

MINUTES

Northwest Area Water Supply Authority Minot, North Dakota January 30, 2025

The Northwest Area Water Supply (NAWS) Authority held a meeting in Conference Room 3 of the Minot Public Works Building, 1025 31st St SE, Minot, ND, and via Microsoft Teams on January 30, 2025. Dan Schaefer, Chairman of the NAWS Authority, called the meeting to order at 3:21 PM. A quorum was present.

NAWS AUTHORITY REPRESENTATIVES PRESENT:

David Lakefield, City of Minot Representative
Tom Ross, City of Minot Representative (virtual)
Dan Schaefer, Chairman, All Season Water Users District Representative
Tony Schwalbe, Cities with Direct Service Representative
Jason Sorenson, Vice Chairman, City of Minot Representative
Joddy Meidinger, North Prairie Regional Water District Representative (substitute)
Jason Zimmerman, State Water Commission (SWC) Representative (virtual)

OTHERS PRESENT:

Reice Haase, Department of Water Resources (DWR) Director (virtual)
Sindhuja S.Pillai-Grinolds, DWR Division Director (virtual)
Travis Johnson, DWR NAWS Project Manager
Travis Thyberg, DWR Project Support Specialist
Clint Cogdill, NAWS Operator
Dustin Offerdahl, Garrison Diversion Snake Creek Pumping Plant (virtual)
Rachel Wald, All Seasons Water District Assistant Manager (virtual)
April Walker, State Water Commissioner, Upper Red River Basin (virtual)

Condolences

Chairman Schaefer informed everyone present about NAWS Authority representative Bob Schempp's passing. He thanked Representative Sorenson for sending out an email notifying the Authority of the loss. It was noted that for all those involved in NAWS, Representative Schempp will be greatly missed.

CONSIDERATION OF AGENDA

Chairman Schaefer requested for any corrections or additions to the agenda. As there were none, the agenda was approved as presented by voice vote.

Consideration of November 21, 2024 Meeting Minutes

Meeting minutes were sent to the Authority for review prior to the meeting. Chairman Schaefer requested for feedback or changes to the meeting minutes from the previous Authority meeting on November 21, 2024. No feedback was presented.

It was moved by Representative Lakefield, seconded by Representative Sorenson, and approved unanimously, to accept the meeting minutes from the November 21, 2024, NAWS Authority meeting as presented.

Department of Water Resources Director Update

Reice Haase, DWR Director, introduced himself to the Authority as the new Director appointed by Governor Armstrong on January 9th, 2025. Director Haase stated his background was mainly in the oil and gas industry, with the first half of his career spent consulting in the private sector for oil and gas clients and the second half of his career in public service. His public service included working as a policy advisor to the Burgum administration where he oversaw water portfolio among others. The last two years he served as the deputy director at the North Dakota Industrial Commission before being appointed to DWR. Director Haase thanked Andrea Travnicek, the first director appointed after the reorganization of the agency during the 2021 session, for her hard work and creating a great foundation for the agency. Director Haase is excited to serve in this new role to help further the water policy in North Dakota.

Director Haase informed the Authority that the DWR team is very busy with the current legislative session, advocating for the agency budget request, as well as, tracking several policy bills. DWR staff are tracking these bills across multiple committees. DWR's budget bill is House Bill 1020, which includes the NAWS funding.

December 13, 2024 State Water Commission (SWC) Meeting Update

NAWS Water Rate 2025

Travis Johnson, DWR NAWS Project Manager, noted that the SWC approved the 2025 NAWS water rates as presented at the November 2024 NAWS Authority meeting which are noted below:

- City of Minot at \$0.72 per 1,000-gallons,
- NAWS contract customers at \$5.48 per 1,000-gallons, and
- City of Rugby Replacement and Extraordinary Maintenance (REM) rate at \$0.45 per 1,000-gallons.

Reimbursement from REM Funds for Pipe Repair

Travis Johnson, DWR NAWS Project Manager, noted that a REM reimbursement of \$35,058.77 for the repair of the 30" ductile iron water supply line feeding the treatment plant for the City of Minot was approved.

