

TESTIMONY OF

Dave Glatt, Director of Environmental Quality

Good morning, Chairman Porter and members of the House Energy and Natural Resources Committee. My name is David Glatt, and I am the director of the North Dakota Department of Environmental Quality (DEQ). I am here today to provide information relevant to wastewater infrastructure construction in reference to HB 1577.

The Division of Municipal Facilities is responsible for reviewing wastewater projects to meet the technical aspects of the Clean Water Act. In 2024 we approved 145 projects of which 91 included wastewater infrastructure.

The Division is also responsible for implementing the Clean Water State Revolving Loan Fund (CWSRF) in North Dakota. The CWSRF is a federally funded loan program, but a percentage of the federal funds provided must go out as grants. Historically, prior to 2022 the CWSRF provided around \$800,000 annually in grants. Since 2022 the CWSRF has provided around \$7,000,000 annually in grants due the Bipartisan Infrastructure Law funding. In 2027, it is anticipated this amount will drop down to roughly \$400,000 annually due to Congressionally Directed Spending.

To help understand the wastewater construction needs in the state, I would like to talk about the Project Priority List that the CWSRF prepares on an annual basis which contains projects needing financial assistance for construction. The projects are ranked on criteria such as affordability, water quality impacts, permit compliance and readiness to proceed. The draft 2025 list contains 257 wastewater projects worth \$1,492,947,000. Many of these projects will remain on this list for many years as small communities are not able to afford these projects without grant funding.

There are other agencies that provide grant funding for wastewater projects in North Dakota. The Community Development Block Grant Program provided \$3,266,633 in grants for four wastewater projects in 2024. USDA's Rural Development Program funded five projects for \$3,968,000 in 2024. The US Army Corp of Engineers provided \$8,165,000 in grants for two projects with wastewater improvements in 2024. The US Army Corp of Engineers have received requests from 10 additional cities for water and wastewater needs totaling approximately \$70 million in federal funds. The Federal Emergency Management Agency and

the US Bureau of Reclamation have provided wastewater funding in the past, but we are unsure of 2024 recipients if any.

Mr. Chairman and committee members, this concludes my testimony, I would be happy to answer any questions