

**Minutes of Meeting  
Souris River Joint Water Resource Board  
Thursday, January 12, 2017  
Minot Community Center, Minot, North Dakota**

A meeting of the Board of Directors of the Souris River Joint Water Resource Board was called to order by Chairman David Ashley on Thursday, January 12, 2017 at the Minot Community Center in Minot, North Dakota. Joint Board Members attending the meeting were Dave Ashley, Dan Jonasson, Clif Issendorf, and Roger Sauer. A roster of those attending the meeting is listed on Attachment A.

The Joint Board discussed the proposed agenda for the meeting. Chairman Ashley stated that Ryan Ackerman would provide a report on snow water content in the Souris River Basin, and that Mike Dwyer would provide a budget report. There being no other additions, it was moved by Clif Issendorf, seconded by Roger Sauer, that the agenda be approved. The motion was unanimously approved.

The minutes of the December 8, 2016 Joint Board Meeting were reviewed. After review, it was moved by Roger Sauer, seconded by Dan Jonasson, that the minutes be approved. The motion was unanimously approved.

The Joint Board considered invoices. Chairman Ashley reviewed separately the invoices from each firm, company, or other vendor or entity. Jerry Bents explained the conditional letter of map revisions, and the invoice to the National Flood Insurance Program for \$7,250.00. Ryan Ackerman distributed an invoice from HDR Engineering in the amount of \$6,734.76. This invoice from HDR Engineering was in addition to those listed in the meeting packets. It was moved by Dan Jonasson, seconded by Roger Sauer, that the invoice from HDR Engineering be added to the invoices being considered.

The invoices considered by the Joint Board include the following, with the addition of the invoice from HDR Engineering.

<b>Barr Engineering</b>	<b>(Environmental &amp; Design)</b>	<b>\$ 79,087.36</b>
	<b>(Environmental &amp; Design)</b>	<b>\$ 83,360.86</b>
	<b>(MI-2A Construction Perkett)</b>	<b>\$ 35,516.45</b>
	<b>(MI-2A Construction Perkett)</b>	<b>\$ 24,348.50</b>
	<b>(USACE Feasibility Study)</b>	<b>\$ 875.00</b>
	<b>(StARR Program)</b>	<b>\$ 16,512.50</b>
	<b>(StARR Program)</b>	<b>\$ 31,711.25</b>
	<b>(BU-1 Burlington)</b>	<b>\$117,362.39</b>
	<b>(BU-1 Burlington)</b>	<b>\$ 72,350.54</b>
	<b>(Outlaw Creek)</b>	<b>\$ 5,926.00</b>
<b>Houston Engineering</b>	<b>(Environmental &amp; Design)</b>	<b>\$ 88,867.23</b>
	<b>(SWIF – Outfall Pipes)</b>	<b>\$ 4,102.00</b>
	<b>(Environmental &amp; Design)</b>	<b>\$ 73,908.36</b>
	<b>(SWIF – Outfall Pipes)</b>	<b>\$ 2,017.50</b>
<b>Ackerman-Estvoid</b>	<b>(Administration)</b>	<b>\$ 11,970.77</b>
	<b>(USACE Feasibility Study)</b>	<b>\$ 4,875.00</b>



Scherbenske Inc.	(MI-2A Construction Perkett)	\$172,895.99
Xcel Energy	(Utility Relocate)	\$ 10,591.22
MDU	(Utility Relocate)	\$ 14,806.14
NDWUA	(Annual Membership Dues)	\$ 5,000.00
NDWC	(Annual Membership Dues)	\$ 1,000.00
NFIP	(Conditional Letter of Map Revision)	\$ 7,250.00
HDR	(IEPR)	\$ 6,734.76
<b>TOTAL</b>		<b>\$871,068.82</b>

After discussion, it was moved by Clif Issendorf, seconded by Roger Sauer, that the invoices be approved. The motion was unanimously approved by roll call vote. Ryan Ackerman explained that the following invoices were not reimbursable from the State Water Commission and City of Minot.

Houston Engineering	(SWIF – Outfall Pipes)	\$ 4,102.00
	(SWIF – Outfall Pipes)	\$ 2,017.50
Ackerman-Estvoid	(Administration)	\$ 11,970.77
NDWUA	(Annual Membership Dues)	\$ 5,000.00
NDWC	(Annual Membership Dues)	\$ 1,000.00

Chairman Ashley called upon Jerry Bents to provide an explanation of the National Flood Insurance Program invoice. Bents explained that the invoice for \$7,250.00 was for a permit application to FEMA. Bents explained that this was a standard fee for reviewing the technical information as part of the permit application.

Chairman Ashley called up Emily Huettl to provide an update on the STARR program. Huettl stated that five acquisition offers have been made. Huettl stated that two of those should have closings within the next month. Huettl stated there are four additional outstanding acquisition offers that are pending. Huettl stated that the second request to the Ward County Commission would be the next week, to make sure that the Ward County Commission would approve accepting the proposed land acquisitions in Ward County. Upon approval by the Ward County Commission, additional offers would be made. Huettl stated that prior to the Joint Board Meeting in February, there should be an additional 10-15 acquisition offers made. Huettl stated that two appeals had been submitted, and it is anticipated that additional appeals will be submitted, therefore requiring the appeals committee to meet prior to the next board meeting. Huettl stated that after spring snowmelt, demolitions could take place; properties could be offered for re-sale, and that ring-dike construction could also go forward.

