



Meeting the Challenge

2025-27 Critical Water Needs Summary

Water is North Dakota's most valuable natural resource. Every day, our water resources are used for drinking water, agriculture, industry, power production, and recreation. Water also plays a major role in growing the state's economy through its vital use in oilfield development, value-added agriculture, and many more industries. The significant growth in industrial development and population, major flooding events throughout the years, and the need to provide reliable, quality water have presented North Dakota with a unique set of challenges that need to be addressed and met. The way these challenges can be addressed is through sufficient funding of water projects.

HOW WATER IS FUNDED

Water funding is allocated from the Resources Trust Fund, which was established in 1991 by an amendment to the North Dakota Constitution voted on by the people of North Dakota. The amendment, and subsequent legislation, directs 20.5% of the oil extraction tax to the Resources Trust Fund to develop water infrastructure



projects. Resources Trust Fund dollars are appropriated by the legislature each biennium into funding "buckets," or categories, such as water supply or flood control. More dollars in the water supply, rural water, and capital projects buckets means more North Dakotans will have access to clean drinking water. More dollars in the flood control bucket means more protection for high flood-risk cities like Fargo, Minot, Valley City, and Mandan.

The establishment of the Resources Trust Fund in 1991 was a visionary move by both the people of North Dakota and the Legislature. It has made possible investment in water resources that makes North Dakota the envy of our neighbors in the Midwest and states across the country. Today, the Resources Trust Fund provides valuable investment in water infrastructure that improves the quality of life for every North Dakotan.

WATER FOR DRINKING AND INDUSTRY

Funding regional and rural water systems helps bring clean, safe and quality water to more than 75% of North Dakota and has helped strengthen economic development. Using regional water systems, which distributes water over large areas of the state partnering with rural and municipal water systems, allows North Dakota to tap into our largest water resource, the Missouri River, and deliver that abundant resource across large reaches of



the state. The Missouri River is the water source for the four regional water systems: the Southwest Pipeline Project (SWPP), Northwest Area Water Supply Project (NAWS), Western Area Water Supply Project (WAWS), and Red River Valley Water Supply Project (RRVWSP). When complete, these regional systems will carry Missouri River water to residents in all four corners of the state and serve approximately 80% of the population. Funding is also provided for municipal water systems, both those tied in with rural or regional systems and those who maintain systems of their own.

PROTECTION FROM FLOOD

North Dakota has many water resources that are used to positively grow the state and serve its residents and businesses.

However, sometimes water is destructive, a problem that North Dakota knows too well. Over the 136 years of its existence as a state (and before), the wild and fluctuating levels of its rivers and lakes have resulted in devastating flooding for North Dakota. Without sufficient protection, these floods can displace people, destroy homes, and devastate businesses and productive crop land. Through funding provided by the legislature, North Dakota is diligently working to provide protection for urban and rural residents from devastating flood events. Thanks to bonding provided in 2021, the Fargo-Moorhead Area Diversion project is fully funded. Large projects like the Mouse/Souris River Enhanced Flood Protection Project, Valley City Permanent Flood Protection Project, and the Lower Heart-City of Mandan Flood Risk Reduction Project still lack the funds to be completed. Additionally, there are many projects brought forward by farmers, ranchers and rural residents to provide drainage and rural flood protection seeking funding in this biennium.



IRRIGATION DEVELOPMENT

Along with destructive floods, North Dakota also experiences severe drought and years with water scarcity. Drought is one of the many risks faced by farmers and ranchers across this state.



However, with the development of irrigation, droughts cease to cause the catastrophic ruin they can cause in areas without irrigation. In drought years, irrigation can increase the productivity of an acre of cropland six-fold. State support in irrigation can help North Dakota become a leader in irrigation development and grow the overall agriculture economy in the state. In 2023, the State Water Commission increased their cost share for irrigation districts to 75% and increased their investment in interest rate buydown for irrigators through the Bank of North Dakota's (BND) AgPace program. Work is ongoing to increase BND's investment in AgPace as well with the goal of increasing the buydown cap to at least \$100,000.

WHY FUND WATER

Investing in water means investing in the sustainable growth of North Dakota. Not only do water projects benefit from this investment, but so do other top industries of North Dakota and every North Dakota citizen. Sufficient funding for water infrastructure allows the state to provide one of the most basic necessities for life—water—to every North Dakotan while at the same time directing this resource to benefit agriculture, energy, tourism and other top industries across the state. We have come a long way since the Resources Trust Fund was established more than 30 years ago, but there is still much work left to do. We look forward to working with you as we develop a plan to meet the challenge of completing vital water infrastructure projects for the benefit of every North Dakotan.



WHO WE ARE

The North Dakota Water Coalition is a membership organization, under the umbrella of the North Dakota Water Users Association, made up of organizations and individuals interested in funding for water infrastructure. Since 1994, the Water Coalition has worked to identify and lobby for state and federal funding for water projects across North Dakota.

North Dakota
WATER
COALITION

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2025 and Beyond

Water needs are clearly greater than our resources.
We must work hard to **MEET THE CHALLENGE** of completing vital water infrastructure projects for the benefit of every North Dakotan.

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