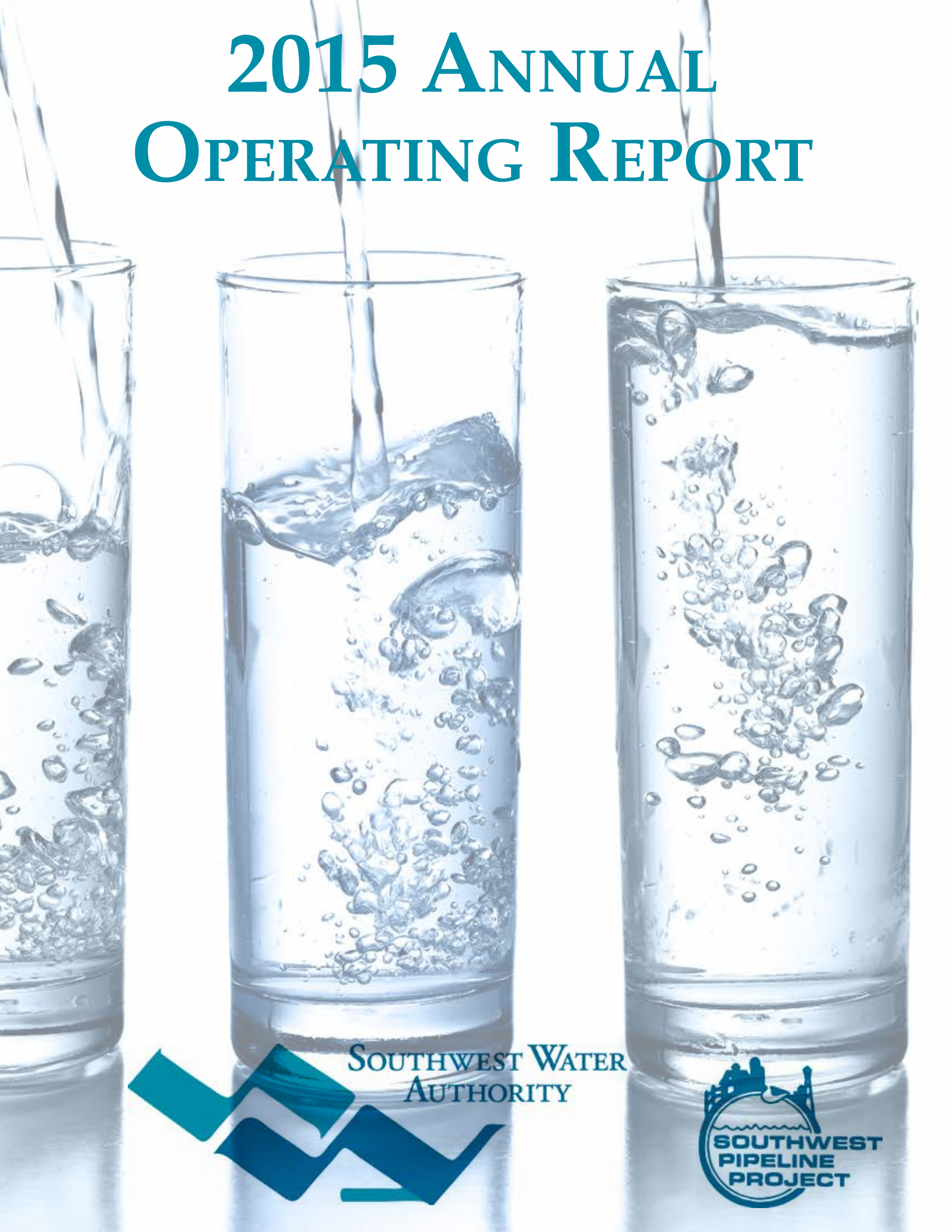
2015 Annual Operating Report



Southwest Water Authority

Southwest Pipeline Project

Our Vision

People and Business Succeeding With Quality Water

Our Mission

Quality Water for Southwest North Dakota

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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

North Dakota Legislature

Management, Operations & Maintenance

Southwest Water Authority 15 Elected Directors NDCC 61-24.5

Southwest Water Authority Executive Committee Elected Officers

Southwest Water Authority
Mary Massad, Manager/CEO

Construction & Project Owner

North Dakota State Water Commission
Governor/Chairman
Agriculture Commissioner
7 Appointed Members

Chief Engineer and Secretary to the Water Commission
Todd Sando, State Engineer

Water Development
Craig Odenbach, Director

Southwest Pipeline Project
Tim Freije, NAWS & SWPP Section Head
Sindhuja S. Pillai-Grinolds, SWPP Manager
Dale Binstock, Water Resources Senior Manager
Roger Kolling, Realty Officer

Administration

- Sandra Burwick, CFO/Office Administrator
- Misti Conzemius, Marketing Manager
- Kim Turner, Accountant/Assistant Office Administrator
- Leann Beaudoin, Accounting Support
- Cindy Fetch, Accounting Support
- Jen Murray, Executive Assistant
- Ginny Alexander, Signup and Easement Assistant
- Kristine Steele, Signup and Easement Assistant
- Christopher Price, HR/Risk Management Coordinator
- Wendy Serhienko, Billing Representative
- Sheryl Schmidt, Administrative Assistant
- Laura Jonio, Administrative Assistant
- Corey Pavlicek, Information Technology Specialist
- Valerie Wiedrich, Signup and Easement Assistant

