

2023 Red River Valley Water Supply Project Legislative Funding Requests



By Kimberly Cook

The co-sponsors of the state Red River Valley Water Supply Project (RRVWSP) and the future end users of the project are busy preparing for North Dakota's 2023 legislative session. Garrison Diversion Conservancy District (Garrison Diversion) and Lake Agassiz Water Authority (LAWA) hosted informational workshops for legislators in Bismarck, Carrington and Fargo in November and December. The events provided an overview of the need for the drought mitigation project, how water will be conveyed from the Missouri River, construction progress, and funding needs to complete the project in a timely manner. The RRVWSP will provide an emergency and supplemental water supply to cities and rural water systems via buried pipelines spanning from central to eastern North Dakota when constructed.

2023 LEGISLATIVE FUNDING REQUEST

Garrison Diversion, LAWA and project participants intend to request \$255 million from the legislature to fund construction during the 2023-2025 biennium. The amount of the RRVWSP legislative request is based on the project's design progress and capability of construction crews to accelerate the project's timeline.

The RRVWSP work plan for the upcoming biennium includes construction, continued project design and the phase 1 design of the Eastern North Dakota Alternate Water Supply Project (ENDAWS). To accomplish the 2023-2025 work plan, Garrison Diversion and LAWA will need about \$340 million. The \$255 million legislative request is equal to 75% of the work plan budget. The remaining \$85 million is the local share the project's end users will contribute.

The budget breakdown for the \$340 million work plan includes the following amounts for each task during the biennium:

- Shovel-ready construction: \$285 million
- Continued design: \$24 million
- ENDAWS Phase 1 design: \$30 million

NEED FOR ACCELERATED CONSTRUCTION

A cost-efficient build schedule that spans six years is proposed to access the emergency water supply sooner, as North Dakota has experienced moderate to severe drought conditions over the past couple years. “Climatologists predict we will see another severe 1930s-style drought before 2050,” Garrison Diversion General Manager Duane DeKrey explained. “We are going to request funding that will allow us to complete this drought mitigation project sooner, so we can ensure the state is protected from the estimated \$33 billion impact a 10-year drought of that magnitude would have on North Dakota.”

“An accelerated build timeline also reduces the risk of ongoing inflation that will cause the project’s cost to dramatically increase,” says Merri Mooridian, Garrison Diversion administrative officer and deputy program manager of RRVWSP administration. “One thing we can control is how quickly we construct the project.”

ENDAWS COST SAVINGS

The RRVWSP will realize cost savings by proceeding with the federal ENDAWS portion of the Project. ENDAWS will utilize McClusky Canal, which is part of the original Garrison Diversion Unit infrastructure, to convey Missouri River water via buried pipeline and connect to the state-led RRVWSP. “The decision was made to proceed with the federal ENDAWS portion of the project because it provides a potential capital cost savings of \$270 million,” says Kip Kovar, Garrison Diversion engineer and deputy program manager for RRVWSP engineering. “McClusky Canal is a long-underutilized federal asset that was originally created to provide a municipal and industrial water supply and irrigation. The

ability to make use of McClusky Canal as an alternate water source for the Red River Valley Water Supply Project will save millions of dollars in construction costs, as well as operations and maintenance costs.”

END USER AFFORDABILITY IS CRUCIAL

An important consideration that will be brought before legislators is the cost to the project’s end users. Cities and rural water systems needing emergency and supplemental water supply from the RRVWSP must have access to affordable loans. “Our end users need a loan program to help ensure they can afford to participate in the Red River Valley Water Supply Project,” Mooridian says. “We will request ‘debt sculpting’ to allow cities and rural water systems participating in the project to grow into their loan repayments over time.”

RRVWSP PARTNERSHIP BENEFITS NORTH DAKOTA’S ECONOMY

Garrison Diversion and LAWA will propose partnering with the state of North Dakota to fund economic development capacity through industrial water access. “This is a win-win scenario because it maintains local affordability for end users while ensuring the rural water systems and municipalities involved in the project have adequate future development capacity to attract new industries to North Dakota,” Mooridian says.

This would be a prudent partnership, as the Bank of North Dakota’s Regional Economic Modeling Incorporated (REMI) software forecasts full utilization of the RRVWSP’s industrial capacity would have a \$1.7 billion annual impact on North Dakota’s economy. REMI software also forecasts the RRVWSP would protect \$22.2 billion of the state’s gross domestic product during future



severe droughts between 2033 and 2050, while reducing the cost of water supply disruptions to the state by an average of \$1.9 billion per year.

“The drought mitigation cost savings to the state of North Dakota as well as the project’s forecasted boost to the state’s economy are substantial,” DeKrey says. “We hope our lawmakers see the need for accelerating the project’s construction and agree to help our end users with affordable loan terms in the upcoming legislative session.”

2022/2023 CONSTRUCTION STATUS & RESTORATION UPDATE

At the end of 2022, we celebrate the progress made on the RRVWSP and look ahead at what is planned in 2023.

Several key portions of the project were completed this year, including the discharge structure about six miles south of Cooperstown, N.D., where the water will enter the Sheyenne River. A lot of progress was made in 2022 on the Missouri River intake four miles south of Washburn. Contract 1 is complete with Contract 2 under construction. Work on Contract 2 includes installing pipeline in the tunnel under the Missouri River, push rams, sheet pile structure, and the seal plug. Final restoration of the site is scheduled for the spring of 2023.

The buried pipeline near Carrington, Contract 5A, wrapped up this summer when ground restoration was completed. Crews continue to work on Contract 5B to extend the pipeline southeast of Carrington and east through Foster County. Garrison Diversion is committed to restoring the land responsibly after construction. Therefore, a road maintenance agreement was signed with Foster County prior to construction.

During construction of the 5B portion of the pipeline in 2022, it was determined restoration of 76th Avenue in Rose

Hill Township would be necessary as the road experienced heavy traffic from construction equipment. The road maintenance agreement requires restoration or repair of county and township roads, such as 76th Avenue, that are utilized as primary haul roads during the construction of the RRVWSP. Garrison Diversion included the road maintenance agreement requirement in the 5B contract with Garney Construction, the contractor responsible for pipeline construction.

The agree has two options for completing restorations and repairs. A county or township can accept a one-time payment of \$10,000 per mile and complete the repair itself, or if the county or township does not want to complete the work itself, the contractor can restore the road following specific requirements. Rose Hill Township chose to accept a one-time payment of \$10,000 per mile to complete the repairs on six miles of 76th Avenue. Garney Construction issued a total payment of \$60,000 to Rose Hill Township to complete the repairs to the road.

“The payment made by Garney Construction to Rose Hill Township fulfills Garrison Diversion and Garney’s obligation to restore 76th Avenue under the road maintenance agreement with Foster County. The timeline for repairs to the road will be up to Rose Hill Township,” Kovar explains.

If the funding request for the 2023-2025 biennium is approved by the North Dakota legislature, construction will continue on the pipeline spanning from the McClusky Canal to the Sheyenne River. The 72-inch pipe will have the capacity to convey water at 165 cubic feet per second (CFS) during peak demands.

