

**GARRISON DIVERSION CONSERVANCY DISTRICT  
SPECIAL BOARD MEETING**

**Video Conference  
January 11, 2022**

A special meeting of the Garrison Diversion Conservancy District Board of Directors was held by video conference on January 11, 2022. The meeting was called to order by Chairman Alan Walter at 9:00 a.m.

**DIRECTORS PRESENT**

Chairman Alan Walter  
Vice Chairman Jay Anderson  
Second Vice Chairman Roger Fenstad  
Director Dave Anderson  
Director Rick Anderson  
Director Greg Bischoff  
Director Kyle Blanchfield  
Director Nikki Boote  
Director Mark Cook  
Director Bruce Klein  
Director Kelly Klosterman  
Director Bill Krivarchka  
Director Nancy Marquart  
Director Steve Metzger  
Director Bill Ongstad  
Director Brian Orn  
Director Jim Pellman  
Director Kenny Rogers  
Director Mike Tweed  
Director Ken Vein  
Director Donald Zimbleman  
Secretary Duane DeKrey

**DIRECTORS ABSENT**

Director Richard Cayko  
Director Cliff Hanretty  
Director Dave Johnson  
Director Geneva Kaiser  
Director Larry Kassian  
Director Ward Koeser  
Director Brandon Krueger

**OTHERS PRESENT**

Tami Norgard, Vogel Law Firm, Fargo, North Dakota  
Mia Thibodeau, Fryberger Law Firm, Duluth, Minnesota

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

**RESOLUTION TO PRESERVE THE RIGHT TO TAX EXEMPT REFINANCING**

Cindy Hewitt, Accounting Specialist, Garrison Diversion Conservancy District, explained Garrison Diversion will be applying for a loan through the Water Infrastructure Revolving Loan Fund, through the Bank of North Dakota (BND), to pay for Fargo and Grand Forks' portion of the local cost share for the Red River Valley Water Supply Project (RRVWSP).

Ms. Hewitt reported Garrison Diversion's Executive Committee approved obtaining Fryberger Law Firm as bond counsel to assist with the authorization and issuance of the bond at their meeting on December 16, 2021.

Ms. Hewitt added due to the timing of some of the expenses and when the bond is approved, a resolution is required, a copy which is attached to these minutes as Annex I.

Mia Thibodeau, Fryberger Law Firm, stated Fryberger Law Firm is recommending the option of the resolution to preserve the ability to refund this loan on a tax-exempt basis in the future. This is needed in order to comply with the reimbursement regulations when refunding a taxable loan with tax exempt bonds. Because some of the expenses will be paid prior to entering into the loan with the BND, the resolution will allow for compliance with the reimbursement regulations. This type of a resolution, in a tax-exempt financing situation, would be called a reimbursement resolution.

Second Vice Chairman Fenstad stated the resolution is a good deal because it covers the upfront costs. We cannot do it without it.

Ms. Thibodeau said it preserves any potential need to refund on a tax-exempt basis and provides the flexibility should it be needed.

**Motion by Second Vice Chairman Fenstad to approve the resolution preserving the right to tax exempt refinancing. Second by Director Metzger. Upon roll call vote, the following directors voted aye: D. Anderson, J. Anderson, R. Anderson, Bischoff, Blanchfield, Boote, Cook, Fenstad, Klein, Klosterman, Krivarchka, Marquart, Metzger, Ongstad, Orn, Pellman, Rogers, Tweed, Vein, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Cayko, Hanretty, Johnson, Kaiser, Kassian, Koester and Krueger. Motion carried.**

Ms. Thibodeau added Fryberger Law Firm will be working with the BND and Scott Wagner to prepare and review the documentation for the loan.

**Motion by Director Tweed to adjourn the board meeting. Second by Director Cook. Upon voice vote, motion carried.**

The meeting adjourned at 9:10 a.m.

(SEAL)

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Alan Walter, Chairman

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Duane DeKrey, Secretary

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION TO PRESERVE THE RIGHT TO TAX EXEMPT REFINANCING**

WHEREAS, the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 1.150-2 promulgated thereunder (the "Reimbursement Rules"), require that in order for an issuer to use the proceeds of an issue of tax-exempt obligations to reimburse an original expenditure paid before the issue date of the obligations, an issuer must adopt an official intent for the original expenditure not later than 60 days after payment thereof; and

WHEREAS, the Garrison Diversion Conservancy District (the "Issuer") is a governmental agency, body politic and corporate with bond issuing powers; and

WHEREAS, the Issuer intends to finance the local share of the 21-23 biennium construction costs of the Red River Valley Water Supply project (the "Project") via a loan from a Bank of North Dakota, with such loan to be evidenced by taxable revenue obligations issued by the Issuer (the "Bonds"); and

WHEREAS, Fryberger, Buchanan, Smith and Frederick, P.A., bond counsel has advised the Issuer that the Internal Revenue Service has advised the issuers of tax-exempt bonds that the Reimbursement Rules apply in the case of a refunding of an issue of taxable obligations by an issue of tax-exempt obligations; and

WHEREAS, the Issuer desires to preserve, to the extent possible, the ability to refinance the Bonds on a tax-exempt basis.

NOW, THEREFORE, be it resolved by the Board of Directors of the Issuer, as follows:

1. The maximum principal amount of the Bonds expected to be issued is \$18,125,000.
2. The Issuer reasonably expects to incur expenditures with respect to the Project in advance of issuance of the Bonds.
3. The Issuer reasonably expects that expenditures for the Project will be reimbursed from the proceeds of the Bonds within 18 months after the later of the date the original expenditure was paid or the date the Project is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

Approved: \_\_\_\_\_, 2022.

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Chairman

ATTEST:

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Secretary