

Metro Flood Diversion Authority Finance Committee Meeting Minutes

4:00 PM April 22, 2026

City of Fargo Commission Chambers

A regular meeting of the Metro Flood Diversion Authority Finance Committee was held on April 22, 2026. Members present: Bernie Dardis, Mayor, City of West Fargo; Dave Piepkorn, Fargo City Commissioner; Dr. Tim Mahoney, Mayor, City of Fargo; Shelly Carlson, Mayor, City of Moorhead; Susan Thompson, Finance Director, City of Fargo; Mike Redlinger, Administrator, City of Fargo; Rick Steen, Cass County Joint Water Resource District; Jim Kapitan, Cass County Commissioner; Mike Rietz, Assistant City Manager, City of Moorhead; Sarah Heinle, Cass County Finance Director and David Ebinger, Clay County Commissioner.

Member(s) 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 THE MINUTES FROM THE MARCH 2026 MEETING**
MOTION PASSED
Mayor Carlson moved to approve the minutes from the March 2026 meeting and Mr. Steen seconded the motion. On a voice vote, the motion carried.
3. **APPROVE THE ORDER OF THE AGENDA**
MOTION PASSED
Mr. Steen moved to approve the order of the agenda and Mr. Kapitan seconded the motion. On a voice vote, the motion carried.
4. **APPROVAL OF BILLS**
Ms. Thompson reported that the bills payable through April 14, 2026, total \$3,181,534.
MOTION PASSED
Mr. Steen moved to approve the bills as presented and Mr. Piepkorn seconded the motion. On a roll call vote, the motion carried.
5. **FINANCIAL REPORT**
Ms. Thompson reported the total assets as of March 31, 2026, are \$257,772,344; liabilities total \$306,481, and the total net cash position is \$257,465,863.
MOTION PASSED
Ms. Thompson moved to approve the financial report as presented and Mayor Carlson seconded the motion. On a voice vote, the motion carried.

6. CASH BUDGET REPORT

Mr. Benson provided the March 2026 cash budget and reported that we are slightly behind the projections. The first WIFIA draw for \$47,500,000, has been received and reflected in the funding status report. It is anticipated that sales tax bonds will be issued in early June, dependent on interest rates.

\$719,587,454, in milestone payments have been paid to date, however, it is anticipated that the payments will ramp up in the next few months. The 37-foot projects are starting and there will be an increase in spending in that area as well.

7. DA BOARD APPROVAL CONTRACTING ACTIONS

Mr. Bakkegard provided an overview and summary of the following contracting actions:

a. Master Service Agreement – Amendment 1 – Consulting Services – AE2S, LLC., \$0

Extend the period of performance to December 31, 2028.

b. Exclusive Authorization to Sell Agreement – Horace Elevator Site – Horizon Real Estate Group - \$0

Extend the period of performance to September 30, 2026.

c. Task Order 08 – Amendment 2 – Construction of Oxbow 15kV Substation – Minnkota Power Cooperative, Inc., - \$227,228

Additional budget needed to construct the Oxbow 15kV Substation. Extend period of performance to April 30, 2026. Close Task Order 08.

d. Work Package 47F – Utility Relocations – Cass Rural Water Reservoir Site A Ring Levee – R.J. Zavoral & Sons, Inc., - \$6,515,835

Recommendation of Award for General Contract A.

e. Work Package 47F – Utility Relocations – Cass Rural Water Reservoir Site A Ring Levee – FM Electric, Inc., - \$722,273

Recommendation of Award for Electric Contract B.

MOTION PASSED

Mr. Steen moved to approve contracting actions 7a., b., c., d., & e., as presented and Mayor Carlson seconded the motion. On a roll call vote, the motion carried.

8. OTHER BUSINESS

a. Project Partnership Agreement, Amendment No. 2

Mr. Shockley provided an overview and summary of the Amendment No. 2 to the PPA.

The City of Moorhead, the City of Fargo and the Metro Flood Diversion Authority are the Non-Federal Sponsors of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project (the “Diversion Project”). In June of 2016, the City of Moorhead, along with the City of Fargo, Cass County, Clay County, and the Cass County Water Resource District entered into a Joint Powers Agreement (the “JPA”) creating the Metro Flood Diversion Authority (the “Authority”) to manage the design, construction, financing, and operation of the Diversion Project. The JPA clarifies and allocates the responsibility and obligations arising out of the construction, operation, and maintenance of the Diversion Project.

The City of Moorhead and the City of Fargo were the original Non-Federal Sponsors of the Diversion Project. Under USACE requirements the City of Moorhead and the City of Fargo remain Non-Federal Sponsors for purposes of the Project Partnership Agreement even though they have agreed pursuant to the JPA that the Authority will manage the design, construction, financing, operation, and maintenance of the Diversion Project.

The PPA was originally signed on July 11, 2016, and amended on March 19, 2019. The PPA provides that the Federal Participation Amount in the Diversion Project was limited to \$750,000,000 in 2015 Dollars. Pursuant to the PPA, Federal Participation Amount is to be used for the construction of the Federal portion of the Project which included the southern earthen embankment, the Diversion Inlet Structure, the Wild Rice Control Structure, and Red River Control Structure. The Non-Federal Sponsors are responsible for all land acquisition, construction of the in-town works, mitigation projects and the Storm Water Diversion Channel. The total cost of the Diversion Project is approximately 3.2 billion dollars.

The PPA is unique in the nation in that it provides a legal mechanism by which the Metro Flood Diversion Authority would receive at the completion of the Diversion Project any of the remaining Federal Participation Amount not expended for the construction of the Federal Portion. Amendment No. 2 to the PPA authorizes USACE to release a significant portion of the unexpended Federal Participation Amount to the Authority prior to final completion of the Diversion Project. These funds will be used for construction of the non-federal works.

MOTION PASSED

Mayor Carlson moved to approve the PPA Amendment No. 2 and Ms. Thompson seconded the motion. On a roll call vote, the motion carried.

b. Resolution Authorizing the MFDA to Match 50/50 Any Funds Received from the State of Minnesota

Mr. Shockley provided an overview and summary of the above-referenced Resolution.

Resolution authorizing the Metro Flood Diversion Authority to match 50/50 any funds received from the State of Minnesota for the remaining projects on the Minnesota side of the Red River using the federal funds that will be received following Amendment No. 2 to the Project Partnership Agreement (PPA) between the Department of the Army and the City of Fargo, North Dakota, the City of Moorhead, Minnesota, and the Metro Flood Diversion Authority.

MOTION PASSED

Mr. Ebinger moved to approve the Resolution as presented and Mr. Kapitan seconded the motion. On a roll call vote, the motion carried.

c. WIFIA Update

Mr. Shockley reported that the first WIFIA draw in the amount of \$47,500,000, has been received. The total amount of the WIFIA loan is \$569,000,000, and the current interest rate is 2.08%.

d. Subordinated Sales Tax Bond Update

Mr. Shockley reported that a temporary sales tax bond will be issued to help cover cash flow. The issuance will hold until interest rates have dropped and stabilized.

9. NEXT MEETING

The next meeting will be on May 27, 2026.

10. ADJOURNMENT

The meeting adjourned at 4:24 PM.