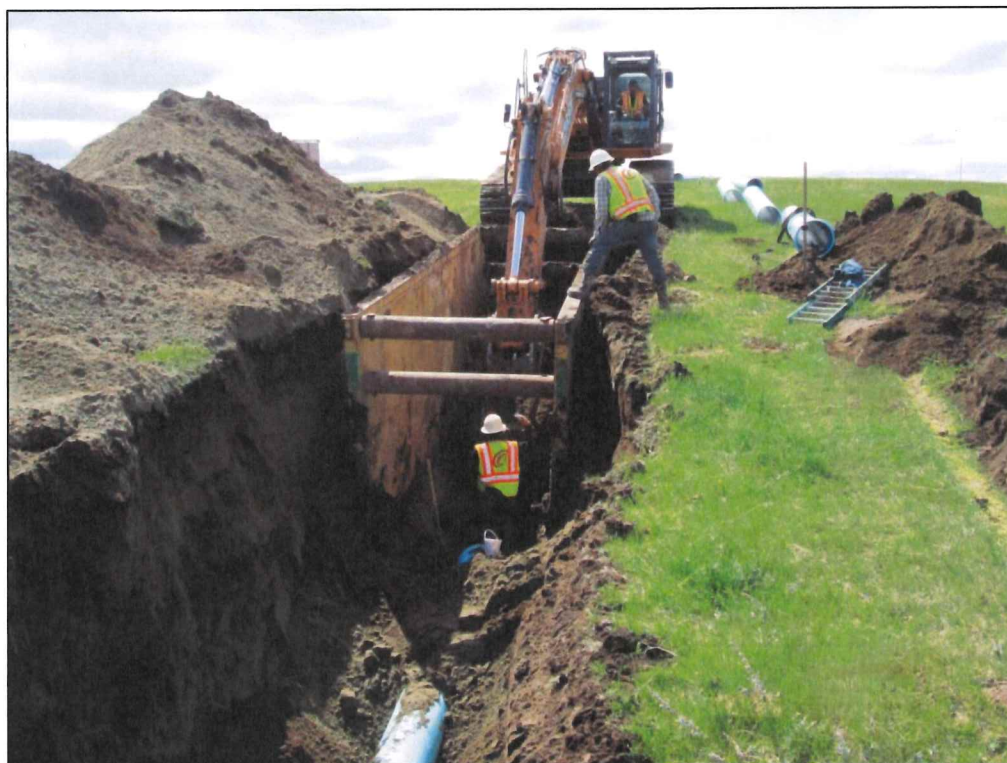


# Service Area & Customers Served

- Population served is ~56,000
- Over 6,800 rural customers
- 33 communities
- 23 contract customers
- 2 additional rural water systems
- 19 raw water customers
- 3 crew camps
- 2 raw water depots
- Water sales for 2016 are 2.4 billion gallons
- Water sales for 2017 projected at 2.6 billion gallons
- Water revenue for 2016 projected at \$14.5 million
- Water revenue for 2017 projected at \$14.9 million
- 2 water treatment plants
- 1 water treatment plant under construction
- 53 employees



main transmission pipeline install



SOUTHWEST WATER  
AUTHORITY

*QUALITY WATER FOR  
SOUTHWEST NORTH DAKOTA*



# Southwest Water Authority

## Operations & Maintenance

- The Southwest Pipeline Project (SWPP) is owned by North Dakota and administered by the State Water Commission
- Southwest Water Authority (SWA) was established in 1991
- Operations and management of the SWPP were transferred to SWA on January 1, 1996
- SWA manages, operates, and maintains all SWPP features

## REM Fund

- The Replacement & Extraordinary Maintenance (REM) Fund covers costs of an extraordinary nature or to replace parts of the SWPP system that reach their life expectancy
- Originally, the rate was set at 30 cents per thousand gallons of water sold and in 2017 the rate is 65 cents

<b>Contract Contributions</b>	<b>\$ 13,646,341</b>
<b>Rural Contributions</b>	<b>\$ 2,061,142</b>
<b>Interest</b>	<b>\$ 4,056,705</b>
<b>Dividends</b>	<b>\$ 279,639</b>
<b>Fiduciary Fees</b>	<b>\$ (484,831)</b>
<b>Disbursements</b>	<b>\$ (3,026,493)</b>
<b>Ending Balance</b>	<b>\$ 16,532,503</b>

(As of December 31, 2016)

## Mill Levy

- SWA receives one mill from each of the 12 counties served
- Mill levy began in 1991, extended in 2001, again in 2009, and sunsets in 2020
- The mill levy for SWA is used for administration expenses



