



MOUSE RIVER PLAN

TESTIMONY TO SENATE APPROPRIATIONS
EDUCATION & ENVIRONMENT DIVISION
RE: SENATE BILL 2020
19 JANUARY 2023



21-23 Biennium Funding Summary

\$84.5 Million Total

*\$74.5 Million via
HB 1431 (Bonding Bill)*

*\$10.0 Million via
HB 1020 (DWR Budget
Bill)*

*Allocated by State Water
Commission in August
2021*

Uses:

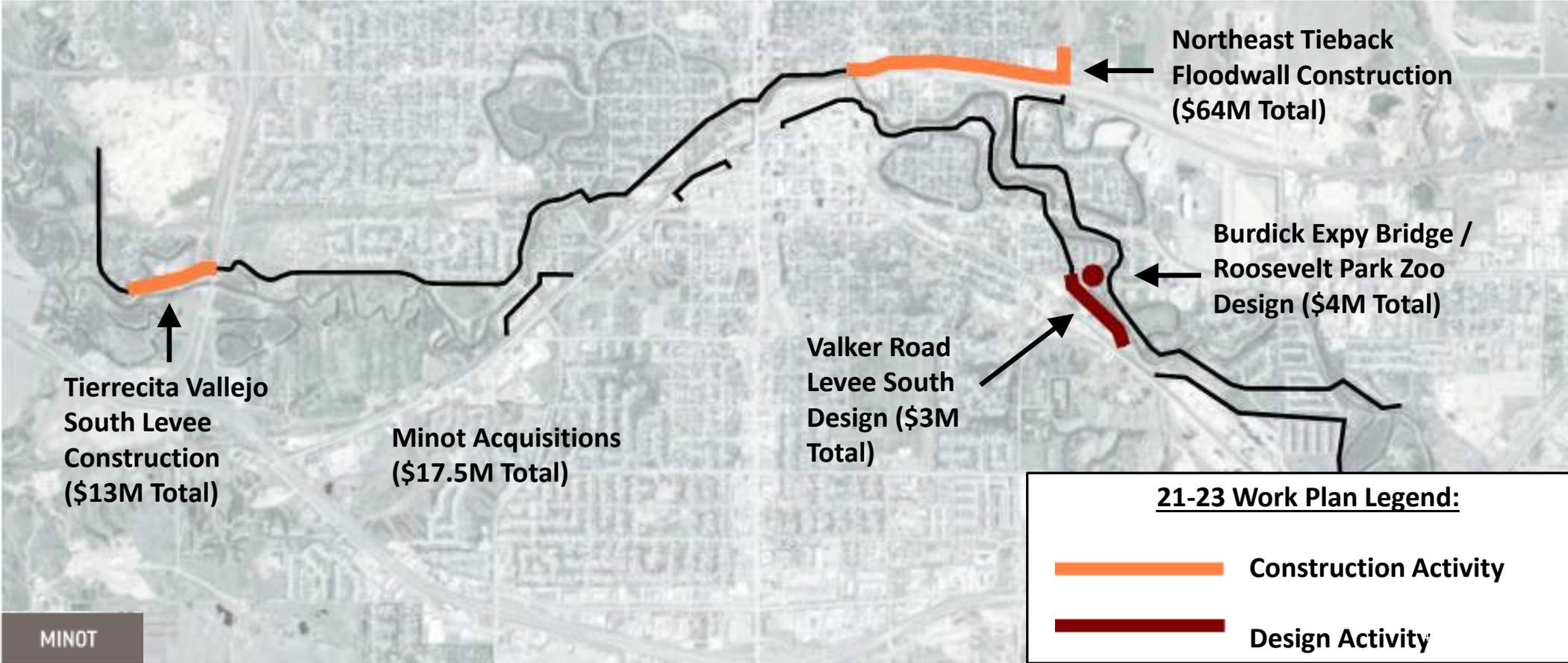


- \$71.35 Million to the Souris River Joint Board for Construction and Engineering Throughout the Basin (Including Minot) and Acquisition Activities Generally Outside Minot City Limits
- \$13.15 Million to the City of Minot for Acquisition Activities inside City Limits in Support of US Department of Housing & Urban Development (HUD) National Disaster Resilience (NDR) Program

