

DIVERSION AUTHORITY Land Management Committee City Commission Room Fargo City Hall Wednesday, January 13, 2016 4:00 p.m.

- 1. Agenda review
- 2. Approve December 15, 2015 minutes
- 3. CCJWRD Land Management Report
- 4. Property Atlas Land Acquisition Status Update
- 5. Property Acquisition & Relocations
- 6. Relocation Appeals Process
- 7. Farmland Management Report
- 8. Other business
- 9. Next meeting February 10, 2016

DIVERSION AUTHORITY Land Management Committee City Commission Room Fargo City Hall Tuesday, December 15, 2015 2:30 p.m.

Land Management Committee Members Present: Oxbow Mayor Jim Nyhof, Cass County Commission Representative Darrell Vanyo, Moorhead City Council Representative Heidi Durand, Clay County Commission Representative Jenny Mongeau, Cass County Joint Water Resource District Representative Mark Brodshaug (alternate), Cass County Administrator Keith Berndt, Moorhead City Administrator Michael Redlinger, Fargo Director of Engineering Mark Bittner, Moorhead City Engineer Bob Zimmerman.

Others present: Bruce Spiller - CH2M Hill, Tanaya Reitz and Paul Breen - AE2S, Bruce Grubb - Interim Fargo City Administrator, Fargo City Engineer April Walker.

The meeting was called to order at 2:45 by Darrell Vanyo.

Agenda Review

There were no additions or amendments to the agenda.

Approve November 24, 2015 minutes

Jenny Mongeau moved the minutes from the November 24, 2015 meeting be approved. Heidi Durand seconded the motion. All the members present voted aye and the motion was declared carried.

CCJWRD Land Management Report

Mark Brodshaug reviewed the Land Management Summary. He said 18 homes are under construction in Oxbow, six homes have been completed and nine are in negotiations. Asbestos activities are underway on the Park East property with preparations being made for the demolition, and the demolition of 345 Schnell in Oxbow is complete. He said several appraisals are awaiting review and approval by the Corps. He said critical in-town property negotiations continue with Mid-America Steel and Case Plaza, as well as the former Shakey's and MEPS properties. Right of entry letters have been sent to property owners for eventual purchase for channel work, he said, which is a significant effort, and the early indications are that it should go fairly well.

Property Management Update and Relocations

Mark Brodshaug said there have been questions about land management practices and he has asked Paul Breen to pull information together and give a report. There can be a significant amount of time between when a property is acquired and when it is disposed of, he said, so there are a number of decisions to be made.

Paul Breen gave an overview of property management and some of the decision making involved. He said things like the injunction in Oxbow have resulted in properties being in possession longer. The winter protocol is to shut off water right away when

possible, he said; however, Oxbow doesn't have the consistent ability to do so and then heat is maintained to prevent freezing of water in the lines. There are arrangements to remove snow from driveways and sidewalks of vacant houses, he said, and security services are in place particularly for large properties. He said there have been instances of unlawful entry and vandalism at the Howard Johnson property. A large entry door that was broken has been boarded up; however, because demo packages are expected to go out soon additional repairs are not scheduled, other than putting up plastic sheeting in 8 broken out windows. He said he does regular checks on vacant properties personally and it helps that the neighbors see him there all the time.

Mark Brodshaug said the attorneys have discouraged demolitions in Oxbow due to the injunction, the two that have been removed had issues including mold. A large bid package of about 14 homes in Oxbow that could be relocated is being contemplated, he said, and could happen a year from now. There may be 10 lots for any of those homes to be moved to, essentially making a new neighborhood from an old neighborhood, he said. The concept would be to have a developer move the homes to resell, he said, and those not eligible to move would be included in a demo bid package.

Bruce Spiller said there have been discussions with attorneys about whether relocations are allowed in Oxbow. The demolition of houses in the area of El Zagal and Mickelson will be included in a levee construction bid package after the first of the year, he stated, with work to begin in the spring.

Property Acquisition & Relocations

Greg and Briena Goldsmith

Tanaya Reitz said these property owners are relocating and rebuilding within Oxbow. She pointed out the builder financing cost item in Line Item C of the Property Acquisition Summary. A process is being established for escrow accounts to reduce builder financing, she said, which will be on a builder by builder basis. The line item is being left in the summary in case there are problems in eliminating that.

Mark Bittner moved to recommend the CCJWRD execute a purchase agreement in the amount of \$405,800.00 with Greg and Briena Goldsmith as just compensation for real property, execution of a replacement housing agreement with an estimated payment of \$264,337.00 for decent, safe, sanitary and comparable replacement housing, and payment for the replacement lot in the amount of \$141,000.00, which will be fully reimbursed to CCJWRD per the Oxbow MOU Amendment. Keith Berndt seconded the motion. On call of the roll Bittner, Berndt, Vanyo, Durand, Zimmerman, Mongeau, Redlinger, Nyhof and Brodshaug voted aye. The motion was declared carried.

Keith Berndt moved the meeting be adjourned. Mark Bittner seconded the motion. All the members voted aye and the motion was declared carried.

The meeting adjourned at 3:17 p.m.

The next meeting will be Wednesday, January 13, 2016.

FM Area Diversion Project Property Acquisition Summary

January 13, 2016

Property:

Owner	Oak Terrace Condominiums
Address	2 North Terrace (Units 1-2) and 6 North Terrace (Units 3-6), Fargo, ND 58102
Property Type	Multi-Unit Condo Building
Identification Number	8926, 8927, 8928, 8929, 8930 and 8931

Property Need

Acquisition of this property is required as part of the in town levee system. See attached map.

