

FLOOD DIVERSION BOARD OF AUTHORITY
Thursday, November 13, 2014
3:30 PM

Fargo City Commission Room
Fargo City Hall
200 3rd Street North

1. Call to order
2. Approve minutes from previous meeting Item 2. Action
3. Approve order of agenda Action
4. Management Information
 - a. PMC report
 - b. Corps of Engineers report
5. Administrative/Legal
 - a. Lawsuit update
6. Technical Information/action
 - a. Contracts/Task Orders/Authority Work Directives
 - i. Construction contract for 4th Street pump station Item 6a. (i)
 - ii. Authority Work Directive-staging area culvert survey Item 6a. (ii)
7. Public Outreach Information
 - a. Committee report
 - b. Business Leaders Task Force update
8. Land Management Information/action
 - a. Committee report
 - b. CCJWRD update
9. Finance Information/action
 - a. Committee report
 - b. Voucher approval Item 9b.
10. Other Business
11. Next Meeting – December 11, 2014
12. Adjournment

cc: Local Media

**FLOOD DIVERSION BOARD OF AUTHORITY
OCTOBER 9, 2014—3:30 PM**

Item 2.

1. MEETING TO ORDER

A meeting of the Flood Diversion Board of Authority was held Thursday, October 9, 2014, at 3:30 PM in the Fargo City Commission Room with the following members present: Cass County Commissioner Darrell Vanyo; Cass County Commissioner Vern Bennett; West Fargo City Commissioner Mike Thorstad; Fargo City Commissioner Tim Mahoney; Fargo City Commissioner Melissa Sobolik; Cass County Joint Water Resource District Manager Mark Brodshaug; Clay County Commissioner Kevin Campbell; and Moorhead City Council Member Nancy Otto. Fargo Mayor Dennis Walaker and ex-officio member Gerald Van Amburg from the Buffalo-Red River Watershed District were absent.

Staff members and others present: Cass County Administrator Keith Berndt; Moorhead City Manager Michael Redlinger; Clay County Administrator Brian Berg; Cass County Engineer Jason Benson; Fargo City Director of Engineering Mark Bittner; Fargo City Engineer April Walker; Moorhead City Engineer Bob Zimmerman; Bruce Spiller, CH2MHill; Brett Coleman, Project Manager, Corps of Engineers; and Terry Williams, Project Manager, Corps of Engineers.

2. MINUTES APPROVED

MOTION, passed

Mr. Mahoney moved and Mr. Thorstad seconded to approve minutes from the September 12, 2014, meeting as presented. Motion carried.

3. AGENDA ORDER

MOTION, passed

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

4. MANAGEMENT UPDATE

Program management consultant (PMC) report

Bruce Spiller provided an update on activities over the last month including construction of the Oxbow-Hickson-Bakke (OHB) levee; socio-economic analysis, operation plan and adaptive management plan for the Minnesota EIS (Environmental Impact Statement); bid opening for the 2nd Street North pump station work package; continued work on land acquisition activities and policies; and development of mitigation plans associated with impacted cemeteries.

Corps of Engineers report

Brett Coleman provided an update of activities by Corps of Engineers staff including Maple River aqueduct physical modeling work; continued coordination and information to the Minnesota DNR during their EIS process; participation in weekly OHB levee coordination meetings; and continuing work on the operation plan and adaptive management plan for the project.

5. ADMINISTRATIVE/LEGAL UPDATE

Lawsuit update

Attorney Erik Johnson provided an update regarding lawsuits filed by the Richland-Wilkin Joint Powers Authority. He said a scheduling conference will be held on October 22nd for counsel to identify the timelines associated with the case.

Oxbow Golf Course Interim Agreement

Mr. Johnson briefly discussed the interim agreement with the Oxbow Golf Course and Country Club, which the board approved in August. The agreement outlines basic terms to advance funds to pay for costs associated with the golf course architect and construction contractor until acquisitions and relocation agreements are reached with homeowners. The agreement also identifies different tasks to be handled by the project managing consultant, CH2MHill, on behalf of the Diversion Authority. Mr. Johnson asked for the board to delegate the tasks to the CCJWRD since the tasks involve land acquisitions.

MOTION, passed

Mr. Brodshaug moved and Mr. Mahoney seconded to delegate the tasks outlined in the interim agreement to the Cass County Joint Water Resource District on behalf of the Diversion Authority. Motion carried.

History of Diversion Board of Authority

Mr. Vanyo said a brief presentation has been prepared about the formation of the FM Diversion Board of Authority with information on its membership and funding cost shares, which date back to 2009 when discussions began on flood risk management for the area.

Keith Berndt said the Metro Flood Management Committee was created in 2009 after record flooding and consisted of elected officials from Fargo, Moorhead, Cass County, Clay County, Cass County Joint Water Resource District and Buffalo-Red River Watershed District—a total of 11 North Dakota members and 15 Minnesota members. Next, the Metropolitan Flood Management Work Group was formed with six Minnesota and five North Dakota representatives, which met regularly until 2011. In April 2011, the work group voted unanimously to endorse a North Dakota diversion plan that included an upstream staging area, and shortly thereafter the six entities approved a resolution of support. When it became apparent a majority of the diversion would be constructed in North Dakota, and a majority of the benefits would be in North Dakota, a decision was made that North Dakota should provide more funding toward the project than Minnesota. A tentative agreement was reached for North Dakota entities to cover 90% of the non-federal cost with Minnesota covering the remaining 10%. Also the board makeup changed as a result of the endorsed plan. In May 2011, the work group unanimously approved the Joint Powers Authority Board to be formed with representatives from the same six entities with seven members from North Dakota and five members from Minnesota. A Joint Powers Agreement (JPA) outlined voting powers in order to protect the minority power of its members and states involved. The provision was specifically added to address future misinterpretation by individuals who were not involved when the Diversion Authority Board membership was approved. In June and July of 2011, the board membership and 90/10 cost split between North Dakota and Minnesota was submitted to the Fargo City Commission, Moorhead City Council, Cass County Commission, Clay County Commission, Cass County Joint Water Resource District and Buffalo-Red River Watershed District with all entities approving the proposal.

Additional member from upstream area

Mr. Vanyo said an offer was extended last month to Perry Miller, Chairman of the Richland-Wilkin JPA and Dave Morken, Chairman of the MNDAK Upstream Coalition, for their groups to nominate a member to the diversion board to represent upstream interests. He did not receive a response until this morning, which was sent by their attorney, and did not provide an answer about appointing a new member to the board.

Ms. Otto said Fargo, Moorhead, West Fargo and Dilworth have been in this together since 2009 when the area experienced serious flooding. She said Fargo and Moorhead almost lost portions of their cities, and despite additional flood control measures implemented since 2009, Moorhead still does not have sufficient protection from significant flooding without the diversion project.

OHB levee lowered to 100-year protection

Mr. Campbell discussed the meeting held in Moorhead with Governor Dayton last month, and said it appeared the governor was not provided with all of the information regarding the project and its history. Mr. Campbell is encouraged to hear the governor is willing to talk to Corps of Engineers officials next month, and said he and Ms. Otto also offered to talk with him about the project. Mr. Campbell said given the comments made by the MDNR regarding the OHB levee, he would like to see the diversion board lower the levee to the 100-year level until the MN EIS is complete.

Mr. Vanyo said the Land Management Committee approved the OHB levee to be lowered to the 100-year level without the diversion project, which would lower the structure by about six feet. He suggested the board also approve that any further construction on the levee be lowered to the 100-year level without the diversion with the understanding that the issue will be readdressed after the MN EIS is complete.

MOTION, passed

Mr. Campbell moved and Ms. Otto seconded that further construction on the Oxbow-Hickson-Bakke levee be lowered to the 100-year certifiable level without the diversion project. Discussion: Mr. Bennett asked about the cost involved with the change. Mr. Berndt said in order to minimize costs, the levee will be constructed to the full width with the intent to add to the structure later. Mr. Brodshaug said the Cass County Joint Water Resource District (CCJRW) also discussed the wider footprint in order to allow for a higher elevation at a later time. On roll call vote, the motion carried unanimously.

Mr. Campbell asked that Governor Mark Dayton and the MDNR be informed of this action taken by the board.

Mr. Brodshaug said the Agricultural Policy Subcommittee is studying the impacts on land in the staging area. He said additional members (farmers or other affected residents) are needed to provide additional input, and he encouraged anyone interested in serving on the committee to contact a board representative.

6. TECHNICAL UPDATE

Award construction contract for 2nd Street North pump station

Mr. Spiller said bids were opened on September 30, 2014, for the 2nd Street North pump station work package. He said CH2M Hill recommends the board award the contract to Industrial Builders, Inc. in the amount of \$8,069,000 as it is the lowest and best bid.

MOTION, passed

Ms. Sobolik moved and Mr. Thorstad seconded to award the construction contract for the 2nd Street North pump station work package to Industrial Builders, Inc. in the amount of \$8,069,000. Motion carried.

Task Orders / Authority Work Directives (AWD)

Mr. Spiller reviewed three task orders and one authority work directive with Houston Moore Group (HMG) totaling \$1,761,000 as follows:

- Task Order No. 8 Amendment 7—extend period of performance to September 30, 2015; for work-in-kind support tasks including evaluation of cemetery berm concepts, additional cemetery assessment team support services, and engineering consultation services to the USACE large structure design team at a cost of \$86,000;
- Task Order No. 13 Amendment 7—design services for optional design for “without project 100-year event elevation” and real estate drawings for El Zagal project at a cost of \$115,000;
- Task Order No. 17 Amendment 0—engineering services during construction for Red River levees, 4th Street pump station, 2nd Street pump station, and 2nd Street flood wall projects at a cost of \$1,550,000;
- AWD-00043—added engineering design and modeling services for evaluation of eastern staging area at a cost of \$10,000.

MOTION, passed

Mr. Mahoney moved and Ms. Otto seconded to approve three task orders and one authority work directive with HMG totaling \$1,761,000. On roll call vote, the motion carried unanimously.

7. PUBLIC OUTREACH UPDATE

Committee report

Rocky Schneider, AE2S, discussed numerous outreach activities including community outreach meetings; coordination with the Land Management Committee to provide adequate information to the public; working with the Business Leaders Task Force to provide their memberships in North Dakota and Minnesota with information about the diversion project; and e-newsletter and diversion website updates.

8. LAND MANAGEMENT UPDATE

CCJWRD update

Mr. Brodshaug provided an update on land acquisitions completed through September 30, 2014. He reviewed a handout with information on completed acquisitions, budget figures, and completed negotiations. He said numerous appraisals are underway on properties for the OHB levee and in-town levee. He said approval has been received from the Corps of Engineers on one residential, one agricultural, and two commercial appraisals.

Committee report

Mr. Vanyo said the Land Management Committee met earlier this afternoon. He said the NDSU Agribusiness and Applied Economics Department began work on the Ag Risk Evaluation for Temporary Water Retention Easement Values and Crop Insurance. He believes their staff have quickly grasped the scope of the project and issues involved.

9. FINANCE UPDATE

Committee report

Michael Montplaisir, Cass County Auditor, said the Finance Committee met on October 8th. He said financial statements and monthly bills were approved. The committee discussed concerns with the timing of the bills because it is important to receive them in a timely manner in order to submit the expenses to the State Water Commission for reimbursement. He said currently the board is operating on borrowed money from the \$20 million loan, which is being used to pay the monthly bills to allow for Fargo and Cass County sales tax funds to build up some reserves.

Voucher approval

The bills for the month are for legal services with Gray Pannell & Woodward LLP and Erik Johnson & Associates.

MOTION, passed

Ms. Otto moved and Mr. Brodshaug seconded to approve the vouchers in the amount of \$148,987.05 for September, 2014. On roll call vote, the motion carried unanimously.

10. NEXT MEETING DATE

Mr. Spiller said a special meeting may be requested after bids are opened on October 24th for the 4th Street pump station and 2nd Street flood wall work package.

The next regular meeting will be held on Thursday, November 13, 2014, at 3:30 PM.

11. ADJOURNMENT

MOTION, passed

On motion by Ms. Sobolik, seconded by Mr. Thorstad, and all voting in favor, the meeting was adjourned at 4:45 PM.



CH2M HILL
657 2nd Ave N #5405
Fargo ND 58105-5405
Ph: (701) 566-5470

November 13, 2014

Metro Flood Diversion Authority
Attention: Darrell Vanyo, Chairman
211 9th Street South, Box 2806
Fargo, ND 58108

Subject: Recommendation of Award – Work Package 42A.1/A.3, 4th Street Pump Station

Dear Board Members:

CH2M HILL (Program Management Consultant) recommends the Metro Flood Diversion Authority award Work Package 42A.1/A.3, 4th Street Pump Station and Gatewell and 2nd Street Floodwall South, to ICS, Inc. in the amount of \$17,361,616.35 as the lowest and best bid.

We conducted a public Bid Opening for this project on October 28, 2014. No contractors responded to the Mechanical Construction (Contract 3) component of the Work Package; therefore, the Basis of Award is the Combined Construction (Contract 4) component. ICS, Inc. provided the lowest responsive bid for Combined Construction. See attached bid opening summary for details.

ICS's bid for Combined Construction is approximately 9% higher than the Engineer's Opinion of Probable Cost. However, the bid appears to be complete and consistent with the required work, and is within an acceptable range of the Engineer's estimate. Therefore, we feel it is appropriate for the Board to approve this award.

Contact me at 208-771-1686 or tyler.smith@ch2m.com if you have any questions regarding this recommendation.