Water Treatment Plant

- Grace Rixen-Handford, Water Treatment Manager
- Guy Mischel, Water Treatment Plant Operator
- Steve Ries, Water Treatment Plant Operator
- Dave Lupo, Water Treatment Plant Operator
- Ken Knight, Water Treatment Plant Operator
- AJ Sokolofsky, Water Treatment Plant Operator
- Jeffrey Altringer, Water Treatment Plant Operator, OMND
- Harlon Weidner, Water Treatment Plant Operator, OMND
- Lacey Rixen, Water Treatment Plant Operator
- Joe Froelich, Water Treatment Plant Operator
- Gladys Rahme Farhat, WTP/Distribution Maintenance Worker
- Michael Kasian, Water Treatment Plant Operator
- Tyler Roller, Water Treatment Plant Operator
- Kirsten Root, Water Treatment Plant Operator, OMND
- Jason Ulland, Water Treatment Plant Operator, OMND

Water Distribution Operators

- Lee Messer, Water Distribution Manager
- Andy Erickson, Assistant Water Distribution Manager
- Toby Turner, Chief Water Distribution Operator
- Allen Hecker, Assistant Chief Water Distribution Operator
- Jim Murphy, Assistant Chief Water Distribution Operator
- Dan Roller, Operations Specialist
- Terry Buechler, Assistant Operations Specialist
- Justin Kohanes, Water Distribution Operator, Sentinel Butte
- Bruce Mutchelknaus, Water Distribution Operator, Elgin
- Leo Miller, Water Distribution Operator, Reeder
- Chuck Magnuson, Maintenance Electrician
- Gary Nordstrom, Water Distribution Operator, OMND
- Jerry Whittington, Water Distribution Operator
- Gerald Mostad, Water Distribution Operator, Elgin
- Brad Kilde, Water Distribution Operator, OMND
- Mike Fried, Water Distribution Operator, Reeder
- Brandon Blum, Water Distribution Operator
- David Hottman, Water Distribution Maintenance Worker, OMND
- Sam Fritz, Water Distribution Maintenance Worker II
- James Farrell, Water Distribution Maintenance Worker II, OMND
- Tanner Meidinger, Water Distribution Maintenance Worker II
- Ryan Hagen, Master Electrician
- Todd Schafer, Water Distribution Maintenance Worker II, OMND

Outside Consultants

- Bartlett & West Inc., Engineer
- Brady, Martz & Associates, P.C., Auditor
- Dwyer Law Office PLLC, Legal Counsel
- Professional Computer Services LLP, Information Technology
- Hughes & Stuart, Public Education

SWA Board of Directors

Chairperson
Larry Bares
City of Dickinson

Vice Chairperson
James Odermann
Billings County

Secretary
Steve Schneider
Stark County

Ray Bieber
Hettinger County

Duane Bueligen
Oliver County

Jonathon Eaton
Adams County

Glenn Eckelberg
Dunn County

Marie Johnson
Mercer County

Dave Juntunen
Slope County

Bob Leingang
City of Mandan

Gene Allen
Golden Valley County

Brian Roth
Grant County

George Saxowsky
Morton County

Rick Seifert
Bowman County

Larry Stang
City of Dickinson

North Dakota State Water Commission

Governor Jack Dalrymple, Chairman - Bismarck, ND
Arne Berg - Devils Lake, ND
Larry L. Hanson - Bismarck, ND
Harley Swenson - Bismarck, ND
Douglas Vosper - Neche, ND
Doug Goehring, Ag Commissioner - Bismarck, ND
Maurice V. Foley - Minot, ND
George Nodland - Dickinson, ND
Robert Thompson - Page, ND

Southwest Water Authority Administration

Mary Massad
Manager/CEO

Sandra Burwick
CFO/Office Administrator

Misti Conzemius
Marketing Manager

Kim Turner
Accountant/ Asst. Office Admin

Leann Beaudoin
Accounting Support

Cindy Fetch
Accounting Support

Jen Murray
Executive Assistant

Ginny Alexander
Signup and Easement Assistant

Kristine Steele
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Christopher Price
HR/Risk Management

Wendy Serhienko
Billing Representative

Sheryl Schmidt
Administrative Assistant

Laura Jonio
Administrative Assistant

Corey Pavlicek
Information Technology Specialist

Valerie Wiedrich
Signup and Easement Assistant

Southwest Water Authority Treatment

Grace Rixen-Handford
Water Treatment Manager

Guy Mischel
Water Treatment Plant Operator

Steve Ries
Water Treatment Plant Operator

Dave Lupo
Water Treatment Plant Operator

Ken Knight
Water Treatment Plant Operator

AJ Sokolofsky
Water Treatment Plant Operator

Jeffrey Altringer
Water Treatment Plant Operator, OMND

Harlon Weidner
Water Treatment Plant Operator, OMND

Lacey Rixen
Water Treatment Plant Operator

Joe Froelich
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Gladys Rahme Farhat
WTP-Distribution Maintenance Worker

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Water Treatment Plant Operator

