

The requirement of the economic analysis (EA) for rural water conveyance projects is the reason HB1218 was brought forward. I agree that spending taxpayer dollars should have controls, but the controls should be tailored for the project type. The current EA tool needs to be adjusted for rural water conveyance projects – I liken it to using a language test to obtain information as to how a student is performing in math. There may be some questions to indicate the student's math skills but overall, it would not be fair or useful to give the student a math grade based on the language test.

Using the current EA for rural water conveyance projects above \$200,000 negatively impacts production agriculture since frequently, based on the results of the EA, the project does not meet the requirement to receive the full 45% cost share, and the local sponsors do not have the funds to move the project forward. The following recap interplays as to why the EA either needs redevelopment for rural water conveyance projects or should not be utilized for projects under an agreed upon threshold.

- At the local level, the landowners that would benefit from the water conveyance project have already voted to proceed with the project, knowing their increased cost per acre.
- The economic analysis for flood control and more so for water conveyance projects in rural areas does not take into consideration the benefits to production agriculture (i.e.: crop prices / yields / crop loss)
- Because the economic analysis does not take all factors into consideration, the department of water resources cost share % is often reduced
- The reduction in cost share increases the cost at the local level, which is not affordable, thus the projects do not occur
- The department of water resources economic analysis process slows the project and is a cost to the local sponsor (and the cost has been ruled ineligible for cost share). The following is the approximate cost for gathering information to complete the EA on a various project provided by an engineering firm
  - \$2000 – Results are over 1.0 on the first round of data entered into the EA spreadsheet and no special data collection or modeling is required
  - \$5,000 - \$10,000 – Additional field surveys or other methods of data collection are required to generate additional inputs into the EA spreadsheet. Also, additional back-and-forth with the Department of Water Resources.
  - \$10,000 – Additional hydraulic models are needed, traffic studies, etc.
  - Unknown – Inflationary cost from project delays and phasing of projects due to time to complete studies, or from reduced cost-share amounts.

Conversations with the newly elected administration and the new director at the Department of Water Resources are ongoing about the problems with the EA and a solution has not been reached. The version of HB1218 before you is not a solution. Thus, my request at this time is for the committee not to act on the bill. A representative of the department of water resource will confirm this request.

Those who follow will provide additional facts with figures that support the issues that arise with the current EA.

Thank you.

Respectfully submitted by Cynthia Schreiber-Beck, District 25 Representative