

HARWOOD CITY COUNCIL MINUTES

City of Harwood, North Dakota

Regular Meeting February 2nd, 2026

Call to Order/Roll Call: At 6:30 pm, Mayor Blake Hankey called the meeting to order. Roll call included Jamie Nettum, Chris Higgins, Dick Sundberg, and Chayla Hansen, City Auditor; Chris Fix was absent. Others in attendance included City Engineer Andrew Aakre, City Attorney Sarah Wear, and Public Works Supervisor Jeremy Snyder. Public attendees from the sign-in sheet: Brad Hansen, Mike Swartz, Cairn Reisch, Dennis & Marge Lonski, Eric Sinner, Lee Allen, Mark Kerkvliet, Jannelle Combs, Tom Linnertz, Mike Blevins, Darlene Meyer, and JoAnn Spiez.

Approved Agenda: Mayor Hankey requests the following changes to the agenda: move Item I under new business to the top and change the wording of H to "compensation" rather than "bonus". Motion to approve the agenda with those changes by Higgins, seconded by Nettum. All in favor voted aye, motion carried.

Approve January Bills, January Meeting Minutes, and Financial Report, Consent Agenda. Motion to approve the consent agenda by Sundberg, seconded by Higgins. All voted aye, and the motion carried.

<u>Fund</u>	<u>Begin</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Journal Entries</u>	<u>Payroll</u>	<u>Balance</u>	
11300-Checking								
100 - GENERAL FUND	\$228,246.38	\$45,499.62	-\$101,936.24	\$0.00	\$0.00	\$3,595.80	\$175,405.56	In Balance
201 - HIGHWAY DISTRIBUTION	\$347,899.69	\$6,465.37	-\$5,789.59	\$0.00	\$0.00		\$348,575.47	In Balance
203 - CITY SHARE SPECIAL ASSESSMENTS	-\$21,831.62	\$2,290.88		\$0.00	\$0.00		-\$19,540.74	In Balance
205 - Community Center	-\$72,868.51	\$23,726.00	-\$8,512.84	\$0.00	\$0.00	-\$485.27	-\$58,140.62	In Balance
206 - EMERGENCY FUND	\$403.06			\$0.00	\$0.00		\$403.06	In Balance
207 - ARPA FUNDS	\$131,072.19			\$0.00	\$0.00		\$131,072.19	In Balance
208 - Municipal Infrastructure Funds	\$271,520.51			\$0.00	\$0.00		\$271,520.51	In Balance
210 - Harwood Trust Fund	\$126,326.42		-\$16,334.10	\$0.00	\$0.00		\$109,992.32	In Balance
220 - CITY SALES TAX FUND	\$1,070,041.95	\$149,885.05	-\$4,234.55	\$0.00	\$0.00		\$1,215,692.45	In Balance
318 - WATER DISTRIBUTION #98-1	-\$7,317.01			\$0.00	\$0.00		-\$7,317.01	In Balance
322 - STREET IMPROVEMENT 2006-1	-\$20,749.72			\$0.00	\$0.00		-\$20,749.72	In Balance
324 - URBAN RENEWAL (TIF) 2007-1	\$55,116.48			\$0.00	\$0.00		\$55,116.48	In Balance
325 - STREET IMPROVEMENT 2011-1	\$70,097.55	\$4,941.64		\$0.00	\$0.00		\$75,039.19	In Balance
326 - WATER IMPROVEMENT 2015-1	\$50,674.57	\$13,429.52		\$0.00	\$0.00		\$64,104.09	In Balance
327 - STREET IMPROVEMENT 2016-1	\$9,937.32	\$2,744.35		\$0.00	\$0.00		\$12,681.67	In Balance
328 - BENDER LANE SEWER PROJ 2020-1	-\$13,835.68	\$5,895.84		\$0.00	\$0.00		-\$7,939.84	In Balance
329 - Freedland Drive 2022-1	-\$99,318.15	\$29,940.57		\$0.00	\$0.00		-\$69,377.58	In Balance
428 - BENDER LANE SEWER CONSTRUCTION	\$52,108.78			\$0.00	\$0.00		\$52,108.78	In Balance
429 - Street Imp. Dist. 2022-1 Const	\$5,682.47			\$0.00	\$0.00		\$5,682.47	In Balance
430 - Street Imp. Dist. 2023-1 Const	\$0.00			\$0.00	\$0.00		\$0.00	In Balance
501 - WATER FUND	\$201,226.42	\$14,016.45	-\$4,103.50	\$0.00	\$0.00	-\$10,426.72	\$200,712.65	In Balance
502 - SEWER FUND	\$221,854.81	\$15,790.53	-\$13,131.30	\$0.00	\$0.00	-\$5,558.80	\$218,955.24	In Balance
503 - WASTE FUND	\$7,315.92	\$15,150.25		\$0.00	\$0.00	\$0.00	\$22,466.17	In Balance
510 - SURCHARGE FUND	\$131,538.65	\$1,544.96	-\$27,100.00	\$0.00	\$0.00		\$105,983.61	In Balance
	<u>\$2,745,142.48</u>	<u>\$331,321.03</u>	<u>-\$181,142.12</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>-\$12,874.99</u>	<u>\$2,882,446.40</u>	

