

FARGO CITY COMMISSION AGENDA
Monday, October 13, 2025 - 5:00 p.m.

Executive Session at 4:00 p.m.

Roll Call.

PLEASE NOTE: The Board of City Commissioners will convene in the City Commission Chambers at 4:00 p.m. and retire into Executive Session in the Red River Room for the purposes of discussing negotiating strategy or providing negotiating instructions to its attorney or other negotiator regarding the previously authorized discussions with identified property owners pertaining to relocation of the Resource and Recovery Center. Discussing these matters in an open meeting will have a negative fiscal effect on the bargaining position of the City. Thus, an Executive Session for this matter is authorized pursuant to North Dakota Century Code § 44-04-19.1 subsection 9.

Regular Meeting at 5:00 p.m.

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at www.FargoND.gov/Streaming. They are rebroadcast Mondays at 5:00 p.m., Thursdays at 7:00 p.m. and Saturdays at 8:00 a.m. They are also included in the video archive at www.FargoND.gov/CityCommission.

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, September 29, 2025).

CONSENT AGENDA – APPROVE THE FOLLOWING:

- 1. Application for Abatement or Refund of Taxes #4594 for property located at 1405 10th Street North requesting a reduction in value for 2025 from \$183,700.00 to \$95,000.00; staff is recommending a reduction in value to \$106,000.00 for 2025.
- 2. Waive requirement to receive and file an Ordinance one week prior to 1st reading and 1st reading of an Ordinance Amending Section 21.1-0102 of Article 21.1-01, of Chapter 21.1, of the Fargo Municipal Code Relating to the International Residential Code.
- 3. 1st reading of an Ordinance Amending Sections 8-0801, 8-0802, 8-0803, 8-0804, 8-0805, 8-0806, 8-0807, and 8-0808, of Article 8-08, of Chapter 8, of the Fargo Municipal Code Relating to Crashes and an Ordinance Repealing Section 8-0809, of Article 8-08, of Chapter 8, of the Fargo Municipal Code, Relating to False Reports and an Ordinance Amending Section 1-0305, of Article 1-03, of Chapter 1, Relating to Classification of Ordinance Violations.
- 4. 1st reading of an Ordinance Amending Section 8-1009 of Article 8-10 of Chapter 8 of the Fargo Municipal Code Relating to the Traffic Code.

5. 1st reading of an Ordinance Amending Section 25-1507 (A) of Article 25-15 of Chapter 25 of the Fargo Municipal Code Relating to Alcoholic Beverages.
6. 2nd reading, waive reading and final adoption of an Ordinance Annexing a Certain Parcel of Land Lying in a Portion of the West Half of the Northwest Quarter of Section 14, Township 140 North, Range 49 West of the 5th Principal Meridian in Cass County, North Dakota; 1st reading, 9/29/25.
7. 2nd reading, waive reading and final adoption of an Ordinance Rezoning Certain Parcels of Land Lying in 46th Avenue Industrial Park Second Addition to the City of Fargo, Cass County, North Dakota; 1st reading, 9/29/25.
8. Consulting Agreement with Bloomberg Consulting LLC.
9. Extension of the Class "FA-RZ" Alcoholic Beverage License for Dakota Food Group LLC d/b/a Teddy's until 3/31/26.
10. Gaming Site Authorizations.
11. Applications for Games of Chance.
12. Amendment No. 2 with Apex Engineering in the amount of \$77,350.00 for Project No. NR-24-A0.
13. Final Balancing Change Order No. 2 for a time extension to the Substantial and Final Completion Dates of 10/31/24 and 7/31/25 for Project No. NR-23-A3.
14. Memorandum of Understanding Regarding Construction and Maintenance and Deed of Easement with the US Department of Veteran's Affairs (VA) for Project No. SN-25-B0.
15. Permanent Easement (Alley) with Chad Borgen Properties LLC (Project No. AN-19-A1).
16. Change Order No. 5 in the amount of \$8,272.67 for Improvement District No. BN-23-F1.
17. Change Order No. 1 in the amount of \$161,454.33 and 4-day time extension to the Phase 1 Interim Completion Date to 10/3/2025 for Improvement District No. BN-25-E1.
18. Change Order No. 1 in the amount of \$26,590.85 for Improvement District No. FP-19-A4.
19. Change Order No. 4 for a time extension to the Substantial and Final Completion Dates of 10/2/25 and 3/16/26 for Improvement District No. BN-24-B1.
20. Payment to Cass County Electric Cooperative in the amount of \$28,150.00 for the extension of electrical service to the storm sewer and sanitary lift stations (Improvement District No. BN-24-B1).
21. Declare protests sufficient to terminate Improvement District No. BN-26-A.
22. Create Improvement District No. BR-26-E and adopt Resolution of Necessity (Paving and Utility Rehab/Reconstruction).
23. Receive and file Limited Franchise Agreement with Cass County Electric, adding the area annexed by the City of Fargo on 8/18/25.
24. Items from the FAHR Meeting:

- a. Receive and File Sales Tax Update - through July 2025.
 - b. Budget Adjustment Request and acceptance of the Peace Officer Appreciation Award, as authorized by HB 1193, in the amount of \$260,321.72.
 - c. Budget Adjustment Request and authorize the use of \$13,876.80 of asset forfeiture funds to purchase five display screens and accessories for the Real Time Crime Center.
 - d. Budget Adjustment Request and acceptance of the STOP Violence Against Women funds for the purchase and implementation of the Lethality Assessment Program (LAP).
 - e. Bid award to Peregrine Technologies, Inc. in the amount of \$141,500.00/year and Peregrine Customer Order Form and Scope of Services (RFP25257).
 - f. FY2025 EMPG/FY2024 EMPH Round 2 application to NDDDES in the amount of \$108,182.00, with the local cost share of \$54,091.00 (CFDA #97.042).
 - g. Memorandum of Understanding with the Park District of the City of Fargo, the Downtown Community Partnership and Block 9 Plaza Owner, LLC.
 - h. Settlement Offer of \$18,819.95 from GEICO Insurance for 2020 Ford Fusion.
25. Notice of Grant Award amendment with the ND Department of Health and Human Services for PHEP – EPR All Hazards allocation (CFDA #93.069).
 26. Notice of Grant Award amendment with the ND Department of Health and Human Services for PHEP – EPR Statewide Response Team (CFDA #93.069).
 27. Resolution approving Plat of Valley View Twelfth Addition.
 28. Resolution approving Plat of Bison Run Addition.
 29. Piggyback purchase through Sourcewell Cooperative Purchasing Agreement with Swanston Equipment in the amount of \$172,904.00 for one Volvo DD120 Asphalt Roller/Compactor (PBC25290).
 30. Engineering Task Order No. 2025-4 with HDR Engineering, Inc. for landfill gas pipeline realignment design in an amount not to exceed \$58,920.00.
 31. Engineering Task Order Amendment No. 3 from Stantec in the amount of \$54,108.05 for Project No. SW 23-01.
 32. Agreement with Concordia College (U-Pass).
 33. Bid award to Metropolitan Mechanical Contractors in the amount of \$103,975.00 to complete the RO CIP Hot Water Project at the Water Treatment Plant (RFP25250).
 34. Revised Resolution Authorizing the Issuance and Sale of \$20,000,000.00 City of Fargo Sales Tax and Sewer Revenue Bond; Resolution Authorizing the Issuance and Sale of \$20,000,000.00 City of Fargo Sales Tax and Water Revenue Bond and ND State Revolving Fund Program Loan Agreements with the ND Public Finance Authority.
 35. Direct the City Attorney's Office to work with the Water Utility to review and update the Ordinance for Abandoned Lead Service Lines.
 36. Bid Awards for Project No. WA2501:
 - a. General Construction contract to Classic Protective Coatings in the amount of \$1,317,375.00.
 - b. Electrical Construction contract to Magnum Electric in the amount of \$89,830.00.

37. Change Order No. 2 in the amount of \$18,527.07 for Project No. WW2005.
38. Amendment No. 2 with AE2S Engineering in the amount of \$12,800.00 for Project No. WW1707.
39. Final Balancing Change Order No. 3 in the amount of -\$146,860.37 and time extensions to the substantial and final completion dates to 6/24/25 and 9/15/25 for Project No. WW1707.
40. Bills.