Sincerely,

Tyler Smith, P.E.
Construction Manager
CH2M HILL
Owner's Representative

c: Bruce Spiller/CH2M HILL
Keith Berndt/Cass County
Heather Worden/Cass County

Mark Bittner/City of Fargo
April Walker/City of Fargo
Gregg Thielman/HMG



METRO FLOOD DIVERSION PROJECT

AUTHORITY WORK DIRECTIVE

AWD-00044 REV-0

Staging Area Culvert Surveying

| | | | |
|----------|---|-----------------|------------|
| | | WORK TYPE: | WIK |
| TO: | Houston-Moore Group, LLC | DATE INITIATED: | 10/30/2014 |
| PROJECT: | Fargo-Moorhead Diversion Engineering Design | | |
| OWNER: | Metro Flood Diversion Authority | | |

The following additions, deletions, or revisions to the Work have been ordered and authorized:

OBJECTIVE:

Provide surveying services to collect detailed culvert, and bridge information in and near the Staging Area.

BACKGROUND:

USACE has requested detailed survey information on culverts, and bridges in the Staging Area so that this information can be added to the Hydrology and Hydraulic (H&H) models and used to:

- better determine project impacts at the fringe areas of the Staging Area, and
- better assess impacts to road and duration of flooding in the Staging Area during Project operation.

SCOPE:

- Define the survey area
- Gather existing information on culverts, and bridges in the survey area and develop a survey plan
- Survey culverts, and bridges in the survey area, information collected to include, but not limited to: culvert diameter, material type, up and downstream inverts, types of end section, and number of culverts; bridge pier and abutment size, shape, and clear space between piers and abutments.
- Incorporate survey information into the H&H models

DELIVERABLES:

Deliverables include electronic survey files, maps, table of data collected for each culvert and bridge surveyed, and updated H&H models.

SCHEDULE:

Begin upon receipt of AWD.

HOW WORK IS PERFORMED:

This work will be performed on a time and material basis.

COST:

Cost incurred under this AWD is not to exceed \$20,000.00. Scope and budget changes for the survey work will be included in a future amendment to Task Order No. 8, Work in Kind (WIK). Scope and budget changes for the modeling work will be included in a future amendment to Task Order No. 9, Hydrology and Hydraulic Modeling.

REASON FOR CHANGE(S):

To provide detailed modeling information to assist in determining impacts in the Staging Area.

ATTACHMENTS (List Supporting Documents):

None

It is understood that this Authority Work Directive will not change the Contract Price or Times, but is evidence that the parties expect a Contract Amendment to be subsequently issued reflecting the changes.

Recommended by: CH2M HILL
Program Management Consultant

Bruce Spiller, P.E.
Name

Technical Services Manager
Title

Bruce Spiller
Signature

04 NOV 2014
Date

Ordered by: Board of Authority
Owner

Darrell Manyo
Name

Board Chair
Title

Darrell Manyo
Signature

11-4-2014
Date

Erik R. Johnson & Associates, Ltd
Attorneys at Law

Erik R. Johnson - Nancy J. Morris - Jason T. Loos
505 Broadway - Suite 206
Fargo, ND 58102
(701) 280-1901

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|-----------|
| Invoice # |
| 2144- |

Invoice

City of Fargo -- Auditor's Office
Attn: Kent Costin
200 North 3rd Street
Fargo, ND 58102

| | |
|------|-----------|
| Date | 9/25/2014 |
|------|-----------|

| Description | Qty | Rate | Amount |
|---|-----|--------|--------------------------|
| Metro Flood Project -- LEERDS matters: Erik Johnson-Aug 26 thru Sept 25-itemization attached | 7.6 | 195.50 | 1,485.80 |
| Nancy J Morris-Aug 26 thru Sept 25-itemization attached | 43 | 170.00 | 7,310.00 |
| <i>We appreciate your business.</i> | | | TOTAL: \$8,795.80 |

September 25, 2014

Client: City of Fargo
Job: Metro Flood - LEERDS

| Atty | DATE | DESCRIPTION | TIME |
|----------------------------|-----------|---|---------------|
| E | 9/4/2014 | Prepare for and attend meeting with Oxbow Golf and Country Club | 1.5 |
| E | 9/17/2014 | Conference with NJM; telephone conference with Heather re: document management; communication with OT re: documnt management and land issues | 1.1 |
| E | 9/18/2014 | Oxbow initial draft of Purchase and Relocation Agreement | 0.8 |
| E | 9/18/2014 | Meeting with Oxbow Golf and Country Club and followup | 2.5 |
| E | 9/25/2014 | Prepare for and attend conference with Pat Zavoral, Spiller and Nyhoff | 1.7 |
| Total Time - ERJ | | | 7.6 |
| Hourly Rate \$ | | | 195.50 |
| Total Fees - ERJ \$ | | | 1485.8 |
| N | 8/26/2014 | Phone call w/ April & Bruce Spiller re: utility relocation contracts | 0.8 |
| N | 8/27/2014 | Correspondence re: Fargo Public Schools and other City of Fargo properties;; Review BN appraisal | 0.9 |
| N | 8/28/2014 | FPS- Phone call w/ Dr. Schatz re: next steps & correspondence re: status | 1.3 |
| N | 9/2/2014 | Phone call w/ counsel re: transfer easement; correspondence re: El Zagal easements; review maps & correspondence re: conflict | 1.2 |
| N | 9/3/2014 | FPS Relocation status request; correspondence re: meeting; Correspondence re: Mathison Access Agreement & ROE Order | 2.1 |
| N | 9/4/2014 | Correspondence re: HoJo appraisal; Correspondence re: Excel transformer easement | 1.1 |
| N | 9/5/2014 | Phone call w/ Joe Wetch re: FPS | 0.5 |
| N | 9/8/2014 | ROE Meeting | 1.2 |
| N | 9/9/2014 | Phone call w/ Bruce Spiller & Ty Smith re: computerized bids & general instructions; BID Spec review; Park District MOU & easements; Dike East correspondence & preparation of easements; review legal descriptions | 3.5 |
| N | 9/10/2014 | Correspondence re: counsel for Fargo Public Schools & meeting | 0.3 |
| N | 9/11/2014 | Phone call w/ Mike Williams & Chris McShane re: Fargo Public Schools | 0.5 |
| N | 9/15/2014 | Fargo Public Schools correspondence re: meeting w/ counsel; meet w; counsel re: acquisition of Fargo Public Schools; ROW conference call | 2.5 |
| N | 9/16/2014 | El Zagal Park District easements to Greg Selbo | 0.2 |
| N | 9/17/2014 | Correspondence re; General land acquisition questions; legal team correspondence; Documents/ Luke Andrud; Hardship property access review | 0.9 |
| N | 9/18/2014 | Correspond w/ Brielle re: hardship meeting; review agenda; Park District/El Zagal Shriener correspondence re: purchase terms; Fargo Public Schools correspondence re: necessity | 1.7 |

September 25, 2014

Client: City of Fargo
Job: Metro Flood - LEERDS

| Atty | DATE | DESCRIPTION | TIME |
|----------------------------|-----------|--|----------------|
| N | 9/19/2014 | Correspond w /Greg Selbo, Luke Andrud & Nathan re: El Zagal Shrine Purchase Agreement; Fargo Public Schools meeting w/ Chris M. & April; El Zagal Park District correspondence re: easements; El Zagal Shrine meeting w. Dan Plambeck, Nathan & Luke; Correspondence w/ Greg Selbo re; Legal descriptions of easements for Park District | 5.8 |
| N | 9/22/2014 | El Zagal Park District; El Zagal Shrine, revise PA & Correspond w/ Luke Andrud; Meeting w/ Mike Williams re: FPS, correspondence re: update; Hardship meeting, meeting w/ Eric Dodds & M. Brodshaug; Correspondence w/ Luke A. re: El Zagal Shrine P.A. & easements | 6.1 |
| N | 9/23/2014 | Revise Park District El Zagal easements & correspond re: FPS; Correspondence re: insurance requirements for contract w/ Sean Fredricks; review endorsement; El Zagal & Park District easements | 2.8 |
| N | 9/24/2014 | El Zagal correspondence, review/revise P.A. and easements; correspondence re: easement terms; ROW meeting; Park District 2nd Street correspondence re; El Zagal Shriners easements & correspondence re: payment & terms; FPS correspondence & phone call w/ Mike Williams | 6.1 |
| N | 9/25/2014 | Review correspondence re: easement language w/ Greg Selbo; Phone call w/ Greg Selbo re: easement language & skate park uncertainty; Correspondence re: meeting & map; Fargo Public Schools meeting & correspondence; prepare for & attend meeting; Meet w/ Erik re: Status | 3.5 |
| Total Time | | | 43.00 |
| Hourly Rate \$ | | | 170.00 |
| Total Fees - NJM \$ | | | 7310.00 |

Erik R. Johnson & Associates, Ltd
Attorneys at Law

Erik R. Johnson - Nancy J. Morris - Jason T. Loos
505 Broadway - Suite 206
Fargo, ND 58102
(701) 280-1901

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|-----------|
| Invoice # |
| 2145- |

Invoice

City of Fargo -- Auditor's Office
Attn: Kent Costin
200 North 3rd Street
Fargo, ND 58102

| | |
|------|-----------|
| Date | 9/25/2014 |
|------|-----------|

| Description | Qty | Rate | Amount |
|--|------|--------|--------------------------|
| Metro Flood Project -- General legal matters: Erik Johnson-Aug 26 thru Sept 25-itemization attached | 25.2 | 195.50 | 4,926.60 |
| Nancy J Morris-Aug 26 thru Sept 25-itemization attached | 19.1 | 170.00 | 3,247.00 |
| Lodging: St. Paul (08/19-08/20/2014) F-M Diversion Meetings | | 180.99 | 180.99 |
| Mileage: Fargo - St. Paul 524 Miles @ .56 (08/19-08/20/2014) Diversion Meeting | | 293.44 | 293.44 |
| <i>We appreciate your business.</i> | | | TOTAL: \$8,648.03 |

September 25, 2014

Client: City of Fargo
Job: Metro Flood - General Legal

| Atty | DATE | DESCRIPTION | TIME |
|-----------------------------|-----------|--|----------------|
| E | 8/26/2014 | Telephone conference with Cattanach; review material; phone calls | 0.9 |
| E | 8/27/2014 | Conference call | 0.4 |
| E | 8/27/2014 | Work on questions; communication with Shockley and Mahoney and Cattanach and work on questions | 0.9 |
| E | 8/28/2014 | Telephone conference with Cattanach; review P3 law | 0.6 |
| E | 8/28/2014 | Communication; attend special diversion authority meeting | 2.5 |
| E | 8/29/2014 | Conference call with Cattanach etc. and followup messages | 2.2 |
| E | 9/2/2014 | Conference call and follow up communication; telephone conference with Shane | 1 |
| E | 9/3/2014 | Attend Dayton meeting at Moorhead City Hall | 2.3 |
| E | 9/3/2014 | Dayton - Assemble information from meeting | 1.1 |
| E | 9/3/2014 | Conference call with Cattanach and Drysdale | 0.7 |
| E | 9/4/2014 | Attend administrative advisory meeting | 1 |
| E | 9/5/2014 | Review legislative materials and attend strategy conference call | 2 |
| E | 9/5/2014 | Work on letter to Governor | 0.4 |
| E | 9/8/2014 | Review draft minutes | 0.4 |
| E | 9/9/2014 | Bid giving issues | 0.4 |
| E | 9/10/2014 | Conference with Nancy re: bid | 0.3 |
| E | 9/15/2014 | Conference with NJM re: bid issue; Diversion Authority meeting and draft communication suggestions regarding comments; communication re: FY 2015 budge and review Joint Powers | 1.2 |
| E | 9/16/2014 | Review Dayton letter; conference call re: MN DNR and Dayton and P3 conference call | 3.3 |
| E | 9/16/2014 | Review letter to R/W JPA | 0.4 |
| E | 9/17/2014 | Email with Drysdale; review Diversion Authority JPA | 0.2 |
| E | 9/18/2014 | Attend administrative advisory meeting | 1.1 |
| E | 9/18/2014 | Review letter to Dayton and comment | 0.4 |
| E | 9/22/2014 | Conference call with Cattanach re: litigation matters | 0.7 |
| E | 9/23/2014 | Attempt attending of P3 conference; telephone conference with Paul Tietz | 0.5 |
| E | 9/23/2014 | Birch email and review | 0.3 |
| Total Time - ERJ | | | 25.2 |
| Hourly Rate - ERJ \$ | | | 195.50 |
| Total Fees - ERJ \$ | | | 4926.60 |
| N | 8/28/2014 | Special meeting of the Board | 2 |
| | 9/4/2014 | Admin Meeting | 1.2 |
| N | 9/5/2014 | Meeting re: Legal action | 1.3 |
| N | 9/9/2014 | Bid opening; Correspondence re: counsel & bid; Meeting w/ Erik & phone calls w/ Counsel, April & team members re: status of bid | 3.5 |
| N | 9/10/2014 | Phone call re: bids & procedures; research non-conforming; meeting re: bids non-conforming & procedures; phone call w/ counsel re: rejection; Phone call w/ April | 3.7 |

September 25, 2014

Client: City of Fargo
Job: Metro Flood - General Legal

| Atty | DATE | DESCRIPTION | TIME |
|-----------------------------|-----------|---|----------------|
| N | 9/11/2014 | Correspondence re: non-conforming bid; phone call w/ counsel; review correspondence rejecting bids | 0.8 |
| N | 9/12/2014 | Diversion Authority meeting | 1.7 |
| N | 9/16/2014 | Correspondence re: land use; review policy & terms; correspond w/ Eric Dodds | 0.6 |
| N | 9/17/2014 | Insurance questions & phone call w/ J. Glanzmeier; review docs; Correspondence re: hunting access & Clay County terms; phone call w/ counsel & correspondence w/ Eric Dodds | 2.5 |
| N | 9/18/2014 | Admin Meeting; insurance correspondence | 1.8 |
| Total Time - NJM | | | 19.10 |
| Hourly Rate - NJM \$ | | | 170.00 |
| Total Fees - NJM \$ | | | 3247.00 |



Cass County
Joint Water
Resource
District

October 10, 2014

RECEIVED

OCT 13 2014

CASS COUNTY COMMISSION

Mark Brodshaug
Chairman
Fargo, North Dakota

Diversion Authority
P.O. Box 2806
Fargo, ND 58108-2806

Rodger Olson
Manager
Leonard, North Dakota

Greetings:

RE: Fargo-Moorhead Area Diversion
In-Town Levee Project
Access and Diversion Project Assessment Committee (DPAC)
Oxbow-Hickson-Bakke Ring Levee

Dan Jacobson
Manager
West Fargo, North Dakota

Enclosed please find copies of bills totaling \$3,575,123.04 regarding the above referenced project. Of that amount, \$327,645.10 is related to work on access issues, \$476,729.53 is for In-Town Levee work, \$51,351.04 is for DPAC work and \$2,719,397.37 is for work on the Oxbow-Hickson-Bakke Ring Levee. At this time, we respectfully request 100% reimbursement as per the Joint Powers Agreement between the City of Fargo, Cass County and Cass County Joint Water Resource District dated July 7, 2014.

