

**DIVERSION AUTHORITY  
Land Management Committee  
City Commission Room  
Fargo City Hall  
Thursday, July 10, 2014  
2:00 p.m.**

Committee Members Present: Oxbow Mayor Jim Nyhof, Cass County Commission Representative Darrell Vanyo, Clay County Commission Representative Jon Evert, Cass County Joint Water Resource District Representative Rodger Olson, Fargo City Administrator Pat Zavoral, Moorhead City Administrator Michael Redlinger, Clay County Administrator Brian Berg, Fargo Director of Engineering Mark Bittner, Moorhead City Engineer Bob Zimmerman

Others Present: Eric Dodds - AE2S; Terry Williams and Brett Coleman - US Army Corps of Engineers; Mark Brodshaug - Cass County Joint Water Resource District; Lee Beauvais - Moore Engineering.

The meeting was called to order by Darrell Vanyo.

Agenda Review

There were no additions or amendments to the agenda.

Approve June 12, 2014 Minutes

Bob Zimmerman moved the minutes from the June 12, 2014 meeting be approved. Michael Redlinger seconded the motion. All the members present voted aye and the motion was declared carried.

CCJWRD Land Management Summary

Mark Brodshaug said a June 18th meeting with Corps representatives for discussion on appraisals and reviews proved helpful in identifying different aspects of the appraisal process and how the Corps would be doing the reviews. He said something similar may be done on the relocation process since this meeting concentrated on appraisals. Now that the first residential appraisal in Oxbow has been approved through the Corps review process, he said, negotiations for purchase will begin. He said as he understands it, the first review with each appraiser will be a more involved process and once through that, he is hopeful the process will move along fairly quickly. In-town levee appraisals continue, he said, and the appraisal of Fargo School District property will be submitted soon for the Corps and legal team review. He said there are 23 additional Oxbow residential appraisals that can now move forward for review, as well as agricultural properties in the Oxbow area. A task order is being prepared for the initial channel construction area for acquisitions likely to happen this fall/winter, he said.

In response to a question from Darrell Vanyo about the location of the three agricultural properties being reviewed by the Corps, Eric Dodds said two parcels are owned by Oxbow and one is farmland west of Oxbow. The parcels are needed for work next year, he said.

Jim Nyhof said the negotiation process will require more understanding and suggested a workshop or some other way to get the word out be offered, so affected property owners in Oxbow can begin planning for the negotiation process. He said the majority of the residents being displaced intend to rebuild in Oxbow and do not know what steps to take to prepare. Five residents will need to start rebuilding this fall, he said, and little is being done to give them direction. He said there are details, such as how Oxbow transfers a title to a lot for a homeowner, that need to be worked out. Without a title, he said, the house cannot be built.

Eric Dodds said there have been discussions with ProSource recognizing that Oxbow property owners are interested in understanding the process. He said he expects a relocation process document will be produced; however, each property in Oxbow will be a unique situation and it is important to begin the process of having relocation specialists working one-on-one with the residents to get questions answered.

In response to a question from Mark Bittner about which appraisal firms are being used, Eric Dodds said ProSource is doing residential appraisals in Oxbow, the Ulteig team is doing the agricultural property around Oxbow and HMG is doing the in-town appraisals.

In response to a question from Jim Nyhof regarding the status of the appraisal of the clubhouse facility which seems to be taking a long time, Eric Dodds said it is his understanding that it has been completed and a small group meeting is to be set up to start discussing the details.

#### Property & Farmland Management Update

Eric Dodds said there has not been any farmland management activity during the last month and none is expected until fall. Sales on five lots in Hayden Heights have closed, he said, and there are offers on two more.

#### Agricultural Risk Economic Evaluation Consulting Assignment Plan

Eric Dodds said the Corps position is that flowage easements are effective in mitigating negative agricultural impacts. He said a study done by Watts and Associates looked at options for producing crop insurance as an alternative or to complement flowage easements. A key question that came from that study was whether crop insurance would reduce the cost or value of flowage easements if the Diversion Authority were to offer it, he said. In an attempt to answer that question, he said, an agricultural risk evaluation consulting assignment plan was discussed at the Finance Committee meeting and the production of a draft RFQ was approved. He said the RFQ would seek qualifications from agricultural economic consulting firms to conduct analysis, and potentially appraisals, on properties within the staging area and benchmark those values. He said the suggestion is that for now, the crop insurance mirror the federal crop insurance program for simplicity.

Rodger Olson said the members of the Agricultural Subcommittee really want the insurance product and he will push for cooperation from members of that group to present some land for appraisal to see the impact. The consulting company will not

be asked to come up with a flowage easement price, he said, the point is to understand the theoretical value of the before and after relationship of offering flowage easements with or without an assumed supplemental crop insurance.

Jon Evert reminded the committee that things are far different now than when all the farmers owned the land they farmed. Now, he said, both the land owner and the operator of the land are in need of protection.

Mark Brodshaug said there are other points for discussion such as how cleanup after a flood would be handled. He said there could be some type of response by the Diversion Authority or it could be the responsibility of the flowage easement owner, which affects flowage easement payments. He said this study should result in good information to help decision making.

In response to a question from Mark Bittner about whether the Corps would give credit if an insurance product were offered in addition to flowage easements, Terry Williams said anything beyond the required flowage easement in the staging area would be a cost borne by the sponsor. She said if savings result by offering insurance, those savings would be rolled into the cost-share and would reduce the total local share of the cost of the land.

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

Lee Beauvais said cultural resources work for the in-town levees is finished and the draft report is expected soon. He said the work was able to be done from the public right-of-way in most cases. Several parcels north of Maple River that could not be accessed earlier for cultural resource work have been finished with nothing significant found, he said. The process for right-of-way acquisition started in April with letters being sent out seeking access for field work to about 80 parcels in the southern part of the project, he said, with about 40 granting access so far. He said the process has begun to gain legal access to the rest of the properties, with the intention being that it will not begin before the crops come off the land this fall.

#### Other Business

Eric Dodds said there have been ongoing discussions about the right-of-entry process in Minnesota and a small staff-level meeting has been arranged for next week with the Buffalo Red River Watershed District.

Eric Dodds said some aerial photos have been taken of the Oxbow construction, which may be shown at the Diversion Authority meeting later today.

The next meeting will be Thursday, August 14, 2014.

Jon Evert moved the meeting be adjourned. Rodger Olson seconded the motion. All the members voted aye and the motion was declared carried.

The meeting was adjourned at 2:40 p.m.