

**1. MEETING TO ORDER**

The Diversion Authority Finance Committee held a virtual meeting Wednesday, May 27, 2020, at 4:00 PM. The following committee members were present via telephone or videoconference: Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Grindberg; Moorhead City Councilman Chuck Hendrickson; Cass County Joint Water Resource District Chairman Dan Jacobson; Clay County Auditor/Treasurer Lori Johnson; Fargo City Mayor Tim Mahoney; Cass County Auditor Michael Montplaisir; Cass County Commissioner Chad Peterson; Fargo City Assistant Administrator Michael Redlinger; and Cass County Commissioner Rick Steen.

Fargo City Commissioner Tony Gehrig and Karla McCall were absent.

Diversion Authority Executive Director Joel Paulsen and John Shockley of Ohnstad Twichell were also present.

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

**MOTION, passed**

**Mr. Hendrickson moved to approve the minutes from April and Mr. Montplaisir seconded the motion. Motion carried.**

**3. APPROVAL OF BILLS**

Mr. Costin reviewed the bills for the month, which include reimbursement to Cass County Joint Water Resource District (CCJWRD) for diversion-related bills; legal services from Dorsey & Whitney and Ohnstad Twichell, P.C. law firms; reimbursement to Clay County for MCCJPA fees.

**MOTION, passed**

**Mr. Redlinger moved, and Mr. Steen seconded to approve bills in the amount of \$4,758,490.13, and to forward them to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.**

**4. FINANCIAL REPORT**

Mr. Costin reviewed the financial report for April. About \$20,072,135 has been expended as of April 30, 2020. The total disbursed for the project to date is \$638,764,222. The net position is \$84,014,568.

**MOTION, passed**

**Mr. Montplaisir moved, and Mr. Jacobson seconded to receive and file the Financial Report for April as presented. On roll call vote, the motion carried unanimously.**

**5. EXECUTIVE DIRECTOR FINANCIAL REPORT**

Mr. Paulsen provided a review of the overall project status. \$71,000,000 is in the budget for acquisitions and \$16,000,000 has been expended to date. \$554,000,000 is the actual project cost to date.

**6. RECOMMENDED CONTRACTING ACTIONS FOR APPROVAL**

Mr. Paulsen reviewed the following contracting action for approval of the committee to go to the FMDA Board of Directors for final approval:

- HMG Task Order 26, Amendment 4 – Work in Kind services in the amount of \$305,500.

**MOTION, passed**

**Mr. Steen moved, and Mr. Peterson seconded to approve the Task Order with HMG and to forward the recommendation to the Metro Flood Diversion Authority for final approval.**

**7. APPROVED CONTRACTING ACTIONS**

Mr. Paulsen reviewed the following Diversion Authority approved contracts:

- Braun Intertec Task Order 1, Amendment 6 – Budget Reallocation. There will be no budget impact.
- HMG - Task Order 28, Amendment 2 – Extend period of Performance. There will be no budget impact.
- Terracon – Task Order 1, Amendment 8 - Extend Period of Performance. There will be no budget impact.
- Cass Rural Water Users District – Utility Relocation Agreement in the amount of \$1,725.32.
- Cass Rural Water Users District – Utility Relocation Agreement in the amount of \$1,500.00.
- Meyer Contracting, Inc. – Change Order for WP-43CD OHB Ring Levee Phases C and D in the amount of (\$551,994.95).

Mr. Paulsen reviewed the following CCJWRD approved contract:

- HMG - Task Order 1, Amendment 6 – Rights-of-Entry and Other Land Management Services in the amount of (55,387.09)

Mr. Paulsen indicated that there are no MCCJPA contracts for approval this month.

**8. PROGRAM BUDGET STATUS**

Mr. Nicholson indicated that we are currently \$5 million under budget to date. There have been soft costs that have been transferred, creating some plusses and minuses.

There is currently \$256 million in contingency funds; \$118 million is earmarked for the USACE.

We must continue to find cost savings rather than utilizing the contingency funds and we must continue to be diligent with respect to the budget. There still is a lot of land to be acquired that leaves us open to uncertainty and vulnerability. The P3 will be bid this fall and it is unknown what impacts COVID may have on the costs.

**9. SALES TAX IMPACT ON PROGRAM FINANCING**

Mr. Shockley gave an update on the sales tax impact. He indicated that Western North Dakota has seen a significant downturn in sales tax receipts due to COVID. The state gets approximately 5% and 2.5% stays locally. The eastern part of ND receives approximately 5-7% of the residual from oil receipts.

There has been a 20% reduction for the City in May collections and Cass County held steady at \$1.293 million. It is predicted that the second quarter of 2020 will be the slowest in history and we will likely climb upward in the third quarter.

There is potential that we could see some savings with the interest rates being reduced.

**10. OAK GROVE PROJECT AMENDMENTS**

The cost increase was approved at the April meeting to be amended to add an additional \$7 million.

**11. FARMSTEAD REESTABLISHMENT**

Mr. Dodds indicated that the proposed farmstead reestablished program will cost an additional \$5 to \$10 million above the current budget. There are currently two properties that will be moving forward with in the next six months.

Mr. Grindberg was not comfortable with the range and stated that it needs to be in sync with finance before going to the Board for approval. Would a phased program be the best way to proceed and does the lands budget need to be revisited?

**MOTION, passed**

**Mayor Mahoney made a motion to move forward on the two parcels not to exceed \$5 million and Mr. Steen seconded the motion. On a roll call vote, the motion carried.**

**12. OTHER BUSINESS**

Mr. Costin indicated that the audit should be done by the end of the month.

**13. NEXT MEETING**

The next meeting will on June 24<sup>th</sup>.

**14. ADJOURNMENT**

Meeting adjourned at 5:50 p.m.