

**Metro Flood Diversion Authority
Finance Committee Meeting Minutes
4 PM – January 27, 2021**



A virtual meeting of the Metro Flood Diversion Authority Finance Committee was held on January 27, 2021. The following members were present: Bernie Dardis, Mayor, City of West Fargo; Dr. Tim Mahoney, Mayor, City of Fargo; Chad Peterson, Cass County Commissioner; Dan Jacobson, Chairman, Cass County Joint Water Resource District; Lori Johnson, Clay County Auditor/Treasurer; Mike Montplaisir, Cass County Auditor; Mike Redlinger, City of Fargo Assistant Administrator; Rick Steen, Cass County Commissioner and Karla McCall, Finance Director, City of Moorhead.

1. MEETING TO ORDER

Mayor Dardis called the meeting to order at 2 pm. Roll call was taken and a quorum was present.

2. APPROVAL OF MINUTES

MOTION passed

Mr. Steen moved to approve the minutes from the December 2020 meeting as presented and Mr. Jacobson seconded the motion. On a roll call vote, the motion carried.

3. APPROVAL OF AGENDA ORDER

MOTION passed

Mr. Steen moved to approve the order of the agenda as presented and Mr. Redlinger seconded the motion. On a roll call vote, the motion carried.

4. APPROVAL OF BILLS

Mr. Montplaisir reviewed the bills for the month which totaled \$8,769,007.50. The bills included reimbursement to Cass County Joint Water Resource District for Diversion related bills; Dorsey & Whitney for legal services rendered through November 30, 2020; Ohnstad Twichell, P.C., for legal services rendered through December 21, 2020 and Cass County for miscellaneous expenses for the executive director and staff.

Mr. Steen questioned the \$480,000 credit for OIN 9383. Mr. Montplaisir indicated that it was a refund paid back from the clerk for a LRED property that had recently been settled.

MOTION passed

Mr. Steen moved to approve the bills as presented by Mr. Montplaisir and Mr. Redlinger seconded the motion. On a roll call vote, the motion carried.

5. FINANCIAL REPORT

Total project expenditures to date are \$630,140,274 with revenues of \$728,055,438. Total assets are \$98,399,036 and total liabilities are \$483,871 for a net position of \$97,915,165.

Mr. Steen inquired why it takes so long to receive funds from the State Water Commission. Mr. Montplaisir indicated they generally are received from the State Water Commission a month after they are submitted to the SWC and so what was submitted in December is not reflected in the December 2020 financials.

Mr. Steen inquired about the \$32 million revenue (earnest deposit) and asked specifically what it is for. Mr. Steen was not willing to move to approve the financial report until the \$32 million in question is addressed. Mr. Barthel will investigate and report back. His response is reflected at the conclusion of the minutes.

6. EXECUTIVE DIRECTOR FINANCIAL REPORT

Mr. Paulsen indicated that expenditures to date are \$630 million with the majority of costs going to P3 support services, Stage 37' projects, property acquisitions, engineering fees and legal and financial fees. The expenditures came in as expected and we continue to track on budget.

We have purchased a significant number of parcels which is good news however, the I-29 grade raise design costs are over budget due to additional scope being added to the project and delays in the schedule.

7. CONTRACTING ACTIONS

Jeff Stephens from Oracle gave a presentation regarding MSA, Amendment 1, Aconex Software project tracking. Aconex is utilized to house all documentation that relates to the Diversion Authority and the P3. The total cost for Aconex will be \$872,509.45 until July 2027 at which time it will be extended month-by-month.

Mr. Steen asked Mr. Paulsen to compile a summary of all cost increases. Ms. McCall agreed that a list of extra costs needs to be provided and these additional cost increases need to be accounted for and explained.

MOTION passed

Mr. Peterson made a motion to approve the MSA, Amendment 1 Aconex Software support continuation. Dr. Mahoney seconded the motion and on a roll call vote, the motion carried.

Metro Flood Diversion Authority
Finance Committee Meeting Minutes
4 PM – January 27, 2021



Mr. Paulsen continued to review the remainder of the recommended contracting actions:

- Contract Award for WP-50D.1 – Demo Package - Industrial Builders Inc. \$186,437.50
- Contract Award for WP-50D.2 – Demo Package - Industrial Builders Inc. \$289,655.00
- TO 1, Amendment 17 – 2021 Services for Project Management, Public Involvement Assistance, Project Controls, and On-call Services. This reflects 2021 rates and extends PoP to December 31, 2021- HMG \$852,780
- New Services Agreement – Government Relations - GA Group, PC \$60,000
- New Services Agreement – 2021 Audit Services - Eide Bailly \$20,000

Dr. Mahoney inquired why the GA Group new services agreement was not run by the finance chair. Mayor Dardis expressed that the GA Group is a respected lobbying group and we need to have a presence in Bismarck five days a week.

Ms. McCall asked why an RPF was not done for audit services and why Eide Bailly was automatically chosen for 2021 audit services?

MOTION passed

Mr. Steen moved to approve contracting items ii-vi and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.