REGULAR AGENDA:

PUBLIC HEARINGS - 5:05 pm:

41. **PUBLIC HEARING – CONTINUE to 10/27/25** – EOLA Second Addition and on the proposed J & O 45th Street Apartments Addition (4417 and 4477 26th Avenue South, and 4410, 4448, 4470 and 4474 24th Avenue South, and 4415 and 4471 24th Avenue South); approval recommended by the Planning Commission on 5/6/25:
 - a. PUD, Planned Unit Development Master Land Use Plan Amendment.
 - b. Zoning Change from GC, General Commercial with a PUD, Planned Unit Development Overlay to GC, General Commercial with an amended PUD, Planned Unit Development Overlay.
 - c. Zoning Change from GC, General Commercial with a PUD, Planned Unit Development Overlay to GC, General Commercial with a C-O, Conditional Overlay and removal from the PUD, Planned Unit Development Master Land Use Plan.
 - d. 1st reading of rezoning Ordinance (EOLA Second Addition and on the proposed J & O 45th Street Apartments Addition).
 - e. 1st reading of rezoning Ordinance (EOLA Addition).
 - f. Plat of J & O 45th Street Apartments Addition.
42. Report from the Fargo Moorhead Economic Development Corporation on Job Creation Incentive Projects.
43. Recommendation from the Convention Center Committee to move four developers forward to the second phase of the Convention Center site selection process.
44. Recommendation to approve the Interim Financing Agreement, Series F for Fargo's local cost-share of the Red River Valley Water Supply Project biennial work plan.
45. Construction Update.
46. Liaison Commissioner Assignment Updates.
47. **PUBLIC COMMENTS (2.5 minutes will be offered for comment with a maximum of 30 minutes total for all public comments. Individuals who would like to address the Commission, whether virtually or in person, must sign-up at FargoND.gov/VirtualCommission).**

People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 701.241.1310 at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo website at www.FargoND.gov/CityCommission.



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City Administration
225 4th Street North
Fargo, ND 58102

MEMORANDUM

TO: Fargo City Commission

FROM: Jim Gilmour, Director of Strategic Planning and Research

A handwritten signature in blue ink, appearing to be "JG", located to the right of the "FROM:" line.

DATE: October 8, 2025

SUBJECT: Report on Job Creation Incentive Projects

The Fargo Moorhead Economic Development Corporation has been monitoring the job creation effort of businesses that are currently receiving property tax incentives. They will present their report at your meeting.

A copy of the report is attached.



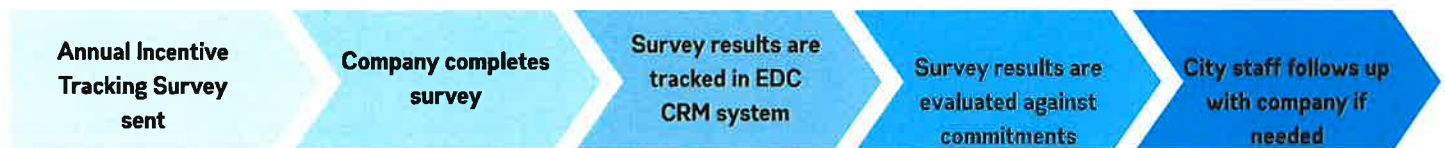
INCENTIVE TRACKING REPORT

Project Description and Objective:

This Incentive Tracking Report provides a comprehensive overview of the PILOT/Property Tax Exemptions provided to Primary Sector Companies from 2016 – 2024. The purpose of the incentive tracking program is to evaluate the effectiveness, participation, and outcomes of the incentives offered to primary sector companies in generating an economic impact and ROI to the city of Fargo. This system specifically measures the number of full-time employees and average salary (wage) benchmarked against the initial company commitment documented in the New Industry Application and Business Incentive Agreement.

How Does It Work?

GFMEDC sends an annual survey to companies asking about job growth and wages, comparing results to their incentive agreements. Staff also assist Fargo city officials in identifying companies that may need follow-up.



Individual Results

Utilizing a combination of direct company outreach and GFMEDC's CRM system, we were able to receive responses from 20 of 23 currently active PILOT recipients for 2025.

The Companies who have not responded include:

- Appareo
- DigiKey
- FedEx

The individual results of each current PILOT incentive can be found in the "Business Incentive Tracking Results" spreadsheet.

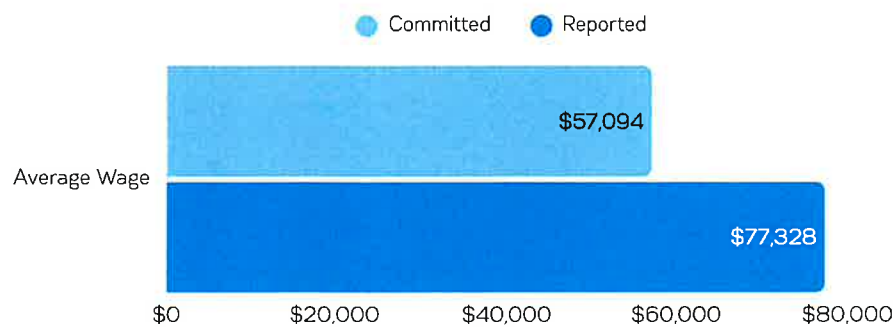
Aggregate Results

The aggregate results of 2025 PILOT recipient reporting confirm the creation of 441 new jobs over the baseline employment reported at the time of each PILOT recipient's application.

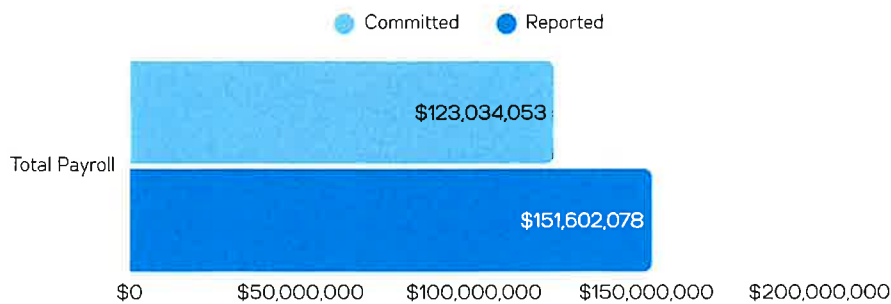
The total number of employees (jobs created and retained) reported in 2025 across PILOT recipient companies totals 2,056, which is 110 less than the original amount committed by all PILOT companies of 2,166. This number falls short of new jobs created within the aggregate of current agreements but it should be noted that 12 of the companies are still operating within the contract period and have time to fulfill the job obligations within their agreements.

The job creation gap could be explained by the following:

- Increasing demand and undersupply of workers during this period.
- Several PILOT incentives were approved prior to COVID, which dramatically shifted the workforce dynamics across the nation.
- Automation has also increasingly impacted the ability to fill repetitive jobs which previously required human interaction.
- The 15 companies analyzed as of this report, collectively, had 351 job postings over the last rolling 12 month period which demonstrates efforts to hire for key positions.
- Wages during the analyzed time period (2016 – 2024) increased by a significant 35%. The average 2025 wage reported across all responses of \$77,328 exceeds the average original committed wage of \$57,094 by \$20,234.



The aforementioned increase in wages translates to total payroll across all analyzed companies of \$151,602,078 which exceeds the actual company payroll commitment of \$123,034,053 by \$28,568,025. Despite hiring challenges and a gap in overall jobs created across PILOT recipients, a greater economic impact is achieved through higher overall payroll, due to rising wages, which is a market response to workforce demand that exceeds worker supply.



For additional questions, contact:
Ryan Aasheim
Chief Business Development Officer
 701-364-1919
raasheim@fmedc.com

