

**FLOOD DIVERSION FINANCE COMMITTEE
JULY 25, 2018—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, July 25, 2018, at 4:00 PM in the City Commission Chambers, Fargo City Hall, with the following present: Fargo City Commissioner Tony Grindberg; Cass County Joint Water Resource District Chairman Dan Jacobson; Fargo Assistant City Administrator Michael Redlinger; Cass County Commissioner Rick Steen; Moorhead Finance Director Wanda Wagner; Fargo City Mayor Tim Mahoney; Fargo City Commissioner Tony Gehrig; Clay County Commissioner Jim Haney; and Cass County Auditor Michael Montplaisir.

Cass County Commissioner Vern Bennett; Fargo Finance Director Kent Costin; Moorhead City Councilman Chuck Hendrickson; and Clay County Auditor/Treasurer Lori Johnson were absent.

John Shockley of Ohnstad Twichell; Robert Cowen of CH2M; Martin Nicholson of CH2M; and Eric Dodds of AE2S were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Steen moved and Mr. Montplaisir seconded to approve the minutes from the June 27, 2018, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Mr. Montplaisir moved and Mr. Steen seconded to approve the bills in the amount of \$248,070.10 and to forward them to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

4. FINANCIAL UPDATE

Mr. Montplaisir said \$29 million has been taken in year-to-date and \$24 million has been expended. To date, \$511 million has been taken in and \$440 million has been spent on the project. A net position of \$71 million is shown on the balance sheet, most of it cash. There is \$53 million in outstanding encumbrances and the balance of the appropriations from the State of North Dakota is \$58,534,088.

5. PROGRAM MANAGEMENT CONSULTANT UPDATE

Robert Cowen, CH2M, reviewed the Program Management Consultant (PMC) report, including the overall program status and the FY 2018 cash budget. He said work is beginning on the 2019 budget

6. RECOMMENDED CONTRACTING ACTIONS

Robert Cowen said this is the reduction of almost \$2.9 million for the termination of the Riley Bros, Inc. contract for County Road 16/17. He said based on the realignment it was determined to cancel the contract, so there is a the reduction in the overall contract after balancing the quantities and work completed to date

The committee received information on the following contracting actions:

- WP-28A Change Order 03 (Riley Brothers, Inc.)

MOTION, passed

Dr. Mahoney moved and Mr. Redlinger seconded to approve Change Order 03 for WP-28A decreasing the contract price by \$2,870,049.13 and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

7. CH2M TASK ORDER TO PERFORM INTEGRATED PROGRAM COST ESTIMATE

John Shockley said work has started on an updated financial model. The teams need to get together to vet the numbers to operate from the same baseline. Inputs are needed on total costs, cost expenditures, and year of expenditure. There are competing estimates on the following: Corps of Engineers cost; in-town work; update for P3; and changes for land acquisition. The financial plan, resolution of litigation and permit all need to be resolved. The real decision now is whether to start the work or hold off.

Mr. Nicholson shared a proposed schedule and detailed some challenges. There are overlapping parts and assumptions on coverage. A single estimate needs to be developed for use by the DA that reflects the P3 implementation method of the channel. Mr. Shockley said ramp up to acquire land in 2019 would have to start in November or December due to survey work, rights of entry, etc. Mr. Grindberg said all the funding would not be put together yet if the permit is granted in December. He said he does not see the need for a task order with CH2M to pull everything together when this has been talked about for months and everyone should know.

Mr. Steen said he favors doing only Task A right now and not committing to spend \$700,000 now for all the tasks. He also is concerned with the current process that requires committee approval for a \$13,000 change order, yet a task order amendment for \$700,000 can be signed off by the Co-Executive Directors. Mr. Shockley said the governance process was set by resolution and can be easily refined if the board is interested. Mr. Nicholson outlined a draft task order set up in phases over the next six months showing Task A as “Confirm Independent Cost Estimates.”

Mayor Mahoney said he really would like to see a cost estimate. Mr. Nicholson said in this case, when going to the market place in a P3, an amount of due diligence is expected. Cost elements revolve around the right people asking the right questions. Workshops are tentatively scheduled for the first week in August, so numbers can be available mid-August.

Mr. Shockley said a revised CH2M Task Order, allowing an opportunity to proceed with approval of each task, can be available for discussion at the Diversion Authority meeting tomorrow.

MOTION, passed

Mr. Gehrig moved and Mr. Montplaisir seconded to recommend Task A “Cost Estimate Development,” in an amount not to exceed \$226,000.00, and the recommendation be forwarded to the Metro Flood Diversion Authority for their approval. On roll call vote, the motion carried unanimously.

8. LAND REPORT

Mr. Dodds said the Land Management Committee did not meet in July.

9. OTHER BUSINESS

There was no other business.

10. NEXT MEETING

The next meeting is scheduled for August 22, 2018 at 4:00 PM.

11. ADJOURNMENT

MOTION, passed

On motion by Mr. Steen, seconded by Mr. Jacobson, and all in favor, the meeting was adjourned at 5:00 PM.

Minutes prepared by Shelly Byron, Fargo City Office Associate