

**FLOOD DIVERSION FINANCE COMMITTEE
MAY 22, 2019—4:00 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, May 22, 2019, at 4:00 PM in the Fargo Commission Chambers, Fargo City Hall, with the following present: Fargo City Commissioner Tony Grindberg; Clay County Commissioner Jim Haney; Moorhead City Councilman Chuck Hendrickson; Cass County Joint Water Resource District Chairman Dan Jacobson; Fargo City Mayor Tim Mahoney; Moorhead Finance Director Karla McCall; Fargo City Assistant Administrator Michael Redlinger; and Cass County Commissioner Rick Steen. Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Gehrig; Clay County Auditor/Treasurer Lori Johnson; Cass County Auditor Michael Montplaisir; and Cass County Commissioner Chad Peterson were absent.

Kim Daily of Jacobs; Eric Dodds of AE2S; and John Shockley of Ohnstad Twichell were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Steen moved and Mr. Haney seconded to approve the minutes from the April 24, 2019, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Dr. Mahoney moved and Mr. Steen seconded to approve the bills in the amount of \$2,532,080.80, and to forward them to the Metro Flood Diversion Authority. On roll call vote, motion carried unanimously.

4. FINANCIAL UPDATE

Mr. Redlinger reviewed the financial statement for April. About \$18.1 million has been expended from the FY 2019 budget, and the total disbursed for the project to date is \$471,806,197. The net position is \$83.2 million.

Mr. Steen said the FY 2019 Cash Budget was just approved at the last meeting; however, the FY 2019 Summary Budget Report shows the outstanding encumbrances for Program Management to be \$23.4 million, leaving a remaining budget balance deficit of \$14.1 million. Mr. Steen asked how a recently approved budget could already show such a large deficit in this budget category.

Mr. Redlinger said an answer to that question can be provided before the full board meeting tomorrow.

MOTION, passed

Mr. Redlinger moved and Ms. McCall seconded to receive and file the Financial Statement for April as presented, with further notes to be received before the next full board meeting. 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.

Ms. McCall said the year-to-date expenditures as listed in the PMC financial report differ from the monthly financial report from the fiscal agent. Ms. Daily said information on the discrepancy will be provided before the next board meeting.

MOTION, passed

Mr. Steen moved and Mr. Haney seconded to receive and file the PMC Financial Report for April as presented. On roll call vote, the motion carried unanimously.

6. **CONTRACTING ACTIONS**

Mr. Redlinger reviewed the following contracting actions:

- CH2M Hill (Task Order 2, Amendment 4 – Interim Program Management and Related Services)—extend period of performance to June 28, 2019, in the amount of \$775,000, while Task Order 5 continues to be developed.
- Schmidt & Sons (WP-50A – Property Structure Mitigation)—award construction contract in the amount of \$109,680.

MOTION, passed

Dr. Mahoney moved and Mr. Jacobson seconded to approve the contracting actions as presented. On roll call vote, the motion carried unanimously.

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

7. **LAND REPORT**

Property Status Report

Eric Dodds of AE2S discussed the Property Status Report, which shows a growing number of acquired parcels along the channel. Appraisals are in process for a large group of parcels at this time, and hopefully by the end of June negotiations will be in progress.

Mr. Steen asked how a group of parcels shown on the status report will be impacted from the project. Mr. Dodds said the area in question has a road that will need to be widened, necessitating the acquisitions of small strips of land.

Ag Impacts Study

Mr. Dodds said the Diversion Authority originally contracted with NDSU to complete an Agricultural Impacts Study. Due to the implementation of Plan B and updated hydrology models, the study now needs to be updated to provide accurate information to appraise flowage easement values. The total cost of the study update is \$112,495, which is within the authority of the Co-Executive Directors to approve.

Mr. Grindberg said the indirect costs rate of 45% is typically reserved for large contracts and perhaps could be waived. Mr. Dodds said the current cost calculation is consistent with previous study contracts.

Dr. Mahoney said as the Co-Executive Directors are authorized to act on the approval of the study without the consent of the board, they should do so without action from this committee.

8. **RENEWAL OF WELLS FARGO LOANS**

Attorney John Shockley said Cass County and the City of Fargo have each taken out \$100 million loans from Wells Fargo to provide temporary cash flow for the project. Cass County has fully drawn their \$100 million loan, and the City of Fargo has drawn \$50,250,000 of their loan. As the loans are set to mature in 2019, Cass County and Fargo have each approved a loan extension, with a maturity date of July 30, 2021, and more favorable rates.

MOTION, passed

Dr. Mahoney moved and Mr. Steen seconded to approve the Resolution Approving and Consenting to Term Sheets from Wells Fargo Bank, N.A., to Cass County, North Dakota, and to the City of Fargo, North Dakota. Discussion: Dr. Mahoney asked when the loans will be paid off. Mr. Shockley said the financial advisors are reviewing the matter at this time. On roll call vote, the motion carried unanimously.

9. **OTHER BUSINESS**

Task Order 5

Dr. Mahoney asked if the delay of Task Order 5, which pertains to the PMC, will delay the P3 process. Mr. Grindberg said no.

Mr. Shockley said the goal is to recommence the P3 process this year and obtain P3 bids in 2020.

MN project funding

Dr. Mahoney asked about the status of Minnesota bills appropriating funding for the project. Mr. Hendrickson said a bonding bill is currently stalled in the special session.

10. **NEXT MEETING**

The next meeting is scheduled for June 26th at 4:00 PM.

11. **ADJOURNMENT**

MOTION, passed

On motion by Ms. McCall, seconded by Mr. Jacobson and all in favor, the meeting was adjourned at 4:30 PM.