Description of Acquired Property

The Acquisition needed is both in fee and temporary construction easement (TCE). The levee extension project impacts the back yards of the condominium parcels on the north side of the lot. The fee property has an area of 450 square feet and has been appraised to have a market value of \$3,526.00. The TCE parcel has an area of 751 square feet and has been appraised a value of \$322.00. The total appraised value of both parcels is \$3,526.00

Compensation & Negotiations Summary:

Compensation amounts proposed are based on an appraisal of the subject property provided by a qualified appraiser following the Yellow Book standards. The appraisal has been reviewed and approved by USACE. The fee property has been appraised to have a market value of **\$3,526.00**. The TCE parcel has been appraised to have a value of **\$322.00**. The total appraised value of both parcels is **\$3,526.00**

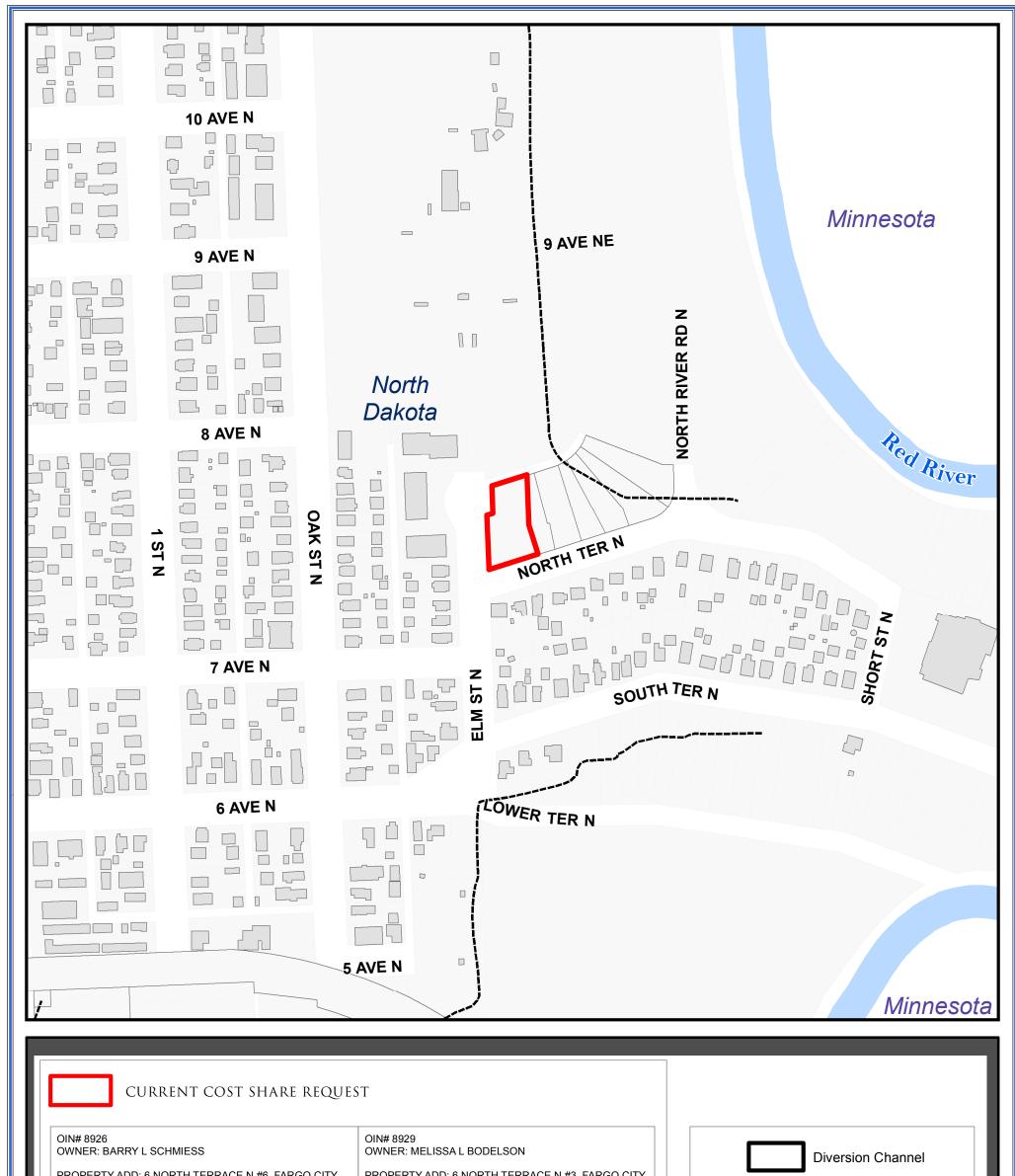
The condominium association rejected the original offer. They countered with a much larger number and stated that no one there was for the project. After negotiating with various tenants of the condominiums an amount of **\$5,000.00** was settled upon.

Acquisition Cost Summary

Property			Notes	
Just Compensation		\$ 3,526	Based on Appraisal	
Counter Offer from Owners		\$9,000		
Negotiated Settlement	=	\$ 5,000		

Requested Action/Recommendation

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$5,000 as just compensation for real property.



TOWNSHIP: BARNES TOWNSHIP	TOWNSHIP: BARNES TOWNSHIP	OHB Levee
PARCEL ACREAGE: 0.44 AC.	PARCEL ACREAGE: 0.44 AC.	In Town Levee
OIN# 8927 OWNER: CHARLES & KATHY SJOSTROM PROPERTY ADD: 6 NORTH TERRACE N #5, FARGO CITY TOWNSHIP: BARNES TOWNSHIP	OIN# 8930 OWNER: WILLIAM E BRUNSDALE LIVING TRUST PROPERTY ADD: 2 NORTH TERRACE N #2, FARGO CITY TOWNSHIP: BARNES TOWNSHIP	LAST UPDATED: 1/5/2016 REF PAGE NUMBER: 8926
PARCEL ACREAGE: 0.44 AC.	PARCEL ACREAGE: 0.44 AC.	
OIN# 8928 OWNER: ROGER B & RUTH R QUAST ETAL	OIN# 8931 OWNER: PAMELA BURLEY	
PROPERTY ADD: 6 NORTH TERRACE N #4, FARGO CITY TOWNSHIP: BARNES TOWNSHIP	PROPERTY ADD: 2 NORTH TERRACE N #1, FARGO CITY TOWNSHIP: BARNES TOWNSHIP	0 390 780 FEE
PARCEL ACREAGE: 0.44 AC.	PARCELACREAGE: 0.44 AC.	Maps are for graphical purposes only. They do not represent a legal survey. While every effort has been made to ensure that these data are accurate and reliable, The Diversion Authority does not guarantee the accuracy of the information, and waives any warranty or guarantee of any kind, express or implied. The data involved in the project is continuously refined and revised; you should not rely on this information for technical purposes or accuracy.