Tyler Roller
Water Treatment Plant Operator

Kirsten Root
Water Treatment Plant Operator, OMND

Jason Ulland
Water Treatment Plant Operator, OMND

Southwest Water Authority Distribution

Lee Messer
Water Distribution Manager

Andy Erickson, Jr.
Assistant Water Distribution Manager

Toby Turner
Chief Water Distribution Operator

James Murphy
Assistant Chief Water Distribution Operator

Dan Roller
Operations Specialist

Terry Beuchler
Assistant Operations Specialist

Justin Kohanes
Water Distribution Operator, Sentinel Butte

Bruce Mutschelknaus
Water Distribution Operator, Elgin

Leo Miller
Water Distribution Operator, Reeder

Chuck Magnuson
Maintenance Electrician

Gary Nordstrom
Water Distribution Operator, OMND

Jerry Whittington
Water Distribution Operator

Gerald Mostad
Water Distribution Operator, Elgin

Brad Kilde
Water Distribution Operator, OMND

Mike Fried
Water Distribution Operator, Reeder

Brandon Blum
Water Distribution Operator

David Hottman
Water Distribution Maintenance Worker, OMND

Sam Fritz
Water Distribution Maintenance Worker II

James Farrell
Water Distribution Maintenance Worker II, OMND

Tanner Meidinger
Water Distribution Maintenance Worker II

Ryan Hagen
Master Electrician

Todd Schafer
Water Distribution Maintenance Worker II, OMND

A Successful Project

Todd Sando
North Dakota
State Engineer

The past year, 2015, was another milestone year for the Southwest Pipeline Project (SWPP). The contract for the last rural distribution project in the Oliver, Mercer, North Dunn Service Area, covering the remaining geographical extent of the SWPP service area, was bid and construction initiated. Quality water is finally reaching hundreds of farmsteads in Dunn and portions of Mercer County. The SWPP made tremendous progress in 2015 with more than 42 million dollars invested in the Project. The city of Killdeer and approximately 600 rural customers began receiving quality SWPP water. The SWPP also started the construction of a new six Million Gallons per Day Water Treatment Plant in Dickinson to address the additional capacity needs for the Project.

The SWPP was able to make tremendous progress in the last few years, because of the favorable funding climate. With construction of the final rural distribution systems underway, the focus of construction on SWPP will shift toward expanding the intake, treatment and transmission capacities to meet the needs of the growing population of the Project area.

The SWPP has been, and continues to be, a successful 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 State Water Commission, Southwest Water Authority and the citizens of southwest North Dakota. Funding was made available through several supporting agencies, including the State Water Commission, United States Department of Agriculture-Rural Utility Service, Natural Resources Conservation Service, Bureau of Reclamation, Garrison Diversion Conservancy District, and the North Dakota Department of Health through the State Revolving Loan Fund. The Southwest Pipeline Project serves as a shining example of what can be realized when many work toward a common goal.

Chairman's Annual Address

Larry Bares
Chairperson
Board of Directors

The Southwest Pipeline Project's (SWPP) construction progress and financial stability can readily be seen in the 2015 Annual Operating Report.

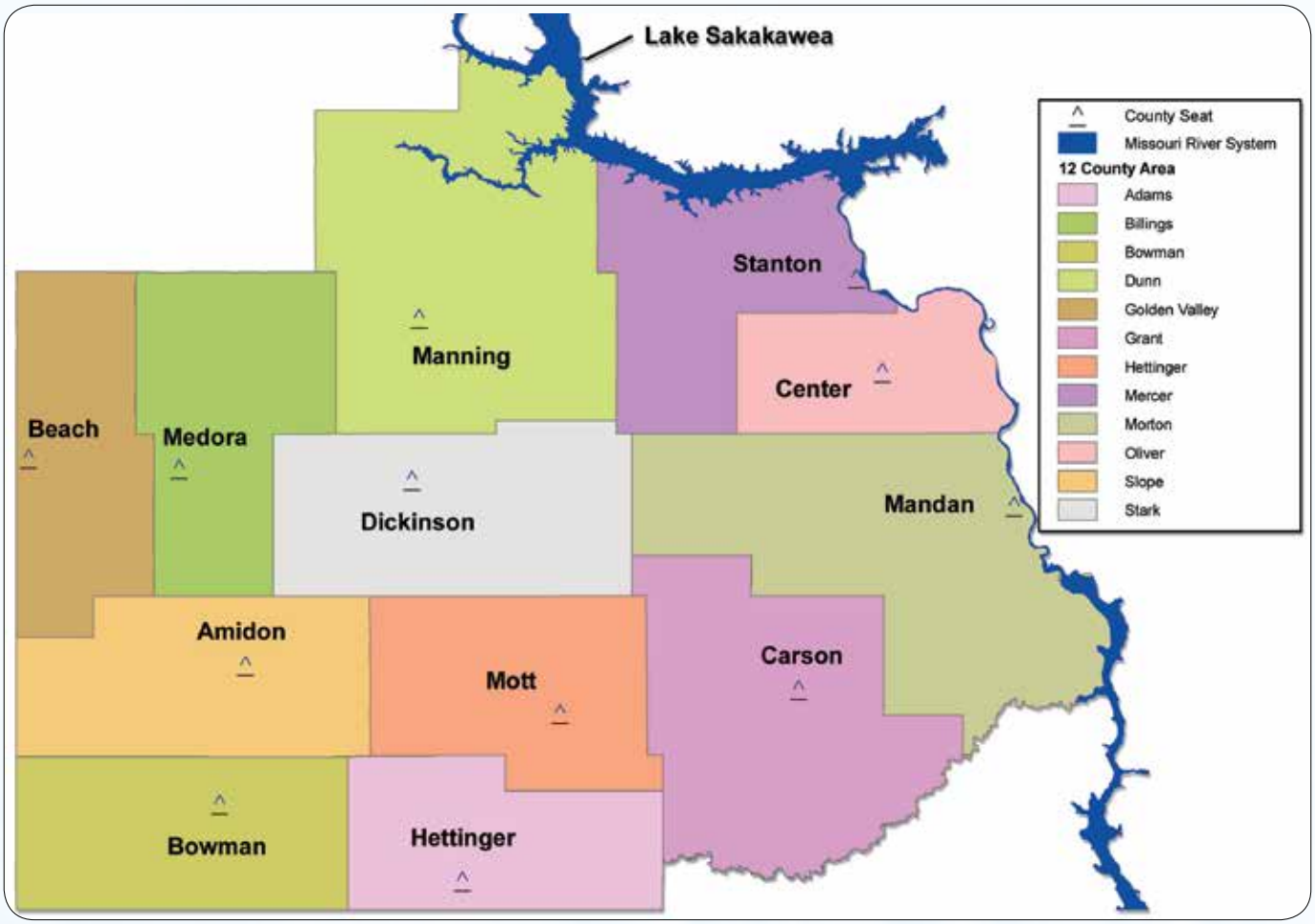
What's not so easy to see in this report is the dedication and hours spent behind the scenes by all of the elected members of the Southwest Water Authority's (SWA) Board of Directors. For it is by their on-going commitment that provided the strength, knowledge and foresight we need to meet the challenges and goals of 2015.

