

Testimony by Jenifer Murray, Manager/CEO
Southwest Water Authority
to the
Education and Environment Committee
Hearing on House Bill 1020
January 30, 2025

Mr. Chairman and members of the committee, my name is Jenifer Murray. I am the Manager/CEO of Southwest Water Authority (SWA) and live in Dickinson.

The Southwest Pipeline Project (SWPP) was authorized by this legislature in 1981, and construction began in 1986. SWA was then authorized by the legislature in 1991 as a political subdivision to take on the task of the newly integrated rural water system. Since 1996, SWA has had the responsibility of the management, operations, and maintenance of the state-owned Southwest Pipeline Project. I am here today to ask for your continued funding support of the Project which is crucial not only for the quality of life in southwest North Dakota, but for the economics of the entire state.

From the beginning, funding for the construction of the Project was unique. It is funded with the requirement that all of its water customers would repay the state for the Project's construction costs. To that effort, SWA's customers have return over \$100 million back to the state through capital repayment. The financial commitment the state has made to the Project has benefited southwest North Dakota, and through capital repayment the State is now benefitting from that return.

The strategy SWA has taken to build for the future takes into consideration all aspects of the fully integrated system. The first step is ensuring capacity and transmission do not become a limiting factor to future growth. This includes increasing capacity at the intake, expanding raw water, treatment and transmission capacity. Secondly, strategic hydraulic improvements will allow the system to connect users from SWA's waiting lists to be added as subsequent customers. Thirdly is the expansion of the system into underserved rural areas. And always at the forefront is our aging infrastructure and the need for replacement and extraordinary maintenance.

Projects planned for the 2025-2027 biennium include the 12 million gallon per day expansion of the Southwest Water Treatment Plant. The SWPP was able to commit to this contract in the 2023-2025 biennium due to the foresight of the 68th Legislative Assembly to include a Line of Credit for the SWPP. The SWTP was awarded in December 2024 and continued funding for the expansion is being requested. Expanding the Southwest Water Treatment Plant will allow SWA to meet the water supply needs of the region now and for generations to come.

Increasing transmission capacity and upgrading transmission facilities is essential to continuing to provide our communities and customers with an adequate supply of quality water both now and in the future. Construction funding for the intake and improvements to the intake pump station are needed to meet demand and mediation is ongoing. We anticipate a path forward in the upcoming biennium, which will require improvements to the existing pump station.

Over the past two years, SWA has worked closely with our contract customers, communities, and stakeholders to identify the needs in our West Zone. The ability to get water to those far reaches of the system such as Beach, Golva, and Medora are the first step in then distributing it to rural customers. The State Water Commission's leadership provided direction to develop a design that ensures water capacity for identified needs and future growth. To meet those future demands, the West Zone Transmission Facility Improvements are conceptualized for upgrades to three separate pump stations and nearly 28 miles of parallel main transmission line.

Increasing service to underserved areas and connecting rural customers remains a priority for the SWPP. Canvassing of the Burt, Hebron Service Area, including Lake Tschida, proved successful and final design has begun for the Hebron Rural Service area. Once complete, Phase 2 will then bring water to a former no capacity area of the SWPP and allows rural and recreational users around Lake Tschida to receive water. To date 823 customers have financially committed to connecting to the SWPP once construction is complete. This area is vast and sparsely populated, creating challenges.

Above and beyond the 823 customers signed up in the Burt, Hebron Service Area, including Lake Tschida, 675 locations system-wide have been placed on a waiting list. When the project was originally constructed additional capacity was built-in. Over time the need and interest in rural water has grown and the additional capacity has been allocated. Strategic Hydraulic Improvements are being prioritized to allow additional customers to connect.

Throughout the years, SWA's reliable, quality water has become an integral part of what makes southwest North Dakota a great place to live, work and recreate. Today, SWA serves more than 7,750 rural customers, and 33 communities, and yet there are water needs still to be met and hundreds of people waiting for their chance to receive quality water. I am here today on behalf of SWA to respectfully request your consideration of \$132 million for the SWPP. For it is only with your financial support that the Southwest Water Authority can continue our mission of quality water for southwest North Dakota.

