

**FLOOD DIVERSION FINANCE COMMITTEE  
JANUARY 23, 2019—4:00 PM**

**1. MEETING TO ORDER**

A meeting of the Flood Diversion Finance Committee was held on Wednesday, January 23, 2019, at 4:00 PM in the Fargo Commission Chambers, Fargo City Hall, with the following present: Fargo Finance Director Kent Costin; Moorhead City Councilman Chuck Hendrickson; Cass County Joint Water Resource District Chairman Dan Jacobson; Clay County Auditor/Treasurer Lori Johnson; Moorhead Finance Director Karla McCall; Cass County Auditor Michael Montplaisir; Fargo City Assistant Administrator Michael Redlinger; and Cass County Commissioner Rick Steen. Fargo City Commissioner Tony Grindberg was present via conference call. Cass County Commissioner Vern Bennett; Fargo City Commissioner Tony Gehrig; and Fargo City Mayor Tim Mahoney were absent.

Kim Daily of Jacobs; John Shockley of Ohnstad Twichell; and Eric Dodds of AE2S were also present.

**2. APPROVAL OF MINUTES FROM PREVIOUS MEETING**

*MOTION, passed*

**Mr. Montplaisir moved and Mr. Jacobson seconded to approve the minutes from the December 19, 2018, meeting as presented. Motion carried.**

**3. APPROVAL OF BILLS**

*MOTION, passed*

**Mr. Hendrickson moved and Mr. Montplaisir seconded to approve the bills in the amount of \$244,667.80, 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 \$37.9 million has been expended from the FY 2018 budget, and the total disbursed for the project to date is \$453,733,022. The net position is \$84.8 million.

Mr. Costin said the Diversion Authority still has \$50 million of available funds on a line a credit with Wells Fargo. A recent conversation about the project with Wells Fargo was positive.

*MOTION, passed*

**Mr. Redlinger moved and Mr. Costin seconded to receive and file the Financial Statement for December as presented. Motion carried.**

**5. PMC UPDATE**

Kim Daily of Jacobs reviewed the Program Management Consultant (PMC) report, including the overall program status and the FY 2018 cash budget, which has a remaining balance of \$44.7 million.

Mr. Steen asked when a complete FY 2019 budget is anticipated. Mr. Redlinger said a

full budget is expected in late winter or early spring.

***MOTION, passed***

**Mr. Costin moved and Mr. Jacobson seconded to receive and file the Program Management Consultant Report for December as presented. Motion carried.**

## 6. CONTRACTING ACTIONS

Ms. Daily reviewed the following contracting actions:

### Task Orders

- Houston-Moore Group, LLC (Task Order 04, Amendment 03 – Property Acquisition Services)—remove Appraisal Services scope, Exhibit, and unspent budget; add Bio-Geo Services scope and budget; add Project Management and Right-of-Way Services budget; amend Exhibit B property tables; and extend period of performance to October 31, 2020, in the amount of -\$177,395.

***MOTION, passed***

**Mr. Redlinger moved and Ms. Johnson seconded to approve Task Order 04, Amendment 03 with Houston-Moore Group, LLC for a budget reduction of \$177,395. On roll call vote, the motion carried unanimously.**

- Ulteig Engineers, Inc. (Task Order 02, Amendment 02 – Property Acquisition Services)—remove Appraisal Services scope, Exhibit, and unspent budget; add Bio-Geo Services scope and budget; add Project Management and Right-of-Way Services budget; amend Exhibit B property tables; and extend period of performance to October 31, 2020, in the amount of -\$30,185.

***MOTION, passed***

**Mr. Costin moved and Mr. Hendrickson seconded to approve Task Order 02, Amendment 02 with Ulteig Engineers, Inc. for a budget reduction of \$30,185. On roll call vote, the motion carried unanimously.**

- ProSource Technologies, LLC (Task Order 02, Amendment 01 – Property Acquisition Services)—remove Appraisal Services scope, Exhibit, and unspent budget; add Bio-Geo Services scope and budget; add Project Management and Right-of-Way Services budget; amend Exhibit B property tables; and extend period of performance to October 31, 2020, in the amount of \$656,000.

Mr. Costin asked what bio-geo services are. Eric Dodds of AE2S was present. Mr. Dodds said bio-geo services include biotic and geomorphic services, which are federally required environmental services for the project. A baseline of environmental conditions will be established and monitored over time to determine if the project has environmental impacts. The service also includes obtaining easements for monitoring sites. As property rights are needed for approximately 1,200 parcels, this work has been divided among three firms.

Mr. Costin said each firm has established a different price per parcel to perform this work and it is unclear why there is such a discrepancy between firms. Mr. Dodds said different parcels will require different land rights and there are varying levels of complexity involved

for each parcel. The price per parcel is an estimate for budgeting purposes, and all costs will be verified as they are incurred.