Michael Buringrud
Manager
Gardner, North Dakota

Raymond Wolfer
Manager
Argusville, North Dakota

If you have any questions, please feel free to contact us. Thank you.

Sincerely,

CASS COUNTY JOINT WATER RESOURCE DISTRICT

Carol Harbeke Lewis
Secretary-Treasurer

Carol Harbeke Lewis
Secretary-Treasurer

Enclosures

1201 Main Avenue West
West Fargo, ND 58078-1301

701-298-2381
FAX 701-298-2397
wrđ@co.cass.nd.us
casscountygov.com

FARGO-MOORHEAD METROPOLITAN FEASIBILITY STUDY COST SHARE INVOICES

10/10/2014

| Invoice Paid | Invoice Date | Invoice No. | Project No. | Amount | Vendor | Description |
|--------------|--------------|-------------|-------------|------------|---------------------------|-------------|
| 8/15/2014 | 7/21/2014 | 129136 | 100007 | 2,600.62 | Ohnstad Twichell, P.C. | Legal |
| 8/15/2014 | 7/21/2014 | 129146 | 130007 | 20,331.00 | Ohnstad Twichell, P.C. | Legal |
| 8/28/2014 | 8/21/2014 | 129687 | 100007 | 6,956.08 | Ohnstad Twichell, P.C. | Legal |
| 8/28/2014 | 8/21/2014 | 129690 | 130007 | 20,506.73 | Ohnstad Twichell, P.C. | Legal |
| 9/29/2014 | 9/21/2014 | 130280 | 100007 | 4,189.31 | Ohnstad Twichell, P.C. | Legal |
| 9/29/2014 | 9/21/2014 | 130293 | 130007 | 12,544.00 | Ohnstad Twichell, P.C. | Legal |
| 8/15/2014 | 7/17/2014 | 38114020238 | 479407 | 44,036.15 | CH2M Hill Engineers, Inc. | Engineering |
| 9/11/2014 | 9/5/2014 | 381003071 | 479407 | 40,274.82 | CH2M Hill Engineers, Inc. | Engineering |
| 10/9/2014 | 9/30/2014 | 581005734 | 479407 | 42,780.47 | CH2M Hill Engineers, Inc. | Engineering |
| 8/15/2014 | 7/28/2014 | 1049 | 2001 | 14,549.60 | Houston-Moore Group | Engineering |
| 8/28/2014 | 8/25/2014 | 1063 | 2001 | 101,594.02 | Houston-Moore Group | Engineering |
| 8/15/2014 | 8/6/2014 | 46437 | R12.00049 | 13,374.40 | Ulteig Engineering | Engineering |
| 9/29/2014 | 9/8/2014 | 47102 | R12.00049 | 3,907.90 | Ulteig Engineering | Engineering |

Total 327,645.10

IN-TOWN LEVEES INVOICES

| Invoice Paid | Invoice Date | Invoice No. | Project No. | Amount | Vendor | Description |
|--------------|--------------|-------------|-------------|------------|-----------------------|------------------|
| 8/28/2014 | 8/25/2014 | 1064 | 2002 | 251,231.27 | Houston-Moore Group | Engineering |
| 9/29/2014 | 9/22/2014 | 1079 | 2002 | 218,515.83 | Houston-Moore Group | Engineering |
| 10/9/2014 | 10/6/2014 | | | 6,982.43 | Troy and Mandy Elseth | Relocation costs |

Total 476,729.53

DIVERSION PROJECT ASSESSMENT DISTRICT (DPAC) INVOICES

| Invoice Paid | Invoice Date | Invoice No. | Project No. | Amount | Vendor | Description |
|--------------|--------------|-------------|-----------------|-----------|-------------------------|-------------|
| 8/15/2014 | 7/21/2014 | 129140 | 120007 | 1,533.50 | Ohnstad Twichell, P.C. | Legal |
| 8/28/2014 | 8/21/2014 | 129689 | 120007 | 4,196.73 | Ohnstad Twichell, P.C. | Legal |
| 9/29/2014 | 9/21/2014 | 130285 | 120007 | 439.91 | Ohnstad Twichell, P.C. | Legal |
| 8/28/2014 | 7/31/2014 | 39341 | P11473-2012-000 | 19,298.45 | AE2S | Engineering |
| 9/29/2014 | 8/31/2014 | 40033 | P11473-2012-000 | 25,631.70 | AE2S | Engineering |
| 8/28/2014 | 8/22/2014 | 8433 | 15043 | 250.75 | Moore Engineering, Inc. | Engineering |

Total 51,351.04

OXBOW-HICKSON-BAKKE RING LEVEE INVOICES

| Invoice Paid | Invoice Date | Invoice No. | Project No. | Amount | Vendor | Description |
|--------------|--------------|-------------|-------------|--------------|-------------------------------------|------------------------------|
| 8/15/2014 | 7/21/2014 | 129174 | 140007 | 3,587.00 | Ohnstad Twichell, P.C. | Legal |
| 8/28/2014 | 8/21/2014 | 129692 | 140007 | 3,396.60 | Ohnstad Twichell, P.C. | Legal |
| 9/29/2014 | 9/21/2014 | 130317 | 140007 | 7,050.22 | Ohnstad Twichell, P.C. | Legal |
| 8/15/2014 | 7/18/2014 | 38114020278 | 479407 | 85,000.00 | CH2M Hill Engineers, Inc. | Engineering |
| 9/11/2014 | 9/5/2014 | 381003074 | 479407 | 85,000.00 | CH2M Hill Engineers, Inc. | Engineering |
| 10/9/2014 | 9/30/2014 | 381005744 | 479407 | 85,000.00 | CH2M Hill Engineers, Inc. | Engineering |
| 8/28/2014 | 8/25/2014 | 1065 | 2003 | 32,138.05 | Houston-Moore Group | Engineering |
| 7/28/2014 | 7/18/2014 | | 14809 | 614,834.22 | Riley Bros Construction Inc. | Construction |
| 8/28/2014 | 8/14/2014 | | 14809 | 1,302,538.57 | Riley Bros Construction Inc. | Construction |
| 9/29/2014 | 8/31/2014 | 15547 | 2830-00 | 28,819.10 | ProSource Technologies, LLC | Acquisition/Relocation |
| 10/9/2014 | 7/31/2014 | 15480 | 2830-00 | 66,636.41 | ProSource Technologies, LLC | Acquisition/Relocation |
| 10/9/2014 | 6/30/2014 | 15368 | 2830-00 | 26,540.05 | ProSource Technologies, LLC | Acquisition/Relocation |
| 9/15/2014 | 9/15/2014 | | | 312,130.00 | Cass County Clerk of District Court | Land Acquisition |
| 9/29/2014 | 9/22/2014 | 22728 | | 35,262.65 | Cass County Electric Cooperative | Utilities |
| 8/15/2014 | 8/6/2014 | 1108711 | | 45.02 | Cass County Electric Cooperative | Service to 333 Schnell Drive |
| 9/29/2014 | 9/8/2014 | 1108711 | | 39.94 | Cass County Electric Cooperative | Service to 333 Schnell Drive |
| 9/29/2014 | 6/16/2014 | T14-113 | | 800.00 | Trio Environmental Consulting, Inc. | Asbestos Testing |
| 8/15/2014 | 8/7/2014 | B005553 | B14-04209 | 10,734.26 | Braun Intertec Corporation | Material Testing |
| 9/11/2014 | 9/3/2014 | B007485 | B14-04209 | 15,683.08 | Braun Intertec Corporation | Material Testing |
| 10/9/2014 | 9/24/2014 | B009527 | B14-04209 | 4,162.20 | Braun Intertec Corporation | Material Testing |

Total 2,719,397.37

Grand Total 3,575,123.04



Invoice: 0000059783
 Invoice Date: 10/14/2014
 Page: 1 of 1

INVOICE

Please Remit To: Enventis
 Attn: A/R Specialist
 PO Box 3248
 Mankato, MN 56002-3248

Customer No: 0000011201
 Payment Terms: Net 30
 Due Date: 11/23/2014

Flood Diversion Board of Authority
 211 9th Street South
 P.O. Box 2806
 Fargo ND 58108-2806
 United States

AMOUNT DUE: 115,685.62 USD

Amount Remitted

For billing questions, please call 888-877-8662

| Line | Description | Quantity | UOM | Unit Amt | Net Amount |
|------------------|-----------------|----------|-----|--------------------|-------------------|
| Ship to Address: | | | | | |
| 1 | MATERIALS/LABOR | 1.00 | EA | 115,685.62 | 115,685.62 |
| | | | | Subtotal: | 115,685.62 |
| | | | | AMOUNT DUE: | 115,685.62 |

DOWNTOWN FARGO FIBER RELOCATION PROJECT



CH2MHILL®

CH2M HILL
657 2nd Ave N #5404
Fargo, ND
58105-5405
Tel
701.566.5470

Email: Ross.Branstner@eventis.com

October 20, 2014

Mr. Ross Branstner
Eventis
3312 42nd Street S, Suite 100
Fargo, ND 58104

Subject: Eventis Utility Relocation, Phase 1: Fiber Optic Relocation for WP-42A.2 2nd Street N Pump Station

Dear Mr. Branstner:

Thank you for your letter dated October 14, 2014 regarding the Eventis buried fiber optic facilities located along 2nd Street North in Fargo, North Dakota. The relocation of the Eventis fiber optic facilities along 2nd Street North between 1st Avenue and 3rd Avenue was required for the construction of a component of the FM Diversion project: Work Package 42A.2 (WP-42A.2) 2nd Street N Pump Station.

As agreed to in August 2014 by Houston Engineering, as Houston-Moore Group, the Metro Flood Diversion Authority will reimburse Eventis \$115,685.62 for the relocation these fiber optic facilities.

Please address your invoice to:

Flood Diversion Board of Authority
211 9th Street South
P.O. Box 2806
Fargo, ND 58108-2806

Email the invoice to John.Glatzmaier@ch2m.com
or send to:

John Glatzmaier
CH2M HILL
657 2nd Ave N #5405
Fargo ND 58105-5405

Sincerely,

CH2M HILL

Bruce J. Spiller, P.E.
Program Management Consultant
Fargo-Moorhead Area Diversion Project

Ltr-Eventis-Utility-Relocate-Invoice CH 2014-10-20.docx

c: [Mark Bittner/Fargo](#)

Attachment: Eventis Quote

Erik R. Johnson & Associates, Ltd
Attorneys at Law

Erik R. Johnson - Nancy J. Morris - Jason T. Loos
 505 Broadway - Suite 206
 Fargo, ND 58102
 (701) 280-1901

| |
|-----------|
| Invoice # |
| 2164- |

Invoice

City of Fargo -- Auditor's Office
 Attn: Kent Costin
 200 North 3rd Street
 Fargo, ND 58102

| | |
|------|------------|
| Date | 10/25/2014 |
|------|------------|

| Description | Qty | Rate | Amount |
|--|------|--------------------------|--------------------|
| Metro Flood Project -- LEERDS matters: Erik Johnson_Sept 26-Oct 25-itemization attached | 11.3 | 195.50 | 2,209.15 |
| Nancy J Morris_Sept 26-Oct 25-itemization attached 09/30/2014: Cass County Recorder: Record Easements | 31.1 | 170.00 266.00 | 5,287.00 266.00 |
| <i>We appreciate your business.</i> | | TOTAL: \$7,762.15 | |

