



City of Grand Forks
Staff Report

APPROVED & ACCEPTED
by City Council

05/20/2024

Maureen Storstad
Maureen Storstad
City Auditor

Committee of the Whole – May 13, 2024
City Council – May 20, 2024

Agenda Item: Red River Valley Water Supply Project

Submitted by: Todd Feland, City Administrator

Staff Recommended Action – (1) Receive the Red River Water Supply Project (RRVWSP) update. (2) Approve expert consultant and scope of services as part of the review of the RRVWSP Project Participation Agreement (PPA) and Associated Exhibits in the amount of \$146,658.00 and approve associated budget amendment from the Water Works Enterprise Fund, subject to final review and approval of the Finance Department and City Attorney’s Office. (3) Approve appointing Mayor Brandon Bochenski to replace Council Member Ken Vein on the Lake Agassiz Water Authority (LAWA) Board.

May 13, 2024 – Committee Recommended Action: Motion by Vein, second by Osowski to refer to City Council with a recommendation to approve. Motion carried unanimously.

May 20, 2024 – Council Action: Motion by Osowski, second by Kvamme to approve consent agenda. Motion carried unanimously.

BACKGROUND:

RRVWSP is a \$1.26 billion strategic economic development initiative and long-term emergency water supply project for the State of North Dakota and will serve nearly 50 percent of North Dakota’s population. The City of Grand Forks (City) is a major stakeholder and partner of the RRVWSP and makes up almost 17 percent of the proposed project allocation. Currently the RRVWSP is a partnership between the State of North Dakota, Garrison Diversion Conservancy District (GDCCD), and Lake Agassiz Water Authority (LAWA). The State of North Dakota has committed to a 75% (State) and 25% (local) cost share agreement and has legislative intent of \$953 million from the State of North Dakota over the next several biennia. The local cost is currently being financed with a Bank of North Dakota (BND) 40 year/2% interest loan. The RRVWSP is currently underway with \$240 million in approved 2023-2025 ND Biennium funding under a 75% (State) and 25% (Local) capital cost share agreement.

The current City’s domestic and industrial nomination, which includes East Grand Forks, is 28.10 cfs or 18.1 MGD. The City is currently collaborating with other regional northeast area water systems to include East Grand Forks, Agassiz Rural Water District, Tri-County Rural Water District, and East Central Rural Water District to further ensure the region makes the best and most optimum decisions from long term water supply perspectives. For the Grand Forks/East Grand Forks, the total project annual core system cost of participation (year 2034 in 2024\$) is \$2,275,700.00 and the associated and projected end user bill impact (year 2034 in 2024\$) is \$3.64/month. As part of the FY 2025 City Budget, the City administration is intending to create a separate fund and utility rate for the RRVWSP.

GDCCD and its consultants currently are conducting user outreach to the various and affected water supply systems and have the goal to have the PPA reviewed, approved, and signed by December 2024 with LAWA and its participating users.

The PPA is a complex legal, technical, and financial agreement of the RRVWSP. The PPA has nine (9) attached exhibits summarized as follows.

- A. Project Elements and Costs.
- B. User Nominations.
- C. Prior Expenses.
- D. Capital Cost Responsibility.
- E. Operations, Maintenance, Administration, and Reserve Responsibility.
- F. StateMOD Documentation.
- G. Operational Framework.
- H. Debt Repayment Obligation Schedules.
- I. Project Layout Maps.

ANALYSIS AND FINDINGS OF FACT:

- The attached RRVWSP Presentation (dated May 13, 2024) will be presented at the Committee of the Whole. The presentation is taken from and edited from existing GDCD presentations.
- To begin the final review of the PPA and its technical exhibits, the City administration and City Attorney's Office are requesting the technical support services of Precision Water Resources Engineering (PWRE) in support of the review and analysis of the PPA and its technical exhibits. PWRE is a Colorado based firm specializing in complex water resource system modeling and water rights evaluations.
- The PWRE Project Tasks are as follows and in the amount of \$146,658.00 and from the Water Works Enterprise Fund. The project tasks will be completed over the next year.
 - Project Management.
 - StateMOD Model Review.
 - PPA Technical Aspects/Exhibits Review and Evaluation.
 - Presentation Preparation.
- The City administration and City Attorney's Office are contemplating and considering hiring a specialized water attorney to support and supplement the City administration and City Attorney's Office.
- Mayor Bochenski, City administration, and Council Member Vein have discussed transitioning the City appointment to the LAWA Board from Council Member Vein to Mayor Bochenski. This organizational transition will better allow Council Member Vein to serve as Grand Forks County's GDCD Board Member with Mayor Bochenski partnering as the LAWA Board Member.

Traditionally, the Fargo representative has been the LAWA Board Chair, and the Grand Forks representative has been the LAWA Board Vice Chair. The current LAWA Board Chair is Fargo Mayor Mahoney and LAWA Board Vice Chair is Council Member Vein.

- The following City team members would support and lead the RRVWSP on behalf of Grand Forks.
 - Mayor Bochenski – LAWA Board Member.
 - Council Member Vein – GDCD Board Member.
 - City Administrator Feland.
 - City Engineer Grasser.
 - City Finance Director Storstad.
 - Water Works Director Parvey.

SUPPORT MATERIALS:

- RRVWSP Update to Committee of the Whole – May 13, 2024.
- PWRE - Shane Coors, PE, CV
- PWRE Request For Services.
- PWRE Scope: RRVWSP PPA- Technical Review.