

Minutes of Meeting

Souris River Joint Water Resource Board

Monday, July 8, 2019

A regular meeting of the board of directors of the Souris River Joint Water Resource Board was called to order by Chairman David Ashley at 1:00 p.m. on Monday, July 8, 2019, in the Community Room of the Minot Auditorium, in the City of Minot, North Dakota. Joint Board members attending the meeting were David Ashley, Clif Issendorf, Mark Cook and Dan Jonasson. Tom Klein was present by phone. A roster of those attending is attached as **Attachment A**. Chairman David Ashley called the meeting to order and announced that a quorum was present.

The Joint Board discussed the proposed Agenda for the meeting. Chairman David Ashley added Agenda Item No. 13.a to discuss the Kohlman Counter Offer; Agenda Item No. 13.b to discuss a Letter of Support; and Agenda Item No. 13.c. to consider a Certificate of Appreciation to Mike Dwyer.

Clif Issendorf made a motion to approve the agenda, as amended. Mark Cook seconded the motion. The motion passed without opposition.

The draft Minutes from the June 6, 2019, meeting were discussed.

Clif Issendorf made a motion to approve the Minutes from the June 6, 2019, Joint Board meeting. Tom Klein seconded the motion. The motion passed without opposition.

The Joint Board discussed the Budget Report included in the July Board packet. Ryan Ackerman provided an explanation to the Joint Board regarding the July Budget Report.

Dan Jonasson moved to approve the July Budget Report. Clif Issendorf seconded the motion. The motion passed without opposition.

Jerry Bents provided an update to the Joint Board regarding Phase MI-1, which featured a drone video. Jerry Bents also provided an update regarding Phase MI-4.

Jason Westbrook provided an update to the Joint Board regarding Phase MI-2/3, which featured a drone video, Phase BU-1, and Phase WC-1. A public input meeting was recently held relating to Phase WC-1. Ryan Ackerman described an acquisition that was somewhat contention because the landowners were older and had sentimental attachment to their house and the subdivision. The acquisition team is looking at the feasibility of alternative means to appease the landowners.

Ryan Ackerman provided an update to the Joint Board regarding the StARR Program Update. He referred the Joint Board to page 22 of the July Board packet. The Joint Board discussed the bids from the July 1 bid opening for the next round of StARR demolitions.

Dan Jonasson moved to award the demolition of Sites 1, 5, 6, and 7 to DL Barkie Construction; award the demolition of Sites 2, 3, and 4 to Dig It Up Backhoe Service; and authorize the

Chairman to sign the agreements and notice to proceed. Clif Issendorf seconded the motion. The motion was approved without opposition.

The Joint Board discussed the bids for the July 1 bid opening relating to the resale of StARR structures.

Dan Jonasson moved to accept the high bid of Jim Neshem of \$6,500 for the pole barn located at 6810 Highway 2/52 West; accept the high bid of Brad Lebrun of \$500 for the garage located at 510 Parkway Drive in Burlington; accept the high bid of Robert Bahm of \$35,000 for the house located at 515 54th Street Northwest; accept the high bid of Eli Waddington of \$2,500 for the pole barn located at 515 54th Street Northwest; accept the high bid of Robert Bahm of \$2,900 for the corrals located at 515 54th Street Northwest; and authorize the chairman to sign the agreements. Mark Cook seconded the motion. The motion passed without opposition.

It was discussed that the buyers were responsible for the cost of moving the structure, but the Joint Board was responsible for the cost of reclaiming the site once the structures were moved off site.

Dennis Reep provided the Joint Board with an update regarding rural bridges. Dennis Reep indicated that an upcoming public input meeting was scheduled in Sawyer. The Joint Board briefly discussed the level of protection for the structures in Mouse River Park. Chairman David Ashley questioned whether HDR was planning on a detour or alternatively using traffic controls to bypass construction at Velva. The detour would be a significant distance, but bypassing construction with traffic controls would add significant cost. Dennis Reep indicated that HDR would vet and provide the Joint Board with both options at an upcoming meeting.

The Joint Board discussed the upcoming meetings scheduled over the next month as described in the Board packet.

