

Industrial Commission
of North Dakota

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ATTORNEY GENERAL

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AGRICULTURE COMMISSIONER



Date: March 21, 2025

From: DeAnn Ament, Executive Director of the North Dakota Public Finance Authority

RE: House Bill 1577 – Wastewater Infrastructure Grant Program

Chairman Patten and members of the Committee – I am DeAnn Ament, Executive Director of the North Dakota Public Finance Authority (PFA). I am attending today's hearing to provide information relating to the funding of wastewater infrastructure projects.

The PFA works with the Department of Environmental Quality (DEQ) to administer the financial aspects of North Dakota's Clean Water and Drinking Water State Revolving Funds (SRFs). This role includes issuing bonds to provide the required state match for the federal capitalization grants and to leverage the programs as well as reviewing the loan applications of the borrowers.

I have been with the PFA since 1998 and served as the Executive Director since 2010. I have watched the dollar amount of these infrastructure projects increase substantially. Cities that did not want to use the SRFs because of the federal requirements or felt they needed to use the SRFs, have become repeat customers because of the below market interest rate. And we have worked extremely hard to make the SRFs attractive and user friendly.

DEQ will cover the sources of grants available for wastewater projects and most, if not all, grants mentioned are available for drinking water projects as well. In reviewing the loan applications of all the Clean Water and Drinking Water SRFs borrowers the last 25 months, it is very apparent that the stark difference between the two programs is water projects have access to Department of Water Resources' Cost Share Program.

In the 2023 legislative session, \$621.6 million was appropriated for project and purpose funding cost share. Removing ineligible categories (state owned projects and flood control projects), there was \$387.9 million available for Drinking Water SRF eligible type projects plus the other grants that will be discussed by DEQ. Additionally, the federal funds received by the Drinking Water program are larger than the Clean Water

program's grants and the resulting percentage provided to Drinking Water borrowers as grants is larger as well.

From 2023 to present, the Clean Water program had 33 loan approvals for \$211.9 million. Eight of those received grant opportunities from other sources totaling \$25.8 million and another six received \$12.9 million of loan forgiveness from the Clean Water program.

From 2023 to present, the Drinking Water program had 38 loan approvals for \$136.9 million. Twenty-seven grant opportunities were received from other sources totaling \$98 million and another fifteen received \$69 million of loan forgiveness from the Drinking Water program.

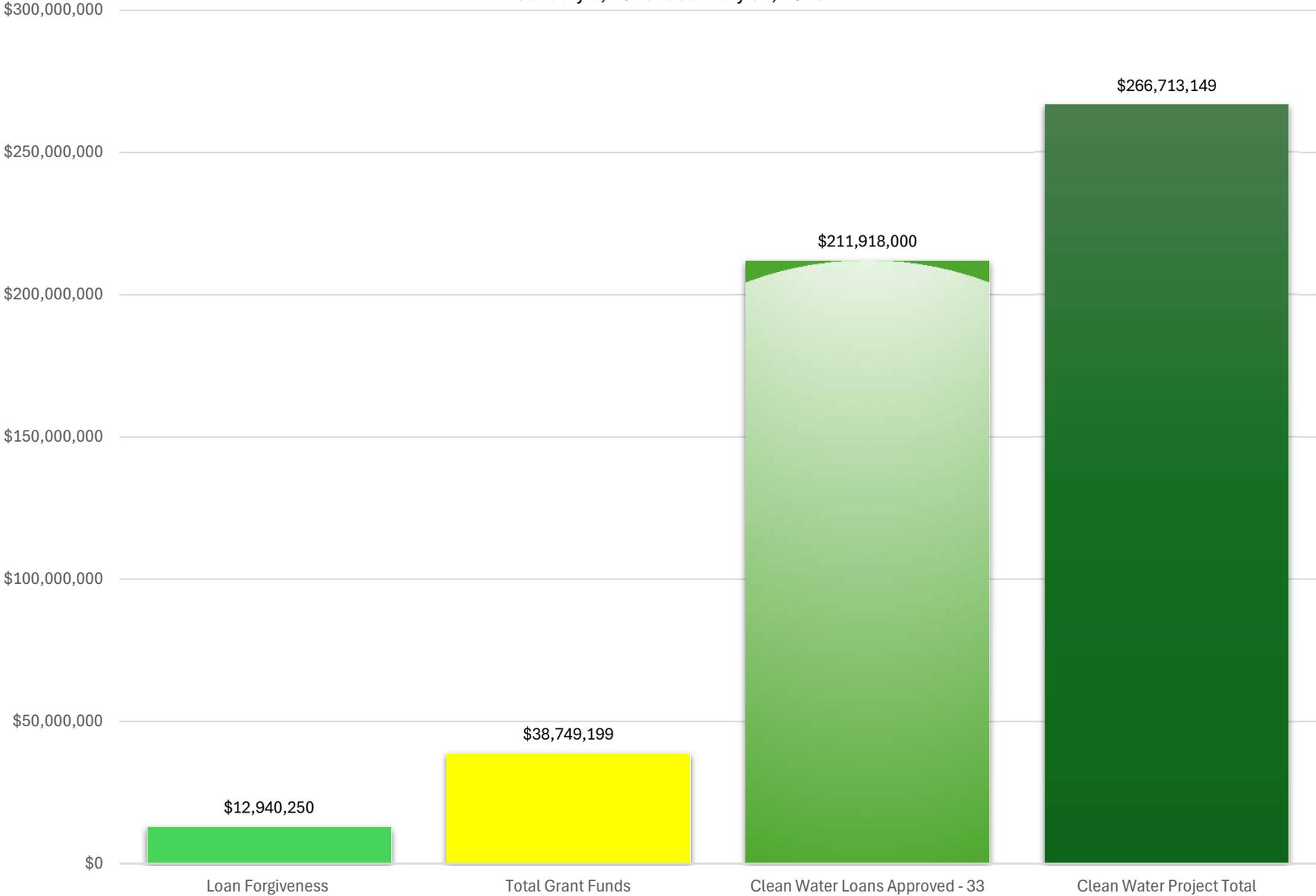
While wastewater infrastructure projects are essential, clearly the opportunities for grants and loan forgiveness are limited. This creates significant challenges, particularly for small communities that are already financially strained. Without adequate infrastructure, these areas face even greater obstacles to economic development, public health, and overall well-being.

