North Dakota
WATER
COALITION

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Barnes Rural Water District
Cass County Government
Cass County Joint Board
City of Bismarck
City of Devils Lake
City of Fargo
City of Grafton
City of Grand Forks
City of Lisbon
City of Mandan
City of Minot
City of Valley City
City of West Fargo
City of Williston
Department of Environmental Quality
Department of Water Resources
Devils Lake Basin Joint Board
East Central Regional Water District
Garrison Diversion Conservancy District
Lake Agassiz Water Authority
McLean-Sheridan Rural Water
Mercer County Water Resource District
Missouri River Joint Water Board
Morton County Water Resource District
North Central Regional Water District
North Dakota Association of Counties
North Dakota Irrigation Association
North Dakota League of Cities
North Dakota Public Finance Authority
North Dakota Rural Water Systems Association
North Dakota Water Resource Districts Association
North Dakota Water Users Association
North Dakota Weather Modification Association
North Prairie Regional Water District
Northwest Area Water Supply
Red River Joint Water Board
Souris River Joint Board
South Central Regional Water District
Southwest Water Authority
Stutsman Rural Water District
Western Area Water Supply

House Appropriations Education and Environmental Division

Senate Bill 2020

Committee Hearing March 9, 2023

Testimony Provided by: Ken Royse, Chairman, ND Water Coalition

Chairman Nathe and Members of the Committee,

My name is Ken Royse and I serve as Chairman of the North Dakota Water Coalition. Thank you for the opportunity to offer testimony in support of Senate Bill 2020 and state funding for water projects.

The Water Coalition is an organization of organizations---- that is, we do not have individual members but rather we are a collection of organized groups, including water districts, regional water systems, rural water systems, joint water boards, and various state water groups. Included in our membership are the cities of Bismarck, Mandan, Williston, Minot, Grand Forks, Fargo, West Fargo, Devils Lake, Grafton, Lisbon, and Valley City.

Our membership all have a common interest and a common goal; and that is to work in a collaborative manner toward identification and construction of water development projects and to send a collective and unified position on the need for water funding for all of our very critical projects to both the State Water Commission and to the Legislature.

In today's hearing you will hear specific project details and funding needs for a wide variety of projects. These projects will include major water management projects and large water supply projects. You will hear testimony on behalf of all the rural water systems of our state, municipal water needs, irrigation development, and from our state's water resource districts.

You will quickly note that the projects you will hear about touch every corner of our State and every citizen of our State. They have in common that they all, individually and collectively, provide health, safety, economic, or social benefits which make our State a better place to live.

Attached to my comments is a critical water needs summary entitled Meeting the Challenge, which the Water Coalition prepares each biennium to highlight the variety and need of water funding support. Thank you for this opportunity to offer this testimony, and I will respond to any questions.

Meeting the Challenge XIII

2023-25 Critical Water Needs Summary

Water is North Dakota's most valuable natural resource. Every day, our water resources are used for drinking water, agriculture, industry, power production, and recreation. Water also plays a major role in growing the state's economy through its vital use in oilfield development, value-added agriculture, and many more industries. The significant growth in industrial development and population, major flooding events throughout the years, and the need to provide reliable, quality water have presented North Dakota with a unique set of challenges that need to be addressed and met. The way these challenges can be addressed is through sufficient funding of water projects.

HOW WATER IS FUNDED

Today, water funding is allocated from the Resources Trust Fund, which was established in 1991 by an amendment to the North Dakota Constitution voted on by the people of North Dakota. The amendment, and subsequent legislation, directs 20.5% of the oil extraction tax to the Resources Trust Fund to develop water infrastructure projects. Resources Trust Fund dollars are appropriated by the legislature each biennium into funding 'buckets,' or categories, such as water supply or flood control. More dollars in the water supply, rural water, and capital projects buckets means more North Dakotans will have access to clean drinking water. More dollars in the flood control bucket means more protection for high flood-risk cities like Fargo, Minot, Valley City, and Mandan.

