into the MI-1 final plan set, with a pre-construction meeting likely to take place in early February, as long as the USACE 404 permit is obtained by that time, with construction commencing shortly thereafter. Jerry Bents indicated that 65% design documents for Phase MI-5 were submitted to USACE and HDR for external peer review, and that USACE and HDR comments were incorporated into the design, but that further design work on Phase MI-5 is moving slowly until the City of Minot and the Joint Board weigh in on alignment.

The Joint Board discussed Agenda Item No. 7 and 8 regarding the work being performed by Barr Engineering. Jason Westbrook directed the Joint Board's attention to the Project Status Report included in the January Board Packet at pages 117 through 119. Jason Westbrook reported that the Joint Board recently obtained a Record of Decision on the EIS and its 408 permit from the USACE, but that the 404 permit is still outstanding. Jason Westbrook indicated that the State Historical Preservation Office (SHPO) may need comprehensive information and a better understanding about the Project, and communicate with the USACE regulatory arm, as the hold-up on obtaining the 404 permit is with the cultural impacts of the Project. Jason Westbrook indicated that Barr Engineering has incorporated comments from USACE and HDR on Phase BU-1 plan set, and Barr Engineering is on track deliver Phase



BU-1 design documents by March. Dan Jonasson added that it seems that SHPO needs better internal communication.

The Joint Board discussed Agenda Item No. 9 regarding MI-2A construction update. Ryan Ackerman indicated that a short punch list of work items remain to close out the construction contract. Ryan Ackerman indicated that due to access, drainage, and slope maintenance issues, the engineering team recommends approval of Change Order Request 09 in the amount of \$29,991.57. Ryan Ackerman explained that the engineering team moved under its force provisions of the construction contract, and required the contractor to justify all cost items before approving the final price of the Change Order, which is why supplies appear in Sherbenske's pay request and backup data. Ryan Ackerman indicated that the required slopes per the engineers' plans were modified due to field observations and conditions. Tom Klein moved to approve Change Order Request No. 9 for MI-2A Perkett Ditch Improvements and authorize the Chairman to sign. Roger Sauer seconded the motion. The motion was approved without opposition.

Emily Huettl provided the Joint Board with an update on the StARR Program. Emily Huettl indicated that four properties are in the process of closing, and that the Joint Board has lined up a second appraisal for those applicants who are seeking a second appraisal as part of their appeals. Emily Huettl indicated that in the coming months, the Joint Board will be advertising for the demolition of additional structures that have been acquired by the Joint Board's StARR Program. Emily Huettl indicated that approximately 25 StARR participants have successfully closed their transactions, which involve approximately 100 structures.

The Joint Board discussed Agenda Item No. 11 regarding its insurance policy from North Dakota Insurance Reserve Fund (NDRIF). Jack Dwyer directed the Joint Board's attention to page 141 and 142 of the January Board Packet. Jack Dwyer advised the Joint Board that NDRIF has recently increased its maximum insurance policy limits from \$2 million to \$10 million, but that the Joint Board was unable to increase its insurance policy limits from \$2 million until its renewal date on August 1. Jack Dwyer indicated that the current policy limit would likely satisfy any claim, in light of the North Dakota statutory liability limits for North Dakota political subdivisions. Jack Dwyer identified three limited areas of exposure: 1) claims falling under federal law; 2) claims falling under foreign jurisdiction; and 3) change in North Dakota law, as the North Dakota Supreme Court is reviewing a case where the plaintiff has asked the Supreme Court to determine that the North Dakota liability limits are unconstitutional. Clif Issendorf made a motion to increase its insurance policy limits to \$10 million at its next renewal. Roger Sauer seconded the motion. The motion passed without opposition.

The Joint Board discussed Agenda Item No. 12(a) regarding funding. Ryan Ackerman provided the Joint Board with a Memorandum, attached as Attachment C. Ryan Ackerman provided several different options for obtaining or shifting funding from other sources to the Project, as set forth in the Memorandum. Ryan Ackerman also identified a number of needs that were ready or near ready for funding, and asked that the Joint Board considered the funding options and needs. Dan Jonasson asked whether additional environmental work would be required in order to move forward with Phase BU-1 or MI-5. Ryan Ackerman indicated that the environmental documents would need to be supplemented, but

that the effort to do so would be somewhat minimal since the scope of those project are within the current EIS. Dan Jonasson commented that the City of Minot was fortunate to receive \$74 million in National Disaster Resiliency funding, but reminded the Joint Board that there are time restraints in place, and that the acquisitions need to continue to move forward in order to take advantage of that funding. Dan Jonasson suggested the Joint Board consider moving forward with the design on additional projects so that additional projects are shovel ready if funding becomes available. The Joint Board discussed that the Resiliency funding cannot be used outside of the city limits of Minot. David Ashley also suggested that the Joint Board consider additional needs in the rural areas of the Mouse River Basin.

