

Testimony of Merri Mooridian, Garrison Diversion Administrative Officer
HB 1020 State Water Commission Budget
Senate Appropriations Committee
Bismarck, North Dakota – March 22, 2021

Hello, Chairman Holmberg and members of the Senate Appropriations Committee. Thank you for this opportunity to testify in support of House Bill 1020, the State Water Commission budget. My name is Merri Mooridian and I am the Administrative Officer for the Garrison Diversion Conservancy District (Garrison Diversion). Garrison Diversion is a cosponsor of the Red River Valley Water Supply Project alongside the Lake Agassiz Water Authority (Lake Agassiz).

I am here to testify today in support of priorities for the Red River Valley Water Supply Project in the State Water Commission's 2021-2023 budget and to share some very exciting news. This major water supply project is now under construction! Work began on the Missouri River intake wetwell in December of 2020, and construction contracts have been awarded for the Sheyenne River discharge structure and an initial pipeline segment.

The Red River Valley Water Supply Project will mitigate the effects of moderate and severe droughts to safeguard water for North Dakota communities and rural water systems. The topic of drought mitigation is very timely, as U.S. Drought Monitor shows 100% of North Dakota is in a drought, with 80% being classified as severe drought, and nearly 17% in extreme drought as of Tuesday, March 16th. Climatologists have predicted we will experience another severe drought by the year 2050.

The Project will provide Missouri River water to central and eastern North Dakota through a buried pipeline. The use of the Missouri River is critical in this project, as 95% of North Dakota's

surface water comes from the Missouri River, and it's important for North Dakota to lay claim to the water that flows through our state before other entities stake their claim.

In 2020, Garrison Diversion and Lake Agassiz made significant advancements on the Red River Valley Water Supply Project, by acquiring the remaining state and federal permits and meeting all the conditions listed in the previous State Water Commission budget bill, Senate Bill 2020. The 2019-2021 State Water Commission budget authorized \$43 million for the Red River Valley Water Supply Project, but due to the Resources Trust Fund shortfall, \$20 million was deferred. Garrison Diversion submitted and received \$19.15 million from the State Water Commission for the construction of critical early out project features and continued final design.

We thank legislators and the State Water Commission for their ongoing support of the Red River Valley Water Supply Project. We ask that you continue that support by including legislative intent in HB 1020 to remove any uncertainty about the Project's future. Ideally, we would like the Project to receive long-term intent to provide peace of mind for the participating water systems and communities. Additionally, we fully support the emergency clause for HB1020, as it's critical that we continue construction on the Missouri River intake and begin Phase 2 early this summer.

With construction underway as of December 2020, we now look ahead to the next phases of the project. Garrison Diversion and Lake Agassiz are requesting \$50 million in the State Water Commission's budget for the upcoming biennium. This level of funding would allow us to continue construction on the Missouri River intake and a segment of transmission pipeline, as well as completing additional land acquisition.

The Project will be shovel ready for \$200 million in construction for 2021-2023, but we are only able to go as far as the users can afford. It is imperative that we maintain affordability for

the Project's participating communities and rural water systems. Garrison Diversion and Lake Agassiz are requesting a long-term, low-interest loan from the State to provide affordable and predictable financing for the local users of the Red River Valley Water Supply Project.

Specifically, we are requesting a 40-year loan term with 2% interest to ensure the smaller communities and rural water systems can gain affordable access to this supplemental water supply that will provide resiliency for our people and our economy. Lake Agassiz passed a resolution requesting a long-term affordable loan, approved by board members from 13 participating cities and rural water systems. The users of the Project need this water to both maintain necessary drinking water levels in the event of a moderate or severe drought, and to sustain the industries that use water.

In addition, a cost-share of 75% state and 25% local is requested for the Red River Valley Water Supply's large users, such as the Cities of Fargo and Grand Forks. For the smaller users, we are asking for an 80% state and 20% local split, to ensure these smaller communities and rural water systems are able to afford to continue their participation in the Project.

Thank you, Chairman Holmberg and members of the Senate Appropriations Committee, for hearing my testimony.