Chairman Ashley called upon Ryan Ackerman to provide an update on the feasibility study. Ackerman stated that the Corps of Engineers was working towards the alternatives milestone, which identifies the various alternatives that would be considered as part of the feasibility study. Ackerman stated that the



alternatives milestone was anticipated to be concluded by the end of January. Ackerman further stated that once alternatives have been identified, concurrence from the vertical team, which is the division and headquarters of the Corps of Engineers, must be obtained. Following such concurrence, the alternatives are analyzed. The next milestone is the selection of the alternative to be considered, which is anticipated to be in August, 2017. Ackerman stated that the feasibility study indicated that a structural component in the City of Minot, tentatively the Maple Diversion, could be a federal component. Ackerman further stated that the Corps is looking at alternatives outside the City of Minot, specifically those reaches in the basin that already have a federal component.

Chairman Ashley called upon Jerry Bents to provide an update on Phase MI-1 (4<sup>th</sup> Avenue Floodwall). Bents stated that the design phase has been completed and is being reviewed by the Corps of Engineers, and that Houston continues to provide support for the Environmental Impact Statement pending the design review. Bents further stated that Houston is working on the permit applications, including the FEMA application referenced earlier and the Section 404 application. Bents further stated that they are working on a storm water study for the project area within the City of Minot, and that they have been engaged in a utility relocation planning effort, to identify all of the utility relocations that will be required as part of the project. Bents stated that the master plan for utility relocations was being delivered on January 12, 2017. Chairman Ashley then called on Jason Westbrook of Barr Engineering to provide an update on Phases MI-2 (Napa Valley), MI-3 (Forest Road), and BU-1 (Burlington) of the project. Westbrook stated that the completed plan for Phases 2 and 3 had been submitted to the St. Paul Corps of Engineers, and were ready to be transmitted to the division level. Westbrook stated that they received concurrence from the Department of Transportation that they would not be required to place sheet piling in the 83 embankment, saving about \$500,000.00. Westbrook stated that Barr had also been working on permit applications and the environmental impact statement. Westbrook stated that it is likely there would be a second comment period for the revised draft environmental impact statement. Dan Jonasson stated that they did receive concurrence from the third party Independent External Peer Review on the design of Phases 1-3, and that report had also been submitted to the Corps of Engineers.

Chairman Ashley requested a report on Burlington, and Westbrook reported that the geo-technical investigations were underway, along with the field surveys and interior drainage evaluations.

Chairman Ashley called upon Ryan Ackerman to review the MI-2A change order #2 and the MI-2A change order #3. Ackerman explained that the change order request #2 for Phase MI-2A Perkett Ditch improvements was due to an incorrect penmanship interpretation in the bidding document. It was moved by Dan Jonasson, seconded by Roger Sauer, that the total bid price in the amount of \$2,969,919.10 be approved. The motion was unanimously approved by roll call vote.

Ryan Ackerman explained that change order #3 was due to the discovery of some buried treasure (fence and debris) for the Perkett Ditch improvements. During the excavation, there was the discovery of fence, concrete, and other items that added cost and time to the contract. Ackerman explained that a work change directive had been issued in order to keep the contractor moving in spite of the changed circumstances. Ackerman further explained that the Department of Transportation had requested that



the contractors stockpile the fencing for the project, and some other changes. It was recommended that the contract be increased by the amount of \$10,222.39, and that an additional ten days be added to the contract. Ackerman reported that a field decision had also been made to remove the guard rail due to some soil conditions. Ackerman explained that when additional work is outside the scope of the contract, a detailed accounting is required. Ackerman reported that the entire project would still come under budget. It was moved by Dan Jonasson, seconded by Roger Sauer, that the recommendation be approved. The motion was unanimously approved by roll call vote.

Chairman Ashley distributed a report from Jack Dwyer providing an update on the Utility Relocation Agreements. The report is Attachment B. No action was taken.

The Joint Board considered modifications to the Mouse River Enhanced Flood Control Project. Dan Jonasson explained that modifications were being proposed for three areas, in connection with the NDRC. The modifications are identified as follows;

1. Buy-out Area 1-East of water treatment plant, also known as the Moose Lodge Area.
2. Buy-out Area 2-Leite-Brekke Subdivision, just west of the Souris River Golf Course.
3. Buy-out Area-4-Just east of Third Street, in the kemper construction area.

Chairman Ashley indicated action would be required in the near future. Ryan Ackerman explained that instead of being placed behind levies, these neighborhoods would be bought out. Ackerman further explained that these alternatives or modifications would have to be considered in the environmental impact statement. Dan Jonasson explained that the City of Minot had acted on these modifications, and is requesting action by the Joint Board. Dave Ashley expressed caution concerning these modifications, and recommended no action at this time.

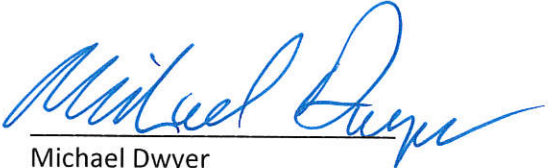
Ryan Ackerman reported on the legislative hearings for the Souris River Flood Control Project. Testimony from the Souris River Joint Resource Board is Attachment C.

Mike Dwyer distributed the budget report for January-December, 2016, which is Attachment D. Dwyer stated this did not include the payments or reimbursement for December, 2016, and that a report for all income and expenses for 2016 would be provided at the next meeting.