Proposed Legislative Changes

Travis Johnson, DWR NAWS Project Manager, noted that the SWC approved the draft conceptual century code language for the NAWS Authority as presented at the November 2024 NAWS Authority meeting. In addition, DWR staff was authorized to identify a bill sponsor to introduce the bill during the legislative session. DWR staff met with Representative Nelson regarding this bill for clarification on some item.

Legislative Session Update

Travis Johnson, DWR NAWS Project Manager, noted that as of January 22, 2025, 976 bills have been introduced at the 69th Legislative Assembly. DWR staff are actively tracking 104 and as of January 22, the bill intended to provide support, clean-up language regarding North Prairie's representative, and describe the powers and duties for the NAWS Authority has not been introduced.

House Bill 1020 is the budget bill for the DWR and the executive budget recommendations includes the new funding authority request of \$107 Million for the NAWS project. The request includes \$12.7 million from Resources Trust Fund, \$52.1 million from City of Minot's sales tax fund, and \$42.2 million from federal funding. These funds would be utilized for the permanent intake, Minot water treatment plant Phase III expansion, Souris reservoir and pump station, inline booster pump stations, and generators. In addition, in HB 1020 the funding authority to receive \$6.9 million in federal funds for the operations and maintenance of the Biota Water Treatment plant is also included.

NAWS OPERATIONS – RESOURCES UPDATE

Travis Johnson, DWR NAWS Project Manager, noted that DWR investigated staffing levels for the system, and after consideration of the information provided by rural water systems, growth analysis, and the raw water supply from Lake Sakakawea with additional facilities becoming operational, the DWR requested a full time NAWS Operator. This position was included in the executive budget recommendation from the governor's office for the agency to provide the required 24/7 service to the NAWS customers. DWR staff is advocating for this position during the legislative session. DWR will continue to review and identify further resource needs through continued collaboration with NAWS Authority members.

NAWS BIOTA WATER TREATMENT PLANT OPERATIONS

Travis Johnson updated the Authority on the agreements related to the NAWS Biota Water Treatment Plant (WTP). As previously discussed, the purpose of the facility is boundary waters treatment compliance, making it a federal responsibility per Section 1(h) of the Dakota Water Resources Act of 2000 and therefore will be funded with federal funding for construction, operations, maintenance, and replacement. DWR submitted a request for financial assistance with supporting documentation to the Dakota Area's Office in the amount of \$6.6 million. DWR received the Cooperative Agreement in the amount of \$5.46 million from the Bureau of Reclamation (Reclamation) on September 19th, 2024. Reclamation notes that the reduction in the approved federal funding is due to the federal government's estimation of the number of employees required for the operation of the Biota WTP being lower than what was included in the request from the City of Minot.

During the meeting, concerns were voiced about the discrepancy between funding requested and what was approved. DWR noted that in previous discussions with the City of Minot, it is noted that the WTP will be operated initially as a batch plant, with two 8-hour shifts. Running the plant for 16 hours a day rather than 24 hours would allow the facility to be operated with the funding that has been approved. The federal government has noted that they will consider the additional funding request with data and justification. DWR staff and City of Minot will compile the necessary information with future funding requests.

The North Dakota Department of Environmental Quality (DEQ) recently notified DWR staff about the need to provide a capacity assessment document for the biota water treatment plant, as the Biota WTP is being considered a new system when it becomes operational. DWR staff in consultation with DEQ and City of Minot, will be determining the appropriate entity to contract with the consulting engineer to develop the assessment document for submission to DEQ.

NAWS Agreement with City of Minot for Treatment

Travis Johnson informed the Authority that DWR team members had a meeting with Jason Sorenson on January 14, 2025, to discuss developing an agreement between the State Water Commission and the City of Minot regarding water treatment for NAWS, using both the City's ground water supplies and NAWS project's surface water from Lake Sakakawea. The parties involved are hopeful the agreement will be ready for approval at the May NAWS Authority meeting and the June State Water Commission meeting.

DWR is also working on establishing the payment process for simplifying billing between both the City and DWR.

NAWS CONSTRUCTION UPDATE

Travis Johnson gave a brief construction update on NAWS projects.

