

2009 SENATE FINANCE AND TAXATION

SB 2193

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2193

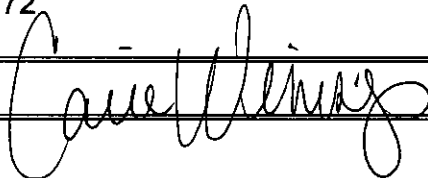
Senate Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: 01/19/2009

Recorder Job Number: 7172

Committee Clerk Signature



Minutes:

Chairman Cook: Opened hearing on SB 2193

Senator Rich Wardner, District 37: Explains the purpose of the bill, and clarifies that the money is used for administration.

Senator Triplett: If it is so important why not make it permanent?

Senator Rich Wardner, District 37: Some are still skeptical about making in permanent. They would like to review it again. It was a bit of a compromise.

Representative Darrell Nottestad, District 43: Testifies in support of the bill. I am on this bill because I have seen the difference that rural water has made. Every city in the area will benefit.

Senator Randal Christmann, District 33: Testifies in support of the bill. Our water has become poorer and poorer as time has gone on. We have paid the mill for many years and it is on the verge of finally delivering. We need to extend to finish the job.

Mary Massad, Manager/CEO of the Southwest Water Authority: See attachment #1 for testimony in support of the bill.

Senator Anderson: In reference to the map, what does the purple area mean where it says no capacity, as well as the white area?

Mary Massad: The purple area is where there were inadequate sign ups at that time; when we came through. We have to meet cost criteria in order to serve customers. The state and board of directors comes up with that. They can cost share if need be, but you are looking at \$60,000 - \$70,000 per resident to get water, and that is not justifiable. There are parts are that open range land, Morton County, etc. The white area is built by Missouri West Water System. We have supported them in their system. They currently purchase water from the city of Mandan. We built three pockets where we tie into them and we purchase water from Missouri West.

Chairman Cook: Aside from Missouri West, it is also the city of Mandan?

Mary Massad: Yes.

Chairman Cook: This is a dedicated tax for administrative purposes?

Mary Massad: Administrative, Engineering, other needs to be able to go forward with design and further the project.

Chairman Cook: When the initial legislation was passes, what was the date that the 1MIL Levy was supposed to end?

Mary Massad: 1996

Chairman Cook: How many times has it been extended?

Mary Massad: Twice.

Chairman Cook: The city of Mandan has had a lot of discussion on this issue. Do you want to tell the committee what you expect them to say?

Mary Massad: I don't expect them to support it.

Chairman Cook: Do you want to share what their concerns are?

Mary Massad: They feel they do not receive a direct benefit from the project. We would argue that point. We buy water from them. We are helping to serve the rural people in the

region, which in turn provides economic development, which in turn supports the city of Mandan and their businesses and people.

Senator Oehlke: There are a couple of places in the new wording of the bill, where "light industrial" is changed or we have added "industrial". Does that change where you are going with projects? Does that allow you to do something different than you are doing now?

Mary Massad: There are several possible developments in our region, and we serve Red Trail Energy, we provide for their water needs, they use 160 million gallons a year. I guess that would be considered light energy. Others are looking at going in as well. It makes life easier with the wording.

Chairman Cook: You have never had to say no to anyone that wanted water, have you, because of the restrictions in the law?

Mary Massad: Not at this point.

Vice Chairman Miller: How much revenue does the mill levy generate?

Mary Massad: \$220,000/year

Senator Dotzenrod: I was wondering, looking at this undertaking, it must be very expensive and this one mill must not be that much out of the total effort. How is this money in here any different than the great majority of the cost that must be paid by the customers being served, or federal money?

Mary Massad: Project money itself is provided by the state of North Dakota under the state water commission's budget. We have gotten about \$70 million currently through Garrison's Diversion MR&I Program (?), we have received funding through USDA rural development loan and grants. That covers some of the engineering and construction costs. This goes to the authority, and the authority is a stand-alone political subdivision to operate and maintain. Our

expenses are paid by water rates by the customers. The mill levy is part of our general fund that goes for administration, board expenses, sign-up in easements.

Senator Triplett: Is there an expectation that those expenses will disappear in 2010, or can you explain why this wouldn't become permanent?

Mary Massad: Our preference would be for it to be permanent, but it is what our board has chosen for an option. I don't personally ever see it going away. Those expenses will always be there. We will still have people that will want water that we haven't served.

Senator Triplett: If the levy were to go away in 10 years, would these expenses have to be incorporated into the fees the customers pay?

Mary Massad: Yes.

Senator Triplett: What kind of a relationship is there?

Mary Massad: We would probably raise rates about 15 cents per thousand gallons. Currently we are selling approximately 1.4 – 1.6 billion gallons a year.

Chairman Cook: What is your rate right now per 1000 gallons?

Mary Massad: It went up the 1st of the year for contracts, to 312/thousand gallons. That would be small businesses, cities; our rural customers pay \$41.10 for standard hookup per month plus 365/thousand gallons.

Chairman Cook: It is news to me that the rate went up for everyone.

Mary Massad: They stayed the same in 2008, but then they went up by the capital repayment portion, which is tied to the September 1st DPI index which was 5.37%.

Chairman Cook: Can you get us your rates?

Mary Massad: Yes.

Senator Hogue: What percentage of that \$220,000 comes from Morton County? Does the money from the water commission pay for part of the engineering?

Mary Massad: The majority of the engineering. Currently, 33% is paid by Morton County.

Vice Chairman Miller: That yellow portion referring to the map, is that coming online soon?

Mary Massad: Water projects never happen that quickly. We have been under construction since 1986. This will be our 24th year of construction. We are purchasing water from Beulah to serve the city of Zap, some rural customers along the way and Country Club Estates, a subdivision south of Beulah. We have two raw water tanks located north of Zap. We just finished the preliminary engineering report, and hope to this spring that we can do membrane procurement, start construction of the water treatment plant and also start construction of portable water lines from Zap to Hazen.

Vice Chairman Miller: Your projected time?

Mary Massad: 10 to 14 years; which is pretty aggressive.

Vice Chairman Miller: How many customers will you serve in that area?

Mary Massad: Around 440 people

Vice Chairman Miller: How many people total will you serve?

Mary Massad: 5,000 to 10,000

Herbert Urlacher, Former State Senator and Finance and Tax Committee Chairman:

See Attachment #2 for testimony in support of bill.

Senator Triplett: Are there any communities that might object to this because they have their own water sources? Would there be an opportunity in the case of the drought for those that have a well to choose at that point to switch over?

Herbert Urlacher: I think that things like that will always be worked out. It is hard to predict. I think that these entities and the state water commission are in this together.

Chairman Cook: These other joint boards you mentioned that have authority to levy 2 MIL, aren't they also involved in flood control?

Herbert Urlacher: On that levy? I will have to defer that. Before we started this project, 85% of the state water commission funding was going to flood control.

Tim Helbling, Mayor of Mandan: See attachment #3 in opposition of SB 2193. All we are asking is for the city of Mandan to be removed.

Chairman Cook: To clarify, HB 1278 does remove Mandan from the Southwest Water Authority.

Senator Oehlke: I thought I remembered hearing that Mandan sells water to Southwest pipeline, is that correct?

