

EXHIBIT

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DATE 3/3/09

HB 411

Mid-Rivers

TELEPHONE COOPERATIVE, INC.

P.O. Box 280 • 904 C Avenue
 Circle, Montana 59215
 (406) 485-3301 • Fax: (406) 485-2924
www.midrivers.com

March 2, 2009

Montana House of Representatives
 ATTN: Appropriations Committee
 P.O. Box 200400
 Helena, MT 59620-0400

Chairman Sesso and Committee:

RE: SUPPORT for HB 411

Mid-Rivers Communications encourages a positive outcome in passing HB 411 to establish a Flood Damage Mitigation Assistance Program for Montana communities. The cost for preliminary planning and engineering alone is devastating to every entity of the community, from business to individual households across Montana.

Initially, FEMA focused on a few individual communities across Montana. However, the floodplain issue is rapidly spreading, affecting numerous cities and counties across the entire state. Montana has two choices, to address the issue with a state assistance program or not to address the issue by not implementing a state assistance program. There are examples of states that have implemented similar programs and have seen very positive results. There are also examples, which are a reality in Montana, of communities that have chosen to ignore the flood issues resulting in devastating outcomes for those communities and the state. Mid-Rivers Communications strongly encourages Montana Legislators to address the issue by implementing the state assistance program.

Two communities on the forefront of trying to deal with flood issues are Glendive (Dawson County) and Miles City (Custer County), both of which are in the Mid-Rivers service area. While each community is at a different stage in addressing the flood issues, both communities are faced with millions of dollars in infrastructure for flood mitigation and insurance premiums. For example, Miles City is expecting to lose \$1.7 Million per year in flood insurance premiums alone.

Custer County is Montana's 17th largest county with an estimated 11,151 population and home to Miles City. Miles City is the state's 10th largest city with an estimated population of 8,083. The median age is 39.3 years old and 17.1% of the population is over the age of 65 years old. (Source: www.ceic.mt.gov.) Miles City is not only the major commerce hub for a 100-plus square mile region; Miles City is also the transportation hub for the region with accommodating interstate highways, railroad, and airport transport services. In 2006, there was an estimated 466 establishments employing 4,944 individuals that earned an average of \$26,345 per year. Like Glendive, very few of Miles City population are employed and the amount earned is 13.9% less than the state average and 38% less than the national average. Per capita personal income (\$21,726) is also significantly lower than Glendive, Montana, and the United States. (Source: http://www.ourfactsyourfuture.org/admin/unloadedPublications/2356_Dawson_CF07_web.pdf).

Dawson County is Montana's 26th largest county with an estimated 8,624 people, which has dropped by 4.8% from 2000 to 2006. The median age is 44.2 years old and 17.7% of the population is over the age of 65 years

Sam Spawchuk
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old. (Source: www.ceic.mt.gov.) Agriculture continues to be a major asset for the County. In 2006, there was an estimated 339 establishments employing 3,355 individuals that earned an average of \$26,308 per year. Comparatively, Montana's average wage in 2006 was \$30,607 while the National average was \$42,535. Per capita personal income (\$24,714) is also significantly lower than Montana's (\$30,163) and the Nation's (\$35,804). (Source:

http://www.ourfactsyourfuture.org/admin/uploadedPublications/2356_Dawson_CF07_web.pdf).

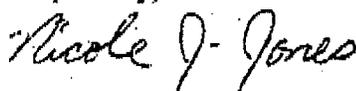
The low income levels and aging population in Dawson and Custer Counties, and the majority of Montana, makes it very difficult for households to afford insurance premiums that accompany homeownership. In one example, a Mid-Rivers' member noted her son was looking at locating in Billings, Yellowstone County. Due to the flood issues Billings is facing, the bank quoted that individual \$4,500 per year or \$375 per month in flood insurance premiums.

Regardless how grim the issue has become, the state and constituents cannot ignore the issue either. Ignoring the issue causes devastation across an entire community, region, and state. Ignoring the issue puts undue burdens upon existing residents and prohibits others from moving to a community, as demonstrated earlier in the family choosing not to move to Billings. Ignoring the issue prevents businesses that are trying to expand or relocate from improving the dilapidated condition of rural communities.

Mid-Rivers Communications has experienced the hard-ships associated with flood plain first-hand while trying to expand facilities in the Glendive area. The plan was to purchase an existing building in the center of town that is vacant with boarded windows. Purchasing this "blight" would improve the site, increasing the value of the building, while meeting the needs of a growing business. However, Mid-Rivers was prohibited from renovating the building from a fast-food kitchen into a business office as a result of the flood plain issues at hand. Much time and money was lost trying to make an improvement to a deteriorating downtown only to find out that flood plain regulations prevented the remodel. As one of the largest employers in Dawson County and 16 additional counties throughout Central and Eastern Montana, Mid-Rivers is directly experiencing the challenges in operating a business when the existing flood plain regulations reject investment.

Mid-Rivers Communications takes community development very seriously, as demonstrated through our commitment in improving the communities served through past and present economic development and helping to secure over \$2.7 Million in grants. The flood plain issue is economic development in its purest form. Without financial assistance from the federal and state governments, local communities are faced with insurmountable costs. While there are some funding programs available through FEMA, the programs typically require up to a 50% match. Without assistance from the state government, local communities will become destitute in trying to meet the cost and rigorous regulations. Mid-Rivers strongly encourages thorough consideration and approval of HB 411 for the future of the constituents in Montana.

Respectfully,



Nicole Jones

Rural Development and Grants Coordinator

Eastern Plains Economic Development Corporation**2745 West Holly Street, Suite C, Sidney, MT 59270****Phone: 406-698-3255****Fax: 406-234-3548**

**An Economic Development District
covering Carter, Dawson, Fallon, Prairie, and
Wibaux counties in eastern Montana**

March 2, 2009**To: Members of House Appropriations Committee
Montana House of Representatives
Helena, Montana****Chairman Sesso & Members of the Committee:**

House Bill 411 represents a step forward with regard to mitigating flood issues facing a great many communities across Montana and I would like to express my strong support in its favor. Flood issues are a road block to economic development that is too significant for small cities and towns to overcome without assistance.

The City of Glendive and Dawson County have been attempting to mitigate flood issues for twenty years with no success. Proposed solutions are far too expensive to be totally absorbed at the local level. Business departures result in vacant buildings within the floodplain and expansion opportunities of existing businesses have been derailed due to regulations directly related to their location in the floodplain.

When we think of infrastructure we traditionally think of things like "streets, water, sewer, schools, and bridges". I would argue that dikes and other flood abatement tools in many instances are as critical as those I outlined above. House Bill 411 is a step toward acknowledging the problem as a significant infrastructure issue within the state and putting a mechanism in place to assist communities, much like is done with water and sewer projects.

Again, as a member of the economic development community, I urge you to support this bill. It is an issue that will stop economic development in its tracks.

Thank you very much for your time.

Sincerely,


**Jason Rittal, Executive Director
Eastern Plains Economic Development Corporation**