



**DIVERSION AUTHORITY
Land Management Committee
City Commission Room
Fargo City Hall
Thursday, June 12, 2014
2:00 p.m.**

1. Agenda review
2. Approve May 8, 2014 minutes
3. CCJWRD Land Management Summary
4. Property & Farmland Management Update
5. Right of Entry Status & Cultural Resources Easement Acquisition Update
6. Other business
7. Next meeting Thursday, July 10, 2014

**DIVERSION AUTHORITY
Land Management Committee
Commission Room
Cass County Courthouse
Thursday, May 8, 2014
2:00 p.m.**

The meeting was moved from City Hall to the Cass County Courthouse due to parking limitations at Fargo City Hall because of Fargo Marathon activities.

Committee Members Present: Fargo Mayor Dennis Walaker, Cass County Commission Representative Darrell Vanyo, Clay County Commission Representative Jon Evert, Cass County Joint Water Resource District Representative Rodger Olson, Buffalo-Red River Watershed District Representative Gerald Van Amburg, Fargo City Administrator Pat Zavoral, Fargo Director of Engineering Mark Bittner.

Others Present: Eric Dodds - AE2S, Fargo City Engineer April Walker, Lyndon Pease - Moore Engineering, US Army Corps of Engineers Project Managers Terry Williams and Brett Coleman, Mark Brodshaug - Cass County Joint Water Resource District, Sean Fredricks Ohnstad Twichell P.C.

The meeting was called to order by Pat Zavoral.

Agenda Review

There were no additions or amendments to the agenda.

Approve April 10, 2014 Minutes

Darrell Vanyo moved the minutes from the April 10, 2014 meeting be approved. Jon Evert seconded the motion. All the members voted aye and the motion was declared carried.

Cass County Joint Water Resource District (CCJWRD) Land Management Summary

Mark Brodshaug reviewed the Land Management Summary stating that the first page shows completed acquisitions and related budget. The initial offer letter to the Oxbow Golf and Country Club is to be delivered, he said, and appraisals are underway for numerous properties for the Oxbow ring levee and the in-town levee. CH2M Hill and ProSource Right of Way representatives had a meeting with Oxbow residents to help them become familiar with the agents they will be negotiating with, he said. CH2M Hill is working with HMG on a Task Order Amendment adding three properties for the in-town levees, he said. Applications are complete on two agricultural properties, he said, and discussions with the Corps continue on formatting and providing what the Corps is looking for. He shared a summary of negotiations that have begun or are complete and said there will be more in progress as appraisals get completed.

Chair Dennis Walaker present.

In response to a question from Mr. Walaker about the origination of the notice letter sent to residents of the Park East Apartment property regarding the property being needed

for in-town levees, Mr. Brodshaug said the letter came out as a standard form letter, similar to the one sent to Oxbow property owners, with the intention of it being a first contact with people where property is needed for the project.

Eric Dodds said it is his understanding that it was the owner of the Park East Apartments, Roers Property Management, who received the notice and then notified the residents.

April Walker said a letter was drafted at Roers Property Management's request, to address issues about acquisition, including relocation expense eligibility. Roers did not want to release the names of all their residents to the Diversion Authority, she said, so the letter came from Ken Helvey of SRF Consulting, who is contracted with Houston-Moore Group (HMG). HMG has a contract with the Cass County Joint Water Resource District, she said.

Eric Dodds said about a half dozen or so appraisals have been done in Oxbow. John Albrecht of the Corps Real Estate Division is working to get the Corps in stride to review the appraisals submitted, and following a go-ahead from the Corps and the legal team, negotiations will begin with property owners. He said a right-of-way worker first will make an offer to the property owner and will include relocation funds based on the appraisal amount. After negotiations reach a level of conclusion, he said, the acquisition will come to the Joint Board for approval or rejection, closing dates will be set and the acquisition will move forward.

Property and Farmland Management Update

Eric Dodds said Pifer's Land Management is helping to manage about 1400 acres now, with another property closing next week and one that will happen later this fall. The agricultural rental agreements moved at a fast pace to get in place before spring, he said. Rent payments will be incorporated in the finance statements, he said. There continues to be interest in the lots owned in Hayden Heights, he said, and the other property owned by the Diversion Authority in Oxbow is being rented or sold. He said the CCJWRD is opening bids for the first segment of the ring levee soon and it is anticipated they will be awarded at the CCJWRD meeting in two weeks.

Right of Entry Status and Cultural Resources Easement Acquisition Update

Lyndon Pease said some of the cultural resource work along the low-head dam may not get done this week since river water levels are somewhat high. Work is being done in the area of the Wild Rice River Dam, he said, and a raptor survey was done in April and the same consultant is coming back to do a visual survey for in-town levees and a visual analysis is being done for the Oxbow ring levee. Access for three North Dakota parcels is needed and those will be done this week, he said, and two in Minnesota where access was not granted will be documented; however, they are not essential. Design continues along the diversion channel and surveys will be conducted after fall on two properties where access has been granted. He said letters have been sent out for about 80 parcels of land on the southern alignment requesting the return of access agreements. Permission continues to trickle in, he said, about twenty agreements have been returned within the last two weeks. Some access on the Moorhead side is pending, he said, awaiting approval by the City Council.

