



March 22, 2021
Senate Appropriations
Sen. Holmberg, Chairman
HB 1020

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

I am here in support of HB 1020, the budget bill for the State Water Commission. As we experienced last biennium, the emergency clause is critical so we can start projects this spring and not miss a construction season. I will direct my following comments to the request for municipal water projects funding which are included in the category of water supply.

As I have done in past bienniums, I will 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 a spread sheet of municipal project requests for 2021-23. 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). Total municipal water supply requests were approximately \$92.5 million but some projects are placeholders, and some cities were concerned about budgets for 2021 because of the pandemic.

The State Engineers Office determines how the projects are described and for 2021-23 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)

You can see it is primarily infrastructure work, as we are at the point where water storage facilities are in bad shape, some 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 sheet 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 had to move to this biennium, so subtracting that amount we were quite close to the \$45 million you provided.

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As is the intent of SWC and interim Water Topics, increasing regionalization continues to be a goal. Regionalization is providing rural water to cities, especially the smaller cities who no longer can afford their own water treatment plants or replacement of transmission lines. Mr. Volk, from Rural Water, and I had indicated to interim Water Topics that we would visit all the cities we believe to be a candidate for regionalization. The COVID pandemic did not allow us to do that last summer but we will give it a try again. We are reviewing 43 cities and will visit with interim Water Topics and SWC to make sure we collect information needed to move a regionalization plan forward.

Based on a continuation of the 60-40 cost share formula and continued regionalization work, I again request \$45 million for 2021-23.

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

**STATE WATER COMMISSION
PROJECT SUMMARY
2019-2021 Biennium
December 31, 2020**

*03/22/21
HB 1020 testimony
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| Sponsor | Project | Approved Date | Total Approved |
|---|--|------------------|-------------------|
| <i>Municipal Water Supply:</i> | | | |
| Bismarck | Lockport Water Pump Station | 10/8/2020 | 2,955,000 |
| Cavalier | Water Tower Replacement | 10/10/2019 | 1,022,500 |
| Davenport | Water Improvement District No. 2019-1 | 10/10/2019 | 466,000 |
| Dickinson | North Annexation Water Supply | 4/9/2020 | 856,400 |
| Fargo | Downtown Water Tower | 2/13/2020 | 2,814,000 |
| Garrison | Water Supply Treatment and Transmission Line | 2/13/2020 | 3,396,000 |
| Grand Forks | Water Treatment Plant | 10/10/2019 | 9,875,000 |
| Hazen | Water Storage Improvements | 2/13/2020 | 1,430,000 |
| Killdeer | 2020 Water Main and Pump Station Project | 10/8/2020 | 1,060,500 |
| Kindred | Water Main Looping 2020 | 2/13/2020 | 134,000 |
| Lakota | 2020 Water System Replacement | 2/13/2020 | 618,000 |
| Larimore | Water Transmission Line Replacement | 12/11/2020 | 4,041,500 |
| Lincoln | Water Tank Replacement | 2/13/2020 | 1,268,000 |
| Mandan | New Raw Water Intake | 6/19/2019 | 17,290,000 |
| Mapleton | Water Storage Tank | 6/19/2019 | 840,000 |
| Mapleton | 300,000 Gallon Storage Tank | 10/10/2019 | 540,000 |
| Minot | SW Water Tower | 10/10/2019 | 2,855,000 |
| Park River | 2020 Water Main Improvement | 2/13/2020 | 970,000 |
| Parshall | Water Tower Storage | 4/9/2020 | 1,323,000 |
| Portland | Water Systems Improvement Feasibility Study | 11/16/2020 | 45,300 |
| Streeter | Well Installation and Tower Rehabilitation | 10/10/2019 | 265,000 |
| Sykeston | Water Tower Replacement | 2/13/2020 | 587,000 |
| Valley City | Water Main Improvement 100/101 | 2/13/2020 | 350,000 |
| Valley City | Water Treatment Plant Membrane Replacement | 4/9/2020 | 867,607 |
| Watford City | Water Distribution 2019 | 12/6/2019 | 541,400 |
| West Fargo | 9th Street NW Water Main | 10/10/2019 | 594,000 |
| Williston | 42nd Street and 16th Avenue Water Main | 2/13/2020 | 1,196,000 |
| Wyndmere | 2020 Water Main Improvements | 2/13/2020 | 1,730,000 |
| TOTAL MUNICIPAL WATER SUPPLY 2019-2021 | | | 59,931,207 |