

**METRO FLOOD DIVERSION AUTHORITY
APRIL 23, 2020—3:30 PM**

1. MEETING TO ORDER

A virtual meeting of the Metro Flood Diversion Authority was held Thursday, April 23, 2020, at 3:30 PM with the following members present via telephone or videoconference: Fargo City Mayor Tim Mahoney; Fargo City Commissioner Tony Grindberg; Moorhead City Mayor Johnathan Judd; Moorhead City Council Member Chuck Hendrickson; Moorhead City Council Member Shelly Carlson; Cass County Commissioner Mary Scherling; Cass County Commissioner Chad Peterson; Cass County Commissioner Rick Steen; Clay County Commissioner Kevin Campbell; Clay County Commissioner Grant Weyland; and West Fargo City Commissioner Mike Thorstad. Fargo City Commissioner Dave Piepkorn and Cass County Joint Water Resource District Manager Rodger Olson were absent.

2. MINUTES AND AGENDA ORDER APPROVED

MOTION, passed

Mr. Judd moved and Mr. Campbell seconded to approve the minutes from the March 26, 2020, meeting as presented and the order of the agenda. Motion carried.

3. CONSENT AGENDA APPROVED

MOTION, passed

Mr. Weyland moved and Mr. Steen seconded to approve the consent agenda as follows: On roll call vote, the motion carried unanimously.

- Receive and file the financial report for the month of March, 2020;
- Approve vouchers in the amount of \$6,000,211.21 for Cass County Joint Water Resource District (CCJWRD) for costs associated with the Metro Flood Diversion right-of-entry and land acquisitions, and OHB levee; Dorsey & Whitney for legal services; Ohnstad Twichell, P.C. for legal services; Cass County for reimbursement of Executive Director expenses; and Civil Design Inc. for professional engineering fees;
- Approve Professional Services Agreement with Watts and Associates, Inc.—services agreement to provide crop insurance product development services in the amount of \$250,000;
- Award contract for WP-43D5 – OHB Ring Levee to KPH, Inc.—contract for Hickson Main Avenue storm sewer, drainage and street reconstruction in the amount of \$1,038,423.

4. EXECUTIVE DIRECTOR REPORT

Joel Paulsen, Executive Director, said overall project expenditures to-date are \$539 million, with all FY 2020 budget categories tracking on target.

Mr. Paulsen discussed activities and achievements over the past month, which include:

- Contract savings as a result of additional companies ending sub-contracting agreements and contracting directly with the Diversion Authority, Cass County Joint Water Resource District (CCJWRD) and Moorhead Clay County Joint Powers Authority (MCCJPA);
- Held one-on-one meetings with all three P3 developers; the P3 process is still on schedule at this time, but there may eventually be some impact from the COVID-19 pandemic;
- The first virtual public meeting for the Diversion Authority will be held on April 30th to discuss the Drain 27 wetland mitigation project; Public Outreach will facilitate and advertise the meeting;
- Potential sales impacts due to COVID-19 effects are being monitored, as well as oil tax revenues for the state;

- Attention is being paid to potential federal stimulus actions for infrastructure projects;
- Gave an update on project construction and financing at a joint Business Leaders Task Force and Chamber of Commerce meeting; Mr. Paulsen was subsequently asked to present for several subsets of different groups at later dates.

5. USACE PROJECT UPDATE

Terry Williams, Project Manager from the Corps of Engineers, provided an update: the diversion inlet structure construction season has begun in earnest with foundation work; the Wild Rice River structure contractor plans to mobilize at the beginning of May with mostly excavation work planned for the season; the physical model of the Red River control structure will be shut down due to social distancing protocols being followed in the lab, but a computer model will still be available; final plans for the western tieback should be ready to submit to North Dakota and Minnesota for permitting in July; a sister Corps district will assist with designing a portion of the southern embankment in Minnesota, increasing design manpower; the I-29 road raise design will begin in June and the contract will most likely be awarded in 2021; the detailed design of the Drain 27 wetland mitigation project is set to begin with 35% due to be complete in August.

6. GENERAL COUNSEL UPDATE

WIFIA Application Approval

Attorney John Shockley provided materials in support of the Water Infrastructure Finance and Innovation Act (WIFIA) loan application through the Environmental Protection Agency (EPA). The intent was to submit the application on April 1st, but audit delays due to the COVID-19 pandemic have pushed the date back to May 1st. The delay is not substantial and the original loan closing date of January 2021 is still on schedule at this time. The estimated minimum savings of utilizing WIFIA financing is \$572 million, which is a conservative estimate.

