



**Senate Energy and Natural Resources Committee
Testimony in support of HB 1218
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March 13, 2025**

Chairman Patten and members of the Senate Energy and Natural Resources Committee. Thank you for the opportunity to provide testimony in support of HB 1218. We would respectfully request that the committee amend the bill back to its original form, increasing the threshold for conducting economic analysis to \$5 million.

To illustrate the importance of this legislation, I'd like to present a hypothetical scenario faced by water board members looking to conduct a rural conveyance project.

In this hypothetical scenario, a water board is asked by landowners to conduct a project where the total project costs are \$200,000. When it comes time to determine the funding plan, water board members have the option to request up to 45% cost share for the project from the State Water Commission. At most, the board could receive \$90,000 from the state (this is assuming that all project costs are eligible for cost share). Because the total project costs are \$200,000, in order to receive the \$90,000, the board's consultants will have to complete the State Water Commission's economic analysis as part of the cost share request.

It was testified to in the House hearing that working through the economic analysis process on a recent flood control project cost a water board \$16,000 in direct costs and extended the project by three months. I offer this as an example, acknowledging that this flood control project was much larger and more complex than a \$200,000 drain project would be, but I believe the costs and time delays projects experience is important to illustrate.

This puts the water board members, who are stewards of taxpayer dollars, in a tough situation. Do they pursue state cost share, which will result, at most, in an \$90,000 reduction in costs to local taxpayers, but might cost \$10,000+ and delay a project's completion? Or do they pass up the opportunity to receive state cost share and put the entire burden of the project on local taxpayers? As fellow stewards of taxpayer dollars, I'm sure you understand the difficult position this puts water board members in.

If the threshold were raised to \$5 million, it would reduce this regulatory burden on small projects and make decisions on the appropriate use of taxpayer dollars more straightforward for water managers.

For this reason, we ask the committee to amend HB 1218 to increase the threshold to \$5 million and then give the bill a do pass recommendation. I would be happy to stand for any questions you may have.