October 25, 2014

Client: City of Fargo
Job: Metro Flood - LEERDS

| Atty | DATE | DESCRIPTION | TIME |
|----------------------------|------------|---|----------------|
| E | 10/2/2014 | Research public utility relocation | 0.5 |
| E | 10/2/2014 | Research and message to Bruce re: PU relocation | 0.5 |
| E | 10/8/2014 | Email to Spiller | 0.10 |
| E | 10/9/2014 | Work on land acquisition coordination of city of Oxbow and draft amendment to Oxbow MOU and draft analysis of same | 3.30 |
| E | 10/9/2014 | Continued work on Oxbow documents | 0.50 |
| | 10/10/2014 | Oxbow Country Club - conference with Keith and Bruce Spiller re: Oxbow Country Club | 0.60 |
| E | 10/16/2014 | Prepare for meeting with Oxbow Country Club; meet with Oxbow Country Club to negotiate and email to lawyer group re: acquisition | 3.80 |
| E | 10/20/2014 | Review MOU with Oxbow, city and draft amendment; draft questions re: correspondence to Spiller | 1.10 |
| E | 10/20/2014 | Telephone call with Bruce Spiller re: list of Oxbow Country Club relocation matters | 0.50 |
| E | 10/20/2014 | Draft purchase agreement - Oxbow Country Club | 0.20 |
| E | 10/22/2014 | Conference with Nancy re: school property | 0.20 |
| Total Time - ERJ | | | 11.3 |
| Hourly Rate \$ | | | 195.50 |
| Total Fees - ERJ \$ | | | 2209.15 |
| N | 9/26/2014 | Fargo Parks easement review & correspondence; Correspondence re: Park District & El Zagal; El Zagal Shrine correspondence re: Purchase Agreement & correspond w/ April | 2.3 |
| N | 9/29/2014 | El Zagal letter to Commission; ROE phone conference; Review set-back ordinance & correspond w/ the Corps re: ordinance; Correspondence re: insurance; Review Bid docs & prepare for Bid opening | 3 |
| N | 9/30/2014 | Correspondence re: set-back; Set-back conference w/ Doug Nelson; Review BID package; Set-back discussion; Bid Opening | 3 |
| N | 10/1/2014 | Correspondence re: El Zagal Shrine | 0.4 |
| N | 10/2/2014 | El Zagal Shrine correspondence re: status; Fargo Public Schools correspondence re: structural analysis | 0.4 |
| N | 10/3/2014 | El Zagal - Borrow from Park District & correspond | 0.5 |
| N | 10/6/2014 | Land Meeting w/ Counsel; Dike Ease Easement correspondence; Land Acquisition coordination; Correspondence re: Park District Borrow; Review Park East appraisal | 7.6 |
| N | 10/7/2014 | 2nd Street Levee & Park District; Park District Borrow Pit easement draft & revise; Shriners Purchase Agreement & check for closing; correspond w/ Kent Costin | 2.3 |

October 25, 2014

Client: City of Fargo
Job: Metro Flood - LEERDS

| Att | DATE | DESCRIPTION | TIME |
|----------------------------|------------|--|----------------|
| N | 10/8/2014 | El Zagal Shrine correspondence re: closing; El Zagal Park District Borrow Pit correspondence & revise; Correspondence re; Fargo Public Schools; Correspondence re: Park East relocation notice; correspondence re: Offer & revise; phone call w/ Luke Andrud; Mickelson Levee Acquisition correspondence | 2 |
| N | 10/9/2014 | Land Management meeting | 1 |
| N | 10/13/2014 | Review correspondence, talk w/ Mike Williams & Greg Thielman | 0.6 |
| N | 10/15/2014 | Elseth appraisal correspondence & review; Review correspondence re: Fargo Public Schools status of design & structural retaining wall | 1.1 |
| N | 10/16/2014 | Review & revise offer letter | 0.2 |
| N | 10/17/2014 | Dike East easement terms correspondence; correspondence re: access to City property; phone call w/ April & correspondence re: SA credit | 1.2 |
| N | 10/20/2014 | El Zagal terms for appraisal; Fargo Public Schools correspondence re: structural w/ Mike Williams; Land Acquisition conference call | 1.2 |
| N | 10/21/2014 | Correspondence re: acquisitions & Bid status; Correspondence re: Special assessment credit to Diversion acquisitions | 1.1 |
| N | 10/22/2014 | Correspondence re: appraisal & status | 0.5 |
| N | 10/23/2014 | Meeting re: special assessment credits; consider insurance question re: CCJWRD & umbrella, correspond w/ T. Smith | 1.9 |
| N | 10/24/2014 | Review correspondence re: status of utility easements & ROE; Fargo Public School | 0.8 |
| Total Time | | | 31.10 |
| Hourly Rate \$ | | | 170.00 |
| Total Fees - NJM \$ | | | 5287.00 |

Erik R. Johnson & Associates, Ltd
Attorneys at Law

Erik R. Johnson - Nancy J. Morris - Jason T. Loos
505 Broadway - Suite 206
Fargo, ND 58102
(701) 280-1901

| |
|-----------|
| Invoice # |
| 2165- |

Invoice

City of Fargo -- Auditor's Office
Attn: Kent Costin
200 North 3rd Street
Fargo, ND 58102

| | |
|------|------------|
| Date | 10/25/2014 |
|------|------------|

| Description | Qty | Rate | Amount |
|---|------|--------|--------------------------|
| Metro Flood Project -- General matters: Erik Johnson_Sept 26-Oct 25-itemization attached | 18.4 | 195.50 | 3,597.20 |
| Nancy J Morris_Sept 26-Oct 25-itemization attached | 1.5 | 170.00 | 255.00 |
| <i>We appreciate your business.</i> | | | TOTAL: \$3,852.20 |

October 25, 2014

Client: City of Fargo
Job: Metro Flood - General Legal

| Atty | DATE | DESCRIPTION | TIME |
|-----------------------------|------------|---|----------------|
| E | 9/29/2014 | Review Dorsey invoice | 0.3 |
| E | 9/30/2014 | To city hall for P3 conference call | 0.5 |
| E | 9/30/2014 | Review Birch information and respond | 0.6 |
| E | 10/2/2014 | Attend administrative advisory meeting and confer with John S.; confer with Nancy | 1.8 |
| E | 10/6/2014 | Prepare for meeting and attend meeting with legal group to discuss various pending matters and issues | 2.4 |
| E | 10/6/2014 | Oxbow agreement | 0.2 |
| E | 10/8/2014 | Attend conference call with Cattanach, Vanyo, et al. | 1.10 |
| E | 10/9/2014 | Meeting with Rocky S.; attend Diversion Authority meeting | 1.50 |
| E | 10/10/2014 | Review correspondence | 0.50 |
| E | 10/13/2014 | Review letter; telephone conference with Cattanach re: litigation; | 1.30 |
| E | 10/14/2014 | Spiller conference | 1.30 |
| E | 10/16/2014 | Administrative Advisory meeting and setup; review pleadings from Von Kerff | 1.30 |
| E | 10/20/2014 | Review recent lawsuit filings to prepare for argument | 0.90 |
| E | 10/20/2014 | Review pleadings | 0.40 |
| E | 10/22/2014 | Travel to Fergus Falls for scheduling confrence with Judge Brisbon's =; conference with Bob and Mike and report to client | 4.00 |
| E | 10/23/2014 | Review correspondence and scheduling plan | 0.30 |
| Total Time - ERJ | | | 18.4 |
| Hourly Rate - ERJ \$ | | | 195.50 |
| Total Fees - ERJ \$ | | | 3597.20 |
| N | 10/9/2014 | Diversion Authority Meeting | 1.5 |
| Total Time - NJM | | | 1.50 |
| Hourly Rate - NJM \$ | | | 170.00 |
| Total Fees - NJM \$ | | | 255.00 |



INVOICE

INVOICE #101514
DATE: NOVEMBER 5, 2014

TO:
Flood Diversion Board of Authority
Box 2806
211 9th St S
Fargo, ND 58108

FOR:
2nd St N, Fargo Reroute for Flood Wall

| DESCRIPTION | QUANTITY | RATE | AMOUNT |
|---|----------|-------------|---------------------|
| Boring – Labor, Equipment, and Material for traffic control, demo concrete, boring 2 – 2" ducts, setting (1) vault, pulling (2) fiber cables, splicing, and class 5 for sidewalk panels | 1.00 | \$99,043.18 | \$99,043.18 |
| Labor – OT Cutover – Sept 9 th to 10 th , 2014 | 12.00 | \$120.00 | \$1,440.00 |
| TOTAL | | | \$100,483.18 |

Make all checks payable to: **702 Communications, 702 Main Ave, Moorhead, MN 56560**

Questions regarding this invoice, please contact: **Jennifer Rise, 218.284.5737, jrise@702com.net**

FM Diversion Authority
 Fiscal Accountability Report Design Phase (Fund 790)
 As of 10/31/2014

| | 2011 | 2012 | 2013 | 2014 | Cumulative Totals |
|---|----------------|-------------------|-------------------|-------------------|----------------------|
| Revenues | | | | | |
| City of Fargo | 443,138 | 7,652,681 | 7,072,961 | 13,845,355 | 29,014,135 |
| Cass County | 443,138 | 7,652,681 | 7,072,961 | 13,845,355 | 29,014,135 |
| State Water Commission | - | - | 3,782,215 | 1,413,344 | 5,195,559 |
| Other Agencies | 98,475 | 1,700,595 | 1,571,769 | 3,076,746 | 6,447,585 |
| Lease/Rental Payments | - | - | 17,358 | 144,448 | 161,806 |
| Asset Sales | - | - | - | 616,774 | 616,774 |
| Miscellaneous | - | - | 1,705 | 626 | 2,331 |
| Total Revenues | 984,750 | 17,005,957 | 19,518,970 | 32,942,648 | 70,452,326 |
| Expenditures | | | | | |
| 7905 Army Corp Payments | - | - | 875,000 | 1,050,000 | 1,925,000 |
| 7910 WIK - Administration | 107,301 | 331,321 | 77,614 | 124,074 | 640,309 |
| 7915 WIK - Project Design | 149,632 | 5,366,147 | 3,220,859 | 6,985,055 | 15,721,694 |
| 7920 WIK - Project Management | 679,037 | 7,223,650 | 4,695,477 | 2,626,597 | 15,224,761 |
| 7925 WIK - Recreation | - | 163,223 | - | - | 163,223 |
| 7930 LERRDS - North Dakota | 48,664 | 3,843,620 | 2,763,404 | 13,690,783 | 20,346,471 |
| 7931 LERRDS - Minnesota | - | 27,996 | 289,387 | 11,572 | 328,954 |
| 7940 WIK Mitigation - North Dakota | - | - | - | 587,180 | 587,180 |
| 7941 WIK Mitigation - Minnesota | - | - | - | - | - |
| 7950 Construction - North Dakota | - | - | - | - | - |
| 7951 Construction - Minnesota | - | - | - | - | - |
| 7952 Construction - O/H/B | - | - | - | 8,130,243 | 8,130,243 |
| 7955 Construction Management | - | - | - | 85,000 | 85,000 |
| 7990 Project Financing | - | 50,000 | 70,000 | 183,079 | 303,079 |
| 7995 Project Eligible - Off Formula Costs | - | - | - | - | - |
| 7999 Non Federal Participating Costs | 116 | - | - | - | 116 |
| 0000 Advance to City of Oxbow | - | - | 7,527,231 | 630 | 7,527,861 |
| Total Expenditures | 984,750 | 17,005,957 | 19,518,970 | 33,474,212 | 70,983,890 |

FM Diversion Authority
 FY 2015 Summary Budget Report (In Thousands)
 October, 2014

| | FY 2015 Approved Budget | Current Month | Fiscal Year To Date | % Expended | Outstanding Encumbrances | Remaining Budget Balance |
|------------------------------|-------------------------------|------------------|------------------------|---------------|-----------------------------|--------------------------------|
| Revenue Sources | | | | | | |
| City of Fargo | 53,145 | 2,160 | 2,160 | | | 50,985 |
| Cass County | 53,145 | 2,160 | 2,160 | | | 50,985 |
| State of ND - 50% Match | 57,200 | 1,027 | 1,027 | | | 56,173 |
| State of ND - 100% Match | 35,800 | 364 | 364 | | | 35,436 |
| State of Minnesota | - | - | - | | | - |
| Other Agencies | 11,810 | 480 | 480 | | | 11,330 |
| Financing Proceeds | - | - | - | | | - |
| Sale of Assets | - | - | - | | | - |
| Property Income | - | 3 | 3 | | | (3) |
| Miscellaneous | - | - | - | | | - |
| Total Revenue Sources | 211,100 | 6,195 | 6,195 | | | 204,905 |
| Funds Appropriated | | | | | | |
| Army Corp Local Share | - | - | - | | 525 | (525) |
| Management Oversight | 7,200 | 392 | 392 | 5% | 4,294 | 2,514 |
| Technical Activities | 11,600 | 935 | 935 | 8% | 6,106 | 4,559 |
| Land Acquisitions | 101,700 | 2,606 | 2,606 | 3% | 2,995 | 96,099 |
| Construction | 90,300 | 2,175 | 2,175 | 2% | 13,521 | 74,604 |
| Mitigation | - | - | - | | - | - |
| Other Costs | 300 | 82 | 82 | 27% | - | 218 |
| Total Appropriations | 211,100 | 6,190 | 6,190 | 3% | 27,442 | 177,468 |

