

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1158

2001 HOUSE NATURAL RESOURCES

HB 1158

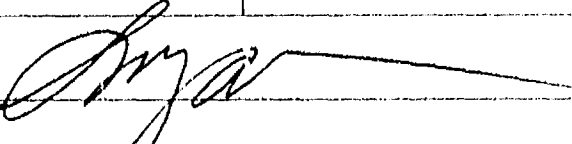
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1158

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
1	x		0 to 2543
Committee Clerk Signature 			

Minutes: Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. Droydal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich.

Chairman Rennerfeldt: I will open the hearing on HB 1158.

James Lennington - SW Pipeline Project Manager for the ND State Water Commission: (See written testimony).

Chairman Rennerfeldt: Any questions of the committee? Thank you.

Don Flynn - SW Water Authority: (See written testimony).

Chairman Rennerfeldt: Does the committee have any questions? Anyone else care to testify in favor of this bill, is there any opposition to this bill?

Mike Dwyer - ND Water Users and ND Water Coalition: I am in favor of this bill. We strongly support this proposal and the one you are hearing at 10:00 as well. Our testimony would be the same on both bills. In 1999 the Legislature passed legislation and created the Water

Development Trust Fund and allocated 45% of the Tobacco settlement dollars for that fund to address state wide water needs. If you go back farther in 1981 the Legislature created the Resources Trust Fund and allocated 10% of the oil extraction tax for water development. When that fund was created it was projected at the height of the oil boom that there would be 25 million dollars per biennium for water, looking ahead about 20 years, we figured it would be an aggressive approach for water in the state. However, oil prices didn't turn out to be what everyone thought they would be and in 1989 the amount of money in the trust fund was about 4 million instead of 25. It turned out not to be nearly the level of funding they projected. In 1986 the Garrison Diversion Reformulation Act was passed which included a 200 million MR & I program and fortunately for ND that act was passed and the SW Pipeline ended up getting about 70 million dollars of that money and NAWIS is projected to get some also. As a result we have been able to be fairly aggressive in developing our water needs. But it was pretty clear that that funding was used up. We have been working about five years on the Dakota Water Resources Act which includes an additional 200 million dollars of MR & I funding, but up until now we didn't know if that would pass. We have major opposition from Canada, MN and environmentalists. The Legislature did enact the Water Development Trust Fund with the tobacco dollars and now the Dakota Water Resources Act has been passed and provides an additional 200 million dollars worth of MR & I funding. Now that the DWRA has been passed maybe we don't need to provide the state dollars, but on the contrary if we are to move forward both have to be in place. It is important that we be aggressive. (See NDWC brochure). It gives the priorities of the next two years. The EPA has just come out with a new arsenic rule which will add additional expense around the state and there are areas where they don't have good quality water. We would like to provide a water supply. All of these things fit together and it is

important that the Legislature continue funding so we can provide a state match for these projects. It would be great if we could finish the SW Pipeline without further borrowing with the funding that could be in place. It would enable that project to be finished. It is important that we have funding in place to finish the Devils Lake Outlet, the NAWS project and provide water to the NW and Eastern part of ND. We need all these bills, one doesn't displace the other. The final point I would like to make with respect to HB 1151. In that bill is a provision where the interest in the Water Development Trust Fund should stay in that fund. Interest from special funds should stay in the fund instead of the general fund.

Rep. Hanson: What percent of the SW Pipeline has been completed?

Dwyer: I don't know, about 2/3's.

James Lenington: The testimony I provided showed you that the cost today is 125 million and the estimate for completing it is another 64 million, you can calculate a percentage of completion there of two thirds. If you look at the amount of people it serves it is a lot farther along than that.

Vice Chair Nelson: In regard to arsenic levels, what is the repercussion of cleaning that up. It looks like it will be a fairly expense and time consuming process?

