

The background of the report cover is a collage of three images: a large blue water tower with 'SOUTHWEST WATER' written on it, a close-up of a water tower against a sunset sky, and a young child drinking from a public water fountain. The collage is divided by white diagonal lines.

SOUTHWEST
WATER

2021

Annual Operating Report

30 YEARS
ANNIVERSARY





Our Vision

*People and Business Succeeding
with Quality Water*

Our Mission

*Quality Water for
Southwest North Dakota*

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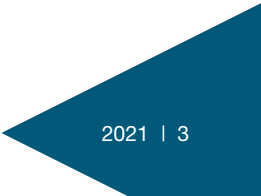
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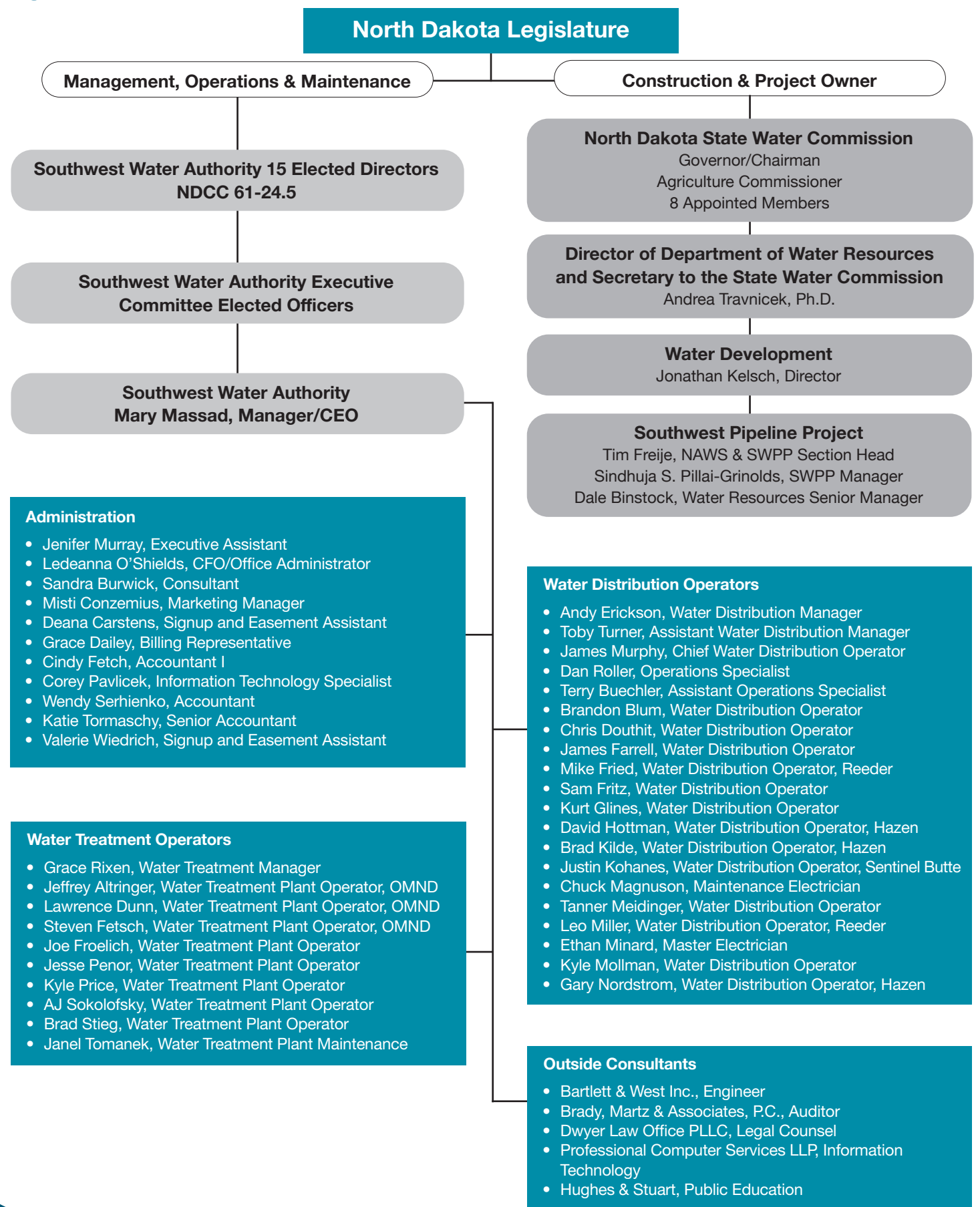
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Southwest Water Authority does not discriminate on the basis of race, color, national origin, sex, religion, age, marital status or disability in employment or the provision of services.



Organizational Chart



SWA Board of Directors



Chairperson
James Odermann
Billings County



Vice Chairperson
Jason Bentz
City of Dickinson



Secretary
Mike Tietz
Oliver County



Jonathon Eaton
Adams County



Rick Seifert
Bowman County



Glenn Eckelberg
Dunn County



Mark Begger
Golden Valley County



Brian Roth
Grant County



Don Schaible
Hettinger County



Marie Johnson
Mercer County



Bruce Engelhardt
Morton County



Dave Juntunen
Slope County



Steve Schneider
Stark County



Larry Bares
City of Dickinson



Bob Leingang
City of Mandan

North Dakota State Water Commission

Governor Doug Burgum, Chairman
Doug Goehring, Agriculture Commissioner
Michael Anderson - Lower Red River Basin
Connie Ova - James River Basin
Richard Johnson - Devils Lake Basin
Gene Veeder - Lower Missouri River Basin

April Walker - Upper Red River Basin
James Odermann - Little Missouri, Upper Heart, and Upper
Cannonball River Basins
Jay Volk - Lower Missouri River Basin
Jason Zimmerman - Mouse River Basin

Southwest Water Authority

Administration



Mary Massad
Manager/CEO



Jenifer Murray
Executive Assistant



Ledeanna O'Shields
CFO/Office
Administrator



Sandra Burwick
Consultant



Misti Conzemius
Marketing Manager



Deana Carstens
Signup and Easement
Assistant



Grace Dailey
Billing Representative



Cindy Fetch
Accountant I



Corey Pavlicek
Information Technology
Specialist



Wendy Serhienko
Accountant



Katie Tormasch
Senior Accountant



Valerie Wiedrich
Signup and Easement
Assistant

Southwest Water Authority

Treatment



Grace Rixen
Water Treatment
Manager



Jeffrey Altringer
Water Treatment
Plant Operator, OMND



Lawrence Dunn
Water Treatment
Plant Operator, OMND



Steven Fetsch
Water Treatment
Plant Operator, OMND



Joe Froelich
Water Treatment
Plant Operator



Jesse Penor
Water Treatment
Plant Operator



Kyle Price
Water Treatment
Plant Operator



AJ Sokolofsky
Water Treatment
Plant Operator



Brad Stieg
Water Treatment
Plant Operator



Janel Tomanek
Water Treatment
Plant Maintenance

Southwest Water Authority

Distribution



Andy Erickson, Jr.
Water Distribution
Manager



Toby Turner
Assistant Water
Distribution Manager



James Murphy
Chief Water
Distribution Operator



Dan Roller
Operations Specialist



Terry Beuchler
Assistant Operations
Specialist



Brandon Blum
Water Distribution
Operator



Chris Douthit
Water Distribution
Operator



James Farrell
Water Distribution
Operator



Mike Fried
Water Distribution
Operator, Reeder



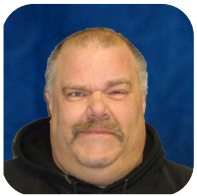
Sam Fritz
Water Distribution
Operator



Kurt Glines
Water Distribution
Operator



David Hottman
Water Distribution
Operator, Hazen



Brad Kilde
Water Distribution
Operator, Hazen



Justin Kohanes
Water Distribution
Operator, Sentinel
Butte



Chuck Magnuson
Maintenance
Electrician



Tanner Meidinger
Water Distribution
Operator



Leo Miller
Water Distribution
Operator, Reeder



Ethan Minard
Master Electrician



Kyle Mollman
Water Distribution
Operator, Elgin



Gary Nordstrom
Water Distribution
Operator, Hazen

A Successful Project



Andrea Travnicek
Director of Department
of Water Resources

Southwest Pipeline Project (SWPP) dates back to 1981 when preliminary planning and design was first initiated, and construction was then authorized in 1985. The State Water Commission (SWC) has been working to develop the SWPP since 1983, when it was introduced into North Dakota Century Code, Section 61-24.3, declaring it necessary that the SWPP be established and constructed, to provide for the supplementation of water resources through a portion of the area in North Dakota, south and west of the Missouri River with water supplies from the Missouri River for multiple purposes, including domestic, rural, and municipal uses. Years of progress have resulted in the completion of the pipeline network needed to serve the geographical area originally envisioned for the project.

The state-owned pipeline project is administered by the SWC and managed, operated, and maintained by Southwest Water Authority (SWA). In 2021, changes were implemented to the agency associated with the SWC by House Bill 1353 during the 67th Legislative Session. The agency formerly known as the SWC was restructured and renamed the Department of Water Resources (DWR). The SWC, comprised of ten members, remains intact.

The legislative bill also appointed a Director as the head of the DWR and made the agency a member of the Governor's Cabinet. The Director provides overall leadership and decision-making, has hiring responsibilities, oversees the State Engineer, Department of Water Resources divisions, and staff. Additionally, the Director of the DWR serves as the Secretary of the SWC. I am honored to be appointed as the first Director of the DWR and to serve as the Secretary of the SWC.

Today, the 10-member SWC is still active and well-established. Their primary function is to review and consider cost-share requests from project sponsors seeking financial assistance from the DWR. The SWC consists of the Governor as chairman, the Commissioner of Agriculture, and eight members who are appointed by the Governor to serve terms of six years each. Each appointed member represents one of the eight major drainage basins in North Dakota. In July 2021, Governor Burgum appointed four new members to the SWC which included SWA's Board Chairperson, James Odermann, and reappointed four existing members. The Commission includes Michael Anderson, Richard Johnson, James Odermann, Connie Ova, Gene Veeder, Jay Volk, April Walker, and Jason Zimmerman.

Since the beginning of construction, the SWPP has been a tremendous project and is an outstanding accomplishment. The SWPP now serves 33 communities, over 7,400 rural service locations, 26 raw water customers, and 24 contract customers supporting three crew camps and two raw water depots for the oil and gas industry. The project currently serves a population of more than 56,000 people in the southwest North Dakota. Through December 2021, the state has provided a total of \$281.6M towards the development of this infrastructure.

In 2021, the SWC approved funding for a Strategic Governance and Finance Study to analyze current financing and governance structures of the state's four largest regional water supply systems: Northwest Area Water Supply, SWPP, Red River Valley Water Supply Project, and Western Area Water Supply.

The study, completed by AE2S, was developed to address water system funding, drive completion of regional water supply projects, and consider multiple governance and finance frameworks. The SWC received the study at their October 2021 meeting for consideration. The DWR team, along with Jon Kelsch, DWR's Water Development Division Director as the project manager for reviewing Strategic Governance and Finance opportunities, will work together with the SWC to determine next steps while receiving feedback from all water systems, stakeholders, legislators, and other interested parties.

The SWPP has been, and continues to be, a smart and efficient water development project for the State of North Dakota. The success of the SWPP results from the teamwork, dedication, and devotion of many, including the Governor's Office, Legislature, Department of Water Resources, State Water Commission, Southwest Water Authority, and the citizens of southwest North Dakota. Progress on important projects like this directly contributes to providing the citizens of North Dakota with clean, reliable, quality water. The SWPP serves as a shining example of what can be accomplished with collaboration, hard work, and determination.

Chairperson's Annual Address

This year marked 30 years of Southwest Water Authority (SWA) staying on its mission of *"Quality Water for Southwest North Dakota."* The landmark achievement is the result of relentless efforts by local and state leaders to stake North Dakota's claim to Missouri River water. The persistent progress made over the years through construction and user connections is manifested in this year's Annual Report.

It takes a team of dedicated leadership. The region, and specifically SWA, has been blessed with forward thinking, positive individuals who work tirelessly to improve our quality of place. On behalf of SWA's board of directors, I want to say, "Thank You!" to Manager/CEO Mary Massad, who retired at the end of a remarkable 25-year career as a water leadership fixture in North Dakota. In October of 2021, the board unanimously selected Jenifer (Jen) Murray as the new Manager/CEO moving forward into 2022. Since 2013, Jen was Mary's Executive Assistant and clearly qualified for what the job entailed.

Another transition was the passing of Brian Roth, a strong advocate for quality water, in his 30 years serving Grant County. Brian physically went door-to-door getting signatures for the Southwest Pipeline Project (SWPP) connections. Truly an icon, Brian served as a model for public service, helping SWA remain solidly on course.

SWA's need for continued funding remains a constant as there are hundreds of potential customers on SWA's growing waiting list. Many customers are unable to connect due to the SWPP's capacity limitations. There are also on-going infrastructure upgrades and replacement needs for the SWPP. To address these challenges, the Department of Water Resources, along with SWA, continues to review delivery and funding options. Population density, drought, and signup interest are all part of this discussion.

SWA has been relentless in staying on its mission: *"Quality Water for Southwest North Dakota."* What was once only a vision, *"People and Business Succeeding with Quality Water,"* continues to provide genuine support to the people working and living in the region. The SWA board of directors' commitment to the mission, vision, and the people of North Dakota persist. In the same vein, accomplishments, to date, have been in large part due to the funding support from North Dakota's Legislators and all of SWA's partners, stakeholders, and water interests throughout the state. Many positive outcomes are also realized because of the loyalty of SWA's customers.

Our customers make the state's investment in the SWPP come full circle. Every SWA customer pays back monthly for the state's investment. At the end of 2021, SWA's water users had returned a total of over \$84 million to North Dakota's Resources Trust Fund, representing nearly 30% of the state's funds invested in the project. On average, during 2021, the state's return on its investment was an impressive \$15,000 a day.

The SWA continues to "pay it forward," daily, fulfilling its obligations to the state while creating opportunities for future generations. Thus, it is with an on-going sense of pride, I present SWA's 2021 Annual Operating Report.



James Odermann
Chairperson
Board of Directors

2021 Construction Summary



**Sindhuja S.
Pillai-Grinolds**
SWPP Project Manager

The Dodge and Richardton pump station upgrades contract was awarded in Fall of 2018. The scope of the contract included replacing three 700 HP vertical turbine pumps with 1000 HP pumps and installation of one new 1000 HP vertical turbine pump at Dodge pump station, replacing three 900 HP pumps with 1250 HP pumps at Richardton pump station, and installation of two surge control air chambers. The contract was substantially complete in 2021 after extensive pandemic related equipment delivery delays.

The contractor on the supplemental intake project, continued to make progress on finalizing the Horizontal Directional Drilling plan. The application for construction license and easement amendment was submitted to the federal agencies. The contractor procured the 36" outside diameter steel pipe for the intake pipe installation. The pipe was delivered to the site and the welding of the pipe string was completed in 2021.

The Department of Water Resources' construction crew completed the repair of the erosion on the overflow structure at the Davis Buttes reservoir site.

Progress was made on the three-pronged approach to address the distribution capacity needs of the Southwest Pipeline Project. Contract for the construction of Taylor elevated tank, a 400,000 gallon capacity pedestal spheroid elevated tank was awarded to Maguire Iron Inc., in June. This tank is a strategic hydraulic improvement project to address capacity needs in the Davis Buttes service area. Main Transmission Line parallel piping contract, which included pipelines from Ray Christensen Pump Station to New England, Belfield and Davis Buttes reservoirs was awarded in October to BEK Consulting. Installation of 3 miles out of total 21 miles of pipeline is complete.