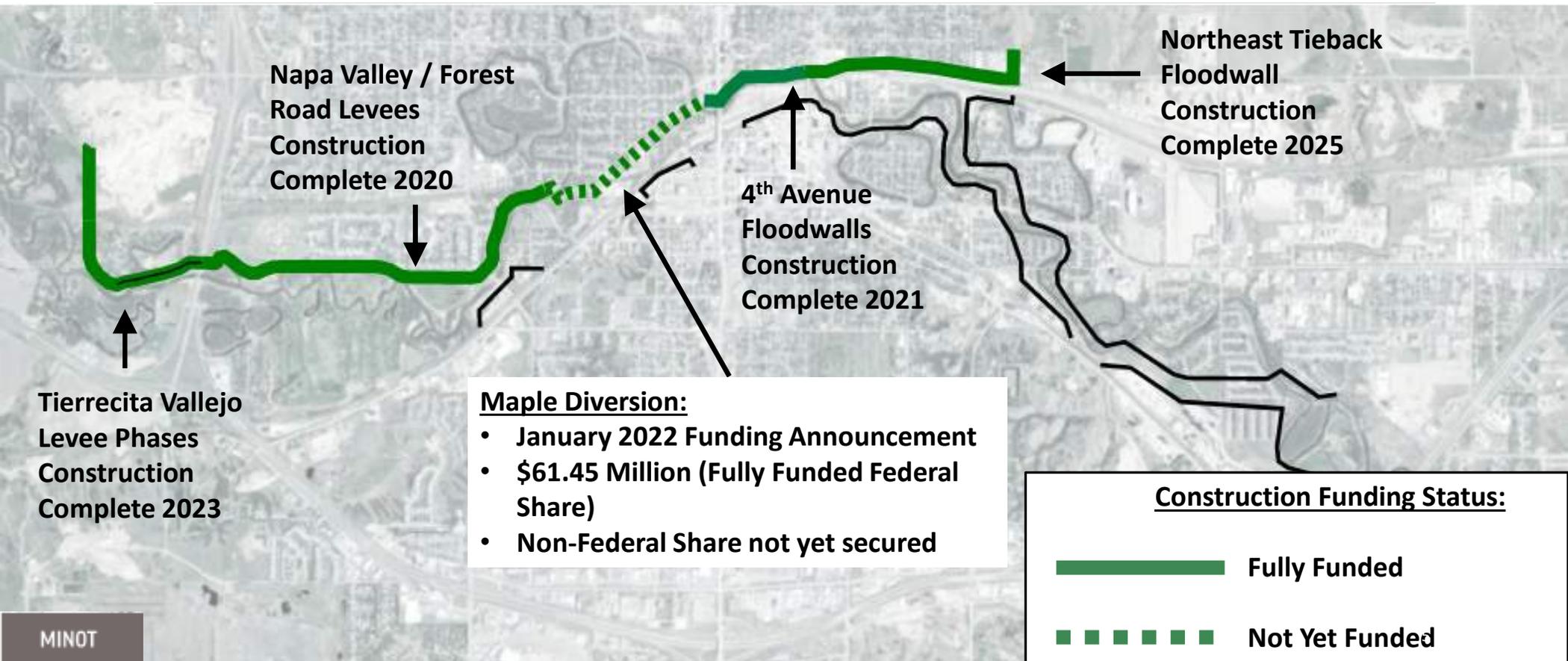
Original 21-23 Biennium Work Plan

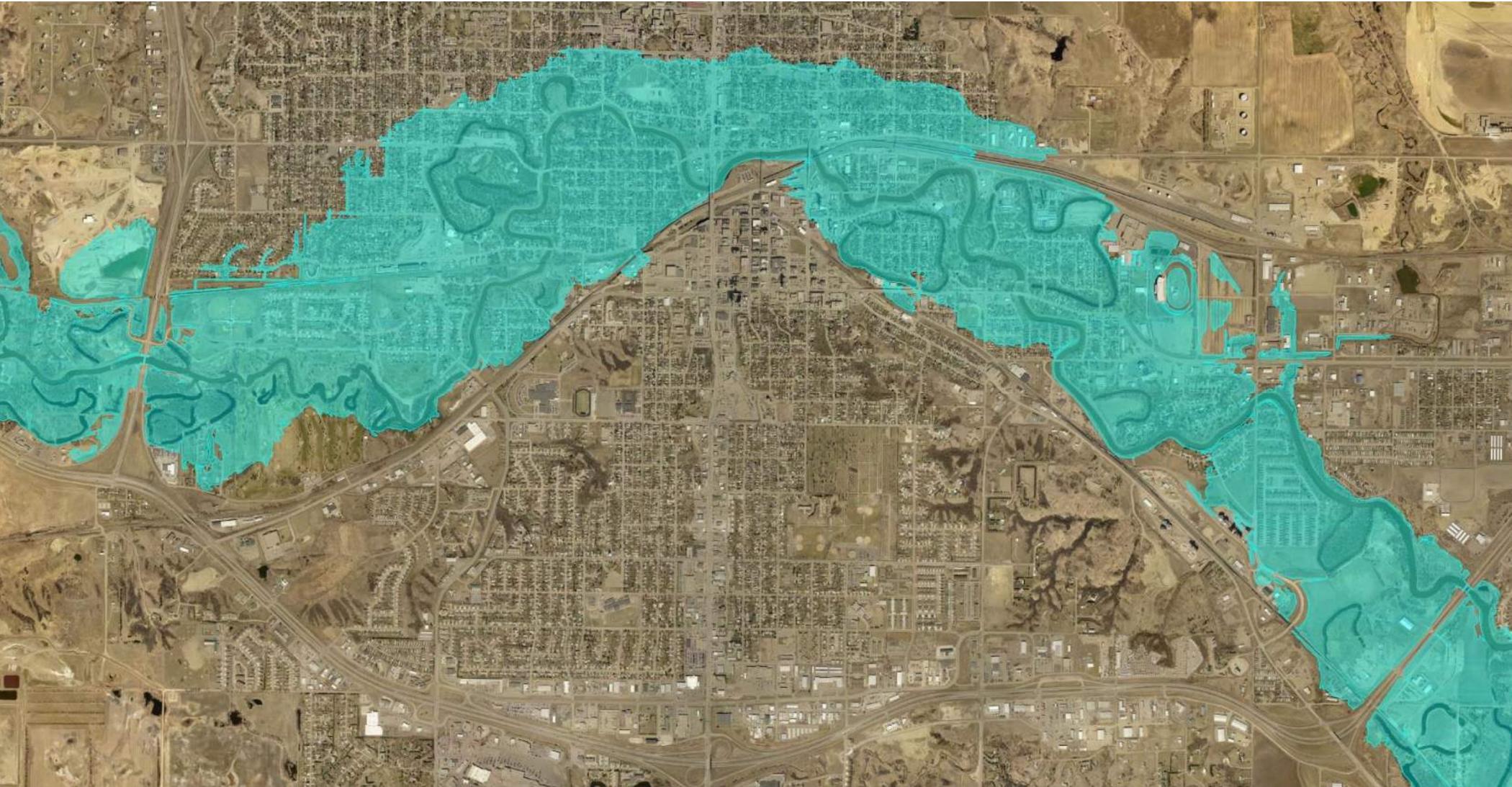
		Estimated Activity Cost
PROPERTY ACQUISITIONS (75% STATE)	Minot	\$ 17,533,333
	Outside of Minot	\$ 5,000,000
DESIGN & PERMITTING (65% STATE)	Phase WC-2: Robinwood Levee	\$ 4,000,000
	Phase MI-8: Valker Road South Levee	\$ 3,000,000
	Phase MI-9: Burdick Expressway Bridge	\$ 4,000,000
	Phase RU-1: Rural Conveyance Improvements	\$ 1,000,000
CONSTRUCTION (65% STATE)	Phase MI-5: Northeast Tieback Floodwall	\$ 64,000,000
	Phase WC-1B: Tierrecita Vallejo Levee South	\$ 13,000,000
	Phase SA-1: Sawyer Bridge	\$ 4,000,000
	Phase VE-1: Velva Bridge	\$ 4,000,000
	Phase RC-1: Mouse River Park Bridge	\$ 4,000,000
	Phase RU-1: Rural Conveyance Improvements	\$ 3,000,000
TOTAL		\$ 126,533,333
STATE FUNDS		\$ 84,500,000
LOCAL FUNDS		\$ 42,033,333