Thank you.
Jenifer Murray,
Manager/CEO
Southwest Water Authority
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Southwest Pipeline Project & Southwest Water Authority



SWPP 2025-2027 PROPOSED PROJECTS & FUNDING NEEDS

SWTP Expansion

Southwest Water Treatment Plant 12 MGD Expansion
Remaining Construction and Equipment Installation

Intake

Supplementary Intake Construction Completion
Does not include Pump Station.

West Zone Expansion

Main Transmission Parallel and Improvements from Dickinson to Beach
Booster Station Upgrades

Rural Expansion

Phased Approach to Burt, Hebron Rural Service Area
North Lake Tschida Rural Service Expansion
10" Main Transmission Line and Rural Distribution

Ray Christensen Pump Station Upgrades

Pump and Facility Upgrades to Increase Pumping Capacity

Raw Water Implementation and Replacement

Capital Replacement of Microbiologically Induced Corrosion Ductile Iron Pipe Near Dodge

Hydraulic Improvements

Prioritized Distribution System Improvements to Serve Subsequent Customers from Waiting Lists

TOTAL 2025-2027 BIENNIUM FUNDING NEEDS

\$132,000,000

BACKGROUND

The southwestern region of North Dakota has consistently faced issues concerning its water supply, encompassing challenges related to both the quality water and quantity. As a result, in 1981, the State Legislature authorized the State Water Commission (SWC) to construct and administer the Southwest Pipeline Project (SWPP). This project was created to provide a supplemental source of water for most of the area of North Dakota south and west of the Missouri River with water supplies from the Missouri River for multiple beneficial purposes. Construction began on the first contract in the spring of 1986.

In 1991, rural water distribution was integrated into the construction of SWPP, and that same year the Legislative Assembly created the Southwest Water Authority (SWA). SWA was created for the tasks of collecting and coordinating rural signups and easements, providing customer service for rural water customers, and collecting user fees, as these are all difficult for a state agency to perform. In January 1996, the SWC assigned all management, operation and maintenance functions of the state-owned SWPP to SWA.

OUR MISSION

Quality water for southwest North Dakota

OUR VISION

People and business succeeding with quality water

PROJECT FEATURES

5.2K+

Miles of Pipeline

3 Water Treatment Plants

35 Booster Pumping Stations

32 Water Storage Tanks & Reservoirs

58K People Served



Shared Lake Sakakawea Intake with Basin Electric



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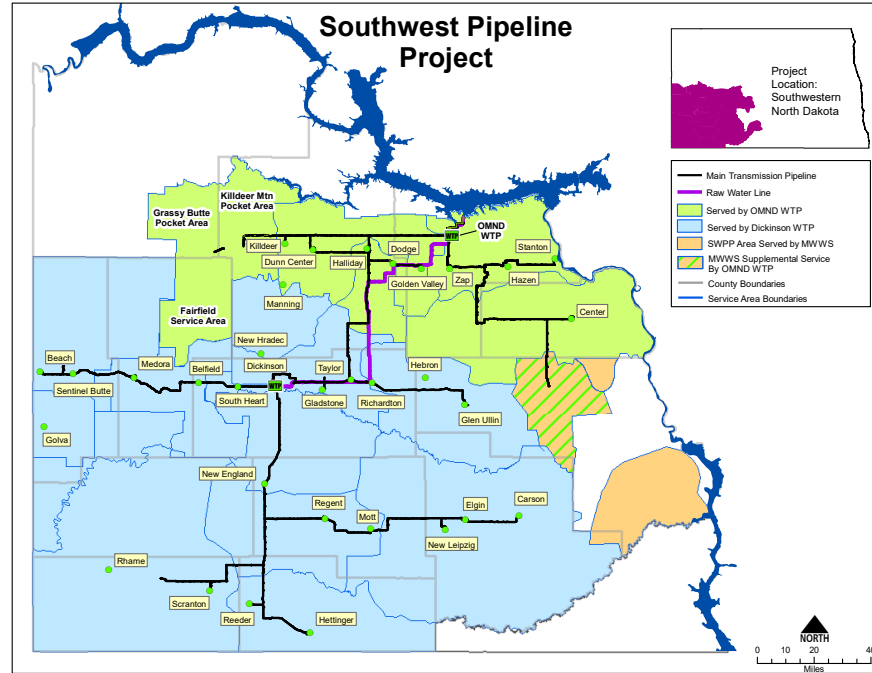
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MULTI-COUNTY REGIONALIZATION

SWPP covers 21% of the state of North Dakota by area and transports raw water from Lake Sakakawea to the Oliver, Mercer, North Dunn (OMND) Water Treatment Plant (WTP) and two water treatment plants located at the city of Dickinson, which include the Dickinson WTP and the Southwest WTP. The treated water is then distributed to water users throughout the region.

