



WATER DRAINAGE COMMITTEE

Monday, April 11, 2022
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Larry Luick, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Larry Luick, Kathy Hogan, Ronald Sorvaag; Representatives Dennis Johnson, David Monson, Marvin E. Nelson; Citizen Members Jeff Frith, Clif Issendorf, Richard Johnson*, Sharon Lipsh, Randy Melvin

Members absent: None

Others present: Representative Jim Schmidt, Huff, member of the Legislative Management

See [Appendix A](#) for others present.

**Attended remotely*

It was moved by Senator Sorvaag, seconded by Representative Monson, and carried on a voice vote that the minutes of the February 10, 2022, meeting be approved as distributed.

Ms. Claire Ness, Senior Counsel and Code Revisor, Legislative Council, presented bill draft [23.0024.02000](#). She noted the bill draft unified North Dakota Century Code Chapters 61-21 and 61-16.1 and incorporated the comments committee members provided on bill draft [23.0024.01000](#) during the February 10 meeting.

Committee members discussed each section of the bill draft and provided additional comments for a new revision to be presented at the next meeting.

Ms. Ness presented bill draft [23.0025.02000](#). She noted the bill draft provides a revised process for analyzing costs and benefits in response to the comments committee members provided on bill draft [23.0025.01000](#) during the February 10 meeting.

In response to questions from committee members, Dr. Duane Pool, Natural Resource Economist, Department of Water Resources, noted:

- He will demonstrate the Department of Water Resources economic analysis tool at the next meeting;
- Project planners and engineers do not have to develop special data to utilize the economic analysis tool; and
- Many engineering firms and project sponsors use the economic analysis tool because doing so often is required when seeking a state cost-share from the State Water Commission.

Mr. Jack Dwyer, Executive Secretary, North Dakota Water Resource Districts Association, presented testimony ([Appendix B](#)) regarding the bill drafts presented at the meeting. He noted if the economic analysis tool is mandated, a water resource board could not construct a project with costs that exceed the project's direct benefits. He noted use of the tool should not be required except for controversial projects.

Mr. Michael Anderson, Commissioner, State Water Commission, provided testimony regarding the State Water Commission's policy requiring use of the economic analysis tool by sponsors seeking a state cost-share for water projects costing \$200,000 or more. He noted:

- When the State Water Commission's policy required use of the tool for projects costing more than \$1 million, some projects were submitted to the commission in multiple parts costing just under \$1 million each;
- The \$200,000 threshold was selected because it is consistent with the threshold for requiring public bids;
- The economic analysis tool was designed to be easy and is free to use;
- The data required to use the economic analysis tool are data the project sponsors and engineers have at their disposal; and
- The economic analysis tool is one way the Commission ensures taxpayers do not have to pay more than is necessary for projects.

Mr. Richard Johnson, who is also a member of the State Water Commission, noted he agrees with Mr. Anderson's testimony.

Ms. Jennifer Verleger, Assistant Attorney General, presented a document ([Appendix C](#)) illustrating appeals of water resource boards' decisions.

Mr. Pete Hanebutt, Director of Public Policy, North Dakota Farm Bureau, provided testimony on bill draft [23.0025.02000](#). He noted although the bill draft is not entirely consistent with North Dakota Farm Bureau policy, he supports the work of the committee.

Mr. Bob Banderet provided testimony ([Appendix D](#)) to the committee.

No further business appearing, Chairman Luick adjourned the meeting at 2:30 p.m.

Claire Ness
Senior Counsel and Code Revisor

ATTACH:4