Ryan Ackerman reviewed the snow water content at various locations in the Souris River Basin.

Dan Jonasson stated that the International Souris River Board of Control Meeting would be February 22 and 23 in Regina, Saskatchewan.

There being no further business the meeting was adjourned.



Michael Dwyer  
Legal Counsel





**Minutes of Meeting  
Souris River Joint Water Resource Board  
Thursday, January 12, 2017**

**Minot Community Center, Minot, North Dakota**

A meeting of the Board of Directors of the Souris River Joint Water Resource Board was called to order by Chairman David Ashley on Thursday, January 12, 2017 at the Minot Community Center in Minot, North Dakota. Joint Board Members attending the meeting were Dave Ashley, Dan Jonasson, Clif Issendorf, and Roger Sauer. A roster of those attending the meeting is listed on Attachment A.

The Joint Board discussed the proposed agenda for the meeting. Chairman Ashley stated that Ryan Ackerman would provide a report on snow water content in the Souris River Basin, and that Mike Dwyer would provide a budget report. There being no other additions, it was moved by Clif Issendorf, seconded by Roger Sauer, that the agenda be approved. The motion was unanimously approved.

The minutes of the December 8, 2016 Joint Board Meeting were reviewed. After review, it was moved by Roger Sauer, seconded by Dan Jonasson, that the minutes be approved. The motion was unanimously approved.

The Joint Board considered invoices. Chairman Ashley reviewed separately the invoices from each firm, company, or other vendor or entity. Jerry Bents explained the conditional letter of map revisions, and the invoice to the National Flood Insurance Program for \$7,250.00. Ryan Ackerman distributed an invoice from HDR Engineering in the amount of \$6,734.76. This invoice from HDR Engineering was in addition to those listed in the meeting packets. It was moved by Dan Jonasson, seconded by Roger Sauer, that the invoice from HDR Engineering be added to the invoices being considered.

The invoices considered by the Joint Board include the following, with the addition of the invoice from HDR Engineering.

<b>Barr Engineering</b>	<b>(Environmental &amp; Design)</b>	<b>\$ 79,087.36</b>
	<b>(Environmental &amp; Design)</b>	<b>\$ 83,360.86</b>
	<b>(MI-2A Construction Perkett)</b>	<b>\$ 35,516.45</b>
	<b>(MI-2A Construction Perkett)</b>	<b>\$ 24,348.50</b>
	<b>(USACE Feasibility Study)</b>	<b>\$ 875.00</b>
	<b>(StARR Program)</b>	<b>\$ 16,512.50</b>
	<b>(StARR Program)</b>	<b>\$ 31,711.25</b>
	<b>(BU-1 Burlington)</b>	<b>\$117,362.39</b>
	<b>(BU-1 Burlington)</b>	<b>\$ 72,350.54</b>
	<b>(Outlaw Creek)</b>	<b>\$ 5,926.00</b>
<b>Houston Engineering</b>	<b>(Environmental &amp; Design)</b>	<b>\$ 88,867.23</b>
	<b>(SWIF – Outfall Pipes)</b>	<b>\$ 4,102.00</b>
	<b>(Environmental &amp; Design)</b>	<b>\$ 73,908.36</b>
	<b>(SWIF – Outfall Pipes)</b>	<b>\$ 2,017.50</b>
<b>Ackerman-Estvold</b>	<b>(Administration)</b>	<b>\$ 11,970.77</b>
	<b>(USACE Feasibility Study)</b>	<b>\$ 4,875.00</b>



Scherbenske Inc.	(MI-2A Construction Perket)	\$172,895.99
Xcel Energy	(Utility Relocate)	\$ 10,591.22
MDU	(Utility Relocate)	\$ 14,806.14
NDWUA	(Annual Membership Dues)	\$ 5,000.00
NDWC	(Annual Membership Dues)	\$ 1,000.00
NFIP	(Conditional Letter of Map Revision)	\$ 7,250.00
HDR	(IEPR)	\$ 6,734.76
<b>TOTAL</b>		<b>\$871,068.82</b>

After discussion, it was moved by Clif Issendorf, seconded by Roger Sauer, that the invoices be approved. The motion was unanimously approved by roll call vote. Ryan Ackerman explained that the following invoices were not reimbursable from the State Water Commission and City of Minot.

Houston Engineering	(SWIF – Outfall Pipes)	\$ 4,102.00
	(SWIF – Outfall Pipes)	\$ 2,017.50
Ackerman-Estvold	(Administration)	\$ 11,970.77
NDWUA	(Annual Membership Dues)	\$ 5,000.00
NDWC	(Annual Membership Dues)	\$ 1,000.00

Chairman Ashley called upon Jerry Bents to provide an explanation of the National Flood Insurance Program invoice. Bents explained that the invoice for \$7,250.00 was for a permit application to FEMA. Bents explained that this was a standard fee for reviewing the technical information as part of the permit application.

Chairman Ashley called up Emily Huettl to provide an update on the STARR program. Huettl stated that five acquisition offers have been made. Huettl stated that two of those should have closings within the next month. Huettl stated there are four additional outstanding acquisition offers that are pending. Huettl stated that the second request to the Ward County Commission would be the next week, to make sure that the Ward County Commission would approve accepting the proposed land acquisitions in Ward County. Upon approval by the Ward County Commission, additional offers would be made. Huettl stated that prior to the Joint Board Meeting in February, there should be an additional 10-15 acquisition offers made. Huettl stated that two appeals had been submitted, and it is anticipated that additional appeals will be submitted, therefore requiring the appeals committee to meet prior to the next board meeting. Huettl stated that after spring snowmelt, demolitions could take place; properties could be offered for re-sale, and that ring-dike construction could also go forward.