Cass County Joint Water Resource District 2015 Year End Report









1506 29th Ave S. Moorhead, MN 56560 877.700.4099 • 218.477.1968 www.pifers.com

2015 Year End Summary

Greetings from Pifer's Land Management Team,

2015 was another interesting and, at times, challenging year for farmers. The 2014-15 winter was mild with less snow than normal. The lack of snow in your area allowed the ground to warm quickly allowing farmers to start field work and planting earlier in the spring. Your area experienced some extreme changes in the weather, from excessive rains to dry conditions during the critical time of plant development. Mother Nature gave us near perfect harvesting conditions this fall in your area and most producers finished harvesting crops and fall work in a timely fashion.

On average, with the year being a challenge in most areas of the Dakota's and the upper Midwest, your land in Cass County, North Dakota and Clay County, MN produced average to above average crops for the region.

Stuart Johnson planted barley on this parcel in 2015. Based on the information Stuart provided, his averages were 71 bushels per acre and all made malting grade. Barley contracts with malting quality were strong in 2015 allowing many farmers to capitalize on premiums in 2015. Even though Stuart's barley made malting grade the test weight and protein was lower than normal which had a direct impact on the bushels. Stuart sprayed roundup this past fall and completed his fall tillage. All the ditches were mowed and maintained as required by his contract. Overall he was pleased with the outcome of 2015 but has not made any plans as to what crops he is looking to plant for the 2016 growing season.

Brain Rust planted wheat in 2015. Brian was very pleased with the yields this year as his wheat on your land yielded 75 bushels per acre. The wheat had excellent weight of 63 to 64 pounds, which, is above average test weight, with a protein level of 14.2%. Brian felt his above average yields and test weight was due to the dual application of nitrogen. Brian put down a starter fertilizer with his seed and then broadcasted nitrogen during the growing season. All the land was fall tilled and Brian is looking at plant soybeans in 2016. All the ditches were mowed and maintained as required by his contract.

Brent Rust planted wheat and soybeans in 2015. Brent was very pleased with the wheat yields this year with yields of 80 bushels per acre. The wheat had excellent weight of 63 to 64 pounds, which, is above average test weight, with a protein level of 14.2%. Brent felt his early planting in April with the wheat crop helped overcome the heavy rains that came later in the growing season. Brent also planted

soybeans this past growing season. The soybeans were disappointing to Brent as they only averaged in the mid 30's with a test weight of 58 pounds. The drain in Section 11 in Raymond Township has poor drainage and was one of the concerns he shared with us this past year. Brent stated the Corp of Engineers started to clean out the drain but had stopped. The last time this drain was cleaned according to Brent was in the mid 70's and there is now vegetation growth and silt that is restricting drainage during heavy rains. All the land was worked this past fall in preparation for spring planting. Ditches were mowed and maintained as required by his contract. Brent's plans for 2016 are to rotate the crops and plant wheat on the soybean ground and soybeans on the wheat ground.

James Ueland planted soybeans in 2015. The soybeans on this parcel yielded 36 to 37 bushels per acre. Jim was disappointed in the yield this year as he felt the late season dry conditions definitely had an impact on the yields. The soybeans were harvested at 12.5% moisture weighing around 58 pounds per bushel. Jim had chisel plowed this parcel this fall but no fertilizer was applied. All the ditches were mowed and maintained in 2015 as required per contact. Jim's plans for 2016 are to plant corn back into the rotation.

Patrick Hurley planted corn on the parcel he farmed in 2015. Overall Patrick was pleased with the outcome and corn yield. He state the corn produced 148 bushels per acre with excellent test weight. With near perfect harvest weather, they were able to store the corn in the bins and with very little drying. Most of his corn this past fall was air dried at the bin sites. Patrick completed the fall tillage in preparation for the 2016 crop year. At this time he is unsure what crop will be planted in the spring but is considering soybeans in his rotation. All the ditches were mowed and maintained per his contract.

Mark Hiatt planted corn and soybeans in 2015. Mark Hiatt and Patrick Hurley often farm together and their plantings and rotations are similar. Mark planted corn next to Pat's and during planting this area experienced wet conditions so once they finished planting the parcels on the west side of interstate 29, they switch over to soybeans to finish up the planting season on the balance of the acres east of Interstate 29. Mark stated the corn yield averaged 135 bushels per acre with good test weight and with very little drying cost. His soybean's averaged 39 to 43 bushels per acre with excellent test weight. Most of the crop was binned and will be marketed at a later date. All the land was tilled this past fall and they are looking at planting wheat on the land west of Interstate 29 and corn on the land east of Interstate 29 in 2016.

Kevin Heiden planted soybeans on his parcel in 2015. Kevin was pleased with the yield due to the growing season. His soybeans were planted on June 13th and averaged 34 bushels per acre. All the beans had excellent test weight. Kevin did some fall surface ditching and fall tillage in preparation for 2016. He did state this parcel has a higher than normal PH level which has a direct impact on plant growth during the growing season. Kevin's plan for 2016 is to plant corn on this parcel which is part of his crop rotation. All the ditches were mowed and maintained as required per his contract.

Wayne Hoglund planted corn and soybeans on his parcels in 2015. He was pleased with the corn yields as the corn produced 150 bushels per acre with good test weight. The corn was harvested with low moisture which decreased drying costs. Wayne also had soybeans which produced 34 bushels per acre.

Wayne was disappointed with the soybeans due to the variety he planted. All the crops were stored and will be marketed at a later date. The crops grown on these two parcels, the NW ¹/₄ in Section 14 and the SW ¹/₄ Section 11 in Raymond Township, are flex lease contracts. Based on the yields and the average markets at Dakota Ag in Kindred, ND and Maple River in Casselton, ND, no additional rent was paid by Wayne. The flex lease is based on production and markets. Due to the low commodity market prices, no premium flex was paid for in 2015.

