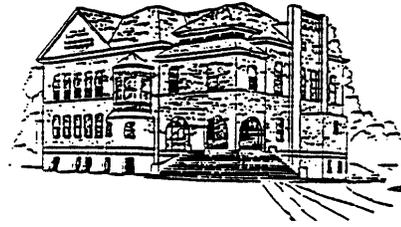


Wells County Water Resource District

Tammy Roehrich, Secretary
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Chairman Patten & Senate Energy and Natural Resources Committee Members:

My name is Larry Skiftun. I am a lifelong farmer in Wells County, a landowner, and also the current Chairman of the Wells County Water Resource District Board of Managers. I submit this testimony in opposition to Senate Bill 2307 and request the opportunity present further testimony before the committee in person.

Assessment drains are good for farmers, for local governments, for road authorities, and for our local and state economy. Assessment drains manage water locally and create a mechanism to tax those in the watershed who benefit from the engineering study and orderly management of water at the local level. Assessment drains reduce peak flows and downstream sediment delivery by creating storage in the watershed during normal conditions to help accommodate those ever-increasing storm events. SB 2037 impedes the development of good assessment drain projects.

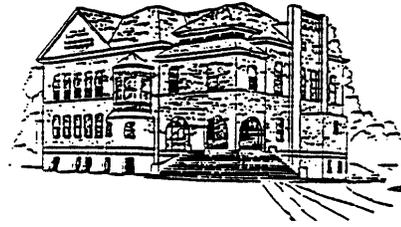
When a petition for an assessment drain is filed, petitioners file a bond to cover preliminary administrative, engineering, and legal expenses incurred by the water resource district before landowners vote whether to proceed with the project. Board managers must employ consultants to study the project with enough detail for landowners to be able to make an informed vote, without incurring too much expenses on projects that are voted down, so as to be good stewards of the petitioners' bond. SB 2037 increases the preliminary expenses covered by the landowner-petitioner bond because it requires the board to hire consultants to gather data and determine economic benefit, in dollars, before the landowners even vote to whether to proceed with the project.

Section 6 of SB 2037 requires water resource boards to use the economic analysis tool developed by the Department of Water Resources/State Water Commission for cost-share assistance. While the Economic Analysis Worksheet (EAW) may work well for SWC decision-making on cost-share assistance, it is an unworkable tool for deciding how to allocate local special assessment taxes. Here are some concerns with application of the EAW to local tax assessments:

- The EAW was not developed for this purpose; therefore, it was not developed with stakeholder input about how benefits should be recognized to parcels in the watershed.
- The EAW takes into account societal, economic factors that do not relate to the increase in market value and potential for increase in ag production factors that should be used to determine how local special assessment taxes are allocated to cropland, pasture, and local governments.

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- The EAW does not recognize benefits to “new” acres that *could* be drained once the project is established; therefore, landowners who install drain tile after an assessment drain is constructed are given a free ride on the cost to construct assessment drain outlets.
- The EAW does not take into account property that is responsible for increased assessment drain maintenance or increased assessment drain capacity because of natural drainage alterations or modifications that accelerate the drainage of water from property. The EAW skews benefits to acres that are currently flooded and directly drained by the project. Since assessments will be based on benefits, SB 2307 unfairly shifts the tax burden of assessment drains on downstream acres which is contrary to longstanding state policy that “upstream landowners and districts that have artificially altered the hydrologic scheme must share with downstream landowners the responsibility of providing for proper management and control of surface waters.”

SB 2037 takes the power away from local water resource boards and voting landowners. Section 6 of SB 2037 requires use of the flawed EAW tool for all projects estimated to cost \$1 million or more and if the benefits do not exceed costs, the project is barred from even proceeding to a landowner vote.

The Interim Drainage Committee worked hard on many water issues, but very little time was spent analyzing and discussing how economic benefits of assessment drains are calculated and determined. The Committee received a single demonstration of the EAW tool, but no time was given to demonstrate the EAW tool’s shortcomings for use to allocate local special assessments. The determination of economic benefits to individual parcels in the watershed is complex, is of great importance to the agriculture community, and deserved more attention and analysis.

As a farmer, and as a manager serving the Wells County Water Resource District, I strongly urge the Committee to vote no on SB 2307.

Sincerely,

Larry Skiftun, Board of Managers Chair
Wells County Water Resource District