

# HB 1577 Wastewater Grant Program

Chair Vigessa, Vice Chair Kempenich, and members of the Standing Committee on Appropriations.

For the Record I am Representative Liz Conmy, representing District 11 in Fargo.

I was assigned to come before you by Chair Porter of the Energy and Natural Resources Committee, to present HB 1577 and the need for a wastewater infrastructure grant program. HB 1577 provides a wastewater grant program to be administered through the Department of Environmental Quality, and would appropriate \$50 million from State Investments and Improvements Fund, or SIIF.

The proposal caps grants at \$12.5 million per project, with an equal allocation for cities under 5,000 residents. The 60:40 match programs would reduce reliance on property taxes and special assessments.

Here's the need:

The Department of Environmental Qualities Division of Municipal Facilities is responsible for reviewing wastewater projects to meet the requirement of the Clean Water Act. In 2024 they approved 145 projects of which 91 included wastewater infrastructure. The Division is also responsible for implementing the Clean Water State Revolving Loan Fund (CWSRLF) a low-interest loan program in North Dakota which is federally funded, but a percentage of the federal funds must be paid out as grants. Historically, prior to 2022, the CWSRF provided around \$7 million annually in grants through the Bipartisan Infrastructure Law funding. In 2027, it is predicted this amount will drop down to about \$400,000 annually.

There is a Project Priority List that the CWSRF prepares on an annual basis which contains projects needing financial assistance for construction. They are ranked on criteria like affordability, water quality impact, permit compliance and readiness to proceed. The 2025 list contains 257 wastewater projects worth about \$1.4 billion dollars. Many of these projects will remain on the list for years as small communities can't afford these projects without grant funding. An additional \$50 million in grant funding would help lessen the financial burden placed on wastewater systems and their end users who are ultimately responsible for paying the debt incurred by the system.

Who else currently provides grant funding for wastewater projects?

—The Community Development Block Grant Programs provided \$3.2 million for four wastewater projects in 2024.

—USDA's Rural Development Program funded five projects for \$3.9 million in 2024,

—The U.S. Army Corp of Engineers provided \$8.1 million in grants for two projects with wastewater improvements in 2024, and have received requests from 10 additional cities for needs totaling about

\$70 million in federal funds

That concludes my testimony.

Thank you.