

**FLOOD SALES TAX COMMITTEE
NOVEMBER 20, 2023— 1:00 PM**

1. MEETING TO ORDER

Commissioner Mary Scherling called a meeting of the Flood Sales Tax Committee to order on Monday, November 20, 2023, at 1:00 PM in the Commission Room of the Cass County Courthouse. The following members were present: County Commissioner Mary Scherling, County Commissioner Duane Breitling, County Administrator Robert Wilson, County Finance Director Brandy Madrigga, and County Engineer Jason Benson. Also present was Assistant County Administrator Tracy Peters and Assistant County Engineer Tom Soucy.

2. MINUTES APPROVED

MOTION, passed

Mr. Breitling moved and Mr. Wilson seconded that the minutes of the previous meeting held on April 3, 2023, be approved as written. Motion carried.

3. FLOOD SALES TAX FUND UPDATE

Ms. Madrigga said the Flood Sales Tax Fund has \$10.58 million in approved projects with \$3.76 million in encumbrances and \$7.12 million unencumbered. She said projects being requested today total \$4.4 million. Mr. Breitling asked what the interest rate is on account of the flood sales tax funds are in. Ms. Madrigga said the account is a sweep account through Wells Fargo which has a variable interest rate that fluctuates with the market. She said recently, the interest rate has been around 4%.

4. STATUS OF PREVIOUSLY APPROVED PROJECTS

2017 Sheldon Addition Ring Levee Project

Kurt Lysne of Moore Engineering was present and said the Flood Sales Tax Committee approved a 75% cost share for the Sheldon Addition Ring Levee Project. He said the project has been delayed due to the project receiving clay material from the Metro Flood Diversion project. He said due to the delay in the project, the estimated project cost has increased. Mr. Lysne said there will likely be a request at the spring Flood Sales Tax Committee meeting to ask for additional funding for the project. He said the request may be for the Flood Sales Tax Committee to fund up to 84% of the local cost share rather than the approved 75% that was previously approved. Mrs. Scherling said this request would be outside of the Flood Sales Tax policy, however, could be considered once the request has been made. Mrs. Scherling asked if the project will be FEMA certified once it is complete. Mr. Lysne said this project is to build up the road, there is nothing to certify. He said the flood plain map does not map the travel of water.

2020 Davenport Levee update

Mr. Lysne said the Davenport Levee is in the permitting phases. He said FEMA changed the mapping and Davenport is working to get the conditional letter of map provision to remove the city from the flood plain submitted to FEMA. He said since the original cost estimate, the project cost has increased and in the future there will likely be a request from the Flood Sales Tax Committee to increase the local cost share from 75% to 81%. Mrs. Scherling asked if this project will be FEMA certified once it is complete. Mr. Lysne said yes, the project is fully reviewed and approved by FEMA and will remove Davenport from the flood plain. He said the project will likely start in 2024 or 2025.

Updated funding request for 2022 Elm River Dam

Lyndon Pease, Engineer for the Elm River Joint Water Resource District from Moore Engineering was present and said in April 2022, the Flood Sales Tax Committee approved a two thirds cost share for repairing Elm River Dams one and two since much of the water comes from Cass County. He said all

three of the Elm River Dams are in the same assessment district and the maximum amount of funds from the federal assessment district to maintain and repair all three dams each year is \$41,880. He said the State was delayed in approving the permits to repair Dams one and two by eleven months, which led to a delay in the project and had a significant impact on the cost of the project. He said cost of the project to improve Dams one and two increased from \$3,100,000 to \$5,300,000 due to significant material and labor cost increases and a delay in the construction by one year. Mr. Pease said the SWC will be asked to increase their cost share to \$3,114,000 and the Red River Joint Water Resource District will be asked at their meeting this spring to update their cost share to \$1,967,400, leaving the local cost share at \$218,600 and the request today from the Flood Sales Tax Committee to increase funding to \$145,733. The existing funding approved in April 2022 was \$95,267.

Mr. Olson asked if the increase to concrete costs is local or nationwide. Mr. Pease said he has seen the issue statewide where contractors have not bid on projects due to concrete prices and labor costs. He said the FM Diversion project is also using a large amount of concrete. Mr. Benson said there is a lack of concrete in the region which affected county projects and costs this year. He said it is important to note, if there were more staff at the state water resource district department, it could have saved millions of dollars just on the two Elm River Dam projects. He said this information should be relayed to our state partners. Mr. Pease said the project will be bid in December and brought to the SWC for approval.

