



Total Devastation

On June 25, 2011, the Mouse River flowed under Minot's Broadway Bridge at a record rate of 27,400 cubic feet per second (cfs) – more than five times the rate that existing channels and levees had been designed for. Not since 1882 had flows in excess of 20,000 cfs been seen. For weeks during the 2011 flood, water levels were too high for passenger and emergency vehicles to safely cross numerous area bridges. After flood waters receded, many bridges remained out of service for months while damages were assessed and repaired.

The record-breaking flow overwhelmed most flood fighting efforts along the entire reach of the Mouse River, causing extensive damages to homes, businesses, public facilities, infrastructure, farms and ranches. According to the U.S. Army Corps of Engineers (USACE), 4,700 residential, commercial and public structures in Renville, Ward and McHenry Counties sustained building and content damages totaling more than \$690 million.

If emergency flood fighting measures had not been implemented, structure damages would have totaled roughly \$900 million. Public infrastructure damages totaled hundreds of millions of dollars in the city of Minot alone. Agriculture and rural infrastructure losses eclipsed \$100 million.



The rural reaches of the Mouse River valley in North Dakota have endured frequent flood damages over the past two decades. Flooding has had significant impacts on the rural residents who make their livelihood along the river. Impacts from flooding in the rural areas are varied and widespread, including crop and hay losses, damage to structures, impacts to livestock, and loss of commerce due to inundated roads and bridges.

The Mouse River Plan

The \$1.028 billion program includes both urban and rural aspects.

The State of North Dakota, through the State Water Commission, initiated the studies of the Mouse River basin that resulted in the definition of the Mouse River Enhanced Flood Protection Project (Mouse River Plan). The Souris River Joint Water Resource Board (SRJB) has been tasked with implementing the Mouse River Plan as the project sponsor and lead local agency.

The Mouse River Plan includes flood-risk-reduction features intended to benefit all residents of the Mouse River basin.

The \$820 million of urban work includes the communities of Minot, Burlington, Sawyer, Velva and several subdivisions within Ward and Renville Counties. The balance of the program is focused on rural interests, with initiatives designed to remove structures from the floodplain, improve conveyance, and remove flood water that has been trapped on the land after the river flood recedes.

The Mouse River Plan is intended to be funded with a combination of federal, local, and state funds.

Federal Funding

To begin the process of securing federal funds for construction, the SRJB executed a Feasibility Cost Share Agreement with the US Army Corps of Engineers (USACE) in May 2016. The execution of this agreement began a three-year process that will ultimately determine if there is a federal interest in constructing a flood-risk-reduction project within the Mouse River basin.

If a federal interest is determined, two additional and important milestones must be achieved through action by Congress – authorization and appropriation.

The extent of possible federal funding is unknown at this time, as the Feasibility Study process is still in its infancy. The timeframe for authorization and appropriation is also uncertain, as these Congressional actions are taken in the form of Water Resources Development Act (WRDA) bills. The two previous WRDA bills passed by Congress were in 2014 and 2007.

Local Funding

The City of Minot continues to provide leadership for northwest North Dakota. Through its commitment to provide all of the local share for the Northwest Area Water Supply (NAWS) project and the Mouse River Plan, Minot has committed significant financial resources intended to benefit tens of thousands of residents that do not live within the limits of the city.

Presently, the City of Minot is collecting a 0.5% sales tax for flood control which is generating approximately \$5 million per year.

Discussions have begun to examine the possibilities associated with increasing revenues through additional sales taxes, property taxes or other fees.

The City of Minot has been fortunate enough to receive Disaster Recovery assistance from the U.S. Department of Housing and Urban Development (HUD). Despite a long list of unmet recovery needs, the City has elected to utilize these HUD funds for flood control acquisitions. This is being done for the benefit of the entire region.

It should be noted that HUD funds may not be used for the construction of flood control features.

State Funding

Funding through the North Dakota State Water Commission has been coupled with local funding to allow the Mouse River Plan to progress since its inception by the State of North Dakota following the 2011 flood. To date, major activities undertaken with state funds include acquisitions, environmental documentation, design and some construction. Generally, funding from the State of North Dakota has provided up to 75% of the total cost for acquisitions and up to 60% of the total cost for other activities.