## Current Board of Directors



Jonathon Eaton  
Adams County



James Odermann\*  
Billings County



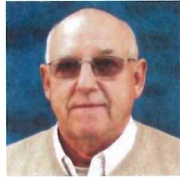
Rick Seifert  
Bowman County



Glenn Eckelberg  
Dunn County



Gene Allen  
Golden Valley County



Brian Roth  
Grant County



Don Schaible  
Hettinger County



Marie Johnson  
Mercer County



George Saxowsky  
Morton County



Mike Tietz  
Oliver County



Dave Juntunen  
Slope County



Steve Schneider\*  
Stark County



Larry Bares\*  
City of Dickinson



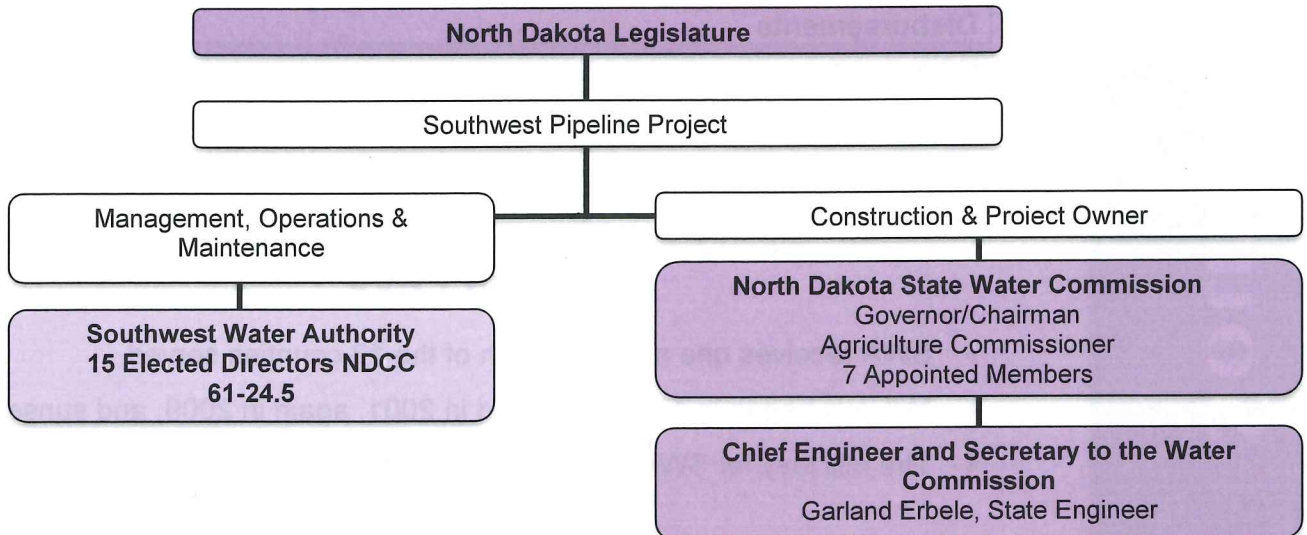
Larry Stang  
City of Dickinson



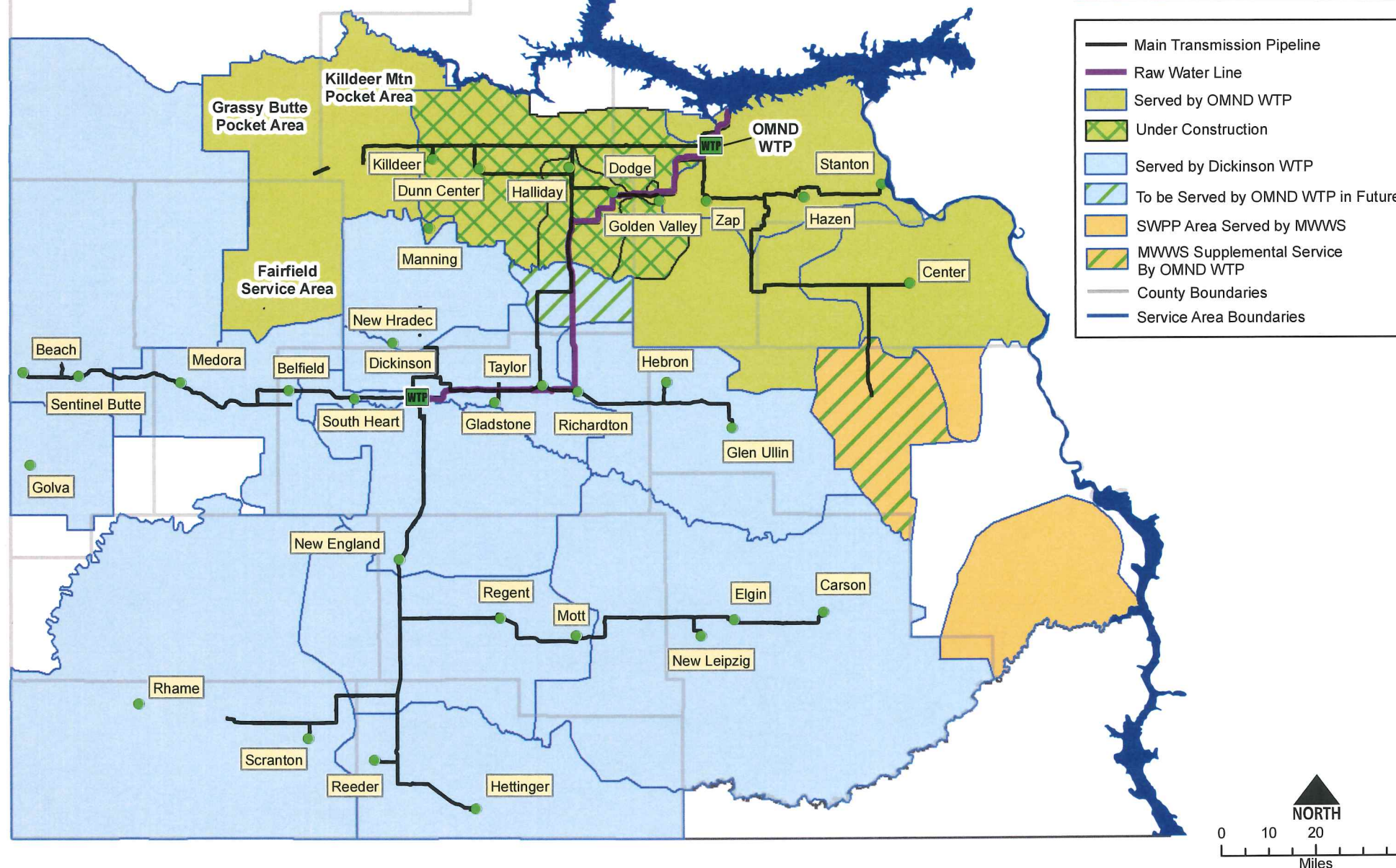
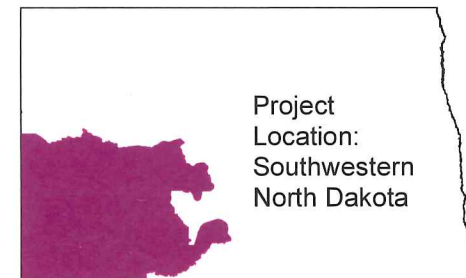
Bob Leingang  
City of Mandan