Ryan Ackerman led a discussion relating to the Kohlman property. As discussed in June, the Joint Board had recently extended an offer of \$585,700.60 to Dave Kohlman to acquire the Kohlman structures and property under the StARR Program. The land would be transferred to the City of Minot Park District, which would be combined with neighboring properties to form a large park area. Mr. Kohlman provided an informal counteroffer, attached as **Attachment B**. The Joint Board discussed the counteroffer. The Joint Board discussed the importance of maintaining consistency with the other StARR participants. Mr. Kohlman's counteroffer was for \$616,526.95, the full amount of the valuation that was approved by the Joint Board. It was discussed that this was inconsistent with all other StARR Participants, who have received offers of 95% of their valuations. The Joint Board discussed that they had previously allowed the Nelsons to leaseback the Nelsons' property for a period of two years.

Tom Klein moved to offer \$585,700.60 for the Kohlman property and to allow the Kohlmans to leaseback the property for a period of two years rent free. Dan Jonasson seconded the motion. It was discussed that, in two years, if the Kohlmans did not intend on moving their structures off site, that the Joint Board would demolish all of the structures and reclaim the site at the end of the two year period. A discussion ensued about the timing of the motion. Clif Issendorf moved to amend the motion to require a response by July 31, 2019. Mark Cook

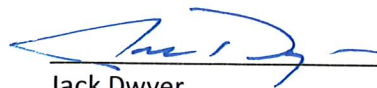
seconded the motion to amend the motion. The amendment passed without opposition. Chairman Ashley asked for a roll call vote on the motion, as amended. The amended motion passed without opposition.

The Joint Board discussed the Build Grant Letter of Support, which is attached as **Attachment C**. Ryan Ackerman provided the Joint Board with several design alternatives for flood protection features as they relate to BNSF's railroad infrastructure. Option 1, which was designed around the 3rd Street Viaduct as a fixed point of restriction, since the rail cannot be raised due to clearance deficiencies of the railroad under the bridge. BNSF has not favored Option 1, and has proposed Option 2, which requires additional raising of the railroad infrastructure and replacing the 3rd Street Viaduct, which requires significant higher cost and additional acquisition requirements. Option 3 and Option 4 are avoidance alternatives for MI-5, but there is no avoidance alternative option for MI-4. Option 3 and Option 4 both require significant increases in social impacts, as acquisitions are significantly higher under Option 3 and Option 4. Ryan Ackerman provided a cost estimate for the 4 options. Ryan Ackerman indicated that the increased cost of Option 2 could be mitigated if the federal government approves a Build Grant in the amount of \$20 million to pay for 80% of the cost of replacing the 3rd Street Viaduct, and if BNSF agrees to pay \$36.8 million for rail related improvements, which equates to 80% of the total rail related improvements. It was discussed that Senator Hoeven was willing to carry the request forward for BNSF to pay for its share of the rail related improvements. It was discussed that Option 2 is the best option if the Joint Board successfully obtains the Build Grant and if BNSF agrees to carry its cost for the rail related improvements, from not only a cost but a social impact standpoint. In order to increase the odds of obtaining the Build Grant, Ryan Ackerman recommended approval of the Letter of Support, attached as **Attachment D**. Dan Jonasson indicated that the 3rd Street Viaduct was constructed in around 1936, and that it would need to be replaced over the next 10 to 20 years.

Clif Issendorf moved to approve the Letter of Support. Mark Cook seconded the motion. The motion passed without opposition.

Chairman David Ashley acknowledged Mike Dwyer, who was in attendance. Chairman David Ashley thanked Mike Dwyer for his work for the Souris River Joint Board. Chairman Dave Ashley presented a Certificate of Appreciation to Mike Dwyer to recognize Mike Dwyer's vision and dedicated service to the people and communities in the Souris River Basin for over 30 years.

There being no further business, the meeting was adjourned.



Jack Dwyer
Legal Counsel

Nathan Amick

From: Dave Kohlman <ddkohlman@gmail.com>
Sent: Saturday, June 15, 2019 6:42 AM
To: Nathan Amick; Dusty Zimmerman
Attachments: Scan_20190414.jpg

Thank you for your offer letter dated 05/21/2019. We are very interested in the StaRR Program Buyout. As a private landowner, this solution developed by your board for the continuous flooding of our home and property comes with great appreciation. We are interested and motivated in moving forward with the buyout with a couple of adjustments. The current offer of \$585,700.60 does not meet the value defined in the attached findings of fact information. With that being said, we hope to come to an agreement with the following concessions.

First, we would be willing to accept your full market value of \$616,526.95. Second, we would like the option to remain in the home for up to two years, giving us time to find a new location to build a home.

