

**DIVERSION AUTHORITY  
Land Management Committee  
Thursday, March 14, 2013  
2:00 p.m.  
City Commission Room  
Fargo City Hall**

Committee Members Present: Fargo Mayor Dennis Walaker, Moorhead Mayor Mark Voxland, Cass County Commission Representative Darrell Vanyo, Cass County Joint Water Resource District Representative Rodger Olson, Fargo City Administrator Pat Zavoral, Cass County Administrator Keith Berndt, Moorhead City Administrator Michael Redlinger, Clay County Administrator Brian Berg, Fargo Director of Engineering Mark Bittner, Moorhead City Engineer Bob Zimmerman, Fargo City Engineer April Walker (Alternate), Tom O'Hara (Ex-Officio).

Others Present: Eric Dodds – AE2S, Lyndon Pease – Moore Engineering.

Approve February 14, 2013 Minutes

Rodger Olson moved the minutes from the February 14, 2013 meeting be approved as written. Mark Voxland seconded the motion. All the members voted aye and the motion was declared carried.

Hardship Acquisition Program Update

Eric Dodds said of the eight applications originally received in June, three properties have been approved for acquisition and two have been acquired. One has been rented and there is an interested renter for the second. The homeowner in the third case was not satisfied with the first appraisal and the second appraisal came in 50 percent higher than the first, he said. A third appraiser has been hired to conduct a technical review of the two appraisals, he said, with a recommendation expected by the April Land Management Committee and Diversion Authority meetings. He said a ninth application received in February was approved at last month's meeting, and an appraisal has been initiated. He said the appraisal community is keeping very busy with all the activity across the state and the ability to get appraisers in a timely manner has been affected.

Bakke/Hickson/Staging Area Residential Landowner Meetings Plan

Tom O'Hara said the Corps is proceeding with a full Oxbow/Hickson/Bakke alignment in their Environmental Assessment (EA) documentation, pending additional feedback in April. Alternate alignment information was shared with Pleasant Township supervisors, he said, and an offer was made to hold one-on-one meetings with residents to explain the options. He stated Pleasant Township supervisors remain opposed to the project and the Oxbow/Hickson/Bakke levee. Plans will proceed for one-on-one meetings with interested residents during the first part of April, he said. All Bakke and Hickson residents will be invited, he said, as well as impacted rural residential landowners in the staging area. He said feedback will be brought to this committee and the Diversion Authority in April.

Agricultural Policy Subcommittee Report

Rodger Olson said there was good attendance at the recent Agricultural Subcommittee meeting which included presentations by the Red River Retention Authority and the Red

River Basin Commission. He said the meetings helped people understand the interactions between the water groups. Lee Beauvais talked about ring dikes in the staging area and protection of working farms, he said, and a report on the survey is expected in April. There was good discussion on the draft Ag Impacts Mitigation Plan, he said, which includes flowage easements and crop insurance. He stated it is an ongoing policy and work will continue on it. He said he expects more discussion next month and has asked the subcommittee to be prepared to come to a consensus, after which the plan will be brought to the Land Management Committee. One of the biggest concerns expressed is where the money will come from for crop insurance, he said, and how the farmers can feel secure that the Diversion Authority is going to be able to cover crop losses.

In response to a question from Darrell Vanyo about how a figure for the potential dollar amount would be arrived at, Mr. Olson said figures to estimate the commitment could be attained using averages from the Risk Management Agency records. He suggested finding an insurance company willing to do an analysis and proposal of an insurance package for the Diversion Authority.

Eric Dodds said in a worst-case total loss scenario, if 32,000 acres were lost during a summer flood event, and that total loss was 100% the liability of the Diversion Authority, based on 2012 crop prices, the total liability would be between 10 and 15 million dollars. He said as he understands federal crop insurance, the amount of liability would change from year to year, based on factors like crop prices.

Pat Zavoral said methods of addressing how to cover crop losses have been discussed in recent financial meetings. It has been proposed to wrap it into the maintenance of the diversion, earmarking it as a portion of costs incurred either through the special sales tax or by being special assessed.

Rodger Olson explained that under a multi-peril crop insurance policy, a delayed planting that causes a reduced yield is entered into a database where it remains for ten years and affects average yields, so there is concern that consecutive or frequent spring flooding would affect yields and in turn affect payments. He suggested crediting the late planting possibility into the flowage easement payment so that the farmer owning the land would receive payment if water is backed up onto his land. Much of the land is rented, he said, and flowage easement payments would be made to the landowner, although impacts would be felt by the renter. He said if a renter is not able to negotiate an agreement with the landowner to share some of that risk, perhaps that renter should not take it on. He said a prevented planting situation is paid at a lower percentage than a delayed plant situation. Losses are difficult to quantify, he said, so there is a need to keep it as simple as possible, and get information out to the landowners in a timely matter. He said the subcommittee will continue to seek input and gather information.

#### Assessment District Update

Eric Dodds said the Diversion Project Assessment Committee, led by the Cass Joint Water Resource District, has reviewed some recent assessment methodologies for recent flood control and drainage projects to glean the high points of what did and did not work well, with what may be appropriate for this project moving forward.

Assessment approaches have been discussed from a phased project implementation standpoint, he said, and a master assessment district may be created with assessments levied as the components are completed. He said the philosophy being used is that property receiving more benefit will have a higher assessment. It is expected this will take several months to unfold, he said, then there will be public informational meetings. It is the expectation that sales tax proceeds will be sufficient to cover the assessments, he said, unless there is some unforeseen change. He said there may be the need for a maintenance district, so the special assessment process has value even if it is not used for revenue generation.

#### Right of Entry Status & Cultural Resources Easement Acquisition Update

Lyndon Pease said access for the diversion is ongoing and is continually being updated. Obtaining access downtown has been fairly successful, he said, and BNSF Railroad has granted permission.

#### Other Business:

The next meeting will be Thursday, April 25, 2013 at 2:00 p.m.

The meeting was adjourned at 2:45 o'clock p.m.