

**Testimony of Dr. Tim Mahoney,  
Lake Agassiz Water Authority Chairman & Fargo Mayor  
House Bill 1425 – Invest in North Dakota  
Senate Finance & Taxation Committee  
Bismarck, North Dakota – March 10, 2021**

Hello, my name is Dr. Tim Mahoney and I am the Chairman of the Lake Agassiz Water Authority (Lake Agassiz) and Mayor of Fargo. Lake Agassiz is a cosponsor of the Red River Valley Water Supply Project along with the Garrison Diversion Conservancy District (Garrison Diversion). This testimony is submitted in support of House Bill 1425, the Legacy Infrastructure Revolving Loan Fund.

Lake Agassiz strongly supports HB 1425, because it prioritizes critical infrastructure such as the Red River Valley Water Supply Project. The Project will provide climate resiliency and protect nearly half the State of North Dakota from the health and economic threats of drought for this generation and beyond.

Thirty-five cities and rural water systems signed up for the development portion of the Red River Valley Water Supply Project. Construction kicked off in December 2020. When it is complete, the Project will deliver water from the Missouri River to central and eastern North Dakota via a buried pipeline.

This Project is a plan to safeguard water for North Dakota communities and rural water systems in times of moderate and severe droughts. A 10-year drought similar to the 1930s Dust Bowl would have a \$27 billion impact on the entire state of North Dakota. Even a moderate drought like the 1980s would have more than a one-billion-dollar impact.

**AFFORDABILITY IS KEY**

In order for all LAWA member systems to continue to participate, the Project must be affordable. Currently, HB 1425 states that the maximum term of a loan is the lesser of thirty years or the useful life of the project. Lake Agassiz respectfully requests clarification that the

Red River Valley Water Supply Project be eligible for a 40-year loan under House Bill 1425,. The Project's useful life will certainly extend well past the requested 40-year loan term.

Furthermore, a two percent, 40-year loan would make the project more accessible to the smaller water systems and cities. The drought resilience of nearly half the State of North Dakota is truly dependent on the affordability of this Project.

Lake Agassiz and Garrison Diversion see the opportunity of a long-term, low-interest loan from the State as a critical step to provide affordable and predictable financing for the local users of the Red River Valley Water Supply Project. We support the increase in the cap on loan amounts to \$40 million, as this will allow a greater number of local water users to benefit from the Project. It will also allow the Project's construction to remain on schedule if the Project's users have affordable access to \$40 million dollar loans with terms of 40-years at two percent interest.

Lake Agassiz, Garrison Diversion, and the participating water systems and cities thank the legislature for including the Red River Valley Water Supply Project in the list of eligible infrastructure projects in House Bill 1425. Please allow the water systems and cities involved in the Project to benefit from access to \$40 million loans to be repaid over 40-year terms.

Thank you, Chairman Bell and members of the Senate Finance and Taxation Committee, for taking the time to hear Lake Agassiz's testimony today.