The board, on motion, approved the following January bills:

23410	City of Fargo	\$14.00
23411	Macs	\$18.83
23412	Trista Ames	\$900.00
23415	Harwood Fire & Rescue	\$75,250.00
23414	IRS	\$1,016.86
23417	Hawkins	\$892.50
23418	Northern Truck Equipment	\$703.97
23416	Clifford Elevator	\$1,218.00

23419	Clifford Elevator	\$1,080.00
23423	WM	\$426.86
23421	Petro Serve	\$206.26
23422	USPS	\$162.00
23420	Josh Diede	\$525.13
23426	Harwood Park Board	\$16,334.10
23427	Clifford Grain	\$238.00
23429	Hubert Oye & Sons	\$1,937.95
23428	Dept. of Enviro	\$78.64
23425	ND Child Support	\$184.62
23424	BCBS	\$115.95
23430	Clifford Grain	\$425.00
23431	Harwood Township	\$1,562.19
23432	Laney's	\$1,135.00
23434	Anna Charles	\$1,600.00
23435	Heavens Best Carpet	\$182.00
23438	USPS	\$174.46
23445	US Bank	\$241.35
23440	Berts Truck	\$47.33
23443	Ohnstad-Twitchell	\$5,189.74
23442	Laney's	\$175.00
23441	Hawkins	\$10.00
23444	Sign Solutions	\$41.89
23446	Clifford Farmers	\$700.00
23447	Moore Engineering	\$1,938.15
00915	UPS	\$7.85
23437	Laney's	\$3,716.00
00907	FIBT	\$65.00
00901	Microsoft	\$128.44
00900	Adobe	\$253.07
00901	AFLAC	\$416.96

Law Enforcement Report: Corporal Beckius 148 call in January for Harwood and the surrounding areas.

New Business:

- a) **Response to information request:** Mike Swartz & Eric Sinner are here, and Mike gave a small talk about his event on Feb. 9th and why he asked to be on the agenda. SEE ATTACHED ANSWERS AT THE BOTTOM OF THIS DOCUMENT.
- b) **Ridley Building Permit:** The City Engineer explained that, due to FEMA regulations, this current plan cannot be approved. Motion to deny the building permit by Nettum, seconded by Sundberg. All voted aye, and the motion carried.
- c) **Special Event Permit:** Was approved.
- d) **APLD Dirt Agreement:** This is an agreement that dirt from the APLD site would be moved to a site owned by the City. After this, residents can access the site and have free dirt. Motion to approve the agreement made by Nettum, seconded by Higgins. All voted aye, and the motion carried.
- e) **Craig from Ottertail Power:** Craig explained that he is requesting a Request for Entry form signed for the small triangle piece the City owns. They would like to survey the land and work on potential transmission. Motion made to sign the Right of Entry form and allow surveying by Sundberg, seconded by Higgins. All voted aye, and the motion carried.
- f) **Lee Allen:** Lee Allen was present and stated that the City was correct regarding the violations. He will be removing the container.
- g) **Mahoney & APLD Letter:** Jannelle Combs from APLD explained that Applied Digital received a letter from the City of Fargo, Mayor Mahoney, requesting a meeting. Applied Digital responded with a letter stating that a Harwood representative must attend any meeting.
- h) **317 Lind Blvd:** A developer is requesting to split the lot and put up two single-family homes. The Council and residents discussed whether to build a twin or a townhome on the lot, but the consensus is a single-family home. Councilman Nettum will discuss this with the developer.
- i) **Jeremy & Mathias Compensation:** City Councilman Higgins explained he wants to make sure this is discussed again. Motion made to pay any holiday work time not already paid out since 12/1/25 on the next current payroll by Higgins, seconded by Nettum. All voted aye, and the motion carried.

