

**GARRISON DIVERSION CONSERVANCY DISTRICT****RED RIVER VALLEY COMMITTEE****Video Conference****July 17, 2024**

A meeting of Garrison Diversion's Red River Valley (RRV) Committee was held on July 17, 2024, by video conference. The meeting was called to order by Chair Ken Vein at 3:45 p.m.

**MEMBERS PRESENT**

Committee Chairman Ken Vein  
Director Jay Anderson  
Director Greg Bischoff  
Director Jeff LeDoux  
Director Jason Siegert (entered meeting at 4:08 p.m.)  
Secretary Duane DeKrey

**MEMBERS ABSENT**

Board Chairman Alan Walter

Garrison Diversion staff members and others were also present. A copy of the registration sheet is attached to the minutes as Annex I.

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

**CONSIDERATION OF MINUTES**

**Motion by Director Bischoff to dispense with a reading of the April 18, 2024, Red River Valley Committee minutes and approve them as distributed. Second by Director LeDoux. Upon voice vote, motion carried.**

**RED RIVER VALLEY WATER SUPPLY PROJECT (RRVWSP)**

**Construction Update** - - Kip Kovar, District Engineer, Garrison Diversion, provided updates on the following RRVWSP construction contracts. He also reminded the committee of the pipeline site tour July 18 when the directors will get to see the work being performed at the construction sites firsthand. He asked that anyone attending the tour pay particular attention to the condition of the roads, restoration and pipe installation.

**Contract 5B**

Contract 5B is located east of Carrington where the project site conditions are very wet. Garney Construction is the contractor with two construction crews currently working. Approximately six miles of pipeline has been installed with about three miles remaining to install.

### Contract 5C

The contractor for Contract 5C is Oscar Renda. The construction site is located southeast of Carrington. They now have two crews working at the construction site with approximately a half mile of pipeline installed.

### Contract 5D

Carstensen Contracting is the contractor for Contract 5D, which is west of Carrington. The crew mobilized the second week of July. Last week, 300 feet of pipeline was installed in one day; however, they ran into a seam of groundwater in the last couple of days, and production has slowed down.

The tunneling subcontractor for this project is Minger Construction, who is doing the boring under the Pipestem Creek. Tunneling started last week, and they bored about 13-15 feet but had too much water coming in, pulled everything out and did some replanning. It is believed their groundwater wells are not working properly. Today, they are installing several more wells to relieve the pressure. It is hoped tunneling will start back up in a day or two.

**Work Plan Update** - - Mr. Kovar referred to the June 3, 2024, RRVWSP Work Plan Update, which summarizes construction activities. A copy of the work plan is attached to these minutes as Annex II.

### Contract 5B

#### **Task Order 5532 - Change Order No. 4**

Mr. Kovar referred to Change Order No. 4, stating there are 11 negotiated change order items with Garney Construction summarized in the table shown below. He reviewed each of the change order items, highlighting the dewatering (\$965,478) and differing site conditions for the tunnel (\$822,284), which are the larger items. A copy of the task order is attached to these minutes as Annex III.

Mr. Kovar said 12 miles of piping was installed for dewatering on Contract 5B, along with multiple pumping stations at different locations. To avoid crop damages, the water is pumped to a small creek or larger lake which could be two to three miles away. Fifty days have been added to the project schedule due to the additional dewatering operations.

The differing site conditions claim refers to the difficulties the contractor experienced with the tunneling when they tried to install the launching and receiving shafts on either side of the railroad. They ran into not only individual boulders and cobbles, but also nested boulders and cobbles which presented problems getting the sheet piling system into place. They modified their approach, using two different types of systems to get down to grade where tunneling took place. The tunnel elevation was also lowered 10 feet to avoid boulders.

Mr. Kovar stated in contracts that followed 5B, language was incorporated into the specifications and drawings indicating the contractor needs to expect a fairly extensive piping system will be needed to discharge water off of the easement in order to not impact the property owner.

Mr. Kovar stated there is a memorandum from Black & Veatch (BV) providing background information and a recommendation approving each change order item. A copy of the memorandum is attached to these minutes as Annex IV.

Mr. Kovar added the Lake Agassiz Water Authority (LAWA) Technical Advisory Committee (TAC) and LAWA Board of Directors have both approved this change order. He suggests the RRV Committee recommend the change order to Garrison Diversion's Board of Directors for approval on July 18.

**CONTRACT 5B TRANSMISSION PIPELINE  
NEGOTIATED CHANGE ORDER ITEMS - GARNEY CONSTRUCTION**

NO.	DESCRIPTION	ADD/DEDUCT	COST
1	2023 Dewatering Discharge Off Site	Additive	\$965,478.62
2	Bid Items 30 & 40 Quantities Adjustment – Remove/Stockpile Topsoil	Additive	\$28,300.00
3	Topsoil Weed Control and Stabilization	Additive	\$94,510.90
4	Drain Tile Modifications Alternative 2	Deductive	\$(5,783.35)
5	Canadian Pacific Railway Work Zone Flooding	Additive	\$72,359.16
6	Canadian Pacific Railway Tunnel Changes Differing Site Conditions	Additive	\$822,284.65
7	Shoefly Elimination at 74 <sup>th</sup> Ave NE	Deductive	\$(13,878.19)
8	GDCD Crop Damage Payments	Deductive	\$(33,437.15)
9	Bid Item 5 Quantity Adjustment – 96" Trenchless Crossing w/ Steel Casing	Additive	\$36,513.00
10	Bid Item 31 Quantity Adjustment – Remove/Stockpile Subsoil	Additive	\$1,713.00
11	Bid Item 41 Quantity Adjustment – Remove/Stockpile Subsoil	Additive	\$30.00
	<b>TOTAL</b>		<b>\$1,966,377.64</b>

**Motion by Director Anderson to recommend approval of RRVWSP Task Order 5532, Transmission Pipeline East Change, Contract 5B, Change Order No. 4, in the amount of \$1,966,377.64 to the full board. Second by Director Bischoff. Upon roll call vote, the following directors voted aye: Anderson, Bischoff, LeDoux and Vein. Those voting nay: none. Absent: Siegert and Walter. Motion carried.**

#### **Task Order 5632 - Amendment No. 1**

Kurt Ronnekamp, BV, reported Task Order 5632 was issued to BV to provide construction phase services for Contract 5B. The original contract schedule was based on the work being completed and hours put together for construction observation which was to have ended December 31, 2023. Per the original contract, Garney was to finish the project at the end of the year and that did not happen.

Garney's current schedule calls for them to finish the contract by the end of 2024. BV believes, based on progress and activity in the field, final completion is going to extend into 2025. This amendment has been structured to essentially extend services for approximately 19 months beyond what was originally anticipated.

Mr. Ronnekamp reviewed Amendment No. 1, stating this amendment will extend BV's project management and administration services from January 1, 2024, through July 31, 2025. The amendment also allows for additional engineering support and on-site resident project representation, such as inspectors and surveyors, as well as a new topographic survey of topsoil. The cost of the amendment is \$1,070,000. A copy of the amendment is attached to these minutes as Annex V.

A breakdown of the fees by task is shown in the following table:

TASK DESCRIPTION	FEE	% OF CONSTRUCTION
Task Order Management and Administration	\$74,445	
Special and Third-Party Meetings	\$(15,095)	
Field and Factory Services	\$(19,930)	
Engineering Services during Construction	\$195,897	
Resident Project Representation	\$834,683	
Amendment Total	\$1,070,000	2.1%
Original Task Order Upper Limit	\$4,034,000	8.1%
Revised Task Order Upper Limit	\$5,104,000	10.2%

Chairman Vein asked if the contractor has to pay any liquidated damages due to the delay.