MOTION, passed

Mr. Breitling moved and Mr. Benson seconded to approve the amended cost share for Elm River Dams No. One and No. Two Improvements at a two thirds cost share not to exceed \$145,733. On a roll call vote, the motion carried with Mr. Olson not voting.

Updated funding request for 2022 Elm River Dam Number 3 Improvements

Mr. Pease said in August of 2022 the Flood Sales Tax Committee approved a 90% local cost share of \$16,830 for a project to improve Elm River Dam three. He said similarly to the improvements to Dams one and two, there was a delay in the project due to state permitting and no bids were placed on the project. He said multiple contractors have recommended improvements to Dams one, two, and three be completed as one project. He said for accounting and tracking purposes the dams will be figured separately, however, will be put as one bid package when it is put out for bid this winter. He said the improvements to dam number three increased from \$400,000 to \$1,000,000, the SWC will be asked to increase their cost share to \$576,000, the Red River Joint Water Resource District will be asked to increase their cost share to \$381,600, leaving the local cost share at \$42,400, and the request from the Flood Sales Tax Committee today is to cost share 90% of the local share at \$38,160.

MOTION, passed

Mr. Breitling moved and Mr. Benson seconded to approve the amended cost share for Elm River Dam Number three improvements at a 90% cost share not to exceed \$38,160. On a roll call vote, the motion carried with Mr. Olson not voting.

5. PROJECT REQUESTS

Rochester and Page Township Slope Erosion Repair Project

Mr. Soucy said 138th Avenue Southeast is a shared road between Rochester and Page Township. He said a portion of the road is a low basin that causes issues for the townships during high water events. He said the ultimate solution is to widen the road top, flatten, and armor the slopes with rock and gravel, and install a culvert to equalize the water on both sides of the road. Clerk/Treasurer for Rochester Township, Marvin Thorson was present and said the road is not safe or a good road. He said the shoulders are steep, the road is narrow, and two cars cannot meet on the roadway. He said the townships

have applied for state grants, however, have not received funding. Rochester and Page Townships are requesting a 75% cost share of \$70,000 or \$52,500 to complete the project.

Mrs. Scherling asked if this is a retention project. Mr. Benson said this project under the flood sales tax policy would qualify for a 50% cost share, however, the township is requesting a 75% cost share as allowed if significant funds are available. Mrs. Scherling asked if there is any opportunity for other funding sources. Mr. Benson said this project would not qualify for SWC funds and there are no funding sources for this type of issue.

MOTION, passed

Mr. Benson moved and Mr. Breitling seconded to approve the Rochester and Page Township Slope Erosion Repair project request at a cost share of 75% in an amount not to exceed \$52,500. On a roll call vote, the motion carried unanimously.

City of Mapleton 2nd Street Storm Water Lift Station Replacement

Brandon Oye of Moore Engineering and City Engineer for the City of Mapleton was present and said the City of Mapleton brought a request to the Flood Sales Tax Committee in December of 2022 to replace the existing flood control lift station on 2nd Street and County Road 11 in Mapleton. He said at that time the Committee was supportive of the project, however, requested Mapleton go to the SWC to seek funding. Mr. Oye said the project is not eligible for SWC funding. He said the current lift station is severely undersized. He said the request today if for the Flood Sales Tax Committee to approve a 75% cost share of \$870,815 or \$870,815. He said the flood sales tax policy falls under the 50% cost share, however, in the past similar projects have been funded at 75% as excess funds have been available.

Mrs. Scherling asked if this project benefits any new development. Mr. Oye said no, this lift station replacement would only benefit existing development. Ms. Madrigga asked if the lift station is in a levy protected area. Mr. Oye said yes, the lift station only operates during flood events.

MOTION, passed

Mr. Breitling moved and Mr. Benson seconded to approve the City of Mapleton 2nd Street Storm Water Lift Station project request at a cost share of 75% in an amount not to exceed \$870,815. On a roll call vote, the motion carried unanimously.

