

Testimony of Mr. Keith Lund
Grand Forks Region Economic Development Corporation President & CEO

Senate Bill 2020
House Appropriations Committee – Education and Environment Division
Bismarck, North Dakota – March 9, 2023

Chairman Nathe, Vice Chair Swiontek, and members of the House Appropriations Committee - Education and Environment Division, my name is Keith Lund, and I am President & CEO of the Grand Forks Region Economic Development Corporation (EDC). I am providing written testimony in support of funding for the Red River Valley Water Supply Project in the Department of Water Resources budget contained within Senate Bill 2020.

The Red River Valley Water Supply Project is tremendously important for population and industry growth in North Dakota. The Project will deliver water from the Missouri River to central and eastern North Dakota, which will mitigate the effects of moderate and severe droughts and provide a consistent and reliable water source for many North Dakota communities and rural water systems, which in total serve nearly half of our State's population.

Agriculture is a key economic driver of North Dakota and Agribusiness is a key underpinning of the Grand Forks Region EDC's economic development strategy. Agribusiness and industry cannot exist without adequate water supply. The Red River Valley is one of the best places in the world for production agriculture, and as a result, we have tremendous opportunities to leverage this strength to develop agribusiness and further expand and diversify the State's economy. The agribusiness industry needs a reliable water supply to flourish and our capacity to develop this and other industries will decrease if we are not able to demonstrate a stable water supply.

We are appreciative of the \$175 million commitment for the 23-25 biennium contained in SB 2020 at this time. This is a significant step to ensure the project maintains momentum but encourage the Committee to consider reinstating the original request of \$255 million to maintain the schedule and avoid significant inflationary impacts. Beyond the current biennium, we are thankful for the commitment to fund the project in 10-years or less with a \$953 million legislative intent at a 75% cost share. This commitment will avoid multiple risks of a drawn-out schedule and provides great clarity for project users to commit to the project.

In addition to State cost-share for the Red River Valley Water Supply project, we encourage the Committee to identify a solution to ensure full capitalization of the Water Infrastructure Revolving Loan Fund. Should this funding not be available to finance the local 25% cost-share, the Red River Valley Water Supply Project will likely become unaffordable with significant market financing hurdles to overcome.

Thank you, Chairman Nathe, Vice Chairman Swiontek, and members of the House Appropriations Committee - Education and Environment Division, for your service to the State of North Dakota and for the opportunity to provide this written testimony.