

Testimony of Luke Siemieniewski
House Energy and Natural Resources Committee
HB 1218

Chairman Porter and members of the House Energy and Natural Resources Committee, my name is Luke Siemieniewski and I serve on the Richland-Sargent Joint Water Resource District. I appreciate the opportunity to appear before you today, in support of SB 1218.

The Richland-Sargent Joint Water Resource District owns and operates Richland-Sargent Drain No. 1, the “RS-1 Drain,” a legal assessment drain that provides important drainage and flood protection benefits for ag producers in both Richland County and Sargent County. Our Joint Board has been working with area landowners and producers over the last several years to improve the RS-1 Drain, to upgrade the Drain to meet current drainage standards and to meet the needs of landowners and producers. The “Economic Analysis” process has absolutely hindered the Joint Board’s efforts to provide the drainage landowners need and have requested; the process has resulted in delays and extra engineering costs, with the potential for reduced cost-share dollars overall. We do not believe the State Water Commission’s “Economic Analysis” formula accurately captures drainage benefits. More importantly, the application of the “Economic Analysis” requirement adversely impacts the ag community.

Initially, following input from local landowners, the Joint Board planned to improve 3.5 miles of the RS-1 Drain, including channel improvements and road crossing improvements to meet Stream Crossing Standards. The Joint Board’s engineer completed the State Water Commission’s “Economic Analysis” to accompany the Joint Board’s cost-share request to the Commission. The benefit-to-cost ratio for the 3.5-mile project was less than 1.0, under the Commission’s E/A formula. Therefore, under the Commission’s cost-share policy, the eligible cost-share for the project was reduced. With that reduction, the RS-1 assessment district could no longer afford the 3.5-mile project. So, the Joint Board had to consider other project options, and, again, the Joint Board sought landowner input.

After running multiple scenarios the Joint Board’s engineer estimated that the RS-1 assessment district could afford a 1.8-mile project, even though the “Economic Analysis” for a 1.8-mile project

would only be 0.2 under the Commission's E/A formula. In other words, the local landowners would have to pay a much higher percentage of project costs, without cost-share. Alternatively, if the project was 4.5-miles long, the "Economic Analysis" for the project would be 2.0 but, unfortunately, the local cost would exceed the local funding limits of the RS-1 assessment district. Landowners in the area were opposed to paying additional assessments, assessments they would not otherwise have to pay if the State Water Commission's "Economic Analysis" truly recognized drainage benefits.

Ultimately, following discussions with landowners, the Joint Board decided not to pursue a small project with minimal cost share. Over the last eight months the Joint Board has met with landowners to discuss project options, and to determine if there is a path forward that landowners support. Landowners have voiced their frustration that the "Economic Analysis" process has delayed the project and has, in their view, unfairly reduced eligible state cost-share for a project they desperately need. Several landowners have referred to the SWC's "Economic Analysis" process as "arbitrary." More than anything, people are frustrated that the State seems to be following the lead of the federal government, requiring more process, more bureaucracy, all at the expense of farmers and ranchers. At this point, the "Economic Analysis" has cost us several months in delays; we have had to spend additional landowner dollars having our engineer examine additional projects that might score higher under the Commission's "Economic Analysis," and we are still spinning our wheels because landowners and ag producers want to ensure they get the drainage they need but without unnecessarily spending more of their tax dollars.

This is a relatively small project, with relatively low cost for the State, but it is a project that landowners absolutely need, yet the "Economic Analysis" process has resulted in more costs and delays. We appreciate the State's willingness to provide cost-share for important water projects, but the application of the "Economic Analysis" process has really become an unnecessary obstacle to small drainage projects. We understand the State's desire to ensure your cost-share dollars are going towards meaningful projects. However, the "Economic Analysis" process has unfairly resulted in delays, more project costs (at the expense of landowners), and less cost-share dollars for important drainage projects.

If the Legislature is willing to raise the “Economic Analysis” threshold to \$5M, and prohibits any reduction of that threshold by “policy,” that would ensure the State can protect its investment in large projects. More importantly, passage of HB 1218 would signal to the ag community that the Legislature supports farmers and ranchers and rejects unnecessary bureaucracy. If the State wants to invest cost-share dollars in important water projects that will help producers, we strongly encourage a DO PASS on HB 1218.