North Dakota Legislative Management Meeting Minutes 25.5131.03000

WATER TOPICS OVERVIEW COMMITTEE

Wednesday, June 5, 2024
Hyatt House, Minot, North Dakota
Thursday, June 6, 2024
Minot Area Workforce Academy, Minot, North Dakota

Senator Ronald Sorvaag, Chairman, called the meeting to order at 12:45 p.m.

Members present: Senators Ronald Sorvaag, David Hogue, Larry Luick; Representatives Mike Beltz, Jared Hagert, Donald W. Longmuir, Bob Martinson, Jon O. Nelson, Anna S. Novak, Jeremy Olson, Matthew Ruby, Steve Swiontek

Members absent: Senators Michael Dwyer, Jeffery J. Magrum, Jim P. Roers; Representatives Jorin Johnson, Todd Porter

Others present: Brandon Bochenski, Grand Forks; Jack Dwyer, North Dakota Water Resource Districts Association; Matt Gardner*, North Dakota League of Cities; Andrea Travnicek, Department of Water Resources; and Tom Ross, Minot

See Appendix A for additional persons present.

*Attended remotely

It was moved by Representative Olson, seconded by Representative Swiontek, and carried on a voice vote that the minutes of the March 5, 2024, meeting be approved as distributed.

The committee participated in a tour of flood control projects on the Des Lacs and Mouse Rivers within Burlington and Minot.

Mr. Tom Ross, Mayor, City of Minot, welcomed the committee to Minot.

Mr. David Ashley, Chairman, Souris River Joint Board, provided an update (Appendix B) regarding the flood control plan in the Mouse River Basin and funds expended during the 2023-25 biennium. He noted:

- During the 2023-25 biennium, the Souris River Joint Board received \$66.35 million for construction and engineering costs throughout the Mouse River Basin and the City of Minot received \$9.75 million for acquisition costs.
- The anticipated work plan has shifted from MI-4 Maple Diversion to MI-6 and MI-7 due to continued negotiations with BNSF Railway Company.
- The 3-year construction plan for the Maple Diversion is anticipated to start in 2026. Upon completion, the Maple Diversion will remove approximately 60 percent of Minot valley residents from the Federal Emergency Management Agency (FEMA) regulatory floodplain.

Mr. Chris Kadrmas, Director, Administrative Services Division, Department of Water Resources, provided an update (<u>Appendix C</u>) regarding the budget of the Department of Water Resources. He noted appropriations to the department have grown 1,759 percent since the 1997 legislative session and resources trust fund revenues are exceeding projections for the 2023-25 biennium.

Mr. Jason Tomanek, City Administrator, and Mr. Gabe Schell, City Engineer, City of Bismarck, presented testimony (Appendix D) regarding a proposed flood control project in Bismarck. Mr. Schell noted updated FEMA mapping of Burleigh County indicates approximately 950 structures in south Bismarck are in the 100-year floodplain. He noted the project would eliminate flood risk and achieve FEMA-accredited flood protection in most populated areas.

Mr. Eric Volk, Executive Director, North Dakota Rural Water Systems Association, presented testimony (Appendix E) regarding funding and the status of rural water systems in the state. He noted:

- As of May 31, 2024, rural water projects approved for the 2023-25 biennium have had a shortfall of \$14.56 million in funding.
- 58 new rural water projects have been approved by the State Water Commission (SWC) at an estimated cost of \$386.23 million, with the potential for the SWC to award up to \$230 million in grants to offset those costs.
- 14 tribal projects have been approved with a potential cost offset of \$32.5 million in tribal grants.
- Lack of infrastructure is a major concern for many of the rural water systems across the state.

Mr. Matt Gardner, Executive Director, North Dakota League of Cities, presented testimony (<u>Appendix F</u>) regarding funding and the status of municipal water systems in the state. He noted:

- 268 cities are connected to a regional water system, 87 cities have their own water system, and 17 cities provide water for a rural or regional system.
- The state water development plan includes 139 municipal water projects with an overall estimated cost of \$369 million.
- 225 municipal water systems have applied for planning funds through the Department of Environmental Quality to replace lead service lines.