Chairman Ashley called upon Ryan Ackerman to provide an update on the feasibility study. Ackerman stated that the Corps of Engineers was working towards the alternatives milestone, which identifies the various alternatives that would be considered as part of the feasibility study. Ackerman stated that the



alternatives milestone was anticipated to be concluded by the end of January. Ackerman further stated that once alternatives have been identified, concurrence from the vertical team, which is the division and headquarters of the Corps of Engineers, must be obtained. Following such concurrence, the alternatives are analyzed. The next milestone is the selection of the alternative to be considered, which is anticipated to be in August, 2017. Ackerman stated that the feasibility study indicated that a structural component in the City of Minot, tentatively the Maple Diversion, could be a federal component. Ackerman further stated that the Corps is looking at alternatives outside the City of Minot, specifically those reaches in the basin that already have a federal component.

Chairman Ashley called upon Jerry Bents to provide an update on Phase MI-1 (4<sup>th</sup> Avenue Floodwall). Bents stated that the design phase has been completed and is being reviewed by the Corps of Engineers, and that Houston continues to provide support for the Environmental Impact Statement pending the design review. Bents further stated that Houston is working on the permit applications, including the FEMA application referenced earlier and the Section 404 application. Bents further stated that they are working on a storm water study for the project area within the City of Minot, and that they have been engaged in a utility relocation planning effort, to identify all of the utility relocations that will be required as part of the project. Bents stated that the master plan for utility relocations was being delivered on January 12, 2017. Chairman Ashley then called on Jason Westbrook of Barr Engineering to provide an update on Phases MI-2 (Napa Valley), MI-3 (Forest Road), and BU-1 (Burlington) of the project. Westbrook stated that the completed plan for Phases 2 and 3 had been submitted to the St. Paul Corps of Engineers, and were ready to be transmitted to the division level. Westbrook stated that they received concurrence from the Department of Transportation that they would not be required to place sheet piling in the 83 embankment, saving about \$500,000.00. Westbrook stated that Barr had also been working on permit applications and the environmental impact statement. Westbrook stated that it is likely there would be a second comment period for the revised draft environmental impact statement. Dan Jonasson stated that they did receive concurrence from the third party Independent External Peer Review on the design of Phases 1-3, and that report had also been submitted to the Corps of Engineers.

Chairman Ashley requested a report on Burlington, and Westbrook reported that the geo-technical investigations were underway, along with the field surveys and interior drainage evaluations.

Chairman Ashley called upon Ryan Ackerman to review the MI-2A change order #2 and the MI-2A change order #3. Ackerman explained that the change order request #2 for Phase MI-2A Perkett Ditch improvements was due to an incorrect penmanship interpretation in the bidding document. It was moved by Dan Jonasson, seconded by Roger Sauer, that the total bid price in the amount of \$2,969,919.10 be approved. The motion was unanimously approved by roll call vote.

Ryan Ackerman explained that change order #3 was due to the discovery of some buried treasure (fence and debris) for the Perkett Ditch improvements. During the excavation, there was the discovery of fence, concrete, and other items that added cost and time to the contract. Ackerman explained that a work change directive had been issued in order to keep the contractor moving in spite of the changed circumstances. Ackerman further explained that the Department of Transportation had requested that



the contractors stockpile the fencing for the project, and some other changes. It was recommended that the contract be increased by the amount of \$10,222.39, and that an additional ten days be added to the contract. Ackerman reported that a field decision had also been made to remove the guard rail due to some soil conditions. Ackerman explained that when additional work is outside the scope of the contract, a detailed accounting is required. Ackerman reported that the entire project would still come under budget. It was moved by Dan Jonasson, seconded by Roger Sauer, that the recommendation be approved. The motion was unanimously approved by roll call vote.

Chairman Ashley distributed a report from Jack Dwyer providing an update on the Utility Relocation Agreements. The report is Attachment B. No action was taken.

The Joint Board considered modifications to the Mouse River Enhanced Flood Control Project. Dan Jonasson explained that modifications were being proposed for three areas, in connection with the NDRC. The modifications are identified as follows;

1. Buy-out Area 1-East of water treatment plant, also known as the Moose Lodge Area.
2. Buy-out Area 2-Leite-Brekke Subdivision, just west of the Souris River Golf Course.
3. Buy-out Area-4-Just east of Third Street, in the kemper construction area.

Dave Ashley expressed caution concerning these modifications, and recommended no action at this time. Chairman Ashley indicated action would be required in the near future. Ryan Ackerman explained that instead of being placed behind levies, these neighborhoods would be bought out. Ackerman further explained that these alternatives or modifications would have to be considered in the environmental impact statement. Dan Jonasson explained that the City of Minot had acted on these modifications, and is requesting action by the Joint Board.

Ryan Ackerman reported on the legislative hearings for the Souris River Flood Control Project. Testimony from the Souris River Joint Resource Board is Attachment C.

Mike Dwyer distributed the budget report for January-December, 2016, Dwyer stated this did not include the payments or reimbursement for December, 2016, and that a report for all income and expenses for 2016 would be provided at the next meeting.

Ryan Ackerman reviewed the snow water content at various locations in the Souris River Basin.

