

JANUARY 2023 PROJECT FINANCIAL SUMMARY

BASIN-WIDE FLOOD RISK MANAGEMENT
FOR MINOT, RURAL COMMUNITIES, AND BASIN RESIDENTS



Faster Implementation Will Save the State of North Dakota Millions

PREVIOUS FUNDING

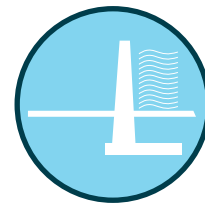
To date, the project has received funding from State, federal and local agencies totaling approximately \$535 million, with \$313.2 million being provided by the State of North Dakota. This funding has been used for acquisitions, relocations, design, permitting and construction activities. The average State appropriation level for the Mouse River Enhanced Flood Protection Project has been \$52.2 million per biennium since 2011.

INFLATION

Thus far, the project has been able to counteract the effects of inflation through value engineering and receipt of competitive construction bids.

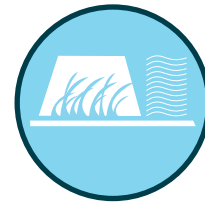
The Souris River Joint Board continuously evaluates the cost of various flood control construction features. Since construction of the project began in 2017, construction inflation on the Mouse River Enhanced Flood Protection Project has significantly outpaced the national average inflation (based on the Consumer Price Index). From 2017 to 2022, the average cost of reinforced concrete for floodwalls increased from \$750 per cubic yard to \$1,200 per cubic yard. In the same period, the average cost of levee embankment increased from \$9.50 per cubic yard to \$11.75 per cubic yard. The average annual cost increases since 2017 for various flood control work items are shown at right.

↑ 10%
ANNUALLY



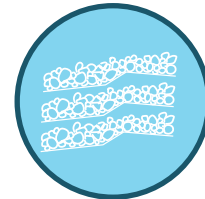
REINFORCED
CONCRETE
FLOODWALL

↑ 4%
ANNUALLY



EARTHEN
LEVEE

↑ 6%
ANNUALLY



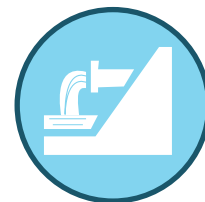
EROSION
CONTROL
ROCK
RIPRAP

↑ 4%
ANNUALLY



ASPHALT
PAVEMENT

↑ 7%
ANNUALLY



18" STORM
SEWER

City of Minot



PROJECT COMPLETION SCENARIOS

The project completion schedule is directly dependent on two variables - the level of appropriation and the rate of inflation. As appropriations are made, project components are designed and constructed to match the available funding. As the schedule for the project extends, the costs will continue to increase due to inflation. Scenarios 2 and 3 below demonstrate considerable cost savings to the project and the State of North Dakota associated with advancing the construction schedule. For the baseline assessment of potential savings, the construction inflation rate was assumed to be 3%.

Scenario 1 - 2041 Completion

The 2041 Plan is based on assuming the average of State appropriations since 2011, or \$52.2 million, in the 2023-2025 biennium and beyond to project completion. Based on this assumed funding scenario, the final appropriation will be made in the 2037-2039 biennium, with construction being completed in 2041. The total cost to complete the project in this scenario is \$687 million.

Scenario 2 - 2035 Completion Plan A

2035 Plan A is based on assuming five biennia of equal appropriations necessary to complete the project. The biennial appropriation level would be \$76.1 million, with the final appropriation being made in the 2031-2033 biennium and construction being completed in 2035. The total cost to complete the project in this scenario is \$640 million.

**A cost savings of
\$47 million**

2035 Plan A results in a total cost savings of \$47 million as compared to the 2041 Plan, with the State of North Dakota saving approximately \$32 million.

Scenario 3 - 2035 Completion Plan B

2035 Plan B is an accelerated version of 2035 Plan A. The biennial appropriation level would be \$100 million for the 2023-2025 biennium, decreasing to \$63.6 million in the 2031-2033 biennium. Construction would be completed in 2035. The total cost to complete the project in this scenario is \$632 million.

**A cost savings of
\$55 million**

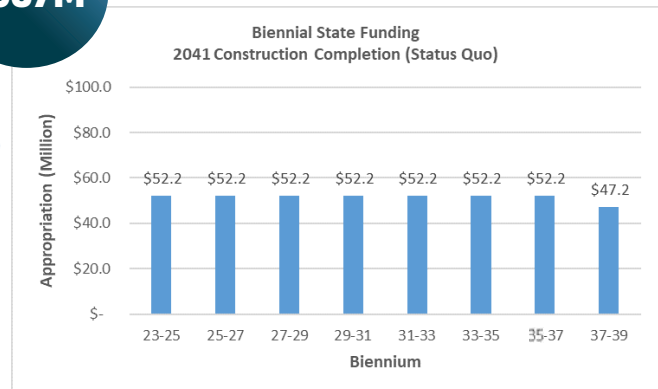
2035 Plan B results in a total cost savings of \$55 million as compared to the 2041 Plan, with the State of North Dakota saving approximately \$37 million.

SCENARIO 1

\$687M

\$413M STATE | \$71M FEDERAL | \$203M LOCAL

COMPLETION DATE 2041

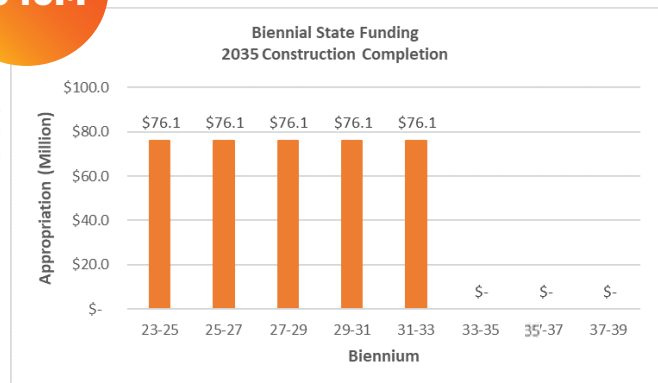


SCENARIO 2

\$640M

\$381M STATE | \$71M FEDERAL | \$188M LOCAL

COMPLETION DATE 2035



SCENARIO 3

\$632M

\$376M STATE | \$71M FEDERAL | \$185M LOCAL

COMPLETION DATE 2035