The success we realized in 2015 also would not have been possible without the continued professionalism and unwavering dedication displayed by SWA's Manager/CEO, Mary Massad, and all of SWA's staff.

Funding is also critical for the continued progress of the SWPP. In that effort, we have been very fortunate to have supportive agencies and leaders on the State and Federal levels. That is why, I remain grateful to the State Water Commission, its Chairman, Governor Jack Dalrymple, and its State Engineer, Todd Sando, for the continued support in our efforts.

As we enter into 2016, we take heed of the reality that the quality water provided by the SWPP is essential to the lives of those we serve and to the welfare of our economy.

All of these reasons are why I am very appreciative to the leaders who made their vision of "People and Business Succeeding with Quality Water" a reality. It is also why I remain steadfast with our mission of "Quality Water for southwest North Dakota."



2015 Construction Summary

Sindhuja S. Pillai-Grinolds
SWPP Manager

The Southwest Pipeline Project (SWPP) had a busy year of construction in 2015. Over 42 million dollars were spent on construction. More than 550 miles of rural distribution pipelines were installed and around 600 rural water users were served with SWPP water.

The main transmission line in Dunn County which serves Killdeer and Dunn Center, the one million gallon Dunn Center elevated tank, the 250,000 gallon Killdeer Mountain elevated tank, and the Finished Water Pump Station, which is a joint facility between the SWPP and the city of Dickinson became operational. The construction of the rural distribution systems in Oliver County is nearly complete. The construction of the supplemental intake is ongoing.

The contracts for the Halliday and Dunn Center Service Area rural distribution system and the six Million Gallons per Day water treatment plant in Dickinson were awarded.

The design of the additional raw water reservoirs and raw water transmission lines are ongoing.

Manager's Message

Mary Massad
Manager/CEO

The Annual Operating Report shows 2015 was a year of progress for Southwest Water Authority (SWA) — full of accomplishments, construction and project completions. By year's end, SWA was serving more than 6,200 rural customers, 33 communities, 26 contract customers, 21 raw customers, two rural water systems, and two raw water depots. During the past year, SWA added 589 rural customers through construction and 130 subsequent customers.

The Southwest Pipeline Project (SWPP) continued to reach new milestones and complete additional construction to bring water to those who wait. Construction contracts completed during 2015 included the Killdeer Mountain elevated storage tank, the Dunn Center elevated storage tank, and treatment capacity upgrades to the OMND Water Treatment Plant (WTP) and the Finished Water Pump Station. The main transmission line from the Dunn Center Booster to northwest of Killdeer was completed. By the end of 2015, SWA manages, operates and maintains more than 5,000 miles of pipeline throughout southwestern North Dakota.

The city of Killdeer was connected to the Southwest Pipeline Project (SWPP) in September. Additionally, the cities of Dunn Center, Dodge, Golden Valley and Halliday were converted to treated water from the OMND WTP, along with the Killdeer Mountain, Grassy Butte and North Fairfield Service Areas.