Company	Incentive Details					Job & Wage Projections										Jobs Created - (Reported - Base)		
	Start Year	End Year	Years Incented	Current Incentive Year	Gross Incentive Benefit	Base FTE's	Year 1	Year 2	Year 3	Year 4	Year 5	Reported FTE's	Average Wage (BIA)	Average Wage Reported				
Responded																		
Border States Electric	2019	2028	10	5	\$	1,726,650	320	345	370	410	450	490	325	\$	80,000	\$	75,941	5
Border States Electric	2016	2025	9	9	\$	733,005	70	90	90	90	90	90	81	\$	58,650	\$	67,018	11
CI Apparel	2020	2024	5	5	\$	284,516	83	98	107	116	125	134	118	\$	30,400	\$	50,460	35
Convent	2025	2029	5	1	\$	96,271	5	27	38	56	73	90	42	\$	97,510	\$	140,595	37
Dakota Specialty Milling	2017	2026	10	9	\$	139,654	84	96	97	98	99	100	118	\$	35,000	\$	51,688	34
Dakota Specialty Milling	2023	2027	5	3	\$	284,790	0	14	14	14	14	14	18	\$	49,900	\$	51,688	18
Financial Bus. Systems	2022	2026	5	4	\$	277,818	124	128	131	136	141	146	129	\$	82,665	\$	116,130	5
Packet Digital #1	2022	2026	5	4	\$	62,113	18	31	34	43	52	61	52	\$	67,254	\$	97,446	34
Packet Digital #2	2024	2028	5	2	\$	185,114	31	36	44	55	66	70	52	\$	83,539	\$	97,446	21
PRX	2022	2031	10	4	\$	1,946,210	50	73	96	117	138	149	55	\$	35,600	\$	67,684	5
Traction. (Marvin Composites)	2023	2032	10	3	\$	1,732,566	239	255	274	289	303	320	286	\$	41,600	\$	60,745	47
Voxtelesys	2020	2024	5	5	\$	38,600	11	19	22	27	32	40	37	\$	61,880	\$	69,400	26
Aldesvion - 2016	2019	2028	10	6	\$	837,720	51	60	63	67	70	73	473	\$	52,000	\$	78,500	422
Aldesvion - 2019	2022	2031	10	3	\$	4,653,675	298	348	378	403	403	403	605	\$	53,500	\$	77,338	307
Aldesvion - University	2022	2031	10	3	\$	684,981	416	427	437	447	457	467	605	\$	61,968	\$	77,338	189
Appareo	2016	2025	10	10	\$	777,041	171	191	209	225	234	241		\$	31,200			
DigiKey	2016	2025	10	10	\$	250,206	94	5	9	8	8	10		\$	32,747			
FedEx	2017	2026	10	9	\$	245,661	0	25	25	25	25	25		\$	50,000			
Redi LLC	2021	2025	5	5	\$	33,631	6	8	10	11	12	13	32	\$	61,300	\$	68,000	26
Standard Industries	2023	2027	5	3	\$	409,340	38	50	56	64	72	80	48	\$	47,000	\$	58,240	10
GoSchedule	2023	2027	5	3	\$	127,654	48	50	53	56	60	65	9	\$	89,211	\$	83,537	(39)
Weather Modification	2025	2029	5	1	\$	1,697,870	54	62	68	72	76	80	58	\$	58,240	\$	98,910	4
Anvil Design	2025	2029	5	1	\$	40,229	4	9	12	13	16	20	11	\$	52,000	\$	58,454	7

TOTALS & Averages

de-duplicated #s

Company	Date of Last Report	difference in jobs committed	Total Payroll committed	Actual Payroll	Payroll Differential	Pre-Incentive Value	Current Value	% Change	Annual Change
Responded									
Border States Electric	6/23/2025	(155)	\$ 39,200,000	\$ 24,680,760	\$ (14,519,240)	2,349,000	33,610,200	1331%	133%
Border States Electric	6/23/2025	(9)	\$ 5,278,500	\$ 5,428,426	\$ 149,926	1,492,000	11,591,300	677%	75%
CI Apparel	3/11/2024	(16)	\$ 4,073,600	\$ 5,954,280	\$ 1,880,680	3,943,000	6,210,000	57%	11%
Convent	5/15/2025	15	\$ 2,632,770	\$ 5,904,990	\$ 3,272,220				0%
Dakota Specialty Milling	5/19/2025	18	\$ 3,500,000	\$ 6,099,184	\$ 2,599,184	1,405,900	2,517,000	79%	8%
Dakota Specialty Milling	5/20/2025	4	\$ 698,600	\$ 930,384	\$ 231,784	4,059,500	5,304,100	31%	6%
Financial Bus. Systems	5/20/2025	(12)	\$ 11,655,765	\$ 14,980,770	\$ 3,325,005	1,601,000	3,905,000	144%	29%
Packet Digital #1	6/23/2025	0	\$ 2,891,922	\$ 5,067,174	\$ 2,175,252	1,080,700	1,370,400	27%	5%
Packet Digital #2	6/23/2025	8	\$ 3,007,404	\$ 5,067,174	\$ 2,059,770	1,162,800	2,790,100	140%	28%
PRX	5/20/2025	(62)	\$ 4,165,200	\$ 3,722,620	\$ (442,580)	1,917,000	20,339,700	961%	96%
Tecton (Marvin Composites)	5/21/2025	(3)	\$ 12,022,400	\$ 17,373,070	\$ 5,350,670	10,612,000	19,471,000	83%	8%
Voxtelesys	5/19/2025	(3)	\$ 2,475,200	\$ 2,567,800	\$ 92,600	318,000	407,300	28%	6%
Aldevron - 2016	7/17/2025	400	\$ 3,484,000	\$ 37,130,500	\$ 33,646,500	2,280,000	56,110,100	2361%	236%
Aldevron - 2019	7/17/2025	202	\$ 21,560,500	\$ 46,789,490	\$ 25,228,990	13,276,100	56,110,100	323%	32%
Aldevron - University	7/17/2025	158	\$ 27,699,696	\$ 46,789,490	\$ 19,089,794	3,925,200	6,882,600	75%	8%
Appareo						6,172,400	7,488,800	21%	2%
DigiKey						7,490,000	17,889,000	139%	14%
FedEx						147,000	2,012,000	1269%	127%
Red E LLC	6/12/2025	19	\$ 796,900	\$ 2,176,000	\$ 1,379,100	1,101,000	1,620,200	47%	9%
Standard Industries	5/23/2025	(16)	\$ 3,008,000	\$ 2,795,520	\$ (212,480)	1,527,000	13,100,000	758%	152%
GoSchedule	6/18/2025	(47)	\$ 4,995,816	\$ 751,833	\$ (4,243,983)	1,768,000	1,598,000	-10%	-2%
Weather Modification	7/16/2025	(4)	\$ 3,610,880	\$ 5,736,784	\$ 2,125,904	165,000	10,460,000	6239%	1248%
Anvil Design	5/19/2025	2	\$ 468,000	\$ 642,994	\$ 174,994	1,171,400	1,324,000	13%	3%
TOTALS & Averages		489	\$ 157,225,153	\$ 240,589,242	\$ 83,364,089	\$ 68,964,000	\$ 282,110,900	309%	

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City Administration
225 4th Street North
Fargo, ND 58102

MEMORANDUM

TO: Fargo City Commission

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: October 8, 2025

SUBJECT: Conference/Convention Center Recommendation

The Convention Center Committee is recommending that four developers be invited to submit a proposal for the second phase of the Request for Proposals (RFP) process. Developer proposals, committee minutes, committee scoring and a recommendation from a Visit Fargo-Moorhead consultant are all available on the City website for your information.

Fargo received nine proposals for a convention center site and developer. Committee members reviewed and scored these proposals based on the criteria in the RFP that was approved by the City Commission. The review included individual reviews by each committee member, presentations and interviews with each of the nine developers over a three-week period, and scoring of each proposal by members of the Committee.

After reviewing the average scores of each proposal, the Committee recommended that the proposals with the four highest scores be invited to participate in the next phase of the review process. The four proposals recommended for the second phase are:

- Mutchler Bartram – site west of Brewhalla
- Enclave – Scheels Arena site
- RLE – Fargodome site
- EAPC – Civic Center/Downtown site

The City Commission approved RFP specified a recommendation of up to five finalists, and the City Commission would review and approve the developers to participate in the second phase of the review process.

The Committee will now prepare a description and review criteria of the information to be submitted for the second phase RFP. The City Commission will review and approve the second phase RFP prior to it being distributed to the developers.

Recommended Motion

To approve the four developers, Mutchler Bartram, Enclave, RLE and EAPC, to submit proposals for the second phase of the Convention Center site selection process.

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REPORT OF ACTIONUTILITY COMMITTEE**Project:** Red River Valley Water Supply Project (RRVWSP) **Type:** Interim Financing Agreement Series F**Location:** Water Treatment Plant**Date of Hearing:** 10-8-2025

<u>Routing</u>	<u>Date</u>
City Commission	10-13-2025
Project File	

Bruce Grubb, PT Temporary Administrator, presented the attached cover memo and Interim Financing Agreement Series F related to Fargo's portion of the 25% local cost-share for the 2025-2027 biennial work plan associated with the Red River Valley Water Supply Project. Mr. Grubb provided a ppt. presentation to further describe the Interim Financing Agreement Series F and local cost-share obligations of the City of Fargo.

Background:

The 2025-2027 State biennial budget includes a \$273.33 million work plan comprised of a \$205 million (75%) State cost-share and \$68.33 million (25%) local cost-share. Interim Financing Agreement Series F will be financed by GDCD through an infrastructure revolving loan with the Bank of North Dakota (BND). Terms associated with the BND loan include 40-years at 2% interest with a shaped debt repayment schedule. the Fargo water utility represents Fargo, West Fargo and Cass Rural Water District regarding costs and water nominations. Based on water volume used and regional water rates, the regional partners of Fargo, West Fargo and Cass Rural Water District pay equally (\$ per thousand gallons) through the water rates.

