

Eric Volk, Executive Director
ND Rural Water Systems Association
Senate Appropriations Committee
In Support of Senate Bill 2345

November 8, 2021

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Eric Volk. I am the executive director of the North Dakota Rural Water Systems Association (NDRWSA). Our vision is to ensure all of North Dakota has access to affordable, ample, and quality water. NDRWSA is committed to completing and maintaining North Dakota's drinking water infrastructure for economic growth and to improve the quality of life of our residents. Today, I am submitting testimony in support the \$75M in Water Funding (Section 1: subsection 3) that is included in SB 2345.

Rural/Regional Additional Funding Need:

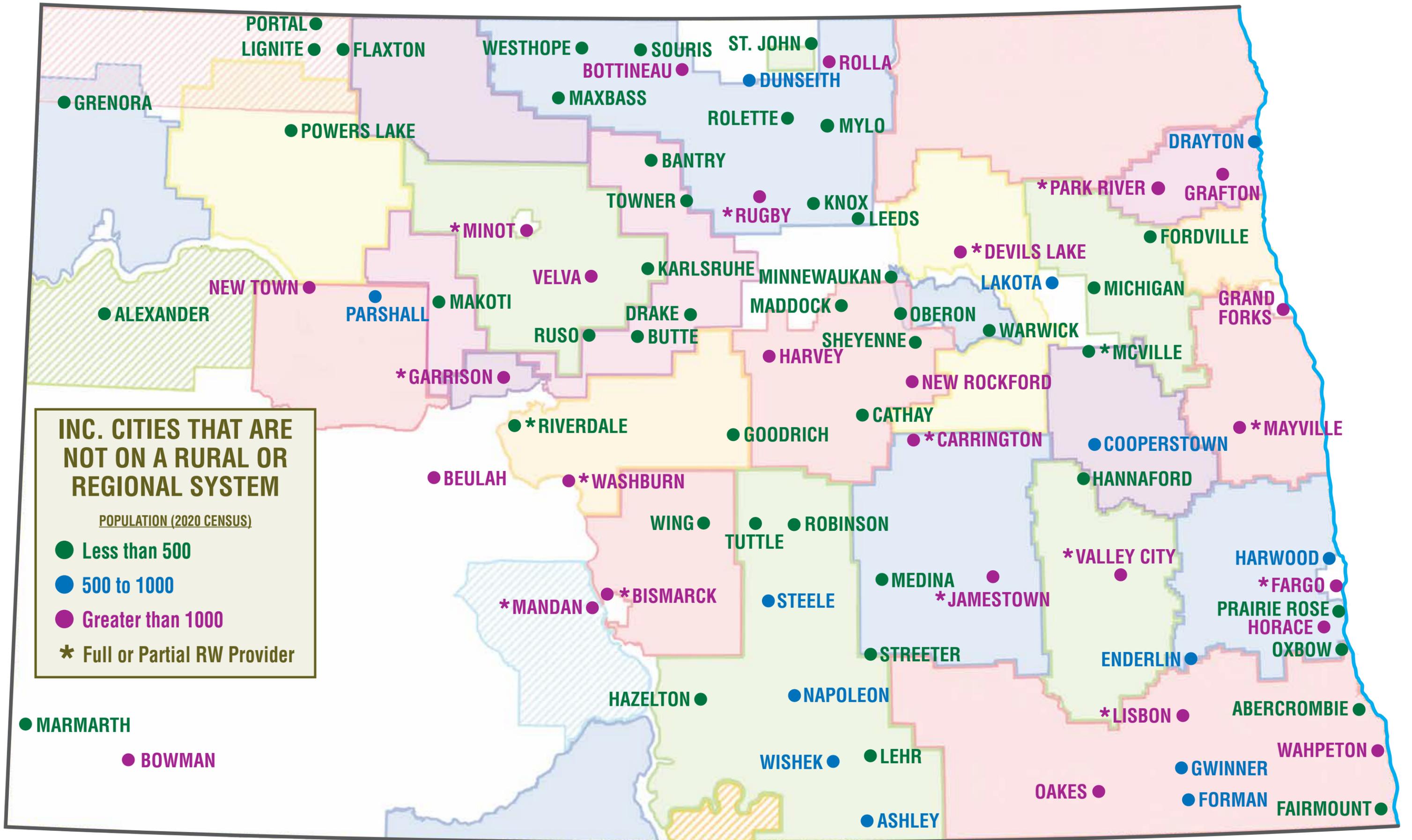
The Rural/Regional Water (RW) industry has seen a significant rise in material and construction costs. This might be the new normal for the near future. The Rural Water bucket for the 21-23 biennium is at about \$60M. As things stand today, that budgeted amount will not be enough to complete the projects we presented during the 2021 session. (Map of 2021-23 Projects is Attached).

