



March 22, 2021

Chairman Holmberg and members of the Senate Appropriations Committee,

I. Introduction

My name is Joel Paulsen, the Executive Director for the Metro Flood Diversion Authority. HB 1020 is one of several key pieces of legislation this session that are enabling critical water projects across the state. While state funding for the Diversion is provided through the HB 1431 bonding bill, I want to provide you a project update as you consider the State Water Commission budget.

II. Project background

Our Project has three major elements that work together to provide a comprehensive flood protection project. Two are being delivered with a combination of local and state dollars, which are the in-town work in Fargo and Moorhead and the Diversion Channel and its associated infrastructure. The third component, which is being delivered with federal funds by the US Army Corps of Engineers, is the Southern Embankment and its associated infrastructure. Please note that the Authority is also responsible for the acquisition of lands and mitigation required to construct and operate the Project.

In addition to the substantial support we are receiving from the federal government and from dedicated long-term sales taxes approved by the voters of Fargo and Cass County, we appreciate the State of North Dakota for its commitment to a vital share of our overall support. In the last legislative session, \$870 million was the requested total funding commitment of the State of North Dakota. The legislature committed a total of \$750 million in legislative intent to the Project allocated over several bienniums.

We are grateful for the legislature's support this session through the HB 1431 bonding bill, which provides \$435.5M in funding support for the Project. This legislation provides the Project with financial certainty, a real benefit given the urgency and complexity of keeping construction on schedule. Enactment of HB 1431 gives us the financial certainty to complete construction without deferral of any key components, deferrals which would add complexity and cost. This legislation satisfies the full request of the Authority made during the 2019 legislative session while reducing the burden on taxpayers by approximately \$20 million due to the elimination of short-term borrowing and its added expenses, based on our current financial plan and access to the full funding amount in 2021.

In relation to the bill before you, HB 1020, passage of the bonding bill would remove the Diversion from the collection of projects seeking future funding from the Resources Trust Fund, producing a more efficient funding approach both for the Diversion and for the projects that specifically require Resources Trust Fund support.



III. Conclusion

We view the Project's relationship with the legislature as a state-local partnership. This state-local partnership has benefitted from the strong support of the North Dakota legislature and has greatly assisted the Authority in getting the Project underway. The Project is not just "shovel ready", we have had shovels dirty and in the ground for many years and, with your greatly appreciated help, we have invested over \$600 million of State and local dollars in the Project to date.

Thank you for your support and consideration, and I'm happy to stand for any questions the committee might have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joel Paulsen'.

Joel Paulsen
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