Tim Helbling: Yes that is.

Senator Oehlke: So how much in dollars do you sell them?

Tim Helbling: A few hundred thousand.

Senator Oehlke: If I move to Mandan, I would get the city of Mandan water, correct, I don't have a choice right?

Tim Helbling: Correct. No you do not. We do have some Missouri West users that are in the city of Mandan.

Chairman Cook: They have been annexed in. Of this latest water project in Mandan, an 8 or 9 million dollar project, how much of that is being paid by property tax?

Tim Helbling: It is being paid by the user rate structure.

Senator Hogue: Tell me how many mills the city of Mandan levies for its general administration?

Tim Helbling: About 102 mills this year.

Senator Dotzenrod: What is the population of Mandan?

Tim Helbling: About 17,500 people

Senator Dotzenrod: That is about \$2 a person

Representative Todd Porter, District 34: Testified in opposition to the bill. I have been part of the discussions on this bill. The city of Mandan has always part of the taxing region, and there are no benefits in being part of the region. It is truly unfair to Mandan citizens. Our property taxes include many other cities water. The public utilities of other cities are not the responsibilities of the city of Mandan. We have no place on the board either. It is a prime example of taxation without representation. I am not opposed to the extension; I just want the city of Mandan out of it.

Discussion: A discussion occurred between Senator Anderson, Senator Oehlke, Senator Dotzenrod, and Representative Porter clarifying the cost per person in Mandan.

Representative Porter: It is not just the money, it is the principle. It is still money charged to each person. It should be divided out to the people using the system. I have Southwest water on my own land and I don't think Mandan should pay for it.

Senator Triplett: I believe that Morton County does have a representative on the Southwest Water Authority, and then technically you are represented, correct?

Representative Porter: There is someone from the Hebron area.

Senator Triplett: You don't consider him a representative of Morton County?

Representative Porter: If he did per capita, he would be opposed to this tax being into Mandan.

Chairman Cook: We are going to have to visit with our constituents on this.

Vice Chairman Miller: Have you heard of any study done that shows the economic impact of the surrounding communities on Mandan?

Representative Porter: I would say some, but less and less every year. The diesel fuel situation in Mandan caused quite a significant impact on the downtown businesses. It is not as big of a stop as it used to be.

2009 SENATE STANDING COMMITTEE MINUTES

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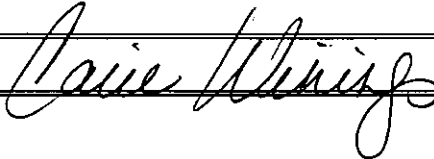
Senate Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: 01/27/2009

Recorder Job Number: 7900

Committee Clerk Signature



Minutes:

Chairman Cook: Opened discussion on SB 2193.

There are two places in code where the legislature imposes a mill rate to property tax, one is the Garrison Division Project to the degree that we impose a tax there. We have an option there for the 38 counties that that tax is imposed on and that option that allows counties to opt out of it somehow. The other one is the Southwest Water Authority were in code there is a mill levy to terminate prior. It has been extended twice. It was to be used for administrative purposes only. I certainly is a contentious issue in Mandan according to the testimony we received. The amendment I am proposing simply carve the city of Mandan out of the Southwest Water Authority. I would argue that one mill for the city of Mandan is very very important. They go through great detail to find a way to lower city taxes by one mill. Property taxes in Mandan is probably as hot of an issue as you will find anywhere in the state. The city has worked very hard to lower the mill rate. As far as extending that mill levy, I think an argument can be made that it needs to end and it has served its purpose. I think that we could allow Southwest Water Authority the same ability to go to their counties and get a vote at the county like other water districts do. Unless we just kill the bill.

Senator Triplett: Can you give us some history as to why this was set up differently than say the joint water resource board? Why was the pipeline not handled by a water resource board?

Chairman Cook: I don't know if I want to answer that question. I have my opinion.

Senator Hogue: I was hoping someone from the committee could refresh my memory on how many users there are?

Vice Chairman Miller: They have a population of around 35,000.

Senator Hogue: The total revenue from this mill is around \$210,000?

Chairman Cook: I have \$230,000. And Mandan was \$35,000 of that.

Discussion: Over who is also being served by Southwest water authority and what exactly happens with the water, as well as Mandan's part in that. Senator Oehlke gives an example of what happened in Devils Lake in similar to that.

Senator Triplett: Do you have a history of why Morton County was put in in the first place if they have their own system?

Discussion: Further discussion occurred on why part of Morton County is in the pipeline; referring to the map provided by water authority.

Senator Hogue: I would like to know if Southwest Water will become self sufficient? I would like to know if we decided to remove the mill in four or five years what that would do to individual users?

Chairman Cook: It would increase 12-15 cents per 1000 gallons.

Vice Chairman Miller: Would they automatically spread it over just the consumers of the water?

Chairman Cook: That is my argument, that they haven't had the rate increases until just in January. The ones that use it, should pay for it.

Closed discussion on SB 2193.

2009 SENATE STANDING COMMITTEE MINUTES

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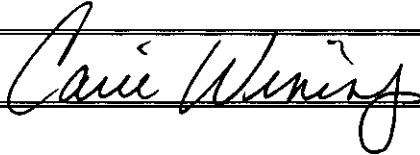
Senate Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: 02/02/2009

Recorder Job Number: 8392

Committee Clerk Signature



Minutes:

Chairman Cook: Reopened discussion on SB 2193. Reminded that there was an amendment that excluded the city of Mandan. No matter what happens to this bill, I want the city of Mandan out of it. There is also a bill in the house that would do that as well.

Senator Triplett: My only question is, how is this fair to the folks in the rest of Morton County who are part of the Missouri West Water Authority, or those that are yet unserved? I am sure that is fair.

Chairman Cook: The whole issue goes away if we defeat this bill and let the sunset go forth. That is what my hope would be. The people that this affects should pay for it through their rates.

Senator Triplett: I think that you should not offer your amendment and I think that you should just argue for us to kill the bill. I don't think your amendment is fair.

Chairman Cook: I think I can make a better argument for Mandan on the simple fact that we pay a tremendous amount of money for our own water in the city of Mandan and we have been paying dearly to support this, and we have no opportunity to ever go and take access Southwest Water authority.

Senator Triplett: Do the folks in the Missouri West service area?

Chairman Cook: That is a rural water system, and it is just western Morton County that would have opportunity. I don't know how we draw that boundary.

Senator Anderson: Mandan might get benefit someday, by example of the Garrison Diversion Project.

Chairman Cook: I believe that is a whole different animal. No other water divisions have a mill levy. They go to their political subdivisions and have to work at it that way.

Senator Triplett: What impact would this be?

Discussion: What the amount would be per 1000 gallons to the consumers. It came out to about 15 cents per 1000 gallons.

Senator Triplett: Reference the chart provided in earlier testimony on the rates.

Senator Triplett: Motioned for a Do Not Pass.

Senator Miller: Seconded.

Senator Dotzenrod: So the funds they receive are mostly for administrative costs?

Chairman Cook: They are dedicated to them.

Senator Dotzenrod: I hate to be involved in disassembling, there may be a point that it needs to stop, but I will vote against the do not pass.

