

**FLOOD DIVERSION BOARD OF AUTHORITY  
APRIL 12, 2012—3:30 PM**

**1. MEETING TO ORDER**

A meeting of the Flood Diversion Board of Authority was held on Thursday, April 12, 2012, at 3:30 PM in the Fargo City Commission Room with the following members present: Cass County Commissioner Darrell Vanyo; Cass County Commissioner Scott Wagner; West Fargo City Commissioner Mike Thorstad; Cass County Joint Water Resource District Manager Rodger Olson; Fargo Mayor Dennis Walaker; Fargo City Commissioner Tim Mahoney; Fargo City Commissioner Brad Wimmer; Clay County Commissioner Kevin Campbell; and Moorhead City Council Member Nancy Otto. Also present was ex-officio member Gerald Van Amburg, Buffalo-Red River Watershed District.

Staff members and others present: Cass County Administrator Keith Berndt; Fargo City Administrator Pat Zavoral; Moorhead City Manager Mike Redlinger; Clay County Administrator Brian Berg; Fargo City Engineer Mark Bittner; Cass County Engineer Jason Benson; Bob Zimmerman, Moorhead City Engineer; Tom Waters, Program Manager, CH2MHill; Bruce Spiller, CH2MHill; Aaron Snyder, Branch Chief for Project Management & Development, Corps of Engineers; Brett Coleman, Project Manager, Corps of Engineers; and Terry Williams, Project Manager, Corps of Engineers.

**2. MINUTES APPROVED**

***MOTION, passed***

**Mr. Mahoney moved and Ms. Otto seconded to approve the minutes from the March 8, 2012, meeting as written. Motion carried.**

**3. AGENDA ORDER**

***MOTION, passed***

**Mr. Campbell moved and Mr. Mahoney seconded to approve the order of the agenda. Motion carried.**

**4. PROJECT MANAGEMENT FIRM UPDATE**

Tom Waters, Program Manager from CH2MHill, presented the following items to the board:

Program manager consultant update

Mr. Waters provided an update on the activities over the last month, including continuing work on the integrated funding and decision model and cost-loaded project schedule; drafting a hardship policy; and participation in several outreach meetings with communities.

Executive leadership council and leader teams update

Tom O'Hara from CH2MHill provided an update on the executive leadership council and Corps of Engineers-Board of Authority leader teams. He said a joint leadership structure has been developed to create an open, inclusive, and efficient decision making process that involves the local sponsor and Corps of Engineers. The structure includes the technical work group, joint design board, joint program management board, and executive leadership council.

### Record of Decision (ROD)

Bruce Spiller from CH2MHill discussed the Record of Decision (ROD) process. He said earlier this month, the Office of Management and Budget (OMB) reviewed the project and found it to be consistent with the policy and programs of the President of the United States. The ROD was then signed by the Assistant Secretary to the Army, Civil Works, who determined the project to be technically feasible, economically justified, in accordance with environmental statutes, and in the public interest. The next step is submission of the report to Congress for consideration.

Mr. Spiller discussed post-ROD analysis and said potential project modifications will be evaluated. Some of the changes may require additional studies, environmental assessments, or a supplement to the EIS (Environmental Impact Study). He said the Flood Diversion Board of Authority and local project sponsors will be 100% responsible for analyses and their associated costs for any changes outside of the Corps' process. He said each change will be evaluated on an individual basis.

Mr. Spiller said efforts of the Diversion Authority and local sponsors are to conduct a preliminary post-ROD analysis by October to include four studies as follows:

- move diversion inlet south of Oxbow;
- move diversion inlet north of the confluence of the Red and Wild Rice Rivers;
- evaluate staging and storage volume based on new or proposed upstream retention;
- protect Oxbow, Hickson and Bakke areas with levees or a ring dike.

Mr. Spiller said joint efforts and goals of the Corps and local sponsors are as follows:

- increased flows through town;
- VE 13, move diversion inlet slightly north;
- protect existing communities with levees (Comstock and Christine);
- conduct analysis while continuing design of project on schedule;
- continue to improve overall project value with goals to improve reliability, reduce impacts, and reduce costs.

### Maple to Sheyenne River alignment update

Mr. Spiller said the local sponsors and Corps team are reviewing the alignment from the Maple River to the Sheyenne River. He hopes to present the revised alignment to the board at the next meeting.

### Channel width decision update

Mr. Spiller said in order to add value and reduce costs, staff are looking at ways to optimize the channel width. He said the width will be maintained "as is" and will be further evaluated as the channel designs move from the north to the south.

## 5. UPDATES FROM COMMITTEES

### Land Management Committee

Mr. Walaker provided an update from the Land Management Committee meeting held earlier this afternoon. He discussed the following topics:

#### **Hardship Policy**

The committee adopted a draft Pre-Project Partnership Agreement (PPA) Hardship Policy, subject to final review by the legal team. This policy will provide a mechanism to acquire properties upstream earlier in the process for owners suffering from medical conditions.

#### ***MOTION, passed***

**Mr. Walaker moved and Mr. Wagner seconded to adopt the Pre-Project Partnership Agreement (PPA) Hardship Policy. Discussion: Ms. Otto asked whether sufficient sales tax dollars will be available to cover costs to purchase properties. Mr. Vanyo said the goal is to adopt the policy and then notify residents who may qualify to make application to the board. He said applications will be reviewed by the Early Acquisition Subcommittee to determine how many homes are involved and estimated costs. Motion carried.**

#### **Agricultural Policy Subcommittee**

The committee authorized the formation of an Agricultural Policy Subcommittee to help with development of policies and procedures to mitigate project-related impacts on agriculture. The committee also authorized administrative and advisory staff to nominate eight to ten members with representation from the agricultural community.