Southwest Water Authority Board of Directors and the State Water Commission are moving forward with a signup campaign in the Burt, Hebron service areas including Lake Tschida. This is in preparation for the construction of the rural distribution expansion in that area.



Background

Southwest Water Authority (SWA), a political subdivision, was established in 1991 by the North Dakota Legislature to supply and distribute quality water to the residents of southwest North Dakota. This was to be accomplished through a pipeline transmission and delivery system for purposes including domestic, rural water, municipal, livestock, light-industrial, mining, and other uses. Primary emphasis on delivery and use of the water is domestic, rural and municipal uses. SWA also provides for the future economic welfare and prosperity for the areas served.

The state-owned Southwest Pipeline Project (SWPP) is administered by the North Dakota State Water Commission and managed, operated and maintained by SWA. The SWPP transports raw water from Lake Sakakawea to the OMND (Oliver, Mercer, North Dunn) Water Treatment Plant (WTP) as well as the WTP's in Dickinson and then treats and delivers to Project customers.

An adequate supply of quality water accessible to the residents of southwest North Dakota is made possible through a highly efficient network of pipelines, pump stations, reservoirs and water treatment plants. To date, 33 communities, more than 7,400 rural service locations, 24 contract customers, 26 raw water customers, and two raw water depots are served by the Project. Raw water customers include Red Trail Energy, the Dodge Water Depot and SWA's water depot located east of Dickinson. Two rural water systems, Missouri West Water System (MWWS) and Perkins County Rural Water System (PCRWS) in South Dakota are also served by the Project.

The SWA Board of Directors continue progress on the Strategic Plan and three-pronged approach to the future of the SWPP. The first prong increases the transmission capacity from the Ray Christensen Pump Station to the first reservoirs outside of Dickinson in all directions. Construction of these Main Transmission Line (MTL) Upgrades began in the fall of 2021 in the south zone near the New England Reservoir.

Work on the second prong included identification of strategic hydraulic improvements which would allow additional subsequent customers to connect. The first of these hydraulic improvements includes the construction of an elevated tank in Taylor. Construction of the tank began in the summer of 2021 and will provide additional capacity in the Davis Buttes Service Area. System Hydraulic Improvements to serve New Hradec, Fairfield, Twin Buttes, and Killdeer Mountain are expected to be bid in 2022.

The SWA Board of Directors identified the Burt and Hebron Service Areas, including Lake Tschida, as an underserved area of the SWPP and began a signup campaign to gauge interest. By the end of 2021 more than 500 signups had been received.

The SWPP continued construction on the supplemental intake at Renner Bay on Lake Sakakawea.

In 2021, a total of 2,628,809,700 gallons of water was pumped from Lake Sakakawea. This is an increase of 566,440 gallons from 2020. Potable water delivered in 2021 to contract customers was 1,763,159,800 gallons, rural customers used 520,444,900 gallons and temporary customers used 5,009,300 gallons for a total of 2,288,614,000 gallons. Total raw water delivered in 2021 was 184,420,730 gallons. The water delivered to the end user was 94.13% of the total water pumped from Lake Sakakawea by the SWPP.

SWA purchases water from Missouri West Water System for delivery to customers in the Tower Hill, Junction Inn and Crown Butte pockets of Morton County. Total potable water delivered to these customers in 2021 was 14,404,800 gallons.

Total water delivered to customers by
SWA was 2,473,034,730 gallons.

Mill Levy Report

2021 Mill Levy Income

\$ 744,668.21

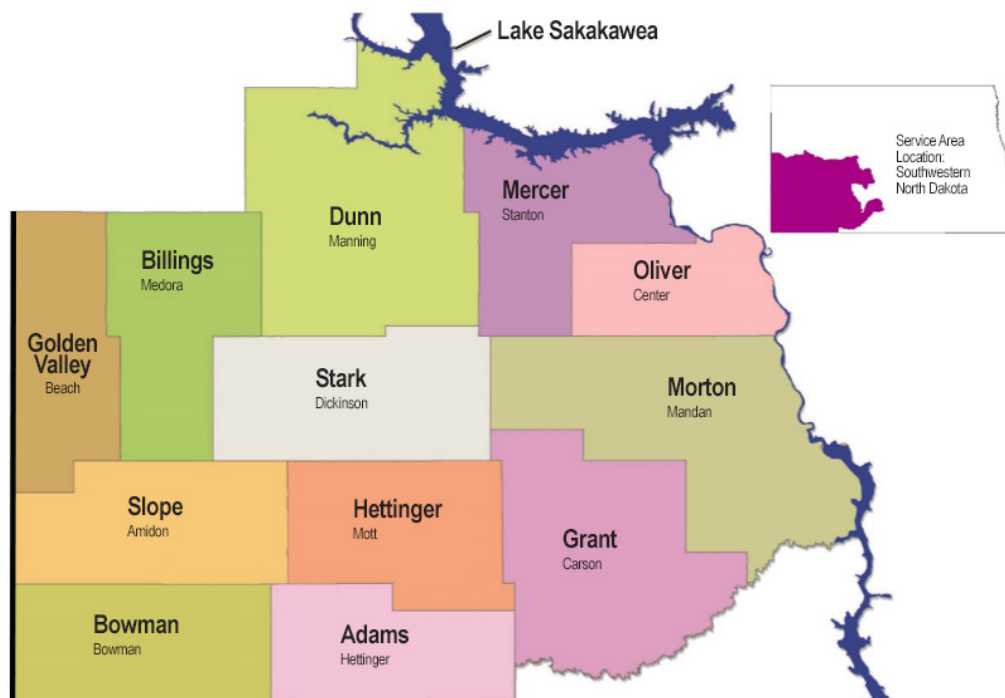
For each taxable year through 2020, Southwest Water Authority was authorized to levy one mill annually on each dollar of taxable valuation within its boundaries for the payment of administrative expenses, in accordance with North Dakota Century Code 61-24.5. Future budgets will be adjusted to accommodate the sunset clause of the mill levy.

	Board of Directors	Administration	Easement	Sign-Up	Total
Per Diem/Salaries	\$ 45,120.00	\$ 441,480.14	\$ 86,825.78	\$ 86,825.68	\$ 660,251.60
Benefits/Payroll Taxes	\$ 3,964.39	\$ 189,966.73	\$ 59,137.42	\$ 59,136.67	\$ 312,205.21
Professional Fees	\$ 64,679.74	\$ 106,917.91	\$ 250.00	\$ 51,484.80	\$ 223,332.45
Supplies	\$ 1,192.29	\$ 10,443.54	\$ 3,227.32	\$ 2,807.92	\$ 17,671.07
Repairs	\$ --	\$ 6,101.38	\$ 884.42	\$ 884.43	\$ 7,870.23
Travel	\$ 16,152.18	\$ 3,057.10	\$ 613.46	\$ 563.62	\$ 20,386.36
Telephone/Internet	\$ 4,001.26	\$ 1,941.25	\$ 673.25	\$ 913.23	\$ 7,528.99
Insurance	\$ 18,200.07	\$ 4,542.87	\$ --	\$ --	\$ 22,742.94
Printing & Promotion	\$ 2,241.97	\$ 8,259.97	\$ 1,159.36	\$ 371.81	\$ 12,033.11
Postage	\$ 322.71	\$ 770.85	\$ 940.80	\$ 3,594.55	\$ 5,628.91
Dues & Subscriptions	\$ 30,141.24	\$ 14,916.31	\$ 210.00	\$ 210.00	\$ 45,477.55
Development/Education	\$ 2,160.00	\$ 965.77	\$ 127.72	\$ 127.73	\$ 3,381.22
Depreciation	\$ 266.33	\$ 1,923.79	\$ 724.81	\$ 724.72	\$ 3,639.65
Miscellaneous	\$ --	\$ 889.02	\$ 96.82	\$ 71.02	\$ 1,056.86
Total	\$ 188,442.18	\$ 792,176.63	\$ 154,871.16	\$ 207,716.18	\$ 1,343,206.15

Revenue necessary from other sources

\$ 598,537.94

Southwest Water Authority Service Area



Manager's Message

The year 2021 marked the 30th anniversary of Southwest Water Authority (SWA) and the 35th anniversary of the Southwest Pipeline Project's (SWPP) construction. The achievements of the past three decades are a reflection of the leadership of the early pioneers who recognized the value and impact the SWPP would have in southwest North Dakota and the dedication of all who have worked tirelessly to bring their vision to fruition.

One of the most significant changes concerning the overall management of SWA was the retirement of Manager/CEO, Mary Massad. Her dedication and professionalism throughout her 25-year career at SWA will not soon be forgotten. SWA is forever grateful for all Mary has done for water in southwest North Dakota and wish her well in all her future endeavors. I am honored to be named as her successor and privileged to have had the opportunity to work as her Executive Assistant for nearly nine years. A special thank you to the SWA Board of Directors for their confidence in my ability to assume the position of Manager/CEO. I look forward to the future of SWA, building on the momentum of the past 30 years and leading it into the next chapter of growth and success.



Jenifer Murray
Manager/CEO

Each year brings its own unique challenges and changes, and 2021 was no different. Drought conditions continued to persist across the state, increasing the demand for a dependable supply of quality water. Water sales exceeded 2.4 billion gallons and SWA returned more than \$5.5 million to the Resources Trust Fund in 2021, for a total of over \$84 million at the end of the year.

During the 67th Legislative Assembly, legislators included \$37.5 million in Capital Assets funding for the SWPP in the 2021-2023 biennium. This funding will be used to increase main transmission line capacity and implement strategic hydraulic improvements throughout the service area. Identified as an underserved area, the SWPP initiated a signup campaign in the Burt, Hebron Service Area including Lake Tschida. With the 2021-2023 funding, it is anticipated to begin the design, membrane, and equipment procurement for the expansion of the Southwest Water Treatment Plant to 18-million gallons per day.

Changes to the agency associated with the State Water Commission (SWC) were authorized in House Bill 1353. The agency was restructured and renamed the Department of Water Resources (DWR). The Governor appointed Dr. Andrea Travnicek as its new Director. Welcome Andrea from all of us at SWA.

SWA welcomed to its Board of Directors in June of 2021 Bruce Engelhardt, representing Morton County. Bruce was appointed to fill the unexpired term after the resignation of Director George Saxowsky. Bruce, the former Director of Water Development at the SWC, will be an asset to the SWA's Board of Directors.

A changing of the guard at Bartlett & West (consulting engineers) occurred as of the end of 2021. Jim Lennington, P.E., handed off the reigns to Tyson Decker, P.E. as the Project Manager for the SWPP. Jim has been an integral part of the SWPP for over 25 years, first through his time as Project Manager for the SWPP at the SWC and as the Project Engineer with Bartlett & West since 2006. Thank you, Jim, for all you have done and all you continue to do to aid in the SWPP's success.

Although many changes occurred over the year, one thing that remains constant is SWA's dedication to the mission of quality water for southwest North Dakota. While safe drinking water is the priority, SWA takes pride in also being recognized for its great tasting water. The judges of the North Dakota Rural Water Systems Association (NDRWSA) awarded SWA for its best-tasting water in the state during their annual taste testing contest. In agreement with NDRWSA, the judges of Berkeley Springs International water tasting contest awarded SWA with the bronze medal for third-best tasting water in the United States.

In 2021, SWA's Board of Directors, staff, and its consultants showed an incredible resilience, responsibility and resolve to support one another, our customers, and stakeholders. A tremendous amount of gratitude goes out to each of them for their hard work and commitment to quality water and SWA's mission. A special thank you must be given to the DWR and SWPP's owner, the SWC, for their unwavering support. While 2021 was a successful year, we are by no means done as SWA moves forward into 2022.

Independent Auditor's Report



Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Southwest Water Authority, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Southwest Water Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Southwest Water Authority as of December 31, 2021 and 2020, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southwest Water Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwest Water Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southwest Water Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwest Water Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer's share of net pension liability, schedule of employer's pension contributions, schedule of employer's share of net OPEB liability, schedule of employer's OPEB contributions, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southwest Water Authority's basic financial statements. The schedules of expenses and schedules of percentage change are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenses and the schedules of percentage change are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2022 on our consideration of Southwest Water Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southwest Water Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southwest Water Authority's internal control over financial reporting and compliance.



BRADY, MARTZ & ASSOCIATES, P.C.
Minot, North Dakota
March 22, 2022

Note: This is not a complete set of financial statements. A complete set of financial statements are available at Southwest Water Authority's office.

Independent Auditor's Report *cont.*

SOUTHWEST WATER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF DECEMBER 31, 2021 AND 2020

As management of the Southwest Water Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended December 2021, 2020, and 2019. It is a requirement of GASB Statement No. 34 to show one more year than the actual financials present. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements and footnotes, which are presented within this report.

Financial Highlights

The assets of the Authority totaled \$43,009,768 as of the end of the year 2021 compared with \$38,156,829 as of the end of the year 2020 and \$33,388,743 as of the end of the year 2019. This is an increase in total assets of \$4,852,939 between 2021 and 2020 and an increase in total assets of \$4,768,086 between 2020 and 2019. The liabilities totaled \$5,180,945 for 2021 compared with \$9,998,696 for 2020 and \$4,711,082 for 2019. This is a decrease in liabilities of \$4,817,751 between 2021 and 2020 and an increase in liabilities of \$5,287,614 between 2020 and 2019. The assets and deferred outflows exceeded liabilities and deferred inflows at the end of the year 2021 by \$35,666,429 compared with \$31,526,292 at the end of year 2020 and \$28,447,910 at the end of the year 2019. This is an increase in net position of \$4,140,137 between 2021 and 2020, and an increase in net position of \$3,078,382 between 2020 and 2019. The deferred pension outflows totaled \$3,141,173 for year-end 2021 compared with \$4,704,849 for year-end 2020 and \$1,467,411 for year-end 2019. This is a decrease in deferred pension outflows of \$1,563,676 between 2021 and 2020, and an increase of deferred pension outflows of \$3,237,438 between 2020 and 2019. The deferred Other Postemployment Benefits (OPEB) outflows totaled \$40,022 for 2021, \$53,629 for 2020 and \$45,265 for 2019. This is a decrease of deferred OPEB outflows of \$13,607 between 2021 and 2020 and an increase of \$8,364 between 2020 and 2019. The deferred pension inflows totaled \$5,277,074 for year-end 2021 compared to \$1,368,697 for year-end 2020 and \$1,723,291 for year-end 2019. This is an increase in deferred pension inflows of \$3,908,377 between 2021 and 2020 and a decrease of \$354,594 between 2020 and 2019. The deferred OPEB inflows totaled \$66,515 for 2021, \$21,622 for 2020 and \$19,136 for 2019. This is an increase of \$44,893 between 2021 and 2020 and an increase of \$2,486 between 2020 and 2019.

Assets held at Bravera Wealth total \$27,964,921 at year-end 2021 compared with \$24,776,324 at year-end 2020 and \$23,139,454 at year-end 2019. The amount that is in the Replacement and Extraordinary Maintenance Fund is \$23,166,697 at year-end 2021 compared with \$23,134,549 year-end 2020 and \$21,158,439 at year-end 2019. In 2021, reimbursements totaling \$1,395,328 were used for extraordinary expenses approved by the Board and the State Water Commission. The North Dakota Legislature established the Replacement and Extraordinary Maintenance Fund when the Southwest Pipeline Project was authorized. This fund was created to cover costs of an extraordinary nature and/or to replace parts of an aging distribution system. It is funded by water customers system wide. The current rate is \$.70 per 1,000 gallons sold to all customers. In addition, \$.10 per 1,000 gallons sold to rural customers for the rural distribution system is also collected. The rate is \$4.00 per 1,000 gallons sold to oil industry customers, and \$3.00 per 1,000 gallons sold to oil industry customers at the SWA Water Depot. The fees are deposited on a monthly basis into this fund.