Chairman Cook: This was first created for administrative start up costs and this is the 3rd or 4th time that we will have moved the sunset out. It is time to be done.

Discussion: A discussion occurred between Senator Dotzenrod and Chairman Cook on what Senator Dotzenrod pays for his rural water and the stipulations on that etc.

Chairman Cook: Motion for a Do Not Pass, Clerk takes the roll.

A Roll Call Vote was taken and the motion failed 3 yeas, 3 nays, and 1 absent.

Chairman Cook: We will come back to this one.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2193

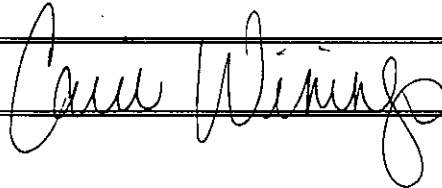
Senate Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: 02/04/2009

Recorder Job Number: 8675

Committee Clerk Signature



Minutes:

Chairman Cook: Reopened discussion on SB 2193. He passed out a chart on Rural Water System Rates. When you see what they pay per 1000 gallons you can see that Southwest Water Authority is \$3.65 and it would go up 15 cent to make up the lost revenue from the one mill; that would take it to \$3.80 and they would be relatively low compared to what water costs in the rest of the state. The second argument is if you have seen the paper the last two days or the news on this very issue. I have given up on carving Mandan out of it; I would just rather see us let this go.

Senator Anderson: Thank you for this information. I appreciate it, and as you know I was on the nay side of the do not pass last time. I have gotten no pressure on this on, but after seeing this, it is enough to put me over the top to make me feel that it really should be paid by the water users themselves.

Chairman Cook: It was said that the 15 cents per 1000 gallons would only cost the average user about \$1.00 per month.

Vice Chairman Miller: I think that the better number to us is 12 cents per 1000 gallons.

Senator Hogue: I have heard a lot about this, and I could support giving them until 2011 to end it. They wouldn't be able to make it back to the next legislative session because it will expire before we begin again.

Chairman Cook: They should be prepared for it.

Senator Triplett: Moved for a Do Not Pass.

Vice Chairman Miller: Seconded.

A Roll Call Vote was taken: Yeas 4, Nays 2, Absent 1 (Senator Oehlke).

Senator Cook will carry the bill.

Motion Fails

Date: 02/04/09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 2193

Senate	Finance and Taxation	Committee
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☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Not Pass

Motion Made By Senator Triplett Seconded By Senator Miller

[illegible]

Total (Yes) 4 No 2

Absent 1 Oehlke

Floor Assignment Senator Cook

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2193: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO NOT PASS (4 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2193 was placed on the Eleventh order on the calendar.

2009 HOUSE FINANCE AND TAXATION

SB 2193

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2193

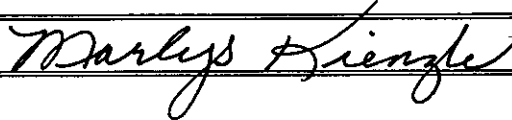
House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: March 3, 2009

Recorder Job Number: #10023

Committee Clerk Signature



Minutes:

Chairman Belter: Opened the hearing for SB 2193.

Sen Rick Wardner: I am the State Senator from the District 37 in Dickinson.

This bill has to do with the Southwest Water Authority and extending the one mill levy that the Authority's levies affect by Southwest Water. One thing I would like to do is to say we are very thankful for the support by the legislature over the years because without your support there would be no Southwest Water. The development in the west would be going backwards. I do know the community of Dickinson without the water there would be a lot of companies that would not have located there.

Sen Randy Christman: I am from in Hazen District 33 covering part of Morton Oliver Mercer counties.

One point I would like to make is that some feel that it should be paid by user fees exclusively. I would not reject that argument but a decision was made years ago to have a balance of user fees with people that are receiving water along with the general fee by a mill levy. In fact one of my counties is where Southwest Water originated and we are still not getting any of this water. The water went out, because we had lower sign up because our water was not as bad, to the south west. Now our people have willingly been paying in to this mill levy for all these

years and the water has flowed out of the county down south. So we can't be changing the formula in mid stream. So I want to keep the mill levy as it is.

Secondly I would like to point out some of the changes that have occurred since my area had the lower sign up than they did southwest. Over the past decade the water has declined to a point where two of the well has failed completely. It is important we finish the project for the last few counties that are left. I do think it is equally important that we do not change the funding source and maintain the mill levy until it is done.

Herb Urlacher:

Testimony attachment #1

Rep Weiler: The Water Resources Trust Fund, is the Southwest Water Authority do you receive money from the Trust Fund for your project? The amount of money that has gone into the Water Resources' Trust Fund over the last 3 or 4 years has been astronomically over the projections because of the oil productions have increased drastically and so the amount of money has more than doubled. So that has gone a long way in assisting you in the development of the Southwest Water Authority.

Herb Urlacher: It has been a floating action to that, up and then down. We don't want to pick out one action and base our decisions on that. We have gotten money from a variety of sources and when the Garrison Conservative District we were tapped into the distribution portion of that.

Loren Myron: Chairman of the Southwest Water Authority.

Testimony attachment #2

Duane Buelingen: Representative of Oliver County of Southwest Water Authority Board of Directors.

Testimony attachment #3

There was handed in testimony attachment #4 from Mary Massad Manager CEO of the Southwest Water Authority.

Chairman Belter: Closed the hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2193**

House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: March 3, 2009

Recorder Job Number: 10025

Committee Clerk Signature

Minutes:

Chairman Belter: SB 2193 is the one we just heard on Southwest Water. I have a motion from Representative Froseth for a "do pass" and a second from Representative Froelich. Any discussion? If not, will the clerk read the roll for a "do pass" on SB 2193. **A roll call vote resulted in 12 ayes, 1 nay, 0 absent/not voting. Representative Froseth will carry SB 2193.**

Date: March 3, 2009

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2193

House FINANCE AND TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Froseth Seconded By Froelich

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich	/	
Vice Chairman David Drovdal	/		Representative Kelsh	/	
Representative Brandenburg	/		Representative Pinkerton	/	
Representative Froseth	/		Representative Schmidt	/	
Representative Grande	/		Representative Winrich	/	
Representative Headland	/				
Representative Weiler		/			
Representative Wrangham	/				

Total (Yes) 12 No 1

Absent 0

Floor Assignment Representative Froseth

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 3, 2009 12:57 p.m.

Module No: HR-38-3920
Carrier: Froseth
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2193: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (12 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2193 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

SB 2193

#1

VERBAL TESTIMONY

OF

MARY MASSAD
DICKINSON, NORTH DAKOTA

*Same testimony
& handout given
to House.*

SUBMITTED TO
NORTH DAKOTA SENATE FINANCE AND TAX COMMITTEE

ON
SENATE BILL 2193 - A BILL FOR AN ACT TO AMEND AND REENACT
SECTIONS 61-24.5-01, 61-24.5-09 AND 61-24.5-10 OF THE NORTH DAKOTA
CENTURY CODE, RELATING TO THE POWERS AND DUTIES AND TAX
LEVY OF THE SOUTHWEST WATER AUTHORITY

JANUARY 19, 2009
9:00 a.m. (CST)

BISMARCK, NORTH DAKOTA

Good morning Mr. Chairman and members of the committee. My name is Mary Massad. I am the Manager/CEO of the Southwest Water Authority. I am speaking in favor of Senate Bill 2193 which would expand the authority and extend the mill levy for the Southwest Water Authority

The legislature created the Southwest Water Authority to provide for the supply and distribution of water to the people of southwestern North Dakota and to provide for the future economic welfare and prosperity of the people of the state. Water infrastructure is critical to the meet those needs.