Mr. Ronnekamp said as he mentioned, Garney is anticipating they will not only be substantially complete but complete and ready for final payment in mid-December of 2024. If you compare that to their completion schedule per the adjustment made on this change order, it ends up being about 365 days, exactly a year, of liquidated damages toward substantial completion. That is \$2,000 per day for an overall amount of about \$730,000 worth of liquidated damages the contractor would be subject to if they finish on that schedule.

Chairman Vein asked if liquidated damages will be adjusted to be more inclusive of cost.

Mr. Ronnekamp said one of the observations from Contract 5B is \$2,000 a day for liquidated damages does not seem to be enough incentive for the contractors to mobilize additional forces to complete the work; therefore, all subsequent contracts will have liquidated damages for substantial completion increased to \$8,000 per day.

**Motion by Director LeDoux to recommend approval of RRVWSP Task Order 5632, Transmission Pipeline East, Contract 5B, Construction Phase Services Amendment No. 1, in the amount of \$1,070,000 to the full board. Second by Director Bischoff. Upon roll call vote, the following directors voted aye: Anderson, Bischoff, LeDoux, Siegert, and Vein. Those voting nay: none. Absent: Walter. Motion carried.**

#### Contract 5C

**Retainage Bond** - - Mr. Kovar informed the committee that Oscar Renda has requested Garrison Diversion not use the standard retainage method with pay requests for Contract 5C.

Tami Norgard, Vogel Law Firm, commented Oscar Renda made the request for a retainage bond, which Oscar Renda would purchase. Rather than Garrison Diversion withholding funds on payments to Oscar Renda, a claim would be made on the bond for any issues that may arise on Contract 5C.

Mr. Ronnekamp said he discussed the issue of a retainage bond with BV's legal and procurement departments, who indicated they are very uncommon. There was no overriding reason that Garrison Diversion should move toward a retainage bond. It was felt this would be involving another party in any disputes. If work is not completed according to specifications or on time, who determines when Garrison Diversion is satisfied with work performance. In this instance, the way retainage is currently being withheld is per the North Dakota Century Code. Ten percent of any payment is retained for work completed and stored materials up to 50 percent of the work being completed.

Mr. Ronnekamp said in talking to BV's resources internally, no one saw a good reason why the contract should be modified right now. The contract documents are written with no mention of a retainage bond, and it would be modifying the contract as the agreement was signed with Oscar Renda.

Mr. Ronnekamp there may be some financial incentive in order for Oscar Renda to request a retainage bond. No cost savings or credit was offered to Garrison Diversion. Maybe if that had been part of the discussion it would be worth looking into further; however, based on what is known at this time, BV recommends against a retainage bond.

Mr. Kovar added if Garrison Diversion were to use a retainage bond, potentially, there would be a bond company as a third party.

Director Anderson said Oscar Renda's bond company is technically on the hook to see this project fulfilled and completed for the contractor. He also asked if using a retainage bond is something Garrison Diversion is allowed to do.

Chairman Vein said adding a retainage bond agent would take authority away from Garrison Diversion and create potential risk.

**Motion by Director Anderson to reject the request by Oscar Renda for the use of a retainage bond on RRVWSP Contract 5C. Second by Director Bischoff. Upon roll call vote, the following directors voted aye: Anderson, Bischoff, LeDoux, Siegert, and Vein. Those voting nay: none. Absent: Walter. Motion carried.**

**2023-2025 Biennium Work Plan/Budget** - - Mr. Kovar referred to the updated 2023-2025 Biennium Work Plan totaling \$244 million dated May 31, 2024. The only item appearing on the work plan that is not currently moving forward is Contract 6A. This contract will not be bid until it is determined which small users intend to participate in the RRVWSP. A copy of the 2023-2025 Draft Work Plan is attached to these minutes as Annex VI.

Chairman Vein said it sounds like technically bidding is ready to go on Contract 6A.

Mr. Kovar said on the engineering side, plans and specifications are ready to go. The local cost share on that effort is in the process of being determined.

**Program Schedule** - - Merri Mooridian, Administrative Officer, Garrison Diversion, reviewed the percentage of completion for each of the ongoing construction contracts on the RRVWSP Program Schedule dated June 20, 2024.

**Financial Update** - - Ms. Mooridian referred to the letter submitted by Garrison Diversion to the Bank of North Dakota (BND) regarding the Series D Interim Financing Agreement for the RRVWSP. There is currently a \$60 million loan set aside for the 2023-2025 biennium. Fargo and Grand Forks have signed for their cost share of \$48.7 million. From closing on the loan, which was done last August, there is one year to draw on the additional \$11.3 million, which is the local users' portion of the cost share (Series D2). Since meetings with the small users are still ongoing, a six-month extension is being requested. A copy of the letter is attached to these minutes as Annex VII.

Ms. Mooridian next referred to the memo submitted to the State Water Commission (SWC) from the BND also requesting a six-month extension on the Series D2 loan allocation since Garrison Diversion is currently engaging with the local users to secure commitments. A copy of the memo is attached to these minutes as Annex VIII.

The SWC held its Pre-Commission meeting on July 11 and moved the request to the SWC's consent agenda for their next meeting on August 8. Garrison Diversion will be available at that time to answer any questions from the commissioners.

**User Engagement & Sign Up** - - Steve Burian, Burian & Associates, provided a PowerPoint presentation including:

- Explanation of RRVWSP direct pipeline and branch pipeline usage
- Map with prospective project users and potential regional industrial capacity locations

- Report on extreme interest in the RRWSP, along with the active leadership and engagement within five counties of southeast North Dakota
- Branch pipeline financial modeling information and goals
- General observations regarding the loss of nominated capacity along the core pipeline and the need for a more aggressive strategy for meeting with users in northeast corner of the state
- Current anticipated nomination total:

Original nominated capacity	159.23 CFS
Current declinations	<u>3.20 CFS</u>
Net	156.03 CFS
Potential new users	<u>2.75 CFS</u>
Current net	158.78 CFS* **

\*Some additional declinations are anticipated

\*\*Some existing user increases are anticipated

Non-allocated capacity will be distributed to remaining users and will not be available for future nominations.

Mr. Burian also reported on the potential of serving the Riverdale area from the RRWSP.

Chairman Vein commented on the interest of branch pipelines by the southeast counties, saying the question that has arisen is the timing of when that pipeline might be installed and how that can compete with the core pipeline. Is there additional information on what that might look like.

Mr. Burian said he feels that is more a of a policy decision. He knows the dairy that is looking at building in Wahpeton needs the water sooner rather than later. He has put together concepts and has outlined concepts, but he is not the one making decisions on how that will be handled.

Chairman Vein said this is a subject matter the LAWA and Garrison Boards will need to further discuss.

**Memorandum of Commitment/Series D System Amendment** - - Ms. Norgard informed the committee that Hillsboro is the first entity to sign the Memorandum of Commitment (MOC).

Ms. Norgard said the MOC and Small Systems Amendment are pretty set in terms of language. A few edits are being worked through on the cooperative nomination agreement.

