



*DEDICATED TO PROTECTING, DEVELOPING, AND MANAGING NORTH DAKOTA'S WATER RESOURCES*  
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**SB 2326**  
**Testimony of Kurt Lysne**  
**Senate Energy and Natural Resources Committee**

Chairman Patten and members of the Senate Energy and Natural Resources Committee, I am Kurt Lysne. I serve on the North Dakota Water Users board and am an engineer, working on a regular basis with water districts in the Red River valley. I rise today in support of SB 2326.

The North Dakota Water Users Association voted to include the following resolution in their 2023 policy document:

*We oppose the incorporation of benefit-cost principles in determining the feasibility and justification of state funding for water conveyance and flood control projects under \$1 million total project cost as stipulated by N.D.C.C. 61-03-21.4.*

Over the years, there have been many conversations about the use of economic analyses by the State Water Commission (SWC) to determine cost-share on projects. The legislature requires, in statute, that all flood control and water conveyance projects over \$1 million must undergo an economic analysis. The SWC in policy has lowered that threshold to \$200,000.

We believe the SWC's economic analysis can be a useful tool, however, it costs both local sponsors and the state time and resources to conduct. It has been my experience that large and small projects fare similarly when going through the economic analysis. In our view, the discretionary requirement to conduct economic analyses on projects less than \$1 million places an additional financial and administrative burden on small projects that have a track record of providing a return on investment.

Ultimately, we believe that removing the requirement that projects under \$1 million have to go through the economic analysis for cost share would allow state staff and local sponsors to focus their time on analysis of larger projects with greater need for study, while also expediting the completion of important smaller projects.

For these reasons, we ask for a do pass recommendation on SB 2326.

Thank you. I'd be happy to stand for any questions you may have.