The Authority wishes to further be able to meet the needs of the region for water infrastructure which could be obtained by allowing for the study and further development of water resources to provide adequate water supplies for the future.

The Southwest Water Authority manages, operates and maintains the Southwest Pipeline Project for the people of the state of North Dakota. The Southwest Pipeline Project (SWPP) is the first large multi-county regional rural water project developed in the state. Approximately \$171.04 million has been spent on the Southwest Pipeline Project thus far. We currently serve more than 3,300 rural customers, 28 communities, 14 small businesses, 13 raw water contract customers and Perkins County Rural Water System. The current North Dakota population served by our system is approximately 35,032.

The Southwest Water Authority covers the 12 counties in southwest North Dakota. Construction is currently being completed on Phase III of the Medora Beach Service Area. There are currently five contracts under construction in this area. These five contracts will provide water service to an additional 487 customers through more than 480 miles of pipeline, two booster pump stations and a potable water reservoir.

Looking to the future, the ultimate goal is to reach out to those who patiently wait for project completion. This includes the last regional phase of construction, the Oliver, Mercer, North Dunn (OMND) Regional Service Area. The Authority saw the completion of sign up campaigns for cities, power plants and rural customers in this region. The Preliminary Engineering Report of the OMND Regional Service Area was completed this past December.

The scope of work for the OMND project will include construction of:

- A new membrane water treatment plant 7 miles north of Zap.
- 5 new water storage tanks & 4 booster stations.
- 1,000+ miles of pipe varying in size from 1½" to 18" diameter & associated appurtenances.
- The design flow rate which is based on current signups and future signups is 3,350 gpm.

The OMND project will serve:

- 1,100+ rural residences.
- Cities of Hazen, Stanton, Center, Pick City and Zap.
- Possible inclusion of capacity for Killdeer and Beulah.
- 7 energy sector users which include: Dakota Gasification, Coteau Mine, Antelope Valley Station, Leland Olds, Coyote, Minnkota and Great River Energy power plants.
- 5 bulk users which include: Lakeshore Estates, Ole Johnson Dairy, Sakakawea Casino, Beulah Park and the Missouri West Water System.

The cities of Golden Valley, Dunn Center, Halliday and Dodge are currently being served by the SWPP from the Dickinson water treatment plant but will be switched over to the new OMND water treatment plant once the necessary facilities have been constructed.

The needs are still out there and they are no less important than those who already are provided water service through our system. To meet both present and future needs for critical water infrastructure, please support Senate Bill 2193. Thank you.

MCKENZIE

Medora-Beach
Phase 3 Construction
(2007-2009)

OMND Phase of
Construction
(2008-2017)



LEGEND

PIPELINE

- Raw Water Line
- Main Transmission Line
- Proposed MTL
- Secondary Main Transmission Line
- Rural Distribution Line
- Missouri West Water System

FACILITIES

Tanks

- MTL
- SMTL
- RWL
- Future

Other

- Future Booster
- VPD Booster
- Pneumatic Booster
- Control Valve
- Pump Station (Raw Water)
- T-1 PRV
- Intake
- Treatment Plant

BOUNDARIES

- Service Areas Not Constructed
- No Capacity Areas
- Areas Constructed
- 2008-09 Construction

State Water Commission
"Stewardship of North Dakota's
water resources."