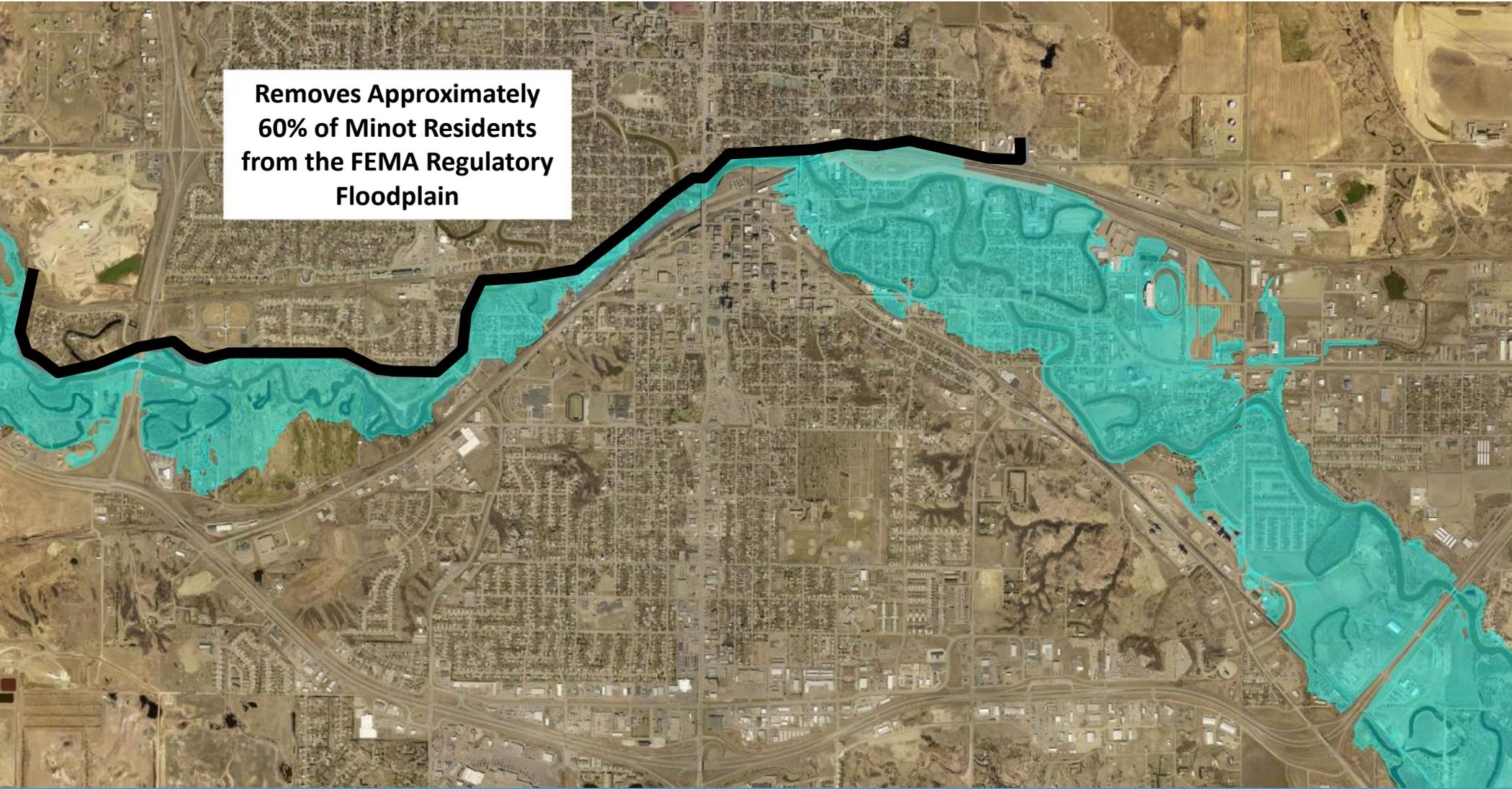
Original 2021-2023 Biennium Minot Work Plan