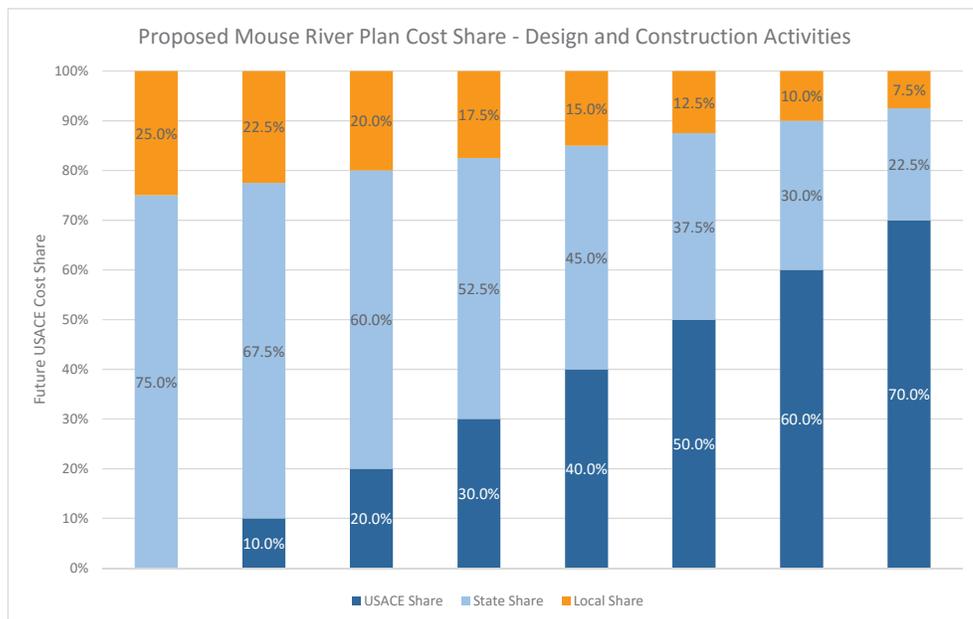




Cost Share Request

The SRJB and the City of Minot are requesting consideration of a modification to the current cost share policy that would increase the State of North Dakota’s participation to **75% for all activities associated with the Mouse River Plan**. Consistent with the current cost share policy, any federal funds secured by the City of Minot or other local governments for acquisition of property (and related incidental activities) would be treated as a local asset.

However, the SRJB and the City of Minot are proposing that **any funding secured from the federal government through the USACE for design and construction activities would be treated as a shared asset of the State of North Dakota and the local agencies**. This would proportionately reduce the State’s participation level.



With local cost shares generally ranging from 25% to 40% for flood control activities, there is a significant difference in the amount of local funding that must be generated – approximately \$150 million. Local officials believe that fixing the local cost share at 25% as described above would make the project achievable. At approximately \$250 million in local funds (~25% of a \$1.028 billion project), it represents the largest capital improvement investment in the history of the Minot region. The local commitment to funding the project will be long-term, likely in excess of 25 years.



Financial Hardship

Several communities along the Mouse River - Burlington, Sawyer, Velva, the unincorporated subdivisions in Ward and Renville counties, and the rural reaches of the valley - do not have the ability to raise funding sufficient to cover the local share of the flood control project. Because of its commitment to the region's success, the City of Minot has agreed to be the primary source of local funding for the project. Sales tax is the most likely source, with a 0.5% sales tax currently being levied by the City of Minot for flood control. Even with the local share reduced to 25% of the total cost, the existing tax would need to be levied for approximately 50 years to pay for the local share of the project. Bonding for this period of time is not possible.

While sales taxes may be increased, it should be noted that residents of Minot are currently paying a total of 7.5% in sales taxes – tied for the highest rate among North Dakota's largest five cities. Currently, a portion of the sales taxes levied by the City of Minot are used for property tax relief. Should sales tax rates for flood control increase, the likelihood of higher property taxes also increases.



For additional information, please contact:

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The residents of the Mouse River basin were devastated by the 2011 flood. Residents of Minot and the surrounding communities witnessed the Mouse River cause hundreds of thousands of damage to their personal property. While partial recovery assistance was made available through federal and state programs, the typical resident of the Mouse River basin was still left with massive debt as a result of the 2011 flood, since a majority of the assistance provided to Mouse River residents was in the form of loans, not grants. In many instances, the amount owed by property owners is in excess of the value of the property.

Additionally, flood insurance reforms by the federal government will place most of those directly impacted by the 2011 flood into the regulatory floodplain, mandating payment of flood insurance premiums that, in some cases, will increase from \$500 per year to in excess of \$10,000 per year. Flood insurance reform, expected to become effective in 2018, will directly impact those most vulnerable and directly impacted as a result of the 2011 flood.

Local taxes, whether they are generated through sales tax or property tax collections, directly impact those who pay them. A significant portion of those who pay these taxes are also those who are attempting to overcome the hardships associated with recovering from the 2011 flood and those who will also be forced to overcome the hardships associated with flood insurance reform.

The City of Minot is also paying the 35% local share for the NAWS project through collection of local sales taxes. Minot's commitment to this important project for northwest North Dakota is unwavering. Minot's leadership in this endeavor, however, represents another hardship to raising local funds for the Mouse River Plan.

Photography provided by Shaun Sipma, Minot and the Minot Daily News