The amount in the Escrow Fund is \$843,382 for year-end 2021 compared with \$358,965 for year-end 2020 and \$351,940 for year-end 2019. This is an increase of \$484,417 between 2021 and 2020, and an increase of \$7,025 between 2020 and 2019. For the year 2021 there is a restricted amount of \$636,125 for projects that are currently in process. This is an increase of \$577,875 between 2021 and 2020 and an increase of \$58,250 between 2020 and 2019. These are hookup fees paid by customers who sign up for water. When water becomes available, the hookup fees are recognized as revenue. If, however, Southwest Water Authority is unable to provide water for these individuals, the hookup fees will be refunded.

Total cash on hand as of the end of the year 2021 is \$7,417,153 compared with is \$6,060,804 at the end of 2020 and \$2,491,930 at the end of 2019. This is an increase of \$1,356,349 between 2021 and 2020 and an increase of \$3,568,874 between 2020 and 2019. This is made up of checking and money market accounts.

The liabilities totaled \$5,180,945 for 2021 compared with \$9,998,696 for 2020 and \$4,711,082 for 2019. This is a decrease in liabilities of \$4,817,751 between 2021 and 2020 and an increase in liabilities of \$5,287,614 between 2020 and 2019. Of this amount, \$2,200,449 is current liabilities mostly in the form of accounts payable and deferred revenue for projects currently in process. This compares with 2020 year-ending balance of \$1,663,214 in current liabilities and year-ending balance of \$1,233,943 in current liabilities for 2019. This is an increase in current liabilities of \$537,235 between 2021 and 2020 and an increase in current liabilities of \$429,271 between 2020 and 2019. Included in current liabilities are customer prepayments. These are overpayments applied on account by customers and are used to offset the next billing. Total customer prepayments for year-end 2021 are \$50,726, \$46,333 for year-end 2020 and \$46,493 for year-end 2019. The long-term liabilities total \$2,980,496 at year-end 2021 compared with \$8,335,482 at year-end 2020 and \$3,477,139 at year-end 2019. Of this amount \$2,656,428 is the net pension liability for year-end 2021, \$7,932,536 year-end 2020, and \$3,134,356 for year-end 2019. Also included in long-term liabilities is the net OPEB liability of \$124,076 for year-end 2021, \$200,079 for year-end 2020 and \$200,220 for year-end 2019. Unearned hookup fees and rental deposits from tenants/customers are also included in long-term liabilities. Rental deposits from tenants/customers for year-end 2021 are \$60,450 compared with \$60,225 for year-end 2020 and \$59,550 for year-end 2019.

In addition to assets, the statement of net position shows a separate section for deferred pension outflows and deferred OPEB outflows. These separate financial statement elements represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resource (expense/expenditure) until then. Deferred pension outflows and deferred OPEB outflows represent actuarial differences within NDPERS pension and OPEB plans as well as amounts paid to the plans after the measurement date.

In addition to liabilities, the statement of net position shows a separate section for deferred pension inflows and deferred OPEB inflows. These separate financial statement elements represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of revenue until that time. Deferred pension inflows and deferred OPEB inflows represent actuarial differences within NDPERS pension and OPEB plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise four components: 1) Statement of Net Position 2) Statement of Revenues, Expenses and Change in Fund Net Position, 3) Statement of Cash Flows and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has one fund, an enterprise fund. The enterprise fund is for the Operations and Maintenance of the Southwest Water Authority. The main sources of revenue for this fund are from the sale of water and from a mill levy that is levied by the Authority in the amount of one mill in each of the twelve counties that are a part of the Authority.

The revenues from the sale of water for 2021 totaled \$19,029,166 compared with \$18,511,167 for 2020 and \$15,840,100 for 2019. This is an increase in revenues of \$517,999 between 2021 and 2020 and an increase in revenues of \$2,671,067 between 2020 and 2019. The net income by department for 2021 is transmission net income of \$2,619,608, distribution net income of \$686,336 and treatment net income of \$41,778. This compares to net income/loss for 2020 of transmission net income of \$2,115,205, distribution net loss of \$289,311 and treatment net loss of \$321,470. The net income/net loss for 2019 was transmission net income of \$1,420,298, distribution net income of \$133,081 and treatment net loss of \$376,862.

The mill levy generated income of \$744,668 for 2021 compared with \$715,539 for 2020 and \$694,270 for 2019. This is an increase of \$29,129 between 2021 and 2020 and an increase of \$21,269 between 2020 and 2019. In 2021, the administration activities had a net income of \$351,895 compared with a net income of \$96,832 for 2020 and a net income of \$58,902 for 2019. Administration includes activities for the board of directors, administration, and sign up and easements.

The actual revenues and expenses were under budget. The revenues were over budget by 12.6% of projections and the expenses were under budget by 16.8%.

The Authority sold a total of 2,473,034,730 gallons of water in 2021 compared with 2,464,048,550 gallons of water in 2020 and 2,143,539,880 gallons of water in 2019. This is an increase of 8,986,180 between 2021 and 2020 and an increase of 320,508,670 between 2020 and 2019. This is 9.9% over the projection for the year of 2,250,450,000 gallons for 2021.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Chief Financial Officer, Southwest Water Authority, 4665 Second Street SW, Dickinson, ND 58601-7231. You can also contact the Authority online at swa@swwater.com or visit on the web at www.swwater.com.

Note: This is not a complete set of financial statements. A complete set of financial statements are available at Southwest Water Authority's office.

Independent Auditor's Report *cont.*

SOUTHWEST WATER AUTHORITY STATEMENT OF NET POSITION DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
Assets		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 7,395,937	\$ 5,087,408
Investments	4,819,741	2,615,172
Receivables:		
Accounts (net of allowance \$0 and \$8,587, 2021 and 2020, respectively)	1,430,948	1,468,194
Interest	11,133	10,596
Prepaid expenses	212,627	74,663
Materials and Supplies	864,925	808,600
Total current assets	14,735,311	10,064,633
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	21,516	973,396
Investments	23,145,180	22,161,152
Interest receivable	84,006	94,760
Capital Assets:		
Land	111,257	110,169
Buildings, improvements and equipment, net	4,912,498	4,752,719
Total noncurrent assets	28,274,457	28,092,196
Total Assets	43,009,768	38,156,829
Deferred Outflows of Resources		
Deferred pension outflows	3,141,173	4,704,849
Deferred OPEB outflows	40,022	53,629
Total deferred outflows of resources	3,181,195	4,758,478
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 973,721	\$ 996,510
Accrued salaries	249,832	265,159
Compensated absences, current portion	152,516	151,183
Accrued expenses	137,529	145,779
Customer prepayments	50,726	46,333
Deferred revenue	636,125	58,250
Total current liabilities	2,200,449	1,663,214
Long-term Liabilities		
Compensated absences, net of current portion	139,542	142,642
Rental/customer deposits	60,450	60,225
Net pension liability	2,656,428	7,932,536
Net OPEB liability	124,076	200,079
Total long-term liabilities	2,980,496	8,335,482
Total Liabilities	5,180,945	9,998,696
Deferred Inflows of Resources		
Deferred pension inflows	5,277,074	1,368,697
Deferred OPEB inflows	66,515	21,622
Total deferred inflows of resources	5,343,589	1,390,319
Net Position		
Net investment in capital assets	5,023,755	4,862,888
Restricted for replacement	23,250,703	23,229,309
Unrestricted	7,391,971	3,434,095
Total net position	<u>\$ 35,666,429</u>	<u>\$ 31,526,292</u>

SOUTHWEST WATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	2021	2020
Operating revenues:		
Sales	\$ 19,029,166	\$ 18,511,167
Hook up fee transfers	236,380	81,900
Other	140,135	148,421
Total operating revenues	19,405,681	18,741,488
Operating expenses:		
Transmission	6,833,496	7,477,251
Distribution	4,816,666	4,983,398
Board of directors	188,441	143,044
Administrative	792,177	847,210
Easement acquisition	154,870	180,491
Rural water sign-up	207,717	214,328
Customer service	181,571	196,991
Treatment	2,512,377	2,720,257
Total operating expenses	15,687,315	16,762,970
Operating income (loss)	3,718,366	1,978,518
Nonoperating revenue:	744,668	715,539
Property taxes	-	108,615
Federal Grants	(824,462)	228,507
Unrealized gain/(loss) on investments	(28,810)	-
Gain (Loss) on disposal of capital assets	115,585	(462,556)
Investment income	414,790	509,759
Total nonoperating revenue	421,771	1,099,864
Change in net position	4,140,137	3,078,382
Total net position - beginning of year	31,526,292	28,447,910
Total net position - end of year	<u>\$ 35,666,429</u>	<u>\$ 31,526,292</u>

Note: This is not a complete set of financial statements. A complete set of financial statements are available at Southwest Water Authority's office.

Distribution Operations & Maintenance Report



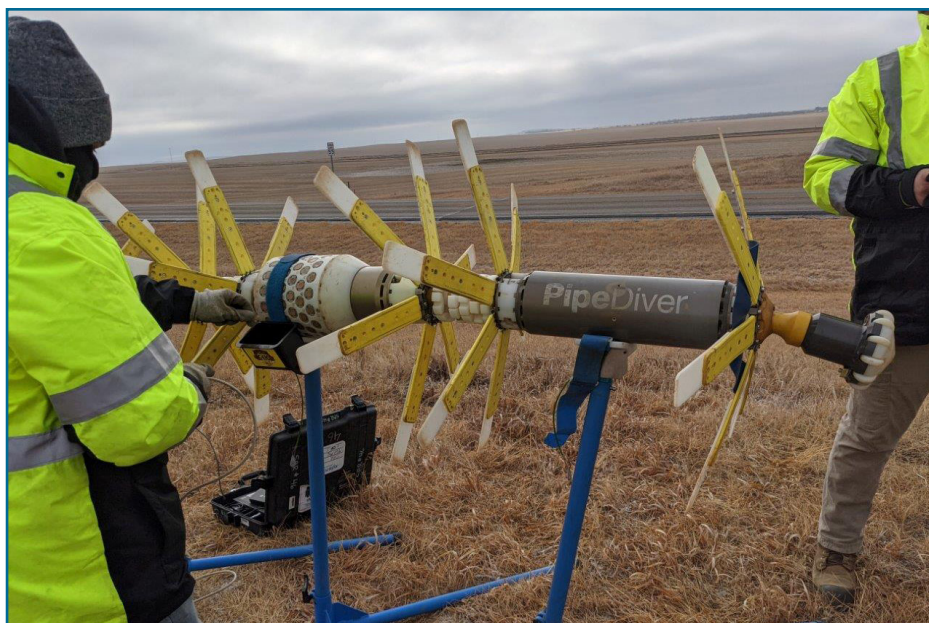
Andy Erickson, Jr.
Water Distribution Manager

Although the original Southwest Pipeline Project (SWPP) has reached the boundaries of its geographical area, there are still many people in need of quality water in southwest North Dakota. Over the past year, Southwest Water Authority (SWA) continued to make progress toward the goal of bringing high quality water to these people. One of the steps taken toward accomplishing this goal was the replacement of three 700 horsepower (HP) vertical turbine pumps with 1000 HP vertical turbine pumps at the Dodge Booster Pump Station (BPS). At the Richardton BPS, three 900 HP pumps were replaced with 1250 HP pumps. The original Dodge and Richardton Air Chambers were replaced with vessels that can handle the pressure waves produced when the aforementioned larger pumps start and stop moving water.

Another SWPP system upgrade includes improvements to storage tanks. SWA added an Ixom tank mixer to the New Hradec Reservoir to improve stored water quality and limit icing damage during the winter months. The completion of a 2nd Davis Buttes Reservoir north of Dickinson enabled SWA to take the original Davis Buttes Reservoir out of service for repairs and coating system rehabilitation. The reservoir was sandblasted and painted. Some of the reservoir roof

I-beams were severely corroded and were replaced. Once the work was completed, the tank was disinfected, tested for the presence of bacteria, and placed back into service.

As part of a Ductile Iron Pipe (DIP) corrosion assessment, SWA assisted Pure Technologies, a Xylem brand, to pass their PipeDiver Ultra inspection equipment through 5 ½ miles of 30" raw water pipeline near Taylor. The PipeDiver equipment measures wall thickness of DIP using ultrasonic technology. The purpose of this inspection was to determine the condition of the 30" DIP that was suspected to be compromised due to Microbiologically Influenced Corrosion (MIC), or corrosion affected by the presence or activity of microorganisms in biofilms on the surface of the corroding material. The information gathered from this inspection was used to prioritize investment and avoid system disruption caused by pipeline failures. This inspection confirmed the need to replace 3,400 feet of 30" DIP, which is planned for 2022.



In addition to the upgrades of pumps, motors, air chambers, tanks, and pipeline that will increase the amount of quality water provided to southwest North Dakota in the future, SWA pumped 2.628 billion gallons of water from Lake Sakakawea to 33 communities and over 7,400 rural customer accounts in 2021.

Water Treatment Report

The Water Treatment Plant (WTP) in Dickinson treated 1,907,289,000 gallons of raw water and pumped a total of 1,896,492,000 gallons of treated water to the Southwest Pipeline Project (SWPP).

Water production was steady throughout the year, which gave operators the opportunity to drain, clean, and conduct yearly preventive maintenance on both treatment basins. The operating staff for the Southwest Water Treatment Plant (SWTP), the WTP in Dickinson, and the OMND WTP continues to do an outstanding job to produce top quality water for our customers.

The SWTP treated 258,850,100 gallons of raw water, and pumped a total of 255,064,500 gallons of treated water to the SWPP.

The OMND WTP had another successful year of operation. The OMND WTP treated 503,953,000 gallons of raw water, and pumped a total of 434,628,000 gallons of treated water to the distribution system during 2021. The gallons treated and pumped again have slightly increased from the previous year.

The Residual Handling Facility (RHF) uses filter presses to dewater lime by-products from the water treatment processes. The dewatered solids are then hauled away for beneficial use. The clear water or filtrate, removed in the dewatering process, discharges to the filtrate storage tank and is recycled. The lime solids pressed for 2021 were 7,512,046 gallons lime slurry, 6,950,949 gallons of filtrate, equaling approximately 3,983 tons dewatered lime solids which is currently being used for beneficial reuse/soil amendment.

SWA presented its 23rd Annual Drinking Water Quality Consumer Confidence Report (CCR) to the customers served by the WTP in Dickinson, its 15th CCR to our customers in the three Morton County Service Areas, and its 9th CCR to the customers served by the OMND WTP. These reports contain important information about our drinking water and are available on SWA's website at www.swwater.com. All five water systems were in compliance with EPA's regulations.

Each treatment chemical, its main purpose and amount used is listed below:

Dodge Pumping Station

- Ammonium Sulfate ((NH₄)₂SO₄): Disinfection (5,801 lbs.)
- Chlorine (Cl₂): Disinfection (36,702 lbs.)

Dickinson Water Treatment Plant (WTP)

- Lime (CaO): Softening (2,276,553 lbs.)
- Aluminum Sulfate (Al₂(SO₄)₃): Cationic coagulant added for clarification (63,485 lbs.)
- Flocculants: Anionic emulsion added as a clarification aid (8,969 lbs.)
- Carbon Dioxide (CO₂): pH adjustment (547,414 lbs.)
- Phosphate (K₂O₇P₂): Corrosion inhibitor (26,716 lbs.)
- Ammonium Sulfate ((NH₄)₂SO₄): Disinfection (6,859.90 lbs.)
- Fluoride (H₂SiF₆): Promotes dental health (8,969 lbs.)
- Chlorine (Cl₂): Disinfection (36,318 lbs.)

Oliver, Mercer, North Dunn Water Treatment Plant (OMND WTP)

- Ammonium Sulfate ((NH₄)₂SO₄): Disinfection (3,440 lbs.)
- Chlorine (Cl₂): Disinfection (15,246 lbs.)
- Fluoride (H₂SiF₆): Promotes dental health (1,212 lbs.)