Significant Progress Made Towards Minot Milestone 1







Removes Approximately
60% of Minot Residents
from the FEMA Regulatory
Floodplain

Original 2021-2023 Biennium Rural Work Plan



**Mouse River Park
Bridge Construction
(\$4M Total)**



**Sawyer Bridge
Construction
(\$4M Total)**



**Velva Bridge
Construction
(\$4M Total)**

21-23 Work Plan Legend:

	Construction Activity
	Design Activity

**Rural Acquisitions
(\$5M Total)**

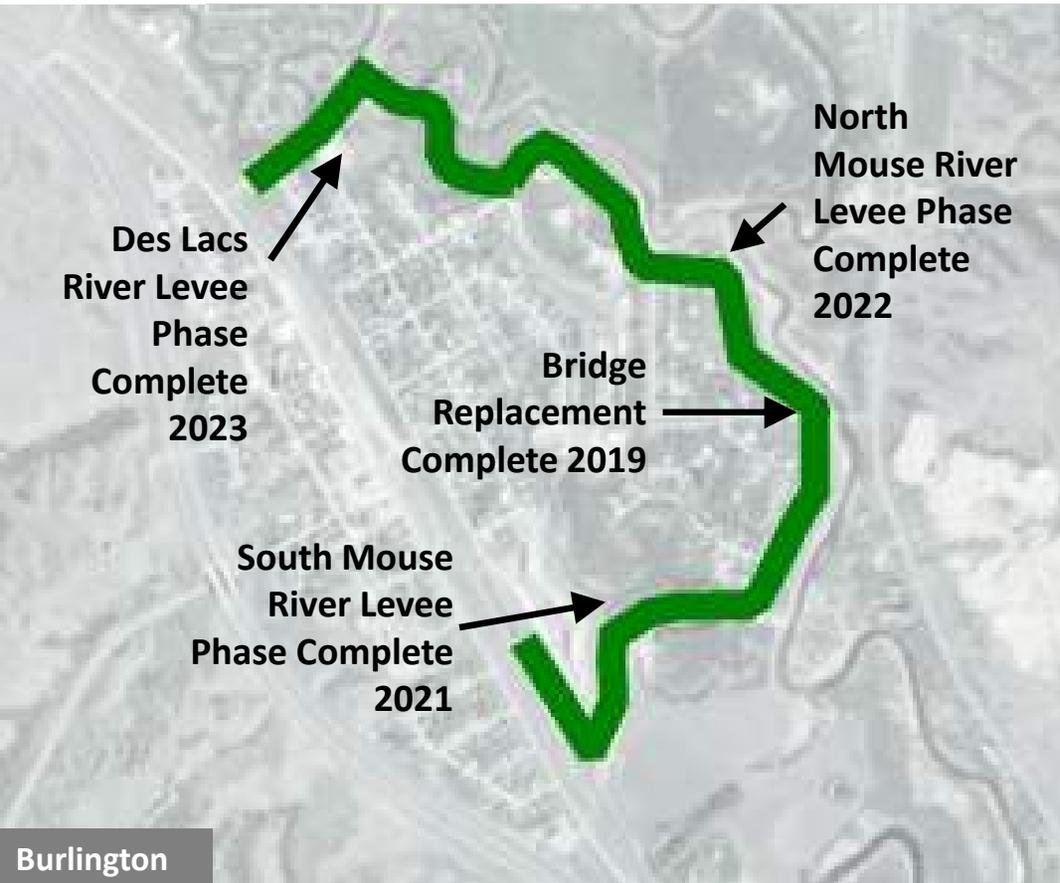
**Rural Conveyance
Improvements
(\$4M Total)**



**Robinwood Levee
Design (\$4M Total)**

Robinwood

Progress in Rural Portions of the Mouse River Valley



Construction Funding Status:

 Fully Funded

Construction of all Burlington phases of the project will be complete by 2023.