### *\*Executive Committee Members*

- Governed by a 15-member board representing 12 counties in the service area
- In 1991, SWA had 27 board members
- In 2001, SWA's Board of Directors was downsized to 14 members
- In 2009, the City of Mandan was added as a board member, increasing the board to 15 members
- Board members serve four-year terms with half the board up for election every two years in the June primary



# Southwest Pipeline Project







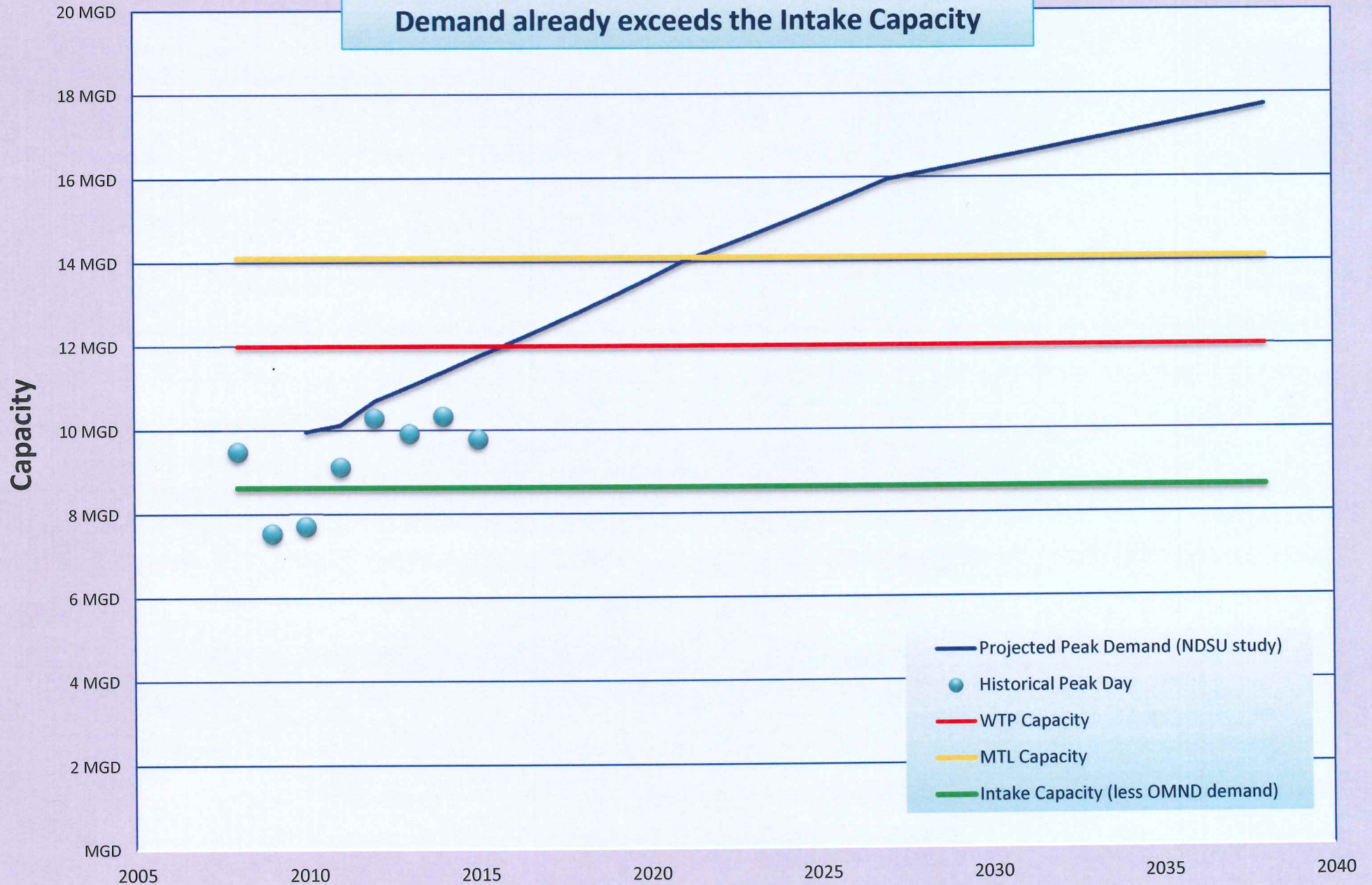
# Funding Request for 2017-2019 Biennium