Attached are graphs regarding the composition of the SRF loans approved from January 1, 2023, to January 31, 2025.

This concludes my testimony, and I would gladly answer any questions you may have.

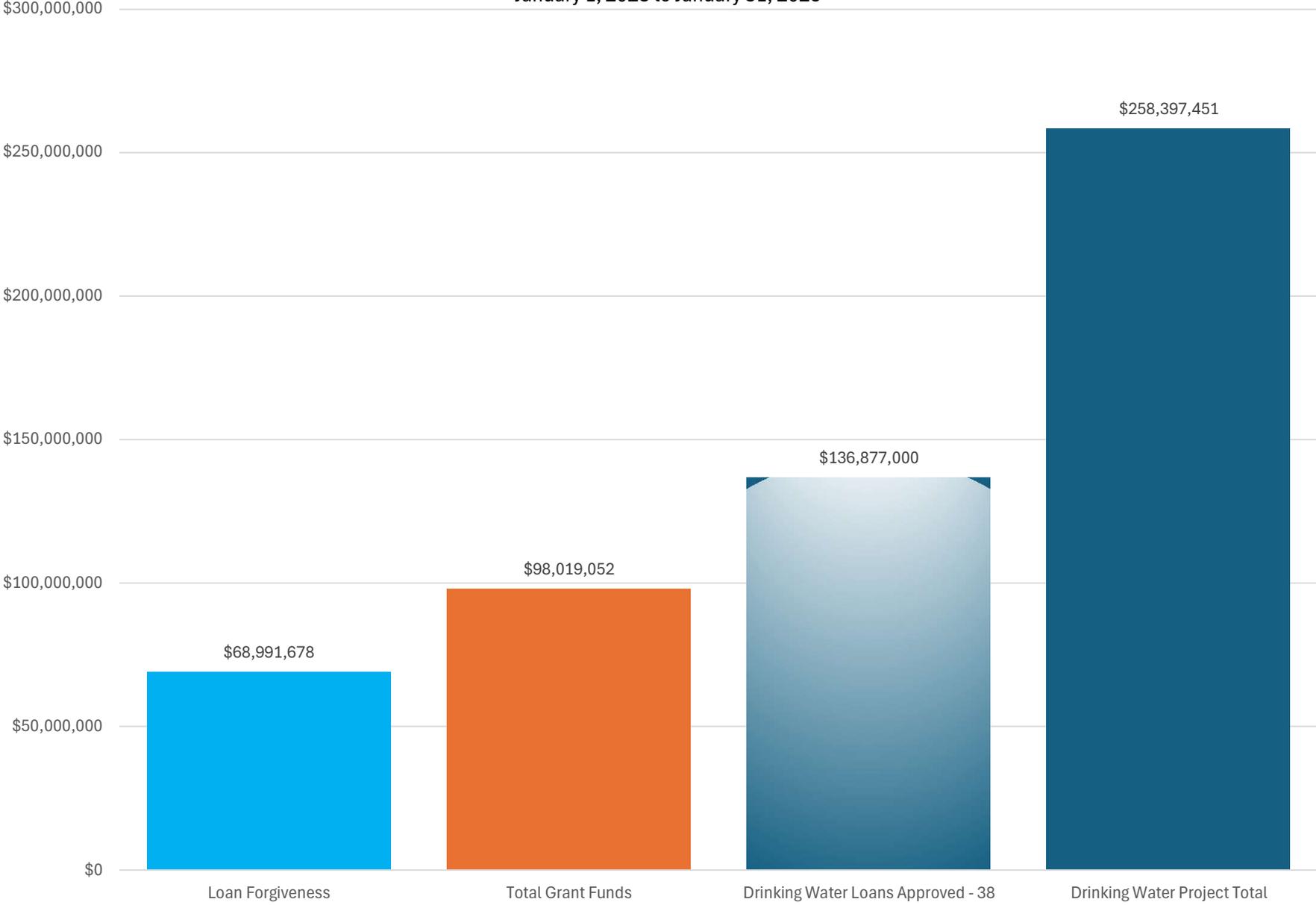