Mr. Costin said he understands that the differentials are a function of budgeting and true costs will be billed, but he thinks the pricing should be more in line among the three firms.

***MOTION, passed***

**Mr. Costin moved and Mr. Montplaisir seconded to approve Task Order 02, Amendment 01 with ProSource Technologies, LLC in the amount of \$656,000. On roll call vote, the motion carried unanimously.**

- CH2M Hill Engineers, Inc. (Task Order 02, Amendment 02 – Interim Program Management Services)—extend period of performance to April 30, 2019; and modify Task C to develop an overall program schedule in the amount of \$1,750,000.

Attorney John Shockley said last year the PMC task order was amended to reflect a reduction of services during the project stand-down. This amendment will extend the existing task order to recalibrate the budget and PMC functions as the project opens back up. Another task order will be developed to begin May 1, 2019.

***MOTION, passed***

**Mr. Montplaisir moved and Mr. Redlinger seconded to approve Task Order 02, Amendment 02 with CH2M Hill Engineers, LLC in the amount of \$1,750,000, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.**

- CH2M Hill Engineers, Inc. (Task Order 04, Amendment 00 – Property Acquisition Services)—manage the acquisition of property rights with a period of performance from January 24, 2019, to December 31, 2026, in the amount of \$21,200,800.

Mr. Dodds gave a presentation on the organizational structure for the project and how it relates to land acquisitions and the land acquisition process and workflow. The Cass County Joint Water Resource District is responsible for purchasing land in North Dakota. Moorhead and Clay County are working on forming a joint powers authority to purchase the Minnesota land needed for the project. The total budget for land acquisitions is \$500 million, of which \$179 million has been spent.

Mr. Shockley said the key outcomes of the task order are early outreach to all impacted property owners, as advised by the Governors' Task force and the Minnesota DNR, and the acquisition of all property rights necessary to build and operate the project. It will be extremely advantageous for the P3 process if the Diversion Authority has the necessary property rights for the more than 1,200 parcels required for the project.

Mr. Costin asked if the system used to manage land acquisitions will be able to integrate with Aconex, which is used for construction management. Mr. Dodds said a software program has been adapted and built specifically for the land acquisition process. There have been ongoing conversations on integrating the two programs, but they serve two separate purposes.

Mr. Costin asked if future land acquisitions will necessitate Housing of Last Resort, which

was required for land acquisitions in Oxbow. Mr. Dodds said Oxbow acquisitions were distinct as they were within a rural city with no comparable housing available. While replacement options will continue to be found for displaced property owners, it will generally not trigger a situation such as what transpired for Oxbow property owners.

***MOTION, passed***

**Mr. Redlinger moved and Mr. Costin seconded to approve Task Order 04, Amendment 00 with CH2M Hill Engineers, LLC in the amount of \$21,200,800, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.**

#### **7. METROCOG COST SHARE AGREEMENT**

Mr. Redlinger said it has been determined that an update is needed to the Diversion Recreation Plan, as it has not been updated since 2012. The Fargo-Moorhead Metropolitan Council of Governments (MetroCOG) has developed a scope of work to update the existing plan for an approximate cost of \$230,000 over two years. They are seeking a 50% cost share from the Diversion Authority in the amount of \$115,000.

Mr. Shockley said there is approximately \$6 million in the P3 budget for recreational construction.

***MOTION, passed***

**Mr. Grindberg moved and Mr. Redlinger seconded to approve the cost share agreement with Fargo-Moorhead Metropolitan Council of Governments to update the FM Area Diversion Project Recreation Plan with a 50% cost share estimate in the amount of \$115,000, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.**

#### **8. LAND ACQUISITION DIRECTIVES**

Mr. Dodds presented two Land Acquisition Directives for approval.

Mr. Dodds said the first directive is for opportunistic acquisitions. The majority are from North Dakota but there are a few from Minnesota as well. CCJWRD will purchase opportunistic properties in Minnesota until a joint authority has been established, at which point all Minnesota properties will go to them.

The second directive is for the remaining properties required for the Diversion Channel – Phase 3.

***MOTION, passed***

**Mr. Montplaisir moved and Mr. Costin seconded to approve LAD-OPP-01 REV-06 and LAD-00077 REV-01 as presented. On roll call vote, the motion carried unanimously.**

#### **9. NEXT MEETING**

The next meeting is scheduled for February 27<sup>th</sup> at 4:00 PM.

#### **10. ADJOURNMENT**

***MOTION, passed***

**On motion by Mr. Jacobson, seconded by Mr. Steen and all in favor, the meeting was adjourned at 5:02 PM.**

Minutes prepared by Brielle Edwards, HR Assistant