Dave Koland - Exec. Director of ND Rural Water Users: That is a serious question. The arsenic rule had been at 50 parts per billion and EPA had proposed reducing that to 5 parts per billion. Alternately they were looking at reducing that to 3 parts per billion which under their regulations is the lowest feasible water they can detect in water. Our association is arguing that 20 parts per billion was a reasonable level to set it at, and we could afford to meet that expense. The cost of the 10 parts per billion, would cost about 40 million dollars to comply. The regulation becomes effective in five years. A short time to undergo the process to meet that rule. The SW Pipeline is an outstanding example of water meeting that requirement. Small communities exceed the limit.

Nationwide 90% of the areas out of compliance serves less than 10,000 people. So to look at meeting the rule in most cases, they are going to have to look at water treatment or another water source. The most effective means of removing is reverse osmosis, which cost 1 to 1.3 million to build a small plant. Then you need to get rid of the waste water. This rule will be extremely costly to ND to comply with.

Vice Chair Nelson: In the situation you referred to in the rural area if the rural water system will be built within five years will be okay?

Koland: Yes, Wolford and Williston are both on the list for high arsenic and are on the list for the rural water source being built in this area. While I am up here I will let you know we support HB 1158 and HB 1151.

Rep. Klein: Have you had any communities which refused the water when the pipeline came in and now want to receive water? How is this affecting the cost of the pipeline?

Koland: Whether it is communities or individuals not willing to look to the future, every time we build a new water system there are always those who think they don't need it at this time. It causes problems in sizing the pipeline to meet the needs. As the forward thinking planners of the SW Pipeline, they said no, we know that 10 years down the road you will need this pipeline and built it anyway. Unfortunately we have had that problem in many areas of the state.

Rep. Galvin: Do you think these arsenic standards are reasonable? Has there every been any successful reversal of these standards?

Koland: No, I believe the standard is here. When they proposed it at 5 and backed off to 10 as a result of our lobbying that took about twenty communities in ND out of the need to do something immediately. There is no data that shows the level we are at now is unsafe. They based their data on test data done in Taiwan. We tried to encourage testing done in communities in the US for

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House Natural Resources Committee

Bill/Resolution Number HB 1158

Hearing Date January 19, 2001

this exposure. I don't believe the current level is endangering the citizens of ND. As water systems we always encourage those more susceptible populations to be aware of the water they are drinking. Elderly people, people in hospitals are more susceptible and need to be more aware of the water quality.

Chairman Rennerfeldt: Any further questions of the committee? Is there anyone else here care to testify for this bill? If not, I will close the hearing on HB 1158.

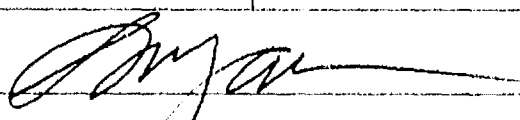
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1158

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
1		x	1823 to 2038
Committee Clerk Signature 			

Minutes: Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. Droydal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich.

Rep. Droydal: I would move Do Pass on HB 1158.

Chairman Rennerfeldt: I will accept that motion. Is there a second?

Vice Chair Nelson: Second.

Chairman Rennerfeldt: I have motion for a Do Pass on HB 1158 from Rep. Droydal, and a second from Rep. Nelson.

Rep. Droydal: I think the testimony is pretty straight forward and it just gives them a chance to continue on with the funds, because of the tobacco tax, the money is there.

Chairman Rennerfeldt: Any further discussion on HB 1158. SW Pipeline Bonding. (call for question.) Call the roll.

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House Natural Resources Committee
Bill/Resolution Number HB 1158
Hearing Date January 19, 2001

MOTION FOR A DO PASS

YES 13, NO, 0

2 ABSENT AND NOT VOTING.

REP. DROVDAL CARRIES.