The City Commission previously approved Interim Financing Agreements Series A through E associated with previous biennial work plans. At this time, a Series F Interim Financing agreement is being requested for the current 2025-2027 biennial work plan. Specifics of the 2025-2027 biennial work plan are shown below:

SERIES F WORK PLAN (with cost estimates):

Admin., Legal, Communications, Insurance, etc.	\$1.00 million
Property Acquisition, Easements, Crop Damage	\$1.82 million
Transmission Pipeline Segments:	
▪ Contract 6B	\$69.96 million
▪ Contract 6C	\$79.48 million
▪ Contract 7A	\$65.52 million
McClusky Canal Facilities Final Design & Bidding	\$15.00 million
Missouri River Pumping Station and Transmission	\$4.80 million
McClusky Wetwell Excavation & Site Development	\$13.20 million
McClusky Intake, Tunnel & Shaft Liner	\$2.00 million
McClusky Facilities Utility Extensions Design	\$1.50 million
PMIS Annual Licenses, Maintenance & Upgrades	\$0.50 million
Program Management Support	\$0.75 million
Project Participation Agreement Support	\$2.00 million
Operational Planning Phase 4	\$1.50 million
Financial Planning Support	\$0.60 million
Contingency	\$13.70 million

Total**\$273.33 million****Local Cost-Share Allocations for Interim Financing Agreement Series F:**

GDCD will finance the local cost-share for the Series F work through an infrastructure revolving loan with the Bank of North Dakota. The loan terms include 40-years at 2% with shaped debt including a 2-year deferral followed by interest only payments for the next 3-years. Fargo's share of the local cost-share will be in the form of shaped annual debt service payments starting at \$1,096,952 in 2028. The cost-share distribution for the local 25% match contained in Interim Financing Agreement Series F is shown on the following table.

Participants	Systems Allocation Percentage	Series F - Part 1 Principal	Series F - Part 2 Principal	Series F - Total P1+P2
Carrington / Carrington JDA	0.8050%	\$ 402,475.04	\$ 147,574.18	\$ 550,049.22
Cooperstown	0.5183%	\$ 259,156.43	\$ 95,024.02	\$ 354,180.45
Hillsboro	1.1948%	\$ 597,419.67	\$ 219,053.88	\$ 816,473.55
Mayville	1.1948%	\$ 597,419.67	\$ 219,053.88	\$ 816,473.55
Valley City	5.4507%	\$ 2,725,358.42	\$ 999,298.09	\$ 3,724,656.50
Grand Forks / East Grand Forks	16.1325%	\$ 8,066,267.11	\$ 2,957,631.27	\$ 11,023,898.38
Fargo / West Fargo / Cass Rural	74.7038%	\$ 37,351,903.66	\$ 13,695,698.01	\$ 51,047,601.67
Total	100.0000%	\$ 50,000,000.00	\$ 18,333,333.33	\$ 68,333,333.33

Fargo and Grand Forks proportionally agree to assume 'un-nominated' Series F small systems principal amounts. Fargo and Grand Forks will be reimbursed for the 'un-nominated' principal amounts as additional small system participants commit to the RRVWSP. As with the previous interim financing agreements, Fargo's cost-share for the Series F infrastructure loan will be included in the Water Utility financial model and budgeted for on an annual basis.

Motion:

On a motion by Dan Portlock, seconded by Mark Miller, the Utility Committee voted to approve the attached Interim Financing Agreement Series F for Fargo's portion of the 25% local cost-share for the RRVWSP 2025-2027 biennial work plan, pending final legal review.

COMMITTEE: Present Yes No Unanimous X

X

Proxy

Denise Kolpack, City Commissioner	X
Susan Thompson, Director of Finance	X
Brian Ward, Water Plant Superintendent	X
Mark Miller, Water Reclamation Supt.	X
Bruce Grubb, Temp. PT City Administrator	X
Scott Liudahl, City Forester	X
Scott Olson, Solid Waste Utility Director	X
Jim Hausauer, Water Reclamation Utility Dir.	X
Troy Hall, Water Utility Director	X
Ben Dow, Public Works Operations Director	
Brenda Derrig, Assistant City Administrator	X
Dan Portlock, Water Utility Engineer	X

ATTEST:

C: Mayor Mahoney
Commissioner Piepkorn
Commissioner Strand
Commissioner Turnberg



Troy Hall, Water Utility Director



Water Treatment Plant
435 14th Avenue South
Fargo, ND 58103
Office: 701.241.1469 | Fax: 701.241.8110
www.FargoND.gov

October 8, 2025

MEMORANDUM

To: Utility Committee
From: Troy Hall, Water Utility Director
Dan Portlock, Water Utility Engineer
Bruce Grubb, PT Temporary Administrator
Subject: Red River Valley Water Supply Project (RRVWSP) – Interim Financing Agreement Series F

Attached for your reference, please find an *Interim Financing Agreement Series F* related to the 2025-2027 RRVWSP State biennial work plan. Parties to *Interim Financing Agreement Series F* are the Garrison Diversion Conservancy District (GDCCD), Lake Agassiz Water Authority (LAWA) and the cities of Fargo, Grand Forks, Carrington, Cooperstown, Hillsboro, Mayville and Valley City. As you may recall, the Commission previously approved Interim Financing Agreements Series A through E associated with previous RRVWSP State biennial work plans.

The 2025-2027 State biennial budget includes a \$273.33 million work plan comprised of a \$205 million (75%) State cost-share and \$68.33 million (25%) local cost-share. *Interim Financing Agreement Series F* is associated with the local cost-share which will be financed by GDCCD through an infrastructure revolving loan with the Bank of North Dakota (BND). Terms associated with the BND loan include 40-years at 2% interest with a shaped debt repayment schedule. It is important to note that the Fargo water utility represents Fargo, West Fargo and Cass Rural Water District regarding costs and water nominations. Based on water volume used and regional water rates, the regional partners of Fargo, West Fargo and Cass Rural Water District pay equally (\$ per thousand gallons) through the water rates.

Previous Interim Financing Agreements Series A - E

The City Commission previously approved Interim Financing Agreements Series A through E associated with previous State biennial budgets and work plans. The previous Interim Financing Agreements have been summarized below:

- **Series A** was associated with the 2017-2019 biennial work plan and subject to a 10% local cost-share. Fargo's share of the local cost-share was paid in the form of a one-time lump-sum payment of \$1,115,327.
- **Series B** was associated with the 2019-2021 biennial work plan and subject to a 25% local cost-share. Fargo's share of the local cost-share was paid in the form of a one-time lump-sum payment of \$1,447,781.
- **Series C** was associated with the 2021-2023 biennial work plan and subject to a 25% local cost-share. GDCCD is financing the local cost-share through a 40-year, 2% infrastructure revolving loan with the Bank of North Dakota. Fargo's share of the local cost-share will be in the form of equal annual debt service payments of \$475,244/yr.

- **Series D** was associated with the 2023-2025 biennial work plan and subject to a 25% local cost-share. Series D includes the local cost-share obligations of Fargo and Grand Forks only (81.16%). GDCD is financing the local cost-share through a D1 infrastructure revolving loan with the Bank of North Dakota. The loan terms include 40-years at 2% with shaped debt including a deferral followed by interest only payments for the next 3-years. Fargo's share of the local cost-share will be in the form of shaped annual debt service payments starting at \$1,171,684/yr. in 2024.
- **Series D Amendment** was associated with the 2023-2025 biennial work plan and subject to a 25% local cost-share. The Series D Small Systems Amendment includes the other small user's cost-share obligations (18.84%). GDCD financed the local cost-share through a D2 infrastructure revolving loan with the Bank of North Dakota. The loan terms include 40-years at 2% with shaped debt including a deferral followed by interest only payments for the next 3-years. Fargo's share of the local cost-share will be in the form of shaped annual debt service payments starting at \$1,877,196/yr. in 2024.
- **Series E** was associated with available Federal Municipal, Rural and Industrial Funding (MR&I) which was eligible to be applied to the ENDAWS federal components of the RRVWSP. Fargo's share of the local cost-share was paid in the form of a one-time lump-sum payment of \$1,181,250.

Interim Financing Agreement Series F

A Series F Interim Financing Agreement will facilitate the continuation of construction activities associated with the 2025-2027 biennial work plan. The State funding allocation for the biennium is \$205 million. The State allocation is subject to a 25% local cost-share match of \$68.33 million.