SWA saw the retirement of four dedicated employees this past year, which account for more than 113 years of cumulative public service in the water industry. John Nadvornick retired at the end of May 2015. John has been a dedicated employee at the WTP in Dickinson for more than 36 years. Steve Ries started at the WTP in 1986 and had 28 ½ years of service, and Guy Mischel retired after 24 years. Lee Messer retired at the end of 2015 after serving SWA for 24 years. Lee was hired as the first employee for the Project in 1991. Thank you, gentlemen, for your years of dedicated service to southwest North Dakota in the water industry. Not only am I fortunate to have had you on our team, but all those we serve. Three of our retirees - Lee Messer, Steve Ries and Guy Mischel - are back with us on a part-time basis in 2016. It is hoped they will continue working for SWA long into the future.

As we review 2015, many thanks must be given to the Project owner, the North Dakota State Water Commission, who continues in their unwavering support. Thank you to all of our board members for their commitment to the mission and vision of SWA. Without their leadership and ongoing dedication, the levels of success and economic viability of SWA would not have been realized as shown in this Annual Operating Report. Recognition must go to the solid team of SWA's employees who continue to accept and solve the daily challenges of the SWPP with positive attitudes and professionalism. For it truly takes all of us, the proud rural people of the southwest, to continue our mission of quality water for southwest North Dakota.

Distribution Operations & Maintenance Report

Lee Messer
Water Distribution Manager

The primary focus for development and construction of the Southwest Pipeline Project (SWPP) in 2015 was in the Oliver, Mercer, North Dunn (OMND) Service Area, where completion of the main transmission pipeline and facilities has provided many new operations and maintenance requirements for the water distribution staff. New pump stations include the Dunn Center Booster (125 HP pumps), Killdeer Mountain Booster (30 HP pumps) and North Fairfield Booster (20 HP pumps) delivering water to the new Dunn Center and Killdeer Mountain Elevated Tanks and the existing Fairfield Tank, respectively. The city of Killdeer became the latest and possibly last community to receive SWPP water. As construction activities continued on rural contracts, water service became available to several hundred rural customers, keeping the staff busy with new hookups.

As new facilities and customers were added to the operations and maintenance (O&M) requirements and responsibilities, it became necessary to acquire additional equipment, inventory and personnel. To accommodate these needs, a new satellite office was established in Hazen at 906 Sunrise Drive.

Construction of the Finished Water Pumping Station near the Water Treatment Plant in Dickinson provided several challenges for maintaining service to customers. New connections to existing lines and the six million gallon finished water reservoir required prefilling of downstream reservoirs and ensuring an uninterrupted supply of raw water to the treatment plant. Fortunately, all went well, and with completion of this project, we are better prepared to meet water demands.

Relocation and/or protection of existing pipelines continued as high priority items for O&M personnel in 2015. Land development, road construction projects, petroleum pipelines and foreign utility installations frequently conflict with SWPP facilities. When relocation is necessary, service interruptions, though unwelcome, are usually required. The distribution staff is committed to the quality of our product and zealously protects our facilities from contamination by petroleum pipelines crossing SWPP pipelines.

Despite the slowdown in the petroleum industry, Southwest Water Authority (SWA) pumped 2.467 billion gallons of water from the Intake facility in 2015, a decrease of approximately 1.2% from the 2014 total. This includes expansion to the OMND Service Area.

Water Treatment Report

Grace Rixen-Handford
Water Treatment Manager

Being a resident of rural southwest ND for over a decade, as the Water Treatment Manager for the Southwest Pipeline Project (SWPP), and an advocate for drinking SWPP quality tap water, there's nothing I take more seriously than the drinking water provided to Southwest Water Authority's customers.

During the year of 2015, SWA's certified water treatment operators conducted round-the-clock quality monitoring, to help ensure water coming out of our customer's faucets meets and/or exceeds federal Environmental Protection Agency's (EPA) and North Dakota's safe drinking water standards. Last year, Southwest Water Authority's certified operators treated over two billion gallons of water, 4,380 water quality tests, and 262,800 auto-sampling tests to help ensure the tap water is safe to drink.

The Water Treatment Plant (WTP) in Dickinson treated 1,947,394,000 gallons of raw water, and pumped a total of 1,711,720,900 gallons of treated water to the Southwest Pipeline Project during 2015.

Water production at the Water Treatment Plant in Dickinson was down from previous years due to reductions of industrial water sales. 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 OMND (Oliver, Mercer, North Dunn) Water Treatment Plant (WTP) had another successful year of operation. In 2015, the OMND WTP treated 292,354,000 gallons of raw water, and pumped a total of 249,530,000 gallons of treated water into the distribution system. Overall, the amount of treated water being supplied in 2015, increased by 23% as compared to last year, due to new customers being added throughout the year.

During 2015, SWA presented its 18th annual Drinking Water Quality Report (Consumer Confidence Report or CCR) to the customers served by the WTP in Dickinson and its 10th annual report to our customers in the three Morton County Pocket Service Areas. All five water systems continue to be in compliance with the North Dakota Department of Health and the EPA's regulations. For more information about the quality of SWA's drinking water visit www.SWWater.com, and click on Water Quality to learn more.

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

Richardton Pumping Station

- Sodium Permanganate ($NaMnO_4$): Taste and odor reduction (1,568.6 lbs.)

Dodge Pumping Station

- Ammonium Sulfate ($(NH_4)_2SO_4$) Disinfection (5,043.0 lbs.)
- Chlorine (Cl_2) Disinfection (23,112 lbs.)