FISCAL NOTE

Requested by Legislative Council

12/28/2000

Bill/Resolution No.: HB 1158

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1158 increases the bonding limit for the Southwest Pipeline Project from \$15 to \$25 million. The bonds sold are repaid by revenue generated from water users fees, collected by the Southwest Water Authority, and sent directly to the bond trustee.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Prepared by:	Dale Frink	Agency:	Water Commission
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Phone Number: 328-4998

Date Prepared: 12/27/2000

Date: 1-19-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1158

House Natural Resources Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Disputes

Motion Made By Drovdal Seconded By Nelson

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman	✓		Lyle Hanson	✓	
Jon O. Nelson - Vice Chairman	✓		Scot Kelsh	✓	
Curtis E. Brekke	✓		Lonnie B. Winrich	✓	
Duane DeKrey			Dorvan Solberg	✓	
David Drovdal	✓				
Pat Galvin	✓				
George Kelser					
Frank Klein	✓				
Darrell D. Nottestad	✓				
Todd Porter	✓				
Dave Weiler	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Drovdal

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

REPORT OF STANDING COMMITTEE (410)
January 19, 2001 3:46 p.m.

Module No: HR-09-1347
Carrier: Drovdal
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1158: Natural Resources Committee (Rep. Rennerfeldt, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1158 was placed on the Eleventh order on the calendar.

2001 SENATE NATURAL RESOURCES

HB 1158

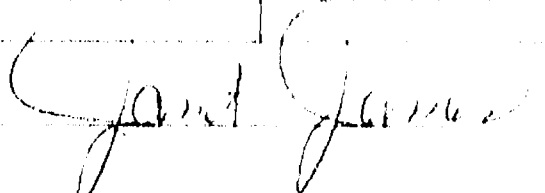
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1158

Senate Natural Resources Committee

☐ Conference Committee

Hearing Date 3-2-01

Tape Number	Side A	Side B	Meter #
2	X		22.4 - 30.0
Committee Clerk Signature 			

Minutes:

SENATOR FISCHER opened the hearing on HB 1158.

JAMES LENNINGTON, manager of the Southwest Pipeline Project introduced HB 1158, A BILL RELATING TO THE AMOUNT OF BONDS THAT MAY BE ISSUED TO FINANCE THE SOUTHWEST PIPELINE PROJECT. (See attached testimony). The bill would increase the bond limit for financing construction from to \$15 million to \$25 million.

SENATOR CHRISTMANN asked if this follows the state bonding limitations cap.

JAMES LENNINGTON answered that this is a revenue bonding program only for the Southwest Pipeline Project.

SENATOR TRAYNOR wanted to clarify that the consumers pay for the bonding and that they were up to date with payments.

JAMES LENNINGTON confirmed both.

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Senate Natural Resources Committee
Bill/Resolution Number HB 1158
Hearing Date 3-2-01

DON FLYNN of Seranton, ND , the Vice Chairman of the Southwest Water Authority testified in support of HB 1158 (See attached testimony).

DAVE KOLAND, the Executive Director of the North Dakota Rural Water Systems Association testified in support of HB 1158.

MIKE DWYER of the North Dakota Water Users wanted to be on record in support of HB 1158.

There was no neutral or opposing testimony of HB 1158.

SENATOR FISCHER closed the hearing on HB 1158.

SENATOR TRAYNOR made a motion for a "DO PASS" of HB 1158.

SENATOR EVERY second the motion.

SENATOR FISCHER called for roll call vote of HB 1158. The vote indicated 6 YAYS, 0 NAYS, AND 1 ABSENT.

SENATOR CHRISTMANN will carry HB 1158.

Date: 3-2
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1158

Senate NATURAL RESOURCES Committee

☐ Subcommittee on _____
or _____

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By T. J. [Signature] Seconded By C. [Signature]

[illegible]

Total (Yes) 6 No 0

Absent /

Floor Assignment Christmann

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

REPORT OF STANDING COMMITTEE (410)
March 2, 2001 12:47 p.m.

Module No: SR-38-4691
Carrier: Christmann
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1158: Natural Resources Committee (Sen. Fischer, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1158 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1158

TESTIMONY ON HOUSE BILL 1158

House Natural Resources Committee

James Lennington, Southwest Pipeline Project Manager

January 19, 2001

Mr. Chairman and Members of the House Natural Resources Committee, my name is James Lennington. I am the Southwest Pipeline Project Manager with the North Dakota State Water Commission and appear before you today in support of House Bill 1158.

