Pilot Basin Funding Program
Testimony
March 9, 2023

Flooding is a persistent problem for residents of the Red River Basin and has resulted in a basin wide need for solutions to alleviate damages. To assure projects are developed in a strategic effort across the Red River Basin, the Red River Retention Authority (RRRA) was formed. My name is Keith Weston, and I currently serve as the executive director for the RRRA. Prior to this role, I worked for the Natural Resources Conservation Service (NRCS) assisting in watershed planning and conservation implementation throughout the Red River Basin. The RRRA is comprised of members of the Red River Joint Water Resource District (RRJWRD), a North Dakota political subdivision, and the Red River Watershed Management Board, a Minnesota political subdivision. The primary objective of the Red River Retention Authority is to ensure joint, comprehensive, and strategic coordination of retention projects in the Red River of the North watershed and facilitating implementation and construction of retention in the Red River Valley. The Authority and its members have been aggressively pursuing federal dollars to off-set local and state costs for retention projects and serves as an advocate for projects in the federal regulatory process. Our directors seek basin-wide solutions to realize effective flood protection and flood damage reduction, accomplished on a strategic project-by-project basis.

The RRRA has been successful at creating a venue for joint discussions between North Dakota and Minnesota in our multijurisdictional watershed to ensure a coordinated effort on a basin scale. This venue has been successful at increased dialog with local, state, and federal regulators and funding sources alike. One of our largest successes as an organization was to secure $12 million in federal funding from the NRCS through their Regional Conservation Partnership Program (RCPP). The funding was awarded to the RRRA in May 2015. The RRRA facilitated individual County Water Resource Districts (WRD) to enter into a funding agreement with NRCS to use the RCPP funds for assistance in completing NRCS Watershed Plans, recognizing that completion of an NRCS Watershed Plan would be required to further capitalize on federal funding. In total, eight NRCS watershed planning efforts were started in North Dakota. Planning began in early 2016 for most efforts and has been ongoing since.

For County WRDs that complete an NRCS Watershed Plan, NRCS provides opportunity for federal technical and financial assistance for construction. This program is known as the NRCS Watershed Program and is administered by federal Public Law 83-566 (PL-566). The NRCS Watershed Program has a long history of success in North Dakota, including construction of many small watershed dams, flood control projects, and agricultural drainage projects throughout the state. The federal program was well funded in the 1950s, -60s, and -70s when many of these projects were built. After this time, federal funding was limited and project development through the program halted. The federal program has recently been funded again through the federal farm bill and discretionary federal appropriations. This has created an opportunity for North Dakota to bring significant federal funding into the state to address our water management issues.

Several of the NRCS Watershed Plans funded through RCPP are nearing completion. In addition, several County WRDs have started NRCS Watershed Planning to revisit several high hazard watershed dams previously constructed through the program to evaluate opportunities to rehabilitate each structure for current dam safety, environmental, and societal concerns. Completion of an NRCS Watershed Plan is a rigorous effort that engages all stakeholders, regulatory entities, and the general public. Problems are clearly defined within the specific watershed, alternatives are developed and vetted, and decisions on the