Wayne also has a crop share lease in place for the land in Section 2 in Raymond Township. Wayne grew soybeans on this parcel and all the soybeans have been stored in the grain bin on Wayne's farm. The Diversion's percentage of the total production from this farm was 18,300 pounds or roughly 305 bushels. Wayne and Pifer's will be watching the markets as to the appropriate time to sell this commodity. Wayne has no definitive plans as to what crops he will be growing in 2016. All the land has been tilled this fall in preparation for spring planting.

Keith Monson planted soybeans in Section 2 in Raymond Township. Keith was disappointed in the yields as they only produced 38.37 bushels per acre. Keith stated the dry conditions during the late season maturity definitely had an impact on the yields. All the soybeans were marketed at CHS Dakota Ag in Harwood, ND. Keith also planted barley in Section 36 in Raymond Township which yielded roughly 70 bushels per acre. The barley made malting grade and Keith was able to fill his contract. He had an excellent contract for his barley at \$5.30 per bushel. This contract based on the yield and market triggered the flex contract premium. Keith paid an additional \$1795.57 or \$11.29 per acre in flex money based on this market. Keith has worked all the ground this fall in preparation of spring planting. No decisions have been made on what crops will be grown in the 2016 crop season.

The land in Clay County, formerly owned by the Volk Family, was not rented in 2015. This parcel and farmstead has had the building removed and the grass mowed around the site. There was also a gate installed at the driveway to deter any unauthorized personnel on the property.

The following additional parcels were purchased but were not managed in 2015: Kevin and Nora Bartram and Heitmann Tree Farm. These parcels will be under Pifer's management in 2016.

Commodity prices in 2015 started out lower than 2014 price levels and we have seen downward pressure on commodities throughout the year. Some of the farmers have forward contracted their crops, some have sold their crops early this fall and the remainder have stored their crops. Growers will be watching the commodity prices and the new Farm Bill to determine their marketing strategy.

Here is where the current markets are on December 14th. March corn futures are \$3.73per bushel, March soybean futures are \$8.73 per bushel and March spring wheat futures are \$4.90 per bushel. Live cattle markets continue soften with February 2016 at \$126.25 per cwt and feeder cattle at \$150.13 per cwt. With the decline of commodity prices, input costs such as fuel and fertilizer continue to be level with little adjustments.

Included in your packet you will find a Payment Summary for 2015 outlining rent received by the tenant and Pifer's management fees. Also included are plat and FSA maps along with pictures of the crops on your land from the 2015 growing season and precipitation and temperature maps of the upper Midwest and how this area compares to other states. Lastly, you will find a chart put out by the USDA showing the price of wheat, corn, soybeans and cattle from 2006 through November 2015 as a reference.

Thank you for using Pifer's Land Management services and we look forward to working with you in 2016.

Sincerely,

The Pifer Land Management Team The Pifer Group, Inc.

Financial Recap

Balance Sheet

As of December 31, 2015

Dec 31, 15
16,304.03
16,304.03
16,304.03
16,304.03
-329,137.64 177,330.59 168,111.08
16,304.03
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Profit & Loss

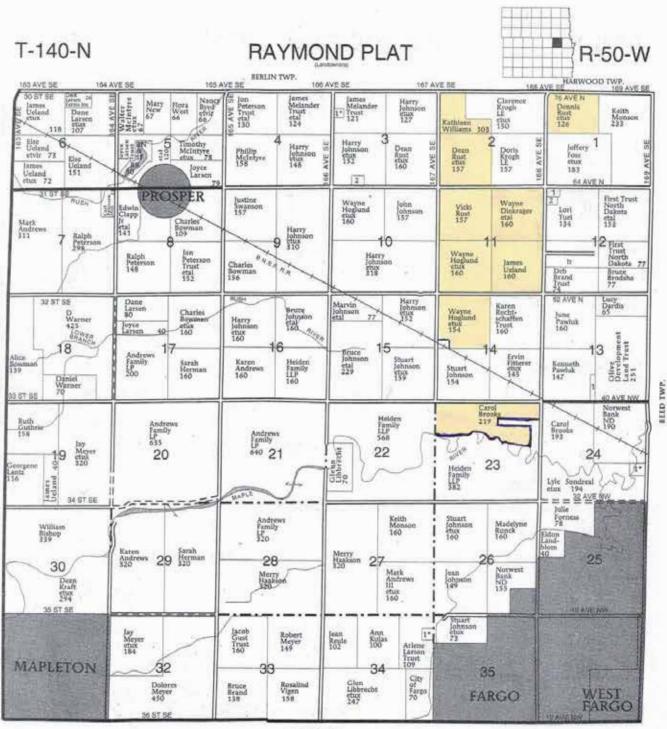
January through December 2015

	TOTAL
Ordinary Income/Expense	
Income	
Rental Income	254,365.77
Total Income	254,365.77
Cost of Goods Sold	
Pifers Commission	19,426.37
Total COGS	19,426.37
Gross Profit	234,939.40
Expense	
Bank Fees	42.81
Real Estate Taxes	66,785.51
Total Expense	66,828.32
Net Ordinary Income	168,111.08
let Income	168,111.08