House Bill 1158 increases the bond limit for financing Southwest Pipeline Construction from \$15 million to \$25 million.

The Southwest Pipeline Project has been under construction since 1986. In that time the project has responded to many of the needs of southwestern North Dakota. It now serves over 25,600 people in 22 cities and approximately 4,500 rural residents with high quality water in sufficient quantity to make a real difference in the quality of life. It has opened new doors of opportunity to industry and business. It has also been instrumental in relieving some communities of significant regulatory burdens resulting from drinking water violations. In spite of these accomplishments, much of the project remains to be constructed. To date approximately \$125 million has been spent on constructing the Southwest Pipeline Project. Our current estimate for completing the project is approximately \$64 million.

In 1997, the Legislative Assembly authorized the Water Commission to issue bonds not to exceed \$15 million for the Southwest Pipeline Project and made statutory changes necessary for the Water Commission to implement a revenue bonding program. Revenues from project water users are pledged to repay the bonds with excess revenue deposited into the Resources Trust Fund. Since 1997 the Water Commission has authorized the issuance of \$13.23 million in revenue bonds for the project. Plans for construction in 2001 and 2002 include the issuance of another \$2.5 million in bonds bringing the total to \$15.73 million, which exceeds the amount authorized by the legislature. The following table shows the bonds issued to date and their maximum annual debt service:

SOUTHWEST PIPELINE PROJECT
Revenue Bonds Issued to Date

<u>Bond Issue</u>	<u>Amount Bonded</u>	<u>Maximum Annual Debt Service</u>
1997 Series A (Public, 30 yrs)	\$6,830,000	\$484,515
1997 Series B (USDA, 40 yrs)	\$3,400,000	\$209,003
1998 Series A (USDA, 40 yrs)	\$100,000	\$6,014
1999 Series A (USDA, 40 yrs)	\$1,000,000	\$54,791
2000 Series A (DWSRLR ¹ , 20 yrs) ¹	\$1,000,000	\$79,875
2000 Series B (USDA, 40 yrs)	\$400,000	\$24,222
Totals	\$12,730,000	\$858,421

¹ \$1,500,000 was approved by the Water Commission but only \$1,000,000 has been issued. The remaining \$500,000 is to be issued in 2001 to match USDA funding.

By any measure, the Water Development Revenue Bonding Program has been a great success for the Southwest Pipeline Project. It has provided a source of funding to continue construction at times when other sources had been exhausted. The first bonds issued, in 1997, provided a local match for \$6.1 million in federal loans and grants. Subsequent bond issues have provided construction funds and allowed the project to qualify for an additional \$5.1 million in federal grants. Pledging expected project revenues has allowed the Water Commission to leverage the income generated by project water users. Increasing the bond limit will allow us to continue to fully leverage this income source.

The General Bond Resolution developed for the Southwest Pipeline Revenue Bonding Program specifies requirements that must be met before additional bonds can be issued. These include the requirement that revenue received for the most recent 12 months preceding the issuance of additional bonds is certified to be at least 110 percent of the maximum annual principal and interest on outstanding bonds plus the additional bonds to be issued. Additionally, the revenue estimated to be derived from the facilities to be constructed with the additional bonds, when added to the annual revenue from the project existing at the time the additional bonds are issued, must be at least 120 percent of the maximum annual principal and interest on the outstanding bonds plus the additional bonds to be issued. These requirements ensure that adequate debt service coverage exists to protect existing bond holders before any additional bonds are issued. In comparison, revenue generated by the project for the most recent 12-month period (December 1999 - November 2000) totaled \$1,130,816 while the sum of the maximum annual principal and interest payments on the existing bonds totals \$858,421 for a current debt service coverage of 132 percent.

Project revenue is somewhat dependent on rainfall in any given year. Capital repayments by Southwest Pipeline cities represent 56 percent of project revenues and are entirely based upon consumption. Consumption by the cities has varied by as much as 7 percent in any given year. In contrast, capital repayments from individual rural users, representing the other 44 percent of

revenues, are a fixed amount per month. However, revenue from rural water users could be negatively affected by a declining rural population.