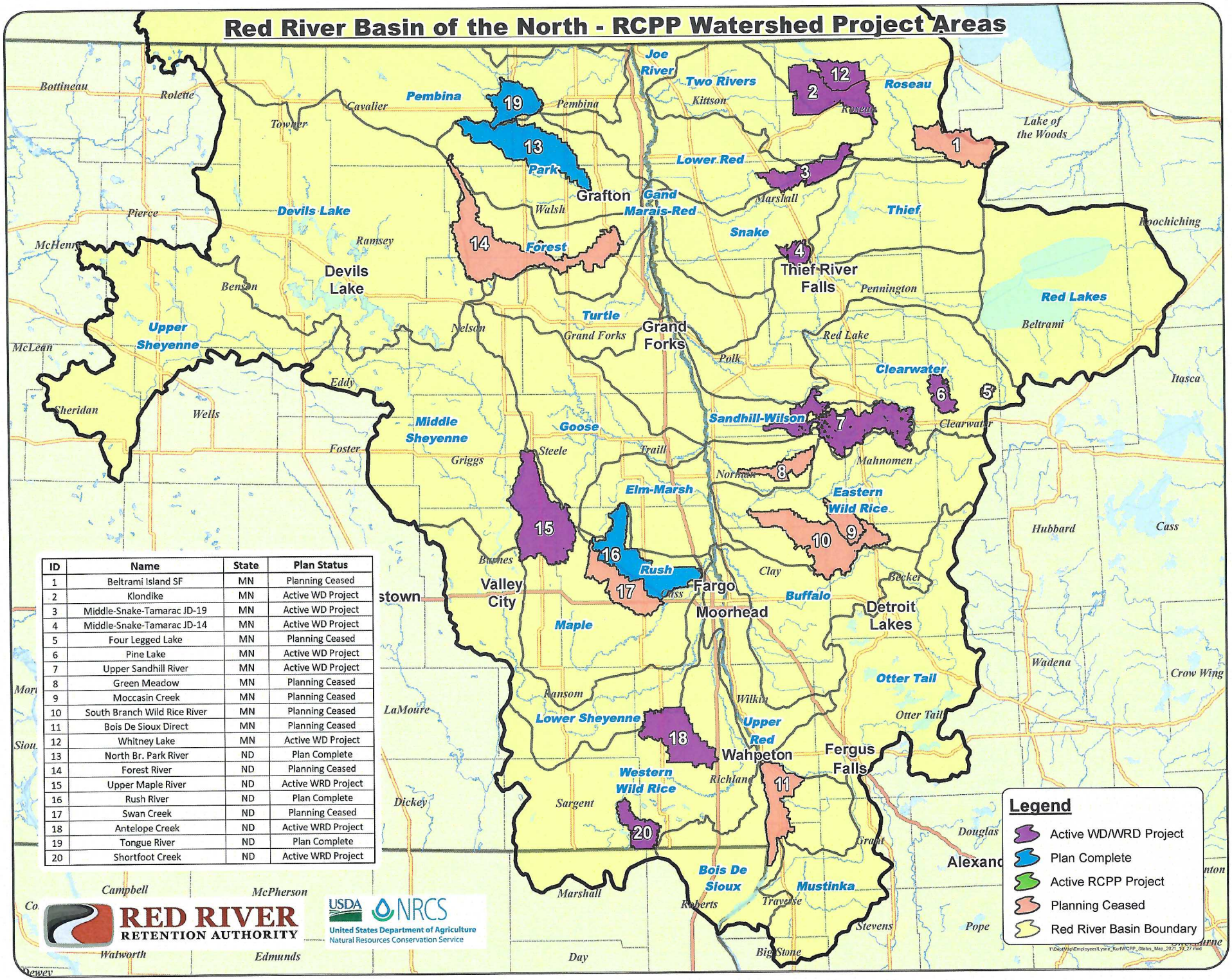
preferred alternative are arrived at. The planning process results in projects that are locally acceptable, permittable, and feasible. Both rehabilitation of deteriorating older watershed dams along with implementation of new projects is needed within the Red River Basin. If successful on all projects, the federal investment through the on-going watershed planning efforts would result in over 3-dollars of federal investment for every 1-dollar invested non-federally.

While the program presents a significant opportunity for North Dakota, it isn't without challenges. First is the strenuous planning completed by the sponsoring County WRD. The planning effort takes time and can lead to fatigue from all of those involved, including landowners and residents that may be called upon to assist in financing the non-federal portion of the project. In addition, while the program does provide an opportunity for a significant federal investment into North Dakota, often the non-federal share may still be cost prohibitive. Financing needs for County resources are high, and often WRD funding has to be weighed against other County needs. County WRDs have the power to assess costs to landowners, however local appetite for additional taxes with consideration to all County needs can be a challenge. Under current financing options, construction would likely be staggered based on annual cash-flow available to the County WRDs. This scenario would most certainly result in increased costs due to the staggering inflation that has hit the construction industry. Federal funding could also be jeopardized if program funding is again limited in future years. Ultimately, delaying these projects will lead to an increased cost to the state of North Dakota and its residents. And lastly, current eligibility requirements for North Dakota Department of Water Resources (DWR) cost share can create a challenge for many of these projects. In several instances the NRCS has decided to proceed with an alternative that provides additional ancillary benefits, primarily to natural resources and the environment. The additional benefits come at an increased cost that reduces cost effectiveness when considered strictly from a flood control perspective. The additional benefits created the opportunity for significant federal investment, however, it would also result in the projects being unfairly ranked on a benefit-to-cost basis because of the increased total costs. The current eligibility requirements do not fully consider the benefits of federal investments into North Dakota's water management projects with regard to reduced demand on state and local funding sources.

