

TESTIMONY OF

L. David Glatt, P.E., Director of the Department of Environmental Quality

Good morning Chairman Delzer and members of the Interim House Appropriations Committee. My name is Dave Glatt, and I am the Director of the Department of Environmental Quality. I am here to testify in support of two proposals to use a portion of the state's American Rescue Plan Act funds. These proposals are part of the governor's Accelerate ND plan.

Lead Service Line Replacement

The first proposal would provide \$25 million for replacing lead service lines across the state. It would supplement the limited amount of grants currently offered by the Drinking Water State Revolving Fund (or DWSRF). The DWSRF priority list indicates 21 projects may contain lead service line replacements, with more projects expected in future priority lists. Lead service lines have the potential to contribute unacceptable levels of lead to drinking water. Children are particularly vulnerable to lead. This proposal would provide up to a 90% grant for lead service line replacement, which is consistent with the grant amount currently offered through the DWSRF program. The existing processes of the DWSRF program would be utilized to prioritize which projects would receive funding.

Sewer and Nonpoint Source Projects

The second proposal would provide \$30 million of grant funds for sewer and nonpoint source projects. The existing Clean Water State Revolving Fund (CWSRF) Program proposes to utilize ARPA Funding to provide wastewater, storm sewer, and other CWSRF eligible projects in the form of up to 75% grant funding. The opportunities for communities in North Dakota to receive grant assistance for sewer and nonpoint source projects is very limited, typically \$650,000-780,000 per year, and providing funds through the CWSRF for this purpose will fulfill a significant need throughout the state. The CWSRF program would use the 2022 Intended Use Plan's process to prioritize which projects would receive funding.

The interim final rule for ARPA aligns eligible uses for water and sewer projects with those eligible to receive assistance through the CWSRF and DWSRF. The SRF programs will administer the funds using existing SRF staff and resources, so none of the funds will be used for administration by the DEQ.

Mr. Chairman and committee members, this concludes my testimony. I ask for your support for these proposals. I would be happy to answer any questions.