Sincerely,
David and Mindee Kohlman

Souris River Joint Board
PO Box 1516
Minot, ND 58702-1516

info@mouseriverplan.com
www.mouseriverplan.com



David Ashley
Chairman – McHenry County
dwashley56@gmail.com

May 24, 2019

Mark Cook
Member – Renville County
mkcook@restel.net

David and Mindee Kohlman
9311 79th Ave SE
Minot ND 58701

Tom Klein
Member – Ward County
thokle@srt.com

Re: **StARR Program
Structure Acquisition Offer**

Clif Issendorf
Member – Bottineau County
issbros@srt.com

Dear Kohlman's:

Dan Jonasson
Member – City of Minot
dan.jonasson@minotnd.org

On behalf of the Souris River Joint Board (SRJB), we wish to extend an offer to acquire your property as a part of the StARR Program. The offer is presented in the attached Purchase and Demolition Agreement. Based on our meetings with you and our understanding of your wishes, the Purchase and Demolition Agreement is for your entire property, structures and land.

As stated in the attached Purchase and Demolition Agreement, the SRJB is offering \$585,700.60 for the property. The attached summary details how this offer amount was determined. This offer is valid for 30 days.

If this offer and its stipulations as outlined in the Purchase and Demolition Agreement are agreeable to you, sign and return the attached Agreement. The Agreement can be returned to Ackerman-Estvold's office or mailed to the SRJB. Once the Agreement is in place, you will need to provide us with an abstract of title for the property. We will schedule a closing at a mutually agreed upon date.

Please let us know if you have any questions regarding this offer or the process. You can email nathan.amick@ackerman-estvold.com or dusty.zimmerman@ackerman-estvold.com or call us at 701-837-8737.

Sincerely,

Nathan Amick, EI
StARR Program Manager

StARR Program Project Summary

StARR Number: R16045.22

Owner: David D and Mindee L Kohlman

Legal: OLT 14 OF SE LS HWY, RWY, & LOT A S13-154-82 SUNDRE-S10 A 22.71

Address: 9311 79th Ave SE, Minot ND 58701



Eligibility

The above structure was impacted by the 2011 flood. The participants signed the Affidavit of StARR Participant.

Program

Acquisition – The participants wish to have all structures and land acquired by the SRJB.

Value

The participants asked for an appraisal to determine the current market value. The appraisal valued the single-family residence at \$332,174, the Garden Shed at \$9,850, the large shop at \$53,954, and the small shop at \$5,205. The values were appealed. The value appeals committee determined that all structures should be depreciated 5% for a value of \$350,627.92, \$10,397.42, \$64,069.99, and \$5,494.40. The land was valued the same as the neighboring property which was acquired by the SRJB at \$8,187.46 per acre. The land was valued at \$185,937.22

Total Market Value = $\$350,627.92 + \$10,397.42 + \$64,069.99 + \$5,494.40 + \$185,937.22 = \$616,526.95$

Potential Offer

(Market Value x 95%) = Offer

$(\$616,526.95 \times 95\%) = \$585,700.60$

STRUCTURE EXHIBIT

This Structure Exhibit identifies the structure(s) referenced in the Purchase and Demolition agreement between the Souris River Joint Water Resource Board (hereinafter called Buyer, whether one or more) and David D and Mindee L Kohlman (hereinafter called Seller, whether one or more).

The Seller agrees to sell, and the Buyer agrees to purchase, the following-described structure(s) owned by the Seller:

1. Single Family Residence – a grey two-story house and double attached garage, approximately 2,834 SF, StARR Structure ID # 21133