SWPP annually provides over two billion gallons of treated water to over 58,000 people in 33 communities and 7,600 rural service locations. In addition, 25 raw water customers and 25 contract customers are also served. SWPP also provides potable water to two rural water systems: Missouri West Water System in Morton County and Perkins County Rural Water System in South Dakota. As the population of both urban and rural areas expand, this state-owned project will continue to supply a vital resource to those who depend on it.



SOUTHWEST WATER AUTHORITY

SWA is governed by a 15-member, publicly elected board of directors, representing the following counties: Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, Mercer, Morton, Oliver, Slope, and Stark, as well as the cities of Dickinson and Mandan.

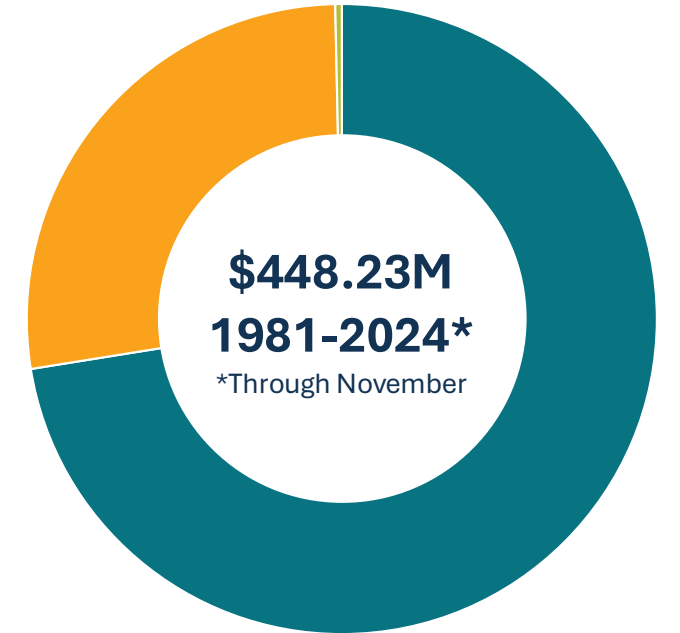
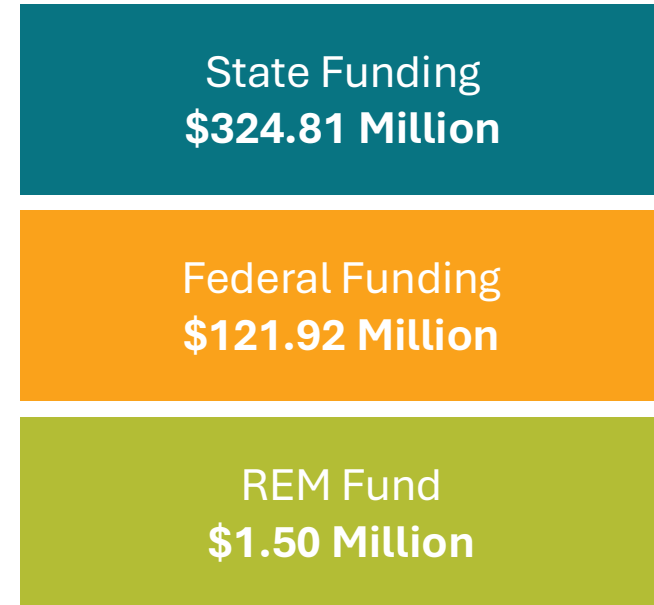
SOUTHWEST WATER AUTHORITY BOARD MEMBERS



PROJECT FUNDING AND CAPITAL REPAYMENT

Thanks to the smart planning, funding and management of the SWPP, clean, affordable and dependable water is available for many thousands of people living in the driest region of our state. But the project isn't just paying off; it's paying back as well. As owner, the State of North Dakota funds construction of the project. The local share is paid through perpetual capital repayment.

SOUTHWEST PIPELINE PROJECT FUNDING



SOUTHWEST WATER AUTHORITY

CAPITAL REPAYMENT BY YEAR