**FM Diversion Authority
Summary of Cash Disbursements
October 2014**

| Account Number | Check Date | Check Number | Vendor Name | Transaction Amount | Description 1 | Project Number | Project Description |
|---|--|--------------|---------------------------|--------------------|---------------------------|----------------|---------------------------|
| 790-0000-206.10-00 | 10/29/2014 | 253394 | OXBOW, CITY OF | \$ 4,431.03 | Pay Retainage, PO #172163 | V02409 | OXBOW MOU-CONST RPLM AREA |
| Total - Retainage Paid | | | | 4,431.03 | | | |
| 790-7910-429.33-20 | 10/31/2014 | JB10140033 | CITY OF FARGO | 800.00 | FISCAL SERVICES | V00102 | General & Admin. WIK |
| Total WIK - General & Admin. - Accounting Services | | | | 800.00 | | | |
| 790-7910-429.33-25 | 10/15/2014 | 253063 | OXBOW, CITY OF | 2,738.55 | OXBOW MOU | V02407 | OXBOW MOU-LEGAL SERVICES |
| | 10/22/2014 | 253230 | OXBOW, CITY OF | 2,198.62 | MOU | V02407 | OXBOW MOU-LEGAL SERVICES |
| | 10/29/2014 | 253394 | OXBOW, CITY OF | 1,494.00 | MAY-JUNE 2014 LEGAL EXPEN | V02407 | OXBOW MOU-LEGAL SERVICES |
| Total WIK - General & Admin. - Legal Services | | | | 6,431.17 | | | |
| 790-7910-429.38-99 | 11/5/2014 | 253557 | NORTH DAKOTA TELEPHONE CO | 112.40 | CONFERENCE CALL | V00102 | General & Admin. WIK |
| Total WIK - General & Admin. - Other Services | | | | 112.40 | | | |
| 790-7915-429.33-05 | 10/3/2014 | JB10140001 | ROBERT TRENT JONES | 200,000.00 | CONTRACT PAYMENT | V02406 | OXBOW MOU-GC CONSULTING |
| | 10/29/2014 | 253394 | OXBOW, CITY OF | 9,306.80 | OHB LEVEE MGMT ADMIN | V02401 | OXBOW MOU-PROJ MGMT ADMIN |
| | 10/29/2014 | 253394 | OXBOW, CITY OF | 12,046.60 | OHB LEVEE PRLIM ENG | V02402 | OXBOW MOU-PRELIM ENGINRNG |
| | 10/29/2014 | 253394 | OXBOW, CITY OF | 168,838.32 | OHB OXBOW LEVEE PROJECT | V02405 | OXBOW MOU-DESN/CONST ENG |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 1,594.96 | JUL 2014 | V01607 | RECREATION/USE MASTER PLN |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 22,063.40 | Jul-14 | V01608 | WORK-IN-KIND (WIK) |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 31,144.64 | JUL 2014 | V01609 | HYDROLOGY/HYDRAULIC MODEL |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 415,509.69 | JUL 2014 | V01613 | LEVEE DESIGN & SUPPORT |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 1,056.80 | JUL 2014 | V01614 | TRANS/DRAINAGE MASTER PLN |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 49,585.00 | JUL 2014 | V01615 | DRAFT OPERATIONS PLAN |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 1,873.55 | JUL 2014 | V01616 | PERMIT SUBMITTAL PREP |
| | 10/22/2014 | 253257 | URS CORPORATION | 21,564.37 | 8/16-9/12/14 | V01003 | CULTURAL RESOURCES INVEST |
| | Total WIK - Project Design - Engineering Services | | | | 934,584.13 | | |
| 790-7920-429.33-05 | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 67,885.91 | JUL 2014 | V01601 | HMG - PROJECT MANAGEMENT |
| Total WIK Construction Mgmt. - Engineering Services | | | | 67,885.91 | | | |

**FM Diversion Authority
Summary of Cash Disbursements
October 2014**

| Account Number | Check Date | Check Number | Vendor Name | Transaction Amount | Description 1 | Project Number | Project Description |
|---|------------|--------------|----------------------------|---------------------|---------------------------|----------------|---------------------------|
| 790-7920-429.33-79 | 10/29/2014 | 253394 | OXBOW, CITY OF | 7,083.33 | OXBOW MOU PROJECT MGR | V02410 | OXBOW MOU - PROJ MGMT JDA |
| | 10/22/2014 | 253161 | CH2M HILL ENGINEERS INC | 310,000.00 | OCT 2014 | V00205 | CH2M Hill-8.30.14-2.27.15 |
| Total WIK Construction Mgmt. - Construction Management | | | | 317,083.33 | | | |
| 790-7930-429.33-05 | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 803.00 | JUL 2014 | V01602 | CR-31 BRIDGE DESIGN |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 797.50 | JUL 2014 | V01604 | CR-32 & CR-22 BRIDGE DSGN |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 861.50 | JUL 2014 | V01604 | CR-32 & CR-22 BRIDGE DSGN |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 832.50 | JUL 2014 | V01606 | LAND MANAGEMENT SERVICES |
| | 10/29/2014 | 253323 | HOUSTON-MOORE GROUP LLC | 2,906.00 | JUL 2014 | V01611 | REACH 6 & CR20 BRIDGE |
| Total LERRDS - North Dakota - Engineering Services | | | | 6,200.50 | | | |
| 790-7930-429.33-25 | 10/15/2014 | 252947 | DORSEY & WHITNEY LLP | 92,686.37 | LEGAL SVCS THRU 8/31/14 | V00101 | Dorsey Whitney Legal |
| Total LERRDS - North Dakota - Legal Services | | | | 92,686.37 | | | |
| 790-7930-429.38-95 | 10/29/2014 | 253356 | KOCHMANN, CARTER | 105.00 | 333 SCHNELL DR-MOWING | V01701 | ND LAND PURCH-OUT OF TOWN |
| Total LERRDS - North Dakota - Mowing Services | | | | 105.00 | | | |
| 790-7930-429.71-30 | 10/9/2014 | 252729 | EL ZAGAL TEMPLE HOLDING CO | 68,040.72 | PERMANENT EASEMENT | V01703 | ND LAND PURCH - IN TOWN |
| | 10/23/2014 | WIRE | Cass County Joint WRD | 948,782.22 | Hoglund Land Purchase | V01701 | ND Land Purchases |
| | 10/29/2014 | WIRE | Cass County Joint WRD | 478,702.98 | Breen Property Purchase | V01701 | ND Land Purchases |
| | 10/29/2014 | WIRE | Cass County Joint WRD | 955,901.00 | Rust Land Purchase | V01701 | ND Land Purchases |
| Total LERRDS - North Dakota - Land Purchases | | | | 2,451,426.92 | | | |
| 790-7930-429.71-31 | 10/15/2014 | 253063 | OXBOW, CITY OF | 55,500.00 | OXBOW MOU | V02413 | OXBOW MOU - EASEMENTS |
| Total LERRDS - North Dakota - Easements | | | | 55,500.00 | | | |
| 790-7931-429.34-65 | 10/15/2014 | 253060 | OHNSTAD TWICHELL PC | 82.00 | RIGHT OF ENTRY/LAND ACQU | V01301 | City of Moorhead ROE |
| Total LERRDS - Minnesota - Right of Entry Requests | | | | 82.00 | | | |
| 790-7952-429.73-53 | 10/29/2014 | 253394 | OXBOW, CITY OF | 2,175,181.81 | WATER/SEWER/DRAINAGE GRAD | V02409 | OXBOW MOU-CONST RPLM AREA |
| Total O/H/B Construction - Dams/Reservoirs/Diversion | | | | 2,175,181.81 | | | |

**FM Diversion Authority
Summary of Cash Disbursements
October 2014**

| Account Number | Check Date | Check Number | Vendor Name | Transaction Amount | Description 1 | Project Number | Project Description |
|---|-------------------|---------------------|-----------------------------|---------------------------|------------------------------|-----------------------|----------------------------|
| 790-7990-429.33-25 | 10/15/2014 | 252967 | GRAY PANNELL & WOODWARD LLP | 36,237.84 | 1/1-6/30/14 PROF SERVICES | V00102 | General & Admin. WIK |
| | 10/15/2014 | 252967 | GRAY PANNELL & WOODWARD LLP | 20,062.84 | JUL 2014 PROF SERVICES | V00102 | General & Admin. WIK |
| Total Project Financing - Legal Services | | | | 56,300.68 | | | |
| 790-7990-520.80-20 | 10/28/2014 | JB10140019 | US BANK | 25,723.56 | INTEREST PAYMENT - 11/3/2014 | V02901 | \$50M CASS US BANK ADVANCE |
| Total Project Financing - Interest on Debt | | | | 25,723.56 | | | |
| Total Disbursed for Period | | | | \$ 6,194,534.81 | | | |

**FM Diversion Authority
Cumulative Vendor Payments Since Inception
As of October 31, 2014**

| Vendor Name | Approved Contract/Invoice Amount | Liquidated | Outstanding Encumbrance | Purpose |
|--------------------------------|----------------------------------|---------------|-------------------------|--|
| HOUSTON-MOORE GROUP LLC | 23,440,077.45 | 15,553,435.90 | 7,886,641.55 | Engineering Services |
| CASS COUNTY JOINT WATER RESOUR | 17,429,700.14 | 12,950,290.66 | 4,479,409.48 | Land Purchases, O/H/B Ring Levee, DPAC, & ROE |
| CH2M HILL ENGINEERS INC | 14,140,819.01 | 12,900,819.01 | 1,240,000.00 | Project Management |
| OXBOW, CITY OF | 13,594,417.34 | 10,381,676.19 | 3,212,741.15 | City of Oxbow - MOU |
| INDUSTRIAL BUILDERS INC | 8,069,000.00 | - | 8,069,000.00 | 2nd St North Pump Station Project |
| COMMERCIAL TITLE LLC | 3,869,541.00 | 3,869,541.00 | - | Oxbow MOU - Advance for Land Purchase |
| TITLE COMPANY | 3,641,500.00 | 3,641,500.00 | - | Oxbow MOU - Advance for Land Purchase |
| ARMY CORP OF ENGINEERS | 2,450,000.00 | 1,925,000.00 | 525,000.00 | Local Share |
| MINNESOTA DNR | 2,188,007.43 | 1,292,414.71 | 895,592.72 | EIS Scoping |
| KENNELLY & OKEEFFE | 1,729,310.56 | 1,729,310.56 | - | Home Buyouts |
| URS CORPORATION | 1,501,488.42 | 948,754.37 | 552,734.05 | Engineering Services |
| DORSEY & WHITNEY LLP | 1,480,591.85 | 1,399,601.72 | 80,990.13 | Legal Services |
| MOORE ENGINEERING INC | 662,468.17 | 662,468.17 | - | Engineering Services |
| DUCKS UNLIMITED | 587,180.00 | 587,180.00 | - | Wetland Mitigation Credits |
| HOUSTON ENGINEERING INC | 576,669.57 | 576,669.57 | - | Engineering Services |
| RED RIVER BASIN COMMISSION | 500,000.00 | 447,747.40 | 52,252.60 | Engineering Services |
| NORTHERN TITLE CO | 484,016.00 | 484,016.00 | - | Land Purchases |
| CITY OF FARGO | 285,131.66 | 285,131.66 | - | Digital Imagery Project & Accounting Services |
| ERIK R JOHNSON & ASSOCIATES | 213,019.93 | 195,576.10 | 17,443.83 | Legal Services |
| ROBERT TRENT JONES | 200,000.00 | 200,000.00 | - | Oxbow MOU - Golf Course Consulting Agreement |
| CASS COUNTY TREASURER | 182,125.46 | 182,125.46 | - | Property Tax |
| US GEOLOGICAL SURVEY | 151,520.00 | 46,920.00 | 104,600.00 | Stage Gages & Water Level Discharge Collection |
| PFM PUBLIC FINANCIAL MANAGEMEN | 146,460.00 | 146,460.00 | - | Financial Advisor |
| PROSOURCE TECHNOLOGIES, INC | 100,000.00 | 8,324.94 | 91,675.06 | Engineering Services |
| ULTEIG ENGINEERS INC | 100,000.00 | - | 100,000.00 | Engineering Services |
| BRAUN INTERTEC CORP | 90,210.00 | 77,629.00 | 12,581.00 | Quality Testing |
| EL ZAGAL TEMPLE HOLDING CO | 68,040.72 | 68,040.72 | - | Easement Purchase for El Zagal Levee |
| GRAY PANNELL & WOODWARD LLP | 66,300.68 | 66,300.68 | - | Legal Services |
| NDSU BUSINESS OFFICE-BOX 6050 | 64,495.00 | - | 64,495.00 | Ag Risk Study Services |
| OHNSTAD TWICHELL PC | 58,812.66 | 58,812.66 | - | ROE and Bonding Legal Fees |
| IN SITU ENGINEERING | 54,800.00 | 47,973.00 | 6,827.00 | Quality Testing |
| ADVANCED ENGINEERING INC | 50,000.00 | 50,000.00 | - | Public Outreach |
| TERRACON CONSULTING ENGINEERS | 50,000.00 | - | 50,000.00 | Materials Testing |
| GEOKON INC | 33,815.36 | 33,815.36 | - | Vibrating Wire Piezometer Equipment |
| COLDWELL BANKER | 33,066.02 | 33,066.02 | - | Property Management Services |
| NIXON PEABODY LLC | 30,000.00 | 30,000.00 | - | Legal Services |