Dan Jonasson stated that the International Souris River Board of Control Meeting would be February 22 and 23 in Regina, Saskatchewan.

There being no further business the meeting was adjourned.

---

Michael Dwyer  
Legal Counsel





Sign In →

A.

Dusty Zimmerman

Ackerman-Estrahl

Josh Wolstey

The Minot Voice.com

Tom Bodine

ND Ag Department

Ryan Ackerman

Norm McCloud

Sen. Heitkamp

Stacy Weppler

Ward County

SHANNON STRAIGHT

CITY OF MINOT

DAVE SCHWENGLER

HOUSTON ENGINEERING

Amanda Schooling  
Emily Huettl

Ward County EM  
Ackerman-Estrahl

Julie Eisenbraun

Ward County EM

Dave Ashley

SA JB

Kris Weber

Ward County EM

Mike Dwyer

Services TR Bd

Chris Owen

City of Minot

Roger Sauer

SRTB/Renault Co WRD

DAN TOMASSON

City of Minot / SRTB

Jason Westbrook

Barr

Clifford Assendorf

BCWRB

JERRY BENTS

HOUSTON ENGINEERING

5

2000

Handwritten text at the bottom left, possibly a signature or date.

Handwritten text at the bottom right, possibly a signature or date.



B.

12

---

**From:** Jack Dwyer <Jack@ndwaterlaw.com>  
**Sent:** Thursday, January 12, 2017 12:05 PM  
**To:** Clif Issendorf; Dan Jonasson; Dave Ashley; Roger Sauer; Tom Klein  
**Cc:** Ryan Ackerman; Emily Huettl; Mike Dwyer  
**Subject:** Utility Relocation Agreement Update  
**Attachments:** Minot Addendum No. 2 to Sub-Agreement Joint Board 11-30-2016.pdf; Executed Sub Agreement Minot SRJB 1-7-2014.pdf

Dear Board:

This email is written with the intention of providing you with an update on the Utility Relocation Agreements (URAs) that we are negotiating with MDU, SRT Communications, Midcontinent Communications, and XCEL Energy.

The draft URA was provided to the design consultants (Ackerman, Barr, and Houston) and Kelly Hendershot, legal counsel for the City of Minot, for review in mid-September. After comments were received and incorporated into the draft URA from our design consultants and from the City of Minot, the draft URA was provided to the four utility companies on October 24, 2016. We received comments and proposed revisions from MDU on November 14, 2016; Midcontinent Communications on December 1, 2016; XCEL Energy on December 5, 2016; and SRT Communications on December 28, 2016.

I discussed the comments and proposed revisions that were requested by the utility companies with Dave Ashley and Ryan Ackerman on January 5, 2016. During our discussion, we discussed that a majority of the revisions requested by the four utility companies were acceptable, but a few of the revisions were problematic for the Joint Board. During our discussion, I was instructed to finalize the URAs by accepting or rejecting the utility companies' proposed revisions and to submit the proposed final versions to the four utility companies for review. I will submit the proposed final versions to the four utility companies by January 13, 2017.

One issue that needs to be resolved is an amendment to the Sub-Agreement between the Joint Board and the City of Minot that was requested by the City of Minot. Initially, Kelly Hendershot indicated that the City of Minot should be named as a party to the URAs. Instead, we discussed amending our Sub-Agreement to allow the Joint Board to approve utility relocations, but only after receiving written authorization by the City Engineer or the City Public Works Director, and omitting the City of Minot as a party to the URAs. A draft version of Addendum No. 2 to the Sub-Agreement (and the original executed Sub-agreement) is attached for your review.

Recommended Action: No action is required at this time. I anticipate having final URAs and a final Addendum No. 2 to the Sub-Agreement for approval at the February board meeting. The Joint Board has been authorizing utility work in accordance with Joint Board's utility relocation policy. I recommend that the Joint Board continue to do so. In addition, I recommend that the Joint Board approve invoices and pay requests for utility work performed under an approved work order authorizing utility work. I am confident that we will wrap up these written URAs in the near future. Please note that all four of the utility companies have indicated that the 50/50 cost share identified in the Joint Board's utility relocation policy is acceptable.

Thank you,

*Jack Dwyer, Attorney at Law*

January 7, 2014

**SUB-AGREEMENT BETWEEN THE  
SOURIS RIVER JOINT WATER RESOURCE BOARD  
AND THE CITY OF MINOT**

**FOR THE MOUSE RIVER ENHANCED FLOOD PROTECTION PROJECT**

THIS AGREEMENT is between the Souris River Joint Water Resource Board (hereinafter called the "Joint Board"), and the City of Minot (hereinafter called the City).

**I. INTRODUCTION.**

In June 2011, the Mouse River Valley experienced a massive flood that caused extensive damage in the communities of Burlington and Minot, the Mouse River Park, surrounding subdivisions, and rural areas throughout the entire basin, including areas in Renville, Ward, McHenry and Bottineau Counties. Following this event, the Joint Board approached the State Water Commission and requested assistance in developing a project that would protect the residents of the valley from an event of similar magnitude. A high priority was placed on formulating a general outline of the project in order to provide the information to residents of the communities who were trying to make decisions regarding the disposition of damaged and destroyed homes.

