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# MEETING AGENDA

## RRVWSP REGIONAL MEETING

April 3, 2024 | 3:00-5:00 p.m. | Mayville Auditor's Office

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### Regional Participants

Mayville and Hillsboro

### Agenda Items

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|---|--------------|
| A. Introductions and Attendance Sheet     | Everyone     |
| B. Regional Presentation                  |              |
| 1. Project Overview and Update            | Duane DeKrey |
| 2. Past User Engagement and Nominations   | Steve Burian |
| 3. Regional Capacity and Service Approach | Steve Burian |
| 4. 2024 System Financial Summaries        | Shawn Gaddie |
| 5. Continued User Participation           | Duane DeKrey |
| C. Questions and Discussion               | Everyone     |

## HILLSBORO

### NOMINATION:

#### DOMESTIC

0.00 CFS



#### INDUSTRIAL

0.50 CFS



#### USER TOTAL

0.50 CFS



#### USER GROUP

RRV - Direct River  
+ Branch

The estimated cost of the RRVWSP utilizing the ENDAWS alternative is \$1.26B in 2024 dollars. The project has been successful in securing 75% cost-share commitment from the State of ND along with \$953M in legislative intent from the State of ND to ensure the project's completion by 2032. To finance the local share of the project, the legislature has also established the Water Infrastructure Revolving Loan Fund (WIRLF) giving local users the ability to access extremely flexible financing terms. These terms include a 40-year loan at a 2% interest rate and the ability for systems to ease into their repayment with a 2-year upfront deferral, interest only payments in years 3-5, and sculpted principal and interest payments in years 6-40.

The financial projections herein assume all original 30+ systems included in the 2016 Project Development Agreement participate with their respective nominations and assumed service locations. Each participant was and continues to be assigned to a User Group based on what portions of the project the participant requires to access the project, and participants only pay their share of their required components. The 'Intake, Supply, & Pumping (ISP)' users only require intake infrastructure. The 'Central West (CW)' users require treatment and the initial roughly 1/3 of the pipeline in addition to the supply and intake infrastructure. The 'Central East (CE)' users also require the next 1/3 of the pipeline and the 'Red River Valley (RRV)' users require all project infrastructure. The User Group also indicates how a participant currently plans to access project water, either 'Direct Pipeline' access, 'Direct River' access, or significant 'Branch' connection infrastructure is required beyond the Direct Pipeline or Direct River access point.

The projections herein are for the core system pipeline and facilities and do not include any branch connection infrastructure that some participants require. Consideration of potential federal funding on the ENDAWS portions of the project is also not included. The shown financial projections are likely to change (up or down) based on changes since 2016 including systems choosing not to participate (or the addition of new systems), systems modifying their original nominations, or if federal funding is received for the ENDAWS portions of the project.

### PROJECT COST COMPONENTS (CAPITAL & OMA&R)

Project financial planning to this point has considered all project costs to include project capital, operations (O), maintenance (M), administration (A) and reserve (R) requirements. Table 1 below presents the total local capital cost requirements and annual cost in 2024 dollars associated with operating and maintaining the project moving forward.

PROJECT COST COMPONENT	ESTIMATED COST (2024 DOLLARS)	DESCRIPTION
Core System Pipeline and Facilities (Capital) - Total	\$310.94M	Local Capital Costs Share before financing
Operations (O) - Annual*	\$392,362	Minimal Operating Flows which includes Chemical, UV Power, Pumping, Operations, etc.
Maintenance and Administration (MA) - Annual	\$2,290,619	Annual Maintenance and Administrative Costs
Near-term Reserve (R) - Annual	\$664,528	Near-term reserving strategy for extraordinary maintenance/Near-term capital replacement

\*Excludes operating costs for direct pipeline usage, reservoir fill / refill operations, or drought operations. Examples of how these costs could be incurred is outlined in the draft Project Participation Agreement (PPA)

Table 1

### TIERED ALLOCATION

Nominations are assigned either Tier 1 or Tier 2 pricing, and ultimately a Tiered Allocation Percentage. Tier 1 pricing is based on building the project just for Tier 1 needs. Tier 2 pricing is based on the incremental cost of adding the Tier 2 needs to the project.

The following considerations are used to determine a participant's tiering:

#### Domestic Nominations:

- Tier 1: Large current drought need or supply replacement
- Tier 2:
  - Minor shortage during droughts
  - Redundant supply needs or return flows (2nd use water)
  - Significant additional access infrastructure required

#### Industrial Nominations:

- Tier 1: On the core system (direct pipeline or direct river access)
- Tier 2: Requires significant additional access to infrastructure

**HILLSBORO CORE SYSTEM PIPELINE AND FACILITIES TIERED ALLOCATION PERCENTAGE BASED ON TIER 2 INDUSTRIAL ASSIGNMENT:**

**0.22%**