**FM Diversion Authority
Cumulative Vendor Payments Since Inception
As of October 31, 2014**

| Vendor Name | Approved Contract/Invoice Amount | Liquidated | Outstanding Encumbrance | Purpose |
|--------------------------------|----------------------------------|-------------------------|-------------------------|---|
| US BANK | 25,723.56 | 25,723.56 | - | Loan Advance Debt Service Payments |
| INNOVATIVE ABSTRACT & TITLE CO | 15,921.53 | 15,921.53 | - | Oxbow MOU - Advance for Land Purchase |
| MOORHEAD, CITY OF | 15,062.90 | 15,062.90 | - | ROE Legal Fees |
| WARNER & CO | 14,925.00 | 14,925.00 | - | General Liability Insurance |
| BRIGGS & MORGAN PA | 12,727.56 | 12,727.56 | - | Legal Services |
| MCKINZIE METRO APPRAISAL | 3,200.00 | 3,200.00 | - | Appraisal Services |
| FORUM COMMUNICATIONS (LEGALS) | 2,224.20 | 2,224.20 | - | Advertising Services |
| DAWSON INSURANCE AGENCY | 1,867.81 | 1,867.81 | - | Property Insurance - Home Buyouts |
| FORUM COMMUNICATIONS (ADVERT) | 1,743.77 | 1,743.77 | - | Advertising Services |
| CLAY COUNTY AUDITOR | 1,550.00 | 1,550.00 | - | Property Tax |
| SEIGEL COMMUNICATIONS SERVICE | 1,490.00 | 1,490.00 | - | Public Outreach |
| RED RIVER TITLE SERVICES INC | 1,305.00 | 1,305.00 | - | Abstract Updates |
| HUBER, STEVE | 1,056.43 | 1,056.43 | - | Home Buyouts |
| NORTH DAKOTA TELEPHONE CO | 1,038.80 | 1,038.80 | - | Communication |
| TRIO ENVIRONMENTAL CONSULTING | 747.60 | 747.60 | - | Asbestos and LBP Testing - Home Buyouts |
| RED RIVER VALLEY COOPERATIVE A | 536.96 | 536.96 | - | Electricity - Home Buyouts |
| FERRELLGAS | 496.00 | 496.00 | - | Propane - Home Buyouts |
| BROKERAGE PRINTING | 473.33 | 473.33 | - | Custom Printed Forms |
| KOCHMANN, CARTER | 315.00 | 315.00 | - | Lawn Mowing Services |
| GALLAGHER BENEFIT SERVICES INC | 250.00 | 250.00 | - | Job Description Review |
| DONS PLUMBING | 240.00 | 240.00 | - | Winterize - Home Buyouts |
| CURTS LOCK & KEY SERVICE INC | 138.10 | 138.10 | - | Service Call - Home Buyouts |
| GOOGLE LOVEINTHEOVEN | 116.00 | 116.00 | - | Meeting Incidentals |
| FEDERAL EXPRESS CORPORATION | 71.89 | 71.89 | - | Postage |
| CASS COUNTY RECORDER | 68.00 | 68.00 | - | Oxbow MOU - Advance for Land Purchase |
| GRAND TOTAL | \$ 98,425,873.87 | \$ 70,983,890.30 | \$ 27,441,983.57 | |

**FM Diversion Authority
Lands Expense - Life To Date
As of October 31, 2014**

| Property Address | Purchase Date | Purchase Price | Appraisal | Abstract | Tax Payment | Property Management Expense | Property Management Income | Sale Proceeds | Total |
|---|---------------|----------------------|-----------------|---------------|-------------------|-----------------------------|----------------------------|---------------------|----------------------|
| Hayden Heights Land, West Fargo ND | 10/12/2012 | 484,016.00 | - | - | 166,874.29 | - | - | (240,166.11) | 410,724.18 |
| 105 Oxbow Drive, Oxbow ND | 11/28/2012 | 216,401.85 | - | 250.00 | 4,993.72 | 13,695.77 | (18,680.72) | (181,249.54) | 35,411.08 |
| 744 Riverbend, Oxbow ND | 12/3/2012 | 343,658.30 | - | 170.00 | 7,296.43 | 16,974.08 | (28,617.16) | - | 339,481.65 |
| 121 Oxbow Drive, Oxbow ND | 7/31/2013 | 375,581.20 | 3,200.00 | - | 1,581.52 | 19,519.02 | - | (186,918.33) | 212,963.41 |
| 333 Schnell Drive, Oxbow ND | 9/20/2013 | 104,087.79 | - | - | 1,379.50 | 1,154.79 | - | - | 106,622.08 |
| 387 170th Ave SW, Moorhead MN | 11/1/2013 | 281,554.91 | - | 255.00 | 1,550.00 | 2,247.01 | - | (8,440.00) | 277,166.92 |
| SE 1/4 11-140-50 (Raymond Twp) - Ueland | 1/20/2014 | 959,840.00 | - | - | - | - | (13,543.73) | - | 946,296.27 |
| 2 Tracts in the E 1/2-2-137-49 - Sorby/Maier | 1/24/2014 | 1,636,230.00 | - | - | - | - | (28,882.99) | - | 1,607,347.01 |
| 346 Schnell Dr, Oxbow ND | 2/13/2014 | 512,970.73 | - | - | - | 9,039.64 | (9,000.00) | - | 513,010.37 |
| 3 Tracts NW1/4 1-140-50, NW1/4 11-140-50, & S1/2 25-141-50 - Rust | 2/18/2014 | 3,458,980.70 | - | - | - | - | (59,830.86) | - | 3,399,149.84 |
| 11-140-50 NE1/4 (Raymond Twp) - Diekrager | 4/15/2014 | 991,128.19 | - | - | - | - | (15,654.86) | - | 975,473.33 |
| NW 1/4 36-141-50 - Monson | 5/7/2014 | 943,560.05 | - | - | - | - | (12,089.61) | - | 931,470.44 |
| SW 1/4-11-140-50 - Hoglund | 7/21/2014 | 989,706.03 | - | - | - | - | (2,668.42) | - | 987,037.61 |
| NW 1/4 14-140-50 - Hoglund | 10/23/2014 | 948,782.22 | - | - | - | - | - | - | 948,782.22 |
| 345 Schnell Dr, Oxbow ND | 10/24/2014 | 478,702.98 | - | - | - | - | - | - | 478,702.98 |
| SW 1/4 2-140-50 -Rust | 10/29/2014 | 955,901.00 | - | - | - | - | - | - | 955,901.00 |
| Total | | 13,681,101.95 | 3,200.00 | 675.00 | 183,675.46 | 62,630.31 | (188,968.35) | (616,773.98) | 13,125,540.39 |

FM Diversion Authority
 State Water Commission Funds Reimbursement Worksheet
 Fargo Flood Control Project Costs

Time Period for This Request: October 1, 2014 - October 31, 2014

| | |
|--|---------------------|
| Drawdown Request No: 6 | |
| Requested Amount: | \$ 1,390,928 |
| Total Funds Expended This Period: | \$ 2,417,854 |
| Total Funds Requested at 100% Match | 364,003 |
| Remaining Funds Requested at 50% Match | 2,053,851 |
| SB 2020 Matching Requirements | 50% |
| Total Funds Requested at 50% Match | \$ 1,026,925 |
| Total Funds Requested: | \$ 1,390,928 |

| | |
|---|------------------------|
| STATE AID SUMMARY: | |
| Summary of State Funds Appropriated | |
| Appropriations from 2009 Legislative Session | \$ 45,000,000 |
| Appropriations from 2011 Legislative Session | 30,000,000 |
| Appropriations from 2013 Legislative Session | 100,000,000 |
| Total State Funds Appropriated | \$ 175,000,000 |
| Less: Payment #1 through #32 - City of Fargo | (49,540,326) |
| Less: Payment #1 - Cass County | (136,039) |
| Less: Payment #1 - FM Diversion Authority | (18,600) |
| Less: Payment #2 - FM Diversion Authority - REVISED | (782,908) |
| Less: Payment #3 - FM Diversion Authority - REVISED | (293,590) |
| Less: Payment #4 - FM Diversion Authority | (861,162) |
| Less: Payment #5 - FM Diversion Authority | (1,799,198) |
| Less: Payment #6 - FM Diversion Authority | (1,390,928) |
| Total Funds Reimbursed | \$ (54,822,751) |
| Total State Fund Balances Remaining | \$ 120,177,249 |

| | |
|--|----------------------|
| LOCAL MATCHING FUNDS SUMMARY: | |
| Matching Funds Expended To Date - City of Fargo | \$ 47,071,452 |
| Matching Funds Expended To Date - Cass County | 291,500 |
| Matching Funds Expended To Date - FM Diversion Authority | 449,491 |
| Total Matching Funds Expended To Date | \$ 47,812,443 |
| Less: Match Used on Payment #1 through #32 - City of Fargo | (37,377,927) |
| Less: Match used on Payment #1 - Cass County | (136,039) |
| Less: Match Used on Payment #1 - FM Diversion Authority | (18,600) |
| Less: Match Used on Payment #2 - FM Diversion Authority | (66,888) |
| Less: Match Used on Payment #6 - FM Diversion Authority | (364,003) |
| Balance of Local Matching Funds Available | \$ 9,848,986 |



**US Army Corps
of Engineers**
St. Paul District

Monthly Update

November 13, 2014

Since the last Diversion Authority meeting, the following project-related activities were worked on.

1. Continued coordination and supply of requested data to the MN DNR in support of their EIS process.
2. Continuing the Maple River Physical Model work, In-Town Levees, and Lower Rush reach plans and specs.
3. Continuing work on the Cemetery Mitigation Plan.
4. Holding Oxbow/Hickson/Bakke (OHB) Levee coordination meetings. An open house is scheduled for November 17 at Hickson Community Center from 5:30-7:30 pm.
5. Work continues on the Operation Plan and Adaptive Management plan for the project.

F-M Area Diversion

PROJECT
STATUS

ABOUT THE
PROJECT

ABOUT THE
AUTHORITY

NEWS

UPCOMING
MEETINGS

LIBRARY

LINKS

COMMENTS

News

Letters Define Impacts in Detail

February 2013

The Corps of Engineers recently sent individual letters to members of the Richland Wilkin JPA which included clarifying information on potential impacts when the Fargo-Moorhead Area Diversion Project is in operation. The letters also included information on storage and the proposed improvements to the project.

The information in the letters support the belief that the proposed Diversion Project and areas of impact are the best flood risk reduction solution for the Fargo-Moorhead metropolitan area.

Information on all of the entities, including links to the letters and maps, have been posted in the [Library section of FMDiversion.com](#).



Summary of Impacts

1. 18 of the 32 members would have no direct impact from the project.
2. 96 percent of the Staging Area is located in Cass and Clay counties, the counties that primarily benefit from the Project.
3. Richland County and associated townships and cities:
 - Only 3 residential structures and 1071 acres would be impacted during a 100-year event that would not already be impacted under existing conditions.
 - A vast majority of additional-depth impacts to structures and acres are between 0 and 1 foot.
 - The additional duration of flooding at elevations of concern is estimated to be 2 to 3 days.
 - There would be no impacts during a 10-year event.
4. Wilkin County and associated townships and cities:
 - Only 2 residential structures and 995 acres would be impacted during a 100-year event that would not already be impacted under existing conditions.
 - A vast majority of additional-depth impacts to structures and acres are between 0 and 1 foot.
 - The additional duration of flooding at elevations of concern is estimated to be 2 to 3 days.
 - There would be no impacts during a 10-year event.
5. Pleasant Township, Cass County, ND:

During operation of the Diversion under a 100 year event, a maximum of 6,241 acres would be impacted by the project that wouldn't be under existing conditions. The additional depth caused by the project is estimated to range between 0 and 8 feet.
6. Holy Cross Township, Clay County, MN:

During operation of the Diversion under a 100 year event, a maximum of 9,814 acres would be impacted by the project that wouldn't be under existing conditions. The additional depth caused by the project is estimated to range between 0 and 8 feet.
7. All Entities:

The Project would not operate until a 10-year event, virtually eliminating the likelihood of flood water staging in the summer and causing crop damage.



Public Outreach Committee Report For Diversion Authority – Nov. 13, 2014

- Oxbow-Hickson-Bakke Ring Levee Project
 - The Outreach Team is coordinating closely with the Cass County Joint Water Resource District to host an Open House on Nov. 17 on the OHB Ring Levee Project. Area residents were invited to attend the public meeting, which will focus on an update to Project design, the 2014 Project construction status, and the construction schedule for 2015 and beyond.
- Community Outreach
 - The Outreach Team continues to work with Diversion Authority representatives and the Army Corps to provide information to various interested groups that invited the Authority to their meetings. Below are several recent events that were attended or are planning to attend:
 - North Dakota Water & Pollution Control Conference - Oct. 14
 - Presentation at the North Dakota Water Convention Dec. 4
 - Representatives from the Diversion Authority are available upon request to meet.
 - Outreach continues to local legislators, especially those in North Dakota as funding for the Diversion Project is considered this upcoming session.
- Business Leaders Flood Taskforce
 - Work continues to assist the Business Leaders Flood Taskforce in providing their memberships in Minnesota and North Dakota with information about the project. The Taskforce has scheduled its next meeting for Dec. 16.
- E-Newsletter and FMDiversion.com
 - E-Newsletter Update: The newsletter publication list continues to grow and the click-through rate on the articles is much stronger than industry standard. In addition to members of the public who have signed up, the newsletter is distributed to legislators from both North Dakota and Minnesota.
 - FMDiversion.com is a great resource for a growing number of visitors and hosts all Diversion meeting agendas, minutes, and supplemental information. The website also provides an opportunity for the public to ask questions about the Project and receive detailed answers in a timely manner.

