



**DIVERSION AUTHORITY  
Land Management Committee  
City Commission Room  
Fargo City Hall  
Thursday, April 9, 2015  
2:00 p.m.**

1. Agenda review
2. Approve March 12, 2015 minutes
3. CCJWRD Land Management Summary
4. NDSU Ag Risk Study Amendment 1
5. Right of Entry Status & Cultural Resources Easement Acquisition Update
6. Other business
7. Next meeting Thursday, May 14, 2015

**DIVERSION AUTHORITY  
Land Management Committee  
City Commission Room  
Fargo City Hall  
Thursday, March 12, 2015  
2:00 p.m.**

Present: Oxbow Mayor Jim Nyhof; Cass County Commission Representative Darrell Vanyo; County Commission Representative Jenny Mongeau; Cass County Joint Water Resource District Representative Rodger Olson; Buffalo-Red River Watershed District Representative Gerald Van Amburg; Fargo City Administrator Pat Zavoral; Cass County Administrator Keith Berndt; Moorhead City Manager Michael Redlinger; Fargo Director of Engineering Mark Bittner; Moorhead City Engineer Bob Zimmerman.

Others present: Mark Brodshaug – Cass County Joint Water Resource District (CCJWRD); Tanaya Reitz – AE2S; Lyndon Pease – Moore Engineering; US Army Corps of Engineers Project Managers Terry Williams and Brett Coleman.

The meeting was called to order by Darrell Vanyo.

Agenda Review

There were no additions or amendments to the agenda.

Approve February 5, 2015 Minutes

Mark Bittner moved the minutes from the February 5, 2015 meeting be approved. Rodger Olson seconded the motion. All the members voted aye and the motion was declared carried.

CCJWRD Land Management Summary

Mark Brodshaug gave an overview of the Land Management Summary, stating the appraisal process is moving along. One opportunistic farmland purchase was completed, he said, another had a purchase agreement signed; and a third is pending a final purchase agreement. Approval was received this month from the Corps on a number of appraisals, he said; two in-town and eleven in Oxbow/Hickson/Bakke, as well as one agricultural appraisal. Two new appraisals for in-town residential properties have been submitted by HMG to the Corps for review, ProSource has submitted four, and Ulteig has submitted eight appraisals. He said Ulteig has been impressing staff with their responsiveness and he has a good feeling with them doing more appraisals. He said there is a signed purchase agreement to acquire the Park East property with a closing date of July 15th or sooner, depending on timing for relocation of residents. He said that building is approximately 40-50% vacant now, he said.

In response to a question from Jenny Mongeau about the location of the farmland being discussed, Mr. Brodshaug said all three properties are in North Dakota. He said the one closed on is west of Harwood near some of the properties purchased last year.

The one that has a purchase agreement signed is east of the Interstate near the outlet of the Diversion, northwest of Argusville, he said, and the one with the verbal agreement is north of the Maple River, northwest of West Fargo. In the future, it can be assumed that property in the report is in North Dakota, he said, and for those in Minnesota, there will be an indication of that. If possible, he said, updated maps will be shared monthly or at least every other month. He said there is an additional column titled "Outstanding Encumbrances" which is intended to track offers approved but not completed.

Jim Nyhof said things in Oxbow seem to be going at a satisfactory pace. He said the six homes going up are moving along quickly and it looks good to have them ready in July.

Tanaya Reitz said as of this week all remaining appraisals for homes in Oxbow have been submitted to the Corps. For the Park East residents, she said, the official 90-day notice required for the federal process will be sent early to mid-April

#### Coldwell Banker Property Management Contract Assignment:

Tanaya Reitz said Coldwell Banker has been contracted by the Diversion Authority directly for three of the properties purchased prior to the Cass County Joint Water Resource District assuming the acquisition process. She said this item will transfer ownership of the properties by quit claim deed to CCJWRD and the CCJWRD would be assigned the Management Agreement Contract.

