

FLOOD DIVERSION AUTHORITY  
FINANCE COMMITTEE  
AGENDA FOR THURSDAY, MARCH 31, 2016

***Fargo City Commission Chambers***  
**2:30 PM**

1. Call to order
2. Approval of the minutes from the previous meeting Item No. 2
3. Updated project cost estimate
4. Other business
5. Next meeting—April 13, 2016
6. Adjournment

cc: Local Media  
Flood Diversion Board of Authority  
CH2M  
AE2S

**FLOOD DIVERSION FINANCE COMMITTEE**  
**MARCH 9, 2016—2:30 PM**

**1. MEETING TO ORDER**

A meeting of the Flood Diversion Finance Committee was held on Wednesday, March 9, 2016, at 2:30 PM in the Fargo City Commission Chambers, Fargo City Hall, with the following present: Cass County Joint Water Resource District Chairman Mark Brodshaug; Fargo Finance Director Kent Costin; Clay County Auditor/Treasurer Lori Johnson; Fargo City Mayor Tim Mahoney; Cass County Auditor Mike Montplaisir; Cass County Commissioner Rick Steen; Cass County Commission Representative Darrell Vanyo; and Moorhead Finance Director Wanda Wagner. Moorhead City Council Member Nancy Otto arrived later in the meeting. Cass County Administrator Keith Berndt; and Fargo City Commissioner Mike Williams were absent.

Also present were Eric Dodds, AE2S; Martin Nicholson, CH2M; and John Shockley, Ohnstad Twichell.

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

*MOTION, passed*

**Dr. Mahoney moved and Mr. Brodshaug seconded to approve the minutes from the February 25, 2016, meeting as presented. Motion carried.**

**3. APPROVAL OF BILLS**

*MOTION, passed*

**Dr. Mahoney moved and Mr. Vanyo seconded to approve the bills in the amount of \$2,293,525.40 and to forward them to the Flood Diversion Board of Authority. Discussion: Mr. Costin verified that committee members received the updated bills listing sent earlier in the day. On roll call vote, the motion carried unanimously.**

**4. FINANCIAL UPDATE**

Mr. Montplaisir said the Asset Sales revenue line item is from the sale of lots previously purchased by the Diversion Authority in the Hayden Heights neighborhood in West Fargo. All of the lots have now been sold.

Mr. Costin reviewed the financial statements for February. The total disbursed to date is \$191,759,479, and the total disbursed in 2016 is \$13 million. The largest disbursements for the month were for construction and land acquisition expenses.

Mr. Montplaisir said CH2M is still working on the new financial reports, which will hopefully debut at the April meeting.

Ms. Otto arrived for the remainder of the meeting.

**5. CONTRACTING ACTIONS**

Mr. Shockley gave an overview of the task orders for CH2M Hill; Ernst & Young; and Ashurst.

Mr. Steen asked if the task orders have termination provisions if the project is put on hold. Mr. Shockley said the task order from Ashurst and the Master Services Agreement with CH2M both have 30 day provisions.

Mr. Vanyo said with the magnitude of the project, it is difficult to know exactly what is needed to get from the current point to where the project needs to be in the fall. There will be a large increase in work and advisors are needed. The process has worked well in the past and contracts have increased and decreased as needed in line with the progress of the project.

Mr. Steen asked if the current Task Order proposed for CH2M includes the two additional contracts for construction management and land acquisition services. Mr. Nicholson said it does not. The construction management and land acquisition contracts are separate from the current task order and will both expire at the end of the month. New contracts will go before the board for approval. Based on the increase in in-town construction activity, the construction management contract will see an increase. The land acquisition contract may see a slight increase, but all increases will remain within the approved budget.

Mr. Nicholson said the scope and magnitude of the project should be considered in conjunction with the current task orders, as the numbers will continue to increase as the overall budget is \$2 billion.

Mr. Costin said the scale and level of effort required to complete land acquisitions within the next year is very large, and he is unsure that enough resources are employed. The City of Fargo has thus far acted as fiscal agent for the disbursement of funds, and as the process has ramped up it has become more disruptive to the office. Mr. Steen said perhaps a full-time, temporary staff person can be hired to alleviate some of the workload for the rest of the staff.

Mr. Brodshaug said his office has a plan for the PPP actions and a conceivable schedule set up for the path forward for the next year.

***MOTION, passed***

**Dr. Mahoney moved and Mr. Vanyo seconded to approve CH2M Hill Task Order 6; Ernst & Young Infrastructure Advisors, LLC Statement of Work No. 02, Amendment 0; and Ashurst, LLC Work Order No. 3; and to recommend their approval to the Flood Diversion Board of Authority. On roll call vote, the motion carried unanimously.**

## 6. **PROPERTY ACQUISITION**

*Burlington Northern Property*

***MOTION, passed***

**Dr. Mahoney moved and Mr. Vanyo seconded to authorize the Cass County Joint Water Resource District to execute a purchase agreement in the amount of \$6,072 plus a processing fee of \$2,000 with Burlington Northern as presented. On roll call vote, the motion carried unanimously.**

7. **NEXT MEETING**

Mr. Dodds said a second round of meetings will be scheduled for later this month. Further information will be sent to committee members.

The next regularly scheduled meeting will be held on Wednesday, April 13<sup>th</sup>.

8. **MEETING WITH LEGISLATIVE COMMITTEE**

Dr. Mahoney said a group met with a legislative committee to discuss the project and Diversion Authority finances. Topics included whether or not the project has truly received federal appropriations, which would allow the state to release funds for the project; concerns with the \$50 million loans taken out by Cass County and the City of Fargo; and eminent domain.

Dr. Mahoney requested that a memo be drafted to provide information and address the concerns.

Dr. Mahoney recognized Moorhead Mayor Del Rae Williams for taking time to meet with the MN Legislature concerning the project.

9. **ADJOURNMENT**

***MOTION, passed***

**On motion by Mr. Vanyo, seconded by Ms. Otto and all in favor,  
the meeting was adjourned at 3:20 PM.**