Mr. Shockley said the Finance Committee recommended approval of the loan application. The EPA has already been reviewing a draft of the application and providing additional comments.

MOTION, passed

Mr. Grindberg moved and Mr. Steen seconded to approve Resolution Authorizing Submission of US EPA WIFIA Application. Discussion: Mr. Mahoney said heard the EPA was impressed with the project. Mr. Shockley said he believes they have been very satisfied with the Diversion Authority’s presentation, materials and response, in addition to the financing whitepaper. On roll call vote, the motion carried unanimously.

Resolution for Related Engineering Services

Mr. Paulsen gave an overview of a resolution related to a number of engineering services requested from the City of Fargo for project in-kind elements for several projects. The projects are defined in the resolution and mostly pertain to coordinated efforts between Fargo infrastructure, Cass Rural Water, and Horace. The resolution allows Fargo to expend engineering resources necessary to meet the obligations and be reimbursed through the Diversion Authority in an amount not to exceed \$60,000.

MOTION, passed

Mr. Hendrickson moved and Ms. Carlson seconded to approve Resolution Requesting the City of Fargo to Undertake Engineering Services for Project In-Kind Work Elements, and Authorizing the Reimbursement of Related Engineering Costs. On roll call vote, the motion carried unanimously.

7. PUBLIC OUTREACH UPDATECommittee report

The Public Outreach Committee met on April 22nd. Rocky Schneider of AE2S said a 30-minute documentary on the project and the history of flooding in the area was just released by the Diversion Authority. It is airing regularly on public access television and is also available online. A second part will outline project operations and next steps.

8. LAND MANAGEMENTCommittee report

The Land Management Committee met on April 22nd. Mrs. Scherling said there was discussion on the crop insurance development proposal, a draft of the farmstead relocation program, and the agricultural risk study recently completed by NDSU.

NDSU Agricultural Risk Study

Eric Dodds of AE2S said the Diversion Authority retained NDSU several years ago to study project impacts on agricultural production in the staging area. The study was completed and updated over the next few years. In 2019, it was acknowledged that the project had changed substantially, and the study needed to be updated again. NDSU provided two presentations on the study to the Land Management Committee, both of which are on the project website.

Mr. Dodds said an informational sheet on the results of the study was included in the agenda packet. In summary, there is a good likelihood of having some planting delays, but delays appear to be very short and very minor, primarily in the range of one to five days.

Mrs. Scherling said the study answers questions the public and ag producers have wanted information on for a long time, and she greatly appreciates being able to base policy on science and data.

Right of entry update

Mr. Judd said the MCCJPA passed a resolution to have the Moorhead City Council consider taking action to obtain rights of entries for several properties to place biological and geological markers for required environmental monitoring. The matter will be taken up by the council at their next meeting.

9. FINANCE UPDATECommittee report

The Finance Committee met on April 22nd. Mr. Grindberg said revisions are being made to the overall budget for presentation at the May meeting.

10. ND BUSINESS TRADE UNION PRESENTATION

Mr. Paulsen introduced Jason Ehlert, North Dakota Building Trades Unions; and Lucas Franco, Laborers' International Union of North America (LIUNA) Minnesota and North Dakota.

Mr. Ehlert and Mr. Franco gave a presentation on maximizing the socioeconomic benefits of the diversion project to address three major challenges for the area: chronic flooding, the technical skills gap, and construction industry workforce shortage.

Mr. Franco said there is enormous potential to address the technical skills gap and workforce shortage by incentivizing contractors to utilize registered apprenticeship programs. The benefits of these programs are well-documented in peer reviewed research and include creating and developing a safe and highly skilled workforce while providing individuals with family-supporting careers. The project has the potential to create 14,000 jobs. Studies show that local workers reinvest significantly higher amounts of their income locally, maximizing the return on investment in the community.

Mr. Ehlert said including a workforce initiative in the P3 could provide the maximum benefit for the community and region, while training a local workforce. In addition, more support and community buy-in could be gained with this approach.

Mr. Paulsen said he believes it would be a disservice to the community to not investigate the socioeconomic benefits of the project.

Mr. Judd said he enthusiastically supports this initiative and believes in investing in the region and its own resources and people.

Mr. Grindberg said great opportunities are presented to people through registered apprenticeship programs that could lead to professions for many people in construction, civil engineering and more.

11. NEXT MEETING DATE

The next meeting is scheduled for Thursday, May 28, 2020.

12. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:30 PM.