SOUTHWEST WATER AUTHORITY

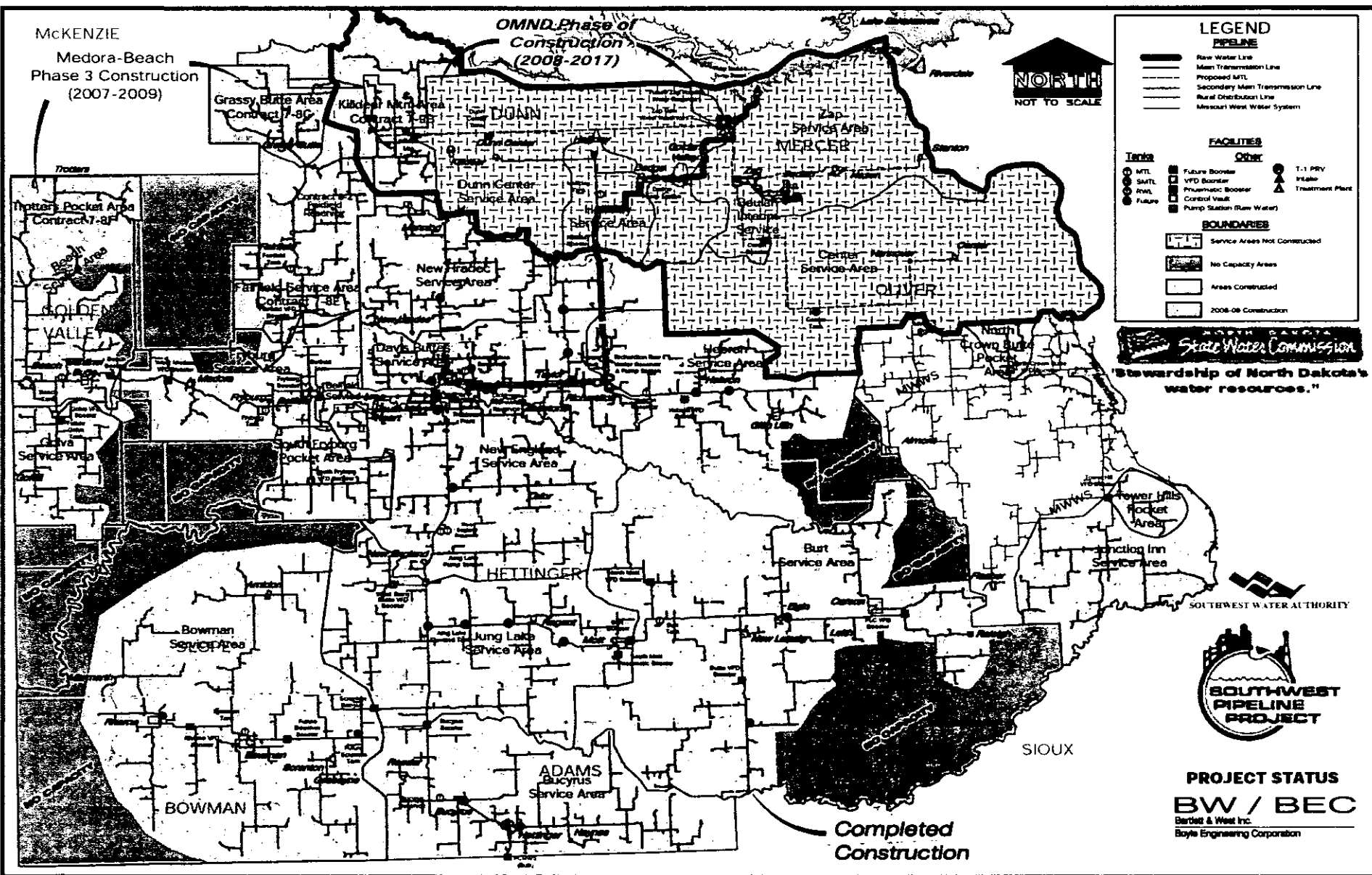


PROJECT STATUS

BW / BEC

Bartlett & West Inc.
Boyle Engineering Corporation

Completed
Construction



#2

VERBAL TESTIMONY

OF

*Same
given to
House.*

HERBERT URLACHER
FORMER STATE SENATOR AND
SENATE FINANCE AND TAX COMMITTEE CHAIRMAN
TAYLOR, NORTH DAKOTA

SUBMITTED TO
NORTH DAKOTA SENATE FINANCE AND TAX COMMITTEE

ON
SENATE BILL 2193 - A BILL FOR AN ACT TO AMEND AND REENACT
SECTIONS 61-24.5-01, 61-24.5-09 AND 61-24.5-10 OF THE NORTH DAKOTA
CENTURY CODE, RELATING TO THE POWERS AND DUTIES AND TAX
LEVY OF THE SOUTHWEST WATER AUTHORITY

JANUARY 19, 2009
9:00 a.m. (CST)

BISMARCK, NORTH DAKOTA

My name is Herb Urlacher, and it is a distinct pleasure to appear before the Senate Finance and Tax Committee. I have worked on water development for almost my entire life. In 1981, when the Southwest Pipeline was authorized by the legislature, water resource districts in southwest North Dakota formed the West River Joint Board, consisting of 14 counties south and west of the Missouri River. Joint water boards are authorized to levy up to 2 mills to support water management and water development, and from 1981 to 1991 we did have a mill levy to support the development and activities for the Southwest Pipeline.

In 1991 the Southwest Water Authority was created by the Legislature. The Southwest Water Authority is 12 counties south and west of the Missouri River, not including Sioux County and McKenzie County. The Southwest Area Water Supply (SAWS) study that was conducted for the legislature in 1977, included water supply for all 12 counties in the Southwest Water Authority, including Oliver, Mercer, Dunn, and the rest. The Southwest Water Authority was created with a one mill levy, again for the purpose of supporting the development and activities to further water supply in southwest North Dakota. While joint boards have the authority to levy up to 2 mills, the legislature reduced the mill levy authority for the West River

Joint Board to 1 mill, so that the total combined mill levy for the West River Joint Board and the Southwest Water Authority Board could not exceed 2 mills. In the 28 counties served by the Garrison Diversion Conservancy District, the Red River Joint Board, the Devils Lake Joint Board, and the Souris River Joint Board, still have the authority to levy up to 2 mills, in addition to the Garrison Diversion Conservancy Districts 1 mill, for a total of 3 mills.

The Southwest Pipeline Project is a historic project, and to date, over 170 million of state and federal dollars have been spent for water supply in southwest North Dakota. I believe the concept of having a 1 mill levy to support the activities of the Southwest Water Authority is sound tax policy, and is a very small price to pay for those counties which receive enormous benefit from having good quality water throughout the county. County mill levies must be spread over the entire county, even though some may only receive indirect benefits. In the care of water, the indirect benefits are enormous for everyone in southwest North Dakota. We urge your support of Senate Bill 2193 to extend the 1 mill levy until 2020. Thank you.

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Senate Finance And Tax Committee
S.B. 2193
Testimony of Tim Helbling, Mayor, City of Mandan
Monday, January 19, 2009

Mr. Chairman, members of the Committee, my name is Tim Helbling, I am the Mayor of the City of Mandan.

I am here in opposition to Senate Bill 2193. In particular Section 3 which extends the one mill levy from 2010 to 2020, another 10 years.

One mill tax levy was authorized by the 1991 Legislature on 12 counties in southwestern North Dakota, including Morton County and the City of Mandan. The purpose of the levy was to promote water delivery to the 12 counties and the funds were to be used for administrative purposes only.

This levy was set for 15 years and thus was to expire in 2006.

In 2001 Southwest Water Authority was able to convince the Legislature to extend the one mill levy through 2010. The Morton County Commission, along with the cities of Mandan, New Salem, Flasher and the Morton County Water Resource District all took positions in opposition to this extension. No entity was in opposition to the existence of this levy through 2006; however, it was felt extending the tax at that time was premature.

We did not have issues with the original tax that was introduced in 1991 and supported its sunset fifteen years later, 2006. The funds raised by the mill levy were to be used for administrative purposes only; we understand it takes a considerable amount of time for planning and to get a board of directors set up.

However, how long do you ask taxpayers outside your delivery area to continue to pay for your administrative costs? First 15 years, then an extension for another 5 years was approved in 2001. Thus the citizens of Mandan have been supporting the administration of Southwest Water Authority for 20 years. And now they are asking us for another 10.

As I look back at testimony provided to the 2001 Legislature, the City of Mandan was in the process of spending nearly \$5 million dollars to upgrade our treatment plant due to EPA guidelines. Tomorrow night the Board of City

Commissioners will hear an update on an additional \$13 million dollars of improvements that have taken place during the summer of 2008 and into 2009 on our water delivery and storage system. Citizens of Mandan will have the burden of over \$18 million dollars in new debt to finance.

Why, should the citizens of Mandan also have to continue to pay for the administrative costs for two water treatment facilities? Would love to ask citizens of Dickinson to help pay for our system, but that isn't right and we all know it. So why is Southwest Water Authority continuing to ask us to?

Representatives of Mandan have met on several occasions with Southwest Water Authority members to discuss and voice our concerns over the continuance of the one mill levy. We suggested that it is now time for the users of Southwest Water to pick up the administrative costs to operate their system.

November 3, 2008, the Morton County representative on the Southwest Water Authority, George Saxowsky, made a motion for the Southwest Water Authority to contribute \$500,000 to the City of Mandan's water construction projects. That motion was defeated. Another motion was made by Director Saxowsky that the Southwest Water Authority Board of Directors go on record in support of developing a positive working relationship with the City of Mandan and the Missouri West Water System which could include appropriate cost sharing in the future. This motion received support by the entire board. The question I have for you is, why would this motion be necessary, as every citizen of Morton County has been paying to support SWA since 1991?

I find it ironic that the water utility rates for the citizens of Mandan have increased over the past two years by \$7.50 per month. Southwest Water Authority is planning no increases in rates for 2009, and did not raise their rates in 2007 or 2008, but yet they ask you to extend the one mill levy for another 10 years.

In 2007 the one mill levy throughout the 12 counties raised approximately \$219,000 for Southwest Water Authority. The City of Mandan's share would

Senate Finance And Tax Committee

S.B. 2193

Testimony of Tim Helbling, Mayor, City of Mandan

Monday, January 19, 2009

Page 3 of 3

amount to \$33,500 that represents 15% of the total. Compare this to the total water used in the Southwest Water Authority system in 2007: System wide water = 1.5 Billions gallons and that used in Morton County, 6 Million gallons or .4% yes that right, point 4 percent of the water. Something is amiss.