Contract	Description	Detail	Estimated Project Cost
4-1E	Dodge Pump Station Upgrade	Upgrade from 700 to 900 HP pump and add one P6 900 HP pump	\$6,100,000
	Capacity upgrades necessary for growth in the region		
4-2B	Richardton Pump Station Upgrade	Upgrade from 900 to 1200 HP pump	\$5,500,000
	Capacity upgrades necessary for regional growth-deferred construction		
1-2B	Supplemental Intake Pump Station	Intake Pump Station Building and Pumps	\$7,200,000
5-13A	2nd Davis Buttes Reservoir	1 Million Gallon Ground Storage Reservoir, 60' diameter x 47'high	\$1,445,000
	Deferred construction		
2-3H	Parallel Pipe from Richardton to Dickinson Reservoir	5 miles 24" DIP	\$8,025,000
	Capacity upgrades necessary for regional growth		
4-3A	Ray Christensen Pump Station Upgrades	One 350 HP and one 125 HP pump	\$760,000
	Capacity upgrades necessary for regional growth		
2-3I	Parallel Pipe from Dickinson Reservoir to Dickinson WTP	1.43 miles 24" DIP	\$2,150,000
	Capacity upgrades necessary for regional growth		
2-2I	Parallel Pipe from Zap to Richardton	20.4 miles 30" Steel and DIP	\$36,650,000
	Capacity upgrades necessary for regional growth		
5-9A	2nd Belfield Reservoir	750,000 Gallon Ground Storage Reservoir, 52' diameter x 47' high	\$1,070,000
	Capacity upgrades necessary for regional growth		
8-4	Golva Tank	150,000 Gallon Standpipe, 25' diameter x 41' high	\$550,000
	Deferred construction		
	Funding shortage from 2015-2017		\$13,800,000
	SWC Agency Operations		\$750,000
	Total Estimated Project Cost		<b>\$84,000,000</b>

# SWPP Projected Peak Demand at Dickinson Without Continued Funding

Demand expected to exceed WTP capacity in 2017  
Demand already exceeds the Intake Capacity





# SWPP Projected Peak Demand at Dickinson With Continued Funding



## Southwest Pipeline Project (SWPP) Funding Sources

### State Funding (in millions of dollars)

Resources Trust Fund .....	\$182.19
Water Development Trust Fund .....	\$8.47
<b>Subtotal .....</b>	<b>\$190.66</b>

### Federal Funding

Garrison Diversion Conservatory District	
Municipal Rural & Industrial (MR&I) Fund (ARRA Funding \$11.90) ..	\$105.92
United States Department of Agriculture – Rural Development (RUS) .....	\$15.32
Natural Resources Conservation Service PL566 .....	\$0.93

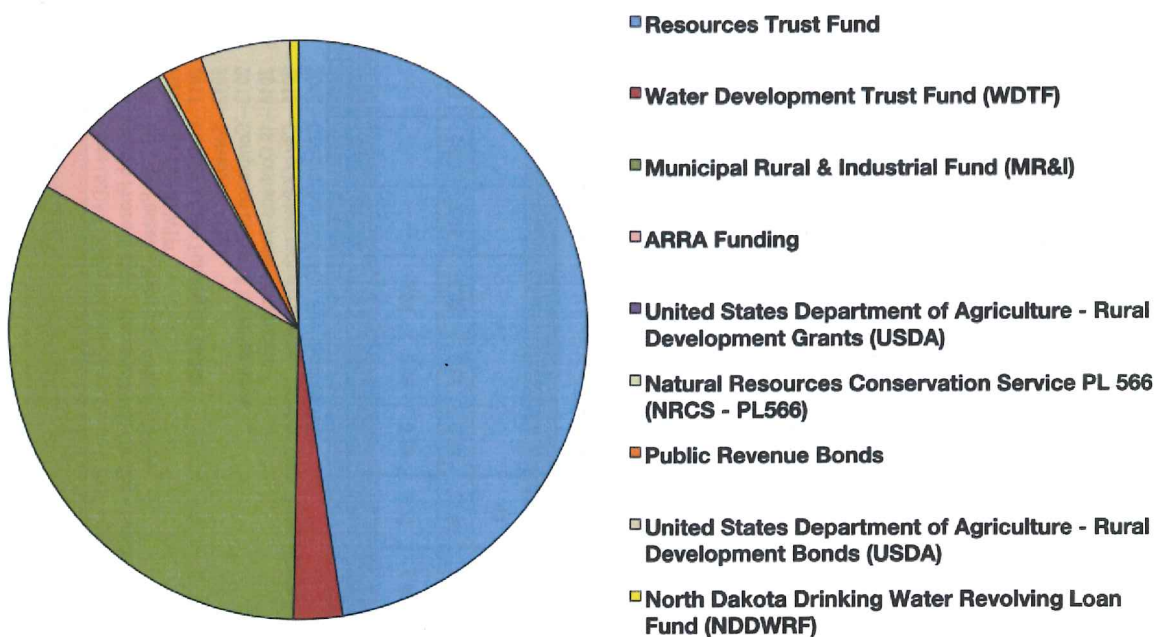
**Subtotal .....** **\$122.17**

### State Bonds

Public Revenue Bonds .....	\$7.04
United States Department of Agriculture – Rural Development .....	\$15.70
ND Drinking Water Revolving Loan Fund .....	\$1.50
<b>Subtotal .....</b>	<b>\$24.24</b>

**Total Funding .....** **\$337.07**

(As of November 30, 2016)





# Southwest Pipeline Project (SWPP) Timeline

	1971	1972	1973	1974-76	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
<b>Projects:</b>	West River Diversion				SW Area Water Supply				Southwest Pipeline Project (SWPP)												
<b>Organizations:</b>							West River Water Supply District				West River Joint Board							SWA (Non-Profit)	SWA (Political Subdivision)		