- Vitec 3000 RO Anti-Scalant (7,960 lbs.)
- Caustic Soda 50% (NaOH): pH adjustment (12,071 lbs.)
- Sodium Bisulfite (NaHSO₃): Dechlorination (20,465 lbs.)
- Sodium Hypochlorite (NaClO): UF membrane backwash water (1,930 lbs.)
- Citric Acid (C₆H₈O₇): Clean In Place (CIP) UF Membranes (1,984 lbs.)
- Avista Cleaning Product for Cleaning RO Membranes (16-5 gallon pails)

Southwest Water Treatment Plant (SWTP)

- Ammonium Sulfate ((NH₄)₂SO₄): Disinfection (946 lbs.)
- Chlorine (Cl₂): Disinfection (3,910 lbs.)
- Fluoride (H₂SiF₆): Promotes dental health (1,372 lbs.)
- Phosphate (K₂O₇P₂): Corrosion inhibitor (4,750 lbs.)
- Sodium Hypochlorite (NaClO): UF membrane backwash water (8,536 lbs.)
- Sodium Bisulfite (NaHSO₃): Dechlorination (100 lbs.)
- Caustic Soda 50% (NaOH): pH adjustment (100 lbs.)
- Carbon Dioxide (CO₂): pH adjustment (104,451 lbs.)
- Lime (CaO): Softening (355,891 lbs.)
- Sodium Aluminate 38% (NaAlO₂) polymeric anions, added for clarification (22,283 lbs.)



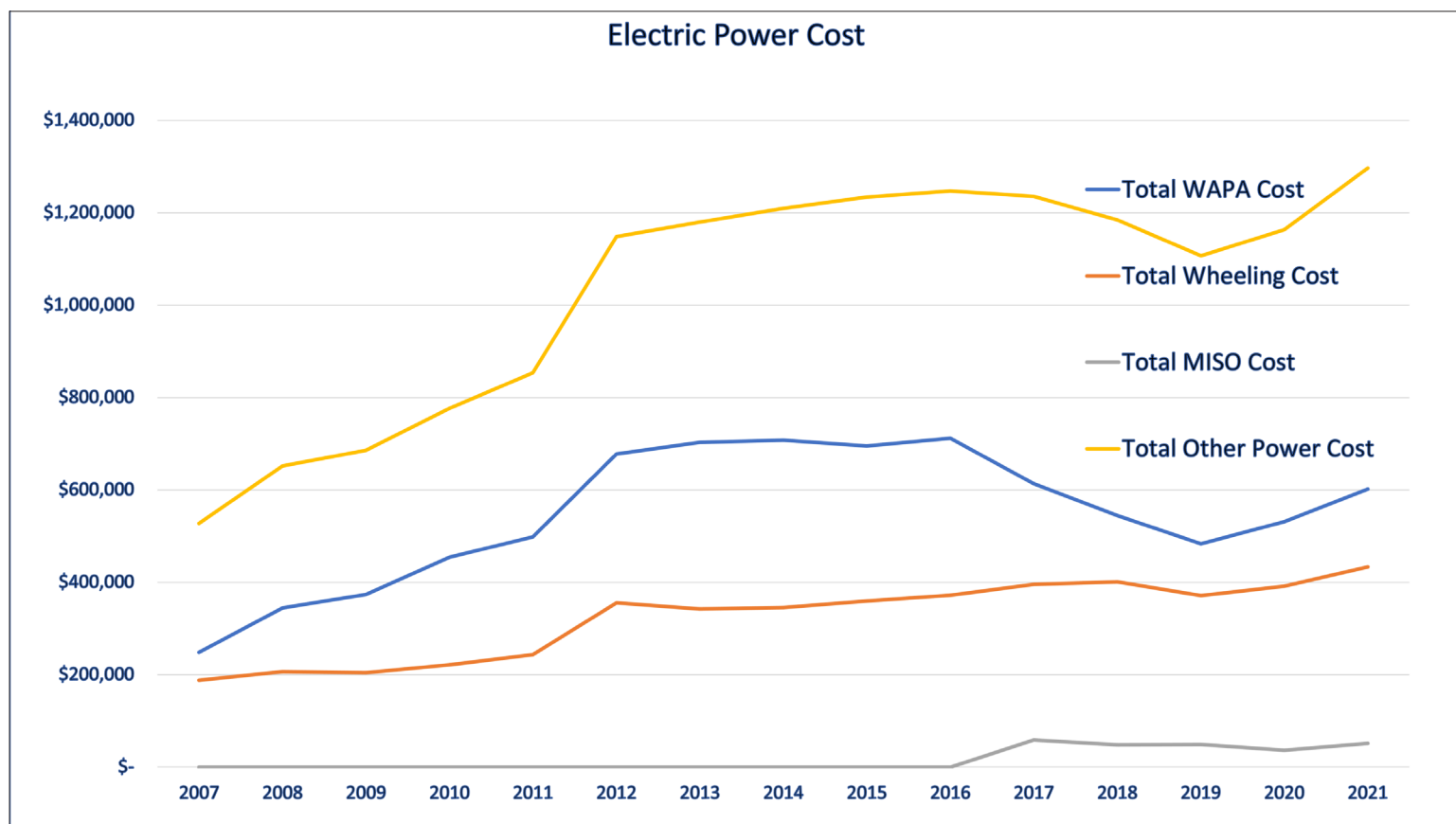
Grace Rixen
Water Treatment Manager

Electric Power Usage

Southwest Water Authority (SWA) purchases power from the federal government through the Department of Energy for the main transmission pumping and treatment facilities throughout the Southwest Pipeline Project. These expenses are identified as Western Area Power Administration (WAPA) costs. Local utility companies distribute the power to each location. These expenses are identified as wheeling costs. SWA pays for wheeling the power to the local utility companies.

WAPA belongs to the Southwest Power Pool (SPP) and MDU belongs to Midcontinent Independent System Operator (MISO). Beginning January 1, 2017, SWA was required to join MISO after MDU joined to wheel the federal power. SWA now pays a MISO tariff at various locations including the WTP's in Dickinson and the Beach, Bucyrus, Burt, Dodge, Finished Water, Jung Lake, Ray Christensen, Scranton and Richardton Pump Stations. Other power costs include locations system-wide which are considered small power users.

The chart on the right and the graph below illustrates the history of power costs at these locations:



WAPA Cost	2007-2012	2013	2014	2015	2016
Beach Pump Station	\$ 27,662	\$ 5,484	\$ 6,852	\$ 5,807	\$ 5,347
Bucyrus Pump Station	\$ 53,598	\$ 10,638	\$ 8,865	\$ 9,061	\$ 9,585
Burt Pump Station	\$ 19,142	\$ 3,568	\$ 2,006	\$ 2,268	\$ 1,299
Center Pump Station	\$ 449	\$ 2,857	\$ 2,828	\$ 4,285	\$ 4,330
Dodge Pump Station	\$ 374,383	\$ 108,393	\$ 123,390	\$ 103,801	\$ 106,135
Dunn Center Pump Station	\$ --	\$ --	\$ --	\$ --	\$ 9,239
Fryburg Pump Station	\$ 40,661	\$ 10,307	\$ 10,545	\$ 9,336	\$ 8,218
Finished Water Pump Station	--	--	--	\$ 10,967	\$ 1,955
Intake Pump Station	\$ 918,849	\$ 246,905	\$ 243,017	\$ 231,364	\$ 254,115
Jung Lake Pump Station	\$ 160,685	\$ 35,864	\$ 32,375	\$ 34,053	\$ 27,208
Ray Christensen Pump Station	\$ 326,309	\$ 79,219	\$ 70,552	\$ 72,658	\$ 66,638
Richardton Pump Station	\$ 577,895	\$ 150,097	\$ 153,295	\$ 145,659	\$ 148,418
Scranton Pump Station	\$ 10,810	\$ 1,939	\$ 1,557	\$ 3,279	\$ 4,044
Dickinson Water Treatment Plant	\$ 66,262	\$ 13,472	\$ 16,061	\$ 17,851	\$ 8,110
OMND Water Treatment Plant	\$ 20,613	\$ 34,275	\$ 36,573	\$ 44,560	\$ 57,220
Total	\$ 2,597,318	\$ 702,988	\$ 707,915	\$ 694,949	\$ 711,862
Wheeling Cost	\$ 1,419,480	\$ 342,115	\$ 345,425	\$ 359,395	\$ 372,258
Other Power Cost	\$ 626,351	\$ 134,695	\$ 156,523	\$ 179,097	\$ 163,149
Total Power Cost	\$ 4,643,148	\$ 1,179,797	\$ 1,209,863	\$ 1,233,442	\$ 1,247,268

WAPA Cost	2017	2018	2019	2020	2021
Beach Pump Station	\$ 4,232	\$ 3,869	\$ 3,380	\$ 3,966	\$ 4,617
Bucyrus Pump Station	\$ 8,795	\$ 6,948	\$ 6,789	\$ 7,082	\$ 9,407
Burt Pump Station	\$ 7,543	\$ 3,058	\$ 2,165	\$ 2,219	\$ 2,959
Center Pump Station	\$ 4,333	\$ 3,605	\$ 3,552	\$ 4,318	\$ 5,216
Dodge Pump Station	\$ 82,785	\$ 71,367	\$ 45,004	\$ 52,686	\$ 63,702
Dunn Center Pump Station	\$ 12,570	\$ 8,085	\$ 9,405	\$ 9,903	\$ 9,727
Fryburg Pump Station	\$ 7,734	\$ 5,962	\$ 5,614	\$ 5,891	\$ 6,133
Finished Water Pump Station	\$ 7,132	\$ 6,035	\$ 7,059	\$ 7,553	\$ 6,628
Intake Pump Station	\$ 214,087	\$ 184,597	\$ 172,492	\$ 185,950	\$ 213,035
Jung Lake Pump Station	\$ 23,377	\$ 22,750	\$ 21,922	\$ 21,516	\$ 26,302
Ray Christensen Pump Station	\$ 63,719	\$ 47,850	\$ 42,437	\$ 46,241	\$ 45,209
Richardton Pump Station	\$ 116,679	\$ 100,190	\$ 74,341	\$ 82,514	\$ 93,958
Scranton Pump Station	\$ 3,318	\$ 2,399	\$ 2,322	\$ 2,675	\$ 2,856
Dickinson Water Treatment Plant	\$ 8,180	\$ 9,351	\$ 7,879	\$ 10,514	\$ 10,192
OMND Water Treatment Plant	\$ 49,326	\$ 52,258	\$ 51,918	\$ 53,477	\$ 63,563
Residuals Handling Facility	\$ --	\$ --	\$ 5,999	\$ 9,769	\$ 9,882
Southwest Water Treatment Plant	\$ --	\$ 16,070	\$ 20,870	\$ 25,137	\$ 28,109
Total	\$ 613,808	\$ 544,395	\$ 483,147	\$ 531,411	\$ 601,495
Wheeling Cost	\$ 395,788	\$ 401,361	\$ 371,382	\$ 391,700	\$ 433,582
MISO Cost	\$ 59,007	\$ 48,220	\$ 49,074	\$ 36,731	\$ 51,197
Other Power Cost	\$ 166,493	\$ 190,365	\$ 203,259	\$ 203,254	\$ 210,365
Total Power Cost	\$ 1,235,097	\$ 1,184,341	\$ 1,106,862	\$ 1,163,096	\$ 1,296,639

Water Service Summary 2021

Treated Water Users & Gallons Used			
Antelope Valley-Basin Electric	3,600,800	Manning	2,375,000
Aries Land LLC	18,100	McKenzie Co. Grazing Association	1,446,500
Assumption Abbey	1,025,400	Medora	20,449,100
Baker Boy	7,210,900	Missouri West Water System	41,940,500
Beach	37,310,600	Mott	20,192,400
Belfield	26,978,700	ND Energy Services	303,500
Billings County	1,332,600	New England	23,819,500
Carson	7,024,500	New Hradec	819,200
Center	23,913,900	New Leipzig	5,981,500
Coteau Properties	918,200	Northern Improvement Company	204,900
Coyote Creek Mining	397,800	Perkins Co Rural Water System	118,157,600
Coyote Station-Otter Tail	1,301,100	Reeder	4,586,300
Dakota Gasification	11,047,500	Regent	5,541,000
Dakota Prairie Refinery, LLC	8,509,400	Rhame	8,081,400
Dickinson	984,667,000	Richardton	15,522,000
Dickinson Research Center	1,080,400	Sacred Heart	64,000
Dodge	3,795,000	Scranton	9,060,800
Dunn Center	6,738,000	Sentinel Butte	2,186,700
East Weidner Bay	404,500	South Heart	18,557,900
Elgin	16,025,600	Stanton	8,865,700
Gladstone	11,027,600	Steffes Manufacturing	2,172,700
Glen Ullin	18,862,300	Summit Prairie Recovery Center	1,209,800
Golden Valley	7,337,000	Target Logistics	0
Golva	3,545,800	Taylor	5,867,000
Halliday	8,697,000	West Medora Campground	3,007,000
Hazen	93,502,300	Zap	6,959,200
Hebron	21,049,000	Rural*	520,444,900
Hettinger	50,799,500	Construction	5,009,300
Home on the Range	5,139,000	Total	2,288,614,000
Karsky Dairy	2,350,700		
Killdeer	67,068,900		
Lakeshore Estates	2,010,400		
Leland Olds-Basin Electric	1,099,100		

*Included in Rural Usage

Missouri West Water System

14,404,800

Raw Water Users & Gallons Used			
Assumption Abbey	65,400	Fred Lorenz 2	404,000
Dodge Depot	0.00	Dan & Sue Moline	1,600
Jay Elkins	508,000	Charlotte Neurohr	130,900
Tracey Hauck	100,500	Perhus Brothers 1	180,800
Dustin Hueske	553,500	Perhus Brothers 2	1,586,000
Robert Jurgens	1,146,000	Perhus Brothers 3	46,500
Gerald Kadrmas 1	21,000	Perhus Brothers 4	207,200
Gerald Kadrmas 2	149,400	Red Trail Energy	173,560,000
Fred Lorenz 1	186,500	Ken Richau 1	133,800
		Ken Richau 2	141,100
		Ken Richau 3	56,700
		Sacred Heart	318,000
		Jonathan Schlender	11,200
		Marc Schriefer	406,700
		SWA Depot	4,285,130
		David Swenson	103,000
		Shanan Weigum	117,800
		Total	184,420,730

Total Water Used 2,473,034,730

Rural Water Usage History

Year	January	February	March	April	May	June	July
1995-2000	26,228,900	25,389,800	23,819,500	26,909,700	27,244,700	32,622,600	34,215,900
2001	7,566,100	7,182,800	6,803,000	7,199,700	7,890,200	9,377,700	8,687,300
2002	8,803,100	7,351,300	7,367,300	8,452,700	8,591,300	11,816,800	12,067,400
2003	9,747,700	9,030,800	8,645,200	8,999,500	10,030,800	12,353,200	12,869,800
2004	10,499,300	9,838,200	8,627,700	9,678,100	11,882,600	12,985,500	15,676,800
2005	10,438,000	9,806,900	9,593,300	11,043,100	11,416,100	13,780,800	13,786,700
2006	10,776,500	10,172,100	10,680,600	11,034,400	12,665,800	18,998,700	21,531,000
2007	12,867,600	11,771,000	11,329,700	12,448,400	14,496,100	16,721,800	18,379,400
2008	13,941,000	13,592,600	13,267,000	14,493,600	15,994,400	20,501,300	23,899,300
2009	15,579,500	12,289,100	11,789,800	14,893,100	15,245,700	19,033,200	20,674,000
2010	14,427,600	15,735,900	14,877,200	16,289,400	16,950,600	19,383,100	21,095,800
2011	16,490,100	14,266,700	13,389,500	14,932,200	14,646,300	19,300,500	21,521,700
2012	17,082,200	15,256,600	18,943,700	20,231,200	21,178,300	27,213,500	29,723,000
2013	14,522,100	20,266,800	15,378,700	30,977,100	23,600,300	23,338,400	28,305,200
2014	23,025,900	18,416,600	16,000,300	22,909,000	20,355,600	27,000,800	30,754,200
2015	21,322,200	17,284,800	22,879,100	20,523,800	24,528,700	30,131,100	36,174,100
2016	20,942,600	21,309,100	22,594,300	25,813,800	28,815,000	44,048,600	44,456,900
2017	23,396,800	23,565,000	22,630,700	25,691,200	35,025,300	48,351,600	52,355,100
2018	23,677,900	22,273,000	20,763,100	23,345,500	31,585,000	43,482,200	38,225,600
2019	22,507,400	22,228,600	22,227,400	23,731,000	29,964,300	38,235,800	39,082,300
2020	24,175,800	22,572,500	21,610,500	26,507,800	33,349,500	48,562,200	43,629,000
2021	25,726,200	24,578,800	23,756,400	31,596,400	37,569,600	49,662,400	53,562,800