I, in now way, want my testimony to be construed that the citizens of Mandan do not support water development in the southwestern part of North Dakota. We know that Mandan is an integral part of this trade area.

I am asking you for a do not pass on Senate Bill 2193, unless it is assured that the City of Mandan will be removed from the Southwest Water Authority as proposed in House Bill 1278.

SP 2193

Water Rates for 2009

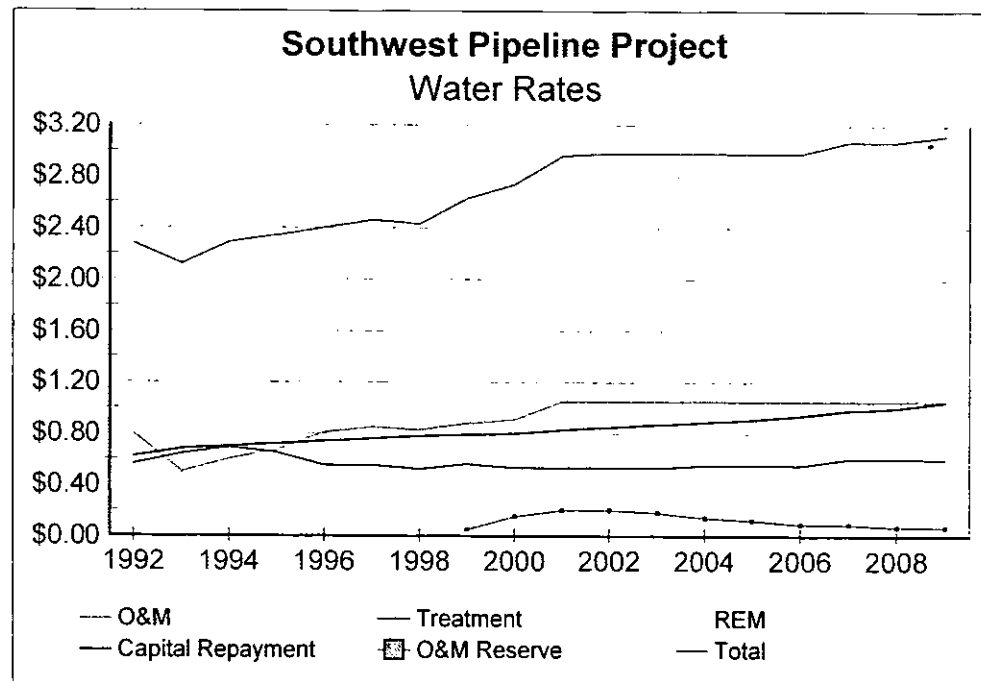
<u>Contract/Raw/Demand Fees</u>				<u>Minimum Payment</u>		<u>Water Charges</u>	
<u>Contract Rate</u>				<u>Standard</u>		<u>2,000-10,000 Gallons</u>	
\$0.60	treatment			\$41.10	Total Minimum	\$3.65	Per 1,000 Gallons
\$1.05	transmission O&M						
\$0.35	transmission REM						
\$1.05	capital repayment			<u>1 extra unit</u>		<u>Above 10,000 Gallons</u>	
\$0.07	transmission reserve			\$49.00	Total Minimum	\$2.65	Per 1,000 Gallons
\$3.12	total						
				<u>2 extra units</u>		<u>Pasture Tap 12,000-60,000</u>	
				\$56.85	Total Minimum	3.65	Per 1,000 Gallons
<u>Raw Water Rate</u>							
\$1.05	transmission O&M						
\$0.35	transmission REM			<u>3 extra units</u>		<u>Pasture Tap Above 60,000</u>	
\$1.05	capital repayment			\$64.75	Total Minimum	2.65	Per 1,000 Gallons
\$0.09	transmission reserve						
\$2.54	total						
				<u>Pasture taps</u>		<u>Beulah/Zap Water Charges</u>	
				\$246.60	Total Minimum		
<u>Demand Contract</u>						<u>All Water Usage</u>	
\$0.60	treatment					\$3.65	Per 1,000 Gallons
\$1.05	transmission O&M						
\$0.35	transmission REM						
\$1.05	capital repayment						
\$1.05	demand charge						
\$0.05	transmission reserve						
\$4.15	total						

58
2/93

SOUTHWEST PIPELINE PROJECT

RATE HISTORY

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operation and Maintenance:	\$0.80	\$0.50	\$0.60	\$0.67	\$0.81	\$0.85	\$0.83	\$0.88	\$0.91	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05	\$1.05
Treatment:	\$0.56	\$0.64	\$0.69	\$0.65	\$0.55	\$0.55	\$0.52	\$0.56	\$0.53	\$0.53	\$0.53	\$0.53	\$0.55	\$0.55	\$0.55	\$0.60	\$0.60	\$0.60
Replacement & Ext. Maint.:	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Capital Repayment:	\$0.62	\$0.68	\$0.70	\$0.72	\$0.74	\$0.76	\$0.78	\$0.79	\$0.80	\$0.83	\$0.85	\$0.87	\$0.89	\$0.91	\$0.94	\$0.98	\$1.00	\$1.05
Reserve Fund								\$0.05	\$0.15	\$0.20	\$0.20	\$0.18	\$0.14	\$0.12	\$0.09	\$0.09	\$0.07	\$0.07
Total:	\$2.28	\$2.12	\$2.29	\$2.34	\$2.40	\$2.46	\$2.43	\$2.63	\$2.74	\$2.96	\$2.98	\$2.98	\$2.98	\$2.98	\$2.98	\$3.07	\$3.07	\$3.12
Capital Repayment as a percentage of Total	27.19%	32.08%	30.57%	30.77%	30.83%	30.89%	32.10%	30.04%	29.20%	28.04%	28.52%	29.19%	29.87%	30.54%	31.54%	31.92%	32.57%	33.65%
Rural Monthly Minimum:	\$25.00	\$25.00	\$25.00	\$26.95	\$28.00	\$33.90	\$33.90	\$35.10	\$35.80	\$37.55	\$38.25	\$38.25	\$38.25	\$38.25	\$38.25	\$39.45	\$39.45	\$41.10
Rural Use Rate:	\$2.50	\$2.50	\$2.50	\$2.50	\$2.55	\$2.59	\$2.56	\$3.05	\$3.15	\$3.60	\$3.60	\$3.60	\$3.60	\$3.60	\$3.60	\$3.65	\$3.65	\$3.65
Capital Repayment for Rural:	\$20.00	\$20.00	\$20.00	\$21.95	\$22.52	\$23.25	\$23.64	\$23.96	\$24.50	\$25.34	\$26.03	\$26.50	\$27.07	\$27.79	\$28.80	\$29.90	\$30.49	\$32.13
Capital Repayment as a percentage of Total	80.00%	80.00%	80.00%	81.45%	80.43%	68.58%	69.73%	68.26%	68.44%	67.48%	68.05%	69.28%	70.77%	72.65%	75.29%	75.79%	77.29%	78.18%



PROPOSED AMENDEMENTS TO SENATE BILL NO. 2193

Page 1, line 1, after "61-24.5-01," insert "61-24.5-03"

Page 1, line 2, after "relating to" insert "removal of the city of Mandan from the southwest water authority; and relating to"

Page 2, after line 13 insert:

"SECTION 2 . AMENDMENT. Section 61-24.5-03 of the North Dakota Century Code is amended and reenacted as follows:

61-24.5-03. Southwest water authority created.