**LAWA Memo to GDCD** - - Duane DeKrey, Secretary, referred to the letter received from LAWA's chairman in regard to hiring Brent Bogar of Advanced Engineering and Environmental Services to assist LAWA in its leadership role and developing legislative relationships and strategies. This is for the committee's information. A copy of the letter is attached to these minutes as Annex IX.

**OTHER BUSINESS**

There being no further business to come before the committee, the meeting adjourned at 5:05 p.m.

\_\_\_\_\_  
Ken Vein, Chairman

\_\_\_\_\_  
Duane DeKrey, Secretary



# REGISTRATION

RED RIVER VALLEY COMMITTEE MEETING  
Carrington, North Dakota

July 17, 2024

NAME	ADDRESS
<i>Lisa Schaffer</i>	<i>Hood</i>
<i>Bob Lee</i>	<i>GDCD</i>
<i>Paul Bessum</i>	<i>BTV</i>
<i>Kurt Fonnertamp</i>	<i>BV</i>
<i>Mimi Munn</i>	<i>GD CD</i>
<i>Kelly Klosterman</i>	<i>GDCD</i>
<i>Dwayne DeKrey</i>	<i>GDCD</i>
<i>Kubarky</i>	<i>GDCD</i>
ON-LINE	
Steve Burian	Burian & Associates
Tami Norgard	Vogel Law Firm
Shawn Gaddie	Advanced Engineering & Env. Services
Steve Metzger	Garrison Diversion
Brent Erickson	Advanced Eng. & Environmental Service
Ken Vein	Garrison Diversion
Jeff LeDoux	Garrison Diversion
Greg Bischoff	Garrison Diversion
Jay Anderson	Garrison Diversion
Brent Bogar	Advanced Eng. & Env. Services
Jason Siegert	Garrison Diversion
Sabrina Scherr	Garrison Diversion
Jarret Bauer	Garrison Diversion

**RRVWSP Work Plan Update  
June 3, 2024**

**CONSTRUCTION**

**Pipeline Construction**

**Contract 5B**

The original pipe delivery of June 15, 2021, was delayed due to a surface blemish in the steel coil. Year one, 2022, there was 7,761 feet of pipe installed out of the total nine miles. High groundwater slowed the pipe installation progress.

In the second year, 2023, there was 21,120 feet of pipe installed for a total Contract 5B pipe installation to date of 28,881 feet (5.5 miles).

To date, \$28,804,037.79 has been paid on the original contract amount of \$45,961,700.00. Change Orders No. 1, 2 and 3 have been approved, leaving the current contract price at \$44,932,678.24.

**Contract 5C**

The contract price is \$76,663,355.00 for 8 miles of pipe awarded to Oscar Renda Contracting. To date, the contractor has been working submittals, topsoil stripping and installing dewatering system.

To date, \$1,631,250.00 has been paid on the original contract amount of \$76,663,355.00.



Stripping Topsoil

**Contract 5D**

The contract price is \$61,677,275.00 for 10 miles of pipe awarded to Carstensen Contracting. To date, the contractor has been prepping the first two miles by receiving aggregate deliveries, preparing for pipe and topsoil stripping.

To date, \$6,522,219.00 has been paid on the original contract amount of \$61,677,275.00.



Stored Pipe on Site



Placing Dewatering Pipe

### Missouri River Intake Tunnel and Screen Final Design Contract 2

The project is closed, original contract price \$18,896,900.00 with five change orders bringing the final contract price to \$19,444,165.60.



Site Under Construction



Completed Missouri River Intake

### DESIGN

The design team is also working with Reclamation and USFWS routing the ENDAWS pipeline through wetland and other various existing easements.

Contract 6A will be scheduled for bid in 2024. Final design efforts have been started on Contracts 7 and 4. Additional geotechnical data is complete.

# CHANGE ORDER

Change Order No. 4

DATE OF ISSUANCE June 17, 2024 EFFECTIVE DATE \_\_\_\_\_

Owner: Garrison Diversion Conservancy District  
 Contractor: Garney Companies  
 Project: Red River Valley Water Supply Project, Transmission Pipeline East  
 Owner's Contract No.: 5B  
 Owner's Task Order No.: 5532

The Contract is modified as follows upon execution of this Change Order:

**Change Order Requests (CORs) Description:**

1. COR3 – 2023 Dewatering Disch Off Site	\$965,478.62	7. COR10 – Shoefly Elim at 74 <sup>th</sup> Ave NE	(\$13,878.19)
2. COR4 – Bid Items 30 & 40 Quantities Adj	\$28,300.00	8. GDCD Crop Damage Payments	(\$33,437.15)
3. COR6 – Topsoil Weed Control and Stab	\$94,510.90	9. Bid Item 5 Quantity Adjustment	\$34,800.00
4. COR7 – Drain Tile Mods Bid Alt 2	(\$5,783.35)	10. Bid Item 31 Quantity Adjustment	\$1,713.00
5. COR8 – CPR Work Zone Flooding	\$72,359.16	11. <u>Bid Item 41 Quantity Adjustment</u>	<u>\$30.00</u>
6. COR9 – CPR Tunnel Changes DSC	\$822,284.65	<b>Total</b>	<b>\$1,966,377.64</b>

**Attachments:**

- |   |   |
|---|---|
| 1. Garney COR3 – Dewatering Conveyance Methods R1 dated May 1, 2024<br>2. BV Letter COR 4 – Topsoil Quantity Under Runs for Bid Alternates Nos. 1 and 2 dated March 26, 2024<br>3. Garney COR6 – Topsoil Weed Control and Stabilization dated May 1, 2024<br>4. Garney COR7 – Drain Tile Modifications dated April 30, 2024 | 5. Garney COR8 – ROW Flooding (CPR Work Zone Flooding) dated April 19, 2024<br>6. Garney COR9 – CPR Bore Changes – Differing Site Conditions dated June 17, 2024<br>7. Garney COR10 – 74 <sup>th</sup> Ave NE Temporary Detour Removal dated April 19, 2024<br>8. BV Crop Damages Notification Letter dated June 4, 2024 and GDCD Revised Offer |
|---|---|

**CHANGE IN CONTRACT PRICE:**

Original Contract Price:

\$45,961,700.00

Decrease from previously approved Change Orders No. 1 to 3:

\$(1,029,021.76)

Contract Price prior to this Change Order:

\$44,932,678.24

Increase of this Change Order:

\$1,966,377.64

Contract Price incorporating this Change Order:

\$46,899,055.88  
(2.0% Increase Over Original Contract Price)

ACCEPTED:

By: \_\_\_\_\_  
Owner (Authorized Signature)

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CHANGE IN CONTRACT TIMES:**

Original Contract Times:

Substantial Completion: September 30, 2023  
 Ready for final payment: November 29, 2023  
 (days or dates)

Increase from previously approved Change Orders No. 1 to No. 3:

Substantial Completion: 25  
 Ready for final payment: 25  
 (days)

Contract Times prior to this Change Order:

Substantial Completion: October 25, 2023  
 Ready for final payment: December 24, 2023  
 (days or dates)

Increase of this Change Order:

Substantial Completion: 60  
 Ready for final payment: 60  
 (days)

Contract Times with all approved Change Orders:

Substantial Completion: December 24, 2023  
 Ready for final payment: February 22, 2024  
 (days or dates)

ACCEPTED:

By: \_\_\_\_\_  
Contractor (Authorized Signature)

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Change Order Request No. 3  
Dewatering Discharge Piping and Pumping  
Adder