2. Shop – Approximately 160 SF, StARR Structure ID 21135



3. Garden Shed – Approximately 384 SF, StARR Structure ID 21137

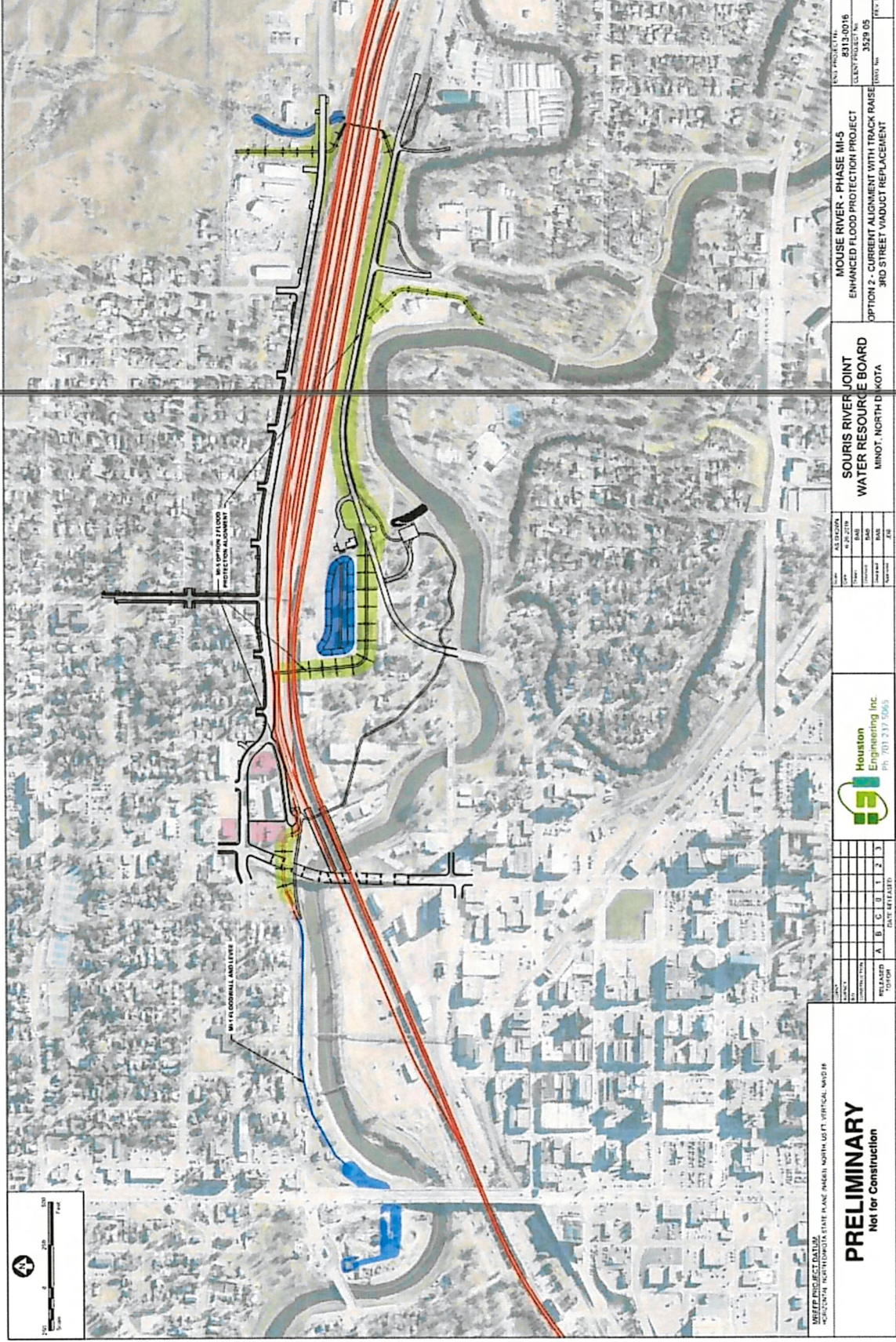


4. Shop – Approximately 2,112 SF, StARR Structure ID 21134



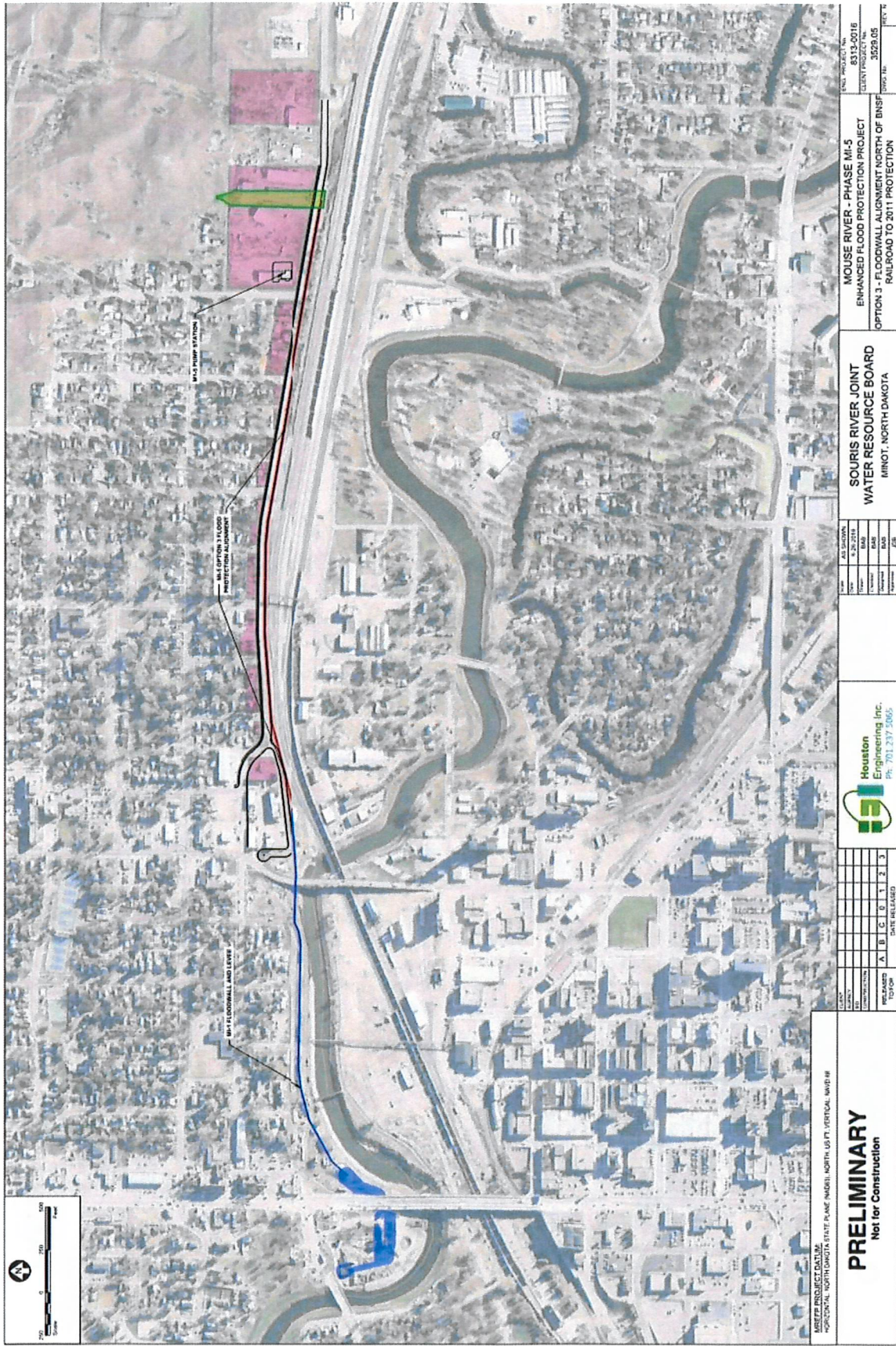


Option 2 – Current alignment with track raises and 3rd Street Viaduct replacement
 BNSF will approve Modifications required near Amtrak on BNSF completed
 Significant Track Modifications
 3rd Street Bridge Replacement
 Limited Additional Acquisitions