David Ashley called on City of Minot Alderman Shannon Straight to address the Joint Board. Alderman Straight voiced support for the Joint Board's efforts in pursuit of a basin-wide flood risk reduction project. David Ashley thanked Alderman Straight for his comments.

There being no further business, the meeting was adjourned.



Jack Dwyer  
Legal Counsel



**North Dakota Water Users Association**

P.O. Box 2254  
Bismarck, North Dakota 58502  
(701) 223-4615

*DEDICATED TO THE PROTECTION, DEVELOPMENT, AND  
MANAGEMENT OF NORTH DAKOTA'S WATER RESOURCES*

**MEMBERSHIP DUES  
STATEMENT**

**DAVID ASHLEY  
SOURIS RIVER JOINT BOARD  
PO BOX 2254  
BISMARCK ND 58502-2254**

**DATE DUE: January 1, 2018**

COUNTY

**BURLEIGH**

MEMBERSHIP  
CLASSIFICATION

**WATER RESOURCE MEMBER**

AMOUNT

DUE

**\$5,000.00**

**The portion of dues paid to the North Dakota Water Users Association,  
which is attributable to lobbying activities, is 5% or less.**

(Please mark address corrections)

**DAVID ASHLEY  
SOURIS RIVER JOINT BOARD  
PO BOX 2254  
BISMARCK ND 58502-2254**

Please return this portion with your check  
payable to ND Water Users Association.

Mail remittance to:  
North Dakota Water Users Association  
P.O. Box 2254  
Bismarck, ND 58502

Amount Due: **\$5,000.00**

County: **BURLEIGH**

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_



# North Dakota WATER COALITION

PO Box 2254  
Bismarck, ND 58502  
(701) 223-4330  
FAX (701) 223-4645

Barnes Rural Water District  
Cass County Government  
Cass County Joint Board  
Devils Lake  
Devils Lake Basin Joint Board  
Dickinson  
Fargo  
Garrison Diversion  
Conservancy District  
Grafton  
Grand Forks  
Grand Forks – Traill Water  
District  
Lake Agassiz Water Authority  
Lisbon  
Mandan  
McLean-Sheridan Rural Water  
Mercer County Water Resource  
District  
Minot  
Missouri River Joint Board  
North Central Rural Water  
Consortium  
North Dakota Association of  
Counties  
North Dakota Association of  
Rural Electric Cooperatives  
North Dakota Farmers Union  
North Dakota Irrigation  
Association  
North Dakota League of Cities  
North Dakota Public Finance  
Authority  
North Dakota Rural Water  
Systems Association  
North Dakota Soybean  
Growers Association  
North Dakota State Water  
Commission  
North Dakota Water Resource  
Districts Association  
North Dakota Water Users  
Association  
North Dakota Weather  
Modification Association  
Northeast Regional Water  
District  
Northwest Area Water Supply  
Red River Joint Water Board  
Souris River Joint Board  
South Central Regional Water  
District  
Southwest Water Authority  
Stutsman Rural Water District  
Valley City  
West Fargo  
Western Area Water Supply  
Williston

November 29, 2017

David Ashley  
Souris River Joint Board  
4893 7th Ave. N  
Voltaire, ND 58792-9437

Dear David:

Thank you for being part of the North Dakota Water Coalition in 2017. With the decreasing funds that we have for water development as we speak, our job is becoming even more difficult. Increasing demands, critical needs, several major projects that must be advanced, the lack of federal funding to partner with state and local funds, and policy issues, all make the North Dakota Water Coalition more critical than ever.

Our mission is to complete North Dakota's water infrastructure for economic growth and quality of life, by achieving consensus on both water funding and water policy issues. While we have completed major infrastructure for Devils Lake and Grand Forks, we have major challenges ahead to achieve, water supply for NAWS, WAWS, SWPP, and eastern North Dakota (RRVWSP). We are also experiencing serious threats to our rights in and use of the Missouri River. We also are seeking flood control for Fargo and Cass County and the Souris River Basin, as well as numerous flood control, water management, and water supply and rural water needs across our state.

Unity is more important than ever, even though it is harder to achieve. Your participation and support is so appreciated in the face of these exciting, yet overwhelming challenges.

If you have any questions regarding the Water Coalition, please call 701-223-4330.

