

**Testimony of Mayor Tim Mahoney (City of Fargo),
Mayor Bernie Dardis (City of West Fargo), and Jon Zuther (Cass Rural Water District)
House Finance and Taxation Committee - Senate Bill 2330**

Chairman Headland and members of the House Finance and Taxation Committee, we are Mayor Tim Mahoney, Mayor Bernie Dardis, and Jon Zuther representing the regionalized water system servicing the Cities of Fargo and West Fargo and the Cass Rural Water District. Our three political subdivisions are also members of the Lake Agassiz Water Authority (Lake Agassiz), which is the other cosponsor of the Red River Valley Water Supply Project (RRVWSP) along with the Garrison Diversion Conservancy District. This testimony is submitted in opposition specifically to Section 3 of Senate Bill 2330.

Section 3 of SB 2330 would repeal Section 6-09-49.1. We urge the Committee to carefully review this Section of the bill as it identifies the provision within the North Dakota Century Code that provides the Bank of North Dakota with options to provide additional capitalization of the Water Infrastructure Revolving Loan Fund (WIRLF). The WIRLF has greatly expanded the ability for political subdivisions to access affordable financing for a wide range of critical infrastructure, like the RRVWSP.

Using testimony from the Bank of North Dakota, the difference in utilizing the WIRLF versus private financing for the local cost-share of the RRVWSP, **Section 3 of SB2330 would increase the local tax burden by hundreds of millions of dollars** over the life of the loan.

To put this increase in more relatable terms, the monthly water bill of **a residential home would pay an extra \$3 per month just in the difference in financing options...** this amount increases the monthly water rate increase just to pay for the RRVWSP by an approximately 33%.

We see the Water Infrastructure Revolving Loan Fund as an opportunity to provide an affordable and predictable financing for local governments. Like the State, cities and water districts are under constant pressure to keep up with the growing demand and increasing costs to build and maintain the necessary infrastructure for our citizens. The WIRLF is a tremendous asset to being able to meet the needs of our citizens.

The State has been a vital partner for cities and local political subdivisions in providing for our citizens' needs and Section 3 of SB 2330 runs counter to that successful partnership.

Please remove Section 3 or provide a DO NOT PASS recommendation for SB 2330.
Thank you, Chairman Headland and members of the Committee for consideration our testimony.