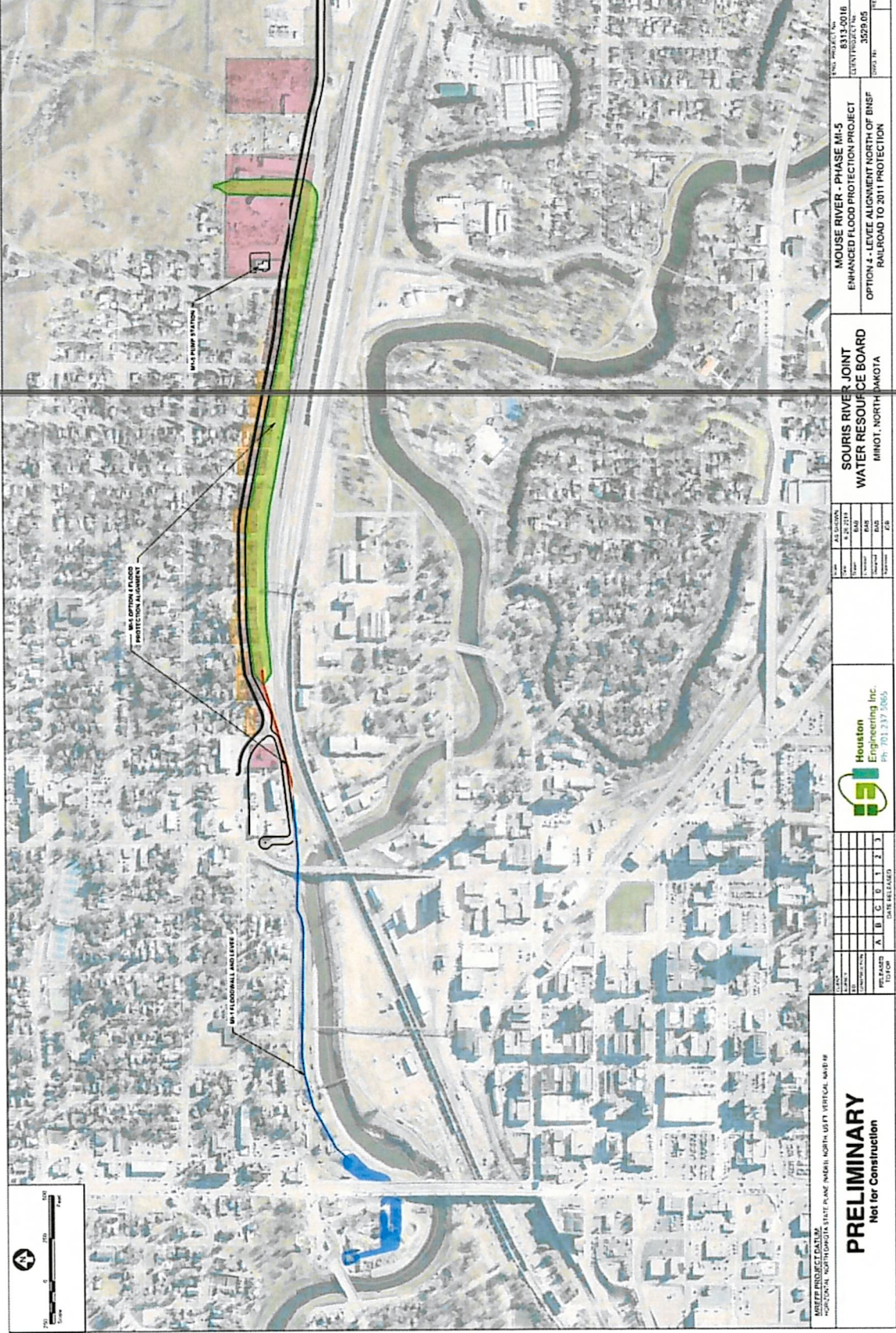


Option 3 – Floodwall North of Tracks

- No Track Modifications
- No 3rd Street Bridge Replacement
- BNSF R/W Impacts Limited to utility crossings
- Increased Acquisitions (29) Future Southside
- Impacts near Lowe's for tieback levee.
- Modifications required near Amtrak on BNSF required under M14 Phase



Option 4 – Levee north of Tracks
 No Track Modifications
 No 3rd Street Bridge Replacement
 BNSF R/W Impacts Limited to utility crossings
 Reduced O&M
 Most Acquisitions (48)
 Future Southside Impacts near Lowe's for tieback levee. Modifications required near Amtrak on BNSF required under MI4 Phase



PRELIMINARY
 Not for Construction

DATE RECORDED			
A	B	C	D
1	2	3	3



DATE	BY	REVISION
8.29.2014	BAJ	ISSUE FOR PERMIT
	BAJ	REVISED
	BAJ	REVISED
	BAJ	REVISED

SOURIS RIVER JOINT WATER RESOURCE BOARD
 BISMARCK, NORTH DAKOTA

MOUSE RIVER - PHASE MI-5
 ENHANCED FLOOD PROTECTION PROJECT
 OPTION 4 - LEVEE ALIGNMENT NORTH OF BNSF RAILROAD TO 2011 PROTECTION

PROJECT No. 8313-0018
 CLIENT/PROJECT No. 3529-05
 DRAWING No. 101

Comparative Costs

Cost Category	Option 1 (Current Local Plan)	Option 2 (BNSF & 3rd Street Raise Plan)	Option 3 (Floodwalls North of BNSF)	Option 4 (Levees North of BNSF)
Flood Protection Features	\$ 50,000,000	\$ 50,000,000	\$ 58,000,000	\$ 50,000,000
Railroad Features	\$ 18,000,000	\$ 46,000,000	\$ 5,000,000	\$ 5,000,000
Acquisitions	\$ 1,500,000	\$ 3,000,000	\$ 13,000,000	\$ 17,500,000
3rd Street Viaduct Reconstruction	\$ -	\$ 25,000,000	\$ -	\$ -
Anticipated Additional Legal	\$ 2,000,000	\$ -	\$ -	\$ -
Comparative Cost Total	\$ 71,500,000	\$ 124,000,000	\$ 76,000,000	\$ 72,500,000