In conclusion, although project revenues can be affected by weather and the rural economy, it is our belief that the requirements of the Southwest Pipeline General Bond Resolution are adequate to ensure that bonds are repaid and that the bonding limit set by the legislature can be increased to \$25 million. The practical limit on bonding for the project is the amount of revenue generated by project water users. Although the areas yet to be constructed will generate increased revenue that increase will be limited. Because of this, it is not likely that the new limit would be exceeded by the Water Commission on the Southwest Pipeline Project in the foreseeable future.

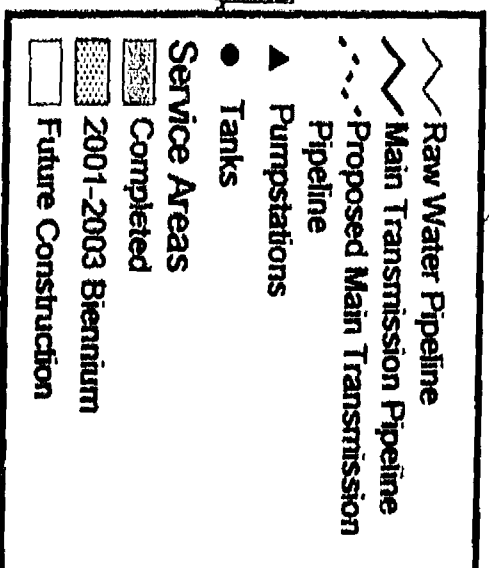
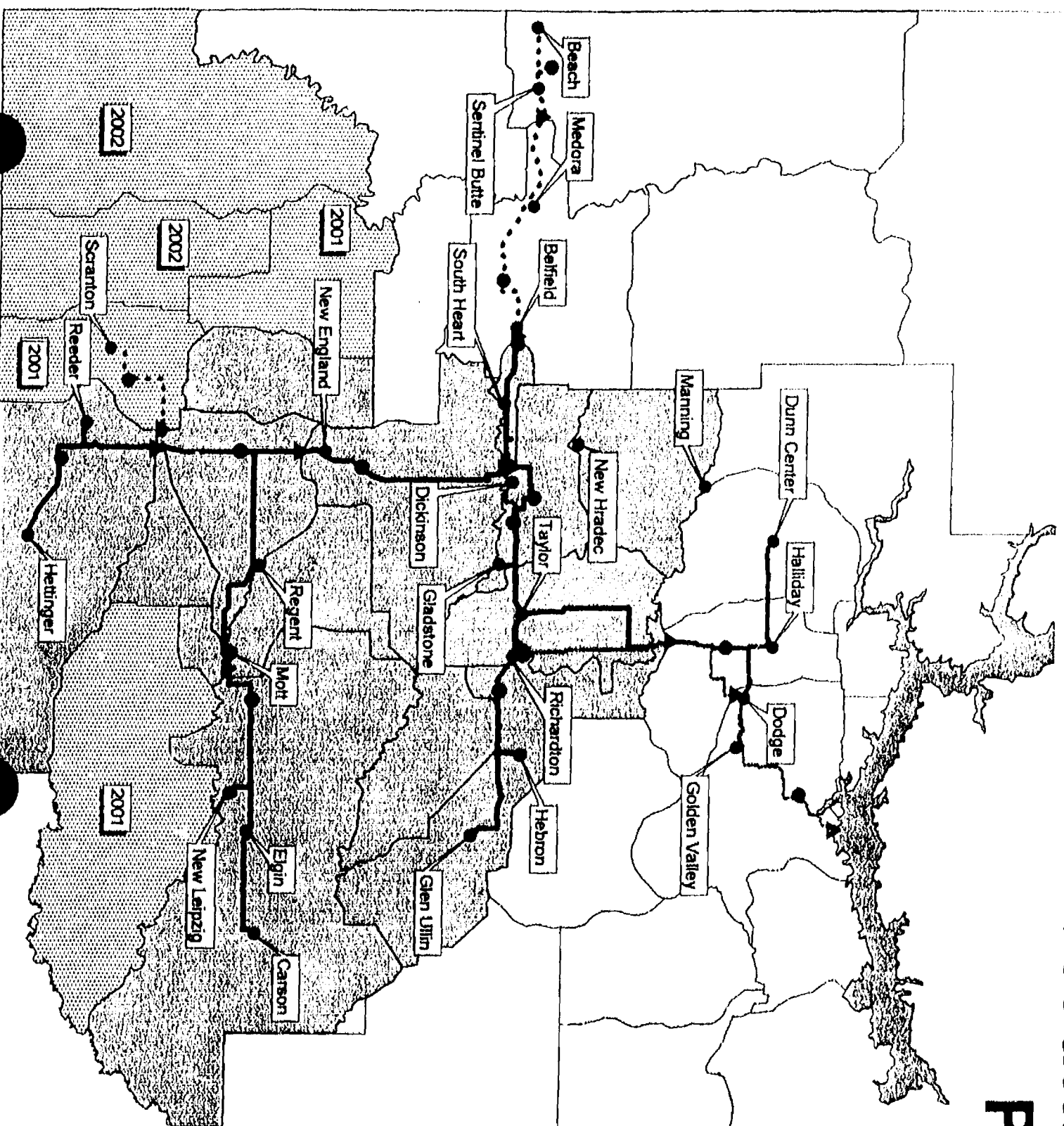
Your favorable consideration of House Bill 1158 is requested.