Year	August	September	October	November	December	Total
1995-2000	37,529,800	37,454,300	37,050,900	31,024,800	31,300,700	370,791,600
2001	8,853,700	10,633,300	10,084,400	7,364,200	7,860,900	99,503,300
2002	12,878,000	11,186,900	16,109,900	9,111,700	8,463,100	122,199,500
2003	14,851,300	14,823,500	19,743,800	10,257,100	9,372,700	140,725,400
2004	14,729,100	14,405,200	19,217,100	10,106,100	9,765,600	147,411,300
2005	14,552,400	16,177,400	24,084,600	11,281,500	10,926,200	156,887,000
2006	20,737,600	19,738,000	28,259,600	11,319,100	11,990,200	187,903,600
2007	25,051,500	17,648,100	32,752,500	14,819,100	13,439,000	201,724,200
2008	23,046,000	23,696,100	44,924,600	13,687,900	14,743,200	235,787,000
2009	18,855,600	19,582,300	39,242,900	13,336,300	13,785,900	214,307,400
2010	21,414,000	20,329,500	31,186,000	26,640,100	33,531,100	251,860,300
2011	23,185,600	20,493,400	44,866,800	11,082,100	14,797,200	228,972,100
2012	32,261,800	28,952,800	62,453,500	17,218,500	20,510,200	311,025,300
2013	33,965,300	26,511,200	57,993,300	14,954,300	18,095,000	307,907,700
2014	30,242,200	24,207,800	57,386,800	17,627,800	28,264,900	316,191,900
2015	38,955,800	36,927,300	70,755,200	26,040,500	24,332,700	369,855,300
2016	42,312,800	40,269,600	82,190,600	20,699,100	21,947,500	415,399,900
2017	43,575,000	39,564,400	90,051,300	25,489,900	23,195,800	452,892,100
2018	43,947,400	38,056,000	87,433,700	22,633,600	22,816,400	418,239,400
2019	39,117,800	30,384,200	79,695,000	21,858,500	21,780,800	390,313,100
2020	46,787,800	39,985,200	100,564,300	24,807,600	24,123,600	456,675,800
2021	56,380,000	41,504,700	127,271,100	24,759,900	24,076,600	520,444,900

Potable Water Usage *per 1,000 Gallons*

User	January	February	March	April	May	June
Antelope Valley-Basin Electric	496.30	544.90	386.80	316.50	377.80	310.60
Aries Land LLC	0.00	0.00	0.00	2.20	1.30	0.00
Assumption Abbey	81.00	72.00	75.00	89.00	102.00	89.00
Baker Boy	418.80	352.20	503.70	547.30	646.40	696.60
Beach	2,058.00	1,841.10	2,252.30	2,168.30	2,897.30	4,697.40
Belfield	1,959.90	1,577.80	1,858.10	2,151.90	2,224.00	2,070.80
Billings County	55.30	0.00	50.90	190.30	108.00	225.10
Carson	468.50	435.00	488.20	616.80	578.70	698.50
Center	1,508.50	1,227.10	1,369.20	1,624.70	2,112.50	2,740.80
Coteau Properties	54.30	67.90	62.10	69.80	78.80	96.00
Coyote Creek Mining	128.60	7.50	2.50	2.70	3.30	4.30
Coyote Station - Otter Tail	108.30	133.00	80.80	74.70	86.90	130.70
Dakota Gasification	938.70	1,099.30	987.80	1,020.40	1,094.70	1,298.30
Dakota Prairie Refinery, LLC	905.00	643.10	586.00	578.10	450.80	392.80
Dickinson	61,045.70	50,070.40	54,257.90	63,307.70	86,885.80	120,420.20
Dickinson Research Center	102.00	113.90	108.20	116.50	122.20	138.40
Dodge	247.00	254.00	249.00	274.00	306.00	418.00
Dunn Center	793.00	429.00	385.00	442.00	610.00	630.00
East Weidner Bay	0.00	0.00	0.00	0.00	91.00	135.90
Elgin	1,224.00	967.40	1,415.20	1,215.70	1,176.20	1,686.40
Gladstone	790.90	675.50	1,129.30	1,339.70	775.20	961.00
Glen Ullin	1,546.40	1,258.50	1,265.20	1,444.50	1,405.00	1,874.50
Golden Valley	472.00	432.00	475.00	601.00	574.00	793.00
Golva	393.00	388.40	365.60	412.60	398.40	417.30
Halliday	581.00	498.00	529.00	609.00	689.00	834.00
Hazen	6,459.80	5,308.50	5,626.40	6,724.10	9,339.60	12,028.00
Hebron	1,783.10	1,436.30	1,418.40	1,621.20	1,623.80	2,049.80
Hettinger	3,142.60	3,381.40	2,821.40	3,444.50	3,826.30	5,801.40
Home on the Range	302.50	397.00	395.50	428.00	308.00	339.50
Karsky Dairy	175.00	174.80	171.80	195.10	189.80	201.90
Killdeer	4,590.20	3,896.30	4,103.20	4,294.50	5,500.80	7,190.30
Lakeshore Estates	135.40	105.40	117.50	136.40	145.60	226.70
Leland Olds-Basin Electric	77.60	87.10	79.50	88.70	104.30	75.90
Manning	154.00	141.00	145.00	183.00	170.90	239.10

July	August	September	October	November	December	Total
231.40	240.20	196.00	172.60	171.60	156.10	3,600.80
0.00	0.00	0.00	2.90	5.80	5.90	18.10
89.00	134.00	79.00	81.00	67.90	66.50	1,025.40
738.90	871.80	790.20	669.30	520.20	455.50	7,210.90
5,414.90	5,774.10	3,405.70	3,188.50	1,808.40	1,804.60	37,310.60
3,005.30	3,568.00	2,548.60	2,398.30	1,912.50	1,703.50	26,978.70
212.70	275.00	120.60	93.20	1.50	0.00	1,332.60
677.80	828.00	654.50	579.70	449.40	549.40	7,024.50
3,198.30	3,616.70	2,169.50	1,800.50	1,265.00	1,281.10	23,913.90
100.70	113.50	81.40	77.60	63.20	52.90	918.20
3.60	7.20	2.50	41.30	115.40	78.90	397.80
111.60	122.20	145.00	76.90	128.10	102.90	1,301.10
1,128.70	673.30	627.70	610.50	794.80	773.30	11,047.50
287.90	623.30	1,565.60	1,391.40	640.30	445.10	8,509.40
123,299.80	148,720.70	97,594.90	81,045.50	58,243.90	39,774.50	984,667.00
74.00	58.30	36.00	49.40	69.60	91.90	1,080.40
435.00	515.00	301.00	294.00	206.00	296.00	3,795.00
635.00	836.50	629.50	541.00	409.00	398.00	6,738.00
44.70	38.50	69.70	24.70	0.00	0.00	404.50
1,551.60	1,876.60	1,374.90	1,472.20	1,018.00	1,047.40	16,025.60
992.50	1,287.20	858.60	849.20	654.90	713.60	11,027.60
1,985.90	2,367.10	1,633.60	1,632.70	1,220.20	1,237.70	18,862.30
792.00	997.80	575.20	630.00	473.00	522.00	7,337.00
268.30	321.40	186.00	171.00	109.60	114.20	3,545.80
1,007.00	1,196.20	739.80	742.00	585.00	687.00	8,697.00
11,246.30	13,164.10	8,679.00	6,485.10	4,198.60	4,242.80	93,502.30
2,111.00	2,708.00	1,927.70	1,883.00	1,237.80	1,248.90	21,049.00
6,692.00	7,394.30	4,360.80	4,153.30	2,722.20	3,059.30	50,799.50
426.00	522.00	492.00	559.00	462.00	507.50	5,139.00
203.90	218.80	216.80	210.60	203.20	189.00	2,350.70
7,605.80	8,970.00	6,568.80	5,978.70	4,069.50	4,300.80	67,068.90
293.50	275.10	191.50	159.60	114.40	109.30	2,010.40
85.30	100.50	81.30	125.60	103.40	89.90	1,099.10
271.00	336.40	241.60	206.10	132.90	154.00	2,375.00

Potable Water Usage *per 1,000 Gallons* *cont.*

User	January	February	March	April	May	June
McKenzie Co. Grazing Association	0.00	0.00	0.00	0.00	0.00	198.60
Medora	475.10	402.60	495.60	606.10	1,580.30	3,380.50
Missouri West Water System	2,160.60	1,830.10	3,394.40	5,163.50	4,552.10	5,095.20
Mott	1,462.80	1,302.30	1,363.60	1,567.20	1,593.90	2,522.30
ND Energy Services	0.00	0.00	0.00	19.20	0.00	0.00
New England	1,541.70	1,122.20	1,306.80	1,479.80	1,953.00	2,830.80
New Hradec	67.80	63.80	65.70	66.70	61.80	77.60
New Leipzig	427.10	523.70	396.80	484.40	431.80	622.00
Northern Improvement	7.80	7.90	6.90	16.30	17.50	18.90
Perkins County Rural Water System	8,003.20	6,160.20	7,256.20	9,031.90	9,266.00	12,053.40
Reeder	319.80	249.70	209.20	383.10	383.10	151.40
Regent	309.80	414.20	769.40	690.70	344.20	590.00
Rhame	591.90	823.80	570.20	575.30	594.90	949.70
Richardton	1,152.50	1,052.20	1,039.60	1,248.30	1,250.30	1,578.40
Sacred Heart	2.50	1.50	2.50	1.50	4.00	4.00
Scranton	543.70	447.50	446.10	603.40	707.60	1,108.30
Sentinel Butte	153.00	67.80	121.40	113.00	149.60	287.80
South Heart	952.70	785.00	870.40	1,178.10	2,013.90	2,476.90
Stanton	878.50	521.90	526.40	710.50	803.10	970.10
Steffes Manufacturing	156.80	188.20	155.60	156.50	204.00	171.30
Summit Prairie Recovery Center	96.00	104.10	103.60	108.60	122.30	107.10
Target Logistics	0.00	0.00	0.00	0.00	0.00	0.00
Taylor	425.00	310.00	323.00	415.00	471.00	625.00
West Medora Campground	37.00	35.00	39.00	48.00	102.00	367.00
Zap	422.00	360.00	389.50	459.40	570.10	796.60
Rural	25,726.20	24,578.80	23,756.40	31,596.40	37,569.60	49,662.40
Construction/Other	73.47	0.00	268.47	2,159.22	1,139.00	116.10
Monthly Total	139,183.37	119,368.30	127,629.27	155,213.02	190,889.50	256,673.60

July	August	September	October	November	December	Total
349.60	322.00	301.00	222.80	52.50	0.00	1,446.50
3,997.40	4,468.70	2,691.40	1,185.40	670.70	495.30	20,449.10
4,329.50	5,521.10	4,702.40	2,574.80	1,685.90	930.90	41,940.50
1,937.10	2,314.80	1,735.70	1,802.10	1,306.90	1,283.70	20,192.40
37.70	23.80	44.50	86.40	1.00	90.90	303.50
2,507.80	3,859.40	2,144.80	2,273.60	1,477.50	1,322.10	23,819.50
88.20	98.10	59.60	68.00	46.80	55.10	819.20
494.20	646.10	392.30	696.00	449.60	417.50	5,981.50
23.60	27.70	29.00	27.60	17.80	3.90	204.90
13,158.40	16,463.50	11,993.90	11,254.00	6,853.80	6,663.10	118,157.60
433.10	433.70	295.50	1,240.70	221.20	265.80	4,586.30
507.50	565.80	407.40	398.50	287.80	255.70	5,541.00
897.30	1,101.20	721.00	749.10	275.20	231.80	8,081.40
1,515.70	2,209.10	1,274.20	1,340.10	914.00	947.60	15,522.00
14.00	12.00	3.00	10.50	4.50	4.00	64.00
1,141.60	1,526.40	880.50	714.20	519.10	422.40	9,060.80
307.00	301.10	175.80	165.70	171.00	173.50	2,186.70
2,566.90	2,886.60	1,786.00	1,562.30	696.90	782.20	18,557.90
898.60	1,019.70	820.60	731.60	477.30	507.40	8,865.70
179.90	195.50	176.90	193.30	218.30	176.40	2,172.70
106.50	98.20	103.50	88.60	78.60	92.70	1,209.80
0.00	0.00	0.00	0.00	0.00	0.00	0.00
741.00	843.00	513.00	487.00	368.00	346.00	5,867.00
479.00	631.00	766.00	408.00	58.00	37.00	3,007.00
824.70	1,036.80	678.50	593.00	419.30	409.30	6,959.20
53,562.80	56,380.00	41,504.70	127,271.10	24,759.90	24,076.60	520,444.90
588.82	576.03	39.30	19.56	29.33	0.00	5,009.30
266,909.32	312,313.13	213,385.50	274,560.36	126,238.23	106,250.40	2,288,614.00