We propose a pilot watershed funding program to incentivize County WRDs to continue to pursue a federal investment through the NRCS Watershed Program into North Dakota's water management challenges. In total, we estimate construction costs of $115 million within the next biennium if all NRCS Watershed Plans are completed on their current timeline. This would result in $79 million in federal investment and require $36 million in state/local funds. Under our proposal, the program would provide 75% cost share to eligible projects to incentivize continued federal investment. The maximum anticipated funding need is $27 million through our pilot funding proposal, with the most likely funding need being closer to $12 million within this biennium. However, recognizing that this approach is a pilot approach and traditional DWR cost share will likely be available for several projects, **we request $7.8 million to be funded in the pilot program for this biennium.** This is anticipated to fund two high priority projects this biennium. The RRJWRD would secure the funding for the Red River Basin and administer funding to projects in North Dakota developed by their member districts.

In closing, ensuring the success of water management projects with federal funding is in the best interest of North Dakota. The 3.2:1 return on federal dollars for every non-federal dollar invested represents a significant savings to the state and its residents. Local residents and County WRDs should be incentivized to further pursue federal funding to lessen the future demands on state funds. Once completed, projects funded through this proposal will be an asset to the state of North Dakota long into the future.

Red River Basin of the North - RCPP Watershed Project Areas



ID	Name	State	Plan Status
1	Beltrami Island SF	MN	Planning Ceased
2	Klondike	MN	Active WD Project
3	Middle-Snake-Tamarac JD-19	MN	Active WD Project
4	Middle-Snake-Tamarac JD-14	MN	Active WD Project
5	Four Legged Lake	MN	Planning Ceased
6	Pine Lake	MN	Active WD Project
7	Upper Sandhill River	MN	Active WD Project
8	Green Meadow	MN	Planning Ceased
9	Moccasin Creek	MN	Planning Ceased
10	South Branch Wild Rice River	MN	Planning Ceased
11	Bois De Sioux Direct	MN	Planning Ceased
12	Whitney Lake	MN	Active WD Project
13	North Br. Park River	ND	Plan Complete
14	Forest River	ND	Planning Ceased
15	Upper Maple River	ND	Active WRD Project
16	Rush River	ND	Plan Complete
17	Swan Creek	ND	Planning Ceased
18	Antelope Creek	ND	Active WRD Project
19	Tongue River	ND	Plan Complete
20	Shortfoot Creek	ND	Active WRD Project

Legend

- Active WD/WRD Project
- Plan Complete
- Active RCPP Project
- Planning Ceased
- Red River Basin Boundary

RED RIVER RETENTION AUTHORITY

USDA NRCS
United States Department of Agriculture
Natural Resources Conservation Service

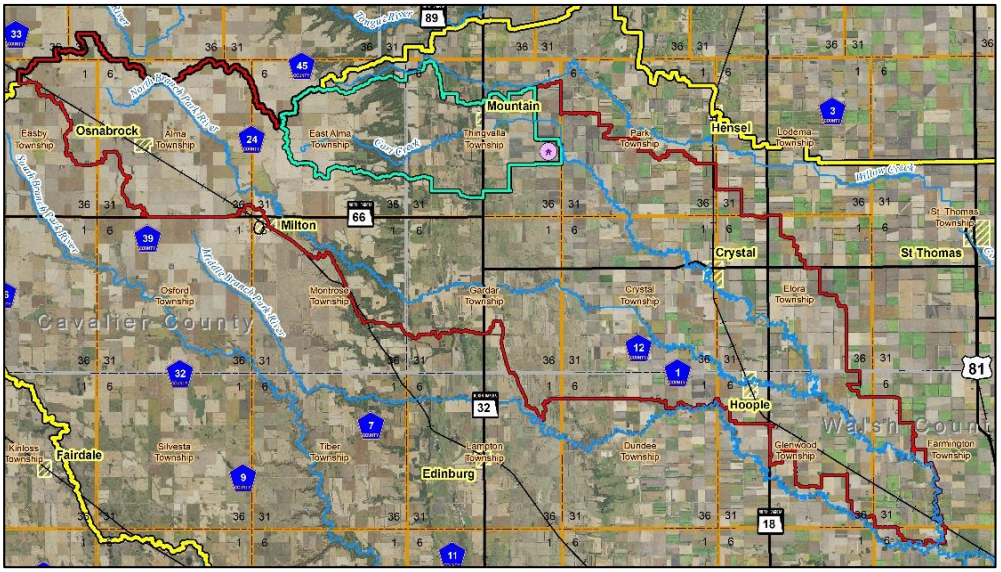
I:\DeptMap\Employees\Lysne_Kurt\RCPP_Status_Map_2021_10_27.mxd