The Demolition contract for the 6-1A intake modifications of the Snake Creek Pumping Plant (SCPP) is substantially complete as of December 20th, 2024. Change Order 2 for the pipe penetration has been processed. Change Order 3 which moves minor work from the Demolition contract to the Construction contract, adds exterior duct bank electrical work, and extends the Substantial Completion date to December 23rd, 2024, is under process. The most recent contractor update from December 3rd, 2024, shows start-up and commissioning of all equipment, except for the generator on the Construction contract to be occurring from mid-June to mid-July 2025. The final installation of the backup generator will be completed by September 5th, 2025. In response to a question from Vice Chairman Sorenson regarding potential delay into 2026 for completing this project, Travis Johnson noted that the permanent intake project is expected to be under construction in 2026 while the current projects are expected to be completed in 2025.

On Contract 2-1E, Discharge Pipeline from SCPP to the NAWS Raw Water Transmission Pipeline, Change Order 1 extending the substantial completion and final completion dates to November 2024 and June 2025 respectively, has been executed. This change order was due to changes required by the US Army Corps of Engineers (USACE) for the work in the embankment. Change Orders 2 and 3 for additional work to be incorporated into the contract that includes sanitary sewer repair, culvert replacement, and disposal of excess material has been executed by SWC and the Contractor. The total cost increase to the project is \$538,000 with the Substantial Completion and Final Completion dates extended to May 15 and June 15, 2025, respectively. The extended dates are due to winter shut down of some of the remaining work that requires favorable conditions for completion.

Contract 1-1A Permanent Intake Project is still under technical review for permitting and final design. DWR received the USACE technical review comments on December 17, 2024, and the design team is currently working on addressing those comments.

Contract 7-2A/4-1A Biota Water Treatment Plant, General Contract's Substantial completion date was extended to December 2, 2024, via Change Order 6. The contractor is still addressing a manufacturers defect on the filter underdrain system. The defective roofing issue will be addressed once weather conditions are favorable for installation in spring.

Contract 5-1A South Prairie Reservoir and Hydraulic Control Structure has achieved final completion. DWR is managing those facilities for winter conditions and is currently not moving water through for commissioning and startup of the Biota Water Treatment plant, due to the delays from the defective filter underdrain system delaying plant operation. As this reservoir is complete but non-operational, DWR is following manufacturers recommendations to maintain water level in the reservoir to minimize the chances of freezing within and below the structure.

Contract 7-1B Minot WTP Phase II Improvements, the change order to reroute the remaining conduits and the work to route those conduits has been completed. Additionally, two warranty items were identified: a leak in a roof drain and water line pipe break that flooded a sludge pump, both items have been repaired. The final warranty walk-through that was conducted in late December 2024, identified two additional items and both have been fixed: insulation around the previously fixed roof drain and an undersized propane regulator for the roof HVAC unit. A total of 11 change orders for this project were processed for approximately \$3.3 million, \$2.98 million of that total were signed before the change order policy was adopted for NAWS in December 2022. This contract is now complete.

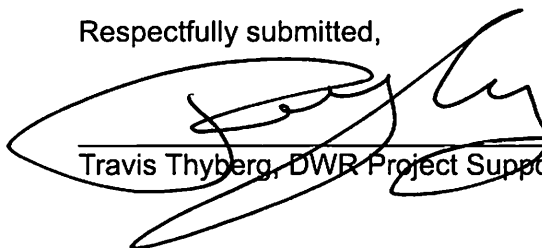
Contract 4-4B/5-4B Bottineau Reservoir and Booster Pump Station. The reservoir contract achieved Substantial Completion on November 8, 2024. Change Order 2 on the pump station contract has been processed to add a propane sensor, tank level sensor and telemetry so the propane tank can be monitored remotely through SCADA. This brings the total of the two change orders to \$15,261 added to the Booster Pump Station contract.

SA 98 Construction of NAWS Pressure Reducing Station and Isolation Vault Improvements has been awarded, notice to proceed was delivered, and the contractor has begun utility coordination. Power service has been scheduled for the spring, once ground conditions are adequate to trench in the lines to feed power service to the facilities. The contractor is currently in the process of assembling schedules and submittals.

There were no updates for the NAWS Interim Water Supply and City of Minot Reimbursement discussions from prior meetings.

There being no further items of discussion, the meeting was adjourned at 3:53 PM.

Respectfully submitted,



Travis Thyberg, DWR Project Support Specialist