Sincerely,



David Sprynczynatyk  
Chairman

DATE: November 29, 2017

# STATEMENT

## North Dakota Water Coalition Membership Dues

TO:

DATE DUE: January 1, 2018

David Ashley  
Souris River Joint Board  
4893 7th Ave. N  
Voltaire, ND 58792-9437

QUANTITY	DESCRIPTION	AMOUNT
1	Souris River Joint Board North Dakota Water Coalition Membership Dues for 2018	\$1,000.00

Please mail your check to:

North Dakota Water Coalition  
PO Box 2254  
Bismarck, ND 58502-2254

*Thank You!*





615 Highway 52 West  
Velva ND 58790-7417

Your Touchstone Energy<sup>®</sup> Cooperative

Office Hours: Mon-Fri 8AM to 5PM  
Phone: 701-852-0406, 701-338-2855, 1-800-472-2141  
E-mail: [rec@verendrye.com](mailto:rec@verendrye.com)  
Web site: [www.verendrye.com](http://www.verendrye.com)

8792 1 AV 0.370 4 8792  
SOURIS RIVER JOINT BOARD C-20 P-23  
PO BOX 1516  
MINOT ND 58702-1516



This cooperative is an equal opportunity provider and employer.

Account Number 5868300

Statement Date 01/03/2018

Billing Summary

Previous Balance	\$16.75
Payments 12/22/2017	-16.75
Balance Forward	0.00
Current Charges	176.92

Amount Due \$176.92

Due Upon Receipt

Page 1 of 1

Payment Options:

We accept cash, check, money order, VISA or MasterCard.

- Electronically via SmartHub
- MoneyGram (Receive Code 15420)
- In person at our Minot or Velva offices
- Via the phone
- Set up auto pay
- Mail

Service Details

Loc: 028361401940 Addr: 7987 CTY ROAD 15 W Desc: Rate: 013

Meter Reading Details		Meter 58616426
Current Reading	01/01/18	25,618
Previous Reading	12/04/17	22,704
Master Meter Usage		2,914
Less Sub Meter Usage		2,574
Total Usage		340

Detail of Charges	
KWH Revenue	340 KWH \$35.19
Facility Charge	21.47
<b>Total This Service</b>	<b>\$56.66</b>

Loc: 028361401940 Addr: 7987 CTY ROAD 15 W Desc: Heat Meter Rate: 112 Heat Meter

Meter Reading Details		Meter 125127184
Current Reading	01/01/18	26,156
Previous Reading	12/04/17	23,582
Total Usage		2,574

Detail of Charges	
KWH Revenue	2574 KWH \$115.83
Facility Charge	4.43
<b>Total This Service</b>	<b>\$120.26</b>

Please Return This Stub With Your Payment

Tear Stub Along This Dotted Line ▲

Yes! I would like to sign up for Auto Pay!

Your payment and any returned checks may be processed electronically.

By signing this you are authorizing Verendrye Electric Cooperative to withdraw payments from your account for payment of your electric bills around the 22nd of each month. You agree each payment is the same as an instrument personally signed by you.

Checking  Savings  
Attach a voided check or savings deposit slip (you will receive a 50-cent credit each month).

Visa/Mastercard No. \_\_\_\_\_ exp. \_\_\_\_\_

X \_\_\_\_\_  
Authorized signature on my account must match name on account

Account#:	5868300
Subject to 1.5% penalty if not paid by 01/22/2018.	
Amount Due:	\$176.92

Verendrye Electric Cooperative  
615 Highway 52 West  
Velva ND 58790-7417



SOURIS RIVER JOINT BOARD  
PO BOX 1516  
MINOT ND 58702-1516

**MEMORANDUM**

David Ashley  
Chairman – McHenry County  
dwashley56@gmail.com

Roger Sauer  
Member – Renville County  
rasauer@srt.com

Tom Klein  
Member – Ward County  
thokle@srt.com

Clif Issendorf  
Member – Bottineau County  
issbros@srt.com

Dan Jonasson  
Member – City of Minot  
dan.jonasson@minotnd.org

Date: January 3, 2018

To: Souris River Joint Board

From: Ryan Ackerman, Administrator *RA*

Re: **Current Biennium Funding Considerations**

The purpose of this memorandum is to update the Souris River Joint Board on the current status of State funding related to Mouse River flood control activities.

When the legislature acted on House Bill 1020 – the State Water Commission’s appropriations bill – it included \$136 million for flood control activities statewide, with no earmarks in the bill.

During the hearing process and work of the two appropriations committees, it was discussed by legislators that the two projects that would consume the \$136 million were Mouse River and the Fargo-Moorhead Diversion. Previous legislative actions included intent language to fund the FM Diversion at \$66.5 million in the current biennium. That intent language was not carried forward in House Bill 1020, yet the State Water Commission seems committed to abide by the previous legislative intent. That would leave \$69.5 million available for other flood control projects statewide. During hearings and committee work, it was discussed by legislators that the amount budgeted for Mouse River was \$70 million. This was also the amount included in the executive budget proposed by Governor Dalrymple.