Keith Berndt moved to approve the transfer of ownership of the three properties to CCJWRD and assign the Management Agreement Contract to CCJWRD. Jenny Mongeau seconded the motion. All the members voted aye and the motion was declared carried.

#### Ag Policy Subcommittee Membership Update

Rodger Olson said he and Mark Askegaard, Co-Chairs of the Agricultural Policy Subcommittee, have concerns with their committee as attendance has been poor and they have not being able to reach a quorum. Without a quorum, he said, they are not able to take any action. He shared a memo directed to the Subcommittee membership asking members whether or not they are willing to renew their commitment. Replies are due Friday, he said, and then he and Mr. Askegaard will review them and determine the next steps. The Ag Policy Subcommittee plays an important role in discovering the best possible solution for mitigation, he said, and both he and Mr. Askegaard take its importance very seriously.

Darrell Vanyo said he likes the approach and a non-response from a member is likely an indication they do not want to reaffirm their membership. He said it is alarming that there have been numerous times the agriculture community voiced concerns about not being at the table, yet do not take an opportunity to step up for something that can impact them in the future. A quorum is important so the Ag Policy Subcommittee can weigh in with the results from NDSU's research, he said. He said it would be helpful for members of this committee to let Mr. Olson know if they have suggestions for members.

Mark Brodshaug said when the Subcommittee was formed, co-ops on both side of the river were asked for suggestions. He said perhaps members of the ag lending community or those in the risk management field could offer suggestions.

#### Right of Entry Status & Cultural Resources Easement Acquisition Update

Lyndon Pease said geotechnical borings will continue on the North Dakota side within the southern alignment staging area through the end of March. Later, he said, additional borings will be necessary near the design inlet structure for roadway realignment and bridge design. He said letters and access agreements will be sent out to landowners of 70-80 parcels along the diversion channel on the northern end of the project along the diversion channel as a first step in the acquisition process and there will likely be a public landowner meeting in April. He said access for surveys along the western alignment of the diversion channel will be needed from south and west of Harwood, along the alignment to around Horace and the Sheyenne River. Geotechnical boring work for the design of the Maple River aqueduct structure is nearly complete, he stated. Eleven cemeteries have been identified within, and south of the staging area, on both sides of the river, he said, and they continue to be studied for potential mitigation options. He said a nonintrusive, walk-through cultural resources survey is needed to determine whether a cemetery needs to be listed on the National Register of Historic Places. He said access for that has been granted, and surveys completed, on six of the eleven cemeteries. A few cemeteries have had a change in caretakers, he said, so work is being done to determine who can grant access to conduct those surveys.

Terry Williams said the report on the mitigation plan for cemeteries is still on track for June; however, without the access to all cemeteries for the National Register survey, the report would be somewhat incomplete.

#### Other business

In response to a question from Darrell Vanyo about the progress of the NDSU study, Mr. Olson said it is close to being done. He said they will first present their findings to the Ag Subcommittee, followed by a recommendation to this committee and then the Diversion Authority.

The next meeting will be Thursday, April 9, 2015 at 2:00 p.m.

Jenny Mongeau moved the meeting be adjourned. Bob Zimmerman seconded the motion. All the members voted aye and the motion was declared carried.

The meeting adjourned at 2:27 p.m.

## Amendment 1

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In accordance with Paragraph 8.01 of the Agreement between **Diversion Board of Authority** ("Owner") and **North Dakota State University** ("Agent") for **Ag Risk Study Services**, dated September 16, 2014 ("Agreement"), Owner and Agent agree as follows:

The parties agree that in the event of a conflict between prior versions of this Agreement and this Amendment, the terms and conditions in this Amendment shall prevail, provided however, nothing herein shall preclude Agent from invoicing for work authorized under prior versions of this Amendment and performed prior to effective date of this Amendment, even to the extent such prior work was revised by this Amendment. All other terms and conditions shall remain the same and are hereby ratified and affirmed by the parties.