Subsequently, the State Water Commission took action and initiated the Mouse River Enhanced Flood Protection Project (Project). The engineering team of Barr Engineering, Ackerman/Esvold Engineers, Moore Engineering, and CPS Engineers was selected with the Joint Board's participation, and they began work immediately under an engineering agreement with the State Water Commission. On November 3, 2011, a preliminary alignment was delivered and presented. Modifications based on input were incorporated, and a Preliminary Engineering Report (PER) was delivered on February 29, 2012. This work is Phase I.

**II. LOCAL COOPERATION AND SPONSORSHIP.**

In July 2012, the Joint Board entered into a memorandum of Understanding to set forth the terms and conditions for the Joint Board to provide local cooperation and sponsorship of the Project, to develop a cooperative partnership for current and future flood recovery and flood protection efforts and projects between the Commission and the Joint Board, and to set forth a phasing plan for flood recovery and flood protection efforts. In order to establish an appropriate local governmental entity for the purpose and reasons stated above, the Water Resource Boards of the counties of Renville, Ward, McHenry and Bottineau entered into (and later amended) a Joint Powers Agreement as authorized under Chapter 61-16.1 of the North Dakota Century Code and thereby created the Souris River Joint Water Resource Board (Joint Board).

The Joint Board has the statutory authority to furnish the local cooperation requirements and serve as the local sponsor for the Mouse River Flood Control Project. The City has the necessary authority to enter into an agreement with the Joint Board, and

C.

**Testimony of Souris River Joint Water Resources Board**

**House Appropriations Committee – Education and Environment Division**

**House Bills 1020/1080**

January 10, 2017

---

Good morning, Mr. Chairman. My name is Ryan Ackerman. I am the administrator of the Souris River Joint Water Resource Board, the local sponsor of the Mouse River Enhanced Flood Protection Project, also known as the Mouse River Plan.

We have distributed a document that summarizes the impacts that the Mouse River has had on the basin since 2011, the actions that have been taken to date to mitigate those impacts, a discussion on the pursuit of federal funding for the project, and a synopsis of the anticipated expenditures for the remainder of the current biennium and also the upcoming biennium.

To begin, the Souris River Joint Board is a multi-jurisdictional entity that has representation from each of the four counties along the Mouse River in North Dakota along with a fifth representative from the City of Minot. Our Minot representative, Dan Jonasson, is also in attendance today.

Our mission is to reduce flood risk throughout the basin, including the communities of Minot, Burlington, Sawyer, and Velva, and rural developments, farms and ranches. Our vision is holistic, with an emphasis on building levees and floodwalls for the benefit of the urban areas and managing reservoir operations for the benefit of the rural reaches along the river.

Since the 2011 flood, the Souris River Joint Board has sustained this basin-wide mantra in its quest for solutions to flooding problems that have caused in excess of a billion dollars of damage in the last decade alone. As a result, there has been no organized opposition to the project. There are stakeholder groups with differing views, but those groups have all come to the table to constructively identify solutions for the betterment of the entire basin.

The Mouse River Plan started as a State Water Commission initiative in the wake of the 2011 flood. After the development of the initial master plans for the project, control was transitioned to the local sponsor, the Souris River Joint Board. The local funding for the project is being provided primarily by the City of Minot, through collection of a 0.5% sales tax, with additional contributions coming from all four counties throughout the basin. When fully implemented, the urban and rural components of the plan are estimated to cost approximately \$1 billion, as illustrated on the second and third pages of the handout.

The billion dollar economic hit that the basin took as a result of floods in 2009 and 2011 are being further compounded by FEMA's ongoing initiative to update Flood Insurance Rate Maps in Ward County. Through FEMA's process, the 100-year flow rate for the Mouse River is expected to double from 5,000 to 10,000 cubic feet per second. The corresponding regulatory floodplain that is currently within the banks of the river will expand to encompass thousands of homes. The economic impact of this move by

FEMA will be staggering. An approximate indication of this future regulatory floodplain for one small reach of the basin in western Minot is shown on the top of Page 4.

I'll offer an example in an attempt to illustrate the economic impact of the flood and flood insurance to local residents.

There is a family of seven that lives in central Minot within the floodplain near the Arrowhead Shopping Center. Their home is located underneath the arrowhead related to the 'Forest Road Levee' label in the map at the top of Page 4. This family purchased their home for \$220,000 in 2010. Their mortgage amount was \$200,000. When the 2011 flood occurred, their home experienced water nearly up to the eaves and the total damage was approximately \$150,000. They did receive a grant for individual assistance from FEMA for approximately \$30,000. There was no place to go following the flood, so they chose to rebuild their home using the \$30,000 FEMA individual assistance grant combined with \$120,000 in additional loans through SBA.

Once rebuilt, they had approximately \$320,000 of outstanding debt for a home valued at \$220,000 prior to the flood. That is also before the revised Flood Insurance Rate Maps. Based on FEMA's preliminary figures and the location of their home, their annual flood insurance premium will be approximately \$12,000 once the rates become actuarial. The payment of this premium will be mandated by their lenders. To put this into perspective \$12,000 per year as a 30-year mortgage payment will get you a home worth about \$225,000.

The economic impact of flood insurance is likely to devalue their property by \$100,000 or more. So, this family will have in excess of \$300,000 in outstanding debt for a home valued at around \$100,000.

This is a real example of the crippling impacts that Mouse River flooding will continue to have on the residents of this basin until flood protection is in place. And this story is not unique. There are thousands of people with similar stories.

