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YES or NO?

Minot voters to decide on use of tax for community bowl

By JILL SCHRAMM, Staff Writer



A reservoir tank west of Minot, shown May 28, was completed this spring for the Northwest Area Water Supply project as part of installing a waterline from Minot to Berthold.



A billboard placed by the NAWS Only Committee along South Broadway urges Minot residents to vote "no" on Measure 2.



Rod Romine, chairman of the Community Bowl Committee, speaks at a news conference in support of Measure 2 on May 15. Organization representatives showing support are, from left, John MacMartin, Minot Area Chamber of Commerce; Maynard Sandberg, member of the Community Bowl Committee; Jeremy Zarr, Junior Golf Association; and Dale Christensen, Minot Soccer Association.

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Minot voters will go to the polls June 10 to decide whether the funding method should include redirecting half of the 1 percent sales tax for the Northwest Area Water Supply project to a community bowl for three years. Supporters say the temporary diversion provides a painless way for taxpayers to finance a community bowl while allowing the water project to proceed on schedule. Opponents aren't convinced that NAWS won't be delayed and say the diversion would violate the trust of rural residents who supported the sales tax for the water project.

Much of the talk surrounding the measure has not been about a community bowl, which even many opponents of the ballot measure say they support. The talk has been about water. "Bringing a safe and reliable supply of water to northwest North Dakota is one of the most important initiatives ever undertaken in this part of our state. It is critical and important if we are to enhance growth, economic development and quality of life for our region," said Ron Kramer, Ward County Farmers Union president. "The NAWS tax should be used for NAWS only and for no other purpose until the NAWS project is complete and water is flowing to Minot and the surrounding communities. That is how the NAWS tax was presented and passed. That is the promise that was made."

Kramer made his remarks at a news conference May 16 when the Farmers Union announced it was joining with the Ward County Farm Bureau to form the NAWS Only Committee to campaign against the ballot measure. "The NAWS project is too important to divert funding for any other purpose," Farm Bureau president Dan Deaver of Berthold said at that time. "With the oil boom now, we need this water more than ever and we need to accelerate, not slow down the NAWS project."

The Community Bowl Committee, which investigated the feasibility of a community bowl and proposed the measure, has argued that NAWS isn't an issue because the project won't be affected by the tax change. It has used information from the State Water Commission and city to back its claims. "Our numbers indicate that sales tax can adequately fund both of these important projects," said Alan Walter, Minot public works director. The tax raised \$6.6 million in 2007.

Kramer called the measure a tax increase because it draws more than \$9 million extra out of taxpayers and extends the time that the NAWS tax needs to be in place. The tax expires when the city finance director determines adequate local funds are available to finish the project. Kramer also said the measure is premature. Before voters can evaluate the proposal, there must be plans and realistic cost estimates, he said.

The Community Bowl Committee, appointed by Minot's mayor, has no funding. Consequently, it has not hired an architect, which would be necessary to determine costs. Hiring an architect would be one of the first steps if the measure passes, according to committee chairman Rod Romine. The committee has presented the community with a sketch of what the bowl could look like. The Community Bowl Committee is proposing a capital drive to raise about \$2 million to augment money generated from the sales tax. Romine said a capital drive as a sole method of financing wouldn't be feasible. "It would be very difficult to raise that kind of money privately. It would be a long, long process," he said.

Rick Hedberg, who serves on the Community Bowl Committee, said the committee proposed using the NAWS tax to fund bowl construction only after being assured that there would be no harm to the water project. "First and foremost, the thing that stood out is we knew it wasn't going to affect the water project at all as far as slowing it down or delaying anything, and we have assurance from folks close to that on the state level and locally," he said. "The last thing we want to do is affect that important project, and it's not going to do that." The NAWS account currently has about a \$25 million dollar surplus.

A NAWS report in February projected a need for \$35 million in local funds through 2013. However, to keep the project on track would involve advancing about another \$20 million that would be paid back with federal dollars.

Ward County Commissioner John Fjeldahl, who has supported the NAWS Only Committee, said NAWS needs the flexibility that reserve funds can supply. He opposes Measure 2 because it would cut into the money available for advance funding while waiting

#### What is Measure 2?

The ballot wording of Measure 2 is as follows: "Shall an initiated ordinance relating to amending ordinance 3560 (the 1 percent Municipal Water Supply Improvement Sales Tax) to fund the design and construction of the Minot Area Community Bowl project be adopted? Funding for the project would be provided by using one-half of the existing 1 percent municipal water supply improvements sales tax for a period of three years from July 1, 2008, to June 30, 2011. The use of the existing municipal water supply improvements sales tax will not delay or interfere with the completion of any current area water project." A "yes" vote authorizes the city to fund the design and construction of a community bowl using the existing sales tax. A "no" vote would prohibit the city from funding the community bowl using the existing sales tax. The Community Bowl Committee drafted the initiated measure with the help of an attorney, and the city attorney approved the ballot language. The wording in the original measure that established the tax for the Northwest Area Water Supply project used the term Municipal Water Supply Improvement Sales Tax. That accounts for the wording in city ordinance and in Measure 2. Construction of an \$11 million community bowl in Minot hinges on finding a way to pay for it.

for federal dollars. The Ward County Commission and North Prairie Rural Water District members have passed resolutions opposing Measure 2.

The City of Minot has advanced NAWS funds previously to be able to have money on the table when letting project bids. Federal money always has arrived in time to actually pay when the bills came due. Last February's cost estimates for NAWS construction, estimated at nearly \$175 million, didn't include a possible water treatment plant near Max. The U.S. Bureau of Reclamation is considering different treatment options as it prepares to finish an Environmental Impact Statement by late fall. Costs of the various alternatives range from \$8 million to \$90 million.

The federal government would be obligated to fund 100 percent of a new water treatment plant if needed to comply with a federal treaty. Depending on the amount of federal money coming to the state for water projects, it may take several annual appropriations to obtain adequate money for construction. To avoid delay if federal and state dollars aren't immediately available, Minot could consider advancing local money to build a plant.

NAWS officials haven't indicated that a temporary tax diversion now would jeopardize that ability to advance money in the future, but the NAWS Only Committee says that is a possibility. Fjeldahl said NAWS will miss the lost tax money in the near future as it steps up its pipeline construction pace. More towns also could ask to join NAWS, putting pressure on available funding, he said. NAWS has \$33 million in ongoing and new construction that is under way this year. Some of that bill already has been paid.

Project manager Michelle Klose with the North Dakota Water Commission said federal money is available to pay for the current work and construction of a pipeline to Kenmare. NAWS is seeking about \$6 million more in federal funds to continue construction to Mohall next year. In addition, the NAWS Advisory Committee voted Thursday to ask the water commission to add a pipeline near Bottineau to the construction schedule because of an opportunity to work with All Seasons Water Users District to get that line in place at this time.

It's uncertain yet where those extra construction dollars will come from. Klose said there will be a savings in moving the project up on the construction schedule because NAWS will avoid future price inflation. The issue surrounding Measure 2 isn't just about whether NAWS needs the sales tax to pay its bills and stay on schedule, though. Deaver said the NAWS Only Committee objects to the tax diversion on principle. "It's supposed to be for the NAWS project, not a community bowl," he said. "That's the whole point that's being missed."