

The following minutes are in draft form subject to review and approval by the Budget and Finance Committee at its next meeting.

09-77

**GARRISON DIVERSION CONSERVANCY DISTRICT
BUDGET AND FINANCE COMMITTEE**

**Garrison Diversion Conservancy District
Carrington, North Dakota
December 3, 2009**

A meeting of the Budget and Finance Committee of the Garrison Diversion Conservancy District was held at the Garrison Diversion headquarters, Carrington, North Dakota, on December 3, 2009. The meeting was called to order by Chairman Burbidge at 11:05 a.m.

DIRECTORS PRESENT

Board Chairman John Leininger
Committee Chairman Jim Burbidge
Director Rick Anderson
Director Ken Royse
Secretary Geoff Theurer

DIRECTORS ABSENT

Director Cliff Hanretty

OTHERS PRESENT

Thomas Olson, Director, Stutsman County, Garrison Diversion Conservancy District, Jamestown, North Dakota
Dave Koland, General Manager, Garrison Diversion Conservancy District, Carrington, North Dakota
Marlene Smith, Chief Accountant, Garrison Diversion Conservancy District, Carrington, North Dakota
Lisa Schafer, Executive Assistant, Garrison Diversion Conservancy District, Carrington, North Dakota

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

READING OF THE MINUTES

Motion by Director Leininger to approve the September 3, 2009, Budget and Finance Committee minutes as distributed. Second by Director Royse. Upon voice vote, motion carried.

FINANCIAL STATEMENTS

Geoff Theurer, Secretary, reviewed the financial statements for the period of January 1, 2009, through October 31, 2009. Copies of the financial statements are attached to these minutes as Annex I.

Revenues through October are broken out as follows: General Fund \$1,206,505; Operations and Maintenance \$4,705,256; MR&I \$27,484,698 and Red River Valley Water Supply Project \$2,227,762.

Expenditures were: General Fund \$2,172,982; Operations and Maintenance \$3,201,511; MR&I \$16,524,269; Red River Valley Water Supply Project \$2,236,207.

Income through October 31 is \$35,773,148 with expenditures of \$24,134,968.

Garrison Diversion reserve accounts total \$3,957,262.

As of October 31, the balance of funds held at Bremer Bank is \$28,438,149 and \$1,732,865 at the Bank of North Dakota.

Motion by Director Anderson to accept the financial statements for the period of January 1, 2009, through October 31, 2009. Second by Director Royse. Upon roll call vote, the following directors voted aye: Anderson, Burbidge, Leininger and Royse. Those voting nay: none. Directors absent and not voting: Hanretty. Motion carried.

2009 AUDIT AGREEMENT

Dave Koland, General Manager, Garrison Diversion, referred to the letter dated November 20, 2009, from EideBailly confirming the services they are to provide to Garrison Diversion in performing an audit of the financial statements for year end December 31, 2009. A copy of the letter of agreement is attached to these minutes as Annex II.

Motion by Director Royse to recommend the Executive Committee authorize Chairman Leininger to sign the audit agreement letter between Garrison Diversion and EideBailly. Second by Director Anderson. Upon roll call vote, the following directors voted aye: Anderson, Burbidge, Leininger and Royse. Those voting nay: none. Directors absent and not voting: Hanretty. Motion carried.

2009 BUDGET REVISIONS

Mr. Theurer referred to the Expense Budget Analysis Statement and pointed out that the current budget for GDU O&M is \$3,937,925. Several items have been revised, causing an increase of \$718,000. The total revised budget amount for 2009 is \$4,655,925.

Mr. Theurer also explained that the BOR O&M Allocation on the revenue side was also increased by the \$718,000, resulting in a total of \$4,605,925.

Motion by Director Anderson to recommend to the full board increasing the 2009 budget as follows:

Revenue**BOR O&M Allocation to \$4,605,925****Expense****GDU O&M line item from \$3,937,925 to \$4,655,925**

Second by Director Leininger. Upon roll call vote, the following directors voted aye: Anderson, Burbidge, Leininger and Royse. Those voting nay: none. Directors absent and not voting: Hanretty. Motion carried.

2010 BUDGET REVISIONS

Mr. Theurer referred to the letter from the Missouri River Joint Water Board dated September 22, 2009, requesting a modification of the agreement for funding Terry Fleck's participation on the Missouri River Recovery Implementation Committee (MRRIC). This modification would increase Garrison Diversion's contribution from \$5,000 to \$6,250 per year for two years. Therefore, the 2010 budget amount for this item will increase by \$1,250. A copy of the letter is attached to these minutes as Annex III.

Director Royse asked if a line item is needed for any involvement that Garrison Diversion may have with Missouri River Authorized Purposes Study (MRAPS).

Mr. Koland stated that he is unsure of the answer at this time. In the next couple of weeks, the development of MRASPS will be better known. The financial aspect has not been worked out at this point. He does believe that Garrison Diversion will be contributing to it financially.

Director Royse also questioned whether the 2010 budget should be adjusted in anticipation of more state and tribal meetings in Washington, DC.

Mr. Koland said it is a significant effort, but requires mostly staff time. It is included in one of the existing line items.

Mr. Koland said as a result of the recent state and tribal meeting in Washington, DC, he and the chairman and the vice chairman discussed the efforts that can be done to promote the work taking place on the MR&I Program. One suggestion was to have an issue of the *ND Water* magazine focus on the MR&I Program. This will be further discussed at the Public Relations and Red River Valley Committee meeting on December 8. The cost of a special magazine issue is approximately \$36,000.

Director Royse said it appears in looking at the 2010 budget for the Red River Valley, there is not a lot of work to be done next year.

Mr. Koland said the dilemma with the Red River Valley is the funding mechanism with the state. They work on a biennium. The work could have all been completed in 2009 but because of the biennial budget, it splashes over into 2010.

Chairman Burbidge called for a motion.

Motion by Director Royse to recommend to the full board increasing the 2010 General Fund budget under Public Education, Missouri River Joint Board/MRRIC from \$5,000 to \$6,250. Second by Director Anderson. Upon roll call vote, the following directors voted aye: Anderson, Burbidge, Leininger and Royse. Those voting nay: none. Directors absent and not voting: Hanretty. Motion carried.

OTHER BUSINESS

There being no further business to come before the committee, the meeting adjourned at 12:15 p.m.

(SEAL)

Chairman Jim Burbidge

Secretary Geoff Theurer