Our implementation approach is intended to remove as many people from the proposed regulatory floodplain as quickly as possible. The top map on Page 4 illustrates work that is currently ongoing as well as work that is planned in the next biennium, subject to funding. Floodwalls around Minot's water treatment plant will be complete by next summer. The design of the Napa Valley levee, Forest Road levee and 4th Avenue floodwall is complete. Permits are being secured and we anticipate going out to bid for those phases of the project once funding is available, hopefully early in the next biennium.

These initial phases are focused on the western portion of Minot, where we can pull approximately 60% of the homes in Minot out of the regulatory floodplain once the connecting link between these phases, the Maple Diversion, and high ground tiebacks on the upstream side at Tierrecita Vallejo and on the downstream side along 4<sup>th</sup> Avenue northeast are constructed. These future phases are shown in the middle map on Page 4.

As mentioned, following construction of these phases, we will reach an interim milestone where we can pull approximately 60% of the homes within the valley in Minot out of the regulatory floodplain and ease that flood insurance burden for those homeowners. The interim floodplain is depicted in the bottom map on Page 4.

We have been actively working to secure federal funding for the project since 2011. The US Army Corps of Engineers was previously prohibited from issuing a new start for the Mouse River project, but that prohibition on new projects was lifted in 2014 and we worked with the Congressional Delegation to secure a new start from the US Army Corps of Engineers for the project. In May 2016, the Souris River Joint Board and the Corps of Engineers signed a Feasibility Cost Share Agreement, which launched a three-year study of the basin by the Corps of Engineers to determine if there is a federal interest in all or a portion of the project.

We are approximately 8 months into the Feasibility Study with the Corps of Engineers. Based on what we know today, it appears that there may be a federal interest in the Maple Diversion and other components of the plan. We are being very strategic in our discussions and decisions with the US Army Corps of Engineers to maximize the potential for federal funding for the project. One recent significant achievement was gaining concurrence from the Corps of Engineers that the Napa Valley levees, Forest Road levees and 4<sup>th</sup> Avenue floodwalls will be recognized as part of their future without project condition. This means that the Corps of Engineers will consider these features to be constructed prior to their involvement, and that the cost of constructing these features will not be included in the calculation of the federal benefit-cost ratio. This is a significant benefit to the residents, the local sponsor and the State of North Dakota, provided the investments are made by the local and state governments to get these phases under construction next summer. Without constructing these phases, the likelihood of securing federal funding for the project decreases significantly.

The back page of the document is intended to answer three questions:

- (1) Which activities will the remaining current appropriation be used to accomplish?
- (2) Which project needs are included within the biennial budget of \$127 million identified in the Water Commission's State Water Plan?
- (3) Which project needs could be accomplished within the constraints of the biennial executive budget of \$70 million?

The top table on the back page lists the activities that will consume the remaining state appropriation of \$20.8 million. The construction projects listed are actually separable elements of the Napa Valley levee and 4<sup>th</sup> Avenue floodwalls segments of the project.

The middle table lists the needs that we have identified for the upcoming biennium, their associated costs, and when we would anticipate obligating those funds. The construction activities listed are for projects for which the design is either complete or currently ongoing. The design of several segments is also included within the overall budget of \$191 million so that additional phases would be shovel-ready for the 2019-2021 biennium. The needs identified correspond to a request from the State for \$127 million. This corresponds to what is listed on Page 18 within the Water Development Report that Mr. Erbele presented to the full House Appropriations Committee last Friday.

The executive budget includes \$70 million related to Mouse River activities. Should this be the appropriation level for the project, it would be used for construction of the Napa Valley levees, Forest Road levees and 4<sup>th</sup> Avenue floodwalls in Minot as well as continuing acquisitions until the point where the funds are exhausted. This is illustrated in the bottom table on the back page.

We understand the struggles with funding and do not envy the work that this committee and the Legislature will have to do over the next few months to establish these appropriations. Project momentum would be negatively impacted, as design and acquisition activities would be limited. Getting as much of this project built as possible within the next biennium will be critical in securing a future federal appropriation for the project.

We sincerely thank the Legislature, the Governor, the State Engineer and the State Water Commission for collective support over the past five and a half years as the basin continues to recover from the 2011 flood.

Subject to your questions, that concludes my briefing.