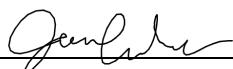
PROJECT: RRVWSP TPE Contract 5B  
 OWNER: Garrison Diversion Conservancy District  
 ENGINEER: Black & Veatch  
 CONTRACTOR: Garney Construction

PROJECT NUMBER  
TO5532  
408872  
7385

**SUMMARY OF CHANGE ORDER REQUEST VALUES FROM ATTACHED TABULATIONS**

		Requested Additional Calendar Days:				50
Item #	Engineering Directive #	Description	Quantity	Unit	Unit Cost	Total
001		Garney - Kelly Creek Offsite Discharge	1	LS	\$ 115,836.70	\$ 115,836.70
002		Garney - Lake George Tributary Offsite Discharge	1	LS	\$ 71,231.03	\$ 71,231.03
003		Northern Dewatering - CPRR Tunnel Offsite Discharge	1	LS	\$ 34,424.31	\$ 34,424.31
004		Northern Dewatering - Stage 1 Offsite Discharge	1	LS	\$ 300,715.91	\$ 300,715.91
005		Northern Dewatering - Stage 2 Offsite Discharge	1	LS	\$ 216,788.82	\$ 216,788.82
006		Northern Dewatering - Stage 3 Offsite Discharge	1	LS	\$ 106,828.93	\$ 106,828.93
007		Northern Dewatering - Stage 4 Offsite Discharge	1	LS	\$ 119,652.92	\$ 119,652.92
<b>TOTAL:</b>						<b>\$ 965,478.62</b>

Contractor: Garney Companies Inc.  
 Date: April 19, 2024

By:   
 Jarrod Weber

By: \_\_\_\_\_  
 Date

By: \_\_\_\_\_  
 Date

Approved for Payment by  
 [OWNER]

Approved for Payment by  
 [ENGINEER]





**BLACK & VEATCH CORPORATION**  
8400 WARD PARKWAY  
KANSAS CITY, MO 64114 USA  
913-458-3571 | RONNEKAMPKA@BV.COM

Wednesday, June 19, 2024

Garrison Diversion Conservancy District  
401 Hwy 281 NE  
Carrington, ND 58421

RRVWSP TO 5532 TPE CT 5B  
BV Project 409654  
BV File 60.1350.4

Attention: Kip Kovar, Deputy Program Manager – Engineering

Subject: Task Order 5532 / Change Order No. 4 Recommendations

Information Referenced:

- Garney COR3 – Dewatering Conveyance Methods
- Garney COR4 – Topsoil Quantity Under Runs for Bid Alternates Nos. 1 and 2
- Garney COR6 – Topsoil Weed Control and Stabilization
- Garney COR7 – Drain Tile Modifications
- Garney COR8 – ROW Flooding (CPR Work Zone Flooding)
- Garney COR9 – CPR Bore Changes – Differing Site Conditions
- Garney COR10 – 74th Ave NE Temporary Detour Removal
- BV Crop Damages Notification Letter with Revised Offer

In reference to the above identified Change Order Requests (CORs) from Garney Construction (Contractor) and crop damage notification, Black & Veatch (BV, Engineer) provides a background discussion for each item appearing in Change Order No. 4 along with a BV recommendation. The net result of Change Order No. 4 is an increase to the Contract Price by \$1,966,377.64 and a 60-calendar day extension to the Contract Time. Details of each change are included in the following paragraphs.

1. Garney COR3 – Dewatering Discharge Off Site

- A. Background. The contract documents clearly define trench dewatering requirements, including the Contractor's responsibility to retain a professional engineer to develop a dewatering plan prior to the start of construction. The contract documents also require that all water pumped or diverted shall be directed to natural drainageways in such a way that no channelization, erosion, or damage occurs to areas outside of the limits of work. The Contractor submitted COR3 requesting additional payment for pipe and pumping for offsite dewatering discharges to Kelly Creek, Lake George Tributary, for the CPR tunnel, and for Dewatering Plan Stages 1-4. After exchanging several letters and meeting multiple times on this issue, it was agreed that it may have been difficult to determine the extent of discharge piping required during the bid period so that the discharge would not impact adjacent property owners. Only the pipe beyond what should have reasonably been included in the Contractor's base bid was considered for this change request.
- B. BV Recommendation. BV has reviewed back-up documentation provided by the Contractor detailing cost breakdowns for the items requested through COR3 and found them to be reasonable. BV recommends that Garrison Diversion increase the Contractor's Contract Price by \$965,478.62 as compensation for

addressing the off-site disposal of dewatering operations. Additionally, BV recommends Garney be granted a 50-calendar day Contract Time extension.

2. Garney COR4 – Bid Items 30 and 40 Quantity Adjustment

- A. Background. BV estimated the quantity of topsoil in cubic yards to be stripped and stockpiled for these two bid items prior to installation of the pipeline. These quantities were listed in the Bid Form. Actual quantities of topsoil removed by the Contractor were measured to be 58 and 49 percent of the quantities estimated and appearing in the Bid Form for Bid Items 30 and 40, respectively. Because of this underrun, the Contractor is due a change in unit price. Supplementary Conditions paragraph SC-13.03 – Unit Price Work provides relief to the Contractor when quantities vary by 25% from the estimate.
- B. Recommendation. BV recommends the unit prices be increased and the sum of the extended price paid for these two items equal the extended price of the Bid Form. Therefore, there is no net increase in Contract Price associated with this change; the \$28,300 change shown in Change Order No. 4 will be offset by a \$(28,300) underage in the unit price schedule.

3. Garney COR6 – Topsoil Weed Control and Stabilization

A. Background

- i. 2023 Topsoil Stockpiles Weed Control. Topsoil was stripped and stockpiled by the Contractor along the pipeline easement miles ahead of pipe laying operations. Weeds grew on these stockpiles as they sat for months without pipe installation getting to those locations. In addition to the stockpiles, inaccessible areas were left between the pipeline easement and the field drives (e.g., east of Bordulac Road) where weeds grew, which was undesirable for landowners. Garrison Diversion requested the Contractor spray these areas. Weed control following restoration activities was address in the contract documents. However, weed control in areas of active construction was not specifically addressed. On the direction of, and agreement with, Garrison Diversion, the Contractor hired local T&B Farms to spray these areas at a cost of \$11,830.17.
- ii. 2023 Topsoil Stockpile Stabilization. The State of North Dakota in the project stormwater permit requires soil stockpiles left undisturbed for 14-calendar days to be stabilized to protect against wind and water erosion. BV advised the Contractor to implement measures to protect stockpiled soils in accordance with the permit, but the Contractor refused to comply without additional compensation as they considered stabilization to not be a requirement of the contract documents. BV disagreed and issued a Defective Work Notice for Contractor's failure to stabilize soils in accordance with stormwater permit. To settle this difference of opinion, the Contractor offered to split the cost of the soil stabilization. Garrison Diversion accepted the Contractor's offer as it desired to get the work completed in a timely manner prior to any soil loss. The split cost to address soil stockpile stabilization during the 2023 construction season was \$27,644.31.



