

**GARRISON DIVERSION CONSERVANCY DISTRICT**  
**AGRICULTURE AND NATURAL RESOURCES COMMITTEE**

**Video Conference**

**June 7, 2023**

A meeting of the Agriculture and Natural Resources Committee of the Garrison Diversion Conservancy District was held by video conference on June 7, 2023. The meeting was called to order by Chairman Mark Cook at 9:00 a.m.

**DIRECTORS PRESENT**

Board Chairman Alan Walter  
Committee Chairman Mark Cook  
Director Kelly Klosterman  
Director Brian Orn  
Director Donald Zimbleman  
Secretary Kip Kovar

**DIRECTORS ABSENT**

Director Bill Ongstad

**OTHERS PRESENT**

Jay Anderson, Vice Chairman, Garrison Diversion Conservancy District, Lisbon, North Dakota  
Greg Bischoff, Second Vice Chairman, Garrison Diversion Conservancy District, Valley City, North Dakota  
Steve Metzger, Director, Foster County, Carrington Diversion Conservancy District, Carrington, North Dakota  
Duane DeKrey, General Manager, Garrison Diversion Conservancy District, Carrington, North Dakota  
Ryan Anderson, Engineer, Garrison Diversion Conservancy District, Carrington, North Dakota  
Kimberly Cook, Communications Director, Garrison Diversion Conservancy District, Carrington, North Dakota  
Lisa Schafer, Executive Assistant, Garrison Diversion Conservancy District, Carrington, North Dakota  
Mike Ostlie, Director, NDSU Carrington Research Extension Center, Carrington, North Dakota

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

## **READING OF THE MINUTES**

**Motion by Director Orn to dispense with a reading of the April 11, 2023, Agriculture and Natural Resources Committee minutes and approve them as distributed. Second by Director Klosterman. Upon voice vote, motion carried.**

## **ROBERT TITUS RESEARCH FARM BUILDING UPDATE**

### **Bid Tab**

Kip Kovar, Secretary, reviewed the bid tabulation summary sheet for the building to be constructed at the Robert Titus Research Farm, stating for these types of projects, North Dakota is considered a multi-prime state, meaning each specific discipline of the project is bid separately. This includes general, mechanical and electrical construction. One bid was received from Kody's Electric in the amount of \$42,277 for the electrical construction. Another bid was received from Gast Construction for general construction in the amount of \$629,800. There was also a bid alternate received from Gast Construction for a different type of insulation consisting of spray foam in the amount of \$24,000. No mechanical bid was submitted.

Mr. Kovar stated typically three contracts would be issued for each subdivision to construct the entire building. Garrison Diversion's plan has always been to construct the building shell and then transfer the remaining construction over to another entity to complete.

Mr. Kovar said Garrison Diversion contracted the architect and developed the building plans and specifications. These are the complete plans and specifications to construct the entire building because that is needed to understand all the dynamics involved.

Mr. Kovar commented the Agriculture and Natural Resources Committee would need to authorize the general construction portion of the building. The electrical portion can be handed off to another entity. Garrison Diversion would also need to help with some of the mechanical construction, which involves installing tubing for the floor heat before the concrete work can be done.

Mr. Kovar added if a bid is not received for a particular portion of construction, North Dakota Century Code allows Garrison Diversion to negotiate with the general contractor on those items.

Mr. Kovar stated if the committee approves Gast Construction's bid of \$629,800, building construction would begin in August and be completed in November. If spray foam insulation is preferred, \$24,000 would be added, making the total \$653,800. Negotiations would be done with Gast Construction on the limited mechanical portion.

Mr. Kovar said because of the timeframe Gast Construction has committed for construction, he recommends the committee approve awarding the contract to Gast Construction.

### **Funding Options**

Mr. Kovar reviewed the spreadsheet he prepared illustrating the funding committed to the research farm annually through 2026 by Garrison Diversion. In March 2021, the Agriculture and Natural Resources Committee approved phased funding for the research farm totaling

\$1,183,438 through 2026, which included \$250,000 for construction of a building. The amount distributed for operating costs through 2023 totals \$513,750.