1. Scope of Work:
  - A. Services of Agent for this Amendment 1 are presented in the attached Exhibit A-1.
2. Payments to Agent
  - A. Owner shall pay Agent for services rendered as follows:

	<b>Current Budget (\$)</b>	<b>Change (\$)</b>	<b>Revised Budget (\$)</b>
Ag Risk Economic Evaluation	64,495	26,712	91,207
<b>TOTAL</b>	<b>64,495</b>	<b>26,712</b>	<b>91,207</b>

B. The terms of payment are set forth in Article 9.01 of the Agreement.

3. Terms and Conditions: Execution of this Amendment by Owner and Agent shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Agent is authorized to begin performance upon its receipt of a copy of this Amendment signed by Owner.

The Effective Date of this Agreement is September 16, 2014.

OWNER:

**Metro Flood Diversion Authority**

AGENT:

**North Dakota State University**

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date

Darrell Vanyo  
\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

Chairman, Board of Authority  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Exhibit A-1

**Ag Risk Economic Evaluation for  
Temporary Water Retention Easement Values and Crop Insurance**

***Supplemental Work Description***

**Submitted to:  
FM Diversion Authority**

**March 24, 2015**

**Submitted by:  
Dr. Nancy M. Hodur (project contact)\*  
Dr. Saleem Shaik  
Dean Bangsund  
David Saxowsky**

**Department of Agribusiness and Applied Economics  
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Fargo, ND 58105  
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**NDSU** NORTH DAKOTA  
STATE UNIVERSITY

## Exhibit A-1

### **Description of Supplemental Scope of Work:**

The scope of the initial analysis was limited to a sample of land tracts to evaluate the effects of water staging associated with the FM Diversion. To effectively evaluate the potential effects of temporary water storage on agricultural lands in the staging area, study sponsors agreed to provide hydrology modeling identifying the timing and duration of water in the staging area for several flood sizes. In addition, the hydrology modeling contained water inundation for current conditions (no diversion) and water inundation with the FM Diversion.

Hydrology modeling in the FM Diversion staging area was delineated into 97 individual tracks. The study sponsors and research team agreed that it would be preferred to have the study include all of the tracks, as opposed to a subset of the land tracts affected by water storage which was the original expectation. The initial hydrology modeling supplied to NDSU revealed substantial variation among the various land tracts in the staging area, and this variation will require additional time to compile and delineate the economic effects of water inundation within the storage region.

The effects of water storage vary based on event size (e.g., 10-yr, 50-yr). At the point the study was initiated, the FM Diversion Authority had limited their hydrology modeling to a synthetic flood event, which serves as the design basis for the project. In other words, the flood events modeled by the FM Diversion Authority represented a compilation of water volumes and flows that would be expected based on data from several sources. However, the synthetic flood events modeled by the FM Diversion Authority does not specifically represent any actual previous flood event (e.g., 1979 event, 2006 event, 1997 event, or 2009 event).

The research team gathered water flow data for the Red River in Fargo, and evaluated the data with respect to how the timing and duration of floods have varied since 1940. The evaluation was done to compare the duration of actual flood events with the synthetic events supplied by the FM Diversion Authority. The evaluation revealed that variability existed among the actual historical major floods, and the variation could have different economic consequences for agricultural producers in the storage area.

The conclusions pulled from the analysis of water flows lead the FM Diversion Authority to develop additional hydrology modeling reflective of a long-duration flood (1997 like flood) and a short-duration, but high crest height flood (2009 like flood). The addition of these flood events has expanded the original scope of work and has increased the reporting requirements for the original project.

## Exhibit A-1

### **Budget:**

The proposed total cost for completing the additional analysis is \$26,712. Indirect costs at 45 percent. A cost basis is summarized below.

Budget Item	Cost
Direct Expenses	
Salaries	
Research Scientist/Asst. Research Professor (2.0 months)	\$14,171
Benefits	
Research Scientist/Asst. Research Professor (30 percent)	\$4,251
Total Direct	\$18,422
Indirect Expenses	\$8,290
Total Expenses	\$26,712

### **Supporting Documentation:**

Research team is the same as detailed in the original proposal. Vita's and list of publications for the research team are appended to the original proposal.