- iii. Topsoil Stabilization over 2023/2024 Winter. Topsoil retention and protection is a project critical success factor. Consequently, there was concern by the construction services team about protection of topsoil from primarily wind erosion over the winter. A work change directive (WCD No. 4) was drafted and issued to the Contractor directing them to blanket the topsoil piles over the winter and authorizing an expenditure of no more than \$123,363.85 to complete the work. The WCD included a caveat that Garrison Diversion reserved the right to negotiate the final pricing of this change since the work would not have been required had the Contractor finished the project within the Contract Time. Like how the soil stockpile stabilization issue was addressed, Garrison Diversion offered to pay half the cost of this change to resolve the issue, which the Contractor accepted. The resultant cost of Garrison Diversion's share of this change is \$55,036.42.
  - B. Recommendation. BV recommends Garrison Diversion accept these three items of COR6 as negotiated with the Contractor and that a change order in the amount of \$94,510.90 be processed and approved for weed control on, and protection of, topsoil.
- 4. Garney COR7 – Drain Tile Modifications
  - A. Background. Bid Item No. 43 of Alternate No. 2 required removal/replacement of 250 linear feet of 4" drain tile at a unit cost of \$190 per foot, with an extended price of \$47,500. The Contractor offered the full credit of \$(47,500) to eliminate this bid item in its entirety from the contract documents. In its place, the Contractor offered to complete repairs and replace 400 linear feet of 10" drainpipe and 20,000 linear feet of 4" drain tile at a cost of \$41,716.65. The drain tile repair and installation work were completed by well-known local contractor, Ellingson Water Management. The net credit offered for this change to the contract is \$(5,783.35).
  - B. Recommendation. This change provides significantly more value to Garrison Diversion at roughly the same cost as the extended cost in the Bid Form. BV therefore recommends this change to the contract documents and its associated credit be accepted.
- 5. Garney COR8 – CPR Work Zone Flooding
  - A. Background. On June 8, 2023, a landowner, Mr. Doug Zink, immediately north of the Contractor's worksite west of the Canadian Pacific Railway crossing, drained a slough on the Zink property into another location on his property that was not contained. The diverted flow ended up flooding Garrison Diversion's easement and the associated worksite used by the tunneling subcontractor, Minger Construction. The Contractor mobilized staff and equipment to drain the flooded area so work could resume. After these initial landowner actions, the landowner continued to pump from the slough and newly installed drain tile in such a manner and at a discharge location that required the Contractor to pump the flow around its work site so construction could continue. These operations began on June 8<sup>th</sup> and continued round the clock until the CPR trenchless crossing was completed on December 6<sup>th</sup>. The Contractor submitted COR No. 8 on December 27, 2023, seeking compensation in the amount of \$72,359.16 for their efforts to recover from the initial work zone flooding and the cost of the

continued pumping around the worksite claiming this was a change in conditions. BV reviewed the COR and its opinion is that this is an issue between the Contractor and the landowner. It could also be an insurance claim, but ultimately Garrison Diversion should not be responsible for the actions of a third party. In consideration of the parties involved in this situation and the potential for legal action and negative publicity, Garrison Diversion agreed to pay the Contractor the requested amount.

- B. Recommendation. BV will incorporate COR<sub>8</sub> in the amount of \$72,359.16 into CO No. 4 for processing and approval by the Board of Directors.

6. Garney COR9 – CPR Tunnel Changes Differing Site Conditions

- A. Background. During the launch pit excavation for the trenchless crossing 05-TC-06-RR under the railroad, nested cobbles and boulders were encountered causing sheetpile driving challenges. These nested cobbles and boulders were not baselined, and the Contractor could not reasonably complete the launch pit excavation using sheet piles even with pre-drilling. The Contractor proposed an alternative excavation method using a sliderail system. They also proposed moving the tunnel 10 feet deeper to avoid the nested cobbles and boulders during tunneling operations. These changes resulted in a total materials and markup costs in the amount of \$822,285.30.
- B. Recommendation. BV will incorporate COR9 in the amount of \$822,285.30 into CO No. 4 for processing and approval by the Board of Directors. Additionally, BV recommends Garney be granted a 10-calendar day Contract Time extension for this additional work.

7. Garney COR10 – Shoefly Elimination at 74<sup>th</sup> Avenue NE

- A. Background.
  - i. BV designed the crossing of 74<sup>th</sup> Avenue NE (Bordulac Road) at 1<sup>st</sup> Street NE with a shoefly detour to accommodate traffic on Bordulac Road during construction. The crossing was designed this way because Foster County required it. This road crossing design was subsequently incorporated into the contract documents by BV to obtain Foster County’s approval to open-cut the crossing. Following the construction notice to proceed, the Contractor sought approval from Foster County to open-cut the road without providing a shoefly detour, which Foster County subsequently approved. Upon BV request, the Contractor provided a credit for taking this modified approach offering Garrison Diversion a \$(9,067.66) credit for elimination of the detour.
  - ii. The contract documents detailed the use of controlled low strength material (CLSM; sometimes referred to as flowable fill) be used for pipe embedment at the Bordulac Road crossing. The Contractor, via a request for information (RFI), asked BV to allow the use of Class 5 aggregate in lieu of CLSM. The primary reason for the request for a substitution was the cure time for the CLSM, which would be longer than the crossing duration allowed by Foster County. BV approved this substitution, which allowed a less costly material, and requested a credit. The Contractor offered a \$(4,810.53) credit to use the Class 5 aggregate in lieu of CLSM.

- B. Recommendation. BV recommends Garrison Diversion accept these changes and a credit totaling \$(13,878.19) for these two modifications to the contract documents. This credit is equitable compensation for elimination of this work from the contract documents, so BV recommends it be accepted.

8. Garrison Diversion 2023 Crop Damage Payments

BV notified the Contractor on March 27, 2024, of crop damage payments Garrison Diversion made directly to landowners for events that Garrison Diversion determined to be the responsibility of the Contractor. These events occurred during the 2023 construction season. Letters were exchanged between BV and the Contractor providing additional backup and explanation and seeking additional information and clarification for the crop damage claims. On June 17, 2024, Garrison Diversion and the Contractor reached agreement on a reimbursement amount \$33,437.15 for 2023 crop damages that were determined to be the Contractor's responsibility. BV supports Garrison Diversion's approach to resolving this Owner claim.

9. Bid Items 5, 31, and 41 – Quantity Adjustments

- A. Background. BV estimated the quantities for these three bid items prior to construction. These quantities were listed in the Bid Form. Actual quantities installed or completed by the Contractor were slightly higher than the quantities estimated and appearing in the Bid Form. No adjustment in unit price is warranted as the overage was less than 25% for the three items. Those items being:
  - i. Bid Item No. 5 – 96-inch Trenchless Crossing w/ Steel Casing. The scheduled quantity was 108 linear feet; the actual quantity installed was 112 linear feet. This represents a difference of 4 linear feet or 3.7%. The net increase is \$34,800 at the \$8,700 per linear foot price.
  - ii. Bid Item No. 31 – Remove/Stockpile Subsoil of Bid Alternate 1. The scheduled quantity was 10,500 cubic yards; the actual quantity removed and stockpiled was 12,213 cubic yards. This represents a difference of 1,713 cubic yards or 16.3%. The net increase is \$1,713 at the \$1 per cubic yard price.
  - iii. Bid Item No. 41 – Remove/Stockpile Subsoil of Bid Alternate 2. The scheduled quantity was 9,600 cubic yards; the actual quantity installed was 9,630 cubic yards. This represents a difference of 30 cubic yards or 0.3%. The net increase is \$30 at the \$1 per cubic yard price.
- B. Recommendation. Contractor should be paid for actual material installed and work completed per the Unit Prices of the Bid Form. Reconciling these three bid items to actual quantities measured in the field adds an additional amount of \$36,543 to the Contract Price.