Previous Legislative Intent

- Legislative Intent included in House Bill 1020 (2021 Session) identified the anticipated State share of **\$604 million** to complete the project. This was based on average historical appropriations for the project, with the final appropriation being made in the **39-41 Biennium**.
- With the 21-23 Biennium appropriation of \$84.5 million, the remaining State share, per Legislative Intent, would be **\$519.5 million**.

Significant Reduction in Overall Budget due to Federal Involvement & Timing

Since 2021 Legislative Session, the SRJB and City of Minot have secured approximately \$71 million in federal funding

\$61.5 million through USACE
(Infrastructure Investment and
Jobs Act)

\$9.8 million through Department
of Defense (Defense Community
Infrastructure Program)



The federal participation is shared proportionately between the State and Local partners based on the established cost share percentages for the project

For every \$1.00 of federal funding secured for construction, it reduces the projected State share of the project by \$0.65

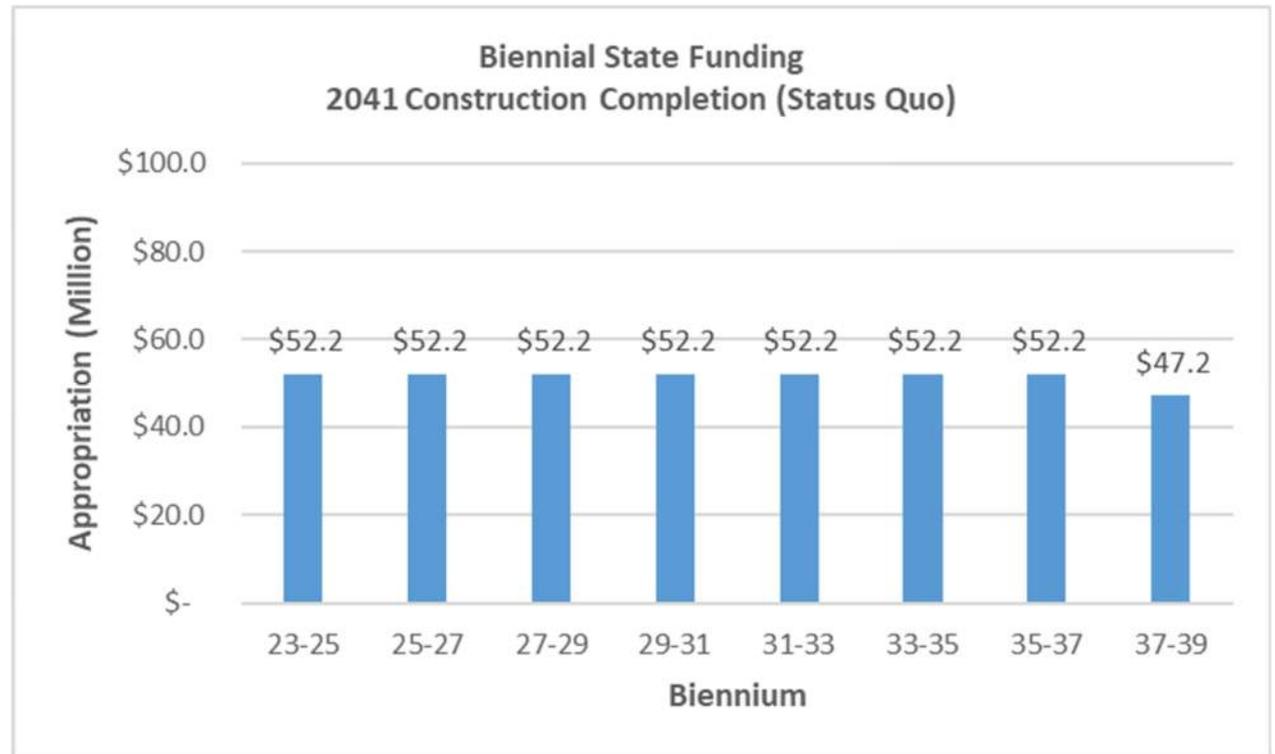
We Wish to Secure a Commitment to Finish this Project by 2035

Three funding scenarios have been developed to illustrate the benefit to the State and local stakeholders of securing federal funding and expediting the completion of the project.

