



City of Grand Forks

REGIONAL WATER TREATMENT PLANT INTERIM PROJECT UPDATE

November 3, 2015

MILESTONES AND CURRENT STATUS

The Grand Forks Regional Water Treatment Plant (WTP) is currently under engineering design and progressing to an anticipated construction start in late 2016/early 2017. Since the last project update during the 64th Legislative Session, the City project team has:

- Completed 60 percent engineering design milestone;
- Awarded Construction Manager at Risk (CMAR) contract; and,
- Commenced planning of offsite utility and road infrastructure.

Construction Manager at Risk

Bringing on the CMAR - Construction Engineers and Ullman Schutte - is a significant step to success of the project. A CMAR, among other items, provides construction phasing and scheduling recommendations to minimize interruption, advises on methods to gain efficiencies in project delivery, and develops potential construction cost savings scenarios with pre-procurement. The CMAR will provide a guaranteed maximum project price after the 90% design deliverable.

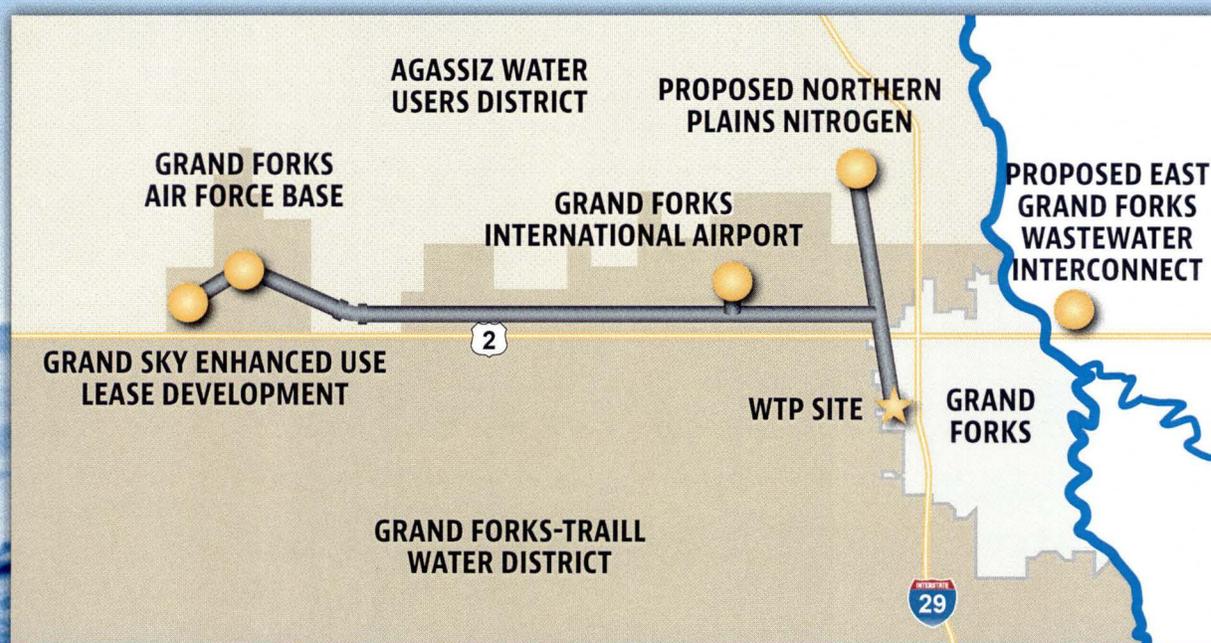
Offsite Infrastructure

The City is in the process of planning for and constructing offsite utility and road infrastructure to serve the WTP site and adjacent area. The City has taken the proactive step to apply for the Bank of North Dakota Infrastructure Revolving Loan Fund to ensure that the WTP site is ready for construction.

