

City of Minot

TO: Mayor Tom Ross
Members of the City Council

FROM: Jason Sorenson, Utilities Director

DATE: April 1, 2024

SUBJECT: NAWS FINANCE CONTRACT

I. RECOMMENDED ACTION

1. Recommend council approve the NAWS Finance Contract and,
2. Authorize the mayor to sign the contract.

II. DEPARTMENT CONTACT PERSONS

Jason Sorenson, Utilities Director 701-857-4140

III. DESCRIPTION

A. Background

In 1999, the City of Minot entered into an agreement with the ND State Water Commission to establish interim financing for construction of the NAWS project. Since that agreement the City has paid 35% of all project related expenses with the remaining 65% of the funding coming from federal or state funds.

Over the course of the past 20+ years many construction projects for the NAWS system have been completed. During that time two projects arose that the NDSWC didn't have planned for construction. One was for rehab of some of our existing wells to ensure Minot had adequate supply to provide interim water for NAWS customers. The other project was the construction of the Sundre pump station and reservoir and the rerouting of the Sundre raw water line. These projects were an urgent need for the City so the City funded 100% of the project costs with the understanding the City would be reimbursed at a later date. The total reimbursement is about \$10.7 million.

B. Proposed Project

This financing contract is very similar to the one signed in 1999 but acknowledges the credit owed to the City. The City will continue to provide the 35% local share of remaining projects to complete the NAWS system.

As the City is billed for NAWS expenses these costs will be subtracted from the credit. Once the credit is exhausted the local share will again come from NAWS sales tax dollars.

C. Consultant Selection

N/A

IV. IMPACT:

A. Strategic Impact:

This agreement continues an existing finance agreement to fund the remaining NAWS projects.

B. Service/Delivery Impact:

The agreement will maintain a local cost share to ensure the remaining NAWS projects can be built to get lake water flowing to Minot.

C. Fiscal Impact:

Project Costs

The City of Minot will remain the 35% local cost share of the remaining NAWS projects.

Project Funding

Funding will come from NAWS sales tax dollars

V. CITY COUNCIL ASPIRATIONS

This item achieves the council aspiration of resilient and prepared.

VI. ALTERNATIVES

Council could elect to decline this funding agreement, however an alternate funding source would need to be identified. This would delay future and existing phases of construction. The credit owed to the City would remain unresolved without a new agreement in place

VII. TIME CONSTRAINTS

N/A

VIII. LIST OF ATTACHMENTS

A. NAWS Financing Contract