

**FLOOD DIVERSION BOARD OF AUTHORITY
DECEMBER 13, 2012—3:30 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Board of Authority was held Thursday, December 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 Ken Pawluk; 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 Director of Engineering Mark Bittner; Fargo City Engineer April Walker; Moorhead City Engineer Bob Zimmerman; Cass County Engineer Jason Benson; Tom O'Hara, Program Manager, CH2MHill; Bruce Spiller, CH2MHill; and Terry Williams, Project Manager, Corps of Engineers.

2. MINUTES APPROVED

MOTION, passed

Mr. Mahoney moved and Mr. Walaker seconded to approve minutes from the November 8, 2012, meeting as written. Motion carried.

3. AGENDA ORDER

MOTION, passed

Mr. Walaker moved and Mr. Campbell seconded to approve the order of the agenda as presented. Motion carried.

4. PROGRAM MANAGEMENT FIRM UPDATE

Program manager consultant monthly report

Mr. O'Hara provided an update on activities over the last month including work on permitting, mitigation, and environmental assessment review status; approval of two hardship property acquisitions; presentation for the Cass County Township Officers' Association meeting; and attendance at other public meetings.

Corps of Engineers status update

Terry Williams said Corps of Engineers led-design efforts continue to be on schedule and under budget; staff continues to work on the National Environmental Policy Act (NEPA) process to address project modifications; staff is preparing for landowner and public meetings with residents from Oxbow, Hickson, and Bakke Subdivision areas; and Phase II cultural surveys for 2012 have been completed.

She briefly reviewed the timeline on post-feasibility and NEPA actions and decisions anticipated through July, 2013.

Task orders update

Mr. Spiller reviewed the status of existing task orders with the board. He also provided an update on five amended task orders with the Houston-Moore Group (HMG), which total \$231,000 and involves project management services; post-feasibility engineering analysis; work-in-kind (WIK); hydrology and hydraulic modeling; and levee design and design support.

MOTION, passed

Mr. Wimmer moved and Mr. Mahoney seconded to approve amended Task Orders with HMG in the amount of \$231,000. On roll call vote, the motion carried unanimously.

Demonstration of staging area flood impact animation

Lee Beauvais from Moore Engineering provided a demonstration of map animations depicting locations within the upstream staging area of the proposed diversion project during different flood events.

5. UPDATES FROM COMMITTEESRetention efforts update from Red River Basin Commission

Jon Evert was present to provide an update from the Red River Basin Commission. He outlined numerous presentations given over the last month regarding retention efforts and possible modeling options to use on the project.

Land Management Committee

Mr. Walaker provided an update on topics discussed at the Land Management Committee meeting held earlier this afternoon, including completion of two hardship buyouts and one additional buyout scheduled in the spring; update on the Oxbow, Hickson, and Bakke Subdivision ring levee; discussion on the property tax shortfall to the Kindred School District; Bank of North Dakota mortgage financing; and update on special assessment districts.

Bank of North Dakota Financing

Mr. Vanyo said he recently spoke with an official from the Bank of North Dakota (BND) regarding new mortgages and refinancing mortgages. There have been concerns raised by residents in the staging area that it is difficult to obtain financing because of the proposed diversion project. The state may be in a better position to help since they understand the issues. The Bank of North Dakota has a \$275,000 ceiling on loans, and the committee approved to work with the state to raise the ceiling.

MOTION, passed

Mr. Olson moved and Mr. Walaker seconded to work with the Bank of North Dakota to raise the maximum loan amount from the current \$275,000 cap. Motion carried.

Mitigation for Oxbow/Hickson/Bakke Subdivision Staging Area

Mr. Vanyo said the committee discussed development of a mitigation policy that would allow work on levees in Oxbow, Hickson and Bakke Subdivision (staging area) to begin sooner than buyouts of individual properties. The committee approved the following statement regarding mitigation measures for the staging area:

“In order to provide early protection and reduce uncertainty for communities and property owners in the staging area, the Diversion Board of Authority is willing to fund mitigation measures like ring dikes or levees and all supporting infrastructure early in the project timeline and even prior to authorization. If a community or property owner decides not to accept the early protection offered, then property acquisition will follow the federal guidelines and timelines, which currently call for acquisition no earlier than 2018 for property in the staging area.”