BV recommends Garrison Diversion process a change order approving these changes. The overall result of this scope of work change is an increase in the Contract Price in the amount of \$1,966,377.64 resulting in a revised Contract Price of \$46,899,055.88.

If you have any questions about the changes in the scope of work or the proposed change in Contract Price, please let us know. In anticipation of Garrison Diversion agreement to this change, Change Order No. 4 has been prepared and it is attached for signature and execution.

Sincerely,  
BLACK & VEATCH



Kurt A. Ronnekamp  
Sr Project Manager

Attachments: Change Order No. 4 dated June 17, 2024

cc: Mark Funston, BV  
Vance Miller, BV

**RRVWSP Task Order 5632 – Transmission Pipeline East Contract 5B  
 Construction Phase Services Amendment No. 1**

Task Order Effective Date: July 1, 2024

**TASK ORDER EXECUTIVE SUMMARY**

**REQUEST**

Consideration and approval of a construction phase services task order amendment in the amount of \$1,070,000. The amendment is for additional engineering support and on-site resident project representation during construction of the 9-mile segment of transmission pipeline.

Services under the original authorization began in February 2022 and were to be completed by December 2023 when the project was to be complete and ready for final payment. This amendment extends those professional services from December 2023 through July 2025 – an additional 19 months – because of the Contractor’s inability to get the work done on time.

Contractor is obligated to complete the work on the set project schedule and is subjected to liquidated damages per its agreement with Garrison Diversion for its inability to meet the schedule. Currently the Contractor is projected to finish a year late on Substantial Completion with liquidated damages accruing to \$730,000 should that be the actual completion schedule.

The fee maximum shown below is a labor and expenses estimate based on the scope and nature of the work and an anticipated 22 weeks of active pipeline installation remaining and 26 weeks of preparatory, restoration, cleanup, closeout, etc. activities where part-time services will be provided. The anticipated construction cost based upon processed, pending, and anticipated change orders is \$50 million.

**TASK ORDER SUMMARY**

The additional services to be provided by the engineering team (Black & Veatch, AE2S, Prairie Soil Consulting, Braun Intertec, and American Engineering Testing) are described in the original task order and the additions to those services are described in the attached amendment. The following summarizes each of the major tasks.

**Basic Services:** The estimated hourly fees and expenses for standard and customary construction phase services are as follows:

	Fee	% of Construction
Task Order Management and Administration	\$74,445	
Special and Third-Party Meetings	(\$15,095)	
Field and Factory Services	(\$19,930)	
Engineering Services during Construction	\$195,897	
Resident Project Representation	\$834,683	
<b>Subtotal</b>	<b>\$1,070,000</b>	<b>2.1%</b>
<b>Original Task Order Upper Limit</b>	<b>\$4,034,000</b>	<b>8.1%</b>
<b>Revised Task Order Upper Limit</b>	<b>\$5,104,000</b>	<b>10.2%</b>

**Special Services:** There are no unique or special services identified for this Task Order at this time.



**RED RIVER VALLEY  
WATER SUPPLY PROJECT**



## 2023 to 2025 Biennium Work Plan

(\$244.0 mil Total Funding: \$180 mil State; \$61 mil Local Users; \$3.0 mil MR&I)

May 31, 2024

No.	Scope of Work	Feature	Date Task Orders Auth	Note	2023-25 Bien ENDAWS Project Development Budget (mil \$)			2023-25 Biennium RRVWSP Project Development Budget (mil \$)			2023-25 Biennium RRVWSP Project Constr Budget (mil \$) <sup>1,2,3</sup>				
					Total	Federal 75%	Local 25%	Total	State 75%	Local 25%	Total	State 75%	Local 25%		
	<b>Garrison Diversion Conservancy District Budget</b> Scope: Account for all costs for which Garrison Diversion is responsible not included in other Task Orders listed here. Need: Budget allocation for GDCD direct costs associated with the Red River Valley Water Supply Project.	Garrison Diversion's costs for the RRVWSP, including internal mgmt, admin, legal, communication, insurance advisory, misc., etc.		GDCD				\$ 2.50	\$ 1.87	\$ 0.63					
1.	<b>Property, Easements, and Crop Damage Payments<sup>4</sup></b> Scope: Costs to obtain easements and acquire property for associated facilities. Crop damage payments to landowners. Need: Secure land for installing future pipeline segments staying years ahead of pipeline design/construction needs. Purchase property on which to build all remaining facilities so property will be in hand before final design begins.	Acquire easements in Sheridan and Wells County for 32-mi pipeline. Pay bonus payment to all easement holders. Acquire property for Biota WTP, Hydraulic Break Tanks, McClusky Canal Intake, and James River sites. Pay for crop damage.					\$ 0.49	\$ 0.37	\$ 0.12	\$ 2.21	\$ 1.66	\$ 0.55			
2.	<b>Transmission Pipeline East Contract 5C</b> Scope: Pipeline installation, including construction phase engineering services by Engineer. Need: Continue progress of transmission pipeline installation for completion of RRVWSP by the target end date.	8± mi of 72" pl, including two 96" tunnels. Pipeline extends eastward from Contract 5B NE of Bordulac to a termination point just east of the James River.	Jul-23	Prof Svcs Const, 2026 Fin									\$ 5.64	\$ 4.23	\$ 1.41
3.	<b>Transmission Pipeline East Contract 5D</b> Scope: Pipeline installation, including construction phase engineering services by Engineer. Need: Continue progress of transmission pipeline installation for completion of RRVWSP by the target end date.	10± miles of 72" pl, including several 96" tunnels. Pipeline section extends westward from Contract 5A south of Carrington to a termination point south of Sykeston.	Jul-23	Prof Svcs Const, 2026 Fin									\$ 5.47	\$ 4.10	\$ 1.37
4.	<b>RRV Transmission Pipeline Contract 6A</b> Scope: Pipeline installation, including construction phase engineering services by Engineer. Need: Continue progress of transmission pipeline installation for completion of RRVWSP by the target end date.	6± mi of 72" pl, including several 96" tunnels. Pipeline section extends eastward from Contract 5C just east of the James River to a termination point southwest of Glenfield.	Oct-23	Prof Svcs Const, 2027 Fin									\$ 61.68	\$ 46.26	\$ 15.42
5.	<b>ENDAWS Transmission Pipeline Contract 3</b> Scope: Final design (30% docs to biddable plans and specs) and bidding assistance. Need: Continue progress of transmission pipeline installation for completion of RRVWSP/ENDAWS by the target end date.	11± mi of 72" pipeline, including 96" tunnels. Pipeline section extends west from the west end of Contract 4 to the Sheridan Wells County line.	Jul-23	Prof Svcs Const, 2027 Fin									\$ 5.47	\$ 4.10	\$ 1.37
6.	<b>ENDAWS Transmission Pipeline Contract 3</b> Scope: Final design (30% docs to biddable plans and specs) and bidding assistance. Need: Continue progress of transmission pipeline installation for completion of RRVWSP/ENDAWS by the target end date.		Oct-24	Prof Svcs Const, 2027 Fin									\$ 45.00	\$ 33.75	\$ 11.25
			Aug-23	ENDAWS			\$ 3.06	\$ 2.30	\$ 0.76						



# RED RIVER VALLEY WATER SUPPLY PROJECT



## 2023 to 2025 Biennium Work Plan

(\$244.0 mil Total Funding: \$180 mil State; \$61 mil Local Users; \$3.0 mil MR&I)

