

**FLOOD DIVERSION FINANCE COMMITTEE
SEPTEMBER 26, 2018—4:10 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Finance Committee was held on Wednesday, September 26, 2018, at 4:10 PM in the River Room, Fargo City Hall, with the following present: Cass County Commissioner Vern Bennett; Fargo City Commissioner Tony Grindberg; Moorhead City Councilman Chuck Hendrickson; Cass County Joint Water Resource District Chairman Dan Jacobson; Clay County Auditor/Treasurer Lori Johnson; Fargo City Mayor Tim Mahoney; Cass County Auditor Michael Montplaisir; Fargo City Assistant Administrator Michael Redlinger; and Cass County Commissioner Rick Steen. Fargo Finance Director Kent Costin; Fargo City Commissioner Tony Gehrig; and Moorhead Finance Director Wanda Wagner were absent.

John Glatzmaier of Jacobs; Martin Nicholson of Jacobs; and John Shockley of Ohnstad Twichell were also present.

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

MOTION, passed

Mr. Steen moved and Dr. Mahoney seconded to approve the minutes from the September 11, 2018, meeting as presented. Motion carried.

3. APPROVAL OF BILLS

MOTION, passed

Mr. Steen moved and Dr. Mahoney seconded to approve the bills in the amount of \$161,241.27, and to forward them to the Metro Flood Diversion Authority. Motion carried.

4. FINANCIAL UPDATE

Mr. Montplaisir reviewed the financial statement for August. About \$28.5 million has been expended from the FY 2018 budget, and the total disbursed for the project to date is \$444,318,991. The net position is \$76.8 million.

Dr. Mahoney left for the remainder of the meeting.

Mr. Montplaisir said there is still \$57 million from the State Water Commission to appropriate. Mr. Steen asked if the money must be spent by the end of 2018 and what will happen if it is not. Mr. Montplaisir said the funds will carry forward to next year; funds must be spent before they can be drawn down.

MOTION, passed

Mr. Steen moved and Mr. Bennett seconded to approve the Financial Statement for August as presented. Motion carried.

5. PMC UPDATE

Martin Nicholson of Jacobs reviewed the Program Management Consultant (PMC) report, including the overall program status and the FY 2018 cash budget.

Mr. Nicholson provided documentation for proposed FY 2018 cash budget revisions to realign budget category dollars.

Mr. Steen asked if the remaining fiscal year budget of \$54 million will be spent this year. Mr. Nicholson said no.

Mr. Steen said he would like to see an estimate of the unencumbered FY 2018 funds that will be rolled into 2019. Mr. Nicholson said the information will be available for the next meeting, at which time the budget revisions can also be approved.

6. RECOMMENDED CONTRACTING ACTIONS

John Glatzmaier of Jacobs reviewed the following contracting actions:

- WP-42E (2nd Street South and Main Avenue Flood Mitigation)

Mr. Glatzmaier said the recommendation is to award the contract to Industrial Builders, Inc., the lowest responsive bidder.

There are two bid discrepancies to note. Bid specifications included language that asked mobilization costs not to exceed 5% of the total bid; it accounted for 5.7% of the recommended bid. As this was a guideline and not a hard requirement, the technical and legal advisors concurred that this requirement can be waived.

The other discrepancy is one quantity error shown on the bid form for installing street lighting; however, electronic bid forms were used and the formula was correctly calculated. The technical and legal advisors, in addition to the bidder, have agreed to waive the irregularity.

MOTION, passed

Mr. Steen moved and Mr. Jacobson seconded to waive the two minor bid irregularities and recommend the construction contract for WP-42E be awarded to Industrial Builders Inc., in the amount of \$8,769,445.23 as the lowest responsive bidder, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

- Cass County road ditch work

Mr. Glatzmaier said the recommendation is to award a contract for county highway ditch work to Naastad Brothers, Inc. The work includes removing a temporary approach constructed for Cass 81 and ditch cleaning for Cass 17.

MOTION, passed

Mr. Steen moved and Mr. Bennett seconded to award the contract for Cass 81 approach removal and Cass 17 ditch cleaning to Naastad Brothers, Inc., in the amount of \$30,856.40, and to forward the recommendation to the Metro Flood Diversion Authority. On roll call vote, the motion carried unanimously.

7. OTHER BUSINESS

Mr. Redlinger arrived for the remainder of the meeting.

ND Water Topics Overview Committee meeting

Mr. Grindberg said he attended the ND Water Topics Overview Committee meeting

earlier today and he was very impressed with the P3 presentation given by Attorney John Shockley as it was very informative and very well received.

Diversion Authority financial audit

Mr. Steen said about a year ago Mr. Costin recommended that the Diversion Authority engage in a financial audit. It was ultimately decided to defer the issue for a year. Mr. Steen would like to revisit the issue at the next meeting when Mr. Costin is present.

Task Orders

Mr. Shockley said the Co-Executive Directors have recommended that going forward there will be separate task orders for land acquisitions, P3 activities, and PMC activities. This will provide clarification on the costs involved for each separate activity.

PMC contract extension

Mr. Shockley said there will be a no-cost task order extension for the current PMC contract through January 31, 2019. A new PMC task order will be submitted if a permit is approved for the project.

8. NEXT MEETING

The next meeting is scheduled for October 24th at 4:00 PM.

9. ADJOURNMENT

MOTION, passed

On motion by Mr. Montplaisir, seconded by Mr. Steen and all in favor, the meeting was adjourned at 4:37 PM.