

Metro Flood Diversion Authority Finance Committee Meeting Minutes

4:00 P.M. – January 25, 2023

City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on January 25, 2023. The following members were present: Bernie Dardis, Mayor, City of West Fargo; Dr. Tim Mahoney, Mayor, City of Fargo; Chad Peterson, Cass County Commissioner; Terri Gayhart, City of Fargo Finance Director; Lori Johnson, Clay County Auditor/Treasurer; Mike Redlinger, Administrator, City of Fargo; Dave Piepkorn, Fargo City Commissioner; Shelly Carlson, Mayor, City of Moorhead; Mike Rietz, City of Moorhead Assistant City Manager; Brandy Madrigga, Cass County Finance Director and Rick Steen, Cass County Joint Water Resource District.

Member absent: Tony Grindberg, Cass County Commissioner.

1. CALL TO ORDER

Mayor Dardis called the meeting to order at 4:00 PM. Roll call was taken, and a quorum was present.

2. APPROVE MINUTES FROM THE DECEMBER 2022 MEETING

MOTION PASSED

Mr. Peterson moved to approve the minutes from the December 2022, meeting and Mr. Piepkorn seconded the motion. On a voice vote, the motion carried.

3. APPROVE ORDER OF AGENDA

MOTION PASSED

Mr. Steen moved to approve the order of the agenda as amended to include 8b., items i. and ii., and Mr. Peterson seconded the motion. On a voice vote, the motion carried.

4. APPROVAL OF BILLS

Ms. Gayhart reported that \$112,216,228 are the bills received through January 18, 2023, and are payable to the usual vendors, with Cass County Joint Water Resource District being the largest at \$3,985,207; the City of Fargo for in-town flood project costs at \$2,901,530 and Magellan Pipeline for MOU reimbursements of \$2,413,376.

MOTION PASSED

Mr. Peterson moved to approve the bills as presented and Mr. Steen seconded the motion. On a roll call vote, the motion carried.

5. FINANCIAL REPORT

Ms. Gayhart reported that we currently have \$150,779,653 in cash, \$223,728 in prepaid expenses, and \$179,663 in liabilities. The current net position is \$150,599,961.

MOTION PASSED

Dr. Mahoney moved to approve the financial report as presented and Mr. Steen seconded the motion. On a voice vote, the motion carried.

6. EXECUTIVE DIRECTOR FINANCIAL REPORT

Mr. Nicholson reported that our current revenue is \$33.4 million, and \$147.8 million year-to-date. Sales tax income is reflected as zero due to the lag in reporting. Expenses to date are \$111.1 million with a remaining balance of \$83.7 million.

Contingency funds will be utilized in February due to the additional expenses incurred with the fish passage requirements. It is anticipated that this event will be \$3.5 million.

The administrative budget continues to track on budget with \$1.1 million in costs to date and a remaining budget of \$132,667.

7. CONTRACTING ACTIONS

a. DA Board Approval Contracting Actions

Mr. Nicholson provided an overview of the following contracting action:

- TO 4, Amendment 1, SWDCAI P3 Project Observation and Material Testing Services through December 31, 2026. Braun Intertec - \$3,578,324.

MOTION PASSED

Dr. Mahoney moved to approve the contracting action as presented and Ms. Madrigga seconded the motion. On a roll call vote, the motion carried.

8. OTHER BUSINESS

a. DA Board Approved MOU and Agreement Actions

Mr. Shockley provided an overview and summary outlining the purpose and necessity for the following MOUs:

- North Cass Water Resource District & MFDA MOU - SWDCAI
- Rush River Water Resource District & MFDA MOU Amendment - SWDCAI

MOTION PASSED

Mr. Piepkorn moved to approve both MOUs as presented, and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.

b. Update on Insurance Quotes

Mr. Shockley provided an update and overview of the quotes that were received from AON Insurance for coverage on the following:

- Structures Completed Prior to Substantial Completion in 2027

MOTION PASSED

Mr. Piepkorn moved to approve the structure insurance quote as presented by Mr. Shockley and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.

- Defects in P3 Channel Litigation

MOTION PASSED

Dr. Mahoney moved to approve the P3 channel insurance quote as presented by Mr. Shockley and Mr. Steen seconded the motion. On a roll call vote, the motion carried.

c. Election of Vice Chair for the Finance Committee

Mayor Dardis welcomed Mr. Steen back to the Finance Committee and nominated him to serve as the vice chairman.

MOTION PASSED

Mayor Dardis nominated Mr. Steen as the vice chairman and Mr. Peterson seconded the nomination. On a roll call vote, the motion carried.

d. City of Fargo Work Plan for Projects Bid in 2023

Mr. Bakkegard provided an overview of the City of Fargo's plans to bid the following projects in 2023:

NR-23-A0: STS LS #47 & #48 Reconstruction

- In December 2022, the MFDA Board of Authority approved the 2023 cash budget which included \$4,900,000 for construction on this project in 2023.
- This project scope includes reconstruction of sanitary sewer lift stations #47 and 48, I-29 ditch modifications adjacent to Drain 27, and two Drain 27 culvert replacements.
- The scope of this overall project has not changed since it was approved in 2018. The 2018 estimated total project cost was \$6,200,000.
- The updated engineer’s estimate of total project cost is \$11,008,250.
 - o The increase in the engineer’s estimate from the 2018 cost estimate is due to the current bidding market and inflation impacts.
 - o This project is projected to be bid in Q1 2023 and will be constructed in both 2023 and 2024.
 - o Design of the project is 95% complete and property acquisition is 50% complete.
 - o The estimated spend for this project in 2023 is not anticipated to exceed the \$4,900,000 which was included in the approved 2023 cash budget.

The 2023 engineer’s estimate including engineering and contingency is \$11,008,250 of which \$4,900,000 is projected in 2023. The total project budget Increase is \$4,808,250.

MOTION PASSED

Dr. Mahoney moved to approve the \$4.8 million budget increase and Mr. Steen seconded the motion. On a roll call vote, the motion carried.

9. NEXT MEETING

The next meeting will be February 22, 2023.

10. ADJOURNMENT

The meeting adjourned at 4:52 PM.