Ms. Tami Madsen, Executive Director, Western Area Water Supply Authority, presented testimony (Appendix G) regarding funding and the status of the Western Area Water Supply Project. She noted over the past 10 years, McKenzie and Williams Counties have seen significant population growth, specifically, 83 percent growth in Williams County and 131 percent growth in McKenzie County.

Mr. Duane DeKrey, General Manager, Garrison Diversion Conservancy District, Dr. Tim Mahoney, Mayor, City of Fargo, and Mr. Brandon Bochenski, Mayor, City of Grand Forks, presented testimony (<u>Appendix H</u>) regarding funding and the status of the Red River Valley Water Supply Project. Mr. DeKrey noted:

- The Red River Valley Water Supply Project is an economic development initiative and long-term solution for an emergency water supply.
- United States Senator John Hoeven, North Dakota, is requesting \$454 million in federal funds for the eastern North Dakota alternate water supply project.
- Rural and municipal water systems committing to join the project will be required to pay 10 percent of the local share in development costs. To date, 35 systems have committed to the project.
- The Garrison Diversion Conservancy District anticipates full restoration of easement corridors could take 3 to 10 years. The project's crop damage policy will extend until the landowner determines damages from the pipeline can no longer be proven.

Dr. Mahoney noted a structured loan with the Bank of North Dakota will help lower costs for end users. He noted a request for federal funding remains open.

Mr. Bochenski noted the City of Grand Forks and the City of Fargo contribute 80 percent of the local share of the Red River Valley Water Supply Project. The two cities are focused on keeping the project affordable for small user groups.

Ms. Jen Murray, Manager and Chief Executive Officer, Southwest Water Authority, and Mr. Justin Froseth, Project Manager, Southwest Pipeline Project, presented testimony (<u>Appendix I</u>) regarding funding and the status of the Southwest Pipeline Project (SWPP). Ms. Murray noted:

- The SWPP is one of two state-owned regional water supply projects which covers more than 15,000 square miles of southwest North Dakota.
- The pipeline project was authorized by the 1981 Legislative Assembly and is a multi-county, fully integrated regional water supply system that provides water to its customers for domestic, rural, municipal, livestock, and light industrial uses.
- Plans for expansion include transmission facilities and strategic hydraulic improvements to reach 2,790 potential users outside the project's service zone.

In response to questions from committee members, Ms. Murray noted, as of April 24, 2024, there are 762 customers waiting for connection to the current project service zone who have each paid a sign-up fee of \$1,500. The sign-up fee will increase to \$5,000 per customer once expansion begins.

Mr. Froseth noted projects for 2023-25 include the Southwest Water Treatment Plant, rural expansion for Hebron and Burt service areas, West Zone transmission facility and hydraulic improvements, and attempts to finalize the supplementary intake pump station.

Dr. Andrea Travnicek, Director, and Ms. Sindhuja S. Pillai-Grinolds, Director, Water Development Division, Department of Water Resources, presented testimony (<u>Appendix J</u>) regarding funding and the status of the Northwest Area Water Supply. Dr. Travnicek noted:

- The focus is Phase I construction of the biota treatment plant.
- With a focus on getting lake water delivered to Minot, projects regarding the in-line booster pump stations, the Souris River reservoir and pump station, and Minot water Phase III likely will be delayed until the 2025-27 biennium.
- The department has sought input from members of the Northwest Area Water Supply authority to develop a long-term operations and maintenance plan.

Mr. Jack Dwyer, Executive Secretary, North Dakota Water Resource Districts Association, provided testimony (<u>Appendix K</u>) regarding potential issues and proposed changes to Senate Bill No. 2372 (2023).

No further business appearing, Chairman Sorvaag adjourned the meeting at 2:57 p.m.

Austin Gunderson Counsel

ATTACH:11