Dickinson Water Treatment Plant (DWTP)

- Lime (CaO): Softening (2,339,975. lbs.)
- Aluminum Sulfate ($Al_2(SO_4)_3$): Cationic coagulant added for clarification (70,412.9 lbs.)
- Flocculants: Anionic emulsion added as a clarification aid (2,036.1 lbs.)
- Carbon Dioxide (CO_2): pH adjustment (665,951. lbs.)
- Phosphate ($K_2O_7P_2$): Corrosion inhibitor (30,583.3 lbs.)
- Ammonium Sulfate ($(NH_4)_2SO_4$): Disinfection (11,133.7 lbs.)
- Fluoride (H_2SiF_6): Promotes dental health (8,038. lbs.)
- Chlorine (Cl_2): Disinfection (52,124. lbs.)

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

- Ammonium Sulfate ($(NH_4)_2SO_4$): Disinfection (4,000 lbs.)
- Chlorine (Cl_2): Disinfection (8,000 lbs.)
- Fluoride (H_2SiF_6): Promotes dental health (4,364 lbs.)
- Vitec 3000: RO: Anti-Scalant (4,950 lbs.)
- Caustic Soda 50% (NaOH): pH adjustment (29,319 lbs.)
- Sodium Bisulfite ($NaHSO_3$): Dechlorination (12,230 lbs.)
- Sodium Hypochlorite (NaClO): UF membrane backwash water (8,485 lbs.)
- Citric Acid ($C_6H_8O_7$): Clean In Place (CIP) UF Membranes (1,984 lbs.)
- High pH cleaning product for Cleaning RO Membranes (40 gallons)
- Low pH cleaning product for Cleaning RO Membranes (40 gallons)

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 on domestic, rural water 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 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 6,200 rural service locations, 23 contract customers, 21 raw water customers, three crew camps 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 and Perkins County Rural Water System in South Dakota are also served by the Project.

In 2015, SWA installed more than 560 miles of pipeline while a total of 589 new customers were turned over for service. In August, Killdeer became the 33rd community served by the SWPP. Construction contracts completed during this past year include the Killdeer Mountain elevated tank, the Dunn Center elevated tank, a 1.5 million gallon per day upgrade to the OMND (Oliver, Mercer, North Dunn) Water Treatment Plant (WTP) and completion of the main transmission line from the Dunn Center Booster to northwest of the city of Killdeer. The cities of Dunn Center, Dodge, Golden Valley and Halliday were switched over to receiving treated water from the OMND WTP, along with the Killdeer Mountain, Grassy Butte and North Fairfield Service Areas.

The project pumped a total of 2,467,316,000 gallons of water from Lake Sakakawea in 2015. This is a decrease of 25,703,000 gallons from 2014. Potable water delivered in 2015 to contract customers was 1,738,416,700 gallons, rural customers used 369,855,300 gallons and construction used 29,276,700 gallons for a total of 2,365,418,450 gallons. Total raw water delivered in 2015 was 227,869,750 gallons. The water delivered to the end user was 95.87% of the total water pumped from Lake Sakakawea by the Southwest Pipeline Project.

Southwest Water Authority 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 2015 was 14,050,900 gallons.

Total water delivered to customers by Southwest Water Authority was 2,365,418,450 gallons.

Mill Levy Report

2015 Mill Levy Income $ 552,410.38

	Board of Directors	Administration	Easement	Sign-Up	Total
Per Diem/Salaries	$ 52,650.00	$ 491,091.32	$ 94,367.53	$ 93,988.91	$ 732,097.76
Benefits/Payroll Taxes	$ 4,936.17	$ 211,176.92	$ 35,546.36	$ 35,544.96	$ 287,204.41
Professional Fees	$ 75,975.76	$ 100,381.84	$ 33,126.51	$ 19,363.53	$ 228,847.64
Supplies	$ 537.47	$ 9,948.67	$ 3,284.63	$ 2,473.98	$ 16,244.75
Repairs	$ --	$ 6,512.38	$ 800.64	$ 799.64	$ 8,112.66
Travel	$ 37,499.20	$ 5,885.98	$ 4,383.18	$ 5,398.02	$ 53,166.38
Telephone/Internet	$ 6,299.82	$ 1,860.09	$ 1,826.95	$ 1,364.88	$ 11,351.74
Insurance	$ 9,879.25	$ 3,179.30	$ --	$ --	$ 13,058.55
Printing & Promotion	$ 16,917.36	$ 24,230.76	$ 644.62	$ 1,463.82	$ 43,256.56
Postage	$ 109.13	$ 3,091.66	$ 1,476.11	$ 534.87	$ 5,211.77
Dues & Subscriptions	$ 20,357.00	$ 19,927.98	$ --	$ --	$ 40,284.98
Development/Education	$ 3,855.00	$ 3,964.21	$ 1,424.61	$ 1,009.61	$ 10,253.43
Depreciation	$ 3,796.47	$ 9,936.22	$ 3,441.35	$ 3,441.29	$ 20,615.33
Miscellaneous	$ 1,492.30	$ 546.89	$ --	$ --	$ 2,039.19
Total	**$ 234,304.93**	**$ 891,734.22**	**$ 180,322.49**	**$ 165,383.51**	**$ 1,471,745.15**

Revenue necessary from other sources $ 919,334.77

Independent Auditor's Report

BRADY MARTZ
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of Southwest Water Authority as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of Significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion
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 Southwest Water Authority as of December 31, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 9 to the financial statements, the Southwest Water Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions an amendment to GASB Statement No. 27* and *Statement No. 71, Pension Transistion for Contributions Made Subsequent to the Measurement Date*. As discussed in Note 9 to the financial statements, the Authority has retroactively restated the previously reported Net Position in accordance with the statement.