Potential Funding Sources

Assumed Funding Category	Option 1 (Current Local Plan)	Option 2 (BNSF & 3rd Street Raise Plan)	Option 3 (Floodwalls North of BNSF)	Option 4 (Levees North of BNSF)
State Funding (Flood Control-65% Const./75% Acq.)	\$ 46,825,000	\$ 34,750,000	\$ 50,700,000	\$ 48,875,000
Local Funding (Flood Control-35% Const./25% Acq.)	\$ 24,675,000	\$ 18,250,000	\$ 25,300,000	\$ 23,625,000
BNSF Funding (Railroad Improvements-80%)	\$ -	\$ 36,800,000	\$ -	\$ -
State Funding (Railroad Improvements-10%)	\$ -	\$ 4,600,000	\$ -	\$ -
Local Funding (Railroad Improvements-10%)	\$ -	\$ 4,600,000		
Federal Funding (Viaduct Replacement-80%)	\$ -	\$ 20,000,000	\$ -	\$ -
Local Funding (Viaduct Replacement-20%)	\$ -	\$ 5,000,000	\$ -	\$ -
Total All Funds	\$ 71,500,000	\$ 124,000,000	\$ 76,000,000	\$ 72,500,000

Potential Funding Sources Summary

	Option 1 (Current Local Plan)	Option 2 (BNSF & 3rd Street Raise Plan)	Option 3 (Floodwalls North of BNSF)	Option 4 (Levees North of BNSF)
Assumed Funding Sources Summary				
Federal	\$ -	\$ 20,000,000	\$ -	\$ -
State	\$ 46,825,000	\$ 39,350,000	\$ 50,700,000	\$ 48,875,000
Local	\$ 24,675,000	\$ 27,850,000	\$ 25,300,000	\$ 23,625,000
Private	\$ -	\$ 36,800,000	\$ -	\$ -
Total All Funds	\$ 71,500,000	\$ 124,000,000	\$ 76,000,000	\$ 72,500,000

Souris River Joint Board
PO Box 1516
Minot, ND 58702-1516

info@mouseriverplan.com
www.mouseriverplan.com



David Ashley
Chairman – McHenry County
dwashley56@gmail.com

Mark Cook
Member – Renville County
mkcook@restel.net

Tom Klein
Member – Ward County
thokle@srt.com

Clif Issendorf
Member – Bottineau County
issbros@srt.com

Dan Jonasson
Member – City of Minot
dan.jonasson@minotnd.org

July 15, 2019

The Honorable Elaine L. Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590-0002

Re: **Letter of Support**
2019 BUILD Grant Application
3rd Street Bridge Reconstruction and Rail Raise – Minot, North Dakota

Dear Secretary Chao,

The Souris River Joint Board (SRJB) fully supports the joint application of the City of Minot and the SRJB for the 2019 BUILD Transportation Grant related to the 3rd Street Northeast Bridge Reconstruction and Rail Raise project in Minot, North Dakota. This project is a critical component of a multi-jurisdictional effort to replace outdated infrastructure while increasing the resiliency of the community and industry to flooding.

The SRJB, City of Minot, and BNSF Railway have been coordinating efforts related to holistic flood risk management for approximately two years. In late 2018, the groups began working towards a flood risk management solution which would not only increase the community's resilience to flooding but also increase the resilience of BNSF Railway's Northern Transcon to flooding.

The proposed project, which replaces the 80-year old 3rd Street Northeast Bridge and elevates BNSF Railway infrastructure, will dovetail with the community's flood risk management activities associated with the Mouse River Enhanced Flood Protection Project, which is being implemented by the SRJB.

The SRJB views this project as a unique opportunity to replace outdated infrastructure while simultaneously reducing the flood risk to the community of Minot and a significant industry partner – BNSF Railway. The support of the USDOT in achieving the vision of enhanced flood resilience for our communities and industry partners is absolutely critical.

Sincerely,

SOURIS RIVER JOINT BOARD

David Ashley
Chairman