Water Service Contracts *per 1,000 Gallons*

User	Gallons Billed	Revenues for O&M	Treatment	Reserve
Aries Land LLC	1,200.00	\$ 2,940.01	\$ 1,332.00	\$ 108.00
Assumption Abbey (Demand)	1,025.40	\$ 2,512.24	\$ 1,138.20	\$ 92.29
Assumption Abbey (Raw)	100.00	\$ 245.03	\$ --	\$ 11.01
Baker Boy	7,210.90	\$ 17,666.73	\$ 8,004.10	\$ 648.99
Basin Electric Antelope Valley	3,600.80	\$ 8,821.98	\$ 3,996.90	\$ 324.07
Basin Electric Leland Olds	1,200.00	\$ 2,904.04	\$ 1,332.01	\$ 108.01
Beach	37,310.60	\$ 91,411.01	\$ 41,414.76	\$ 3,357.97
Belfield	28,815.20	\$ 70,708.30	\$ 31,832.22	\$ 2,565.65
Billings County	1,332.60	\$ 3,264.90	\$ 1,479.19	\$ 119.94
Carson	7,024.50	\$ 17,210.05	\$ 7,797.21	\$ 632.22
Center	23,913.90	\$ 58,589.10	\$ 26,544.45	\$ 2,152.27
Coteau Properties	1,200.00	\$ 2,940.03	\$ 1,332.01	\$ 108.00
Coyote Creek Mining	2,113.00	\$ 5,176.89	\$ 2,345.44	\$ 190.19
Dakota Gasification Company	12,326.00	\$ 30,198.74	\$ 13,681.87	\$ 1,109.34
Dakota Prairie Refinery, LLC	8,509.40	\$ 35,177.87	\$ 15,937.72	\$ 1,292.25
Dickinson	984,667.00	\$ 2,412,562.39	\$ 1,092,804.10	\$ 88,587.98
Dickinson Research Center	1,200.00	\$ 2,940.00	\$ 1,332.00	\$ 108.00
Dodge	3,795.00	\$ 9,297.75	\$ 4,212.45	\$ 341.55
Dunn Center	6,738.00	\$ 16,508.11	\$ 7,479.19	\$ 606.43
East Weidner Bay	1,200.00	\$ 2,940.00	\$ 1,332.00	\$ 108.00
Elgin	16,025.60	\$ 39,262.73	\$ 17,788.41	\$ 1,442.31
Elkin, Jay (Raw)	508.00	\$ 1,244.61	\$ --	\$ 55.88
Gladstone	11,027.60	\$ 27,017.65	\$ 12,240.65	\$ 992.49
Glen Ullin	18,862.30	\$ 46,212.67	\$ 20,937.17	\$ 1,697.62
Golden Valley	7,337.00	\$ 17,975.65	\$ 8,144.07	\$ 660.33
Golva	3,545.80	\$ 8,687.22	\$ 3,935.83	\$ 319.13
Halliday	8,697.00	\$ 21,307.65	\$ 9,653.67	\$ 782.73
Hauck, Tracey (Raw)	100.50	\$ 246.24	\$ --	\$ 11.05
Hazen	93,502.30	\$ 229,080.66	\$ 103,787.56	\$ 8,415.21
Hebron	21,049.00	\$ 51,570.07	\$ 23,364.39	\$ 1,894.41
Hettinger	50,799.50	\$ 124,458.80	\$ 56,387.43	\$ 4,571.98
Home on the Range	5,139.00	\$ 12,590.57	\$ 5,704.31	\$ 462.53
Hueske, Dustin (Raw)	553.50	\$ 1,356.10	\$ --	\$ 60.89
Jurgens, Robert (Raw)	1,146.00	\$ 2,807.70	\$ --	\$ 126.06
Kadrmass, Gerald 1 (Raw)	100.00	\$ 245.02	\$ --	\$ 11.00
Kadrmass, Gerald 2 (Raw)	149.40	\$ 366.04	\$ --	\$ 16.44
Karsky Dairy	2,350.70	\$ 5,759.23	\$ 2,609.29	\$ 211.55
Killdeer	67,068.90	\$ 164,506.81	\$ 74,188.04	\$ 5,989.22
Lakeshore Estates	2,010.40	\$ 4,925.51	\$ 2,231.55	\$ 180.96
Lorenz Fred 1 (Raw)	186.50	\$ 456.94	\$ --	\$ 20.52
Lorenz Fred 2 (Raw)	404.00	\$ 989.83	\$ --	\$ 44.46
Manning	2,375.00	\$ 5,818.77	\$ 2,636.25	\$ 213.75
McKenzie County Grazing Association	1,446.50	\$ 3,543.93	\$ 1,605.63	\$ 130.18
Medora	20,449.10	\$ 50,100.33	\$ 22,698.50	\$ 1,840.43

Replacement	Return on Investment	Demand	O&M Distribution	REM Distribution	O&M Reserve Distribution	Total
\$ 840.00	\$ 1,500.01					\$ 6,720.02
\$ 717.78	\$ 1,281.76	\$ 1,281.76				\$ 7,024.03
\$ 70.00	\$ 125.03					\$ 451.07
\$ 5,047.63	\$ 9,013.65					\$ 40,381.10
\$ 2,520.56	\$ 4,501.02					\$ 20,164.53
\$ 840.00	\$ 1,500.04					\$ 6,720.10
\$ 26,117.42	\$ 46,638.29					\$ 208,939.45
\$ 24,750.28	\$ 39,835.41		\$ 555.11			\$ 170,246.97
\$ 932.82	\$ 1,665.78					\$ 7,462.63
\$ 4,917.15	\$ 8,780.65					\$ 39,337.28
\$ 16,739.73	\$ 29,892.42					\$ 133,917.97
\$ 840.00	\$ 1,500.03					\$ 6,720.07
\$ 1,479.10	\$ 2,641.29					\$ 11,832.91
\$ 8,628.20	\$ 15,407.54					\$ 69,025.69
\$ 10,050.81	\$ 17,947.91					\$ 80,406.56
\$ 694,555.55	\$ 1,235,240.98		\$ 641.05			\$ 5,524,392.05
\$ 840.00	\$ 1,500.00	\$ 1,500.00				\$ 8,220.00
\$ 2,656.50	\$ 4,743.75					\$ 21,252.00
\$ 4,716.60	\$ 8,422.51					\$ 37,732.84
\$ 840.00	\$ 1,500.00	\$ 1,500.00				\$ 8,220.00
\$ 11,217.92	\$ 20,032.01					\$ 89,743.38
\$ 355.60	\$ 635.01					\$ 2,291.10
\$ 7,719.32	\$ 13,784.53					\$ 61,754.64
\$ 13,203.61	\$ 23,577.91					\$ 105,628.98
\$ 5,135.90	\$ 9,171.25					\$ 41,087.20
\$ 2,482.06	\$ 4,432.25	\$ 4,432.25				\$ 24,288.74
\$ 6,087.90	\$ 10,871.25					\$ 48,703.20
\$ 70.35	\$ 125.64					\$ 453.28
\$ 65,451.61	\$ 116,877.90					\$ 523,612.94
\$ 14,734.30	\$ 26,311.27					\$ 117,874.44
\$ 35,559.65	\$ 63,499.40					\$ 284,477.26
\$ 3,597.30	\$ 6,423.79	\$ 6,423.79				\$ 35,202.29
\$ 387.45	\$ 691.90					\$ 2,496.34
\$ 802.20	\$ 1,432.50					\$ 5,168.46
\$ 70.00	\$ 125.02					\$ 451.04
\$ 104.58	\$ 186.76					\$ 673.82
\$ 1,645.49	\$ 2,938.39					\$ 13,163.95
\$ 54,702.11	\$ 90,297.72		\$ 939.87			\$ 390,623.77
\$ 1,407.28	\$ 2,513.02	\$ 2,513.02				\$ 13,771.33
\$ 130.55	\$ 233.14					\$ 841.15
\$ 282.80	\$ 505.03					\$ 1,822.12
\$ 1,662.50	\$ 2,968.76	\$ 2,968.76				\$ 16,268.79
\$ 1,012.55	\$ 1,808.13					\$ 8,100.42
\$ 14,314.37	\$ 25,561.41					\$ 114,515.04

Water Service Contracts *per 1,000 Gallons cont.*

User	Gallons Billed	Revenues for O&M	Treatment	Reserve
Missouri West Water System	41,918.90	\$ 102,701.32	\$ 46,529.99	\$ 3,772.70
Missouri West Water System (Demand)	21.60	\$ 52.96	\$ 23.97	\$ 1.96
Moline, Dale & Sue (Raw)	100.00	\$ 245.00	\$ --	\$ 10.99
Mott	20,192.40	\$ 49,471.42	\$ 22,413.57	\$ 1,817.31
ND Energy Services	1,200.00	\$ 3,036.01	\$ 1,200.00	\$ 84.40
Neurohr, Charlotte (Raw)	130.90	\$ 320.72	\$ --	\$ 14.39
New England	23,819.50	\$ 58,357.79	\$ 26,439.66	\$ 2,143.75
New Hradec	819.20	\$ 2,007.06	\$ 909.33	\$ 73.71
New Leipzig	5,981.50	\$ 14,654.70	\$ 6,639.47	\$ 538.34
Northern Improvement	1,200.00	\$ 2,940.03	\$ 1,332.02	\$ 107.99
Otter Tail-Coyote Station	1,301.10	\$ 3,187.73	\$ 1,444.23	\$ 117.09
Perhus Brothers 1 (Raw)	180.80	\$ 442.97	\$ --	\$ 19.89
Perhus Brothers 2 (Raw)	1,586.00	\$ 3,885.72	\$ --	\$ 174.47
Perhus Brothers 3 (Raw)	112.60	\$ 275.88	\$ --	\$ 12.39
Perhus Brothers 4 (Raw)	207.20	\$ 507.66	\$ --	\$ 22.80
Perkins County Rural Water System	118,157.60	\$ 289,486.14	\$ 131,154.93	\$ 10,634.20
Red Trail Energy (Raw)	173,560.00	\$ 425,222.00	\$ --	\$ 19,091.60
Reeder	4,586.30	\$ 11,236.47	\$ 5,090.80	\$ 412.77
Regent	5,541.00	\$ 13,575.47	\$ 6,150.52	\$ 498.70
Rhame	8,081.40	\$ 19,799.46	\$ 8,970.35	\$ 727.33
Richardton	15,522.00	\$ 38,028.93	\$ 17,229.42	\$ 1,396.99
Richau, Ken 1 (Raw)	133.80	\$ 327.84	\$ --	\$ 14.72
Richau, Ken 2 (Raw)	141.10	\$ 345.72	\$ --	\$ 15.53
Richau, Ken 3 (Raw)	100.00	\$ 245.01	\$ --	\$ 11.00
Sacred Heart (Demand)	64.00	\$ 156.83	\$ 71.07	\$ 5.79
Sacred Heart (Raw)	500.00	\$ 1,225.00	\$ --	\$ 55.00
Schlender, Jonathan (Raw)	33.33	\$ 81.66	\$ --	\$ 3.67
Schriefer, Marc (Raw)	406.70	\$ 996.45	\$ --	\$ 44.72
Scranton	9,060.80	\$ 22,198.99	\$ 10,057.49	\$ 815.49
Sentinel Butte	2,186.70	\$ 5,357.43	\$ 2,427.25	\$ 196.80
South Heart	18,557.90	\$ 45,466.89	\$ 20,599.27	\$ 1,670.21
Stanton	8,865.70	\$ 21,721.00	\$ 9,840.94	\$ 797.92
Steffes Corporation	2,172.70	\$ 5,323.15	\$ 2,411.70	\$ 195.56
Summit Prairie Recovery Center	1,209.80	\$ 2,964.04	\$ 1,342.90	\$ 108.88
SWA Water Depot (Raw)	4,285.15	\$ 10,969.98	\$ 4,285.15	\$ 299.94
Swenson, David & Douglas (Raw)	103.00	\$ 252.37	\$ --	\$ 11.34
Target Logistics	1,500.00	\$ 3,675.00	\$ 1,665.00	\$ 135.00
Taylor	5,867.00	\$ 14,374.15	\$ 6,512.37	\$ 528.03
Weigum, Shanan (Raw)	117.80	\$ 288.63	\$ --	\$ 12.97
West Medora Campground	3,007.00	\$ 7,367.15	\$ 3,337.77	\$ 270.63
Zap	6,959.20	\$ 17,050.07	\$ 7,724.72	\$ 626.34
Total	1,958,807.58	\$ 4,814,404.70	\$ 1,979,044.46	\$ 180,216.60

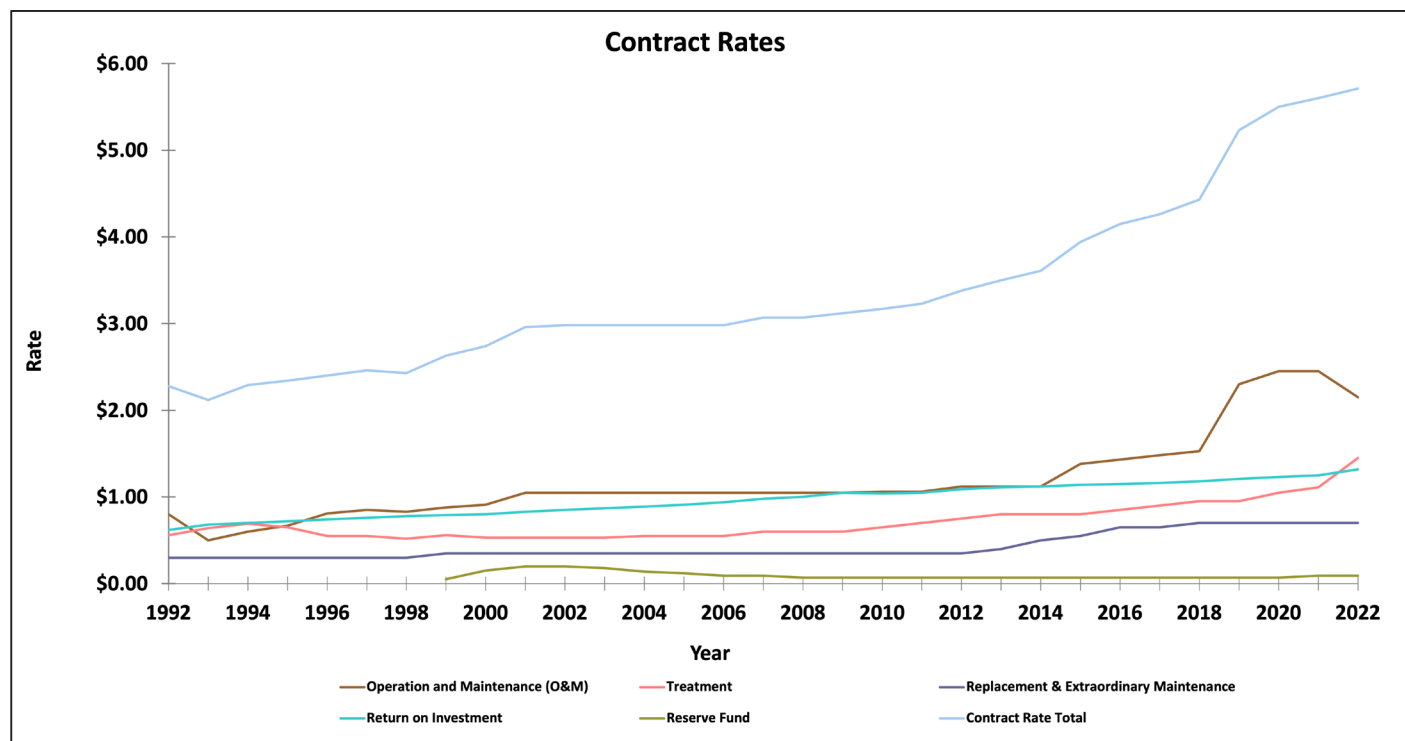
Replacement	Return on Investment	Demand	O&M Distribution	REM Distribution	O&M Reserve Distribution	Total
\$ 29,343.23	\$ 52,398.64					\$ 234,745.88
\$ 15.12	\$ 54.04					\$ 148.05
\$ 70.00	\$ 125.00					\$ 450.99
\$ 14,134.68	\$ 25,240.54					\$ 113,077.52
\$ 4,800.00	\$ 4,800.00		\$ 480.00			\$ 14,400.41
\$ 91.63	\$ 163.64					\$ 590.38
\$ 16,673.65	\$ 29,774.39					\$ 133,389.24
\$ 573.44	\$ 1,024.01	\$ 1,024.01				\$ 5,611.56
\$ 4,187.05	\$ 7,476.90					\$ 33,496.46
\$ 840.00	\$ 1,500.03					\$ 6,720.07
\$ 910.77	\$ 1,626.41					\$ 7,286.23
\$ 126.56	\$ 226.01					\$ 815.43
\$ 1,110.20	\$ 1,982.52					\$ 7,152.91
\$ 78.82	\$ 140.76					\$ 507.85
\$ 145.04	\$ 259.02					\$ 934.52
\$ 82,710.32	\$ --					\$ 513,985.59
\$ 121,492.00	\$ 216,950.00					\$ 782,755.60
\$ 3,210.41	\$ 5,732.91					\$ 25,683.36
\$ 3,878.70	\$ 6,926.27					\$ 31,029.66
\$ 5,656.98	\$ 10,101.78					\$ 45,255.90
\$ 10,865.40	\$ 19,402.53					\$ 86,923.27
\$ 93.66	\$ 167.28					\$ 603.50
\$ 98.77	\$ 176.40					\$ 636.42
\$ 70.00	\$ 125.01					\$ 451.02
\$ 44.80	\$ 80.02	\$ 80.02				\$ 438.53
\$ 350.00	\$ 625.00					\$ 2,255.00
\$ 23.33	\$ 41.67					\$ 150.33
\$ 284.69	\$ 508.41					\$ 1,834.27
\$ 6,342.56	\$ 11,326.03					\$ 50,740.56
\$ 1,530.69	\$ 2,733.39					\$ 12,245.56
\$ 12,990.53	\$ 23,197.41					\$ 103,924.31
\$ 6,205.99	\$ 11,082.16					\$ 49,648.01
\$ 1,520.89	\$ 2,715.91					\$ 12,167.21
\$ 846.86	\$ 1,512.28					\$ 6,774.96
\$ 12,855.45	\$ 12,855.45		\$ 9,084.52	\$ 428.54	\$ 642.81	\$ 51,421.84
\$ 72.10	\$ 128.77					\$ 464.58
\$ 1,050.00	\$ 1,875.00					\$ 8,400.00
\$ 4,106.90	\$ 7,333.75					\$ 32,855.20
\$ 82.46	\$ 147.27					\$ 531.33
\$ 2,104.90	\$ 3,758.75	\$ 3,758.75				\$ 20,597.95
\$ 4,871.44	\$ 8,699.03					\$ 38,971.60
\$ 1,406,697.55	\$ 2,333,636.45	\$ 25,482.36	\$ 11,700.55	\$ 428.54	\$ 642.81	\$ 10,752,254.01