Our opinion is not modified with respect to this matter.

Other Matters

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, and the schedule of employer contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

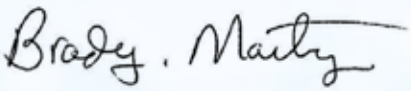
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Southwest Water Authority's basic financial statements. The schedules of expenses and the schedule of percentage change are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Expenses and the Schedule of Percentage Change are 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. Such 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, them supplementary information is 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 24, 2016 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 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 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 Authority's internal control over financial reporting and compliance.



BRADY, MARTZ & ASSOCIATES, P.C.
Bismarck, North Dakota
March 24, 2016

Independent Auditor's Report cont'd

SOUTHWEST WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

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 2015 and 2014. 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 $26,457,240 as of the end of the year 2015 compared with $24,754,790 as of the end of the year 2014. This is an increase in total assets of $1,702,450. The liabilities totaled $3,094,546 for 2015 compared with $1,575,744 for 2014. This is an increase in liabilities of $1,518,802. The assets exceeded its liabilities at the end of the year 2015 by $23,398,155 compared with $23,179,046 at the end of the year 2014. This is an increase in net position of $219,109.

Assets held at the American Trust Center total $16,505,582 at year-end 2015 compared with $13,506,919 at year-end 2014. The amount that is the Replacement and Extraordinary Maintenance Fund is $14,536,376 year-end 2015 compared with $11,573,551 at year-end 2014. This is an increase of $2,962,825. 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 $.55 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 $7.73 per 1,000 gallons sold to oil industry customers, and $5.14 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 $476,829 year-end 2015 compared with $508,197 at year-end 2014. This is a decrease of $31,368. Of this amount, $201,657 is restricted in 2015 and $284,970 is restricted in 2014. This is a decrease of $83,313. These are the hookup fees paid by customers who sign up for water. When water becomes available, the hookup fees are recognized as revenue. If, however, the Authority is unable to serve these individuals, the hookup fees must be refunded.

Total cash in bank as of the end of the year 2015 is $2,795,762 compared with $6,371,541 at the end of 2014. This is a decrease of $3,575,779. This is made up of checking and money market accounts.

The liabilities total $3,094,546 for year-end 2015 compared with $1,575,744 for year-end 2014. This is an increase in liabilities of $1,518,802. Of this amount, $1,371,110 is current liabilities mostly in the form of accounts payable. This compares with 2014 year-ending balance of $1,140,419 in current liabilities. This is an increase in current liabilities of $230,691. The longterm liabilities total $1,723,436 at year-end 2015 compared with $435,325 at year-end 2014. Of this amount, $1,431,506 is the net pension liability, which is not included in 2014. Also included in long-term liabilities are unearned hookup fees and rental deposits from tenants/customers. Unearned hookups fees for year-end 2015, are $201,657, compared with $284,970 year-end 2014. Unearned hookup fees are held in escrow for customers who have signed up for water service with the Southwest Pipeline Project (SWPP). When service becomes available, these funds will be released and will then be recognized as revenue. If the SWPP is unable to provide water service, these hookup fees will be refunded to the individual. Rental deposits from tenants/customers for year-end 2015 are $54,900, compared with $54,375 for year-end 2014.

In addition to assets, the statement of net position shows a separate section for *deferred pension outflows*. This separate financial statement element represents 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* represents actuarial differences within NDPERS pension 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*. This separate financial statement element, *deferred pension inflows*, represents 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* represents

actuarial differences within NDPERS pension plans. These amounts are deferred and recognized as an inflow 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 Changes in 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 SWPP. 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 2015 totaled $13,821,981 compared with $15,114,385 for 2014. This is a decrease in revenues of $1,292,404. The net income/net loss by department for 2015 are transmission net loss of $90,757, distribution net income of $131,026 and treatment a net loss of $127,741. This compares with net income/net loss by department for 2014 of transmission net income of $652,209, distribution net income of $328,075 and treatment net loss of $25,370.

The mill levy generated income of $552,410 for 2015 compared with $484,219 for 2014. This is an increase of $68,19. In 2015, the administration activities had a net income of $133,920 compared with a net loss of $51,965 for 2014. Administration includes activities for the board of directors, administration, sign up and easements.

The actual revenues and expenses were under budget. The revenues were under budget by 25% of projections and the expenses were under budget by 22%.

The Authority sold a total of 2,365,418,450 gallons of water in 2015 compared with 2,380,427,270 gallons of water in 2014. This is a decrease of 15,008,820. This is 9.72% under the projection for the year of 2,619,985,000 gallons for 2015.