1. The southwest water authority ~~shall consist~~ consists of that part of the state which is included within the boundaries of Dunn, Stark, Golden Valley, Billings, Slope, Bowman, Adams, Grant, Hettinger, ~~Morton~~, and Mercer Counties and all of Morton county outside the boundaries of the city of Mandan.
2. ~~Such~~ The authority is a governmental agency, body politic and corporate with the authority to exercise the powers specified in this chapter, or which may be reasonably implied.
3. Any county adjoining the authority as herein created, or as hereafter composed, may join ~~such the~~ authority upon application of its board of county commissioners and the approval of ~~such the~~ application by the board of directors of the authority. The board of directors, as a condition of approval of ~~such the~~ application, may require payments as may be equitable to equalize the burden of such county with the obligations paid or assumed by the other counties in the authority.

Renumber accordingly

VERBAL TESTIMONY

OF

DUANE BUELIGEN
NEW SALEM, NORTH DAKOTA

SUBMITTED TO
NORTH DAKOTA SENATE FINANCE AND TAX COMMITTEE

ON

SENATE BILL 2193 - A BILL FOR AN ACT TO AMEND AND REENACT
SECTIONS 61-24.5-01, 61-24.5-09 AND 61-24.5-10 OF THE NORTH DAKOTA
CENTURY CODE, RELATING TO THE POWERS AND DUTIES AND TAX
LEVY OF THE SOUTHWEST WATER AUTHORITY

JANUARY 19, 2009
9:00 a.m. (CST)

BISMARCK, NORTH DAKOTA

My name is Duane Bueligen, and I am from the very last service area of the Southwest Pipeline Project. While we have waited for a long time to receive good quality water, we hope our area can be served in the next few years. We believe the old football saying "All for one and one for all" is applicable in our efforts to get quality water throughout southwest North Dakota. While many already have water, we are hoping everyone stays the course until the project serves all.

According to our estimates, an average homeowner pays \$4 to \$6 per year as a result of the one mill levy for the Southwest Water Authority. Yet those dollars are essential as we continue to move forward and attempt to complete this project. While we are waiting patiently for the Southwest Pipeline to be completed, we are very thirsty. We ask for your support for Senate Bill 2193 so that we can receive good quality water as soon as possible. Thank you.

VERBAL TESTIMONY

OF

LOREN MYRAN
TAYLOR, NORTH DAKOTA

SUBMITTED TO
NORTH DAKOTA SENATE FINANCE AND TAX COMMITTEE

ON
SENATE BILL 2193 - A BILL FOR AN ACT TO AMEND AND REENACT
SECTIONS 61-24.5-01, 61-24.5-09 AND 61-24.5-10 OF THE NORTH DAKOTA
CENTURY CODE, RELATING TO THE POWERS AND DUTIES AND TAX
LEVY OF THE SOUTHWEST WATER AUTHORITY

JANUARY 19, 2009
9:00 a.m. (CST)

BISMARCK, NORTH DAKOTA

Members of the committee, we urge your support of Senate Bill 2193. North Dakota has two regional water authorities, the Garrison Diversion Conservancy District and the Southwest Water Authority. We believe the benefits of water infrastructure in North Dakota are very significant, and extend to every person and property owner. We also believe the concept of supporting these two regional authorities with a 1 mill levy for engineering, legal, studies, and other administrative functions is an efficient and small local contribution to facilitate water infrastructure in North Dakota. While not every township, municipality, or individual receives direct benefits from water infrastructure, each county and each region receives extensive direct and indirect benefits from North Dakota's water infrastructure. Quality of life, economic growth, job opportunities, and tax revenues, are only some of the many benefits that are received throughout the area of Southwest Water Authority. We urge your support for Senate Bill 2193. Thank you.

NORTH DAKOTA

*Water Users
Association*

Michael A. Dwyer
Executive Vice President
701-223-4615
701-223-4645 (Fax)

PO Box 2254 • Bismarck, ND 58502-2254

Testimony to Senate Finance and Tax

Senator Dwight Cook, Chairman

January 19, 2009

Michael Dwyer, Executive Vice President,
North Dakota Water Users Association

1. Water Infrastructure Needs
 - a. Needs
 - b. North Dakota Water Coalition
 - c. Economic Growth/Quality of Life
 - d. Funding Concerns
2. Water Governance
 - a. Local: Water Resource Districts and Rural Water Systems
 - b. Regional: Garrison Diversion Conservancy District and Southwest Water Authority
 - c. State: State Water Commission and State Engineer
3. Energy Issues
 - a. SB 2193 Energy Water Supply Issues
 - b. HB 1322 Energy and Water Supply
 - c. HB 1352 State Energy Policy
4. Local Cost Share
 - a. Federal and State Funding
 - b. Water Resource Districts: 4 mill levy
 - c. Joint Water Boards: 2 mill levy
 - d. Garrison Diversion Conservancy District and Southwest Water Authority: 1 mill levy
5. Policy Issues
 - a. Missouri River
 - b. Mill Levies

WATER SUMMARY: 2009 Legislative Session

I. Water Governance

- A. State: State Water Commission and State Engineer
- B. Regional: Southwest Water Authority and Garrison Diversion Conservancy District
- C. Local: Water Resource Districts/Joint Water Boards/Rural Water Systems

II. Functions/Duties

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> A. State Water Commission/State Engineer <ul style="list-style-type: none"> 1. Water Development/Water Infrastructure 2. Water Permits 3. Drainage Permits 4. Weather Modification B. Water Resource Districts (Water Managers) <ul style="list-style-type: none"> 1. Surface Water 2. Local Contracts/Projects C. Rural Water Systems D. Southwest Water Authority <ul style="list-style-type: none"> 1. Southwest Pipeline 2. Other Water Supplies (Energy) 3. Local Representation (County Directors) | <ul style="list-style-type: none"> E. Garrison Diversion Conservancy District <ul style="list-style-type: none"> 1. Maintain Federal Facilities 2. Irrigation 3. Oakes Test Area 4. Recreation Facilities 5. Federal Contracts/Bureau of Reclamation 6. M,R&I Funding/Contracts 7. Red River Valley Water Supply 8. Devils Lake Outlet Maintenance 9. Wildlife Features 10. Local Representation (LAWA and County Directors) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

III. Funding (HB 1020)

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> A. Resources Trust Fund, Water Development Trust Fund, General Fund B. <u>Water Coalition</u> <ul style="list-style-type: none"> Devils Lake Flood Control (Fargo) General Water Management Irrigation Missouri River Management MR&I | <ul style="list-style-type: none"> NW Oil Impact MR&I Northwest Area Water Supply (NAWS) Red River Valley Water Supply Southwest Pipeline Weather Modification |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