Funding Scenarios

Scenario 1

(Status Quo / Average of Previous Appropriations)



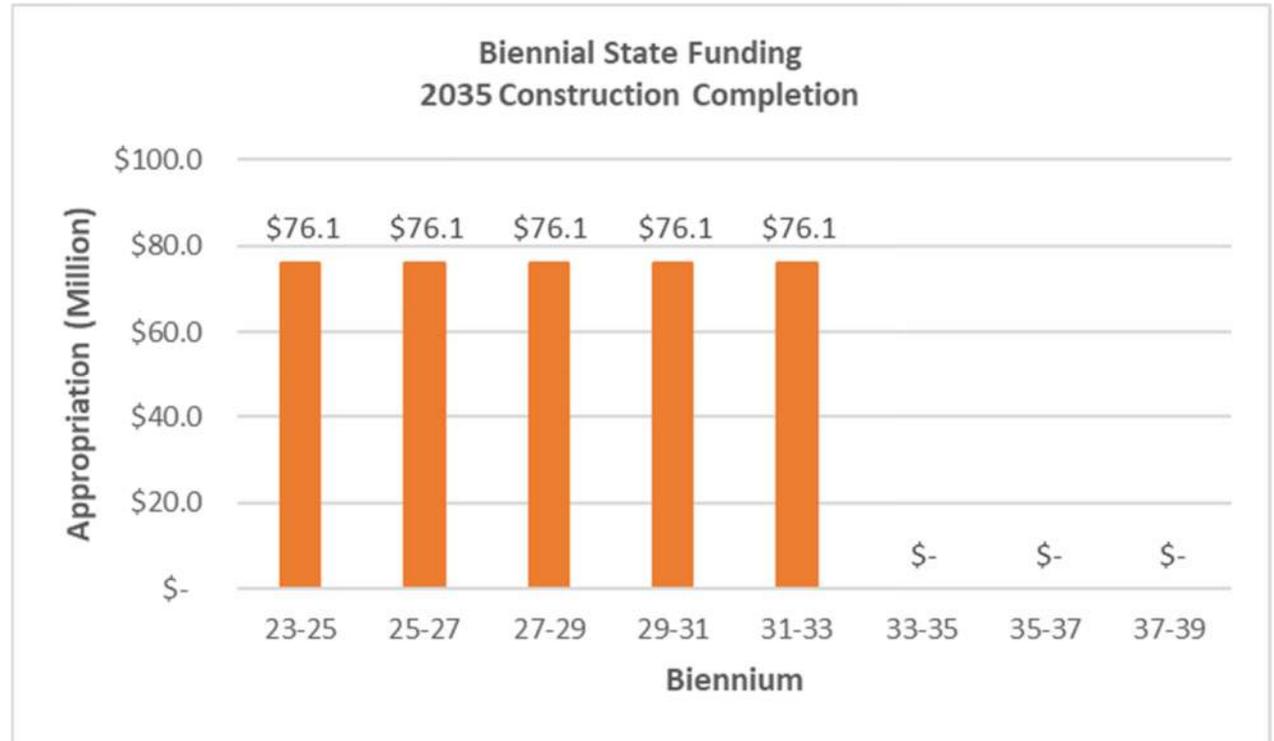
**\$687 M
TOTAL**

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

Funding Scenarios

Scenario 2

(Accelerated w/
Consistent
Commitment
Over Time)



**\$640 M
TOTAL**

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

**\$47 M TOTAL COST SAVINGS
\$32 M STATE COST SAVINGS
(as compared to Scenario 1)**

Funding Scenarios

Scenario 3

(Accelerated with Decreasing Commitment Over Time)



