

TESTIMONY OF

**Patrick Fridgen, Division Director, Planning and Education**

Chairman Beltz, and members of the House Agriculture Committee – I am Patrick Fridgen, Director of the Planning and Education Division for the Department of Water Resources (DWR). I am here today to testify in support of House Bill (HB) 1040 related to application procedures for the state’s emergency Drought Disaster Livestock Water Supply Assistance Program (Program).

The Program provides cost-share assistance to livestock producers who are experiencing water supply shortages caused by severe drought. Eligible projects under the Program are those that are intended to provide long-term resiliency to drought, such as wells, connections to rural and regional water supply systems, stock tanks, and reliable power supplies, as examples. Because it is a drought response program, it is activated through a drought disaster declaration issued by the Governor, with start and stop dates set by the State Water Commission (Commission). Funding for the program is also approved by the Commission – utilizing existing funding authority provided in DWR’s biennial budgets.

Under current eligibility requirements included in North Dakota Century Code (N.D.C.C.) § 61-34-04, Program applicants must first apply and be denied for cost-share assistance from the United States Department of Agriculture, Farm Service Agency (FSA). The FSA program that could potentially support drought resilience water supply projects for livestock producers is known as the Emergency Conservation Program (ECP). The purpose of HB 1040 is to remove the federal application denial as a state eligibility requirement.

As stated previously, the Program is activated in response to severe drought conditions, so the timeliness of the state’s response to applications, and the ability of producers to develop emergency water supplies as quickly as possible, is extremely important. Though FSA works to provide letters of denial promptly, it is an added, and unnecessary step for producers to apply for a program that is rarely ever active in their respective counties.

For example, during the most recent activation of the Program that began in April 2021, all 53 of North Dakota’s counties were ultimately eligible for Program assistance. (As a side note, eligible counties were those experiencing D3 “Extreme Drought” conditions as established by the U.S. Drought Monitor,

and counties adjacent to those with D3 drought conditions.) Through FSA, only Ward and Emmons Counties were implementing ECP, and they weren't activated until June and August 2021 – months later than DWR's program. So even though 51 of North Dakota's 53 counties were never even eligible for FSA ECP funding, producers were still required by statute to seek, and receive denial, before they could be approved for drought Program funding from DWR. This scenario has played out similarly during previous activations of the Program.

To offer some perspective regarding impacts to producers, during the 2021 Program activation, 1,577 drought mitigation water supply projects were approved for DWR Program funding, involving 1,115 producers. That means that each of those producers had to first be denied for assistance from FSA so they could submit that information to DWR as part of their cost-share application. Though the idea of accessing federal funds first before state funds is understandable and was likely the original intent behind the current requirements, if FSA is habitually unable to provide support, it becomes an added burden for producers and the county FSA offices that are issuing denial letters.

In consideration of improving the efficiency of DWR's Drought Disaster Livestock Water Supply Assistance Program, and to reduce government red tape for producers who are trying to develop drought resilient water supplies during emergency situations, we respectfully request your support and approval of HB 1040.

Mr. Chairman, and members of the committee, this concludes my testimony in support of HB 1040, and I will stand for any questions you might have.