Rates History

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Operations & Maintenance (O&M)	\$ 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
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
Replacement & Extraordinary Maintenance	\$ 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
Return on Investment	\$ 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
Reserve Fund								\$ 0.05	\$ 0.15	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.14	\$ 0.12
Contract Rate 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
Return on Investment 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%

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
Rural Water 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
Return on Investment 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
Return on Investment 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%

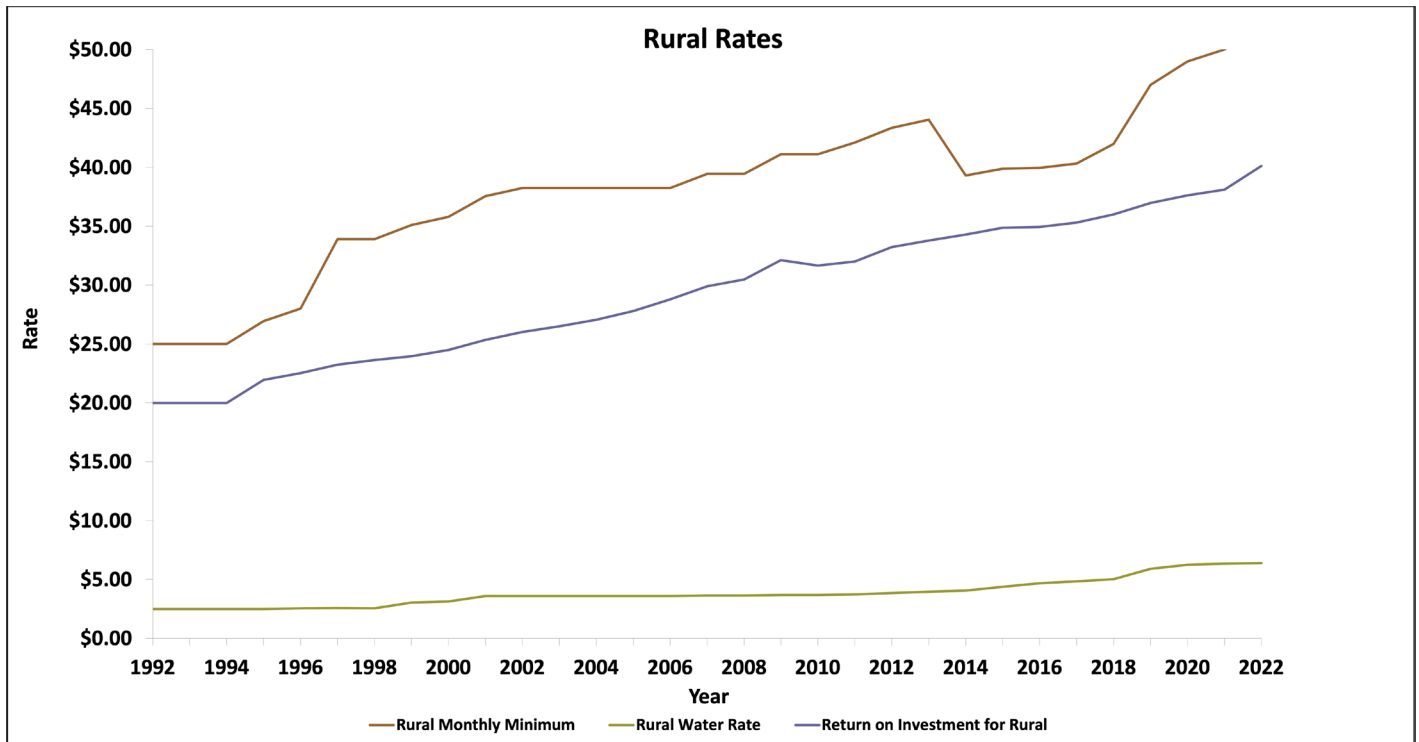
Consumer Price Index	2.90%	2.75%	2.67%	2.54%	2.61%	3.26%	1.67%	1.36%	2.27%	3.42%	2.72%	1.80%	2.15%	2.65%
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2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.06	\$ 1.06	\$ 1.12	\$ 1.12	\$ 1.12	\$ 1.38	\$ 1.43	\$ 1.48	\$ 1.53	\$ 2.30	\$ 2.45	\$ 2.45	\$ 2.15
\$ 0.55	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.65	\$ 0.70	\$ 0.75	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.85	\$ 0.90	\$ 0.95	\$ 0.95	\$ 1.05	\$ 1.11	\$ 1.45
\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.50	\$ 0.55	\$ 0.65	\$ 0.65	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70
\$ 0.94	\$ 0.98	\$ 1.00	\$ 1.05	\$ 1.04	\$ 1.05	\$ 1.09	\$ 1.11	\$ 1.12	\$ 1.14	\$ 1.15	\$ 1.16	\$ 1.18	\$ 1.21	\$ 1.23	\$ 1.25	\$ 1.32
\$ 0.09	\$ 0.09	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.09	\$ 0.09
\$ 2.98	\$ 3.07	\$ 3.07	\$ 3.12	\$ 3.17	\$ 3.23	\$ 3.38	\$ 3.50	\$ 3.61	\$ 3.94	\$ 4.15	\$ 4.26	\$ 4.43	\$ 5.23	\$ 5.50	\$ 5.60	\$ 5.71
31.54%	31.92%	32.57%	33.65%	32.81%	32.51%	32.25%	31.71%	31.02%	28.93%	27.71%	27.23%	26.64%	23.14%	22.36%	22.32%	23.12%

\$ 38.25	\$ 39.45	\$ 39.45	\$ 41.10	\$ 41.10	\$ 42.10	\$ 43.35	\$ 44.05	\$ 39.30	\$ 39.88	\$ 39.95	\$ 40.32	\$ 42.00	\$ 47.00	\$ 49.00	\$ 50.00	\$ 52.01
\$ 3.60	\$ 3.65	\$ 3.65	\$ 3.70	\$ 3.70	\$ 3.75	\$ 3.86	\$ 3.96	\$ 4.06	\$ 4.39	\$ 4.69	\$ 4.84	\$ 5.04	\$ 5.91	\$ 6.26	\$ 6.36	\$ 6.40
\$ 28.80	\$ 29.90	\$ 30.49	\$ 32.13	\$ 31.65	\$ 32.01	\$ 33.22	\$ 33.78	\$ 34.30	\$ 34.88	\$ 34.95	\$ 35.32	\$ 36.00	\$ 36.97	\$ 37.62	\$ 38.11	\$ 40.12
75.29%	75.79%	77.29%	78.18%	77.01%	76.03%	76.63%	76.69%	87.28%	87.46%	87.48%	87.60%	85.71%	78.66%	76.78%	76.22%	77.14%

3.63%	3.82%	1.97%	5.37%	-1.50%	1.15%	3.78%	1.69%	1.53%	1.69%	0.19%	1.05%	1.93%	2.71%	1.76%	1.31%	5.26%
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Rates 2021

The water rate for rural customers in 2021 was raised to a minimum payment of \$50.00 per month plus consumption. The rate for water per gallon was \$6.36 per thousand gallons.

Rural Customers

Treatment.....	\$1.11
Transmission Operations and Maintenance	2.45
Transmission Replacement and Extraordinary Maintenance	0.70
Transmission Reserve	0.09
Distribution Operation and Maintenance	1.76
Distribution Replacement.....	0.10
Distribution Reserve	0.15
Total	\$6.36

The standard rural minimum fee (\$50.00) is broken into two separate components: O&M fee and return on investment. The return on investment portion (\$38.11) is paid back to the Resources Trust Fund, along with a portion of the O&M fee (\$5.00) for newer accounts. After two years, the O&M fee (\$11.89) is paid to the operations and maintenance fund, covering fixed O&M costs.

The 2021 rate for demand contract customers was \$6.85 per 1,000 gallons of potable water.

Demand Contract Customers

Treatment.....	\$1.11
Transmission Operation and Maintenance.....	2.45
Transmission Replacement and Extraordinary Maintenance	0.70
Capital Repayment.....	1.25
Demand Charge	1.25
Transmission Reserve	0.09
Total	\$6.85

The 2021 rate for contract customers was \$5.60 per 1,000 gallons of potable water.

Contract Customers

Treatment.....	\$1.11
Transmission Operation and Maintenance.....	2.45
Transmission Replacement and Extraordinary Maintenance	0.70
Return on Investment.....	1.25
Transmission Reserve	0.09
Total	\$5.60

The 2021 rate for oil industry customers was \$12.00 per 1,000 gallons of water.

The raw water contract rate was \$4.51 per 1,000 gallons of water. Raw water customers do not pay for the cost of treatment.

Rates 2022

Rural Customers

The rural monthly minimum will increase to \$52.01. This rate will include return on investment (\$40.12) and O&M fee (\$11.89). The return on investment amount is tied to the Consumer Price Index and adjusted annually by the North Dakota State Water Commission. Return on investment will increase by \$2.01 and the O&M Fee will remain the same for 2022.

The rural customer rate per 1,000 gallons will increase to \$6.40.

Contract Customers

There will be a rate increase for demand and contract customers. The demand rate will be \$7.03 per 1,000 gallons of potable water. The contract customer rate will be \$5.71 per 1,000 gallons of potable water. The raw water contract rate will be \$4.51 per 1,000 gallons of water. The oil industry rate will remain the same at \$12.00 per 1,000 gallons of water. For demand, contract, and raw water customers, return on investment will increase \$0.07, transmission will be reduced by \$0.30, and extraordinary maintenance and replacement will remain the same. For contract and demand customers, treatment will increase \$0.34 and the demand charge will increase by \$0.07.



Replacement & Extraordinary Maintenance Fund

	1991-2003	2004	2005	2006	2007	2008	2009	2010	2011
Beginning Balance	\$ 15,121,454	\$ 3,835,485	\$ 4,220,502	\$ 4,787,646	\$ 5,338,238	\$ 6,141,750	\$ 7,004,573	\$ 7,865,343	\$ 8,629,770
Contract Contributions	\$ 3,075,546	\$ 335,340	\$ 347,808	\$ 425,777	\$ 467,831	\$ 472,933	\$ 457,040	\$ 478,501	\$ 543,731
Rural Contributions	\$ 312,932	\$ 67,709	\$ 64,725	\$ 82,115	\$ 90,793	\$ 106,858	\$ 101,620	\$ 115,801	\$ 114,383
Interest	\$ 821,190	\$ 188,652	\$ 198,149	\$ 202,716	\$ 258,201	\$ 295,859	\$ 329,085	\$ 331,850	\$ 313,990
Dividends	\$ 67,933	\$ 2,279	\$ 5,633	\$ 8,203	\$ 8,335	\$ 12,461	\$ 1,943	\$ 12,412	\$ 14,189
Fiduciary Fees	\$ (65,158)	\$ (15,845)	\$ (17,417)	\$ (19,135)	\$ (21,648)	\$ (25,288)	\$ (28,918)	\$ (32,218)	\$ (34,927)
Disbursements	\$ (376,959)	\$ (193,119)	\$ (31,754)	\$ (149,084)	\$ 0	\$ 0	\$ 0	\$ (141,919)	\$ (348,696)
Ending Balance	\$ 18,956,939	\$ 4,220,502	\$ 4,787,646	\$ 5,338,238	\$ 6,141,750	\$ 7,004,573	\$ 7,865,343	\$ 8,629,770	\$ 9,232,440

In 1981, when the Southwest Pipeline Project (SWPP) was authorized, the North Dakota Legislature established the Replacement & Extraordinary Maintenance (REM) Fund. This fund was set up to create an account to cover costs of an extraordinary nature or to replace parts of the SWPP that reach their life expectancy. Disbursements from this account have to meet these and other criteria and must be approved by the Southwest Water Authority (SWA) Board of Directors and the North Dakota State Water Commission.

A portion of the water rate charged by SWA is for the REM Fund. The rate is charged on every thousand gallons of water billed. The REM rate is one of the components of the rate structure paid by all customers, including contract and rural.

