

**FLOOD DIVERSION FINANCE COMMITTEE
JULY 24, 2019—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, July 24, 2019, at 4:00 PM in the Fargo Commission Chambers, Fargo City Hall, with the following present: Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Grindberg; 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. Moorhead City Councilman Chuck Hendrickson was present via telephone. Fargo City Commissioner Tony Gehrig; Fargo City Mayor Tim Mahoney; and Cass County Commissioner Chad Peterson were absent.

Kim Daily of Jacobs; Gregg Thielman of Houston-Moore Group; John Shockley of Ohnstad Twichell; and Eric Dodds of AE2S were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Ms. McCall moved and Mr. Steen seconded to approve the minutes from the June 26, 2019, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Mr. Redlinger moved and Mr. Costin seconded to approve the bills in the amount of \$2,956,109.38, 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 report for June. About \$28.1 million has been expended from the FY 2019 budget, and the total disbursed for the project to date is \$481,817,562. The net position is \$97.3 million.

Mr. Costin noted reimbursement payments to Fargo in the amounts of \$3.5 million and \$1.4 million for debt service.

Ms. McCall asked why there is so much cash on hand. Mr. Costin said the project is currently in a period of delay while sales tax proceeds continue to accumulate.

Ms. McCall asked how cash reserves are invested. Mr. Costin said as the fiscal agent for the Diversion Authority, the City of Fargo invests the cash in a similar manner to how city reserve funds are invested, such as in money market accounts and some individual securities. The reserves are currently earning around 2%.

MOTION, passed

Mr. Montplaisir moved and Ms. McCall seconded to receive and file the Financial Report for June as presented. On roll call vote, the motion carried unanimously.

5. PMC FINANCIAL REPORT

Kim Daily of Jacobs reviewed the Program Management Consultant (PMC) financial report, including the overall program status and the FY 2019 cash budget. The remaining program budget is \$2.29 billion.

Ms. McCall said it is a little over halfway through the fiscal year, but the FY 2019 budget is not close to being halfway expended. Ms. McCall asked if there are large expenditures expected later this year or if the budget is overfunded. Ms. Daily said there will be a lot of land acquisitions that come through in the latter half of the year.

6. CONTRACTING ACTIONS

There are no Diversion Authority approval contracting actions this month.

Ms. Daily reviewed the Co-Executive Director and Cass County Joint Water Resource District approved contracting actions.

Mr. Costin said one of the Co-Executive Director approved contracting actions referenced “Phase 9” for hydrology and hydraulic modeling. Mr. Costin asked why the modeling could not be completed during the presumable first eight phases of work. Gregg Thielman of Houston-Moore Group said “Phase 1” of the modeling was completed after the 2009 flood. In the ensuing ten years, the project has developed and changed multiple times. “Phase 9” modeling incorporates changes from Plan B.

Mr. Costin asked if autonomy and opportunities for creativity will be given to the P3 contractor for the project, which could result in potential monetary savings, or if the contractor’s hands will be tied relative to their ability to innovate the project design.

Attorney John Shockley said the P3 contractor will be able to exercise creativity for some aspects of project design, but they will have to operate within the hydraulic modeling and environmental and permitting regulations.

7. PROPERTY STATUS REPORT

Mr. Steen asked if work is underway from the US Army Corps of Engineers (the Corps), or if there is a timeframe for this work to begin. Ms. Daily said work from the Corps is in process but they are currently in the process of de-watering the site before work can begin.

Eric Dodds of AE2S said at one time there was an estimated 70-75 million gallons of water to be removed from the site in question. It is currently being pumped out with a projected removal time of three to four additional weeks.

Mr. Dodds said as illustrated in the Property Acquisition Status Report, progress is being made with the western half of the channel with many properties currently in negotiation.

Mr. Dodds said negotiations are one of the more difficult aspects of the process as some landowners are open to meaningful negotiations while others are not.

8. NEXT MEETING

The next meeting is scheduled for August 21st at 4:00 PM in the River Room.

9. **ADJOURNMENT**

MOTION, passed

On motion by Mr. Steen, seconded by Mr. Jacobson and all in favor, the meeting was adjourned at 4:16 PM.

Minutes prepared by Brielle Edwards, HR Assistant