	1994	1995	1996	1997-2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Projects:</b>	Southwest Pipeline Project (SWPP)										Southwest Pipeline Project (SWPP)									
<b>Organizations:</b>	Southwest Water Authority (SWA) (Political Subdivision)										Southwest Water Authority (SWA) (Political Subdivision)									

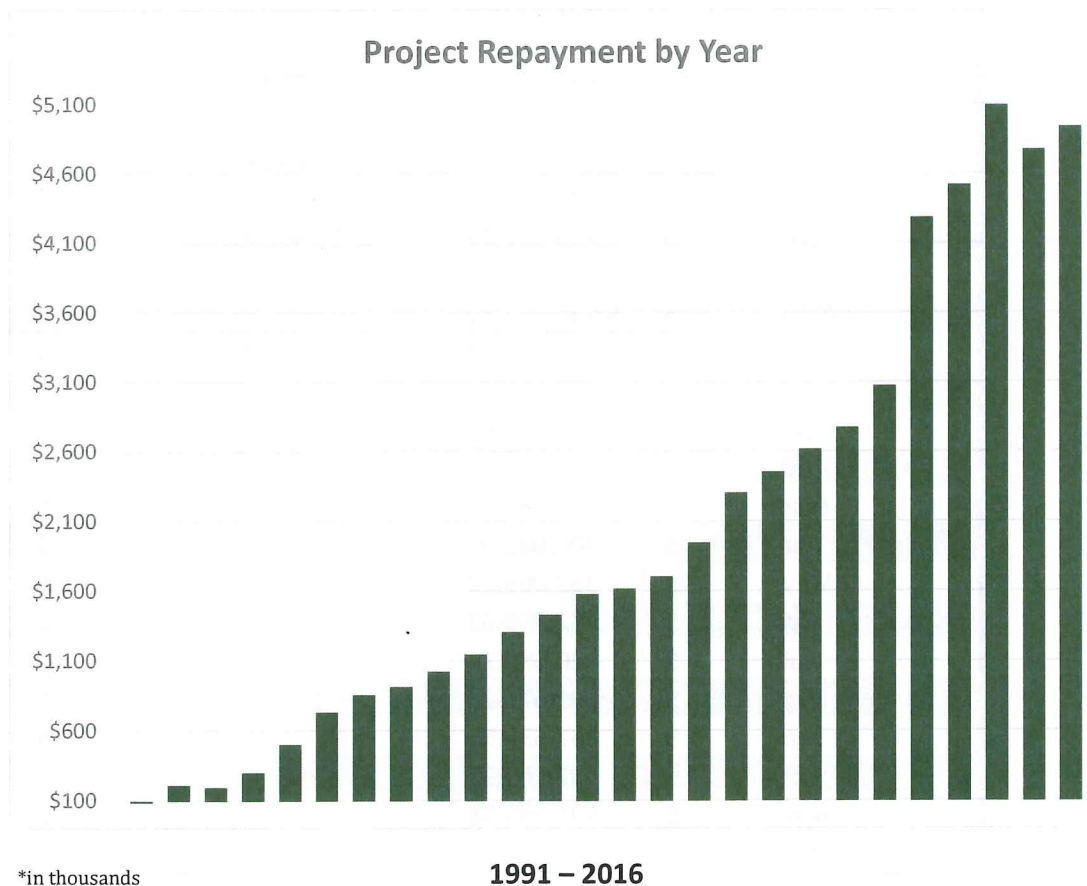
<b>SWPP Historical Events:</b>	1981 – SWPP Authorized 1983 – SWPP Final Design Authorized 1985 – SWPP Construction Authorized 1986 – Construction Begins Garrison MR&I Funding 1991 – Rural Water Integration Service to Dickinson 1992 – First Rural Water Service (Roshau Subdivision)						1994 – Service Beyond Dickinson 1995 Full Scale Rural Service 1996 – Transfer of O&M to SWA 1997 – USDA Rural Development Funds and Revenue Bonds 1998 – Garrison MR&I Funding 1999 – SB 2188 Passed – Water Development Trust Fund 2001 – State Funding Bowman-Scranton Phase 2003 – Medora-Beach Phase						2005 – State USDA Funding Medora-Beach Phase II 2007 – State USDA Funding Medora-Beach Phase III 2008 – Received MR&I Funding – First time since 1999 2009 – SB 2193 Passed – Expanded Authority ARRA Funding for OMND WTP 2011 – Federal & State Funding for OMND 2012 – Service to OMND 2013 – Completion of Zap I & II Service Areas 2014 – 19 Contracts Under Construction 2015 – City of Killdeer received service – Finished Water Pump Station Completed 2016 – Construction of 6 MGD Supplemental WTP							
--------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

<b>Funding (in millions):</b>	1971	1972	1973	1974-78	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
State Resources Trust Fund						----	----	----	23.60	----	----	----	----	----	----	----	0.04	0.06	0.68	0.77	1.46	1.77
Garrison Diversion MR&I													7.38	8.33	6.67	2.65	5.32	6.87	5.30	10.10	7.77	5.41
Natural Resources Conservation Service																				.13	0.41	.39
<b>TOTAL:</b>									23.60				7.38	8.33	6.67	2.65	5.36	6.93	5.98	11.00	9.64	7.57