Regional Cooperation

In its role as a regional hub, the City has been working in partnership with our neighboring rural water systems and Grand Forks County to coordinate water for fire protection and fire protection service to Grand Sky Enhanced Use Lease (EUL) development and water for the proposed Northern Plains Nitrogen Facility. This partnership continues to lay the groundwork related to drought contingency planning through the Red River Valley Water Supply Project (RRVWSP). The WTP location will be a critical component of this drought contingency planning.

REGION WATER PARTNERSHIP INITIATIVES

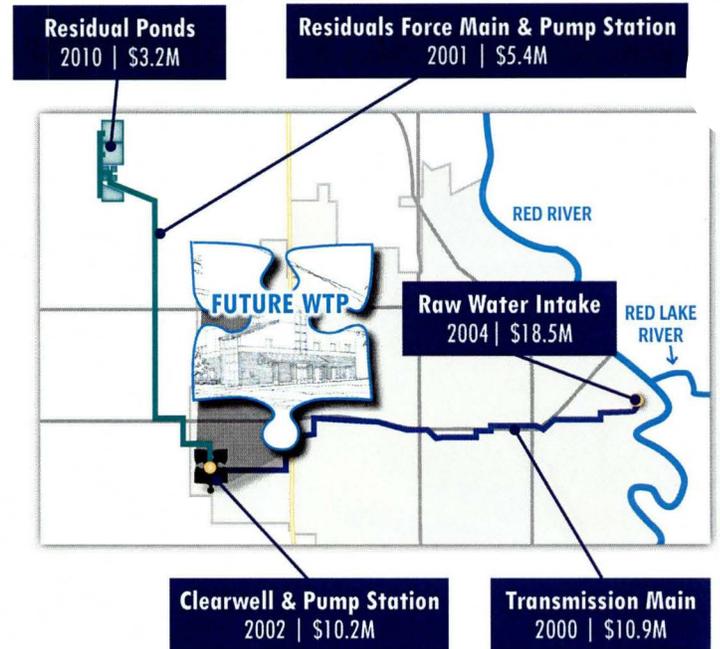


PROJECT FUNDING

The WTP is a culmination of a long history of water supply improvements for the City. Since 2000 the City has implemented over \$48 million (nominal) in improvements. These improvements have positioned the City for the new WTP and the State's long-term vision for the area as regional water supply hub through the RRWSP. Similar to implementation of these improvements, the WTP will continue to rely on the successful funding partnership formed with the State.

In the 2013/2015 Biennium, the City received a \$4.99 million grant under a 50/50 City/State cost-share for preliminary and final design. The 64th Legislature awarded \$30 million in grant funding under a 50/50 State/City cost-share for the 2015/2017 biennium, with intent for continued grant funding for the 2017/2019 biennium to fund the remaining 50 percent of total project costs. This funding partnership has proven critical to the continued progress of the WTP. As project planning is finalized, the final funding piece will allow the project to move to construction.

GRAND FORKS WATER SUPPLY IMPROVEMENTS



Water Treatment Plant Funding Breakdown

	City	State	Total
2013-2015	\$4,990,000	\$4,990,000*	\$9,980,000
2015-2017	\$30,000,000	\$30,000,000*	\$60,000,000
2017-2019	\$30,000,000	\$30,000,000	\$60,000,000
Total	\$64,990,000	\$64,990,000	\$129,980,000[^]
Share of Cost	50%	50%	100%

* Funding awarded pursuant to HB1020 (63rd Legislative Session) and SB2020 (64th Legislative Session)

[^] Project cost based on original cost estimate and is currently in process of updating with 60% design input

OUTLOOK AND NEXT STEPS

Project schedule includes upcoming near-term milestones and total project outlook. With ongoing efforts the following milestones are anticipated:

- 60 percent design cost estimate by the end of 2015;
- Offsite infrastructure bid spring, 2016;
- 90 percent design April, 2016;
- Final design expected late 2016; and,
- Construction begins early 2017 with 2020 targeted for first full year of operation.