#### ***MOTION, passed***

**Mr. Walaker moved and Mr. Mahoney seconded to establish an Agricultural Policy Subcommittee to assist in the development of policies and procedures to mitigate project-related impacts on agriculture; and to authorize administrative and advisory staff to nominate eight to ten members to the committee. Discussion: Mr. Campbell suggested land owners from the areas along the west and south portion of the channel be appointed to the committee. Motion carried.**

#### **Early Acquisition Subcommittee**

The committee authorized the formation of an Early Acquisition Subcommittee to help with development and implementation of a policy, and creation of a charter. The committee also authorized administrative and advisory staff to nominate members to the subcommittee.

#### ***MOTION, passed***

**Mr. Walaker moved and Mr. Wagner seconded to establish an Early Acquisition Subcommittee to assist in policy development; implementation of early acquisition policies; and development of a charter; and to authorize administrative and advisory staff to nominate representatives from the administrative and advisory staff, program management consultant team, and subject matter experts. Motion carried.**

### **Upstream banks and appraisers status**

Patrick Chaffee, CPA and Finance Advisor for CH2MHill, said interviews were held with local appraisers, banks and upstream residents to discuss bank financing and appraisals in the area upstream of the project. He reviewed several significant issues that were discovered during the interview process, including:

- Appraisers are hesitant to conduct appraisals because of uncertainty in assigning market values to properties affected by the project;
- Some appraisers said appraisals would contain a contingency regarding flood protection;
- Banks noted that properties up for sale have “no market”;
- Residents are concerned about what school district their children will attend because a large number of children attend the Kindred Public School District, and if a move was required, they would change schools.

Mr. Chaffee said the next step is to hold educational meetings with the banking community. Mr. Wagner suggested local county tax directors be included in the process to provide their perspective.

### **Public Outreach Committee**

Mr. Olson said the Public Outreach Committee met on April 11<sup>th</sup>, and he provided an update on activities including: three public meetings held in the Oxbow, Hickson, and Bakke Subdivision communities to inform residents about the project status, listen to input, and answer any questions; creation of an extensive land acquisition Q & A document, which is available on the website; work on an outreach plan to lenders, appraisers, and realtors regarding upstream property owners from impacted areas; and a letter to the editor from Mr. Olson and Mr. Campbell regarding extreme flooding events and flood risk reduction.

Eric Dodds from Advanced Engineering and Environmental Services (AE2S) said the committee wants to implement a monthly e-newsletter. He said anyone interested in receiving the newsletter could sign up through the website. Mr. Campbell asked that the Public Outreach Committee be allowed the responsibility for its contents and distribution. Mr. Vanyo did not have any issues with this request.

### **Finance Committee**

Michael Montplaisir, Cass County Auditor, said the Finance Committee met on April 9<sup>th</sup>, and he provided an update. The committee reviewed bills associated with rights of entry costs and services of CH2MHill; discussed travel costs and decided each member agency pay this expense and a travel policy be developed; discussed the addition of two elected officials from Fargo and from Moorhead/Clay County to the committee; decided to discontinue lobbying services through Podesta Group until later this year; and reviewed a decision and funding model for the project.

### **Integrated Decision and Funding Model**

Martin Nicholson, Vice President of CH2MHill, provided a presentation on the integrated decision and funding model, which supports near, mid, and long-term needs of the project. The final feasibility study cost estimate sets the baseline funding requirements. The current funding allocations based on total project costs are 50% federal dollars,

capped at \$800 million and 50% non-federal dollars with North Dakota funding 90% and Minnesota funding 10%. He said the cost loaded schedule defines the logical sequence of project activities in terms of time and money. He said the model provides a snapshot to assist in the funding approach.

### **Finance Committee Membership**

Mr. Vanyo said a recommendation was made by the committee to expand its membership to provide more of an emphasis on financial policy and strategic development. The committee approved adding two members, one appointed by Fargo and one appointed by Moorhead/Clay County. There was also discussion about including a representative from the State of North Dakota.

#### ***MOTION, passed***

**Mr. Mahoney moved and Mr. Campbell seconded to approve the addition of two members to the Finance Committee, one from the City of Fargo and one from the City of Moorhead/Clay County, to assist the committee with financial policy and strategy. Discussion: Mr. Vanyo said the State of North Dakota should also have representation on the Finance Committee. Motion carried.**

Mr. Vanyo asked each entity to submit the name of their representative to Mr. Montplaisir.

### **6. CORPS OF ENGINEERS STATUS UPDATE**

Brett Coleman said the Corps of Engineers gave a presentation on the project last month to officials from Richland and Wilkin Counties; awarded a contract with the U.S. Geological Survey (USGS) to collect sediment samples; and awarded a contract to conduct pile load testing to assist in structure designs. He said the pile testing will be conducted on county-owned property.

### **7. VOUCHERS, Approved**

#### ***MOTION, passed***

**Mr. Mahoney moved and Mr. Wimmer seconded to approve the vouchers as presented. On roll call vote, the motion carried unanimously.**

### **8. NEXT MEETING DATE**

The next meeting will be held on Thursday, May 10, 2012, at 3:30 PM.

### **9. ADJOURNMENT**

#### ***MOTION, passed***

**On motion by Mr. Walaker, seconded by Mr. Wagner, and all voting in favor, the meeting was adjourned at 5:05 PM.**