

GARRISON DIVERSION CONSERVANCY DISTRICT

RED RIVER VALLEY COMMITTEE

**Holiday Inn
Fargo, North Dakota
September 14, 2018**

A meeting of the Red River Valley Committee of the Garrison Diversion Conservancy District was held on September 14, 2018, at the Holiday Inn, Fargo, North Dakota. The meeting was called to order by Chairman Anderson at 9:30 a.m.

DIRECTORS PRESENT

Board Chairman Ken Royse
Committee Chairman Jay Anderson
Director Greg Bischoff
Director Geneva Kaiser
Director Ken Vein
Secretary Duane DeKrey

DIRECTORS ABSENT

Director Roger Fenstad

OTHERS PRESENT

Steve Metzger, Director, Foster County, Garrison Diversion Conservancy District, Carrington, North Dakota
Kip Kovar, District Engineer, Garrison Diversion Conservancy District, Carrington, North Dakota
Merri Mooridian, Administrative Officer, Garrison Diversion Conservancy District, Carrington, North Dakota
Lisa Schafer, Executive Assistant, Garrison Diversion Conservancy District, Carrington, North Dakota
Steve Burian, Advanced Engineering and Environmental Services, Grand Forks, North Dakota
Tami Norgard, Vogel Law Firm, Fargo, North Dakota

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

READING OF THE MINUTES

Motion by Director Bischoff to dispense with a reading of the August 20, 2018, Red River Valley Committee minutes and approve them as distributed. Second by Director Vein. Upon voice vote, motion carried.

RED RIVER VALLEY WATER SUPPLY PROJECT (RRVWSP) UPDATE

Value Engineering Study

Kip Kovar, District Engineer, Garrison Diversion, explained the process of the value engineering study that took place this week on the RRVWSP. The value engineering team will be making a presentation of findings at 10 a.m. today, and the committee is invited to attend. The team spent the week reviewing the project in order to come up with alternative solutions to bring added value for the RRVWSP.

Easement Values

Committee Chairman Anderson reported that the Red River Valley Committee has been tasked with determining an easement value to recommend to the Executive Committee for the RRVWSP.

Committee Chairman Anderson stated that the existing easement value is \$1,350 per acre. This is what is stated in the options from 2010. He feels the easement price should be left the same.

Mr. Kovar referred to the easement pricing memo included in the meeting materials and explained the process that was used to determine the current easement value for the RRVWSP.

The committee reviewed information and discussed different methodologies used by other organizations when determining easement values.

Motion by Director Kaiser to recommend approval of \$1,350 per acre as the easement value for the Red River Valley Water Supply Project to the Executive Committee. Second by Director Vein. Upon roll call vote, the following directors voted aye: Anderson, Bischoff, Kaiser, Royse and Vein. Those voting nay: none. Absent and not voting: Fenstad. Motion carried.

Crop Damage Policy

The current crop damage policy used by Garrison Diversion for the RRVWSP was distributed and reviewed by the committee, a copy which is attached to these minutes as Annex I.

Committee Chairman Anderson asked if an addendum could be made to the current crop damage policy to clarify some of the values.

Ms. Norgard said the policy can be set however the committee desires; adding that the policy was originally structured so the landowner had some control over what formula was used.

Committee Chairman Anderson asked who will administer the crop damage claims.

Mr. Kovar said it would have to be Garrison Diversion staff.

Director Kaiser commented that Stutsman Rural Water District, which she manages, has had very few claims.

Director Vein said he feels that a precedent has been set, and there should continue to be one policy unless there is a really good reason to change it.

Following further discussion, the consensus of the committee was to leave the current crop damage policy as is with no changes or additions.

Motion by Director Vein to recommend continued use of the current crop damage policy for the RRVWSP to the Executive Committee. Second by Director Bischoff. Upon roll call vote, the following directors voted aye: Anderson, Bischoff, Kaiser, Royse and Vein. Those voting nay: none. Absent and not voting: Fenstad. Motion carried.

OTHER

There being no further business to come before the committee, the meeting was adjourned at 10 a.m.

(SEAL)

Jay Anderson, Chairman

Duane DeKrey, Secretary

CROP DAMAGE PAYMENT POLICY

RED RIVER VALLEY WATER SUPPLY PROJECT

As outlined in the Access Agreement, Option Contract and Permanent Pipeline Easement, Garrison Diversion Conservancy District (“Garrison Diversion”) agrees to pay demonstrated crop damage incurred as part of the construction, installation, repair or maintenance of a water pipeline. The crop damage payment will be calculated to provide reimbursement for income that would have been received by the landowner and/or tenant if Garrison Diversion had not caused the damage.

Garrison Diversion will be responsible for measuring the crop damage areas. The landowner and/or tenant will provide information regarding the yield of the area damaged. Yield information can be provided in one of three forms:

1. Documentation stating the certified yield for the impacted field used for crop insurance purposes.
2. Documentation provided by the landowner/tenant to a crop insurance agent stating this year’s yield for the field impacted.
3. Another mutually agreed upon method.

The crop damage payment will not necessarily be paid upon the best yield obtained on the parcel, as some areas Garrison Diversion impacts may have yielded well while other areas may reflect impact by flooding, erosion or other problems. Therefore, the landowner and/or tenant will be required to provide his/her best reasonable estimate for the percent increase or decrease from the field yield certification to best reflect the yield of the area damaged by Garrison Diversion’s construction operations.

Crop prices will be based on the contract or sale price if the crop has been contracted or sold, utilizing documentation provided by the landowner and/or tenant. If the crop has not been sold or contracted by December 31 of the year damaged, the average local market price for the month during which the crop was harvested will be used for payment purposes.

If the parcel is rented out and the landowner wishes to have the renter receive the crop damage payment, it is the landowner’s obligation to provide Garrison Diversion with a letter to that effect, along with the renter’s name, address, and tax ID information.

Any questions regarding crop damage payments can be directed to Garrison Diversion at 652.3194 or 800.532.0074.