Park River Joint Water Resource District
North Branch Park River Watershed Project

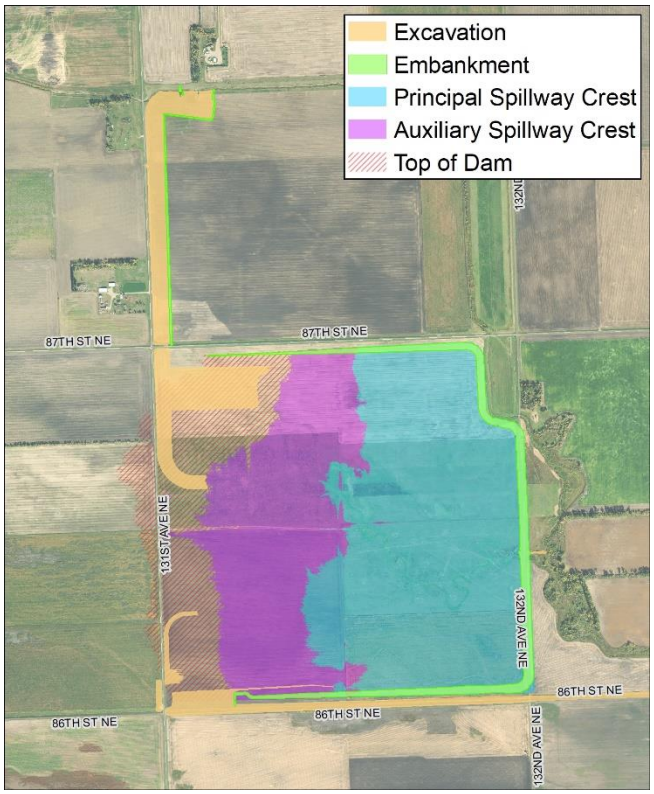
FY2023-2025 Legislative Fact Sheet

Proposers:
Park River Joint Water Resource District (PRJWRD)

Watershed Location:
Pembina County, ND
Walsh County, ND
Cavalier County, ND



Description:
The Park River Joint Water Resource District (PRJWRD) was formed to evaluate flood damage reduction alternatives in the North Branch Park River Watershed following severe flooding during spring and early summer of 2013. Member Districts include Walsh County Water Resource District and Pembina County Water Resource District. The PRJWRD began watershed planning through an agreement with NRCS with the intent of developing a project that would qualify for federal funding assistance through the NRCS Watershed Program. The planning process began in 2016 and included a rigorous review of watershed issues and vetting alternatives. The planning included input from the general public, regulatory agencies, and other local stakeholders.



The planning effort resulted in the development of a flood water retention project along the Cart Creek, which is a flood prone tributary of the North Branch Park River. The project will provide flood damage reduction benefits to downstream agricultural land, infrastructure, and flood prone communities. To meet NRCS program requirements, additional amenities were added to the project to enhance water quality and wildlife habitat. The project was able to demonstrate a commitment to international water quality agreements along the Red River through reductions to phosphorus levels in downstream water courses.