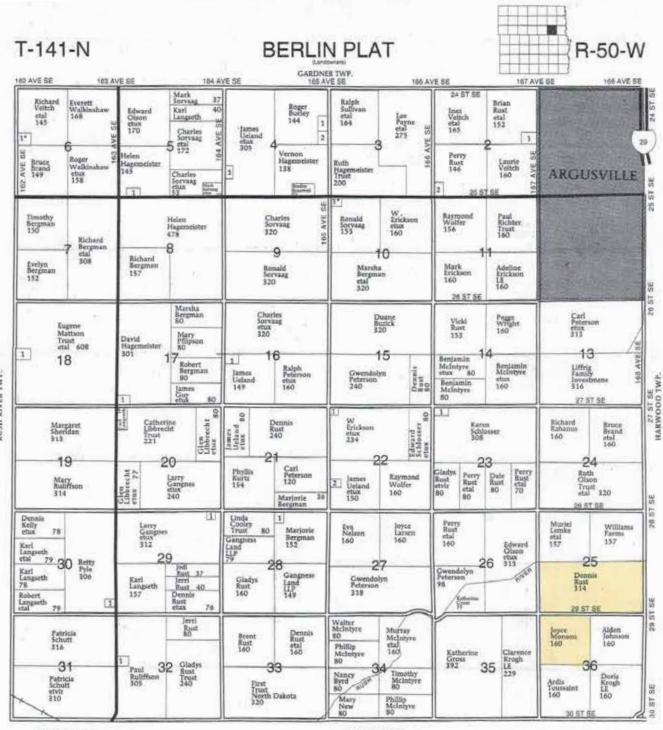
2015 Financial Recap Continued on next page

Detailed Profit and Loss statement

Cash Basis				Janı	January through December 2015	mber 2015					
	Admin	Brent Rust	Brian Rust Farms	Hiatt Farms	Hurley Farms	Kevin Heiden	Monson Farms	Stuart Johnson	Ueland Farms	Wayne Hoglund	TOTAL
Ordinary Income/Expense Income Rental Income	0.00	83,936.00	17,234.00	35,051.80	5,750.00	8,650.00	33,157.57	18,698.40	21,500.00	30,388.00	254,365.77
Total Income	00.00	83,936.00	17,234.00	35,051.80	5,750.00	8,650.00	33, 157.57	18,698.40	21,500.00	30,388.00	254,365.77
Cost of Goods Sold Pifers Commission	0.00	6,714.88	1,378.72	2,804.14	229.12	0.00	2,652.60	1,495.87	1,720.00	2,431.04	19,426.37
Total COGS	00.00	6,714.88	1,378.72	2,804.14	229.12	0.00	2,652.60	1,495.87	1,720.00	2,431.04	19,426.37
Gross Profit	0.00	77,221.12	15,855.28	32,247.66	5,520.88	8,650.00	30,504.97	17,202.53	19,780.00	27,956.96	234,939.40
Expense Bank Fees Real Estate Taxes	33.50 0.00	0.00 21,582.71	0.00 3,663.07	0.00 6,727.29	0.00 1,338.25	0.00	0.00 5,170.70	0.00 4,494.53	0.00 10,121.87	0.00 12,729.74	33.50 66,785.51
Total Expense	33.50	21,582.71	3,663.07	6,727.29	1,338.25	957.35	5,170.70	4,494.53	10,121.87	12,729.74	66,819.01
Net Ordinary Income	-33.50	55,638.41	12,192.21	25,520.37	4,182.63	7,692.65	25,334.27	12,708.00	9,658.13	15,227.22	168,120.39
Net Income	-33.50	55,638.41	12,192.21	25,520.37	4,182.63	7,692.65	25,334.27	12,708.00	9,658.13	15,227.22	168,120.39



MAPLETON TWP.



RUSH RIVER TWP.

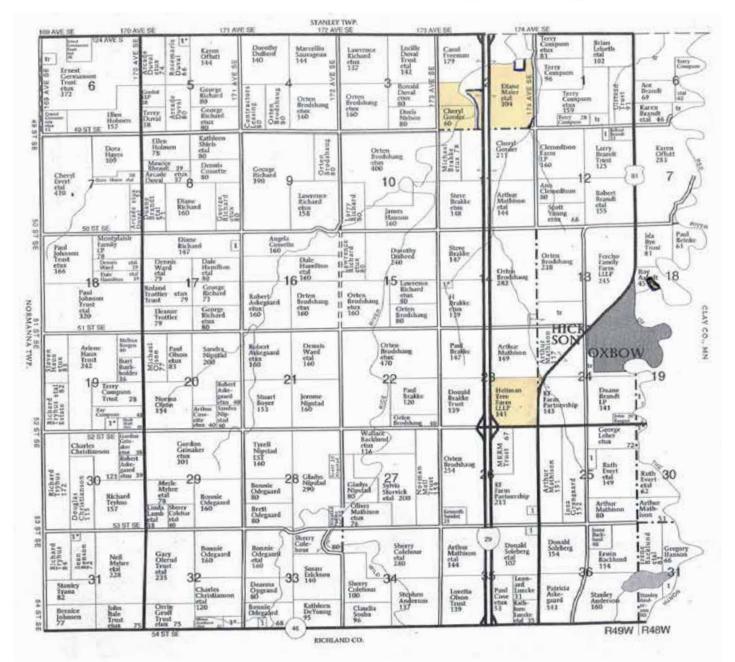
HARMONY TWP.

RAYMOND TWP.