Thank you.

Southwest Pipeline Project

Project Location:
Southwestern
North Dakota

January, 2001



**VERBAL TESTIMONY
OF**

**DON FLYNN
VICE CHAIRMAN
SOUTHWEST WATER AUTHORITY
SCRANTON, ND**

**SUBMITTED TO
NORTH DAKOTA HOUSE NATURAL RESOURCES COMMITTEE
HB1158**

January 19, 2001

BISMARCK, ND

Chairman Rennerfeldt, members of the committee:

Good morning. I am Don Flynn from Scranton, North Dakota. Scranton signed contract number one with the State Water Commission March 15, 1983 and we still do not have water.

I am the Vice-Chairman of the Southwest Water Authority. I come today to speak in favor of House Bill 1158. This bill increases the bonding limit of the Water Commission for Southwest Pipeline Project revenue bonds. The use of revenue bonds has enabled continued construction on the Southwest Pipeline Project since 1997. These bonds are repaid by revenue from the users of the Southwest Pipeline Project.

The Southwest Water Authority would appreciate a favorable response from this committee in order to help facilitate completion of the Southwest Pipeline Project.

NORTH DAKOTA WATER COALITION

MISSION: COMPLETE NORTH DAKOTA'S WATER INFRASTRUCTURE
FOR ECONOMIC DEVELOPMENT AND QUALITY OF LIFE.

Meeting the *Challenge* PHASE II

THE NORTH DAKOTA WATER COALITION'S FOCUS ON
NORTH DAKOTA'S CRITICAL WATER NEEDS: 2001-2003

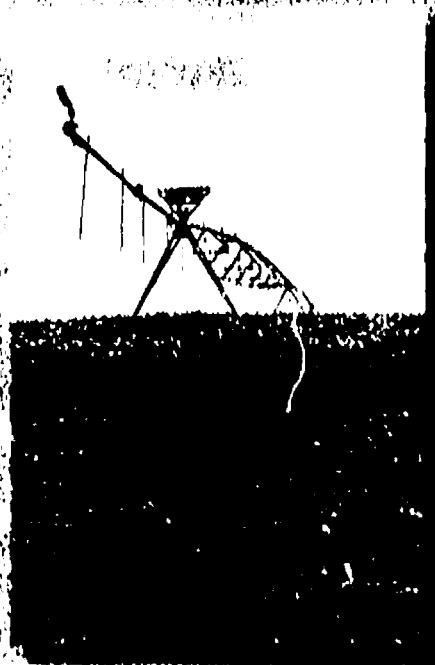


Flood Control in Eastern North Dakota

Red River flood control projects will protect the cities of Grand Forks, Wahpeton, Grafton, Fargo and other areas from the damage caused in a flood event like the 1997 flood.

