METRO FLOOD DIVERSION AUTHORITY
SEPTEMBER 8, 2016—3:30 PM

1. MEETING TO ORDER

A meeting of the Metro Flood Diversion Authority was held Thursday, September 8, 2016, at 3:30 PM in the Fargo City Commission Room with the following members present: Cass County Commission representative Darrell Vanyo; Cass County Commissioner Mary Scherling; Cass County Commissioner Ken Pawluk; Fargo City Mayor Tim Mahoney; Fargo City Commissioner Dave Piepkorn; Fargo City Commissioner Tony Grindberg; Moorhead City Mayor Del Rae Williams; Moorhead City Council Member Nancy Otto; Moorhead City Council Member Chuck Hendrickson; Clay County Commissioner Kevin Campbell; Clay County Commissioner Grant Weyland; Cass County Joint Water Resource District Manager Rodger Olson; and West Fargo City Commissioner Mike Thorstad.

2. MINUTES APPROVED

MOTION, passed

Mr. Mahoney moved and Mr. Campbell seconded to approve the minutes from the August 25, 2016, meeting as presented. Motion carried.

3. AGENDA ORDER

MOTION, passed

Mrs. Scherling moved and Mr. Weyland seconded to approve the order of the agenda. Motion carried.

4. MANAGEMENT UPDATE

Program management consultant (PMC) report

Randy Richardson from CH2M provided an update on activities over the last month including Phase 8 modeling results associated with mitigation in the upstream embankment area, a visit last month from Lieutenant General Todd Semonite, Commanding General of the U.S. Army Corps of Engineers, and responses to the Corps of Engineers on Request for Proposals (RFP) for the inlet structure. He said priority areas for the next month include responses to the Request for Qualifications (RFQ) for the P3 contract, response to MN DNR regarding the Minnesota permit, in-town levee construction, flowage easement development, and Phase 1 land acquisition.

Mr. Richardson discussed program reporting and reviewed handouts on the program baseline budget in 2015 dollars and the baseline schedule. Staff are working on reports to align the master schedule and budget into the same categories to show the amounts expended and how the work that is completed fits in with the schedule.

Ty Smith from CH2M provided an update on in-town levee work, El Zagal Phase 2 levee construction, and Mickelson levee extension construction.

5. ADMINISTRATIVE/LEGAL UPDATE

Attorney John Shockley said the board previously granted authorization to choose an insurance risk advisor and AON Risk Services Central, Inc. has been chosen. He discussed an agreement and task order in the amount of $150,000 to provide risk advisory services on insurance products for the Diversion Authority as a whole and for the P3 element of the project. He said the Finance Committee approved the agreement with one change regarding the maximum amount of meal reimbursements to be based on IRS per diem rates, which AON has agreed to change.

MOTION, passed
Mr. Mahoney moved and Ms. Otto seconded to approve the professional services agreement with AON Risk Services Central, Inc. and appropriation of funds for the outlined Task Order with AON Risk Services Central, Inc. On roll call vote, the motion carried unanimously.

Mr. Shockley said the closing is scheduled for tomorrow on the temporary financing through Wells Fargo Bank. He said the executive team is drafting policies and procedures regarding the role of the Executive Director, which will be scheduled for discussion at the first meeting in October. A resolution is also being drafted to outline the process used for construction contracts, task orders and change orders for consideration by the board.

6. TECHNICAL UPDATE

Recommended Contracting Actions Summary
Ty Smith reviewed three construction change orders as follows:

Construction Change Orders

- ICS, Inc. Change Order 5 (4th Street Pump Station)—addition of sanitary sewer overflow connection for emergency use and removal of asbestos containing material in the amount of $70,363.71.
- Industrial Builders, Inc. Change Order 12 (2nd Street North, South of Pump Station)—differing subsurface conditions and water main pipe bursting in the amount of $77,641.54.
- Industrial Builders, Inc. Change Order 2 (2nd Street North, North of Pump Station)—differing subsurface conditions, fire hydrants and vault 3A relocation, temporary water and BNSF railroad project delay in the amount of $206,380.00.

MOTION, passed
Mr. Pawluk moved and Mrs. Scherling seconded to approve the appropriation of funds for the outlined Construction Change Orders with ICS, Inc. and Industrial Builders, Inc. On roll call vote, the motion carried unanimously.

7. PUBLIC OUTREACH UPDATE

Committee report
The Public Outreach Committee met on September 7th. Mr. Olson said the outreach team has been working on different methods to educate the public on the upcoming sales tax vote; sent requests to meet with townships along the project route to discuss land acquisitions and provide a project update; and will participate in various community outreach activities and presentations.

Business Leaders Task Force
Tom Dawson said the task force met today and discussed development of a strategy and advertising campaign for the sales tax vote in November.

8. FINANCE UPDATE

Committee report
The Finance Committee met on September 7th. Michael Montplaisir, Cass County Auditor, said the cumulative spent on the project to date is $241,892,759. He said later this month a payment of approximately $45 million will be due to the Corps of Engineers.

2016 Proposed Budget Revisions

Randy Richardson said revisions to the 2016 budget are needed to reallocate funds to pay for the $45 million cost share to the Corps of Engineers. He said the dollars are available but need to be moved from different program categories to cover the cost.

MOTION, passed

Mr. Mahoney moved and Ms. Otto seconded to approve the proposed budget revisions for 2016 as presented. On roll call vote, the motion carried unanimously.

Voucher approval

The bills for the month are with CCJWRD for costs associated with the Metro Flood Diversion, in-town levees, OHB levee, and Oxbow Country Club golf course construction; Dorsey & Whitney LLP for legal services; Erik R. Johnson & Associates, Ltd. for legal services; Ohnstad Twichell, P.C. for 4th Street Pump Station legal services; and Ohnstad Twichell, P.C. for P3 bond counsel.

MOTION, passed

Mr. Mahoney moved and Mr. Grindberg seconded to approve the vouchers in the amount of $1,350,395.14 for August, 2016. On roll call vote, the motion carried unanimously.

9. OTHER BUSINESS

Mr. Grindberg discussed establishing a deadline for bills and other items to be submitted for the Finance Committee and Diversion Board agendas in order to eliminate amended items.

Mr. Pawluk asked about the status of hiring an Executive Director. Mr. Shockley said the process to hire an Executive Director is not moving forward at this time. In accordance with the Joint Powers Agreement (JPA), the two Co-Deputy Executive Directors will fill the role of Executive Director at this time. He believes a different skill set would be needed for the position if the individual is hired before versus after closing on a P3 contract. For this reason, he recommends not pursuing this at this time. The matter could be reconsidered at the time of closing on the P3 contract. He plans to present some recommendations on procedures to the board in October. Mr. Shockley anticipates closing on the P3 contract in late 2017 or the first quarter of 2018.

10. NEXT MEETING DATE

The next meeting will be held on Thursday, September 22, 2016.

11. ADJOURNMENT

MOTION, passed

On motion by Mr. Pawluk, seconded by Mr. Olson, and all voting in favor, the meeting was adjourned at 4:20 PM.

Minutes prepared by Heather Worden, Cass County Administrative Assistant