May 31, 2024

No.	Scope of Work	Feature	Date Task Orders Auth	Note	2023-25 Bien ENDAWS Project Development Budget (mil \$)			2023-25 Biennium RRVWSP Project Development Budget (mil \$)			2023-25 Biennium RRVWSP Project Constr Budget (mil \$) <sup>1,2,3</sup>		
					Total	Federal 75%	Local 25%	Total	State 75%	Local 25%	Total	State 75%	Local 25%
7.	Transmission Pipeline East Contracts 4A and 4B Scope: Final design (30% docs to biddable plans and specs) and bidding assistance. Need: Have the next pipeline section bid-ready when State funding becomes available (likely the 2025-27 biennium).	27± mi of 72" pl, including several 96" tunnels. Pipeline extends from the west end of Contract 5D south of Sykeston west to a termination point NE of Hurdfield at HBTs.	Feb-24	Prof Svcs	\$	7.19	\$ 5.39	\$ 1.80	\$	7.19	\$ 5.39	\$ 1.80	
8.	RRV Transmission Pipeline Contract 7 Scope: Final design (30% docs to biddable plans and specs) and bidding assistance. Need: Have the next pipeline section bid-ready when State funding becomes available (likely the 2025-27 biennium).	14± mi of 72" pipeline, including several 96" tunnels. Pipeline extends from the east end of Contract 6B to the outfall on the Sheyenne River southeast of Cooperstown.	Aug-23	Prof Svcs	\$	2.93	\$ 2.20	\$ 0.73					
9.	McClusky Canal Intake and Pumping Station Scope: Conceptual and preliminary design of an intake and pumping station at the McClusky Canal. Need: Preliminary designs are necessary so site acquisition can begin and final design can commence when land is secured.	Siting: passive intake screens, pumping station similar to MRI, and utility extension design can begin for new facility to be located near McClusky, ND.	Feb-24	Prof Svcs	\$ 0.76	\$ 0.57	\$ 0.19						
10.	Biota Water Treatment Plant and Main Pumping Station Scope: Conceptual and preliminary designs for a Biota WTP and Main Pumping Station, including hydraulic surge facility. Need: Complete design to a point where land acquisition can begin and project can move into final design next biennium.	165-cfs biota WTP, with chlorine and UV disinfection to meet NDPDES permit and FEIS requirements per Reclamation. Chloramines for residual disinfectant in pipeline.	Feb-24	Prof Svcs	\$ 2.88	\$ 2.16	\$ 0.72						
11.	Hydraulic Break Tanks Scope: Preliminary design of above-ground tanks and associated facilities at or near the continental divide. Need: Complete design to a point where land acquisition can begin and project can move into final design next biennium.	Two 5 MG above-ground storage tanks and accessories, site piping and valves, monitoring, and utility extensions necessary for a new greenfield site.	Feb-24	Prof Svcs	\$ 0.38	\$ 0.28	\$ 0.10						
12.	PMIS Annual Licenses & Continued Maint/Upgrades Scope: Annual software license renewal for expanded team and consulting support for training and configuration services. Need: Create greater efficiency and documentation for voluminous amount of construction related documents.	Vendor fees (e-Builder & DocuSign) for licenses of expanded team and consulting support for training of contractors/ subcontractors and workflow/report additions and modifications.	Feb-24	Vend & Prof Svcs	\$	0.49	\$ 0.37	\$ 0.12					
13.	Prj Mgmt to Support Larger Spend and Expanded Team Scope: Overall program management, planning, budgeting, scheduling, and other support for Garrison Division. Need: Consulting services of a broad programmatic nature not included under project-specific design or construction TOs.	Overall planning, management, administration, scheduling, budgeting, coordination, meeting preparation/attendance, regulatory interface, reporting, etc.	Aug-23	Prof Svcs	\$	0.66	\$ 0.50	\$ 0.16					





## 2023 to 2025 Biennium Work Plan

(\$244.0 mil Total Funding: \$180 mil State; \$61 mil Local Users; \$3.0 mil MR&I)

May 31, 2024

No.	Scope of Work	Feature	Date Task Orders Auth	Note	2023-25 Bien ENDAWS Project Development Budget (mil \$)			2023-25 Biennium RRVWSP Project Development Budget (mil \$)			2023-25 Biennium RRVWSP Project Constr Budget (mil \$) <sup>1,2,3</sup>					
					Total	Federal 75%	Local 25%	Total	State 75%	Local 25%	Total	State 75%	Local 25%			
14.	<p><b>Outreach, Ping, and Design to Secure User Commitments</b></p> <p>Scope: User briefings and necessary support, including conceptual designs, to secure project commitments.</p> <p>Need: Define pipeline extensions to identify for users how and a what cost water will be delivered to their communities.</p>	Size pipelines, pumping stations, channels, storage, etc. and other necessary infrastructure to deliver raw water to end users. Update capex to reflect current market.	Aug-23	Prof Srvs	\$	1.70	\$ 1.28	\$ 0.42	\$	1.70	\$ 1.28	\$ 0.42				
15.	<p><b>Operational Planning and Asset Management Phase 3</b></p> <p>Scope: System modeling, evaluation, planning, and report development documenting results/findings/outcomes.</p> <p>Need: Finalize Garrison Diversion, State Water Commission, and USACE roles for system operation.</p>	Refine details of diversions to/from Lake Ashtabula. Finalize stakeholder roles and responsibilities as it relates to system operation.	Feb-24	Prof Srvs	\$	0.47	\$ 0.35	\$ 0.12	\$	0.47	\$ 0.35	\$ 0.12				
16.	<p><b>Financial Planning Support</b></p> <p>Scope: Continue to refine the financial model and provide scenarios as required to support users and the program.</p> <p>Need: Accurate water bill estimates and affordability for customers are necessary to gain approval from users.</p>	Update financial models; address state loan and financing program changes; end user funding, financing, and cost-share analyses; continued funding and finance outreach.	Aug-23	Prof Srvs	\$	0.59	\$ 0.44	\$ 0.15	\$	0.59	\$ 0.44	\$ 0.15				
17.	<p><b>Contingency</b></p> <p>Scope: A budget reserve for task order additions to professional services, construction, legal, real estate, etc. TOs.</p> <p>Need: Address and pay for changes that are sure to occur.</p>	Budget flexibility to adapt to work plan changes and to pay for construction change orders typically running from 3 to 5% of original construction costs at bid time.	N/A	GDCD	\$	1.08	\$ 0.81	\$ 0.27	\$	1.08	\$ 0.81	\$ 0.27				
<b>TOTAL PROGRAM BUDGET</b>					\$	10.65	\$ 7.99	\$ 2.66	\$	21.70	\$ 16.28	\$ 5.42	\$	211.65	\$ 158.73	\$ 52.92

**Notes:**

1. Construction costs include management, engineering services during construction, inspection, field quality control, and construction.
2. Projects indicated for construction funding in a given biennium will be shovel ready for construction at the start of the biennium.
3. Future capital costs are escalated to an anticipated midpoint of construction per Finance Team rates of 7, 6, 5, and 3.5 percent per annum thereafter starting in 2022 with an anticipated 2032 finish. All future RRVWSP construction projects and costs are not shown.
4. Land services costs are the amount likely to be paid for real estate, easements, including bonus payments, crop damage, and field obstructions. Estimates include pipeline easements required for the ENDAWS east/west pipeline (none are secured at this point) and remaining easements from the Hydraulic Break Tanks to the Sheyenne River Outfall (25% remain mostly in Wells County).
5. Items appearing in blue bold are progressing with task orders and contracts issued to the engineering team and contractors, respectively. Items appearing in blue italics have been updated to reflect adjustments made for actual amounts contracted. Items shown in black text are pending.