Public Comment: Darlene Meyer, Craig from Ottertail Power, Eric Sinner, Mark K., Brad Hansen, and Tom Linnertz

Old Business: None

Engineer Report:



ENGINEER'S AGENDA
City of Harwood Council Meeting
February 2, 2026

1. North Water Main Loop

- a. Schedule-no change, looking at a late spring bid with summer construction.
- b. Primarily in the easement acquisition and permit phase now.
 - i. Newman easement between I-29 and the railroad.
 - ii. NDDOT-permit to cross Interstate 29
 - iii. BNSF- permit to cross the railroad
 - iv. Cass County-permit to cross Highway 81
- c. Plans are 60% complete, will finish once we know changes are not required due to permit or easement requirements.
- d. Shifted the alignment south just a bit to cross the Magellan gas line.

2. 200 Park Drive (Ridley) Building Permit

- a) Will be meeting with one of my floodplain managers later this week to start figuring out how to handle these applications with flood elevation issues.
- b) Additions to existing buildings in the floodplain are extremely difficult.
- c) Substantial alterations require bringing the entire structure into compliance, which is generally not feasible.
- d) The best option is to build a stand-alone structure that is compliant.
 - a. Elevated to one foot above the Base Flood Elevation, or
 - b. Floodproofed two feet above the Base Flood Elevation.

3. Capital Improvement Plan (CIP)

- a. List of CIP projects from 2022 (alphabetical)
 - i. Ash Lane Street Improvement
 - ii. Chapin Drive Storm Sewer Lift Station
 - iii. City Street Lighting
 - iv. Dakota Avenue Drainage Improvements
 - v. Dakota Prairie Estates Pond Improvements
 - vi. Freedland Drive Reconstruction (completed)
 - vii. Park Drive Street Improvements
 - ix. I-94 Water Looping (progress)
- b. CIP should be updated to allow for planning and funding purposes
- c. Process:
 - i. List of projects included
 - ii. Preparation of planning-level cost estimates
 - iii. Prioritization
- d. Propose Schedule
 - i. Update list of projects (by April 2026)
 - ii. Preparation of cost estimates (by July 26)
 - iii. Prioritization-prior to 2027 budgeting (by September 2026)
 - iv. Annual Review-each year at the time of budgeting

Public Works Report: Working on snow removal

Auditor Report: 1. The website isn't working properly, and provided examples from a different website. The council would like one more option to review. **2.** The auditor wants to create a strategic planning committee to examine what residents see as needs for the city. The council approves this idea, and Councilman Higgins will add it to his portfolio.

Portfolio Reports: Sundberg: Should have some protection from the Maple River this spring. **Higgins:** The furnace in the Community Center is working well; the front door is fixed and only needs a new kitchen faucet.

Nettum: None. **Fix:** Absent. **Hankey:** None

Announcements: Next Council meeting, Monday, March 2nd, at 6:30 pm at the City Hall.

Adjourn: Motion to adjourn by Higgins, seconded by Sundberg. All in favor voted aye, motion carried. Meeting adjourned at 8:43 pm.