The project consists of construction of diversion channels and embankments to route flood waters from Cart Creek into a section of flood prone land. Embankments would be used to hold water in the retention area. Discharges would be regulated through a control structure that would use the available storage to reduce downstream peak flow rates. As an example, 100-year peak discharges at the downstream community of Crystal, ND would be reduced nearly 30%. In total, the project would provide 2,590 acre-feet of storage at peak flood pool levels. Several management practices within the flood pool would be implemented to provide for the water quality and habitat benefits required for NRCS funding.

Current Status: ***(As of January 2023)***

The PRJWRD is working with NRCS to finalize the Watershed Plan and Environmental Document. We anticipate this to be completed in early 2023, at which time federal funds will be authorized to begin final design. The PRJWRD anticipates moving through final design, permitting, funding, and landowner outreach in 2023 and 2024, with construction in 2025. Before moving into construction, the PRJWRD needs to finalize a funding package for the non-federal portion of the project.

Funding Needs:

The project qualifies for funding through the NRCS Watershed Program. Based on current cost estimates, federal funds would cover nearly 80% of the total project costs. The breakdown below provides the current cost estimate for the project and the required non-federal match. The cost estimate represents anticipated costs as of 2022, however delayed funding would likely increase project costs due to inflation of land and construction costs.

Total Project Costs ..... $ 12.23 Mil.

- Federal (NRCS Watershed Program) ..... $ 9.66 Mil.
- Non-Federal Match ..... $ 2.57 Mil.

Cass County Joint Water Resource District
Upper Maple River Watershed – Retention Site

Legislative Information Fact Sheet – FY2023-2025

Sponsor:
Cass County Joint Water Resource District
With Cooperation from the Barnes County Water Resource District and the Steele County Water Resource District. (a new tri-county water resource district is likely to be formed)

Watershed Area:
Cass County, Barnes County and Steele County, ND

Description:
Cass County has separated its County Water Resource District (WRD) into four Districts based on the watershed areas in the County; the Maple River WRD, Rush River WRD, Southeast Cass WRD and North Cass WRD. These 4 water resource districts then formed a Cass County Joint Water Resource District (CCJWRD) to address common interests and develop flood damage reduction projects within Cass County.

The CCJWRD received a cooperative agreement with NRCS to develop a watershed plan for the Upper Maple River watershed area that hopefully would conclude with a flood damage reduction project that would be eligible for Federal Program funding. A planning team was formed with participation from federal and state agencies, local landowners, local officials, and participation from the three water resource districts. (Cass, Barnes & Steele). There were many alternatives analyzed and considered to alleviate flooding conditions in the watershed. The planning process led to the preferred alternative, a flood water retention project with additional benefits to improve water quality and wildlife habitat. The chosen alternative also provides benefit to international treaty agreements with Canada, providing reductions to phosphorus downstream in the Red River watershed.

The Preferred Alternative, known in the plan as Site 2A, entails construction of a dry dam with interior features for the purpose of nutrient reduction and wildlife habitat. The primary dam structure will provide temporary (less than one week) floodwater retention during peak flow events. This project will control a drainage area of 59.7 square miles and has embankment length of 2.3 miles, maximum height of 31 feet, 48-inch principal spillway conduit, and structural concrete auxiliary spillway to create 2,863 acre-feet of flood storage at the auxiliary spillway crest. In addition to the flood protection the project will also create approximately 240 acres of biomass harvest areas and approximately 230 acres of wetland improvements meeting goals of flood protection with wildlife enhancement and water quality improvements.

Current Status:
The initial plan has been reviewed and commented on by the NRCS. They have indicated the watershed plan would be eligible for funding under the Watershed Operations Program. The final stages of the watershed plan and environmental impact statement are being updated. This plan should be completed

in the 1st quarter of 2023. Final review and approval from NRCS would be anticipated by the end of 2023. The CCJWRD would then begin final design, permitting, financial commitments, and landowner meetings and right-of-way in 2024. Construction would likely begin in early 2025.

Funding:

This project is eligible for funding through the NRCS Watershed Operations Program. The federal funds cover 75% of the construction and design costs, 50% of the mitigation features and the local sponsors are responsible for all right-of-way, utility relocations and permitting costs with non-federal sources.

Estimated Total Project Costs
$14.80 million (in 2022 $)
Federal Funds – NRCS Watershed Operations:
$ 8.00 million
Local/Non Federal Sources:
$ 6.80 million