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
State Resources Trust Fund	1.18	0.70	1.34	4.21	0.83	0.33	3.06	2.38	3.05	1.62	0.69	2.70	5.43	1.27	4.73	8.86	13.00	29.68	42.41	24.61	182.19
Garrison Diversion MR&I	0.18	2.47	1.24									2.94	1.13	4.64	16.91	5.64	1.97			2.00	105.92
Natural Resources Conservation Service																					0.93
Revenue Bonds	3.96	3.08																			7.04
USDA Rural Development (loans)		3.50	0.02	1.38	0.50	0.23	1.63	1.54		2.47	1.43	3.00									15.70
USDA Rural Development (grants)		1.04	1.54	1.59	2.48	0.92	1.04	0.56	1.30	1.93	0.52	2.07	0.10				.23				15.32
Drinking Water State Revolving Loan Fund				1.00	0.50																1.50
Water Development Trust Fund					1.45	5.17	0.26	0.45		0.09	1.05										8.47
<b>TOTAL:</b>	5.32	10.79	4.14	8.18	5.76	6.65	5.99	4.93	4.35	6.11	3.69	10.71	6.66	5.91	21.64	14.50	15.20	29.68	42.41	26.61	337.07

# Project Repayment

- The Southwest Pipeline Project (SWPP) pays a portion of rural, domestic, municipal and industrial water sales to the Resources Trust Fund
- More than \$52 million has been paid back to North Dakota through December of 2016
- Over 29 percent of SWPP's Resources Trust Fund money has been paid back to North Dakota
- Eventually every dollar of the funding used to construct the Southwest Pipeline Project will be paid to the Resources Trust Fund
- Nearly \$5 million per year is being paid back to the Resources Trust Fund





## Southwest Pipeline Project Capital Repayment

YEAR		RESOURCES TRUST FUND	BOND PAYMENTS	TOTAL
1991		\$ 11,166.00		\$ 11,166.00
1992		\$ 212,899.00		\$ 212,899.00
1993		\$ 195,973.00		\$ 195,973.00
1994		\$ 300,472.00		\$ 300,472.00
1995		\$ 504,179.00		\$ 504,179.00
1996		\$ 734,994.15		\$ 734,994.15
1997		\$ 389,111.41	\$ 468,801.59	\$ 857,913.00
1998		\$ 415,197.60	\$ 500,593.77	\$ 915,791.37
1999		\$ 349,574.05	\$ 676,423.19	\$ 1,025,997.24
2000		\$ 418,164.86	\$ 728,614.91	\$ 1,146,779.77
2001		\$ 475,021.15	\$ 833,246.78	\$ 1,308,267.93
2002		\$ 416,859.08	\$ 1,015,365.60	\$ 1,432,224.68
2003		\$ 458,780.10	\$ 1,122,504.11	\$ 1,581,284.21
2004		\$ 615,337.62	\$ 1,005,901.63	\$ 1,621,239.25
2005		\$ 661,099.95	\$ 1,045,858.38	\$ 1,706,958.33
2006		\$ 611,674.29	\$ 1,336,805.97	\$ 1,948,480.26
2007		\$ 856,597.12	\$ 1,451,468.74	\$ 2,308,065.86
2008		\$ 1,451,385.68	\$ 1,004,121.20	\$ 2,455,506.88
2009		\$ 1,504,429.59	\$ 1,114,558.52	\$ 2,618,988.11
2010		\$ 877,624.28	\$ 1,898,922.31	\$ 2,776,546.59
2011		\$ 1,793,563.59	\$ 1,282,852.85	\$ 3,076,416.44
2012		\$ 3,303,608.16	\$ 983,667.70	\$ 4,287,275.86
2013		\$ 3,080,405.43	\$ 1,441,235.41	\$ 4,521,640.84
2014		\$ 3,753,622.85	\$ 1,340,702.63	\$ 5,094,325.48
2015		\$ 4,776,377.17		\$ 4,776,377.17
2016		\$ 4,936,757.79		\$ 4,936,757.79
		<b>\$ 33,104,874.92</b>	<b>\$19,251,645.29</b>	<b>\$ 52,356,520.21</b>
Jan		\$ 345,613.93		\$ 345,613.93
Feb		\$ 397,514.99		\$ 743,128.92
Mar		\$ 346,333.74		\$ 1,089,462.66
Apr		\$ 306,006.03		\$ 1,395,468.69
May		\$ 362,069.23		\$ 1,757,537.92
Jun		\$ 382,398.83		\$ 2,139,936.75
Jul		\$ 420,550.25		\$ 2,560,487.00
Aug		\$ 481,576.15		\$ 3,042,063.15
Sep		\$ 467,632.53		\$ 3,509,695.68
Oct		\$ 487,061.91		\$ 3,996,757.59
Nov		\$ 594,995.08		\$ 4,591,752.67
Dec		\$ 345,005.12		\$ 4,936,757.79

# Testimonials

## What People Are Saying...

*"Few things in life are as important to the overall health and welfare of people as access to high quality potable water supplies. The Southwest Water Authority's ability to provide quality drinking water has been crucial to the communities and rural areas of southwestern North Dakota."*

**~ Garland Erbele, P.E., North Dakota State Engineer**

*"Water is essential to the well-being of the residents we serve and to our economy. They are the reasons the Southwest Pipeline Project and Southwest Water Authority exist."*

**~ Larry Bares, Chairman, SWA Board of Directors**

*"Southwest Water Authority's efforts are critical towards providing water for residential, agricultural, and industrial use during this time of rapid growth in western North Dakota."*

**~ Jack Dalrymple, Former Governor of North Dakota**

*"At Southwest Water Authority, the Southwest Pipeline Project is quality water for southwest North Dakota. Great-tasting, quality water for our customers is not only our mission — it's our business."*

**~ Mary Massad, SWA Manager/CEO**

*"This Project water is better than bottled spring water. It's clear, tastes great, doesn't stain anything, has constant pressure compared to a well kicking in and out; we really appreciate having quality water."*

