



SB 2037
Testimony of Kurt Lysne
Senate Agriculture and Veterans Affairs Committee

Chairman Luick and members of the Senate Agriculture Committee, my name is Kurt Lysne. I am a water resources engineer and have spent my entire career working with ag producers in the Red River Valley on drainage and flood risk reduction. I serve as a technical advisor to the Red River Joint Water Resources District and also serve on the North Dakota Water Users board. I rise today in strong opposition to SB 2037.

SB 2037 would burden local water resource districts with top-down red tape, requiring local water resource districts to conduct a state developed economic analysis process, or EA, on every single parcel included in an assessment area prior to holding a vote on any type of assessment project. This mandate puts the state over what is today a locally-driven process, and would make managing water harder. The current process has been used for hundreds of successful drainage projects over the past century, under present century code. These proceedings, for the most part, have all been managed by local boards made up largely of farmers, whose motive for serving is simply to help their neighbors with water issues.

The analysis envisioned by SB 2037 is based on the tools developed for the State Water Commission in its process for awarding state cost share. Based on—but not the same. The State Water Commission's analysis is done on the whole project with certain benefits built into the EA tool. Not parcel-by-parcel. The EA tool is intended to quantify direct flood damage reduction benefits for evaluating cost-share eligibility, and does not evaluate all the benefits that should be considered when determining individual parcel benefits. Water boards currently consider benefits to prevent flood damage, like the EA tool, but can also consider the following:

- Increased agricultural potential
- Cropland conversion to higher value crops
- Adequate outlet creation for future drainage, both surface and subsurface, for all landowners in the watershed
- Individual landowner needs driving the projects
- Any other unique considerations for a project

Yet, SB 2037 wouldn't just impact drainage projects. It would impact all projects developed under NDCC Chapter 61-16.1. This means it could also impact watershed dams and retention projects, as well as work on water conservation, flood control, water supply, sewer collection, and many other water management projects. When water boards establish these projects, they use the current method for evaluating and assessing benefits. This existing process has been successfully used to establish assessment districts for projects like the Sheyenne Diversion, the Maple River Dam, urban and rural legal drains, dams, and sewer projects. I have worked on several projects, the Maple River Dam and Sheyenne Diversion included, that have more than 5,000 parcels in the assessment district. These projects would not have been established with the requirements of SB 2037 in place.

The process mandated in SB 2037 would be time-consuming and expensive. It is the landowners who need these projects, not the water board, that would bear the added cost and

delay of this analysis. Today, when water boards analyze benefits, those benefits are reviewed with landowners prior to the vote. Then, the landowners vote whether to tax themselves commensurate with the benefits established by the board and landowners. This is the ultimate economic analysis. After the vote passes, landowners have a process to appeal benefit amounts. Water resource districts are the only political subdivision required to vote to establish an assessment district. This unique requirement ensures transparency in the process and accountability to landowners.

The bottom line is, if SB 2037 passes, projects will take much longer to develop, will cost more, and many projects will never happen due to the unfair apportionment of the tax burden. Meanwhile, the producers who need these projects will continue to lose valuable land and productivity due to a lack of drainage infrastructure. This is bad for North Dakota agriculture.

For these reasons, I ask you to give SB 2037 a Do Not Pass recommendation.

Thank you. I'd be happy to stand for any questions you may have.