

Following this sheet are the minutes of the August 11, 2016 meeting. Pending no additions or corrections, the following action is recommended:

Approve the minutes of the August 11, 2016 meeting of the Souris River Joint Board.

Minutes of Meeting

Souris River Joint Water Resource Board

Thursday, August 11, 2016

A regular meeting of the board of directors of the Souris River Joint Water Resource Board was called to order by Chairman David Ashley on Thursday, August 11, 2016, in the Community Room of the Minot City Auditorium in Minot, North Dakota. Joint Board members attending the meeting were Clif Issendorf, Dan Jonasson and Tom Klein. David Ashley and Roger Sauer appeared by telephone. A quorum was declared. A roster of those attending the meeting is listed on Attachment A.

The Joint Board discussed the proposed Agenda for the meeting. Two additional items were added under "Other Business." The first addition was to discuss a delay in the Joint Board's payment processing. The second addition was to discuss two invoices received by the Joint Board, one invoice from MDU for utility relocation reimbursement, and one invoice from First Western Insurance for the Joint Board's renewal of its general liability policy from North Dakota Insurance Reserve Fund (NDRIF). Dan Jonasson made a motion to approve the agenda as revised, and Clif Issendorf seconded the motion. The motion was carried without opposition.

The Minutes of the July 14, 2016, meeting were discussed. Dan Jonasson made a motion to approve the Minutes of the July 14, 2016, meeting, and Clif Issendorf seconded the motion. The motion was carried without opposition.

The Joint Board reviewed and approved invoices as follows:

1. It was moved by Dan Jonasson, seconded by Tom Klein, that the invoice from Barr Engineering for Environmental and Design in the amount of \$275,770.73 be approved. The motion was unanimously approved by roll call vote.
2. It was moved by Clif Issendorf, seconded by Dan Jonasson, that Houston Engineering's invoice for Environmental and Design be approved in the amount of \$527,683.77. The motion was approved by roll call vote.
3. It was moved by Tom Klein, seconded by Clif Issendorf, that the invoice from Ackerman Estvold for administrative services in the amount of \$16,593.75 be approved. The motion was approved by a roll call vote.
4. It was moved by Dan Jonasson, seconded by Clif Issendorf, that the invoice from Ackerman Estvold for the StARR Program in the amount of \$15,968.75 be approved. Tom Klein requested an explanation as to the difference in charges for the various StARR applicants. Emily Huettl explained that the difference resulted because of timing as well as variation in the complexity of the StARR applicants' properties. The motion was approved by a roll call vote.

5. The Board discussed the invoice from First Western Insurance for the Joint Board's renewal of its general liability policy with NDIRF in the amount of \$6,553. Jack Dwyer recommended that the invoice be approved. Dan Jonasson requested an explanation as to the increase in the premium. Jack Dwyer indicated that he would look into the increase and report back to the Board.

6. The Board discussed the invoice from MDU in the amount of \$10,824.08, which equaled 50% of MDU's cost of relocating a gas line and appurtenant infrastructure. The invoice referenced FLOOD WALL-WATER TREATMENT PLANT. Emily Huettl reported that funding for MDU's specific reimbursement request had not been approved by the State Water Commission. Dan Jonasson made a motion, seconded by Clif Issendorf, that the City of Minot pay MDU's invoice directly and seek reimbursement from the SWC once a cost share is approved for the subject project. Tim Fay indicated that the State's policy does not provide payment for work performed prior to approval. Jack Dwyer recommended that the Joint Board seek a written agreement with each utility company regarding the Joint Board's policy for utility relocations. Dan Jonasson amended his motion to request the City of Minot to issue payment directly to MDU as soon as MDU enters into an agreement with the Joint Board regarding its policy for utility relocations. Roger Sauer seconded the motion, as amended. The motion passed without opposition.

The Joint Board discussed requiring the no-build deed restriction to be recorded on all properties and separate parcels, located within the 2011 floodplain, owned by participants of the StARR program. Emily Huettl explained that some property owners may be able to receive assistance through the StARR program for one structure on one property but then turn around and rebuild in the floodplain on an adjacent property. That was not the intent of the StARR program. A vote was cast. Tom Klein made a motion, seconded by Dan Jonasson, to require the no-build deed restriction to be recorded on all properties and separate parcels, located within the 2011 floodplain, owned by participants of the StARR program. Tom Klein voted in opposition to the motion. Dan Jonasson, David Ashley, Roger Sauer, and Clif Issendorf voted in favor of the policy revision. Motion approved.