Mr. Paulsen reported on the executive director approved contract actions as follows:

- Task Order 30, Amendment 6 – Property Mitigation Structures Budget Transfer - HMG \$0
- Task Order 2, Amendment 2 – Phase II Architectural Evaluations - AECOM \$137,420
- Task Order 1, Amendment 9 – WP-50C Property Structure Mitigation - Braun Intertec \$9,223
- Task Order 20, Amendment 7 – I-29 Grade Raise Detailed Design HMG - \$148,299

The following contract actions for CCJWRD were reported:

- Task Order 11, Amendment 3 – P3 Technical Assistance for Proposer clarification re. the legal drains - Moore Engineering, Inc. \$10,000
- Task Order 12, Amendment 1 – Assistance for the CCJWRD and DA MOU - Moore Engineering, Inc. \$10,000
- Task Order 1, Amendment 3 – Property Appraisal Services - Compass Land Consultants \$62,707.50
- Task Order 3, Amendment 2 – Property Appraisal Services - Compass Land Consultants \$45,900
- Task Order 4, Amendment 1 – Property Appraisal Services - Compass Land Consultants \$228,650
- Task Order 1, Amendment 5 – Property Appraisal Services - GE Bock Real Estate, LLC \$59,390
- Task Order 2, Amendment 0 – Property Appraisal Services - GE Bock Real Estate, LLC \$48,000

**Metro Flood Diversion Authority
Finance Committee Meeting Minutes
4 PM – January 27, 2021**



- TO 1, Amendment 3 – Property Appraisal Services - Integra Realty Resources \$71,000
- TO 3, Amendment 1 – Property Appraisal Services - Integra Realty Resources \$12,250
- TO 4, Amendment 1 – Property Appraisal Services - Patchin Messner Valuation \$63,500
- TO 1, Amendment 1 – 2021 ND Farmland Management Services - The Pifer Group Inc. 6% of Gross Rental Revenue

The following contract actions for MCCJPA were reported as follows:

- Task Order 1, Amendment 2 – Property Appraisal Services - Compass Land Consultants \$8,850
- Task Order 2, Amendment 1 – Property Appraisal Services - Compass Land Consultants \$86,750
- Task Order 1, Amendment 0 – Property Appraisal Services - Integra Realty Resources \$9,000
- Task Order 2, Amendment 0 – Property Appraisal Services - Integra Realty Resources \$27,000
- Task Order 1, Amendment 1 – Property Appraisal Services - Patchin Messner \$26,000
- Task Order 1, Amendment 1 – 2021 MN Farmland Management Services - The Pifer Group Inc. 6% of Gross Rental Revenue

**8. OTHER BUSINESS
WIFIA Term Sheet**

Mr. Shockley reported that the term sheet was approved by the OMB and EPA for \$569 million. The closing date will be in May since it is a requirement that the P3 contractor has been selected prior to closing. The life of the loan is 40 years.

MOTION passed

Mr. Steen made a motion to approve the WIFIA term sheet as presented by Mr. Shockley and Mr. Jacobson seconded the motion. On a roll call vote, the motion carried.

DA Board Approval MOU & Agreement Actions

Mr. Shockley reviewed the City of West Fargo MOU for DCAI and the Magellan Pipeline Reimbursement Agreement for engineering costs to related to the pipeline.

MOTION passed

Mr. Steen moved to approve both items i and ii and Mr. Montplaisir seconded the motion. On a roll call vote, the motion carried.

Diversion Authority Contracting Resolution

The purpose of the contracting resolution would be to increase the amount of approval authority for the Executive Director from \$150,000 to \$200,000.

Mr. Steen recommended moving the resolution to the next meeting and in the meantime, sending any comments or questions to Mr. Shockley for review and input.

MOTION passed

Mr. Steen moved to table the contracting resolution to the next meeting and Mr. Peterson seconded the motion. On a roll call vote, the motion carried.

Policy on the Disposition and Management of Excess Lands

Mr. Nicholson gave an overview of the lands policy however much more work needs to be done. As it currently stands, it is not ready to be presented to the Board of Authority for final approval. Everyone is asked to review and relay your questions or concerns to Mr. Shockley and Mr. Nicholson.

MOTION passed

Mr. Steen moved to table the excess lands policy until the February meeting. Mr. Redlinger seconded the motion and on a roll call vote, the motion carried.

Property Acquisition Status Report

In the interest of time, Mr. Dodds provided a brief property status report indicating that to date, 496 properties have been voluntarily acquired and 93 properties are in LRED status.

DA Program Information Points

A MFDA Informational Points booklet has been created to ensure that everyone has current information regarding the Project. The booklet will be shared with all three committees and Ms. Darling asked that any questions or comments be directed to her.

5. *FINANCIAL REPORT FOLLOW-UP*

Mr. Barthel provided that the \$32 million in question in the financial report consists of \$800,000 in miscellaneous income and \$31 million of cash carry over from the 2019 budget.

MOTION passed

Mr. Steen moved to approve and file the Financial Report with his comments and Mr. Montplaisir seconded the motion. On a roll call vote, the motion carried.

9. Next Meeting **February 24, 2021**

10. Meeting adjourned at 5:41 pm.