SERIES F WORK PLAN (with Cost Estimates):

Admin., Legal, Communications, Insurance, etc.	\$1.00 million
Property Acquisition, Easements, Crop Damage	\$1.82 million
Transmission Pipeline Segments:	
▪ Contract 6B	\$69.96 million
▪ Contract 6C	\$79.48 million
▪ Contract 7A	\$65.52 million
McClusky Canal Facilities Final Design & Bidding	\$15.00 million
Missouri River Pumping Station and Transmission	\$4.80 million
McClusky Wetwell Excavation & Site Development	\$13.20 million
McClusky Intake, Tunnel & Shaft Liner	\$2.00 million
McClusky Facilities Utility Extensions Design	\$1.50 million
PMIS Annual Licenses, Maintenance & Upgrades	\$0.50 million
Program Management Support	\$0.75 million
Project Participation Agreement Support	\$2.00 million
Operational Planning Phase 4	\$1.50 million
Financial Planning Support	\$0.60 million
Contingency	\$13.70 million
Total	\$273.33 million

GDCD will finance the local cost-share for the Series F work through an infrastructure revolving loan with the Bank of North Dakota. The loan terms include 40-years at 2% with shaped debt including a 2-year

deferral followed by interest only payments for the next 3-years. Fargo's share of the local cost-share will be in the form of shaped annual debt service payments starting at \$1,096,952 in 2028. The cost-share distribution for the local 25% match contained in Interim Financing Agreement Series F is shown on the following table.

Series F Local Cost-Share Distribution:

Participants	Systems Allocation Percentage	Series F - Part 1 Principal	Series F - Part 2 Principal	Series F - Total P1+P2
Carrington / Carrington JDA	0.8050%	\$ 402,475.04	\$ 147,574.18	\$ 550,049.22
Cooperstown	0.5183%	\$ 259,156.43	\$ 95,024.02	\$ 354,180.45
Hillsboro	1.1948%	\$ 597,419.67	\$ 219,053.88	\$ 816,473.55
Mayville	1.1948%	\$ 597,419.67	\$ 219,053.88	\$ 816,473.55
Valley City	5.4507%	\$ 2,725,358.42	\$ 999,298.09	\$ 3,724,656.50
Grand Forks / East Grand Forks	16.1325%	\$ 8,066,267.11	\$ 2,957,631.27	\$ 11,023,898.38
Fargo / West Fargo / Cass Rural	74.7038%	\$ 37,351,903.66	\$ 13,695,698.01	\$ 51,047,601.67
Total	100.0000%	\$ 50,000,000.00	\$ 18,333,333.33	\$ 68,333,333.33

Fargo and Grand Forks proportionally agree to assume 'un-nominated' Series F small systems principal amounts. Fargo and Grand Forks will be reimbursed for the 'un-nominated' principal amounts as additional small system participants commit to the RRVWSP. As with previous Series A-E agreements, Fargo's cost share for Interim Financing Agreement Series F will be included in the Water Utility financial model and budgeted for on an annual basis.

SUGGESTED MOTION

Approve the attached Interim Financing Agreement Series F for Fargo's portion of the 25% local cost-share for the 2025-2027 biennial work plan associated with the Red River Valley Water Supply Project, pending final legal review.

Your consideration in this matter is greatly appreciated.

- C: Tim Mahoney, Mayor/LAWA Chair
Mike Redlinger, City Administrator
Brenda Derrig, Assistant City Administrator
Ian McLean, Assistant City Attorney
Katie Schmidt, LAWA Attorney
Merri Mooridian, Garrison Diversion Conservancy District

**INTERIM FINANCING AGREEMENT
SERIES F**

**BY AND BETWEEN
GARRISON DIVERSION CONSERVANCY DISTRICT
AND
LAKE AGASSIZ WATER AUTHORITY
AND
CITY OF CARRINGTON, NORTH DAKOTA
AND
CITY OF COOPERSTOWN, NORTH DAKOTA
AND
CITY OF FARGO, NORTH DAKOTA
AND
CITY OF GRAND FORKS, NORTH DAKOTA
AND
CITY OF HILLSBORO, NORTH DAKOTA
AND
CITY OF MAYVILLE, NORTH DAKOTA
AND
CITY OF VALLEY CITY, NORTH DAKOTA
Dated as of October ____, 2025**

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EXHIBIT A – 2025-2027 BUDGET FEATURES

EXHIBIT B – LOCAL COST SHARE DISTRIBUTION

INTERIM FINANCING AGREEMENT, SERIES F

THIS INTERIM FINANCING AGREEMENT, SERIES F (the “Series F Agreement”), is entered this ____ day of _____, 2025 (the “Effective Date”), by and between GARRISON DIVERSION CONSERVANCY DISTRICT, a governmental agency, body politic and corporate of the State of North Dakota (“Garrison Diversion”); LAKE AGASSIZ WATER AUTHORITY, a governmental agency, body politic and corporate of the State of North Dakota (“LAWA”); CITY OF CARRINGTON, NORTH DAKOTA, a municipal corporation and political subdivision of the State of North Dakota (“Carrington”); CITY OF COOPERSTOWN, NORTH DAKOTA, a municipal corporation and political subdivision of the State of North Dakota (“Cooperstown”); CITY OF FARGO, NORTH DAKOTA, a municipal corporation and political subdivision of the State of North Dakota (“Fargo”); CITY OF GRAND FORKS, NORTH DAKOTA, a municipal corporation and political subdivision of the State of North Dakota (“Grand Forks”); CITY OF HILLSBORO, NORTH DAKOTA, a municipal corporation and political subdivision of the State of North Dakota (“Hillsboro”); CITY OF MAYVILLE, NORTH DAKOTA, a municipal corporation and political subdivision of the State of North Dakota (“Mayville”); CITY OF VALLEY CITY, NORTH DAKOTA, a municipal corporation and political subdivision of the State of North Dakota (“Valley City”), individually, a “Party,” and collectively, the “Parties.” The seven cities identified herein will be collectively referred to as the “Member Entities.”

RECITALS

1. The State of North Dakota, acting through the legislature, enacted N.D.C.C. ch. 61-24 setting out the purposes, powers and duties of Garrison Diversion.
2. The North Dakota legislature, under N.D.C.C. § 61-24-01, has declared “necessary, that the Garrison diversion unit of the Missouri River basins project as authorized by Act of Congress approved December 22, 1944 [58 Stat. 887], and acts amendatory and supplementary thereto, be established and constructed” (the “GDU”).
3. The North Dakota Legislature, under N.D.C.C. § 61-41-02(2), has declared “the Red River Valley Water Supply Project [to be] critical to provide a dependable water supply for current and future generations in eastern North Dakota and is essential to provide for the long-term welfare, economic well-being, and quality of life for the entire state.” The Red River Valley Water Supply Project is referred to herein as the “Project.”
4. The North Dakota legislature enacted N.D.C.C. ch. 61-39 creating LAWA and setting out the powers and duties of LAWA.
5. The LAWA Board of Directors has approved and directed LAWA to proceed with a “Split Delivery” of the Project” whereby Garrison Diversion will deliver Project water via a pipeline from the Missouri River Basin to the Sheyenne River Outfall.
6. Consistent with the Split Delivery method for the Project, Garrison Diversion and LAWA will enter into future agreements relating to planning, construction, financing, operation and maintenance of the Project that shall provide for Garrison Diversion to deliver bulk water via a pipeline to LAWA at various locations including the Sheyenne River Outfall and shall provide, direct and authorize LAWA to administer the storage of Project water, connections to the Garrison

Diversion pipeline, coordinate requests for releases for Project water stored behind Baldhill Dam (and within the Lake Ashtabula reservoir), and deliver Project water to LAWA Members. Pursuant to negotiated terms in such agreements, LAWA will manage delivered Project water storage and distribution from the point of delivery from Garrison Diversion to LAWA, within and releases from Lake Ashtabula and to the Point of Diversion from LAWA to each and every one of its Members who purchase bulk water from LAWA. The Parties intend that such agreements between Garrison Diversion and LAWA shall also include a bulk water supply agreement between Garrison Diversion and LAWA for delivery of Project Water from the McClusky Canal to various locations including the Sheyenne River Outfall and into Lake Ashtabula, which will include provisions for capital repayment, operations and maintenance, permitted connections to Garrison Diversions pipeline, and replacement of Project features, among other things. The bulk water supply agreement will address aspects of either Party's role regarding filling, storage and releases of water from Lake Ashtabula. LAWA will develop water distribution contracts between LAWA and its members and will operate a Project water storage and distribution project from Lake Ashtabula and downstream to LAWA Members. Garrison Diversion will review and may provide input into the LAWA-LAWA Member agreements to confirm compatibility with overall Garrison Diversion's Project operations.