Land Management Summary

November 13, 2014

Acquisitions Completed Through October 31, 2014

| Property Type | Complete | |
|---------------------------------|------------|---------|
| | Properties | Acreage |
| Single-Family Residential | 7 | 28 |
| <i>Subset: Medical Hardship</i> | 5 | 27 |
| Agricultural | 17 | 1,872 |
| Commercial | -- | -- |
| Multi-Family Residential | -- | -- |
| Public | 3 | 3 |
| Other | -- | -- |

Acquisition Budget Through October 31, 2014

| Fiscal Year | No. Properties Acquired | Lands Budget (\$000) | Lands Expenses (\$000) | Remaining Budget (\$000) |
|-------------|-------------------------|----------------------|------------------------|--------------------------|
| FY13 | 4 | \$28,000 | \$1,628 | n/a |
| FY14 | 15 | \$37,700 | \$20,006 | n/a |
| FY15 | 3 | \$101,700 | \$2,606 | \$99,094 |

Other News for month of October:

- The CH2M HILL / AE2S team has actively engaged with the residential property owners in Oxbow to present initial purchase offers and negotiate the replacement housing process.
- Purchase Agreements and Replacement Housing Agreements have been signed with six (6) residential property owners in Oxbow.
- Three (3) homes are under construction in Oxbow, and three (3) others will start in the next week.
- Received approval from USACE one residential appraisal.
- ProSource submitted six (6) appraisals for Oxbow residential properties to USACE for review.
- Appraisals continue for properties for the Oxbow Ring Levee and for the In-Town Levee.
- CCJWRD recently authorized HMG to appraise six (6) additional properties as part of the Mickelson levee extension project. Four (4) of the properties will be full acquisition and two will require partial acquisition.
- Purchase and relocation negotiations are underway with Oxbow Country Club.
- HMG is conducting additional analysis of acquisition requirements for two commercial properties in downtown Fargo.
- Purchases closed on three (3) agricultural parcels and one residential

Land Management Summary

November 3, 2014

- Diversion Authority and City of Fargo Park District have entered into a Memorandum of Understanding for Park District owned properties where an easement will be secured, but an appraisal will not be required

Appraisals Complete or In Negotiation (sorted by closing date)

| Street Address | USACE Orig ID No. | Type | Activity ¹ | Land Acq Firm/ Appraiser | Est. Closing Date |
|--|---|--------------|---------------------------|--------------------------|-------------------|
| 1322 Elm Street, Fargo | 9201 | Residential | Purchase Agreement Signed | HMG/Britton | November 30, 2014 |
| 748 Riverbend Rd | 9591 | Residential | Purchase Agreement Signed | ProSource/Hraba | June 30, 2015 |
| 752 Riverbend Road | 9592 | Residential | Purchase Agreement Signed | ProSource/Hraba | June 30, 2015 |
| 349 Schnell Drive | 9664 | Residential | Purchase Agreement Signed | ProSource/Hraba | June 30, 2015 |
| 353 Schnell Drive | 9665 | Residential | Purchase Agreement Signed | ProSource/Hraba | June 30, 2015 |
| 357 Schnell Drive | 9666 | Residential | Purchase Agreement Signed | ProSource/Hraba | June 30, 2015 |
| Agricultural property 49.5ac – S13, T137, R49 | 1931, 1936 | Agricultural | In Condemnation | Ulteig/Bock | |
| Agricultural property 45ac – S25, T138, R50 | 1201 | Agricultural | In Negotiation | Direct negotiations | |
| Agricultural property 214ac – S13, T137, R49; S14, T137, R49 | 1930, 1940, 1941 | Agricultural | In Negotiation | Ulteig/Bock | |
| Agricultural property 266ac – S23, T137, R49; S24, T137, R49 | 1975, 1985 | Agricultural | In Negotiation | Ulteig/Bock | |
| 130 Oxbow Drive (9 parcels for golf course) | 2313, 2354, 9631, 9632, 9633, 9652, 9653, 9764, 9766 | Commercial | In Negotiation | Ulteig/Mueller | |
| 350 Schnell Drive | 9649 | Residential | In Negotiation | ProSource/Hraba | |
| 329 Schnell Drive | 9659 | Residential | In Negotiation | ProSource/Hraba | |
| 361 Schnell Drive | 9667 | Residential | In Negotiation | ProSource/Hraba | |
| City of Fargo - School District 1 | 9777 | Commercial | In Negotiation | HMG/Britton | |
| Park East Apartments, LLC | 9782 | Commercial | In Negotiation | HMG/Britton | |
| BNSF | 9259, 9779, 9780 | Commercial | In Negotiation | HMG/Britton | |
| Agricultural property 157ac – S10, T141, R49; S10, T141, R49 | 547, 548 | Agricultural | Appraisal in Review | Ulteig/Bock | |
| Agricultural property 140ac – S23, T137, R49; S24, T137, R49 | 1979, 1987 | Agricultural | Appraisal in Review | Ulteig/Bock | |

Land Management Summary

November 3, 2014

| Street Address | USACE Orig ID No. | Type | Activity ¹ | Land Acq Firm/ Appraiser | Est. Closing Date |
|---|----------------------|--------------|------------------------|-----------------------------|-------------------|
| Agricultural property 283ac – S24, T137, R49 | 1986, 1988, tbd | Agricultural | Appraisal in Review | Ulteig/Bock | |
| 17495 52nd St SE, Hickson | 1989 | Residential | Appraisal in Review | ProSource/Hraba | |
| 5059 Makenzie Cir, Horace (owner of 3 other parcels) | 2150, 9669, 9672 | Residential | Appraisal in Review | ProSource/Hraba | |
| 326 Schnell Drive | 9641 | Residential | Appraisal in Review | ProSource/Hraba | |
| 328 Schnell Drive | 9642 | Residential | Appraisal in Review | ProSource/Hraba | |
| 332 Schnell Drive | 9644 | Residential | Appraisal in Review | ProSource/Hraba | |
| 334 Schnell Drive | 9645 | Residential | Appraisal in Review | ProSource/Hraba | |
| 336 Schnell Drive | 9646 | Residential | Appraisal in Review | ProSource/Hraba | |
| 338 Schnell Drive | 9647 | Residential | Appraisal in Review | ProSource/Hraba | |
| Feder Realty Co. | 9776 | Commercial | Appraisal in Review | HMG/Britton | |
| Northland Hospitality, LLC | 9785 | Commercial | Appraisal in Review | HMG/Britton | |

¹ Activity sequence: 1) Appraisal in Review; 2) In Negotiation; 3) Purchase Agreement Signed

² PP-Purchase Price, includes relocation costs unless noted; AV-Appraised Value. Does NOT include outstanding special assessment or tax balances. Final amount paid will be based on the closing statements for each property.

Appraisals in Progress (sorted by Activity, then Original ID Number)

| Street Address | USACE Orig ID No. | Type | Activity ¹ | Land Acq Firm/ Appraiser |
|--------------------------------------|---------------------------------|-------------|-----------------------|-----------------------------|
| 16678 3 rd St S | 1802 | Residential | Appraisal Initiated | HMG/Britton |
| 5302 174 ½ Ave SE | 1898 | Residential | Appraisal Initiated | HMG/Britton |
| 1318 Elm Street, Fargo | 9200 | Residential | Appraisal Initiated | HMG/Britton |
| 1326 Elm Street, Fargo | 9202 | Residential | Appraisal Initiated | HMG/Britton |
| 1330 Elm Street, Fargo | 9203 | Residential | Appraisal Initiated | HMG/Britton |
| 1333 Oak Street, Fargo | 9204 | Residential | Appraisal Initiated | HMG/Britton |
| 1341 Oak Street, Fargo | 9205 | Residential | Appraisal Initiated | HMG/Britton |
| 1429 3 rd Street N, Fargo | 9209 | Commercial | Appraisal Initiated | HMG/Britton |
| Professional Associates LLC | 9213 | Commercial | Appraisal Initiated | HMG/Britton |
| Mid America Steel | 9215, 9216, 9217, 9218, 9783 | Commercial | Appraisal Initiated | HMG/Britton |

Land Management Summary

November 3, 2014

| Street Address | USACE Orig ID No. | Type | Activity ¹ | Land Acq Firm/ Appraiser |
|---|----------------------|-------------|-----------------------|-----------------------------|
| 839 Riverbend Road | 9503 | Residential | Appraisal Initiated | ProSource/Hraba |
| 833 Riverbend Road | 9504 | Residential | Appraisal Initiated | ProSource/Hraba |
| 829 Riverbend Road | 9505 | Residential | Appraisal Initiated | ProSource/Hraba |
| 817 Riverbend Road | 9507 | Residential | Appraisal Initiated | ProSource/Hraba |
| 813 Riverbend Road | 9508 | Residential | Appraisal Initiated | ProSource/Hraba |
| 805 Riverbend Road | 9510 | Residential | Appraisal Initiated | ProSource/Hraba |
| 749 Riverbend Road | 9511 | Residential | Appraisal Initiated | ProSource/Hraba |
| 724 Riverbend Road | 9587 | Residential | Appraisal Initiated | ProSource/Hraba |
| 808 Riverbend Road (2 parcels at this address) | 9593, 9594 | Residential | Appraisal Initiated | ProSource/Hraba |
| 810 Riverbend Road | 9595 | Residential | Appraisal Initiated | ProSource/Hraba |
| 828 Riverbend Road | 9599 | Residential | Appraisal Initiated | ProSource/Hraba |
| 840 Riverbend Road | 9600 | Residential | Appraisal Initiated | ProSource/Hraba |
| 844 Riverbend Road | 9601 | Residential | Appraisal Initiated | ProSource/Hraba |
| 848 Riverbend Road | 9602 | Residential | Appraisal Initiated | ProSource/Hraba |
| 852 Riverbend Road (owner of 3 other parcels) | 9603 | Residential | Appraisal Initiated | ProSource/Hraba |
| 309 Schnell Drive (owner of 2 other parcels) | 9654 | Residential | Appraisal Initiated | ProSource/Hraba |
| 313 Schnell Drive | 9655 | Residential | Appraisal Initiated | ProSource/Hraba |
| 317 Schnell Drive | 9656 | Residential | Appraisal Initiated | ProSource/Hraba |
| 321 Schnell Drive | 9657 | Residential | Appraisal Initiated | ProSource/Hraba |
| 325 Schnell Drive | 9658 | Residential | Appraisal Initiated | ProSource/Hraba |
| 337 Schnell Drive | 9661 | Residential | Appraisal Initiated | ProSource/Hraba |
| 341 Schnell Drive | 9662 | Residential | Appraisal Initiated | ProSource/Hraba |
| City of Fargo | 9768 | Commercial | Appraisal Initiated | HMG/Britton |
| City of Fargo - Housing Authority | 9769 | Commercial | Appraisal Initiated | HMG/Britton |
| Case Plaza LLC | 9770 | Commercial | Appraisal Initiated | HMG/Britton |
| City of Fargo | 9772 | Commercial | Appraisal Initiated | HMG/Britton |
| 843 Riverbend Road | 9502 | Residential | Owner notified | ProSource/Hraba |
| 821 Riverbend Road | 9506 | Residential | Owner notified | ProSource/Hraba |
| 809 Riverbend Road | 9509 | Vacant Lot | Owner notified | Ulteig/Bock |

Land Management Summary

November 3, 2014

| Street Address | USACE Orig ID No. | Type | Activity ¹ | Land Acq Firm/ Appraiser |
|--|----------------------|-------------|-----------------------|-----------------------------|
| 816 Riverbend Road | 9596 | Residential | Owner notified | ProSource/Hraba |
| 856 Riverbend Road (owner at 852 Riverbend) | 9604 | Vacant Lot | Owner notified | Ulteig/Bock |
| 860 Riverbend Road (owner at 852 Riverbend) | 9605 | Vacant Lot | Owner notified | Ulteig/Bock |
| 864 Riverbend Road (owner at 852 Riverbend) | 9606 | Vacant Lot | Owner notified | Ulteig/Bock |
| 872 Riverbend Road | 9607 | Vacant Lot | Owner notified | Ulteig/Bock |
| 869 Riverbend Road | 9608 | Vacant Lot | Owner notified | Ulteig/Bock |
| 873 Riverbend Road | 9609 | Vacant Lot | Owner notified | Ulteig/Bock |
| 477 Oxbow Drive | 9614 | Vacant Lot | Owner notified | Ulteig/Bock |
| 473 Oxbow Drive | 9615 | Vacant Lot | Owner notified | Ulteig/Bock |
| 469 Oxbow Drive | 9616 | Vacant Lot | Owner notified | Ulteig/Bock |
| 465 Oxbow Drive | 9617 | Vacant Lot | Owner notified | Ulteig/Bock |
| 461 Oxbow Drive | 9618 | Vacant Lot | Owner notified | Ulteig/Bock |
| 457 Oxbow Drive | 9619 | Vacant Lot | Owner notified | Ulteig/Bock |
| 455 Oxbow Drive | 9620 | Vacant Lot | Owner notified | Ulteig/Bock |
| 425 Oxbow Drive | 9628 | Vacant Lot | Owner notified | Ulteig/Bock |
| 330 Schnell Drive | 9643 | Vacant Lot | Owner notified | ProSource/Hraba |
| 354 Schnell Drive | 9650 | Vacant Lot | Owner notified | Ulteig/Bock |
| 358 Schnell Drive | 9651 | Vacant Lot | Owner notified | Ulteig/Bock |
| 365 Schnell Drive | 9668 | Vacant Lot | Owner notified | Ulteig/Bock |
| Rural address (owner at 5059 Makenzie?) | 9670, 9671 | Residential | Owner notified | Ulteig/Bock |

¹ Activity stages: 1) Owner notified; 2) Appraisal Initiated; 3) Appraisal in review

² PP-Purchase Price; AV-Appraised Value; includes relocation costs. Does NOT include outstanding special assessment or tax balances. Final amount paid will be based on the closing statements for each property.