IV. Water Legislation Issues

- | | |
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| <ul style="list-style-type: none"> A. Funding <ul style="list-style-type: none"> 1. HB 1020 2. Additional General Funds? B. Red River Valley Water Supply <ul style="list-style-type: none"> 1. Funding Plan Revision/Preferred Alternative 2. Bonding Authorization/GDCD C. Southwest Water Authority <ul style="list-style-type: none"> 1. Mill Levy Extension/Energy Water Issues | <ul style="list-style-type: none"> D. Water Resource Districts <ul style="list-style-type: none"> 1. Compensation: \$45 to \$100 2. Mill Levy: 4 to 8 mills 3. Indemnity 4. Quick Take 5. Flood prone areas 6. Maintenance of federal projects E. Irrigation <ul style="list-style-type: none"> 1. Sales Tax Exemption - Irrigation Repair Parts |
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Water Funding

I. Proposed Funding Plan: Red River Valley Water Supply Project

A. Federal	\$220 million
B. State (Combination of Resources Trust Fund and General Fund)	\$220 million
C. Local	\$220 million
a. Revenue Bonds (Based on water service contract with Garrison Diversion Conservancy District and project water users)	
Total Cost (Per EIS, 2005 Dollars)	<u>\$660 million</u>

II. Estimated 2009-11 Revenues: Resources Trust Fund--\$97,000,000 (\$7 million carryover)

III. Proposed Water Project Allocations: 2009-2011 Biennium (ND Water Coalition)

	<u>Resources Trust Fund</u>	<u>Plus federal funds</u>	<u>Total</u>
Devils Lake	\$2,000,000		\$2,000,000
Outlet O&M	\$1,500,000		
Basin Development	\$500,000		
Flood Control	\$20,000,000		\$20,000,000
Wahpeton	0		
Fargo	\$20,000,000*		
General Water Management	\$10,500,000		\$10,500,000
Irrigation	\$ 1,000,000		\$ 1,000,000
Missouri River Management	\$ 500,000		\$ 500,000
MR&I	\$10,000,000	\$10,000,000**	\$20,000,000
NW Oil Impact MR&I	\$ 5,000,000		\$ 5,000,000
Northwest Area Water Supply (NAWS)	\$12,000,000	\$ 8,000,000	\$20,000,000
Red River Water Supply	\$30,000,000		\$30,000,000
Southwest Pipeline	\$12,000,000	\$ 8,000,000	\$20,000,000
Weather Modification	\$ 700,000		\$ 700,000
Total	\$104,000,000	\$ 26,000,000	\$130,000,000

*Water Coalition supports additional \$20 million for each of the next two bienniums.

**Includes Federal FY 2009 funding only, does not include estimates for Federal FY 2010 funding.

Additional



January 20, 2009

Senator Dwight Cook Chairman
Senate Finance and Taxation Committee
600 East Boulevard
Bismarck, ND 58505-0360

RE: Senate Bill 2193

Dear Senator Cook:

The purpose of this correspondence is to relay the position of the Bismarck-Mandan Chamber on Senate Bill 2193 regarding the Southwest Water Authority. Though overall the concept of the Southwest Water Authority is strong and the program continues to be an asset for many counties in the southwest region of our state, there is one area where the benefit does not outweigh the cost.

When the Southwest Water Authority was established the purpose was to create a unified funding stream to create a long-term supply of adequate quantities of high quality drinking water for counties in S.W. North Dakota. Without question, this Authority has done great work in creating stable water supplies for use in municipal and rural water and for agricultural purposes.

However, on behalf of our members and the community, we must express our concern about the continued levy and the impact it will have on the City of Mandan. Currently, the businesses and residents of Mandan are paying dual taxes for water.

Today, residents pay a tax for the municipal water treatment plant that provides water to local businesses and residents pay a tax to assist with funding for the Southwest Water Authority. Mandan's participation at the outset of this project was vital to keep the project going. However, 18 years later, it seems time to reconsider the composition of this taxing authority.

As such, we would ask the Senate to amend SB2193 to adopt the following language as a Section One Amendment.

61-24.4-03. Southwest Water Authority Created.

The Southwest Water Authority ~~shall consist~~ consists of that part of the state which is included within the boundaries of Dunn, Stark, Golden Valley, Billings, Slope, Bowman, Adams, Grant Hettinger, ~~Morton~~ and Mercer Counties and all of Morton County outside the boundaries of the city of Mandan.

The City of Mandan continues to grow and become a place people want to live. As our community looks out over the next 5 to 10 years, there is significant optimism about the future of the community. An important part of the community is the quality of the infrastructure and water is key component.

We know the Legislature realizes how important it is that local tax funds are utilized as efficiently as possible. We also know the Legislature is concerned about the tax burden placed on North Dakota residents.

In testimony before the Committee, we understand that Mayor Helbling stated many facts about the cost discrepancies, as well as participation challenges. We ask you to review his testimony and consider our amendment and thoughts on this issue before moving forward.

If you would have further questions, I will be happy to discuss them with you.

Respectfully Submitted,

Kelvin Hullet, President
Bismarck-Mandan Chamber of Commerce

Testimony by Loren Myran, Chairman, Stark County
Southwest Water Authority
to the
House Finance and Taxation Committee
Hearing on Senate Bill 2193
Bismarck, ND
March 3, 2009

Good morning Mr. Chairman and members of the committee. My name is Loren Myran and I serve as Chairman of the Southwest Water Authority Board of Directors. I represent Stark County. Members of the committee, we urge your support of Senate Bill 2193. North Dakota has two regional water authorities, the Garrison Diversion Conservancy District and the Southwest Water Authority. We believe the benefits of water infrastructure in North Dakota are very significant, and extend to every person and property owner. We also believe the concept of supporting these two regional authorities with a 1 mill levy for engineering, legal, studies, and other administrative functions is an efficient and small local contribution to facilitate water infrastructure in North Dakota. While not every township, municipality, or individual receives direct benefits from water infrastructure, each county and each region receives extensive direct and indirect benefits from North Dakota's water infrastructure. Quality of life, economic growth, job opportunities, and tax revenues, are only some of the many benefits that are received throughout the area of Southwest Water Authority. We urge your support for Senate Bill 2193. Thank you.

Testimony by Duane Bueligen, Director, Oliver County
Southwest Water Authority
to the
House Finance and Taxation Committee
Hearing on Senate Bill 2193
Bismarck, ND
March 3, 2009

Good morning Mr. Chairman and members of the committee. My name is Duane Bueligen, and I represent Oliver County on the Southwest Water Authority Board of Directors. I am from the very last service area of the Southwest Pipeline Project. While we have waited for a long time to receive good quality water, we hope our area can be served in the next few years. We believe the old football saying "All for one and one for all" is applicable in our efforts to get quality water throughout southwest North Dakota. While many already have water, we are hoping everyone stays the course until the project serves all. According to our estimates, an average homeowner pays \$4 to \$6 per year as a result of the one mill levy for the Southwest Water Authority. Yet those dollars are essential as we continue to move forward and attempt to complete this project. While we are waiting patiently for the Southwest Pipeline Project to be completed, we are very thirsty. We ask for your support for Senate Bill 2193 so that we can receive good quality water as soon as possible. Thank you.