

Testimony by James Odermann
Southwest Water Authority, Chairperson of the Board
On behalf of the
Southwest Pipeline Project
to the
House Appropriations Committee
Education and Environment Subcommittee
Hearing on House Bill 1020
January 11, 2021

Mr. Chairman, members of the committee. It is a privilege to give you an update on water in southwest North Dakota, a 15,000 square mile, 12-county area served by the Southwest Water Pipeline Project (SWPP). I am here to support House Bill 1020.

Southwest Water Authority (SWA) is governed by a 15-member publicly-elected board that proudly manages the state-owned SWPP. Our mission continues: "Quality water for southwest North Dakota."

We are in our 30th year of service to our first customer - the City of Dickinson. It was 1991 North Dakota Governor George Sinner turned the valve filling the water lines for Dickinson residents, averting the possibility of recycling lagoon water for its residents. Since then, SWA has grown and now provides high quality, affordably priced water for 33 communities and over 7,300 rural customers via 5,300 miles of pipeline.

Speaking as Chairperson of SWA's Board, our job is not done. Currently, the Southwest Water Pipeline Project (SWPP), which is owned by the state of North Dakota, provides quality water to over 60% of the 911 addresses in SWA's service area which means almost 40% of the potential locations, representing hundreds of people, are not served yet.

The 66th North Dakota legislative funding intent for the 2019-2021 biennium was \$25.5 million for SWPP. The 2nd reservoirs at Davis Buttes and Belfield were added as capital assets, totaling about \$2.3 million in 2019-2021 biennium. The economic downturn resulted in the SWA volunteering to "defund" \$12 million of the intent and work with the \$13.5 million balance. SWA did not receive the \$13.5 million in the 2019-2021 biennium.

Water needs did not decrease with the funding shortfall, yet SWA forged ahead. Our board of directors adopted an ambitious three-pronged strategic plan to address the distribution needs. The three prongs include: 1, increasing transmission capacity; 2, strategic improvements to address waiting list customers and 3, distribution expansion in under-served areas. As a board, we continue to strive to meet the need for increasing the number of connections – to serve the nearly 40% that wait.

Transmission capacity funding needs identified at \$8.3 million from the Ray Christensen Pump Station to the Davis Buttes, Belfield and New England reservoirs were deferred because of reduced Resources Trust Fund deposits in the 2019-2021 biennium. The "Bid-Ready" documents remain available for future advertising for bids when the funding situation improves, hopefully in the 2021-2023 biennium.

In the meantime, SWA's board of directors focused on prong two: strategic improvements. A hydraulic analysis of service areas to serve waiting list customers resulted in identifying sections where pipe could be paralleled, a booster pump station added, or a tank constructed. Strategic improvement projects based on preliminary cost and waiting list users were shortlisted. SWA staff contacted the waiting list users in three shortlisted areas

to determine potential user commitment. (Waiting list users are users who had contacted SWA to sign up and were not allowed to sign up because of capacity restrictions.)

I am happy to report user response in the three shortlisted areas resulted in over 100 waiting list users submitting payments and signing "Intent to become Subsequent Customer forms." Subsequent Customers are responsible for construction of service lines from the nearest existing SWPP infrastructure, which could cost them tens of thousands of dollars. Over 100 users submitting payments and signing their intent to become Subsequent Customers is a testament to the quality of SWPP water for the residents in southwest North Dakota. Historically, "once the plow comes over the hill," construction and subsequent users signups increase about 10-50% respectively.

Currently, the SWA staff is polling residents in two other areas where strategic improvement can be made to extend SWPP service to our customers.

Our 2021-2023 biennium request is \$32.5 million. This money would be used for the intake pump station, hydraulic improvements, rural distribution upgrades. The next important step in delivering water is the construction of the supplementary intake pump station and intake pump station upgrades. Our budget request includes \$9.3 million for the pump station work to help us stay on mission.

A look into the future will mean funding for increased treatment capacity, more parallel raw water transmission lines and deferred construction.


I was asked to talk about carry over: The 2017-2019 biennium carryover was \$15.8 million. The carryover, estimated from the 2019-2021 biennium, is approximately \$7 million, of which \$5 million is for the intake contract. This carryover is an estimate based on assumed contractor progress.

I was also asked to talk about the intake contract which is currently under construction: The contractor is currently pursuing a horizontal directional drilling method for the intake construction. There are a number of federal reviews to work through before the contractor can proceed with construction. Completion of this project is expected by the spring of 2022.

With quality water, local economies are strengthened, and the state is steadily repaid for its important water infrastructure investment. SWA's existing customers return to the state over \$14,000 per day, approaching \$11 million per biennium. To date, our water users have returned more than \$78 million to the Resources Trust Fund.

Southwest North Dakota is my home, and I am proud of what the SWPP has done for the area economically and for the quality of life it brings to the region. On behalf of SWA and the well over 50,000 people now receiving award-winning quality water, I respectfully request continued funding of the SWPP. It is only with your support, we can continue to bring quality water to those still waiting and willing to repay the state back as a return on its investment.

Speaking on behalf of SWA's Board, we strongly support HB 1020.


Respectfully,
James Odermann,
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