

**METRO FLOOD DIVERSION AUTHORITY
DECEMBER 3, 2018—9:00 AM**

1. MEETING TO ORDER

A meeting of the Metro Flood Diversion Authority was held Monday, December 3, 2018, at 9:00 AM in the Fargo City Commission Room with the following members present: Moorhead City Council Member Chuck Hendrickson; Moorhead City Council Member Joel Paulsen; Clay County Commissioner Kevin Campbell via conference call; Fargo City Mayor Tim Mahoney; Fargo City Commissioner Dave Piepkorn; Fargo City Commissioner Tony Grindberg; Cass County Commissioner Mary Scherling; Cass County Commissioner Rick Steen; West Fargo City Commissioner Mike Thorstad; and Cass County Joint Water Resource District Manager Dan Jacobson. Moorhead City Mayor Del Rae Williams; Clay County Commissioner Grant Weyland; and Cass County Commissioner Chad Peterson were absent. Tom Dawson, Chair of the Chamber Business Leaders Task Force, was also present.

Also present were U.S. Senator John Hoeven; Colonel Robert Hilliard, Deputy Commander, Mississippi Valley Division; Colonel Sam Calkins, Commander of the Corps of Engineers, St. Paul District; James Bodron, Director Programs Directorate, Mississippi Valley Division; Judy DeHarnais, Corps of Engineers Deputy District Engineer; and Terry Williams, Corps of Engineers Project Manager.

2. COST ESTIMATE PRESENTATION

Mr. Grindberg introduced the cost estimate topic. He said the funding proposal presented today is contingent on the final permit from the Minnesota Department of Natural Resources (MN DNR) and any changes to the project resulting from the new permit.

Martin Nicholson from Jacobs Engineering (formerly CH2M) and Attorney John Shockley provided a presentation on the Plan B cost estimate and financial plan. The objectives today are to update costs to current 2018 dollars, incorporate Plan B changes, utilize existing local sales tax dollars, and avoid special assessments. The current estimated cost is \$2.75 billion compared to the previous cost estimate of \$2.2 billion from 2015 based on Plan A.

The estimate is broken down into costs for land acquisitions and impacted property mitigation (\$502 million); diversion channel and P3 associated infrastructure projects (\$989 million); southern embankment and other Corps of Engineers projects (\$703 million); Fargo and Moorhead in-town projects (\$267 million); and non-construction costs (\$250 million). The non-construction costs include studies, design, procurement, legal and financial services, program and construction management, and general contingency items.

The costs-to-date are \$427 million with remaining costs of \$2.3 billion. The financial plan determines the funding and financing needs to cover costs through construction and through operations and long-term debt repayments. The funding sources to be used during construction include grant funds from the Federal government, State of North Dakota and State of Minnesota; sales tax revenues; short and long-term public financing, and P3 financing.

The reason for the changes to the financial plan are due to increased program costs resulting from Plan B and inflationary costs; decreased sales tax base revenue; decreases

to estimated sales tax growth rate; and increased borrowing rates for short-term and long-term financing. Additional grant funding through the Federal and State governments and low cost, long-term loans will be required to balance the financial plan and avoid special assessments.

The proposal presented today to balance the financial plan and avoid special assessments includes requests for an additional \$300 million from both the Federal government and State of North Dakota. The new financial plan will not be completed until project approvals are received and funding sources are secured.

3. REMARKS FROM SENATOR JOHN HOEVEN

Senator Hoeven said congressional authorization will not be needed for the request of an additional \$300 million from the Federal government. The Corps of Engineers has agreed to renegotiate the PPA to amend the project funding and recognizes the need for comprehensive flood protection for this area. Senator Hoeven said the project involves a partnership at the federal, state and local levels, and he thanked the leadership from all the entities for their work and commitment on this project.

4. U.S. ARMY CORPS OF ENGINEERS UPDATE

Col. Hilliard thanked all the participating entities for their work on this project and said the Corps is committed to being part of the team to work on this project and supports an amendment to the PPA.

Col. Calkins said the Corps will do what is needed on its end to move the amendment to the PPA as expeditiously as possible. He said a decision on the permit from the MN DNR is expected in four to six weeks.

5. APPROVAL OF PROPOSAL

MOTION, passed

Mr. Grindberg moved and Mr. Steen seconded to accept Plan B Opinion of Estimated Cost, endorse the Financial Plan Proposal, and direct Diversion Authority staff and consultants to pursue additional Federal funding through an amendment to the Project Partnership Agreement (PPA); additional State appropriations; and a low interest, long-term loan, each in the amounts proposed. On roll call vote, the motion carried unanimously.

6. RECESS

The board recessed for a short break at 9:55 AM.

7. RECONVENED

The board reconvened at 10:15 AM.

8. FINANCE UPDATE

Voucher approval

The bills for the month are with Cass County Joint Water Resource District (CCJWRD) for costs associated with the Metro Flood Diversion, OHB levee, and in-town levees; Dorsey & Whitney for legal services; and Ohnstad Twichell, P.C. for legal services.

MOTION, passed

Mr. Grindberg moved and Mr. Paulsen seconded to approve the vouchers received through November 28, 2018, in the amount of \$331,907.12. On roll call vote, the motion carried unanimously.

Recommended Contracting Actions

Mr. Nicholson discussed task orders approved by the Co-Executive Directors totaling \$116,378.62, and the following contract action for a task order:

- CH2M Hill Engineers (Task Order 3, Amendment 0)—integrated cost estimate and related services for Plan B in the amount of \$82,000.

MOTION, passed

Mr. Grindberg moved and Mr. Paulsen seconded to approve the task order as outlined. On roll call vote, the motion carried unanimously.

9. NEXT MEETING DATE

The next meeting will be held on Thursday, December 20, 2018.

10. ADJOURNMENT

Vice Chairwoman Mary Scherling declared the meeting adjourned at 10:20 AM.

Minutes prepared by Heather Worden, Cass County Administrative Assistant