

**FLOOD DIVERSION FINANCE COMMITTEE
JANUARY 17, 2018—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, January 17, 2018, at 4:00 PM in the Fargo City Commission Chambers, Fargo City Hall, with the following present: Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Grindberg; Moorhead City Councilman Chuck Hendrickson; Cass County Joint Water Resource District Chairman Dan Jacobson; Clay County Auditor/Treasurer Lori Johnson; Cass County Auditor Mike Montplaisir; Cass County Commissioner Rick Steen; and Moorhead Finance Director Wanda Wagner. Cass County Commissioner Vern Bennett; Fargo City Commissioner Tony Gehrig; Fargo City Mayor Tim Mahoney; and Fargo City Assistant Administrator Michael Redlinger were absent.

John Glatzmaier of CH2M was also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Steen moved and Mr. Hendrickson seconded to approve the minutes from the December 20, 2017, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Mr. Costin moved and Mr. Steen seconded to approve the bills in the amount of \$50,905.03 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 December. About \$83.4 million has been expended from the FY 2017 budget, and the total disbursed for the project to date is \$415,840,612. The net position is \$66.8 million.

Mr. Costin said he would like to clarify the breakdown of yearly revenues per entity as it was brought up during the previous meeting. The Joint Powers Agreement put into effect at the start of the project required even contributions from Cass County and Fargo. In 2016, Cass County and Fargo each secured \$100 million loans. Cass County has drawn down the entire balance of their loan, but Fargo has only drawn down \$50 million of their loan at this time. For this reason, there is an approximately \$50 million difference in cumulative revenue totals from each entity as Fargo has yet to draw the remaining \$50 million loan balance.

5. PMC UPDATE

John Glatzmaier of CH2M reviewed the Program Management Consultant (PMC) report, including the overall program status and the FY 2017 cash budget. Mr. Glatzmaier said around \$157.9 million of the FY 2017 cash budget was not expended and will be carried over into the FY 2018 budget.

6. RECOMMENDED CONTRACTING ACTIONS

Mr. Glatzmaier reviewed the following contracting action:

Change Order

- Industrial Builders, Inc. (2nd Street N, south of pump station)—add 35 calendar days to Final Completion date to allow for additional contractor coordination and testing reports in the amount of \$0.

MOTION, passed

Mr. Montplaisir moved and Mr. Steen seconded to approve the appropriation of funds for the outlined change order with Industrial Builders Inc. as presented, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

7. OTHER BUSINESSContract closeouts

Mr. Costin said as the City of Fargo is the fiscal agent for the Diversion Authority it has come to his attention that there is an extensive amount of HMG contracts that are currently open, but the timeline or contract details may have changed due to the federal injunction and subsequent Governors' Task Force. Mr. Costin asked if some of these contracts will be closed out and what the closeout protocol is.

Mr. Glatzmaier said there have been discussions on what to do with these contracts as many had performance periods that ended on December 31st, but were directly impacted by the federal injunction and subsequent work of the Governor's Task Force. Some of the contracts will need to be amended to extend performance periods. Others should and will be closed out, depending on the final recommendations of the Governor's Task Force and the identification of the southern alignment.

Mr. Costin said he would like to stay on top of these contract closeouts. From an accounting perspective, monitoring the contracts may become complicated with multiple contract amendments. In some cases it might be helpful to close out some contracts and re-sign new task orders if the work changes significantly.

8. NEXT MEETING

The next meeting is scheduled for February 21st at 4:00 PM.

9. ADJOURNMENT***MOTION, passed***

On motion by Mr. Montplaisir seconded by Mr. Steen and all in favor, the meeting was adjourned at 4:13 PM.