Mr. Kovar added because of the success at the state legislature this session, funding was obtained for operating costs much sooner than what was anticipated. Because of the funds that will be received from the state, Garrison Diversion is finished with its annual funding commitments effective this year rather than 2026.

Mr. Kovar called attention to Option 1 for proposed funding at the research farm, which includes \$629,000 for the building and the annual operating contributions for 2021, 2022 and 2023. Since Garrison Diversion's future funding contributions for 2024, 2025 and 2026 are now at zero, the revised funding total is \$1,142,750. This is an overall cost savings of \$40,688. A copy of the spreadsheet is attached to these minutes as Annex I.

Mr. Kovar commented if Garrison Diversion's intent was to spend \$1.1 million at the research farm, it is still in the ballpark. The funding would just be spent in a different way. Rather than spending it on operations, the money would be shifted over to brick and mortar.

Director Klosterman said after visiting with Mike Ostlie, Director, NDSU Carrington Research Extension Center, roughly half of the 2023 funding paid by Garrison Diversion for 2023 would be returned. This amounts to approximately \$65,000 to \$70,000, changing the cost savings to about \$120,000.

Director Klosterman stated with the returned funds, Garrison Diversion should be able to assist with the mechanical construction and possibly the spray foam if it is decided to go that route with the insulation. There is also approximately \$40,000 raised by Oakes Enhancement that will be transferred to Garrison Diversion for the construction project, which are intended to be used for the boiler with any remaining funds to go toward the electrical portion.

Duane DeKrey, General Manager, Garrison Diversion, commented Garrison Diversion would be paying quite a bit more for the building than intended, but it was expected the legislature would draw out the switch over to state money for operating costs at the research farm until 2025 or 2026. This funding is coming much earlier than anticipated, and that is why Garrison Diversion could come out ahead financially even if the spray foam insulation is chosen.

Mr. Kovar said construction and material prices have also changed considerably over the last few years.

### **Recommendation to Award**

**Motion by Director Orn to recommend approval of the bid for general construction and award the contract for the building shell at the Robert Titus Research Farm to Gast Construction in the amount of \$629,800 and not accept the electrical bid to the Executive Committee. Second by Director Walter.**

Director Klosterman stated a more solid number, including the negotiated mechanical cost, will be prepared for the Executive Committee. He and Mr. Kovar will research spray foam insulation.

**Upon roll call vote, the following directors voted aye: Cook, Klosterman, Orn, Walter and Zimbleman. Those voting nay: none. Absent and not voting: Ongstad. Motion carried.**

There being no further business to come before the committee, the meeting adjourned at 9:26 a.m.

(SEAL)

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Mark Cook, Chairman

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Kip Kovar, Secretary

**Ag& Natural Resources  
March 2021 Minutes**

	<b>Actual Payments</b>		<b>Option 1 *</b>		<b>Option 2 **</b>	
2021 \$	178,000.00	2021 \$ 178,000.00	2021 \$	178,000.00	2021 \$	178,000.00
Building \$	250,000.00	Building \$ -	Building \$	619,000.00	Building \$	250,000.00
2022 \$	167,875.00	2022 \$ 167,875.00	2022 \$	167,875.00	2022 \$	167,875.00
2023 \$	167,875.00	2023 \$ 167,875.00	2023 \$	167,875.00	2023 \$	167,875.00
2024 \$	167,875.00	2024	2024		2024	
2025 \$	167,875.00	2025	2025		2025	
2026 \$	83,938.00	2026	2026		2026	
<b>Totals \$</b>	<b>1,183,438.00</b>	<b>Totals \$ 513,750.00</b>	<b>Totals \$</b>	<b>1,132,750.00</b>	<b>Totals \$</b>	<b>763,750.00</b>
			<b>Cost Savings \$</b>	<b>50,688.00</b>	<b>Cost Savings \$</b>	<b>419,688.00</b>

\* reduce operating costs that are now being covered by legislature and repurpose funds to building bid amount

\*\* reduce operating costs that are now being covered by legislature and keep the building funded at amount approved 2021 minutes