Mr. Wimmer believes this statement shows a good faith effort by the Diversion Board of Authority, and takes these areas out of limbo sooner. Ms. Otto said the Finance Committee discussed the expenses associated with a ring dike/levee around Oxbow, and estimated costs at \$25 million for property buyouts and \$25 million for construction of the levee.

Mr. Olson said the statement also addresses that the board will follow federal guidelines for all property buyouts, which he believes is an important component.

MOTION, passed

Mr. Pawluk moved and Mr. Walaker seconded to approve the mitigation statement as presented. Motion carried.

Public Outreach Committee

Mr. Olson said the Public Outreach Committee met on December 12th, and he provided an update on topics discussed including meetings with the Township Officers' Association and Horace community; a community meeting to be held in January with landowners from the Oxbow, Hickson and Bakke Subdivision areas; and an outreach meeting to be held in March with residents from the Argusville and Harwood area.

Daron Selvig from AE2S said the Fargo/Moorhead/West Fargo Chamber of Commerce is developing a task force consisting of business leaders to focus on permanent flood protection for the area; new alignment maps have been posted on the website; and the next edition of the e-newsletter will be distributed on December 17th.

Finance Committee

Mr. Montplaisir said the Finance Committee met on December 12th, and he provided an update on the following topics:

CH2MHill contract extension

MOTION, passed

Mr. Wimmer moved and Mr. Pawluk seconded to approve a six-month contract extension with CH2MHill ending June 30, 2013 for the purpose of program management consultation and basic program management services for the FM Area Flood Diversion Project. On roll call vote, the motion carried unanimously.

Joint Water Resource District to lead development of assessment district plan

Mr. Montplaisir said the committee recommends the Cass County Joint Water Resource District (CCJWRD) be assigned to develop a special assessment district plan for the North Dakota local cost share. Mr. Campbell discussed the Minnesota cost share and said the State of Minnesota will pay for construction costs, and options will need to be considered later on how to pay for operation and maintenance costs.

Mark Brodshaug, Chairman of the CCJWRD, was present. He briefly discussed the tasks of the Cass County Joint Water Resource District, Finance Committee and Diversion Project Assessment Committee (DPAC) in the development of a special assessment district. The DPAC will consist of 11 people and will be comprised of five CCJWRD members; one City of West Fargo representative; three City of Fargo representatives; and two Cass County representatives.

MOTION, passed

Mr. Mahoney moved and Mr. Wimmer seconded to assign the Cass County Joint Water Resource District (CCJWRD) to develop a special assessment district plan for the North Dakota local cost share of the FM Area Flood Diversion Project. On roll call vote, the motion carried unanimously.

Houston-Moore Group (HMG) adjusted rate schedule for 2013

The Houston-Moore Group has requested a 4% increase in its rate schedule for 2013. The committee approved the request effective July 1, 2013. Mr. Mahoney said many people are not receiving a cost of living adjustment given the state of the economy. Mr. Pawluk asked what circumstances have changed to warrant the increase. Mr. Berndt believes it is due to inflation.

Mr. Wimmer suggested the item be tabled and that the Finance Committee re-address the topic next month in order for HMG to provide additional information regarding the request. The board agreed to table the item.

Kindred School District fact sheet

The Kindred School District requested the Diversion Board of Authority reimburse the school district for revenues they claim were lost because of a 20% reduction in property tax valuations for Oxbow, which was granted by the State Board of Equalization. Mr. Montplaisir said the school district did not lose any tax dollars; Oxbow residents will pay less in taxes, and the remaining residents of the school district will pay more to compensate for the reduction.

Mr. Vanyo said since the school district did not lose any revenue, the board is not responsible to reimburse the school district.

MOTION, passed

Mr. Mahoney moved and Mr. Pawluk seconded to authorize the chairman to send a letter to the Kindred Public School District indicating since there was no loss in revenues as a result of the 20% reduction in taxable valuation for Oxbow, no reimbursement will be given to the school district. Motion carried.

6. 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.

7. NEXT MEETING DATE

The next meeting will be held on Thursday, January 10, 2013, at 3:30 PM.

8. ADJOURNMENT

MOTION, passed

On motion by Mr. Wimmer, seconded by Mr. Walaker, and all voting in favor, the meeting was adjourned at 4:50 PM.

Minutes prepared by Heather Worden, Cass County Administrative Assistant