7. At all times, Garrison Diversion shall recognize the valid Thompson-Acker water rights held by five LAWA members. Garrison Diversion and LAWA will not impair and/or modify any Thompson-Acker rights except and only to the extent that a written agreement is reached with the Thompson-Acker rights holders. The Thompson-Acker right holders will work with the U.S. Army Corps of Engineers and the ND Department of Water Resources with regard to the Thompson-Acker water rights held within Lake Ashtabula. To the extent those discussions impact storage or releases of Project water, Garrison Diversion and LAWA may be involved in those discussions. LAWA and Garrison Diversion intend to work cooperatively with the Thompson-Acker water rights holders to develop, to the extent that storage is available, an acceptable plan for Project water storage that will also protect the Thompson-Acker water rights and is acceptable to the Thompson-Acker water rights holders. To the extent there is technical work conducted by Thompson-Acker water right holders that is germane to overall Project development and operation, (as opposed to for Thompson Acker water right holders' purposes), the Parties intend to allow task orders by Thompson Acker water rights holders' consultants to be presented to the Garrison Diversion and LAWA boards for approval, in which case the costs would be covered by state cost share.

8. The Project features for which funds are being obtained or provided, as described in and/or pursuant to this Series F Agreement, are part of the Garrison Diversion Work Plan (see Exhibit A).

9. Garrison Diversion, LAWA, Carrington, Cooperstown, Fargo, Grand Forks, Hillsboro, Mayville, and Valley City enter this Interim Financing Agreement - Series F for the purpose of providing interim funds for the construction of the Project.

10. Through this Series F Agreement, the Parties wish to continue with the construction contemplated in the 2025-2027 Biennium Budget identified in Exhibit A, despite not having the other final agreements in place.

11. For so long as they continue to be part of the Project, the Member Entities herein agree to pay for the Local Project Cost based upon their relative proportion of water supply nominations for the Project, as a percentage of the total water supply nominations by all Member Entities, signing this Agreement. These payments are made by the Member Entities on behalf of LAWA. The Member Entities' respective payment obligations for Local Project Costs are identified on Exhibit B.

12. The Bank of North Dakota ("BND") has agreed to loan terms that include a 40 year repayment term, two percent (2%) interest, deferred payments for the Member Entities for two years from the date of closing, followed by three years of interest-only payments. The repayment and terms of this Agreement may be amended upon execution of the one or more of the agreements described in the Recitals above (as the case may be and as may be appropriate and agreed upon by the Parties and BND), in a future Interim Financing Agreement, or through other agreements between all Parties.

NOW THEREFORE, in consideration of the mutual covenants made herein and for other valuable consideration, the receipt of which is hereby acknowledged, Garrison Diversion, LAWA, and Member Entities agree as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

Section 1.01 DEFINITIONS. All capitalized terms used, and not otherwise defined herein, shall have the meanings given to them in this Series F Agreement.

"CFS" shall mean cubic feet per second.

"Cooperation Agreement" means an agreement entered into between Garrison Diversion and LAWA dated May 8, 2020, which governs the general relationship as between Garrison Diversion LAWA.

"Debt Obligation" means any loan, note, bond, credit facility or other security instrument issued by a party to this Series F Agreement to provide either temporary or permanent financing of the Project.

"Interim Financing Agreement Series A" means the Interim Financing Agreement, Series A, by and between Garrison Diversion, LAWA, City of Fargo, and City of Grand Forks, dated November 15, 2020.

"Interim Financing Agreement Series B" means the Interim Financing Agreement, Series B, by and between Garrison Diversion, LAWA, City of Fargo, and City of Grand Forks, dated November 15, 2020.

"Interim Financing Agreement Series C" means the Interim Financing Agreement, Series C, by and between Garrison Diversion, LAWA, City of Fargo, and City of Grand Forks, dated August 5, 2021.

“Interim Financing Agreement Series D” means the Interim Financing Agreement, Series D, by and between Garrison Diversion, LAWA, City of Fargo, and City of Grand Forks, dated November 1, 2023.

“Interim Financing Agreement Series D – Small Systems Amendment” means the Interim Financing Agreement, Series D – Small Systems Amendment, by and between Garrison Diversion, LAWA, City of Carrington, City of Cooperstown, City of Fargo, City of Grand Forks, City of Hillsboro, City of Mayville, and City of Valley City, dated January 1, 2025.

“Interim Financing Agreement Series E” means the Interim Financing Agreement, Series E, by and between Garrison Diversion, LAWA, City of Fargo, and City of Grand Forks, dated _____, 2025.

“Interim Financing Agreement Series F” or “Series F Agreement” shall mean this Agreement.

“Prior Interim Financing Agreements” shall mean collectively the following agreements, (i) Interim Financing Agreement Series A (ii) Interim Financing Agreement Series B (ii) Interim Financing Agreement Series C (iii) Interim Financing Agreement Series D (iv) Interim Financing Agreement Series D – Small Systems Amendment (v) Interim Financing Agreement Series E.

“Point of Diversion” means the tract of land where Project water is withdrawn or diverted.

“Project” means the Red River Valley Water Supply Project.

Section 1.02 INTERPRETATION.

(a) The headings of articles and sections are provided for convenience of reference only and will not affect the construction, meaning, or interpretation of this Series F Agreement. Any and all exhibits to this Series F Agreement are hereby incorporated by reference. The definition of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument, or other document herein shall be construed as referring to such agreement, instrument, or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements, or modifications as set forth herein), (ii) any reference herein to any person shall be construed to include such person’s permitted assigns, (iii) the words “herein,” “hereof,” and “hereunder,” and words of similar import, shall be construed to refer to this Series F Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to articles, sections, exhibits, and schedules shall be construed to refer to articles and sections of, and exhibits and schedules to, this Series F Agreement, and (v) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” mean “to and including.”

(b) This Series F Agreement is not to be interpreted or construed against the interests of a Party merely because that Party proposed this Series F Agreement or some provision of it or because that Party relies on a provision of this Series F Agreement to protect itself. The Parties acknowledge and agree that this Series F Agreement has been prepared jointly by the Parties and has been the subject of arm's length and careful negotiation, that each Party has been given the opportunity to independently review this Series F Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions of this Series F Agreement. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Series F Agreement, this Series F Agreement will not be interpreted or construed against the Party preparing it simply as a consequence of preparing it.

(c) The Parties to this Series F Agreement agree and acknowledge that this Series F Agreement is a multiparty agreement and the terms and conditions of the Cooperation Agreement do not apply to any of the Member Entities.

ARTICLE II. CONSTRUCTION CONTEMPLATED

Section 2.01 INTENT. Throughout this Series F Agreement, Garrison Diversion, subject to reimbursement from LAWA Member Entities, agrees to finance the local cost share to allow for the continued development of the 2025-2027 Biennium work plan items. The budget for the 2025-2027 Biennium work plan, with specific items to be financed through this Agreement, subject to approval under Section 2.04 of this Agreement is attached as Exhibit A. Garrison Diversion agrees and acknowledges that the LAWA, and each of the Member Entities (Carrington, Cooperstown, Fargo, Grand Forks, Hillsboro, Mayville and Valley City) have relied upon and will continue to rely upon recitals 1 through 9 of this Series F Agreement to enter into and in consideration for the performance of their respective reimbursement and payment obligations set forth in this Series F Agreement.

Section 2.02 MEMBER ENTITY REPRESENTATIVE AND POINT OF CONTACT. As generally set forth in recitals 2 and 3 of this Agreement Garrison Diversion and LAWA will work in good faith to negotiate and enter into a Bulk Water Supply Agreement and LAWA and its Member Entities will work in Good Faith to negotiate and enter into the LAWA Member Entities Water Supply Agreements and other necessary agreements as between LAWA and its Member Entities. Regardless of which member entities participate in this Series F Agreement, LAWA will be the point of contact for the users and will represent all LAWA member entities in discussions and Garrison Diversion shall provide LAWA an opportunity to participate in meetings with state, federal or local agencies. A representative of LAWA will be invited to attend all such user meetings by Garrison Diversion.

Section 2.03 PROJECT GENERALLY. The Project features for which moneys are being obtained and/or provided pursuant to this Series F Agreement identified in Exhibit A, and subject to approval under Section 2.04 of this Agreement and are to be financed, designed, built, constructed, owned, maintained, and operated by Garrison Diversion, with input and approval from LAWA under Section 2.04 of this Agreement unless and until alternative arrangements are agreed to by Garrison and LAWA. Garrison Diversion, with board approval from LAWA, may choose to use any legally authorized project delivery method to design, construct, own, maintain,

and/or operate the construction features, as agreed under the terms of this, past and future agreements.

