



2011 Progress Report



Construction

The Southwest Pipeline Project currently has ten contracts under construction. All but one are part of the Oliver, Mercer, North Dunn (OMND) Regional Service Area. This includes 94 miles of main transmission line that will bring service to Zap, Hazen, Stanton, Center, and the Missouri West Water System. The OMND Water Treatment Plant (WTP) and related facilities should be producing water by late spring of 2012.

The OMND Regional Service Area includes the creation of two Potable Water Reservoirs (Contract 5-15A and Contract 5-16), in the Zap and the Center areas, respectively. The Zap Potable Water Reservoir is a 1,450,000-gallon welded-steel tank located north of the OMND WTP. The Center Potable Water Reservoir is a 750,000-gallon welded-steel tank that crests a 175-foot tall elevated concrete pedestal. It is located south of Beulah along Highway 49.

The OMND Regional Service Area includes construction of a WTP. This contains the WTP Building and Membrane Equipment (Contract 3-D), Membrane Procurement (Contract 3-1C), and WTP Concentrate Disposal Line (Contract 3-1E).

The OMND Regional Service Area also consists of three main transmission lines. The main transmission line from the OMND WTP to Zap, and on to Hazen (Contract 2-8A), is substantially complete. The main transmission line from Hazen to Stanton, and Beulah to the Center Elevated Tank (Contract 2-8B), is approximately 33 miles of pipeline and is substantially complete. The main transmission line from the Center Elevated Tank to Center and to the Missouri West Water System (Contract 2-8C/D) is more than 38 miles of pipeline; all but 2.5 miles have been installed.

Construction will begin in Spring of 2012 on the Zap Phase I Rural Distribution System (Contract 7-9C). This will include 157 miles of pipeline, providing service to 263 rural customers along with Antelope Valley Station, Coteau, Dakota Gasification, Great River Energy, Leland Olds, and the Coyote Station. The SWPP will be providing water to meet the potable needs of all the power stations and mines in the region. Phase II of the Zap Service Area Rural Distribution Line will be bid early 2012.

New construction not included in the OMND Regional Service area consists of pump station upgrades (Contract 4-3A/4-4A). This entails replacing one of the pumps at the Ray Christensen Pump Station in Dickinson and installing a generator and variable frequency drives (VFD) at the Jung Lake Pump Station.

Contracts under construction amount to more than \$45 million.

Vision

People and Business
Succeeding with Quality Water

Mission

Quality Water for
Southwest North Dakota

Oil & Water

The recent escalation of energy-related industries in southwest North Dakota has put increased pressure on the demand for water. There are many interests on how amplified industry and population will affect water capacity.

The State Water Commission (SWC) currently holds one permit for Municipal and Rural Use and one permit for Industrial Use. The SWC has applied for a second Industrial Use Permit. Permits are granted by the Water Appropriations Division of the State Water Commission.

When the Project was first authorized in 1983 it was designed to deliver water for municipal and rural use throughout semi-arid southwest North Dakota. The exponential growth we are experiencing is unprecedented. The Southwest Water Authority and its Board of Directors are determined to balance the short- and long-term needs of the area's citizens and industries.

The Authority's Directors and Project Engineers are constantly trying to adapt to new expansion and construction needs. Future possible strategies include installing a water reservoir to change the flow from distribution to transmission, which means more capacity to serve more customers. There are also plans for serving areas of the existing project from the OMND WTP that will free up additional capacity to meet the water demands. The SWC is working on a permit with the Corps of Engineers for a needed second intake in Lake Sakakawea. Two studies are currently underway to assess the needs of the southwest region.

The biggest responsibility of the SWPP is to remain conscientious stewards of taxpayer money. We thank you for your continued support as our area grows and thrives.

Highlights

SWA Staff Recognized

Southwest Water Authority (SWA) successfully complied with all requirements of the Safe Drinking Water Act for public water systems. Lee Messer and staff were commended for their work and achievements and received a Certificate of Compliance from the North Dakota Department of Health. Copies of the letters for all five systems are on public file with SWA.

Massad Receives Award

Mary Massad, Southwest Water Authority Manager/CEO, was recognized for her outstanding leadership abilities and extraordinary accomplishments in water operations. Massad received the *Outstanding Water Works Employee* award at the North Dakota Rural Water Systems Association Expo held in Bismarck, February 2, 2011.

Making Another Splash

The 12th Annual "Make A Splash" Water Festival was held September 15 and 16, 2011, at the Dickinson Recreation Center. Children and adults alike learned about water quality, the importance of conservation and the dangerous effects of pollution.

Background

The North Dakota State Legislature established the Southwest Water Authority (SWA) as a political subdivision in 1991 to manage, operate and maintain the Southwest Pipeline Project (SWPP). SWA is governed by a Board of Directors that represent the following counties: Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, Mercer, Morton, Oliver, Slope and Stark, as well as the cities of Dickinson and Mandan.

The SWPP was founded to bring a reliable source of quality water to the people living and working in the region. The project is responsible for transporting raw water from Lake Sakakawea to Dickinson. There the water is treated and delivered to customers throughout southwest North Dakota and Perkins County, South Dakota.

For over 26 years, the Project has been constructing a network of pipelines, pump stations, reservoirs, and treatment facilities. The SWPP proudly provides service to 28 communities, more than 4,000 rural service locations, 17 small businesses, and 20 raw water customers, in addition to Perkins County Rural Water System in South Dakota. The SWPP continues to take the greatest pride in its mission of providing quality water to meet the growing needs of southwest North Dakota.

Southwest Pipeline Project Rate History				
Year	2009	2010	2011	2012
Operations & Maintenance	\$ 1.05	\$ 1.06	\$ 1.06	\$ 1.12
Treatment	\$ 0.60	\$ 0.65	\$ 0.70	\$ 0.75
Replacement & Ext. Maint.	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35
Capital Repayment	\$ 1.05	\$ 1.04	\$ 1.05	\$ 1.09
Reserve Fund	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Total	\$ 3.12	\$ 3.17	\$ 3.23	\$ 3.38
Capital Repayment as a percentage of Total	33.65%	32.81%	32.51%	32.25%

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