**~ Chris and Traci, Southwest residents**



*"We are still waiting for water we can drink and cook with and not be afraid it will harm our family's health or that of our livestock."*

**~ Duane and Karen, Southwest residents**





# QUALITY WATER FOR SOUTHWEST NORTH DAKOTA



Construction of the  
Supplemental Water  
Treatment Plant in  
Dickinson





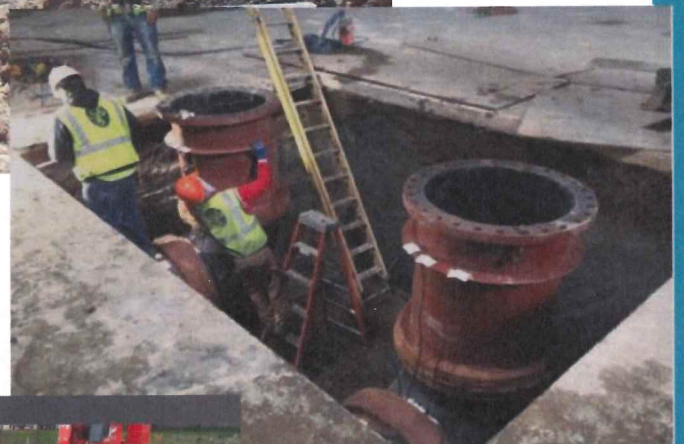


SOUTHWEST WATER  
AUTHORITY

*QUALITY WATER FOR  
SOUTHWEST NORTH DAKOTA*

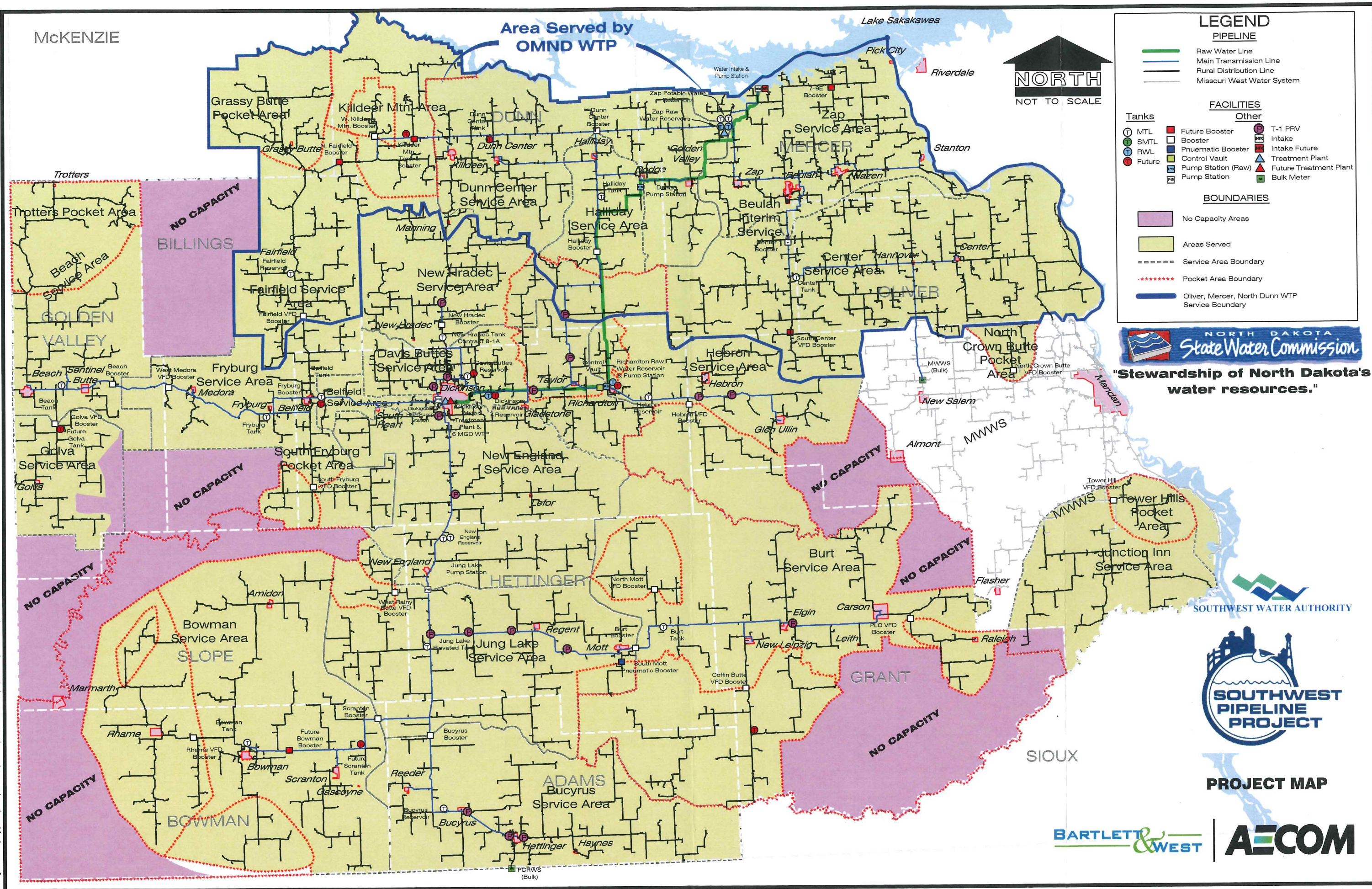


Construction of the  
Finished Water  
Pump Station





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MCKENZIE

Area Served by  
OMND WTP

Lake Sakakawea

Pick City  
Riverdale



LEGEND

PIPELINE

- Raw Water Line
- Main Transmission Line
- Rural Distribution Line
- Missouri West Water System

FACILITIES

- |              |                        |
|--------------|------------------------|
| <b>Tanks</b> | <b>Other</b>           |
| MTL          | Future Booster         |
| SMTL         | Booster                |
| RWL          | Pneumatic Booster      |
| Future       | Control Vault          |
|              | Pump Station (Raw)     |
|              | Pump Station           |
|              | T-1 PRV                |
|              | Intake                 |
|              | Intake Future          |
|              | Treatment Plant        |
|              | Future Treatment Plant |
|              | Bulk Meter             |

BOUNDARIES

- No Capacity Areas
- Areas Served
- Service Area Boundary
- Pocket Area Boundary
- Oliver, Mercer, North Dunn WTP Service Boundary



"Stewardship of North Dakota's water resources."