Section 2.04 CONTRACT INPUT. Garrison Diversion will present all draft contracts and all consultant task orders to LAWA for review, input, and approval from the LAWA Board of Directors on the terms of the agreements and financial considerations. Commencing upon the effective date of this Agreement, Garrison Diversion shall provide to LAWA the following reports each and every month of this agreement; (i) a project schedule for the GD Project Portion showing activities, duration and sequencing for the planning, design and construction of each and every element of the GD Portion of the Project; (ii) a detailed cost breakdown of any and all GD Project Portion expenses for each month including, but not limited to contractor payments, consultant payments, attorneys fees and all other expenses in a form acceptable to LAWA's Representative.

ARTICLE III. COST SHARE COMPONENTS

Section 3.01 COST SHARE FOR 2025-2027 BIENNIUM BUDGET. The North Dakota Legislature provided a grant for the Project during the 2025-2027 Biennium that authorized a budget of \$205 million in State funding, subject to a seventy-five percent (75%) state cost share of eligible costs, with the remainder paid by local entities. Garrison Diversion will obtain LAWA's approval of task orders that will obligate local cost share payments under this Section. After obtaining LAWA's approval of such task orders and construction contracts, Garrison Diversion will diligently pursue the work contemplated thereunder. Garrison Diversion will manage the contracts and consultants for the approved task orders and construction contracts under this Series F Agreement. Garrison Diversion will initially pay all related costs, subject to seventy five percent (75%) reimbursement from the State. The Local Project Cost will consist of the local 25% cost share of reimbursable costs plus any non-reimbursable costs.

Section 3.02 INITIAL COST RESPONSIBILITY. This Series F Agreement solely addresses the Parties' responsibilities for their share of the costs associated with and limited to the specific categories identified in Exhibit A through the later of (1) June 30, 2027, if budgeted funds are expended by that date or (2) thereafter if the completion of the scope of work extends beyond that date and so long as there are budgeted funds available to complete the approved budget items

Section 3.03 GARRISON DIVERSION WILL OBTAIN LOAN FOR LOCAL PROJECT COST. As set forth herein, Garrison Diversion shall be responsible for initially financing the Local Project Costs. To pay for the Local Project Costs, Garrison Diversion will obtain a loan from the Bank of North Dakota. The legislatively authorized repayment terms of the Bank of North Dakota financing will include a forty (40) year loan repayment term, two percent (2%) interest rate, a 2-year deferral period upon closing of the loan, and 3 year repayment of interest only in years 3 through 5 after the closing of the loan, and a period of shaped principal and interest in years 6-40 of loan repayment. The Parties understand and agree that the Member Entities will pay their pro rata share of Garrison Diversion's cost of financing and debt service on the financing as part of their payment obligations to Garrison Diversion, details of which will be included in the BND loan package.

Section 3.04 PAYMENT BY MEMBER ENTITIES. The Member Entities will each reimburse Garrison Diversion for their proportion of Local Project Costs, subject to the maximums

identified in Exhibit B, plus any debt service and financing costs. Each Member Entity agrees to reimburse and pay its pro rata percent of each loan payment from legally available revenues, provided that, commencing October 1, 2026, each Member Entity's governing body must decide by October 7th of each year of this Series F Agreement to non-appropriate funds for this obligation and give all Parties notice to all pursuant to Section 6.02 of this Series F Agreement by October 15th of each year of this agreement. An event of non-appropriation under this section 3.04, shall be deemed a default under this Series F Agreement. Each Member Entity will reimburse and pay to Garrison Diversion its pro rata percent of each loan payment at least 10 business days in advance of Garrison Diversion's loan payment due date. All payments made by Member Entities will be deemed to be made on behalf of LAWA and will meet the Member Entity's individual contribution requirements for Local Project Costs on behalf of LAWA. Member Entities do not have the authority to seek reimbursement from the other LAWA member entities for the funds they pay pursuant to this Series F Agreement, but the payments will be used to offset each Member Entity's contribution obligations when the funding responsibilities are trued-up amongst all Project participants under the future Garrison Diversion Water Supply Agreement and/or the LAWA and LAWA Members Water Supply Agreement, as the case may be. All Member Entities' and Garrison Diversion's advance payments on behalf of LAWA's members in this and past Interim Financing Agreements will be equitably reallocated to all participating LAWA member entities based upon their final nominations under the future Garrison Diversion Water Supply Agreement and/or the LAWA and LAWA Members Water Supply Agreement, as the case may be. The amount subject to reallocation will include Local Project Costs and prorated financing costs referenced in Section 3.03.

Section 3.05 REFUNDING. Member Entities agree that the funds they pay pursuant to this Series F Agreement are non-refundable in any and all cases except in the event Garrison Diversion does not award a contract for the construction of the infrastructure described in Exhibit A. If no construction contract is issued or if the Project is delayed indefinitely, as determined by Garrison Diversion and LAWA, Garrison Diversion will return any remaining unused funds remitted to Member Entities in proportion to the amounts each paid.

Section 3.06 PROJECT RISKS. The Parties acknowledge and agree that there are a number of risks, any or all of which could occur, that could have the effect of increasing the cost of the Project and/or delaying and/or terminating the Project. This includes, by way of illustration and not limitation, the following: (i) litigation; (ii) court order; (iii) changes in legislation affecting the Project, LAWA, and/or the Garrison Diversion; (iv) environmental risks; (v) increased labor costs or costs of materials; (vi) the need to obtain Federal approvals, Federal permits, or additional Federal environmental review; (vii) the Federal Government's decision regarding any permitting or approvals required for the Project; (viii) a change in the State of North Dakota's financial ability to fund its portion of the Project; (ix) climate change and variability; and (x) political interference at the local, state, federal, or tribal level. That said, any increase in the identified budgeted costs would require approval of the LAWA Board and Garrison Diversion.

Section 3.07 ASSIGNMENT. This Series F Agreement (and any interest herein or hereunder) may not be assigned, transferred, pledged, hypothecated, or encumbered without the prior written consent of the other Parties.

ARTICLE IV. FINANCING AND INVOICING

Section 4.01 FINANCING ADMINISTRATION. Garrison Diversion will lead planning, design, construction, operation and maintenance of the items that are subject to this Series F Agreement and approved pursuant to Section 2.04 of this Agreement. Garrison Diversion will advance funds for the initial work, subject to reimbursement from the State and LAWA through Member Entities. Member Entities will use whatever sources of funds are available to them to make payments, with no expectation that they will issue Debt Obligations.

Section 4.02 SEPARATE PROJECT FUND. Garrison Diversion has a Project Fund for the financial administration of the items that are subject to this Series F Agreement and approved pursuant to Section 2.04 of this Agreement. The Project Fund is a separate fund used by Garrison Diversion only to pay costs and expenses that, under accepted accounting practices, constitute costs necessarily incurred to construct the items that are subject to this Series F Agreement and approved pursuant to Section 2.04 of this Agreement, including but not limited to land, easements, buildings, structures, administration costs, office space, vehicle costs, and all other costs related to Project implementation, along with machinery and equipment, and the cost of all architectural, engineering, legal and other professional services, printing and publication, and other costs reasonable, necessary, and incidental thereto, including issuance costs as it relates to the work contemplated under this Series F Agreement.

Section 4.03 INVOICES AND PAYMENT. If any contractor invoices are due prior to the Bank of North Dakota loans being funded, Garrison Diversion will pay the contractor invoice and remit the same to Member Entities for payment of their respective share of each invoice. The amount included in invoices will not exceed the respective maximum amounts included on Exhibit B. Subject to any dispute by Member Entities, each will remit payment on an invoice for any undisputed balance within thirty (30) calendar days after receiving an invoice.

Section 4.04 DISPUTE. For the purposes of this Series F Financing Agreement only, and not for purposes of amendment of any past agreements, the following dispute resolution process will apply. If a Member Entity and/or LAWA disputes any portion of a Garrison Diversion invoice, any undisputed portion of the invoice must be paid within thirty (30) days of the receipt of invoice. For any portion of an invoice in dispute, the disputing party must provide an explanation in writing regarding the specific basis of the dispute. Garrison Diversion will review the explanation and provide a written response within thirty (30) days of the receipt of the disputing party's explanation. If the Parties' staff members are unable to help the Parties reach consensus, representatives of each Party will meet and negotiate, in good faith, to resolve the dispute, including to participate in mediation. If the dispute is not resolved through this good faith negotiation and/or mediation, then the disputing Member Entity(ies) and/or LAWA or Garrison Diversion may seek review and determination by court of competent jurisdiction to resolve the dispute.