**\$632 M
TOTAL**

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

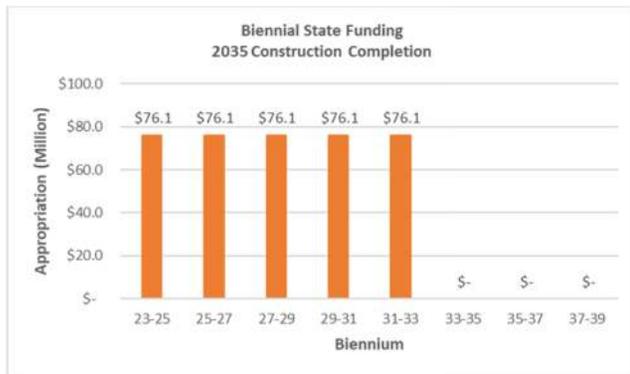
**\$55 M TOTAL COST SAVINGS
\$37 M STATE COST SAVINGS
(as compared to Scenario 1)**

			Total Estimated Cost to Complete	
2023-2025 WORK PLAN (BASED ON SCENARIO 3)	PROPERTY ACQUISITIONS	Minot	\$ 22,000,000	
		Outside of Minot	\$ 4,300,000	
	DESIGN & PERMITTING	Phase WC-3: Kings Court Levee	\$ 3,000,000	
	CONSTRUCTION	Phase MI-4: Maple Diversion	\$ 100,000,000	
		Phase MI-6: Downtown Levee / Floodwall (Partial)	\$ 40,000,000	
		Phase MI-7: Roosevelt Park Levee / Floodwall	\$ 42,000,000	
	Total			\$ 211,300,000
	State Funds			\$ 100,000,000
	Federal Funds			\$ 61,500,000
	Local Funds			\$ 49,800,000

Proposed Work Plan (23-25 Biennium)

If the Legislature
was to Support
Scenario 3





**\$640 M
TOTAL**

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



**\$632 M
TOTAL**

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

Scenarios 2 and 3 are coordinated with the ability to finance the local match.

Bonds have previously been sold by the City of Minot to provide local match funds for the next (approximately) three years' construction.

Additional local funding will be secured to match State appropriations for Scenarios 2 or 3.

We are asking the
Legislative
Assembly to
consider supporting
Scenario 2 or
Scenario 3

Support of Scenario 3 would reduce the amount pledged by the State during the last session, in terms of Legislative Intent, by up to **\$143.5 million.**

How?

- Influx of federal support (\$71 million) in 2022
- Shortening the implementation schedule to complete the project by 2035

Please keep in mind that these projections are based on an average inflation rate for the past 10 years of approximately 3% annually. Sustained high inflation will negatively affect the project's financial trajectory.

Additional Savings for North Dakota Residents

Flood Insurance reforms will continue to affect Mouse River valley residents as a result of two factors:

- Congressional reform of the National Flood Insurance Program which eliminates the federal subsidy for the program over time
- Revised Flood Insurance Rate Maps for the Mouse River valley which will place approximately 3,000 properties in the regulatory floodplain

Additional Savings for North Dakota Residents

Once new Flood Insurance Rate Maps become effective and the rates are transitioned to fully actuarial (i.e. no federal subsidy), Minot residents are expected to pay approximately **\$9 million per year** in flood insurance premiums.

- Federal flood insurance paid by area residents is used to subsidize the overall portfolio of the NFIP but are mandated by financial institutions with federally secured mortgages or loans
- Significant negative effect on the value of properties within the Mouse River valley

The 2011 flood caused approximately **\$1 billion** in damages. Construction of the Mouse River Plan prevents those damages from occurring in the future.



MOUSE RIVER PLAN

On behalf of the residents of the Mouse River Basin...

Thank You!

Project information may be viewed or downloaded at:

<http://www.mouseriverplan.com>

Construction progress videos may be viewed at:

<https://www.youtube.com/channel/UCJEMcuR74qzNPZ83qzQhCTg>

