

Metro Flood Diversion Authority Finance Committee Meeting Minutes

4:00 P.M. – May 24, 2023

City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on May 24, 2023. The following members were present: Bernie Dardis, Mayor, City of West Fargo; Dr. Tim Mahoney, Mayor, City of Fargo; David Ebinger, Clay County Commissioner; Mike Redlinger, Administrator, City of Fargo; Tony Grindberg, Cass County Commissioner; Dave Piepkorn, Fargo City Commissioner; Shelly Carlson, Mayor, City of Moorhead; Mike Rietz, City of Moorhead Assistant City Manager and Brandy Madrigga, Cass County Finance Director.

Member(s) absent: Chad Peterson, Cass County Commissioner; Rick Steen, Cass County Joint Water Resource District and Wyatt Papenfuss, Finance Manager, City of Fargo.

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 APRIL 2023 MEETING
MOTION PASSED**

Mayor Carlson moved to approve the minutes from the April 2023, meeting and Mr. Grindberg seconded the motion. On a voice vote, the motion carried.

**3. APPROVE ORDER OF AGENDA
MOTION PASSED**

Mr. Grindberg moved to approve the order of the agenda and Mr. Piepkorn seconded the motion. On a voice vote, the motion carried.

4. APPROVAL OF BILLS

Mr. Redlinger reported that the bills payable through May 16, 2023, total \$10,965,389 and are payable to the usual vendors, with Cass County Joint Water Resource District being the largest at \$8,740,985 and the City of Fargo at \$1,809,196.

MOTION PASSED

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

5. FINANCIAL REPORT

Mr. Redlinger reported that total revenue to date is \$1,122,217,202, there is \$185,180,375 in assets, and the current net position is \$184,957,685.

6. EXECUTIVE DIRECTOR FINANCIAL REPORT

Mr. Paulsen reported that the sales tax revenue is being received as expected and the budget continues on track at \$2.8 billion; fiscal year costs to date are \$50,280,281. \$18,902,416 has been received from the North Dakota Legacy Fund to date and the operations budget continues to track on target as well.

7. 2023 CASH BUDGET CHANGE REQUEST

Mr. Paulsen requested the following cash budget change requests:

- Magellan - \$2,565,128. Final invoice was expected in 2022; now 2023.
- Various - \$566,911. Add additional budget funds to cover projected deficits.
- TBD - \$1,600,000. Provide budget for new work package 47.
- TBD - \$10,000. Recreation feasibility study.

MOTION PASSED

Mayor Mahoney moved to approve all the cash budget change requests and Mayor Carlson seconded the motion. On a roll call vote, the motion carried.

8. CONTRACTING ACTIONS

a. DA Board Approval Contracting Actions

Mr. Paulsen provided an overview of the following contracting actions:

- Task Order 06, Amendment 0 – 3-Phase Line Relocation – Relocate approximately 2.5 miles of primary underground electrical cable across the south side of section 17 and 18 in Pleasant Township and the north side of Normanna Townships to avoid SE-2A, SE-2 gap, SE-1 and the Diversion Inlet Structure. Cass County Electric - \$398,028.40.
- Task Order 07, Amendment 0 – Ryan Richards 3-Phase Power Service – Provide 3-phase power to the Ryan Richards relocation site for their grain drying operations. This will match the current property electrical power wattage that is being purchased by the MFDA. Cass County Electric - \$327,098.20.
- Task Order 101, Amendment 7 – Design and Construction Support – Removing 10 test wells from the 2023 well drilling contractor budget. Adding WP52 road construction mitigation to include design, services during bidding and site monitoring. Adding Sheyenne River and Maple River Aqueduct Mitigation. This will include project management, hydraulic design, plan development, land surveying, environmental permitting and bidding and construction services. HMG - \$1,775,000.

MOTION PASSED

Mayor Mahoney moved to approve all the contracting actions as presented and Mr. Grindberg seconded the motion. On a roll call vote, the motion carried.