Section 4.05 2021-2023 BIENNIUM CREDIT AGREEMENT. The Parties agree that the financing arrangements set forth in the 2021-2023 Biennium Credit Agreement shall remain in full force and effect. The Parties intend that the 2021-2023 Biennium Credit Agreement and the financing arrangements set forth in this Series F Agreement shall remain in effect until the Parties enter into the Garrison Diversion Water Supply Agreement and/or the LAWA and LAWA

Members Water Supply Agreement or as otherwise agreed to in a future interim financing agreement. Provided, the 2021-2023 Biennium Credit Agreement shall remain in full force and effect until terminated in accordance with Section 2.07 of the 2021-2023 Biennium Credit Agreement. The parties agree that Bank of North Dakota's rights as a third-party beneficiary, as set forth in Section 3.01 of the 2021-2023 Biennium Credit Agreement, shall remain in full force and effect.

ARTICLE V. TERMINATION AND STAY

Section 5.01 TERM. This Series F Agreement will be valid through June 30, 2027, or until the funds authorized and approved hereunder are spent on the identified construction expenses, whichever occurs later, provided that any and all outstanding payments due and owing by Member Entities at the time of termination of this Series F Agreement, which have not been reallocated pursuant to further agreements and any associated long-term financing documents, will not be terminated but are subject to the payment terms of this Series F Agreement and upon such payment the Member Entities' responsibilities to make payments hereunder will terminate.

Section 5.02 TERMINATION BY MUTUAL AGREEMENT. The Parties may mutually agree, in writing, to terminate this Series F Agreement. Any and all payments due and owing by Member Entities at the time of termination of this Series F must be fully paid before the Member Entities' responsibility to make payments hereunder will terminate.

ARTICLE VI. MISCELLANEOUS

Section 6.01 ENTIRE AGREEMENT. This Series F Agreement contains the entire and exclusive understanding of the Parties with respect to the subject matter thereof, and this Series F Agreement supersedes all prior agreements, understandings, statements, representations, and negotiations, in each case oral or written, between the Parties with respect to the subject matter of this Interim Financing Agreement Series F.

Section 6.02 NOTICE. All notices under this Series F Agreement will be in writing and: (a) delivered personally; (b) sent by certified mail, return receipt requested; (c) sent by a recognized overnight mail or courier service, with delivery receipt requested; or (d) sent by facsimile or email communication followed by a hard copy and with receipt confirmed by telephone or return receipt (in the case of email communication), to the following addresses:

If to Garrison Diversion:	General Manager Garrison Diversion Conservancy District Headquarters PO Box 140 Carrington, ND 58421
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If to LAWA:	LAWA Board Chair and Brent Bogar Lake Agassiz Water Authority PO Box 140 Carrington, ND 58421
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If to Carrington:	Attn: City Auditor 103 10th Ave N PO Box 501 Carrington, ND 58421
If to Cooperstown:	Attn: City Auditor 611 9th St NE PO Box 712 Cooperstown, ND 58425
If to Fargo:	City Administrator Fargo City Hall 225 4 th St. N Fargo, ND 58102
If to Grand Forks:	City Administrator Grand Forks City Hall 255 N 4 th St. Grand Forks, ND 58203
If to Hillsboro:	Attn: City Auditor 9 South Main Street P.O. Box 400 Hillsboro, ND 58045
If to Mayville:	Attn: City Auditor 21 1st St NE Mayville, ND 58257
If to Valley City:	Attn: City Auditor 254 2nd Avenue NE Valley City, ND 58072

Section 6.03 GOVERNING LAW. This Series F Agreement shall be controlled by the laws of the State of North Dakota. Any action brought as a result of any claim, demand, or cause of action arising under the terms of this Series F Agreement shall be venued in Cass County in the State of North Dakota, and the Parties waive any objection to personal jurisdiction.

Section 6.04 SEVERABILITY. Each provision, section, sentence, clause, phrase, and word of this Series F Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is held by a court with jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Series F Agreement.

Section 6.05 MODIFICATIONS. Any modifications or amendments to this Series F Agreement must be in writing and signed by all Parties to this Series F Agreement.

Section 6.06 BINDING EFFECT. This Series F Agreement shall be for the benefit of, and may be enforced only by, the Parties and is not for the benefit of, and may not be enforced by any third party.

Section 6.07 REPRESENTATION. The Parties, having been represented by counsel or having waived the right to counsel, have carefully read and understand the contents of this Series F Agreement, and agree they have not been influenced by any representations or statements made by any other parties.

Section 6.08 HEADINGS. Headings in this Series F Agreement are for convenience only and will not be used to interpret or construe its provisions.

Section 6.09 REPRESENTATION OF AUTHORITY. Each Party signing this Series F Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Series F Agreement and that the Series F Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

Section 6.10 FORCE MAJEURE. A Party shall not be held responsible for any delay or failure in performance of any part of this Series F Agreement to the extent such delay or failure is caused by fire, flood, explosion, war, embargo, government requirement, civil or military authority, act of God, or other similar causes beyond its control and without the fault or negligence of the delayed or non-performing party. The affected Party will notify the other Parties in writing within ten (10) days after the beginning of any such cause that would affect its performance. Notwithstanding, if a Party's performance is delayed for a period exceeding thirty (30) days from the date the other Parties receive notice under this section, the non-affected Parties will have the right, without any liability to the other Parties, to terminate this Series F Agreement. Ongoing litigation and any construction injunction do not qualify as force majeure events.

Section 6.11 COUNTERPARTS; ELECTRONIC SIGNATURES. This Series F Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by docu-sign, by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

IN WITNESS WHEREOF, Garrison Diversion, LAWA, and Member Entities caused this Series F Agreement to be executed.

(Remainder of page intentionally left blank.)

Signature Page for the Garrison Diversion Conservancy District

The governing body of the Garrison Diversion Conservancy District approved this Series F Agreement on the _____ day of _____, 2025.

GARRISON DIVERSION
CONSERVANCY DISTRICT, a
governmental agency, body politic and
corporate

By: _____
Jay Anderson, Chair

ATTEST:

Secretary

Signature Page for the Lake Agassiz Water Authority

The governing body of the Lake Agassiz Water Authority approved this Series F Agreement on the _____ day of _____, 2025.

LAKE AGASSIZ WATER AUTHORITY, a
governmental agency, body politic and
corporate

By: _____
Dr. Timothy Mahoney, Chair

ATTEST:

Secretary

Signature Page for Carrington

The governing body of the City of Carrington approved this Series F Agreement on the ____ day of ____, 2025.

City of Carrington, a governmental agency,
body politic and corporate.

By: _____

ATTEST:

Secretary

Signature Page for Cooperstown

The governing body of the City of Cooperstown approved this Series F on the ____ day of _____, 2025.

City of Cooperstown, a governmental
agency, body politic and corporate.

By: _____

ATTEST:

Secretary

Signature Page for the City of Fargo

The governing body of the City of Fargo approved this Series F Agreement on the _____ day of _____, 2025.

City of Fargo, a governmental agency, body politic and corporate

By: _____
Dr. Timothy Mahoney, Mayor

ATTEST:

Secretary

Signature Page for the City of Grand Forks

The governing body of the City of Grand Forks approved this Series F Agreement on the _____
day of _____, 2025.

City of Grand Forks, a governmental
agency, body politic and corporate

By: _____
Brandon Bochenski, Mayor

ATTEST:

Secretary

Signature Page for Hillsboro

The governing body of the City of Hillsboro approved this Series F Agreement on the ____ day of ____, 2025.

City of Hillsboro, a governmental agency,
body politic and corporate.

By: _____

ATTEST:

Secretary

Signature Page for Mayville

The governing body of the City of Mayville approved this Series F Agreement on the ____ day of ____, 2025.

City of Mayville, a governmental agency,
body politic and corporate.

By: _____

ATTEST:

Secretary

Signature Page for Valley City

The governing body of the City of Valley City approved this Series F Agreement on the ____ day of ____, 2025.

City of Valley City, a governmental agency,
body politic and corporate.

By: _____

ATTEST:

Secretary

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October 6, 2025

Honorable Board of
City Commissioners
225 4th Street North
Fargo, ND 58102

Re: Construction Update

Dear Commissioners,

On October 13, 2025, I will be providing an update on the progress of construction projects overseen by the Engineering Department. This will be an informational update only, with no action required.

Sincerely,



Tom Knakmuhs, PE
City Engineer