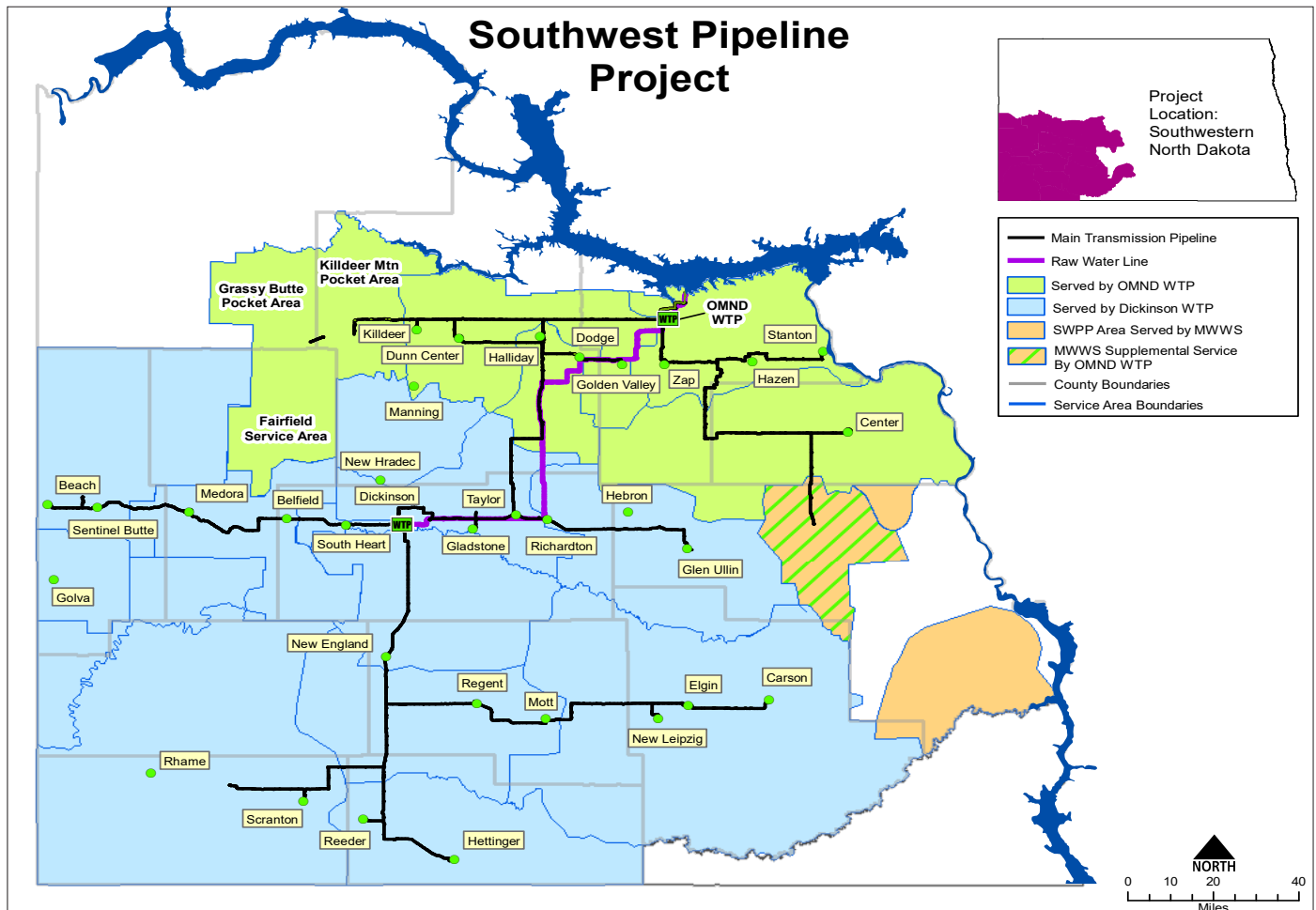
Originally, the rate was set at \$0.30 per thousand gallons of water sold, but in 1998 a rate study was completed to determine the fairness and correctness of the rate structure. At that time, it was determined that in order to meet the needs of extraordinary

“The REM rate is one of the components of the rate structure paid by all customers, including contract and rural.”

maintenance of the Project in the future, the rate for REM should be increased to \$0.35 per thousand gallons, and remained this amount from 1999 to 2012. Based upon the reevaluation of the REM Fund and the future estimated construction costs, the rate for REM increased to \$0.40 per thousand gallons for 2013, to \$0.50 per thousand gallons for 2014, to \$.55 per thousand gallons for 2015, to \$.65 per thousand gallons for 2016, and to \$.70 per thousand gallons for 2018 through 2021.

When SWA became responsible for management, operations and maintenance of the SWPP from the North Dakota State Water Commission in 1996, a trust account was established to track REM funds separately to follow the North Dakota Century Code. The table above and on the following page gives a summary of activity for this account.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
\$ 9,232,440	\$ 9,596,193	\$ 10,956,243	\$ 13,017,560	\$ 15,222,769	\$ 17,080,394	\$ 18,230,005	\$ 19,539,186	\$ 21,178,777	\$ 22,948,706	
\$ 799,134	\$ 896,093	\$ 2,146,195	\$ 1,614,271	\$ 1,586,141	\$ 1,516,746	\$ 1,284,378	\$ 1,267,965	\$ 1,419,678	\$ 1,418,477	\$ 20,553,584
\$ 140,126	\$ 155,954	\$ 172,580	\$ 233,530	\$ 302,016	\$ 349,254	\$ 356,998	\$ 331,702	\$ 390,600	\$ 455,975	\$ 3,945,673
\$ 332,206	\$ 335,644	\$ 355,634	\$ 396,013	\$ 324,537	\$ 262,364	\$ 377,795	\$ 400,563	\$ 432,977	\$ 313,735	\$ 6,471,160
\$ 22,163	\$ 12,665	\$ 14,585	\$ 15,743	\$ 18,061	\$ 12,354	\$ 8,760	\$ 4,708	\$ 27,907	\$ 22,692	\$ 293,028
\$ (38,594)	\$ (40,305)	\$ (45,262)	\$ (54,348)	\$ (61,864)	\$ (66,528)	\$ (71,432)	\$ (72,763)	\$ (76,081)	\$ (81,712)	\$ (869,444)
\$ (891,282)	\$ 0	\$ (582,415)	\$ 0	\$ (311,266)	\$ (924,579)	\$ (647,318)	\$ (292,584)	\$ (425,152)	\$ (1,395,328)	\$ (6,711,455)
\$ 9,596,193	\$ 10,956,243	\$ 13,017,560	\$ 15,222,769	\$ 17,080,394	\$ 18,230,005	\$ 19,539,186	\$ 21,178,777	\$ 22,948,706	\$ 23,682,546	\$ 23,682,546



Annual Return on Investment

The Return on Investment is a portion of the water rate charged by Southwest Water Authority (SWA) to pay the cost of construction of the Southwest Pipeline Project. In 1982, a study determined that there should be a limit to the amount customers could afford due to the economic constraints in southwest North Dakota. Since the Return on Investment is based on the ability to pay, this portion of the rate is indexed to the Consumer Price Index (CPI) and adjusted annually by the North Dakota State Water Commission (SWC).

For all contract customers, the Return on Investment rate is based upon a per thousand gallons charge. For all rural customers, the return on investment rate is a portion of the monthly minimum payment. This money is paid monthly to the SWC.

Below is a chart showing the payment history of the Return on Investment by water users throughout the system:

	1991-1993	1994	1995	1996	1997
Contract	\$ 414,498.00	\$ 292,997.00	\$ 408,563.00	\$ 418,179.77	\$ 487,828.22
Rural	\$ 5,540.00	\$ 7,475.00	\$ 95,616.00	\$ 316,814.38	\$ 370,085.00
Total	\$ 420,038.00	\$ 300,472.00	\$ 504,179.00	\$ 734,994.15	\$ 857,913.22

	1998	1999	2000	2001	2002
Contract	\$ 568,497.91	\$ 580,865.33	\$ 634,275.73	\$ 751,392.41	\$ 800,159.52
Rural	\$ 347,293.46	\$ 445,131.91	\$ 524,952.50	\$ 556,470.52	\$ 630,004.66
Total	\$ 915,791.37	\$ 1,025,997.24	\$ 1,159,228.23	\$ 1,307,862.93	\$ 1,430,164.18

	2003	2004	2005	2006	2007
Contract	\$ 861,015.31	\$ 846,041.48	\$ 897,289.69	\$ 1,067,345.59	\$ 1,244,385.61
Rural	\$ 718,768.94	\$ 774,667.77	\$ 809,668.64	\$ 881,134.67	\$ 1,063,680.25
Total	\$ 1,579,784.25	\$ 1,620,709.25	\$ 1,706,958.33	\$ 1,948,480.26	\$ 2,308,065.86

	2008	2009	2010	2011	2012
Contract	\$ 1,269,698.28	\$ 1,255,131.37	\$ 1,344,386.07	\$ 1,595,570.21	\$ 2,634,953.62
Rural	\$ 1,184,034.70	\$ 1,363,856.74	\$ 1,432,160.52	\$ 1,480,846.23	\$ 1,652,322.24
Total	\$ 2,453,732.98	\$ 2,618,988.11	\$ 2,776,546.59	\$ 3,076,416.44	\$ 4,287,275.86

	2013	2014	2015	2016	2017
Contract	\$ 2,582,830.77	\$ 2,955,122.24	\$ 2,501,338.51	\$ 2,344,000.93	\$ 2,394,258.31
Rural	\$ 1,938,810.07	\$ 2,139,203.24	\$ 2,275,038.66	\$ 2,592,756.86	\$ 2,863,924.59
Total	\$ 4,521,640.84	\$ 5,094,325.48	\$ 4,776,377.17	\$ 4,936,757.79	\$ 5,258,182.90

	2018	2019	2020	2021	Total
Contract	\$ 2,067,663.85	\$ 2,063,106.02	\$ 2,369,097.38	\$ 2,387,545.91	\$ 40,029,038.04
Rural	\$ 2,947,752.89	\$ 3,016,022.35	\$ 3,107,816.93	\$ 3,187,880.07	\$ 38,729,729.79
Perkins County					\$ 5,459,000.00
Total	\$ 5,015,416.74	\$ 5,079,128.37	\$ 5,476,914.31	\$ 5,566,425.98	\$ 84,217,767.83

Southwest Pipeline Project Funding Sources

State Funding (in millions of dollars)

Resources Trust Fund	\$253.99
Water Development Trust Fund.....	\$8.55
Subtotal	\$262.54

Federal Funding

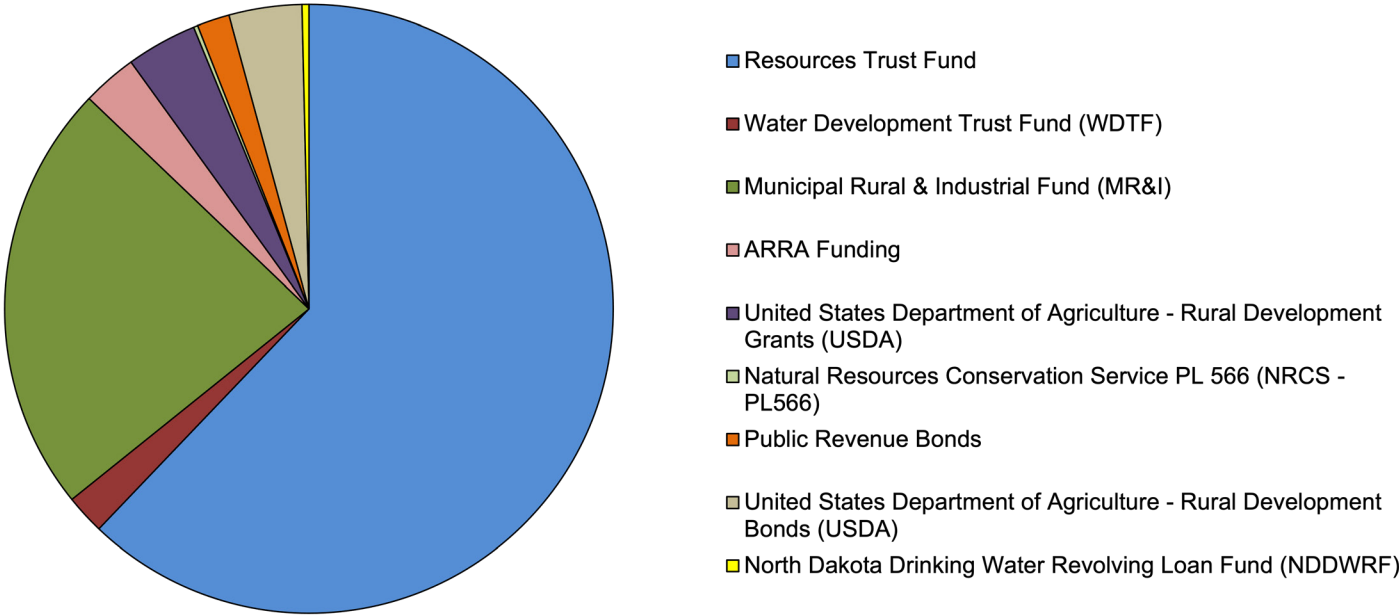
Garrison Diversion Conservancy District	
Municipal Rural & Industrial (MR&I) Fund (ARRA Funding \$11.90)	\$105.63
United States Department of Agriculture - Rural Development (RUS).....	\$15.36
Natural Resources Conservation Service PL566	\$0.93
Subtotal	\$121.92

Bonds

Public Revenue Bonds	\$7.05
United States Department of Agriculture - Rural Development	\$15.81
ND Drinking Water Revolving Loan Fund.....	\$1.50
Subtotal	\$24.36

Total Funding.....	\$408.82
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as of December 31, 2021



Southwest Pipeline Project (SWPP)

Timeline and Funding

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Projects	West River Diversion						SW Area Water Supply				Southwest Pipeline Project (SWPP)		
Organizations									West River Water Supply District				West River Joint Board

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Projects	Southwest Pipeline Project (SWPP)												
Organizations	Southwest Water Authority (SWA) (Political Subdivision)												

SWPP Historical Events

1981 – SWPP Authorized	1994 – Service beyond Dickinson
1983 – SWPP Final Design Authorized	1995 – Full Scale Rural Service
1985 – SWPP Final Construction Authorized	1996 – Transfer of O&M to SWA
1986 – Construction Begins	1997 – USDA Rural Development Funds and Revenue Bonds
Garrison MR&I Funding	1998 – Garrison M&RI Funding
1991 – Location of Water Treatment Plant	1999 – SB 2188 Passed - Water Development Trust Fund
Rural Water Integration	2001 – State Funding
Service to Dickinson	Bowman-Scranton Phase
1992 – First Rural Water Service (Roshau Subdivision)	2003 – Medora-Beach Phase

Funding (in millions):	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
State Resources Trust Fund					-----	-----	-----	-----	-----	-----	-----
Garrison Diversion MR&I											
Natural Resources Conservation Service											
Revenue Bonds											
USDA Rural Development (loans)											
USDA Rural Development (grants)											
Drinking Water State Revolving Loan Fund											
Water Development Trust Fund											
Total											

<i>*changed to historical data</i>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
State Resources Trust Fund	1.18	0.70	1.34	4.21	0.83	0.33	3.06	2.38	3.10	3.29	0.84
Garrison Diversion MR&I	0.18	2.47	1.24								
Natural Resources Conservation Service											
Revenue Bonds	4.00	3.05									
USDA Rural Development (loans)		3.50	0.02	1.38	0.50	0.23	1.63	1.54	0.10	2.47	1.43
USDA Rural Development (grants)		1.04	1.54	1.59	2.48	0.92	1.05	1.82	0.03	1.93	0.52
Drinking Water State Revolving Loan Fund				1.00	0.50						
Water Development Trust Fund					1.45	5.17	0.26	0.45		0.08	1.15
Total	5.36	10.76	4.14	8.18	5.76	6.65	6.00	6.19	3.23	7.77	3.94

1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Southwest Pipeline Project (SWPP)												
West River Joint Board						SWA (Non- Profit)	SWA (Political Subdivision)					

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Southwest Pipeline Project (SWPP)											
Southwest Water Authority (SWA) (Political Subdivision)											

2005 – State USDA Funding
Medora-Beach Phase II

2007 – State & USDA Funding
Medora-Beach Phase III

2008 – Received MR&I Funding – First time since 1999

2009 – SB 2193 Passed - Expanded Authority
ARRA Funding for OMND WTP

2011 – Federal & State funding for OMND

2012 – Service to OMND

2013 – Completion of Zap I & II Service Areas

2014 – City of Rhame received service
Four potable water tanks connected

2015 – City of Killdeer received service
Completion of the Finished Water Pump Station

2016 – Began Construction of 6 MGD Southwest WTP (SWTP)

2017 – Completion of OMND Service Area

2018 – Completion of 6 MGD SWTP

2019 – Completion of Residuals Handling Facility

2020 – Completion of 2nd Reservoirs for Belfield & Davis Buttes

2021 – Dodge and Richardton Pump Station Upgrades

1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
23.60	-----	-----	-----	-----	-----	-----	-----	0.04	0.06	0.68	0.77	1.46	1.77
				7.38	8.33	6.67	2.65	5.32	6.87	5.30	10.10	7.77	5.41
											0.13	0.41	0.39
23.60				7.38	8.33	6.67	2.65	5.36	6.93	5.98	11.00	9.64	7.57

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
2.72	5.43	1.27	4.73	8.86	13.00	29.68	42.41	30.76	25.33	19.22	8.52	7.10	5.32	253.99
2.91	1.11	2.77	18.55	5.30	2.30			3.00						105.63
														0.93
														7.05
3.01														15.81
2.09	0.10				0.23									15.36
														1.50
														8.55
10.73	6.64	4.04	23.28	14.16	15.53	29.68	42.41	33.76	25.33	19.22	8.52	7.10	5.32	408.82



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