Clean Water Projects

January 1, 2023 to January 31, 2025



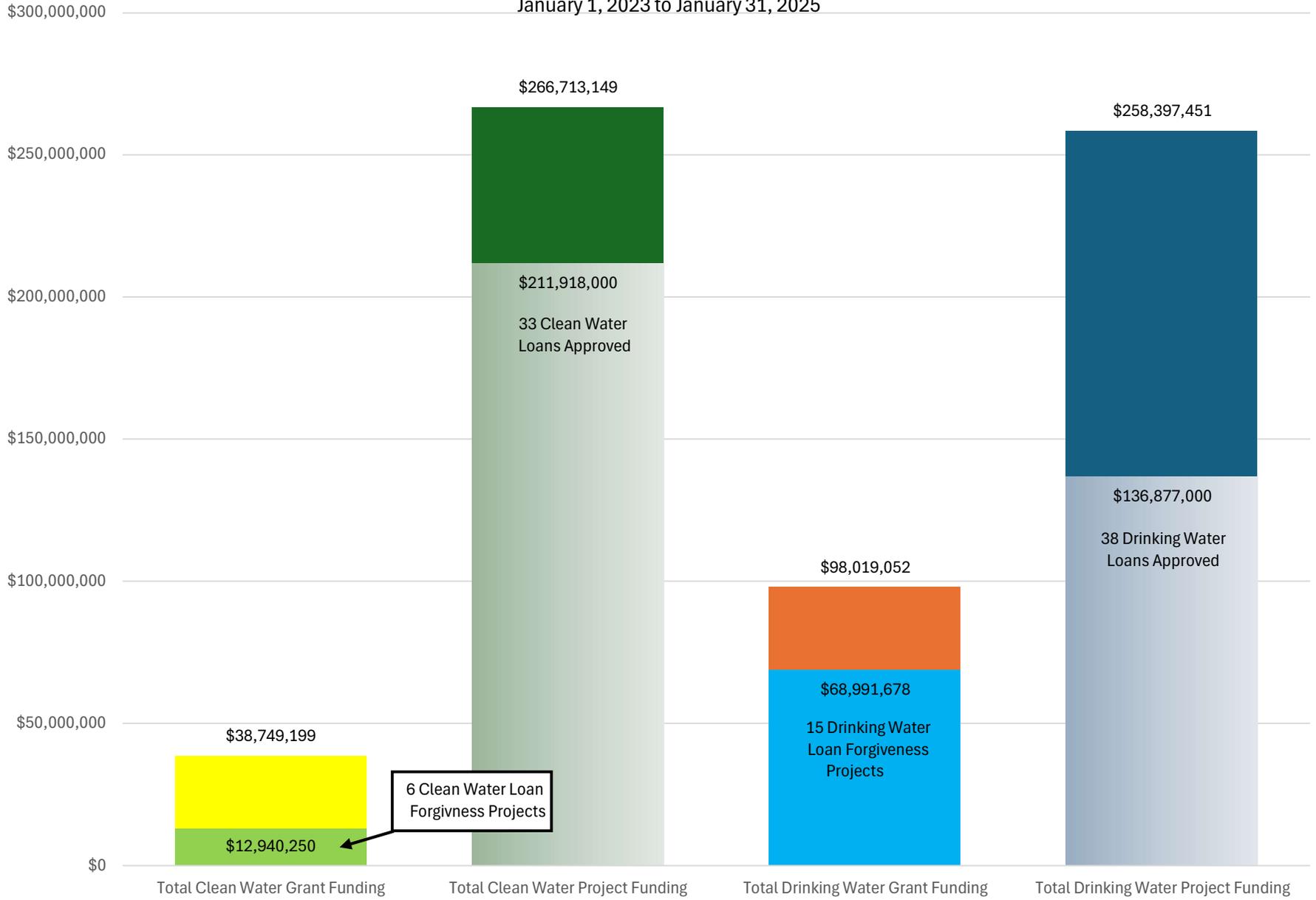
Drinking Water Projects

January 1, 2023 to January 31, 2025



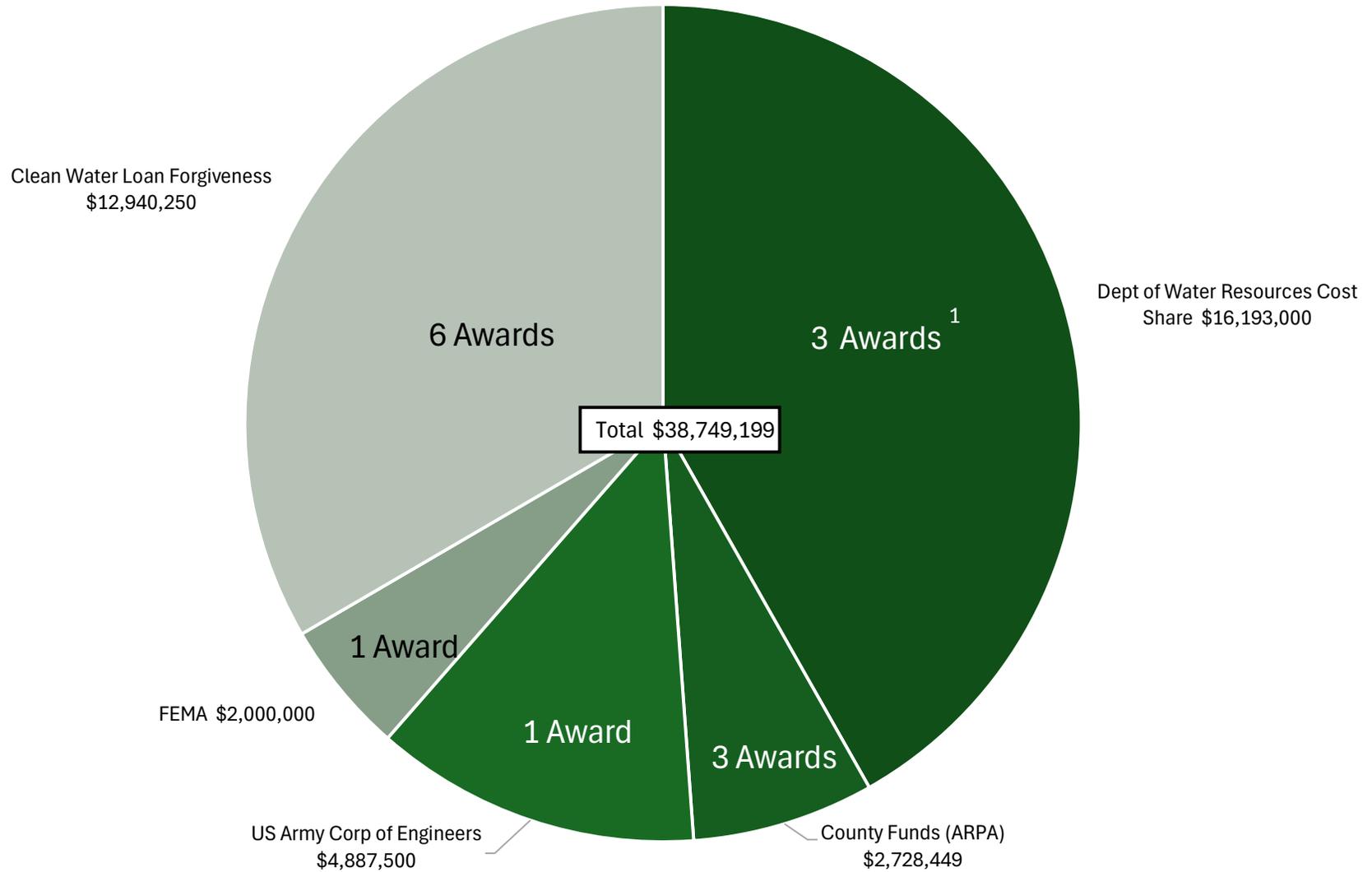