In its August 2017 meeting, the State Water Commission approved \$62,781,034 (65% of the total) for Mouse River flood control work. In its December 2017 meeting, the State Water Commission approved Valley City’s cost share request of \$2,171,925 (85% of the total) for flood control related work.

To date, the total amount of funding approved by the State Water Commission for flood control projects throughout the state is \$64,952,959. Based on the legislative intent of providing \$66.5 million for the FM Diversion, there would be \$4,547,041 remaining within the flood control purpose of the current biennium’s legislative appropriation. A summary follows below.

<u>Description</u>	<u>Amount</u>
August 2017 Mouse River Authorization	\$62,781,034
December 2017 Valley City Authorization	\$2,171,925
Fargo-Moorhead Diversion Intent	\$66,500,000
Unencumbered Balance	\$4,547,041
<b>Total</b>	<b>\$136,000,000</b>



In a previous memo dated December 1, 2017, the updated budget for Phases MI-1, MI-2 and MI-3 was presented. Following the bid openings, the total budget for these projects has been revised to be \$99,415,450. This represents a budget reduction of \$20,553,465 from the original budget for these phases of the project which was used to secure the funding from the State Water Commission. Of the budget reduction, an estimated 65% will be State funds, or \$13,359,752.

In its December 2017 meeting, the State Water Commission authorized \$2,315,300 to be shifted from the construction authorization to the City of Minot acquisitions authorization. Taking into account this transfer, there is \$11,044,452 of remaining funding that is currently authorized for construction activities on Phases MI-1, MI-2 and MI-3 that could be shifted to other activities.

Other potential sources of funding for activities within the current biennium include:

1. Reducing the contingency established for current project authorizations, including the construction contingency for Phases MI-1, MI-2 and MI-3. The current contingency for the construction authorization of these phases is \$9,037,768. The contingency could be reduced to 5% of the total amount, or \$4,518,884. The option of reducing this contingency should not be considered until later in the construction phase.
2. Securing a portion of the \$66.5 million set aside for the Fargo-Moorhead Diversion project. This would likely require coordination with the FM Diversion project, the State Water Commission and members of the Legislature to craft a deal in which the FM Diversion would receive the full amount of the legislative intent (\$66.5 million) either in the current biennium or early in the next biennium.
3. Securing funding from other established purposes within House Bill 1020. These include water supply (\$120,125,000), rural water supply (\$27,000,000) and general water management (\$15,750,000). House Bill 1020 includes language stating that the amounts appropriated for the various purposes can be altered with legislative budget section approval. Governor Burgum vetoed the provision that would require budget section approval. The legality of that section and the governor's veto is undergoing legal challenge.

Excluding shifting any funding from other water projects throughout the State, the summary of available funding follows:

<u>Description</u>	<u>Amount</u>	<u>Availability Subject To</u>
Shift Construction Authorization	\$11,044,052	SWC Approval
Remaining SWC Flood Control Funds	\$4,547,041	SWC Approval & Available Funding
Reduce Construction Contingency	\$4,518,884	SWC Approval & Construction Progress
<b>Total</b>	<b>\$20,109,997</b>	



There is no shortage of needs for funding throughout the basin. According to the City of Minot, there is need for an additional \$10,200,000 of State funding to complete the acquisition of all properties required for implementation of Construction Stage 1.5 within the City of Minot. This would also include the acquisition of the Leite-Brekke neighborhood and the Moose Lodge neighborhood, which were added via the City of Minot's National Disaster Resilience Competition activities. Most of these required acquisitions are currently advancing in some respect, but funding to complete the transactions is not currently available.

Small urban projects, including work within the City of Burlington could also be advanced. The design of the Burlington system is nearly complete. Portions of the project that could be advance constructed include the Colton Avenue (County Road 10) bridge over the Mouse River on the east side of Burlington and the grade raise of Park Road along the Des Lacs River on the west side of Burlington. Other small urban projects could include advancing the design of improvements at Mouse River Park, Sawyer, Velva, or the rural subdivisions within Ward County, including Tierrecita Vallejo.

Rural projects, including work at Outlaw Creek, could also be advanced. The feasibility level design of these improvements has been completed. Other rural projects include increasing conveyance in rural reaches of the Mouse River and improvements to remove trapped water from the productive agricultural lands within the floodplain after a flood recedes.

As the established clearing house for basin wide flood protection considerations in North Dakota, the Souris River Joint Board should establish the priority for these projects and the anticipated funding streams for each through the end of the current biennium to give its Administrator direction on where to proceed.