Water supply for cities and rural water systems

Eastern North Dakota through Garrison Diversion, Southwestern North Dakota through the Southwest Pipeline Project, Northwestern North Dakota through the Northwest Area Water Supply (NAWS), and local rural water systems are especially significant.



Increased high value crop production and processing opportunities help build and diversify our economy. Irrigation is necessary for many of these developments.

NORTH DAKOTA WATER COALITION



Missouri River

The Corps of Engineers Master Manual, bank protection and a comprehensive plan for future growth are among the major concerns.



Devils Lake

A permanent solution for the damage to homes, land and infrastructure from the 22-foot rise of Devils Lake must be achieved.

NORTH DAKOTA WATER COALITION PRIORITIES 2001-2003 BIENNIUM

AUTHORIZED

SB 2188 Projects (Projects authorized in 1999 as part of SB 2188 but not yet contracted for construction)

State Funds (In millions of dollars)

31.5

NEW FUNDING NEEDS

1. Municipal and Rural Water Supply
2. Irrigation
3. General Water Management
4. Flood Control
5. Eastern Dakota Water Supply
6. Devils Lake
7. Missouri River Management*
8. Northwest Area Water Supply
9. Southwest Pipeline
10. Weather Modification

State Funds

15.00

3.29

5.00

5.75

0.15

4.00

0

0

7.30

0.25

Sub-Total

72.34

Note: These priorities are for new funding only.

Funding will be provided through federal and local sources.

State funds are not requested at this time.

TOTAL

72.34

ESTIMATED REVENUES FOR WATER

2001-2003

1. Resources Trust Fund (Oil Extraction Tax - 20%)

Estimated revenues for 2001-2003 biennium

12.5

2. Water Development Trust Fund (State Tobacco Settlement)

includes revenues from 1995-2000 biennium plus 2001-2003

43.0

3. Bonding (as needed to cover the difference)

could be issued to meet the balance of the credit

16.04

72.34

**VERBAL TESTIMONY
OF**

**DON FLYNN
VICE CHAIRMAN
SOUTHWEST WATER AUTHORITY
SCRANTON, ND**

**SUBMITTED TO
NORTH DAKOTA SENATE NATURAL RESOURCES COMMITTEE
HB1158**

March 2, 2001

BISMARCK, ND

Chairman Fischer, members of the committee:

Good morning. I am Don Flynn from Scranton, North Dakota

I am the Vice-Chairman of the Southwest Water Authority. I come today to speak in favor of House Bill 1158. This bill increases the bonding limit of the Water Commission for Southwest Pipeline Project revenue bonds. The use of revenue bonds has enabled continued construction on the Southwest Pipeline Project since 1997. These bonds are repaid by revenue from the users of the Southwest Pipeline Project.

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TESTIMONY ON HOUSE BILL 1158

Senate Natural Resources Committee

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Project revenue is somewhat dependent on rainfall in any given year. Capital repayments by Southwest Pipeline cities represent 56 percent of project revenues and are entirely based upon consumption. Consumption by the cities has varied by as much as 7 percent in any given year. In contrast, capital repayments from individual rural users, representing the other 44 percent of

revenues, are a fixed amount per month. However, revenue from rural water users could be negatively affected by a declining rural population.

In conclusion, although project revenues can be affected by weather and the rural economy, it is our belief that the requirements of the Southwest Pipeline General Bond Resolution are adequate to ensure that bonds are repaid and that the bonding limit set by the legislature can be increased to \$25 million. The practical limit on bonding for the project is the amount of revenue generated by project water users. Although the areas yet to be constructed will generate increased revenue that increase will be limited. Because of this, it is not likely that the new limit would be exceeded by the Water Commission on the Southwest Pipeline Project in the foreseeable future.

Your favorable consideration of House Bill 1158 is requested.

Thank you.