T-137-N

PLEASANT PLAT

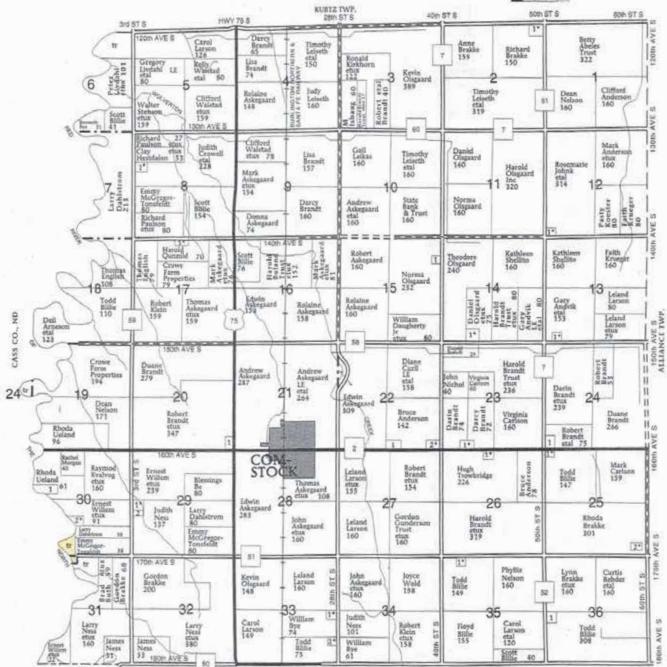
R-48-49-W

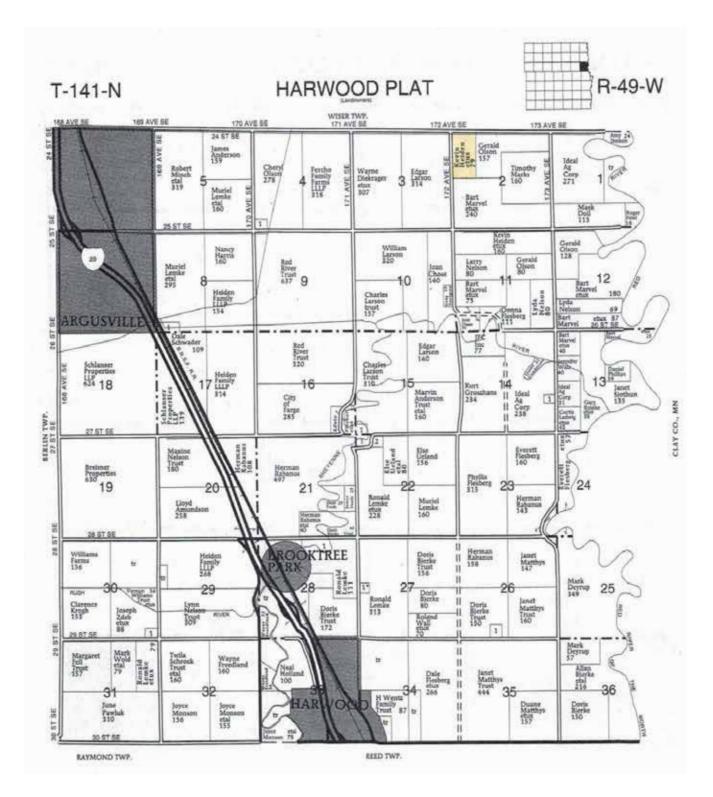




HOLY CROSS PLAT

R-48-W





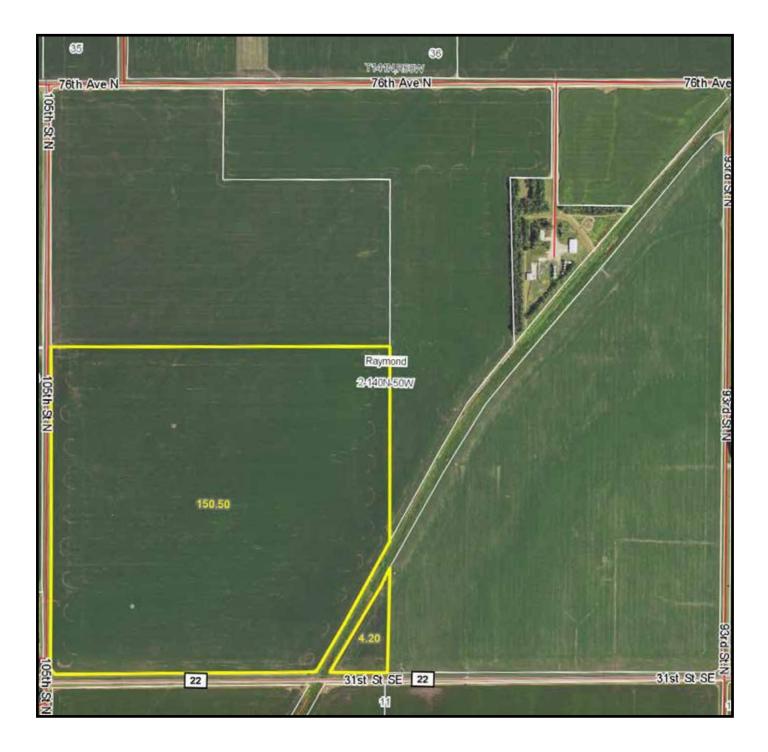
Cass County, ND Raymond Township Section 1-140N-50W



Cass County, ND Raymond Township Section 2-140N-50W



Cass County, ND Raymond Township Section 2-140N-50W



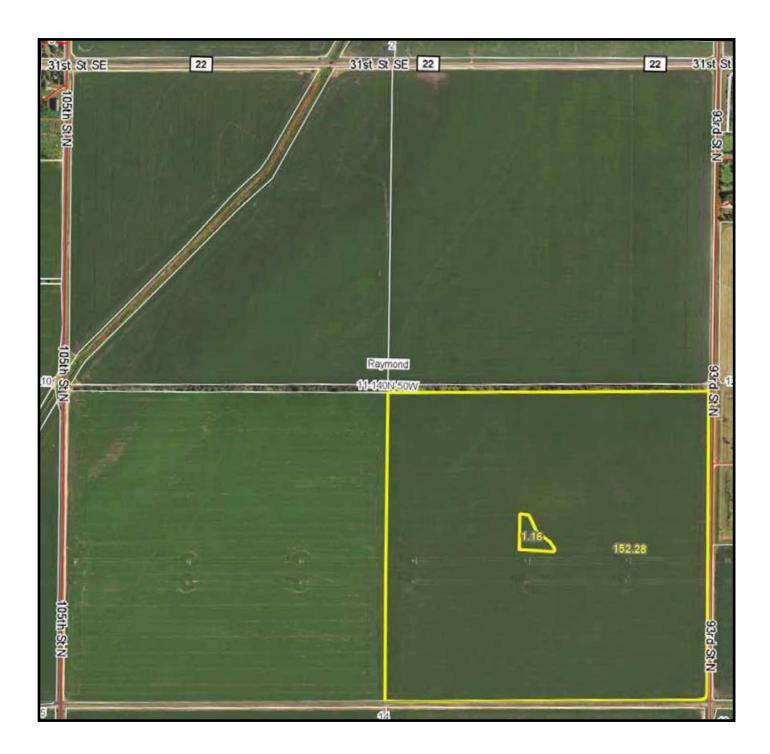
Cass County, ND Raymond Township Section 11-140N-50W



