

**Pilot Basin Funding Program
Testimony
January 19, 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, permissible, 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. However, recognizing that this approach is a pilot approach and traditional DWR cost share will likely be available for several projects, **we request \$12 million to be funded in the pilot program for this biennium.** This would fund the projects with the greatest need for funding 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.