

# North Dakota WATER COALITION

PO Box 2254  
Bismarck, ND 58502  
(701) 223-4330  
FAX (701) 223-4645

Barnes Rural Water District  
Cass County Government  
Cass County Joint Board  
City of Bismarck  
City of Devils Lake  
City of Dickinson  
City of Fargo  
City of Grafton  
City of Grand Forks  
City of Lisbon  
City of Mandan  
City of Minot  
City of Valley City  
City of West Fargo  
City of Williston  
Devils Lake Basin Joint Board  
East Central Regional Water District  
Garrison Diversion Conservancy District  
Lake Agassiz Water Authority  
McLean-Sheridan Rural Water District  
Mercer County Water Resource District  
Missouri River Joint Board  
North Central Regional Water District  
North Dakota Association of Counties  
North Dakota Irrigation Association  
North Dakota Public Finance Authority  
North Dakota Rural Water Systems Association  
North Dakota State Water Commission  
North Dakota Water Resource Districts Association  
North Dakota Water Users Association  
North Dakota Weather Modification Association  
Northeast Regional Water District  
Northwest Area Water Supply  
Red River Joint Water Board  
Souris River Joint Board  
South Central Regional Water District  
Southwest Water Authority  
Stutsman Rural Water District  
Western Area Water Supply

## Senate Appropriations Committee House Bill 1431 Committee Hearing March 31, 2021 Testimony of Ken Royse, ND Water Coalition Chairman

Chairman Holmberg and Members of the Committee:

I am Ken Royse, the chair of the North Dakota Water Coalition. The North Dakota Water Coalition supports House Bill 1431, particularly state funding for water projects with the issuance of infrastructure bonds.

The North Dakota Water Coalition is an organization of water projects and political subdivisions—including water and irrigation districts, regional and rural water systems, flood control projects, and city and state water groups. Included in our membership are the cities of Bismarck, Mandan, Dickinson, Williston, Minot, Grand Forks, Fargo, West Fargo, Devils Lake, Grafton, Lisbon, and Valley City.

Since 1994, our members have worked towards a common interest and goal: to collaborate on identifying and prioritizing construction of water projects with a coordinated voice to the State Water Commission and State Legislature. Our mission is to complete North Dakota's water infrastructure. We appreciate the responsiveness and substantial investment that the state has made in water cost-share funding.

Today, the number and collective scale of the water projects exceeds the revenues anticipated in the Resources Trust Fund, which historically funds water projects. Major water management projects including the Fargo Moorhead Diversion Project, the Mouse River Flood Control Project, the Lower Heart Flood Control Protection, and the Sheyenne River Flood Control Project; combined with the needs of municipal and rural water systems and local water management projects, all compete for these limited resources. All these projects provide health, safety, economic, and social benefits to our State.

The Water Coalition supports HB 1431's bonding proposal to complete the state's long-term intent to support the Fargo Moorhead Diversion Project and the Mouse River Flood Control Project.

The Water Coalition supports the issuance of infrastructure bonds to cover the State's share of major water projects, with bond repayments from Legacy Fund earnings. The additional state funding for these two major projects will reduce the demand on the Resources Trust Fund and allow additional projects to proceed and eliminate expensive project delays.

The Water Coalition also supports the authorization of an infrastructure revolving loan fund which important water projects can access. We appreciate the amendments offered by the Senate Finance and Taxation Committee regarding the infrastructure loan fund. The amendments authorize a maximum interest rate of 2% rather than a stepped-up interest rate from 2% to 5%. We would ask the committee to maintain the amendments offered by the Senate Finance and Taxation committee regarding the interest rate component of the loan fund.

Thank you for this opportunity to offer this testimony, I will respond to any questions.