City of Mapleton Flood Protection Study

Mr. Oye said the City of Mapleton is proposing a flood protection study. He said the study will identify alternatives as the city grows and will help with long term planning. Mr. Oye said parts of Mapleton will not be flood protected. He said with the planning started on a west metro loop highway just east of Mapleton, there are significant potential economic development opportunities in the near future that may be completely stymied by the current floodplains surrounding Mapleton. He said another factor that weighs on the future of Mapleton is impact that the FM Diversion will have on the ability to attract new businesses and development, when many sections of land near Mapleton will be removed from the floodplain within the protected area of the diversion. Mrs. Scherling asked if Mapleton asked to be included in the FM Diversion. Mr. Benson said the Corps of Engineers likely never looked to move the project as far west towards Mapleton due to flood plain considerations and population.

Mrs. Scherling asked if the work to determine where the bypass will be located should be completed before this flood study is completed. Mr. Benson said the bypass study will be completed in the next twelve months. Mr. Breitling asked what the total project cost is. Mr. Oye said the total project cost is \$156,500, \$86,000 will be requested by the SWC, leaving the local cost share at \$70,500 of which the City of Mapleton is requesting the Flood Sales Tax Committee approve a 90% cost share of \$63,450.

Mrs. Scherling said she appreciates the City of Mapleton conducting planning initiatives. She said the consistent message from the Flood Sales Tax Committee and in the flood sales tax policy states funds are not to be used for new development. Ms. Madrigga said she has the same concern. Mr. Oye said in this scenario, the FM Diversion has an impact and therefore is a unique request. He said the funds will not be used for a certain developer; it is for the benefit of the community. Mrs. Scherling said she does not support utilizing these funds for future development. Mr. Benson asked what the outcomes of this study are on the flood plain for existing fold control. He said there are other funding sources through Metro COG for development studies. Mr. Oye said it may be that future growth in Mapleton will not be flood protected.

City of Casselton Industrial Park Flood Improvements

Mr. Oye said the City of Casselton is proposing a flood improvement project for Casselton's Industrial Park. He said the current detention pond and pump station are undersized during flood events. He said new developments have a large retention pond, however, when this area was developed in 1995, retention needed today was not standard. He said the total project cost is \$4,050,000 and the City of Casselton is requesting a 75% cost share of \$3,037,500.

Mrs. Scherling asked if this project is eligible for other funding. Mr. Benson said this is not a type of project the SWC funds. He said there is an existing flood issues in this area for internal and external flood waters. He said he believes this is a project that falls within the flood sales tax policy and would be one of the largest cost share projects the Flood Sales Tax Committee has funded. Ms. Madrigga said she supports a 50% cost share as outlined in policy. Mrs. Scherling said she also supports a 50% cost share.

MOTION, passed

Mr. Benson moved and Mr. Breitling seconded to approve the City of Casselton Industrial Park Flood Improvements project request at a cost share of 50% not to exceed \$2,025,000. On a roll call vote, the motion carried unanimously.

City of Kindred Storm Water Detention Pond Project

Mr. Oye said the City of Kindred is proposing a storm water detention pond project for the existing Newport Ridge residential development. He said when the development was built, detention ponds were not standard as they are today and the project would reduce the risk of flooding impacts internally and downstream into Legal Drain 60. He said the request today is for a 75% cost share of \$493,570 at \$370,177.50.

Mrs. Scherling asked if any of the homes are currently in the flood plain. He said some of the homes may be in the flood plain, however, will be addressed through the other improvements in the project that are not being asked for flood sales tax funding. Mr. Benson said he believes this project fits within the flood sales tax policy and supports funding the project up to 50%.

MOTION, passed

Mr. Benson moved and Mr. Breitling seconded to approve the City of Kindred Storm Water Detention Pond project request at a cost share of 50% not to exceed \$246,785. Discussion: Mr. Olson said developments and developers need to provide retention ponds when they are being built and should not rely on flood sales tax funding later to offset their costs. My. Oye said when the development was built in 2009, retention ponds were not standard, however, they are today and are part of new developments. On a roll call vote, the motion carried unanimously.

6. OTHER BUSINESS

Mrs. Scherling said additional time is needed for the Flood Sales Tax Committee meetings in the future.

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 2:40 PM.

Minutes prepared by Taylor Kaushagen, Commission Assistant