Cass County, ND Raymond Township SW 4 Section 11-140N-50W



Cass County, ND Raymond Township SE 4 Section 11-140N-50W



Clay County, ND Raymond Township Section 14-140N-50W

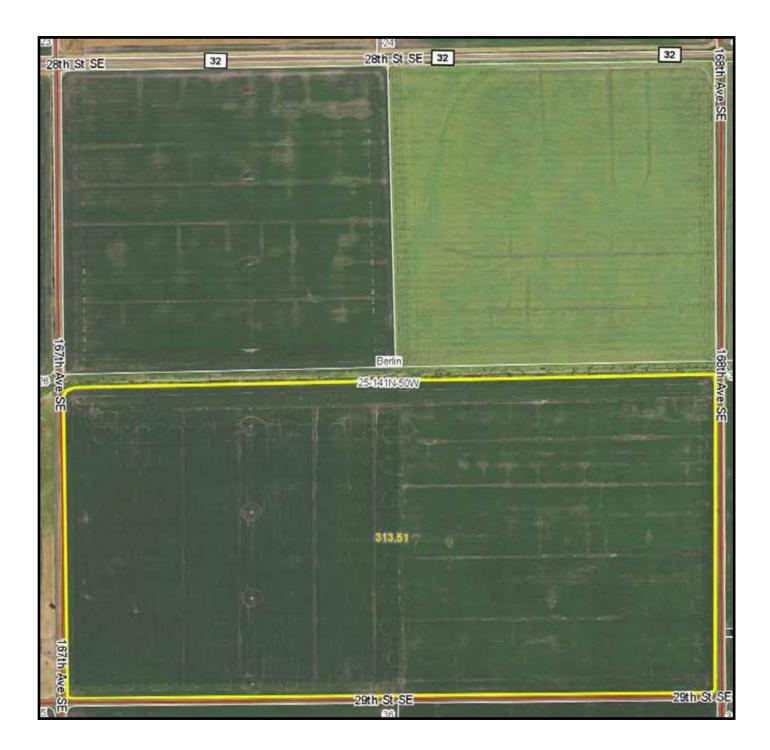


Cass County Joint Water Resource District

Cass County, ND Raymond Township Section 23-140N-50W



Cass County, ND Berlin Township Section 25-141N-50W



Cass County, ND Berlin Township Section 36-141N-50W



Cass County, ND Pleasant Township Section 18-137N-49W



Cass County Joint Water Resource District

Cass County, ND Pleasant Township Section 2-137N-48-49W



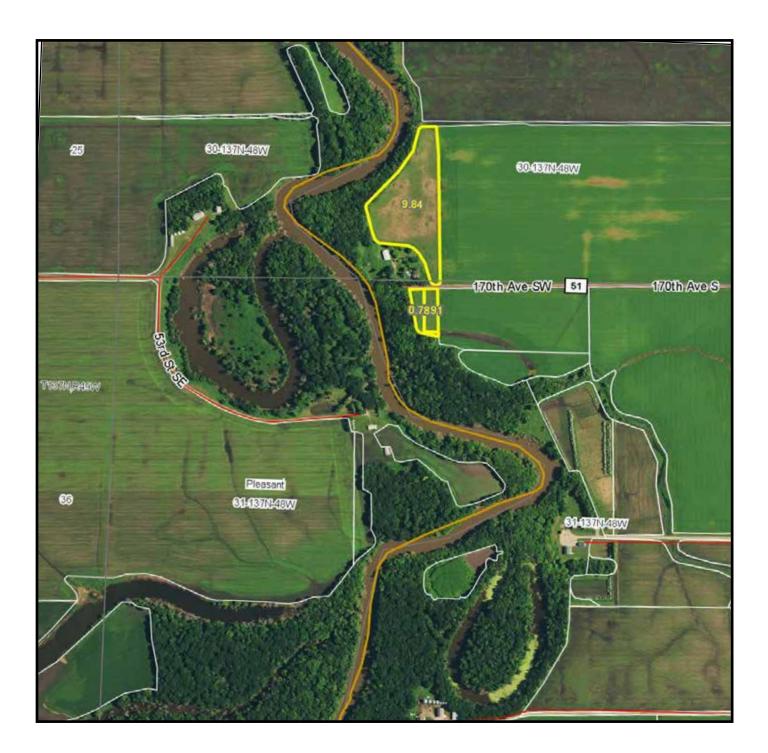
Cass County, ND Pleasant Township SW 4 Section 2-137N-49W