Easements in Progress on Publicly Owned Parcels (sorted by Activity, then Original ID Number)

| Street Address | USACE Orig ID No. | Type | Activity ¹ |
|--|----------------------|-------------|-----------------------|
| City of Fargo - Park District | 9212 | Commercial | Easement in Process |
| City of Fargo Park District | 9771, 9781, 9784 | Commercial | Easement in Process |
| Oxbow Job Development Authority <i>Permanent easement</i> | 9581 | Residential | Easement Identified |

¹ Activity stages: 1) Easement Identified; 2) Easement in Process; 3) Easement Secured



Land Management Summary

November 3, 2014

² These Publicly Owned Parcels have entered into a MOU with the DA, therefore not requiring the parcels go through the appraisal process.

OCTOBER 31, 2014

**PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION**

Diversion Board of Authority
Attn: Michael Redlinger
211 9th St. S.
P.O. Box 2806
Fargo, ND 58108-2806

Re: Engagement Letter for Minnesota Government Relations Services

Dear Mike:

Thank you for selecting Fredrikson & Byron, P.A. to represent the Diversion Board of Authority, also known as, FM Flood Diversion Authority ("Authority") in this matter. We appreciate this opportunity to be of service.

Scope of Representation

In representing the Authority, it is important to note that when we represent an entity like the Authority, we represent only the Authority and are not undertaking to represent its members, individual governing board members, volunteers, employees, or affiliated organizations, unless we have a separate agreement to do so.

Term of Agreement

The term of this Agreement shall begin on December 1, 2014 and end on June 30, 2016.

Scope of Services

The Authority has retained us to provide government relations services during the applicable phases as follows:

Phase 1: December 1, 2014 – June 30, 2015

1. Monitor the Department of Natural Resources (DNR) Environmental Impact Statement (EIS) process and milestones;
2. Meet with DNR technical staff, project management team, and consultants (Wenck) as necessary to monitor EIS issues and represent the Authority interests with the Authority

Attorneys & Advisors
main 612.492.7000
fax 612.492.7077
www.fredlaw.com

Fredrikson & Byron, P.A.
200 South Sixth Street, Suite 4000
Minneapolis, Minnesota
55402-1425

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providing specific items to monitor and areas of concern;

3. Meet with the DNR Executive Leadership including the Commissioner, and/or appropriate Deputy or Assistant Commissioners to discuss policy and program management issues as needed with a quarterly check-in meeting desired;

Phase 2: July 1, 2015 – June 30, 2016

4. Continue Phase 1 services as necessary and appropriate;
5. Provide assistance as directed by the Authority on final DNR EIS and high hazard dam permit issuance issues;
6. Assist in the development and execution of the 2016 legislative and executive branch strategy; and,
7. Perform other issues as agreed to by Fredrikson & Byron and the Authority.

Any and all services not set forth above are specifically excluded. Payment for excluded services are not included in the flat fee, but may be performed for an additional fee as mutually agreed to by Fredrikson & Byron and the Authority.

Responsible Lobbyist

Kevin Goodno will serve as the primary contact between the Authority and Fredrikson & Byron. Fredrikson & Byron shall ensure its compliance with state lobbying laws with regard to its work for the Authority. Specifically, when determined necessary under Minnesota law, Fredrikson & Byron shall register as a reporting and designated lobbyist for the Authority, and shall file all reports as required by the Minnesota Campaign Finance and Public Disclosure Board.

Communication

We will keep you informed of the status of our work for the Authority. We will send copies of significant correspondence to you for the purpose of keeping you informed about the progress of the Authority work. You have initially designated yourself to receive communications from us. Please feel free to contact me at any time about this matter. We commit to promptly responding.

During the term of this Agreement Fredrikson & Byron shall:

1. Report directly to the Diversion Authority Administrative Advisory Committee;
2. Not be required to attend FM Diversion Board of Authority meetings in-person. If incidental in-person meetings with technical staff or the program management consultant

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(CH2M HILL) are desired outside of the seven county metropolitan area, the Authority shall reimburse travel expenses and time at the hourly rate of the personnel involved to Fredrikson & Byron;

3. Provide a minimum of two (2) written status reports to the Authority during Phase 1 for distribution to the Board of Authority with the number and frequency of reports during Phase 2 to be determined; and,

4. Provide regular phone/email updates following agency or executive branch meetings during Phase 1 with the number and frequency of updates during Phase 2 to be determined.

The Authority expressly agrees to allow Fredrikson & Byron to identify the Authority as a government relations client of Fredrikson & Byron in public communications including marketing materials. This paragraph shall survive the term of this Agreement, unless specifically revoked by the Authority.

Confidentiality

We will zealously protect and preserve the confidences and secrets you disclose to us. In preserving the confidentiality of client communications and information, it is important that we have your agreement on the methods we will use in communicating with you. Unless you tell us otherwise, you agree that it is appropriate to use mail, fax machines and emails in the course of our representation of you without encryption or other special measures. Please let us know if you have special requests or requirements for the methods of communication or persons to be included in such communications.

Cooperation and Assistance

You understand and agree that in order for us to represent you effectively, it is necessary for you to assist and cooperate with us. You agree to make yourself available to discuss issues as they arise in this matter; attend and participate in meetings, preparation sessions, court proceedings and other activities; and provide complete and accurate information and documents to us on a timely basis.

Fees and Expenses

Attached is our Agreement For Legal Services—Standard Client Billing Policy (“Agreement”) which, along with this letter, establishes our agreement with the Authority. Please note that references in the Agreement to “Legal Services” should be read to mean “Government Relations Services”. The terms set forth in the attached Agreement apply to our relationship with the Authority except to the extent modified by this letter. Please review the Agreement carefully.

We have agreed to handle this matter for the Authority on the basis of a monthly flat fee of \$3,000 for Phase 1. The fee for Phase 2 activities will be determined prior to the beginning of

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Phase 2 by mutual agreement of Fredrikson & Byron and the Authority. This means that all state government relations services provided by us in connection with this matter are covered by the fee. This fee is only for the services specifically identified above and does not include any other services provided by Fredrikson & Byron. The Authority shall also reimburse Fredrikson & Byron for expenses.

The fee shall be paid on a monthly basis with the first installment payment of \$3,000 due on December 1, 2014 and remaining payments due by the 1st of each subsequent month throughout the term of this Agreement.

You have the right to terminate our relationship and will be entitled to a refund of all or a portion of the flat fee if the agreed upon services have not been provided. In the case of termination, it is understood by the parties that the fee is earned at a rate of \$3,000 per month during Phase 1 of this Agreement.

In addition to the flat fee, the Authority shall make payment to Fredrikson & Byron for the costs incurred for travel outside of the seven-county metropolitan area including mileage expenses reimbursed at the published IRS allowable rate; and, actual costs for food, lodging and other expenses. All travel outside of the seven-county metropolitan area for which expense reimbursement will be claimed shall require prior approval by the Authority. In addition, other expenses that shall be reimbursed include long distance phone and conference call charges; copying charges and supply costs that are more than incidental or minor in nature; and, other expenses, necessary to fulfill the terms of this Agreement as agreed to by Fredrikson & Byron and the Authority.

Waiver

Given the scope of our business and the scope of our client representations in this region, it is possible that some of our current or future clients will have matters adverse to the Authority while we are representing you on the matter described in this Agreement. For example, we may represent one or more parties in a bankruptcy case, such as a creditor, official committee, debtor-in-possession, or lender, which may or will have interests that are materially adverse to you, or our current or future clients may have future business dealings with you, or may become involved in disputes, including litigation, against you. Our representation of other parties in such matters may include, for example, representing other parties in litigation adverse to you. Additionally, we do represent the City of Moorhead on state government relations matters.

You agree that, even though we undertake to represent you in this matter, we may continue to represent or may in the future represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to you. We agree that no confidential information obtained in representing you will be used in any such other representation and, if requested by you in an

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appropriate situation, we will establish ethical screens to assure that such confidential information is not obtained or used by the attorneys working on other representations. You hereby consent to any conflict of interest that might arise from any such adverse representation(s) and agree not to seek to disqualify Fredrikson & Byron from such adverse representation or assert that such representation constitutes a conflict of interest where (1) the adverse representation does not involve the same or related matter as the engagement, and (2) we do not have confidential information or secrets from this engagement that would be material to the adverse representation.

Please sign and return to us the enclosed copy of this letter in order to confirm that it accurately reflects the scope, terms and conditions with respect to this engagement. However, please note that your instructing us or continuing to instruct us on this matter will constitute your full acceptance of the terms set out above and attached. If you would like to discuss any of these matters, please give me a call.

Again, thank you for the opportunity to assist you. Please do not hesitate to contact me if you have any questions or if I can be of further assistance.

Yours sincerely,

Kevin P. Goodno

Direct Dial: 612.492.7348

Email: kgoodno@fredlaw.com

Enclosure

Agreed: **Diversion Board of Authority**

By: _____

Date: _____

Its: _____

By: _____

Date: _____

Its: _____

FREDRIKSON & BYRON, P.A.

Agreement for Legal Services—Standard Client Billing Policy

This Standard Client Billing Policy, together with the engagement letter, contains the agreement (“Agreement”) under which Fredrikson & Byron will provide legal services to you, as the client named in that engagement letter. This Agreement describes our standard billing policies and practices and will be applicable to all of your client matters unless otherwise agreed in writing.

Services. We will provide you the legal services described in the engagement letter and other legal services mutually agreed to in writing. In the event of a conflict between this Agreement and the engagement letter, the engagement letter will control. We only provide legal services. We do not provide, and you should not rely on us for, other services including but not limited to investment, finances, accounting, engineering, scientific, independent investigation (unless specifically agreed in the engagement letter), or business consulting services. We cannot, and you should not rely upon us to, express any opinion regarding financial statements or other financial information.

Fees. Unless otherwise agreed in writing, the cost of the legal services rendered will be based primarily on the amount of time expended and the applicable hourly rates of the person(s) rendering the services. Time is recorded in one-tenth hour increments; time increments less than six minutes may be rounded up to the nearest one-tenth hour. We may periodically adjust our hourly rates.

Service Charges and Disbursements. Except as provided below and unless otherwise agreed in writing, we will charge you, without markup, itemized charges from outside vendors (e.g. filing fees, expert witness fees, telephone toll charges, postage and courier charges, travel, etc.).

We will bill certain specific charges according to the following schedule, which is subject to periodic adjustment without prior notice: \$.20/page for copying charges; \$1.50/book for velo and spiral binding; and \$1.00/page (plus any long distance telephone charges) for outgoing faxes. We will bill online computer research based on an allocation formula.

If we contract on your behalf for additional services to be provided by a third party vendor, you will be responsible for payment either directly to the third party or through us. We may request a retainer from you to cover such costs.

Billing. Unless otherwise agreed in writing, we generally bill fees, service charges and disbursements monthly. Invoices are due and payable within thirty (30) days after receipt. If you pay a retainer or other advance payment, other than a flat fee, we will deposit that amount in and make withdrawals from a trust account as required under applicable rules of professional conduct. Communications concerning disputed debts, including an instrument tendered as full satisfaction of a debt are to be sent to: Fredrikson & Byron, P.A., Attn: Credit Department, 200 South Sixth Street Suite 4000, Minneapolis, MN 55402. Subject to applicable law A LATE PAYMENT CHARGE UP TO 8% PER YEAR (OR THE MAXIMUM ALLOWABLE RATE, IF LOWER) MAY BE ADDED TO ANY UNPAID INVOICE OVER 30 DAYS PAST DUE.

Organizational Clients. With respect to all organizational clients, unless the engagement letter provides otherwise, our client is the organization identified in the engagement letter, and not any of its incorporators, promoters, organizers, shareholders, partners,

members, directors, officers, employees, subsidiaries, parents or other affiliates. This means we will have no conflict of interest in the event our other clients are adverse to such parties who are not specifically identified as the client in the engagement letter.

Termination. Unless terminated earlier, our representation of you will terminate upon our sending our final statement for services rendered in connection with the matter identified in the engagement letter. You are free to terminate our services, with or without cause, upon written notice. We may also terminate our representation if you do not cooperate in the representation or pay our fees and expenses in a timely manner, or if we determine in our discretion that continuing to provide services would be unethical or impractical. If our representation terminates, all fees, service charges and disbursements incurred to that time will be due and payable. Upon timely written request, we will provide to you your records in our possession relating to the legal services performed by us for you, which does not include internal financial records, attorney notes, internal email, work papers, and other such documents. You agree to pay a reasonable fee for the cost of copying, retrieving and/or transferring your records. All records stored by us are subject to retention and destruction according to our records retention policy, and may be destroyed as early as six years after the termination of our engagement.

Collection. You agree to promptly pay our invoices. If you do not, you agree to pay collection costs and attorneys’ fees incurred to collect payment of overdue invoices and interest allowed by law. We may obtain and perfect an attorneys’ lien against documents, property, money or other rights, in accordance with applicable law.

Questions or Disputes. You should bring questions or disputes concerning our invoices to the attention of the attorney responsible for the legal services or our Finance Department promptly after receipt of the invoice.

Outcomes. We cannot guarantee a particular outcome. We may express our opinions periodically, but these are only our opinions and not guarantees or promises.

Confidentiality. We will protect your confidences and secrets. We will not disclose or use any confidential information we receive from you unless mandated by law or ethics rules.

Entire Agreement. This Agreement and the engagement letter represent the entire understanding between us and supersede and replace any and all prior agreements and negotiations concerning this engagement, including any outside counsel guidelines. This agreement and the engagement letter can be modified by writing signed by both you and us; provided, however, that we may periodically modify our Standard Client Billing Policy and our billing practices without prior notice.