If drought conditions persist, our RW Systems will play an ever-increasing roll in our state. Whether it is to replace a failing home well, to assist a city supply issue or to make sure our livestock/crop industry has an ample supply of water; we need to be ready to seamlessly fulfill these needs.

The RW Group worked with the Department of Water Resources and came up with a 10-year need for Rural Water that totaled \$230M in state funding. This is a combination of individual hook-ups, serving cities (Map of Cities Not Served is Attached) and upgrading facilities to provide adequate pressure & flow. Funding these projects now will protect the state and local customers from rising costs and inflation. (Estimated 10-year Water Project Funding Needs, 2021-2031 & Revenue Comparisons is Attached).

Looking at the “BIG WATER” picture, if funds were allocated to larger water projects (Billion Dollar Projects), such as the Mouse River Flood Control, this would have a similar affect as the bonding bill did this last session. It will take pressure off of the Resources Trust Fund and allow for other important projects to be funded.

Thank you for your time and effort. It is greatly appreciated. Please contact me, Eric Volk, Executive Director, ND Rural Water with any Water questions. 701-391-5080 or ericvolk@ndrw.org .



ESTIMATED 10-YEAR WATER PROJECT FUNDING NEEDS (2021-2031) & REVENUE COMPARISONS

PROJECT	STATE	LOCAL	FEDERAL	TOTAL 10-YEAR COST
Agency Operations	\$320,000,000	\$-	\$-	\$320,000,000
Water Supply	\$2,029,100,000	\$781,800,000	\$30,000,000	\$2,840,900,000
Southwest Pipeline Project	\$206,000,000	\$-	\$-	\$206,000,000
Red River Valley Water Supply Project	\$892,000,000	\$298,000,000	\$-	\$1,190,000,000
Western Area Water Supply	\$93,000,000	\$38,000,000	\$-	\$131,000,000
Northwest Area Water Supply*	\$69,200,000	\$9,300,000	\$82,000,000	\$160,500,000
Municipal Water	\$537,400,000	\$358,200,000	\$-	\$895,600,000
Rural Water	\$229,700,000	\$76,600,000	\$-	\$306,300,000
Flood Control	\$952,400,000	\$929,000,000	\$737,000,000	\$2,618,400,000
Mouse River Enhanced Flood Protection	\$418,000,000	\$216,400,000	\$40,000,000	\$674,400,000
Valley City	\$66,400,000	\$16,900,000	\$-	\$83,300,000
Fargo-Moorhead Area Diversion Project	\$435,500,000	\$687,000,000	\$697,000,000	\$1,819,500,000
Lower Heart (Mandan) Flood Risk Reduction	\$13,000,000	\$8,700,000	\$-	\$21,700,000
Other Flood Control & Conveyance	\$98,300,000	\$121,800,000	\$8,000,000	\$228,100,000
General Water	\$50,000,000	\$35,000,000	\$74,000,000	\$159,000,000
TOTAL	\$3,428,500,000	\$1,865,900,000	\$901,000,000	\$6,195,400,000

At \$200 Million Per Biennium		At \$300 Million Per Biennium		At \$400 Million Per Biennium	
Resources Trust Fund	\$1,000,000,000	Resources Trust Fund	\$1,500,000,000	Resources Trust Fund	\$2,000,000,000
STATE SHORTFALL	\$2,428,500,000	STATE SHORTFALL	\$1,928,500,000	STATE SHORTFALL	\$1,428,500,000