Blake Hankey, Mayor

Attest: _____

Chayla Hansen, Auditor

Date of Approval _____

ANSWERS:

1. What is the projected annual tax revenue expected to be collected by the City from the Applied Digital data center hyperscale facility in Harwood? **The mayor states that the City doesn't know how much Applied Digital will spend until the project is complete. Everything they spend, we will receive as our city tax. A possible estimate is \$500,000 per building per year, but I can't lock it in because it is just an estimate. Councilman Nettum also responded that this is a sales tax that takes effect on April 1st, and property taxes won't be disbursed until 2027.**

2. Did the City of Harwood enter into any agreement on tax breaks or TIFs (Tax Increment Financing with Applied Digital? **No, just like any other business in town. Petro Serve, or Amazon. Jannelle Combs from Applied explained that the Cass County Tax Assessor has been in contact with Applied and will assess the value to date next week.**

3. When is the first collection of tax revenue from Applied Digital expected? **April 1st.**

4. What does the city plan to spend the new tax revenue on? **The city is working with Andrew at Moore Engineering on a city growth plan, which is not yet complete. Once the diversion is complete, the city expects to see expansion in the area. That's what everyone's concerned about. The mayor said an article discussed Ellendale's projected growth of 500-700 new residents. That is not possible here, and as we have no homes for sale and are a bedroom community with Fargo. The mayor continues to state that whether Applied Digital is here or not, growth is happening. Fargo and West Fargo are encroaching upon us. How does that look like Harwood? I would love to stay in our little bubble here, like we've always had, and that's all we got to deal with. But reality is that it isn't going to happen. Mike Swartz adds that the council needs to communicate those decisions to everyone, as some cannot attend council meetings. The auditor publishes the minutes within days on the website and in the newspaper, and people can attend council meetings, the mayor states. Councilman Nettum states we need to use money for roads, infrastructure, and existing in Old Town, if you will, not just growth. For instance, Park Drive was estimated to take two years. Park Drive, which is just over half a mile long, will cost \$1.2 million to replace its road infrastructure. Could cost property owners each month. Hopefully, we can minimize the burden with the courtesy of Applied Digital. The discussion turned to the possibility of natural gas at some point.**

5. Is the City aware of any existing tax exemptions or abatements that would alter the initial estimate of projected tax revenue at any level: city, county, or state? **No**

6. Does the city have any knowledge that Applied Digital intends to expand the facility being built? **There are no pending applications. Jannelle from Applied Digital responded that they**

have no expansion applications at this time. Mike Swartz asked what size the current facility is based on the original plans. Jannelle responded that it is 980,000 square feet, 2 buildings. 900 acres is not owned by Applied; they have options on various parcels of land around us. The city annexed 453 acres surrounding Applied and will install buffers and work on projects with NDSU. Other options are suitable for that land, but we have no current plans now.

7. Should Applied Digital request to expand past their 280 MW/2 building footprint, is it the intention of the council to greenlight those expansions? Jannelle from Applied states that there are no applications to expand past the 280 MW/2. That said, growth will happen. There was extensive discussion about Applied Digital's growth, the state of ND, and Harwood.

8. Can citizens of Harwood expect better notice, transparency, and involvement in the decision-making process if that happens? The mayor stated that the city has complied with all open meeting rules, posted meeting minutes, and held an open house to discuss the Applied project.

9. How many employees of Applied Digital reside within Harwood? How would we know this information.

10. How many long-term skilled jobs can the residents of Harwood anticipate? Jannelle from Applied Digital states that there are 200 long-term positions. She explained that multiple types of positions will be needed.

11. What benefits or programs has Applied Digital offered to the City? Cairn from Applied Digital explained that they offer grants to nonprofits in the area. The fire department got a substantial amount for rescue equipment.

12. Please confirm where the water is coming from to fill the system. The water is supplied by Cass Rural Water.

13. To date, has the city received any environmental impact data or specifically wind rose data modeling regarding air quality and plume dispersion? Jannelle from Applied Digital explained that they have supplied DEQ with all the required documentation in Ellendale. The generators are in an enclosed building with 6in concrete walls around them. They are tested monthly. They are there only for emergencies. The generator situation is different as the generators are in a detached garage-type building. There was further discussion regarding generators.