

**FLOOD DIVERSION FINANCE COMMITTEE
OCTOBER 25, 2017—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, October 25, 2017, at 4:00 PM in the Fargo City Commission Chambers, Fargo City Hall, with the following present: Cass County Joint Water Resource District Chairman Mark Brodshaug; Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Gehrig; Fargo City Commissioner Tony Grindberg; Clay County Auditor/Treasurer Lori Johnson; Cass County Auditor Mike Montplaisir; Cass County Commission Representative Darrell Vanyo; and Moorhead Finance Director Wanda Wagner. Moorhead City Councilman Chuck Hendrickson; Fargo City Mayor Tim Mahoney; Fargo City Assistant Administrator Mike Redlinger; and Cass County Commissioner Rick Steen were absent.

Robert Cowen, CH2M; and Eric Dodds, AE2S were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Brodshaug moved and Mr. Montplaisir seconded to approve the minutes from the September 27, 2017, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Mr. Vanyo moved and Mr. Costin seconded to approve the bills in the amount of \$2,884,234.85 and to forward them to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

4. FINANCIAL UPDATE

Mr. Costin reviewed the financial statement for September. About \$59.5 million has been expended from the FY 2017 budget, and the total disbursed for the project to date is \$391,898,297. The net position is \$73.0 million.

MOTION, passed

Mr. Montplaisir moved and Mr. Gehrig seconded to approve the Financial Statement for September as presented. On roll call vote, the motion carried unanimously.

5. PMC UPDATE

Robert Cowen of CH2M reviewed the Program Management Consultant (PMC) report, including the overall program status and the FY 2017 cash budget.

6. 2018 BUDGET

Mr. Cowen said work is being completed on a high level overview for the FY 2018 budget. Three scenarios will ultimately be drafted due to the federal injunction and the indefinite path forward. The scenarios include a pre-injunction plan, a ramp up plan in the event the injunction is lifted, and a stand down plan in the event the injunction is not lifted. The ramp up plan is still being drafted. The stand down plan includes \$44.2 million for in-town flood protection and \$3.7 million for work in Oxbow.

Mr. Costin asked if the only mitigation work included in the stand down budget is for Oxbow. Mr. Cowen said yes.

Mr. Grindberg asked what the timeline for budget approval is and if the budget should be approved before the end of the year. Mr. Montplaisir said the budget should be approved by December 1st. The budget should be viewed as a living document; perhaps if the stand down budget is approved budget adjustments can be made as circumstances evolve.

7. RECOMMENDED CONTRACTING ACTIONS

Mr. Cowen reviewed the following contracting actions:

Work Change Directives

- Hoffman & McNamara (In-town Levees General Landscape and Plantings)—create milestone for site furnishings in the amount of \$0.

Mr. Costin noted the project completion date is June of 2024. Mr. Cowen said the completion date is six years out to allow for growth time for bushes, shrubs, and grass.

- Meyer Contracting, Inc. (OHB Ring Levee)—add removal of unsuitable material from the north pond borrow site in the amount of \$71,000.

Mr. Gehrig said as an order from the judge has been received with stipulations on what project work is allowed to continue during the injunction, he would like to see the paperwork for contracting actions include language on whether or not proposed work is in accordance with the order. Mr. Cowen said this can be implemented.

Change Orders

- Industrial Builders Inc. (2nd Street North)—modify generator connection wire quantity; add fiber optic line and conduit; balance unit price quantities; and extend contract time for a reduction in the amount of \$147,981.32.
- Schmidt and Sons Construction, Inc. (OHB Ring Levee)—time extension to allow home removal in the amount of \$0.
- Landwehr Construction, Inc. (OHB Ring Levee)—substantial completion time extension in the amount of \$0.

MOTION, passed

Mr. Vanyo moved and Mr. Montplaisir seconded to approve the appropriation of funds for the outlined contracting actions as presented, and to forward the recommendations to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

8. LAND ACQUISITION STATUS REPORT

Eric Dodds of AE2S was present to review the Land Acquisition Status Report. Mr. Dodds said there are minimal changes from the last report as acquisitions have been largely suspended due to the injunction, outside of acquisitions already in process when the injunction was put in place.

Mr. Dodds said the report now reflects multiple flowage easements as secured that

belong to government entities such as the county or a water resource district.

Mr. Dodds said the Diversion Authority has \$15.5 million in land assets that may be liquidated at a future time. The land was purchased when various property owners opted to sell more land than what was needed.

9. NEXT MEETING

The next regularly scheduled meeting will be held on November 15th at 4:00 PM.

Mr. Vanyo asked if there is any intent to discuss downsizing the use of program management consultants in light of the suspended construction schedule. Mr. Vanyo understands that the guidelines allow the co-executive directors to approve such a change but the Finance Committee and Diversion Authority should still review and discuss the issue. Mr. Grindberg said he would like Mr. Redlinger to be present for such a conversation and perhaps a separate meeting will need to be held.

Mr. Brodshaug said the placeholder for an additional Finance Committee meeting would be Wednesday, November 8th.

10. ADJOURNMENT

MOTION, passed

On motion by Mr. Montplaisir seconded by Mr. Vanyo and all in favor, the meeting was adjourned at 4:23 PM.