

House Appropriations
Chairman – Representative Jeff Delzer
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Testimony

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HB 1431

Good morning Chairman and members of the House Appropriations Committee. Thank you for the opportunity to be here today. My name is Shaun Sipma, Mayor of Minot, and on behalf of our City and in conjunction with the Souris River Joint Board (SRJB), I am here today to testify in support of House Bill 1431.

The Mouse River Enhanced Flood Control project is a basin-wide flood control project and is a top legislative priority for Minot. The priority is paramount because of life, health, and safety.

The Billion Dollar project has been moving steadily forward for four (4) years now. When funding has been allocated by the State for the project, the City of Minot has provided the local match for construction both inside city limits and for projects outside city limits and elsewhere in the Basin. The Souris River Joint Board, the entity in charge of building the project, has stayed on course, on time and on many occasions under budget.

In 2020 when revenues came in behind projections into the Water Resources Trust Fund due to economics stemming from COVID-19, the City of Minot and the SRJB shared shortfall by turning back approximately \$30 Million Dollars of what would have been appropriated funding towards flood control.

Several sessions ago a plan was approved that was aimed at funding work inside the City of Minot for flood control to a total of \$193 million dollars to get to Milestone 1. Milestone 1 represents protections for approximately 62% of the river valley that runs through Minot. To date the remaining intent of that commitment is \$114,586,716.00.

To be clear the current funding allocation schedule puts the Mouse River Flood Control Project with a completion date somewhere around 2041. That is 20 more years of construction, 20 more years of not being fully protected from another flood, and 20 more years of inflationary construction costs.

My goal today in testifying in support of the bill is to also emphasize the intent language from the 2017 legislature was never meant to be the signal of the finality of the project, but rather a milestone — again what we call Milestone 1. That is well represented in all testimony given from my predecessors and colleagues.

Moving forward it is also critical for this project to focus on the timetable for completion rather than just the next milestone. That is why when I testified in your E&E Division, I mentioned that the SRJB and the

City of Minot would like to begin a conversation with all of you about shortening the construction build from 20 years to a number closer to 12 years.

A 12-year buildout would save more than \$100 million on inflationary construction costs. A quicker completion would provide flood protection sooner to more residents in Minot and many more throughout the basin. A quicker completion would also provide direct relief to property owners whose flood insurance rates will soon start increasing dramatically in the years ahead.

Those flood insurance rates, for a homeowner, are approximately about \$600 a year in Minot. When FEMA remaps the Mouse River Basin, which is coming in the next 12 months or so, and we fast forward a dozen years the same policy will cost approximately \$3,400 a year. If we factor 20 years of increases that policy is likely to be more than \$12,000 a year. All that money, from all those policies will be leaving the Basin and North Dakota to head to Washington. I could talk about economic impact to the housing market in the river valley, but I think it becomes clear quick.

Minot's local cost share modeling based on the current sales tax allocation does run short on an accelerated build model. However, before the current allocation of sales tax funding runs short, the Northwest Area Water Supply (or NAWWS) will be complete and fully funded. The allocation for that Basin Wide Project being funded out of Minot sales tax can be diverted to make up the shortfall for basin wide funding for flood control. This will have to be paired with a financial vehicle for long term-low interest funding rather than traditional bonding debt.

The state has the tools and the assets. Now we must find the will. That conversation will come in the near future.

In the meantime, I am here today to support House Bill 1431. Let me say thanks for the fantastic progress we have made with the state and local partnership that will be continued with the funding in this bill. I invite all of you to Minot to see how we have implemented the past dollars and how we will implement the funds outlined in the bill you have before you today.

Lastly, Minot also wants to support House Bill 1431 as it represents a big step in closing a gap in technically trained workers in North Dakota. For more than two (2) years the City of Minot in conjunction with Minot State University, Dakota College of Bottineau and Minot Public Schools have been working on a Career and Technical Education Center. By the spring of 2021 the first phase of this CTE joint effort will be operation. HB 1431 will allow the program to reach beyond the standard classroom settings to target those careers most in need of technically trained individuals in North Dakota. Our ability to economically diversify not just in Minot but throughout North Dakota is contingent on Technically Trained workers and funding in this bill for these programs is a big step in the right direction.

Thank you again for the opportunity to testify before you today. I would be happy to stand for questions on either the Flood Control Funding or the Career and Technical Center Training that I have mentioned here today.