



House Appropriations
Education and Environment Division
January 11, 2021

Good morning Chairman Monson and members of the Committee. For the record, Blake Crosby, Executive Director of the North Dakota League of Cities.

As has been the request in the past, Vice-Chairman Schmidt has asked me to give you a picture of project requests for the coming biennium and a synopsis of projects from the current biennium. The intent is to allow this Committee to have enough information to make municipal water project funding recommendations going forward and give you a picture of the impact of previous funding.

The State Engineers Office provided me a spread sheet of municipal project requests for 2021 and beginning in October, I called each city with a submitted project to see if the project was a place holder for a future biennium or did they intend to move forward this biennium. I was able to contact 49 of the 59 cities before I called it close enough. The remaining cities had generally low-cost projects that would not require significant cost change.

There were 94 projects submitted by 59 cities in the 2021-23 Plan (89 projects and 64 cities in 2019-21). The State Engineers Office determines how the projects are described and we have:

- 10 water tower/storage repair or replacement (15 projects for 2019-21)
- 7 treatment plant rehabs or upgrades (8 projects for 2019-21)
- The remaining projects in the 2021-23 plan (77) are water main improvements/replacement or water system improvements. (66 in 2019-21)

As you can see it is primarily infrastructure work, as we are at the point where water storage facilities are in sad shape, close to failure, and water transmission lines are collapsing in the ground.

For the 2019-21 biennium this committee authorized \$45 million for municipal water projects. Looking at the attached Excel you will see municipal water spent nearly \$60 million. However, \$15.7 million was a cost increase for the Mandan Raw Water intake that we did not know about in 2019, so subtracting that amount we are quite close to the \$45 million I requested and you provided.

Based on a continuation of the 60-40 cost share formula I respectfully request \$40-\$45 million for 2021-23. Some caveats:

- Passage of the proposed bonding bill, which includes loans specifically for water infrastructure and grant money in the Municipal Infrastructure Fund (MFI) (aka Prairie Dog) that applies to MFI criteria, could accelerate some projects.
- Change in the cost-share formula.
- The first Prairie Dog bucket filled and checks were sent out around December 14 to cities of 1000 and greater. Amounts were \$2.5 million to 9 cities, \$500K to 9 cities and \$125K to 23 cities.
- Passage of a COVID related stimulus bill that directs money to local government.

On a separate note, Mr. Volk and I had indicated to this committee that we would visit all the cities that we believe to be a candidate for regionalization. The COVID pandemic did not allow us to do that last year but we will give it a try this summer. We are looking at 43 cities and will visit with interim Water Topics to make sure we collect information they need to move regionalization forward.

Thank you for your time. I will do my best to answer any questions.