



January 28, 2025

Honorable Representative Todd Porter
State Representative
600 East Boulevard Avenue
Bismarck, ND 58505

RE: HB 1577 – Wastewater Infrastructure Grant Program

Dear Representative Porter:

Please accept my testimony in support of HB 1577 and the establishment of a Wastewater Infrastructure Grant Program. My conversations prior to the start of the legislative session were to create a fund that mirrors the State Water Commission's program, which provides a grant covering sixty (60) percent of the cost for watermain extensions.

In Valley City, infrastructure costs are the greatest barrier to home ownership and business growth. Communities of 10,000 population and under are at a major disadvantage because of their size and being forced to pay premium prices for all infrastructure development including concrete. Some examples are:

1. About eighteen months ago, the water and sanitary sewer mains were extended from the north side of Interstate 94 (Exit 294) to the south side at a cost of \$1 Million. The natural gas line extension from the north side of the Interstate to the south side - in the same area - is another \$300,000, which is expected to be higher once the 2025 natural gas installation rates are known. We have at least forty-eight homes and five businesses that need natural gas.
2. A new manufacturing building project did not move forward due to the excessive cost of infrastructure. The total cost was \$3.6 Million with about \$2 Million attributed to water and sanitary sewer main extensions that were already in place in the frontage road, realigning the approach off Old Highway 10 and a great deal of dirt work.
3. A smaller housing project that has the potential of 10 to 12 new homes needs the water and sanitary sewer mainlines extended from the street in front of the development to the edge of the development. The extensions are very costly and pushes the cost of the homes out of reach.

The "missing middle" in housing is \$250,000 to \$300,000. A recent housing study documented 86% of the respondents were comfortable with a home that cost under \$300,000 at their current household income. The respondents indicated they wanted to purchase or build a home within the next 24 months. In Barnes County, our median household income is slightly over \$70,000. We are currently working on a Single-Family Pilot Program utilizing local economic development funds. We need the State's help through programs such as this.

We are working extremely hard to ensure companies including John Deere Seeding, Malach USA (metal fabrication), Eagle Creek Software (an Eviden business) and others can continue to grow and provide quality jobs. Employers such as CHI Mercy Hospital, Valley City State University, SMP Health-St. Raphael, and others must be able to secure the workforce they need. We need housing for businesses to grow and for the community to capture the benefits of our investments.

Communities of 10,000 and under are faced with challenges at every turn. We do not have the community density, market size, and financial resources that communities over 10,000 population do have. I would ask that HB 1577 provide communities of 10,000 and under population with the ability to access the \$12.5 Million allocation as well. If the population of 5,000 and under remains, communities like Valley City will struggle to compete with larger ones.

A "sister" Wastewater Infrastructure Grant Program is crucial to encourage single family housing construction, increase home ownership, hold the line on special assessments, increase housing inventory, increase business and community development, and increase population.

Please support HB 1577 and include an appropriation to create the Wastewater Infrastructure Grant Program that provides funding for 60% of the cost.

Further, I respectfully request that the Committee, and the full Legislature, make every effort and invest in rural North Dakota. Thank you.

Respectfully,



Jennifer Feist
Director of Development