The establishment of the Resources Trust Fund in 1991 was a visionary move by both the people of North Dakota and the legislature. It has made possible investment in water resources that makes North Dakota the envy of our neighbors in the Midwest and states across the country. Today, the Resources Trust Fund, along with other financing packages like the historic bonding bill passed in 2021, provide valuable investment in water infrastructure that improves the quality of life for every North Dakotan.

WATER FOR DRINKING AND INDUSTRY

Funding regional and rural water systems helps bring clean, safe, and quality water to over 75% of North Dakota and has helped strengthen economic development. Using regional water systems, which distribute water

over large areas of the state partnering with rural and municipal water systems, allows North Dakota to tap into our largest water resource, the Missouri River, and deliver that abundant resource across large reaches of the state. The Missouri River is the water source for the four regional water systems: the Southwest Pipeline Project (SWPP), Northwest Area Water Supply Project (NAWS), Western Area Water Supply Project (WAWS), and Red River Valley Water Supply Project (RRVWSP). Along with the state's robust rural water systems, these regional systems serve all of North Dakota's 53 counties, providing water to approximately 300,000 residents. Funding is also provided for municipal water systems, both those tied in with rural or regional systems and those that maintain systems on their own.

PROTECTION FROM FLOOD

North Dakota has many water resources that are used to positively grow the state and serve its residents and businesses. However, sometimes water is destructive, a problem with which North Dakota is all too familiar. Over the 136 years of its existence as a state (and before), the wild and fluctuating levels of its rivers and lakes have resulted in devastating flooding for North Dakota. Without sufficient protection, these floods can displace people, destroy homes, and devastate businesses and productive crop land. Through funding provided by the legislature, North Dakota is diligently working to provide protection for urban and rural residents from devastating flood events. Thanks to bonding provided in 2021, the Fargo-Moorhead Area Diversion project is fully funded. Large projects like the Mouse/Souris River Enhanced Flood Protection Project, Valley City Permanent Flood Protection Project, and Lower Heart-City of Mandan Flood Risk Reduction Project still lack the funds to be completed. Additionally, there are many projects to provide drainage and rural flood protection brought forward by farmers, ranchers, and rural residents seeking funding in this biennium.

IRRIGATION DEVELOPMENT

Along with destructive floods, North Dakota also experiences severe drought and years with water scarcity. Drought is one of the many risks faced by farmers and ranchers across this state. However, with the development of irrigation, droughts cease to cause the catastrophic ruin they can cause in areas without irrigation. In drought years, irrigation can increase the productivity of an acre of cropland six-fold. State support in irrigation can help North Dakota become a leader in irrigation development and grow the overall agriculture economy in the state.

WHY FUND WATER

Investing in water means investing in the sustainable growth of North Dakota. Not only do water projects benefit from this investment, but so do North Dakotas other top industries and every North Dakota citizen. Sufficient funding for water infrastructure allows that state to provide one of the most basic necessities for life—water—to every North Dakotan while, at the same time, directing this resource to benefit agriculture, energy, tourism, and other top industries across the state. We have come a long way since the Resources Trust Fund was established more than 30 years ago, but there is still much work left to do. We look forward to working with you as we develop a plan to meet the challenge of completing vital water infrastructure projects for the benefit of every North Dakotan.

WHO WE ARE

The North Dakota Water Coalition is a membership organization, under the umbrella of the North Dakota Water Users Association, made up of organizations and individuals interested in funding for water infrastructure. Since 1994, the Water Coalition has worked to identify and lobby for state and federal funding for water projects across North Dakota.

North Dakota WATER COALITION

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2023 and Beyond

Water needs are clearly greater than our resources. We must work hard to "Meet the Challenge" and *"to meet the challenge of completing vital water infrastructure projects for the benefit of every North Dakotan."*

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