PROJECT MAP





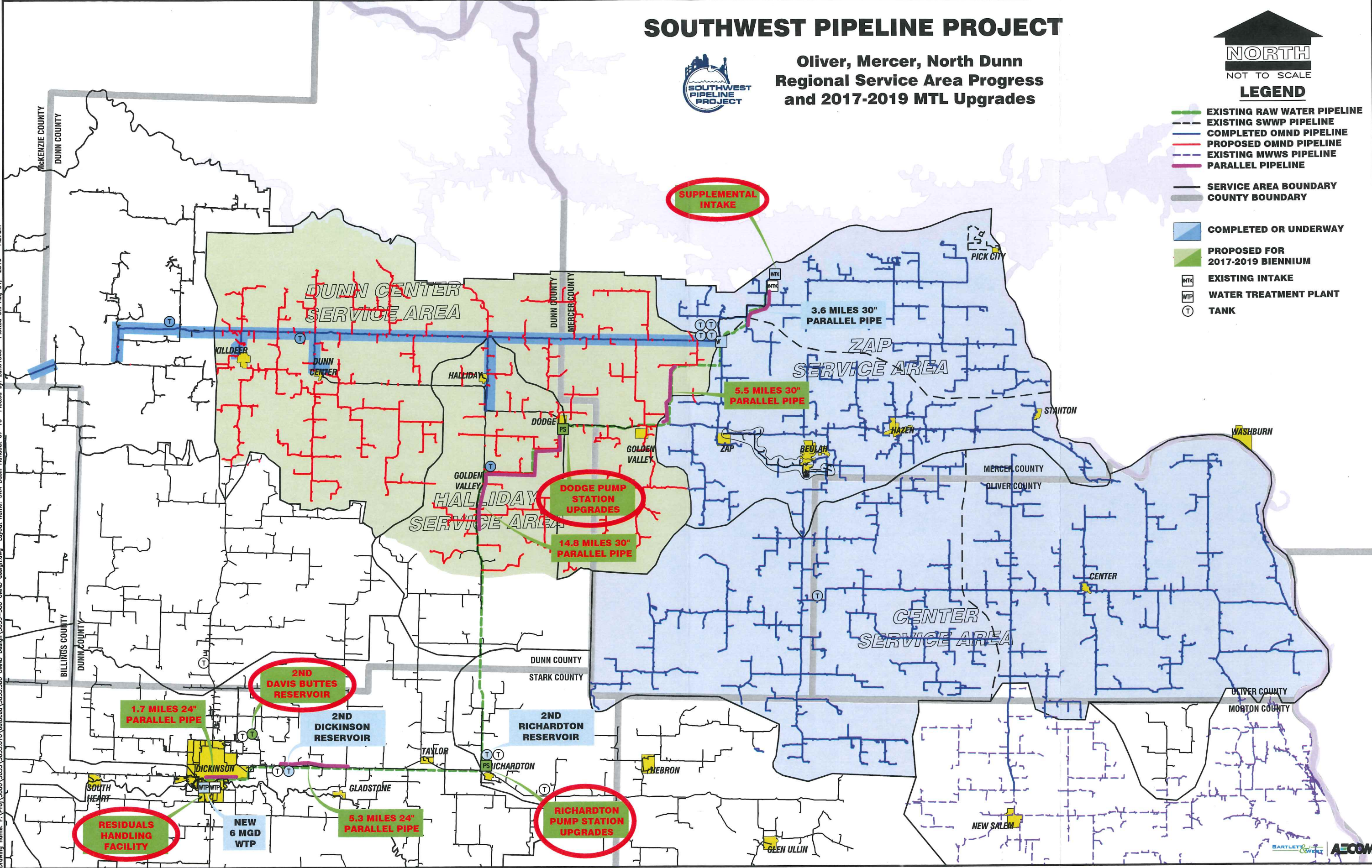
# SOUTHWEST PIPELINE PROJECT



Oliver, Mercer, North Dunn  
Regional Service Area Progress  
and 2017-2019 MTL Upgrades



- EXISTING RAW WATER PIPELINE
- EXISTING SWWP PIPELINE
- COMPLETED OMND PIPELINE
- PROPOSED OMND PIPELINE
- EXISTING MWWS PIPELINE
- PARALLEL PIPELINE
- SERVICE AREA BOUNDARY
- COUNTY BOUNDARY
- COMPLETED OR UNDERWAY
- PROPOSED FOR 2017-2019 BIENNIUM
- EXISTING INTAKE
- WATER TREATMENT PLANT
- TANK



Drawing name: F:\Proj\3000\3033\3033.010\outdoc\3033.360 OMND Design\3033-360 OMND design.dwg Layout name: SWA Basin Handout 07-16 Plotted on: Aug 01, 2016 - 7:27am