9. OTHER BUSINESS

Mr. Bakkegard provided the following background information and budget request for City of Fargo work:

a. NR-23-A1 (Now will be NR-23-A2 & NR-23-A3): STS LS #47 & #48 Reconstruction

- This project scope includes reconstruction of storm sewer lift stations #47 and 48, I-29 ditch modifications adjacent to Drain 27, and two Drain 27 culvert replacements.
- 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. The overall project budget of \$6,200,000 was based on the 2018 project estimate and the scope of the overall project has not changed. It was estimated that only \$4,900,000 for the project would be spent in 2023.
- In January 2023, the MFDA Board of Authority approved a total project budget increase of \$4,808,250. This increased the previously approved total project budget from \$6,200,000 to \$11,008,250. The \$11,008,250 new project budget was based on the updated engineer’s estimate and again the scope of the overall project has not changed. In January 2023, the 2023 cash budget was not amended, as the estimated spend of \$4,900,000 in 2023 did not change. The increase in the overall project budget was based on the following items:
 - 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 At the time of the approved total project budget increase, the design of the project was 95% complete and property acquisition was 50% complete.
- The City of Fargo received bids for the project in April 2023, with the low bid coming in higher than the

engineer's estimate. The new total project budget is \$11,664,829.90, which is approximately 6% higher than the previously approved project budget. The increase in the overall project budget is based on the following items:

- o The overall construction bid came in approximately 8% higher than the previously approved project budget which was based on the 95% design engineer's estimate.
- o The City of Fargo reduced the contingency down to 5%.
- o Construction services cost estimates were increased to reflect the additional inspection time required for the project.
- o The anticipated spend in 2023 did not change at \$4,900,000 and therefore a 2023 cash budget amendment is not required.

NR-23-A1: 2023 Total Project Budget including construction bid, construction services and contingencies = \$11,664,829.90 of which \$4,900,000 is projected to be spent in 2023.

MOTION PASSED

Mr. Grindberg moved to approve the budget increase of \$656,579.90 for the City of Fargo project and Mayor Carlson seconded the motion. On a roll call vote, the motion carried.

b. Minnesota Legislative Session

Mayor Carlson reported that the Minnesota Legislature session has adjourned and \$11 million was awarded to the City of Moorhead for in-town flood mitigation projects.

c. Proposed Contract for Delivering Fill Material to the AAB Site

Mr. Barthel provided the following update and request for delivering fill to the AAB site:

BACKGROUND

During the design of the USACE Drain 27 project, the Authority Staff worked with the USACE to identify 180,000 cubic yards of excess material from that project that could be used to build the pad for the Authority Administration Building (AAB) site. Since the USACE contractor would be digging the material out of the Drain 27 project and hauling it to a designated disposal site which was on or adjacent to the AAB site, the Technical Requirements for the P3 only required the Developer to receive the material. During the construction of the Drain 27 project, an issue arose with the haul road to the disposal site and the USACE and their contractor stopped hauling the material to the original disposal site.

CURRENT STATUS

RRVA is planning on placing additional wick drains on the AAB site in mid-June and then will continue building the AAB site pad around the first of July. Since all the 180,000 cubic yards was never delivered from the Drain 27 project, the Authority is required to provide RRVA the remaining balance. RRVA has asked that this material be delivered starting on July 1, so that they can maintain their schedule. The Authority will have to hire a contractor to deliver material to RRVA at the AAB site.

AAB SITE FILL CONTRACT SCOPE AND FEE

The Authority Staff are still working with RRVA to verify the amount of fill material needed to be delivered. However, due to the timing of this work and the North Dakota bidding requirements, this contract cannot wait until the June Finance Committee and Board meeting. A pre-authorization from the Board is desired to bring this contractor on as quickly as possible and avoid a delay claim by RRVA.

MOTION PASSED

Mayor Mahoney moved to authorize the MFDA to proceed with advertising for bids and award a contract to the lowest responsible bidder, upon concurrence from the executive director and chairman. Mr. Grindberg seconded the motion and on a roll call vote, the motion carried.

10. NEXT MEETING

The next meeting will be June 21, 2023.

11. ADJOURNMENT

The meeting adjourned at 4:27 PM.