Cass County, ND Pleasant Township Section 23-137N-49W



Cass County, ND Holy Cross Township Section 31-137N-48W



Cass County, ND Harwood Township Section 2-141N-49W





Cass County Joint Water Resource District





Cass County Joint Water Resource District



Section SW 4 2-140N-50W Soybeans

Cass County Joint Water Resource District

07/23/2015 13:42



























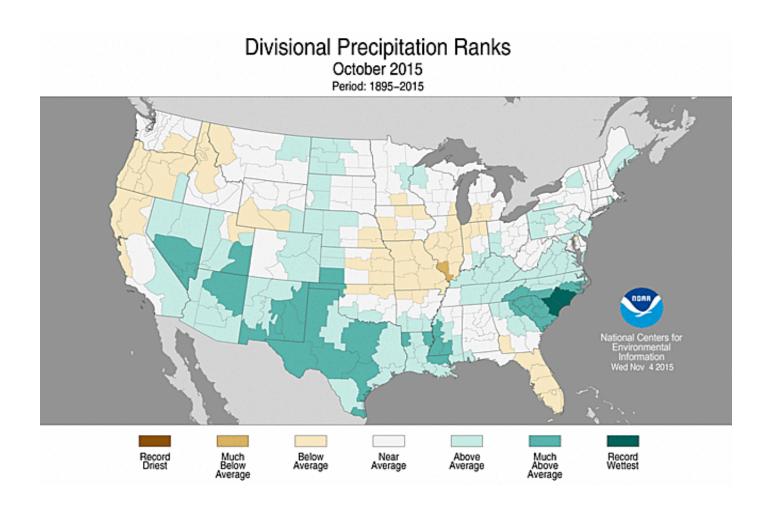




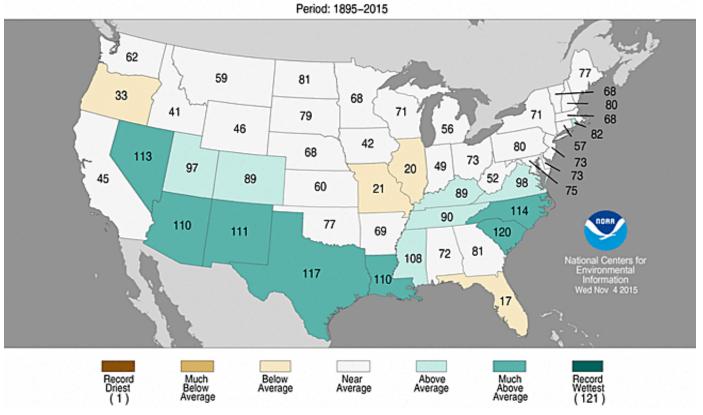






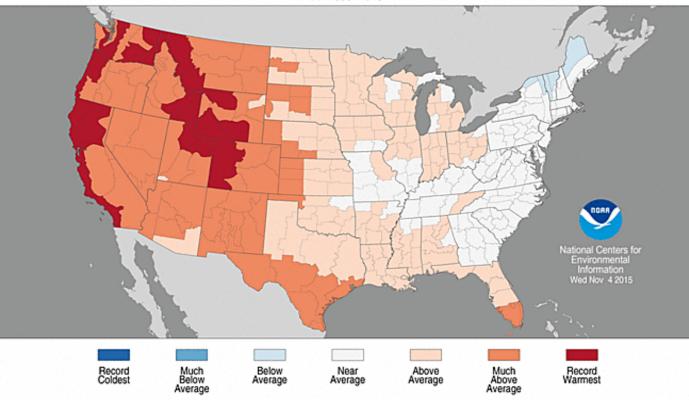


Statewide Precipitation Ranks October 2015

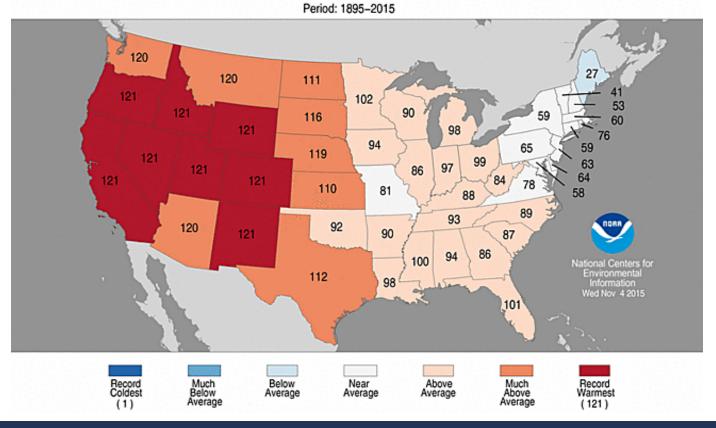


Divisional Average Temperature Ranks October 2015

Period: 1895-2015

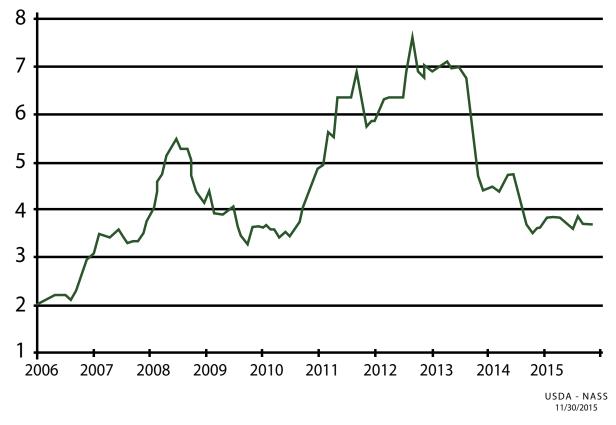


Statewide Minimum Temperature Ranks October 2015

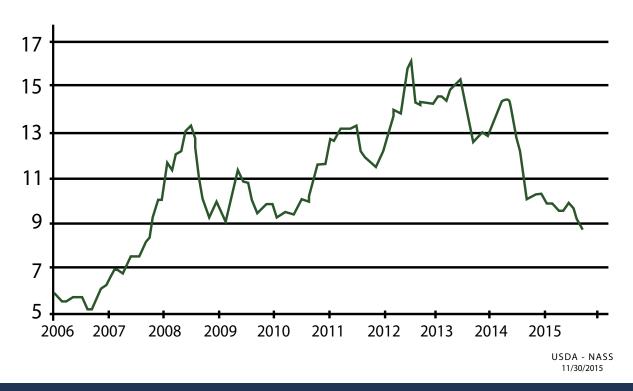


Prices Received for Corn by Month - United States

Dollars per bushel



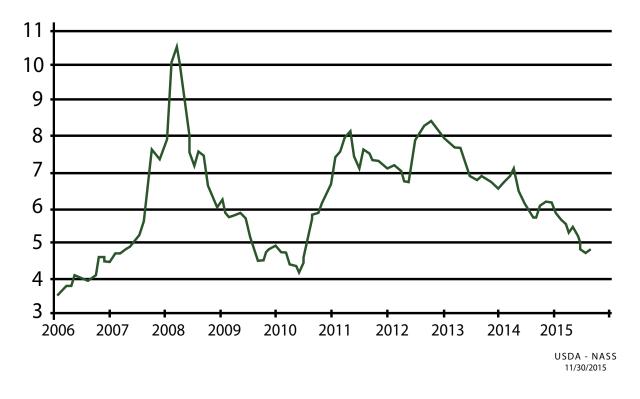
Prices Received for Soybeans by Month - United States



Dollars per bushel

Prices Received for Wheat by Month - United States

Dollars per bushel



Prices Received for Cattle by Month - United States