Clean Water vs Drinking Water

January 1, 2023 to January 31, 2025



Clean Water Loan Forgiveness & Grants

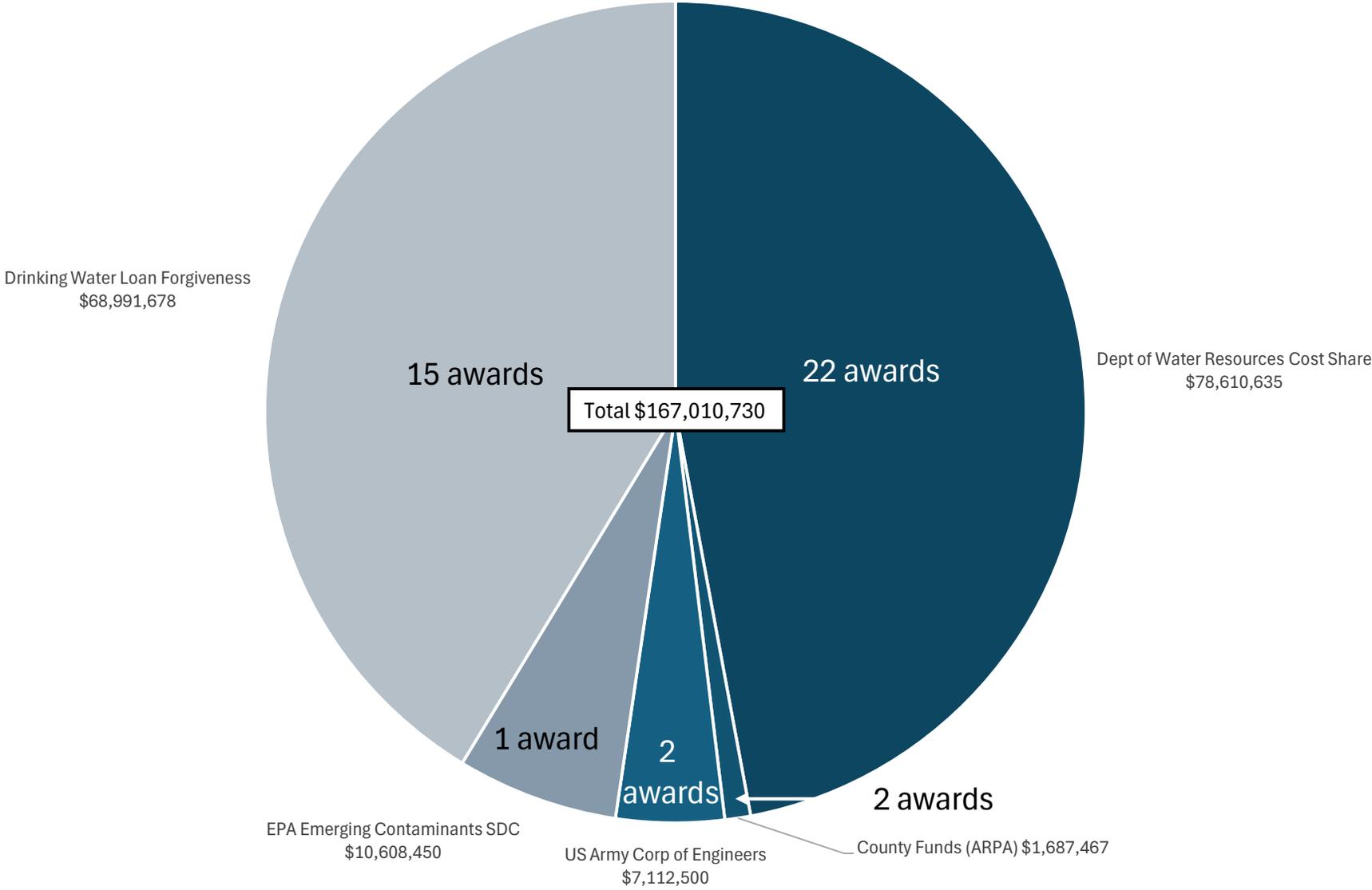
January 1, 2023 to January 31, 2025



¹ Two awards were for the water portion of a water/sewer/road replacement and \$13,269,000 for effluent water for Casselton soybean crushing plant.

Drinking Water Grants & Loan Forgiveness

January 1, 2023 to January 31, 2025



Rate Increases

January 1, 2023 to January 31, 2025