The Joint Board discussed removing corrals from the list of eligible structures. It was discussed that corrals would be considered on a case-by-case basis. Emily Huettl explained that the corrals and their uses varied widely. The intent of the StARR program was to include corrals that were integral to other structures. Roger Sauer made a motion to remove corrals from the automatic list of eligible structures from the StARR Program, and consider them on a case-by-case basis. Clif Issendorf seconded the motion. The motion was approved without opposition.

The Joint Board considered whether the Joint Board would accept certified appraisals that the property owner has already completed from 2010 or newer. Tom Klein made a motion to accept a StARR Participant's previously completed appraisals from 2010 or newer to establish market value. Clif Issendorf seconded the motion. Dan Jonasson questioned whether the SWC would honor previously-completed appraisals. Tim Fay indicated that he was not sure whether the SWC would honor previously-completed appraisals. David Ashley indicated that he favored using the appraisers who are providing services to the Joint Board for the StARR Program to establish market values for the subject properties.

Emily Huettl reported that her team would verify previously-completed appraisals with tax assessed values from the counties. A vote was cast. Dan Jonasson and David Ashley voted in opposition to the motion. Roger Sauer, Clif Issendorf, and Tom Klein voted in favor of the policy revision. Motion approved.

The Joint Board discussed the option of leasing back properties to StARR participants on a case-by-case basis. Emily Huettl explained that participants could lease their properties for a set period of time after the scheduled closing of those properties to allow the participants to secure alternative housing. Dan Jonasson made a motion that the StARR Program Policy allows StARR Participants to lease back their properties on a case-by-case basis. Tom Klein seconded the motion. The motion was approved without opposition.

The Joint Board discussed offering structures acquired through the StARR Program for Demolition to be offered for resale to the public. Tom Klein made a motion that the StARR Program Policy allows the Joint Board to offer the structures for resale to the public, on a case-by-case basis. Dan Jonasson seconded the motion. The motion was approved without opposition.

The Joint Board discussed the tabled items identified in paragraph 3 of the Memorandum issued to the Joint Board by the StARR Committee dated July 25, 2016 as found as Agenda Item No. 5 in the Joint Board's August Board Packet. Specifically, the Joint Board discussed structure raise eligibility. Roger Sauer questioned whether the SWC allowed structure raises. Tim Fay indicated that FEMA did not recognize ring dikes as flood protection within the 100 year regulatory floodplain. Emily Huettl indicated that ring dikes were not eligible for the StARR Program where the StARR participant intends on building a ring dike within the 100 year regulatory floodplain. Dan Jonasson made a motion to table all remaining topics under the StARR Memorandum. Clif Issendorf seconded. The motion passed without opposition.

Jerry Bents provided the Joint Board with an update on the engineering and design for Phase I including:

- 90% submittal to USACE and IEPR
- Continued coordination with Broadway Bridge project with NDDOT and City of Minot
- EIS development with Barr Engineering
- Utility coordination
- 404 Permit and FEMA submittals for Construction Phase 1.5

Jason Westbrook provided an update to the Joint Board for Phase II and Phase III, including:

- 100% submittal to USACE
- EIS development
- Construction of Perkett Ditch Improvements and SVGC Greens and Tees

The Joint Board discussed two Franchise Utility Relocation work authorization requests from Xcel Energy, one in the amount of \$11,746.67 and one in the amount of \$2,816.53. Tom Klein made a motion to approve the estimate and move forward with the work authorization requests as presented by Xcel Energy. Dan Jonasson seconded the motion. The motion was approved without opposition.

The Joint Board discussed the recent delay in payment processing. Dan Jonasson reported that the USACE had contacted him in relation to the \$175,000.00 which the USACE had not yet received, for which invoice the City of Minot had already reimbursed the Joint Board. Tim Fay commented that a stop work order for untimely payment to a contractor would be costly. The Joint Board questioned whether processes could be established to prevent any future delay in payments.

The Joint Board made a motion that its administrator draft and send a letter on behalf of the Joint Board to request that the SWC fund the Joint Board's cost share for utility relocations related to Phases 1, 2, and 3.

There being no further business, the meeting was adjourned.



Jack Dwyer
Legal Counsel