**Souris River Joint Board**  
**2016 Budget Report**  
 January through December 2016

01/12/17  
 Accrual Basis

	Jan - Dec 16	Budget	% of Budget
<b>Income</b>			
4000 · Water Resource Districts			
4001 · Renville	0.00	0.00	0.0%
4002 · Ward	0.00	0.00	0.0%
4003 · McHenry	0.00	0.00	0.0%
4004 · Bottineau	0.00	0.00	0.0%
<b>Total 4000 · Water Resource Districts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
4010 · Contracts/Reimbursements			
4011 · ND SWC (Minot Pro. Engineering)	4,514,231.00	0.00	100.0%
4012 · ND SWC (Souris JB)	0.00	105,000.00	0.0%
4013 · ND SWC (NDIRF)	0.00	0.00	0.0%
4014 · ND SWC (214)	75,000.00	0.00	100.0%
4015 · ND SWC (StARR)	64,807.00	0.00	100.0%
4016 · ND SWC (COE-FS)	273,428.00	0.00	100.0%
4018 · ND SWC (Misc)	0.00	0.00	0.0%
<b>Total 4010 · Contracts/Reimbursements</b>	<b>4,927,466.00</b>	<b>105,000.00</b>	<b>4,692.8%</b>
4020 · City Cost Sharing			
4021 · City of Minot (Minot Proj)	3,102,448.15	0.00	100.0%
4022 · Minot (214)	25,000.00	0.00	100.0%
4023 · Minot (StARR)	43,204.51	0.00	100.0%
4024 · Minot (COE - FS)	273,427.95	0.00	100.0%
4027 · Velva	0.00	0.00	0.0%
4028 · Burlington	0.00	0.00	0.0%
<b>Total 4020 · City Cost Sharing</b>	<b>3,444,080.61</b>	<b>0.00</b>	<b>100.0%</b>
4040 · Mill Levies/Property Taxes			
4041 · Renville	40,000.00	30,000.00	133.3%
4042 · Ward	204,218.55	200,000.00	102.1%
4043 · McHenry	21,993.75	0.00	100.0%
4044 · Bottineau	75,000.00	100,000.00	75.0%
<b>Total 4040 · Mill Levies/Property Taxes</b>	<b>341,212.30</b>	<b>330,000.00</b>	<b>103.4%</b>
4050 · Construction Revenue (SWC)			
4051 · NDSWC (Minot Proj Const.)	988,075.00	0.00	100.0%
<b>Total 4050 · Construction Revenue (SWC)</b>	<b>988,075.00</b>	<b>0.00</b>	<b>100.0%</b>
4060 · Constr. Revenue (City of Minot)			
4061 · Minot (Minot Proj Construction)	663,065.53	0.00	100.0%
<b>Total 4060 · Constr. Revenue (City of Minot)</b>	<b>663,065.53</b>	<b>0.00</b>	<b>100.0%</b>
4080 · Interest	0.00	0.00	0.0%
4090 · Miscellaneous	13.00	0.00	100.0%
<b>Total Income</b>	<b>10,363,912.44</b>	<b>435,000.00</b>	<b>2,382.5%</b>
<b>Expense</b>			
5000 · Staff Services			
5010 · Project Manager	0.00	48,000.00	0.0%
5011 · Administrative	0.00	10,000.00	0.0%
<b>Total 5000 · Staff Services</b>	<b>0.00</b>	<b>58,000.00</b>	<b>0.0%</b>
5100 · Consulting Services			
5110 · Legal (General)	0.00	0.00	0.0%



## Souris River Joint Board

## 2016 Budget Report

January through December 2016

01/12/17

Accrual Basis

	Jan - Dec 16	Budget	% of Budget
5111 · Legal (Souris JB)	68,985.45	40,000.00	172.5%
5130 · Eng. (Minot Proj.)	7,547,282.02	0.00	100.0%
5131 · Admin/Coordination (Souris JB)	148,410.91	65,000.00	228.3%
5132 · Engineering (General)	241,621.35	0.00	100.0%
<b>Total 5100 · Consulting Services</b>	<b>8,006,299.73</b>	<b>105,000.00</b>	<b>7,625.0%</b>
5140 · Construction			
5141 · Construction (City Projects)	1,728,626.93	0.00	100.0%
<b>Total 5140 · Construction</b>	<b>1,728,626.93</b>	<b>0.00</b>	<b>100.0%</b>
5150 · Corps of Engineers			
5151 · 214 MOA	100,000.00	0.00	100.0%
5152 · Feasibility Study	500,000.00	0.00	100.0%
<b>Total 5150 · Corps of Engineers</b>	<b>600,000.00</b>	<b>0.00</b>	<b>100.0%</b>
5200 · Office Expenses			
5205 · Postage	0.00	1,000.00	0.0%
5210 · Copying & Printing	0.00	2,000.00	0.0%
5215 · Dues & Subscriptions	6,000.00	1,000.00	600.0%
5220 · Equipment	0.00	0.00	0.0%
5225 · Insurance	6,553.00	0.00	100.0%
5230 · Rent	0.00	0.00	0.0%
5235 · Supplies	0.00	1,500.00	0.0%
5240 · Telephone	0.00	0.00	0.0%
5245 · Miscellaneous	0.00	500.00	0.0%
<b>Total 5200 · Office Expenses</b>	<b>12,553.00</b>	<b>6,000.00</b>	<b>209.2%</b>
5300 · Other Expenses			
5310 · ND Water Coalition	0.00	1,000.00	0.0%
5320 · Travel	0.00	10,000.00	0.0%
5330 · Meeting Expenses	0.00	5,000.00	0.0%
5335 · Audit/Insurance	0.00	2,500.00	0.0%
5340 · Miscellaneous	0.00	2,000.00	0.0%
<b>Total 5300 · Other Expenses</b>	<b>0.00</b>	<b>20,500.00</b>	<b>0.0%</b>
5400 · Projects			
5410 · Renville County	0.00	0.00	0.0%
5420 · Ward County	0.00	0.00	0.0%
5430 · McHenry County	0.00	0.00	0.0%
5440 · Bottineau County	0.00	0.00	0.0%
5450 · Minot	0.00	0.00	0.0%
5460 · Velva	0.00	0.00	0.0%
5465 · Burlington	0.00	0.00	0.0%
5475 · Other	19,000.00	0.00	100.0%
<b>Total 5400 · Projects</b>	<b>19,000.00</b>	<b>0.00</b>	<b>100.0%</b>
<b>Total Expense</b>	<b>10,366,479.66</b>	<b>189,500.00</b>	<b>5,470.4%</b>
<b>Net Income</b>	<b>-2,567.22</b>	<b>245,500.00</b>	<b>-1.0%</b>