In response to a question from Darrell Vanyo about costs incurred for those cases where access is denied and it goes to court, Mr. Brodshaug said there is an economy of scale. The costs are primarily for preparation and court time, he said, because the types of surveys needed really do not change,

Sean Fredericks said most of the filings have been pretty similar, and while he does not know the numbers, the success rate has been good. Initially, he said, landowners had concerns that if they granted access the Authority would come in and take the land.

Rodger Olson said every effort is being made to work with landowners. He said that includes personal contact and phone calls to find out reasons for resistance and whether an issue can be resolved.

Other Business

Gerald Van Amburg said he will present a report at the Diversion Authority Meeting this afternoon about areas within the watershed that would be managed by detention. He said the identified sites can have a significant impact on the Red River. There is a lot of hope for federal dollars to come, he said, and it will not look good if funding comes and cannot be used because the sites are not available. He said landowners need to be aware that preparation is necessary and there may not be another chance.

Rodger Olson said benefits of detention up and down the valley will strengthen the diversion project and can reduce duration and frequency of flooding which can impact mitigation to the storage area and there has never been a better time to mitigate the damage that water does. The Federal Farm Program has several million dollars that will hopefully become available for the Red River Valley if identified as a critical conservation area, he said, and if so, there will be seven others to compete with for those sums.

The next meeting will be Thursday, June 12, 2014.

Darrell Vanyo moved the meeting be adjourned. Roger Olson seconded the motion. All the members voted aye and the motion was declared carried. The meeting was adjourned at 2:40 p.m.

June 6, 2014

Metro Flood Diversion Authority - Pifer's Land Management Update

Pifer's Land Management as of June 6, 2014, has sent out the following cash rent leases to tenants and cash rents payments for 2014 have been collected.

Prior Owners – Dennis and Vicki Rust

Tenants

- Brent Rust – NW ¼ Section 11-140-50 and S ½ Section 25-141-50
Raymond Township
3 year lease – **Rent Collected \$60,179.00**
- Brian Rust – NW ¼ Section 1-140-50
3 year lease – **Rent Collected \$17,234.00**

Prior Owner – Wayne Diekrager

Tenants

- Brent Rust – NE ¼ Section 11-140-50
Raymond Township
3 year lease – **Rent Collected \$23,757.00**

Prior Owner – James and Ann Ueland

Tenants

- James and Ann Ueland – SE ¼ Section 11-140-50
Raymond Township
3 year lease – **Rent Collected \$21,500.00**

Prior Owner – Diane Maier & Lucille Sorby

Tenants

- Mark Hyatt – SE ¼ and S ½ NE ¼ lying S of Wild Rice River, building site & driveway, N ½ SW ¼, E ½ SE ¼ SW ¼ Section 2-137-49
Raymond Township
2 year lease – **Rent Collected \$35,051.80**

Prior Owner – Keith Monson, Flex Rental Agreement

Tenant

- Keith Monson – NW ¼ Section 36-141-50
Berlin Township
5 year Flex Rent Contract – Base Rent collected **\$15,892.00**
Flex amount due November 30, 2014

Financial recap based on the above rental amounts are as follows:


Rental Income	\$173,613.80
Management Fee	(13,889.10)
Withholding for RE Taxes	(21,736.41)
5% withholding for misc. operating	(7,986.24)
Net Rent	<u>\$130,002.05</u>

Pifer's Land Management has dispersed the above amount to the Metro Flood Diversion Authority on June 6, 2014.

Cool spring and early summer weather continues to be a challenge for farmers in the area. Most crops are planted where conditions are suitable for planting. There will be some preventative planted acres in 2014. Farmers should be able to collect government payments on acres that are preventative plant.

Enclosed you will find the P&L and Balance Sheet for the Diversion Authority as of May 31st, 2014.

Sincerely,



Dwight Hofland
Senior Land Manager
The Pifer Group, Inc.

11:12 AM
06/06/14
Accrual Basis

Diversion Authority - Land Management
Balance Sheet
As of June 6, 2014

	<u>Jun 6, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
Land Management Trust Account	29,715.91
Total Checking/Savings	<u>29,715.91</u>
Total Current Assets	<u>29,715.91</u>
TOTAL ASSETS	<u><u>29,715.91</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Operating Expense Deposit	7,979.50
Real Estate Taxes Payable	21,736.41
Total Other Current Liabilities	<u>29,715.91</u>
Total Current Liabilities	<u>29,715.91</u>
Total Liabilities	<u>29,715.91</u>
TOTAL LIABILITIES & EQUITY	<u><u>29,715.91</u></u>

11:12 AM
06/06/14
Accrual Basis

Diversion Authority - Land Management
Profit & Loss
January 1 through June 6, 2014

	<u>Jan 1 - Jun 6, 14</u>
Ordinary Income/Expense	
Income	
Rental Income	173,613.80
Total Income	<u>173,613.80</u>
Expense	
Commission Expense	13,889.10
Misc Operating expenses	7,986.24
Real Estate Taxes	21,736.41
Rent Expense	130,002.05
Total Expense	<u>173,613.80</u>
Net Ordinary Income	<u>0.00</u>
Net Income	<u><u>0.00</u></u>