GARRISON DIVERSION  
CONSERVANCY DISTRICT  
P.O. BOX 140  
CARRINGTON, N.D. 58421  
(701) 652-3194  
gdcd@gdcd.org  
www.garrisondiversion.org

May 30, 2024

Kylee Merkel, CPA  
Bank of North Dakota  
P.O. Box 5509  
Bismarck ND, 58506-5509

**Re: Series D Small Systems Financing – Request for Loan Draw Extension**

Dear Kylee:

Thank you for your assistance with our most recent inquiry regarding the Series D financing of the small systems share of the Red River Valley Water Supply Project (RRVWSP). Per our discussions, Garrison Diversion Conservancy District and Lake Agassiz Water Authority are currently engaging with potential project participants to secure commitments for the remainder Series D financing amount of \$11,302,440.

Discussions with small systems are proceeding positively, but as you can imagine, the process of securing approvals from nearly 30 rural water boards, city councils, and city commissions is a large undertaking. Therefore, we do not expect we will have the ability to draw on this portion of the approved financing within the required 1-year period from the loan approval date of August 17, 2023. For this reason, we are respectfully requesting a 6-month extension, allowing us to finalize commitments for the remaining systems.

We appreciate your consideration of this request. Should you have any questions or require additional clarification, please feel free to contact me via email ([merrim@gdcd.org](mailto:merrim@gdcd.org)) or my cell phone (701-320-1904).

Sincerely,

Merri Mooridian  
Deputy Program Manager - RRVWSP

Annex VIII  
24-40

**TO:** Governor Doug Burgum  
Members of the State Water Commission

**FROM:** Kylee Merkel, Bank of North Dakota

**SUBJECT:** Water Infrastructure Revolving Loan Fund Request (Extension)  
Garrison Diversion Conservancy District

**DATE:** June 18, 2024

At the August 2023 meeting of the State Water Commission, the Commission approved two loans to the Garrison Diversion Conservancy District (District). The two loans totaled \$60,000,000, with a 40-year repayment term, from the Water Infrastructure Revolving Loan Fund. Proceeds of the loans are to be used for the 25% local cost share of the Red River Valley Water Supply project.

The total loan amount requested by the district is the amount of local cost share for the 2023-2025 biennium. The local share will be funded as two separate loans, with each evidenced by a Financing Resolution. The Series D1 Resolution will be executed by the District, Lake Agassiz Water Authority, and the Cities of Fargo and Grand Forks. The Series D1 Resolution will cover the amount allocated to the Cities of Fargo and Grand Forks, based on their current nomination percentages. The Series D1, in the amount of \$48,697,560, has closed and the District is requested funds as the projected is constructed.

The Cities of Fargo and Grand Forks requested that the District meet with all the small systems to determine their definitive nomination percentages. Following meeting with the small systems, the District will recalculate the nomination percentages for all systems, including the Cities of Fargo and Grand Forks. The Series D2 Resolution will cover these new nomination percentages. Each system will execute this resolution and be responsible to service the debt based on their respective nomination percentage. The Series D2, in the amount of \$11,302,440, will be closed on second. At the time of loan approval, the estimated timeframe of closing this loan was the end of 2023 or beginning of 2024.

Following allocation of a loan from the State Water Commission, loans from the Water Infrastructure Revolving Loan Fund are formally approved by BND, and have a one-year commitment expiration. Loans are to close and take an initial advance within the one-year timeframe, or BND reserves the right to withdraw the commitment.

The Series D2 loan has not yet closed. The District is currently engaging with the project participants to secure the commitments, to allow for the recalculation of the nomination percentages. The discussions are proceeding positively, but are taking time to secure approvals from the respective boards, councils and commissions of the participants. The District is requesting a 6-month commitment extension, to allow them to finalize the commitments of these participants.

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**Annex VIII  
24-41**

This correspondence should not be considered an approval of the extension. Following the recommendation for the 6-month extension by the State Water Commisison, the Bank of North Dakota will proceed with formally reviewing and approving the extension in accordance with BND loan policy.

The Water Infrastructure Revolving Loan Fund currently has cash on hand of \$19.1 million and access to a \$100 million line of credit. There are currently \$65.5 million of outstanding loan commitments. There is currently \$53.6 million of capacity available for new loan commitments.



www.lakeagassiz.org | 701-652-3194

PO Box 140, Carrington, ND 58421

July 15, 2024

Dear Mr. Chairman and Garrison Diversion Board of Directors,

With the Red River Valley Water Supply Project (RRVWSP) under construction and as it continues to move forward, LAWA leadership recognizes the need for it have a more active role in the oversight of the project since, as Mayor Tim Mahoney stated, "real money" is being spent by the local project participants. The additional engagement will also assist LAWA membership as the work together with GDCD to compete the Participate Partner Agreements (PPA).

To that end, The Lake Agassiz Water Authority (LAWA) Board of Directors held a meeting on 6/27/2024 in Fargo. One of the agenda items included the consideration of an agreement with AE2S Communications provide support in developing strategies for the upcoming legislative session as well as assisting in the coordination and facilitation of meetings for the LAWA board and committees. Specifically, Brent Bogar, consultant with AE2S Communications, will serve as a single point of contact for LAWA members and partners. The LAWA Board believes this will allow for enhanced communications and coordination, the establishment of regular meetings to receive updates and conduct business, as well as assist in developing a comprehensive strategy for the continued work with the North Dakota Legislature and federal delegation for the funding and support of the RRVWSP.

The scope is similar to the contract with AE2S Communications that was approved leading into the 2023 legislative session in which Rocky Schnieder was the lead consultant for AE2S Communications. The difference in the agreement is the 2024 contract will be directed and paid for by LAWA instead of being cost-shared with Garrison Diversion.

Mayor Tim Mahoney communicated with Garrison Diversion General Manager Duane DeKrey to discuss LAWA contracting directly with a consultant in order to take a more active role in developing strategy and being engaged in the process of working with the legislature and federal delegation. This conversation occurred prior to the Interim Water Topics Overview Committee meeting on June 6, during which an update on the project was presented by Mr. DeKrey, Mayor Mahoney and Mayor Brandon Bochenski of Grand Forks.

The approved contract calls for Mr. Bogar to work in close cooperation with Terry Effertz (lobbyist for GDCD), Merri Mooridian, and Duane DeKrey to ensure coordination between LAWA and Garrison Diversion staff and board members. It is important to note that this team worked together successfully to secure legislative intent for the completion of the RRVWSP in the previous session. That was the largest single appropriation for a water project in a biennium and ensures the local project sponsors were able to access long-term, low interest financing with unique payment terms to minimize the upfront costs to the communities. It is with this in mind that LAWA looks forward to working as a team with Garrison Diversion as we prepare for the 2025 legislative session.

We will continue to work with Garrison Diversion staff as we have in the past to support LAWA and the RRVWSP while we also begin to assume more responsibility for the planning and strategy on behalf of our members.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Mahoney".

Mayor Timothy J. Mahoney, LAWA Chairman

A handwritten signature in blue ink, appearing to read "Brandon Bochenski".

Mayor Brandon Bochenski, LAWA Vice Chairman