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 may also contact the Authority online at swa@swwater.com or visit on the web at www.swwater.com.

Independent Auditor's Report cont'd

SOUTHWEST WATER AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2015

ASSETS	2015
Assets	
Current Assets	
Cash and cash equivalents - unrestricted	$ 1,926,802
Investments	1,969,206
Receivables:	
Accounts (net of allowance of $1,670)	970,316
Interest	16,117
Prepaid expenses	40,539
Inventory	570,632
Total current assets	5,500,012
Noncurrent Assets	
Restricted assets:	
Cash and cash equivalents	167,473
Investments	14,986,376
Interest receivable	130,556
Capital Assets:	
Land	109,196
Improvements, furniture and equipment, net	5,563,627
Total noncurrent assets	20,957,228
Total Assets	$ 26,457,240
Deferred Outflows	
Deferred Pension Outflows	$ 314,987

LIABILITIES AND NET POSITION	2015
Current Liabilities	
Accounts payable	$ 750,146
Accrued salaries	300,609
Compensated absences, current portion	168,585
Accrued expenses	128,253
Construction costs due SWWC	23,517
Total current liabilities	1,371,110
Long-term Liabilities	
Compensated absences, net of current portion	35,373
Unearned hookup fees	201,657
Rental/customer deposits	54,900
Net pension liability	1,431,506
Total long-term liabilities	1,723,436
Total Liabilities	3,094,546
Deferred Inflows	
Deferred Pension Inflows	279,436
Net Position	
Net investment in capital assets	5,672,823
Restricted for replacement	15,284,405
Unrestricted	2,440,155
Total Net Position	$ 23,398,155

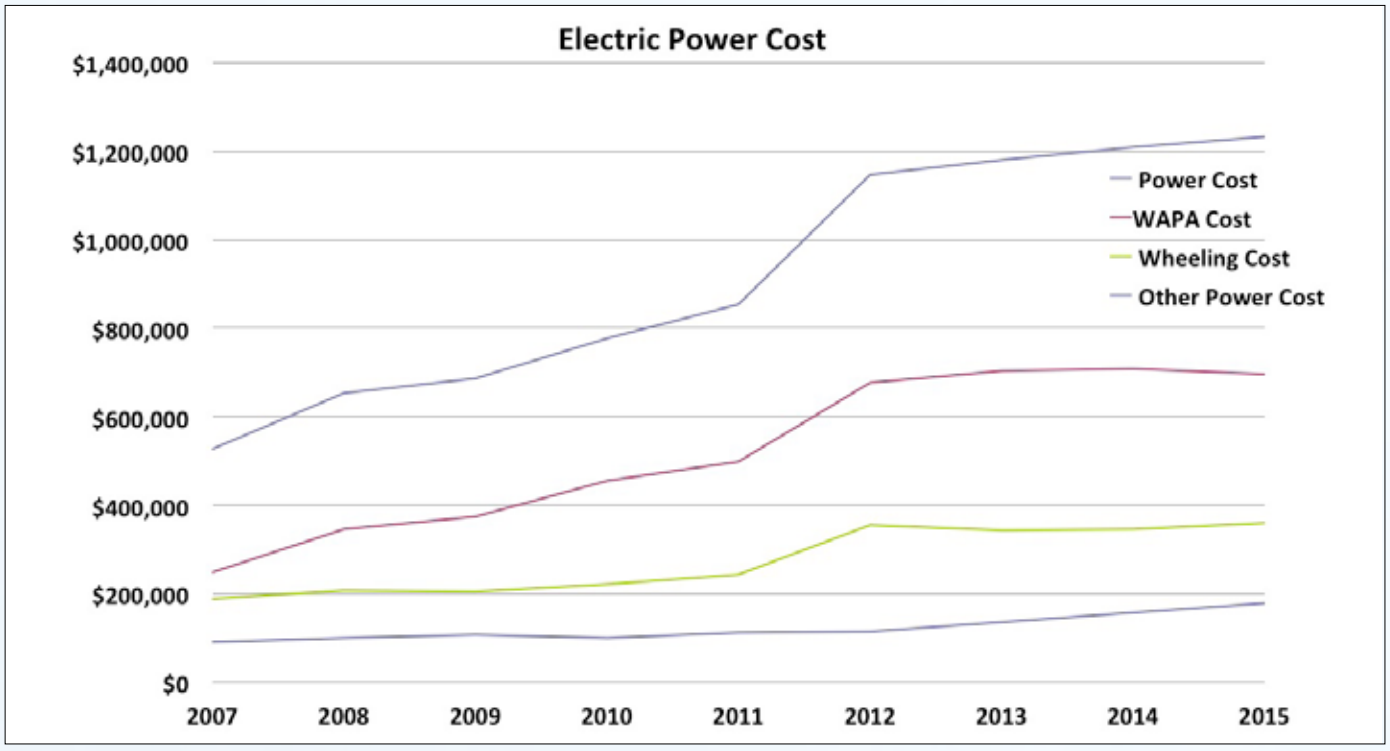
NOTE: This is not a complete set of financial statements. A complete set of financial statements are available at the Southwest Water Authority Office.

SOUTHWEST WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015
Operating revenues:	
Sales	$ 13,821,981
Hook up fee transfers	279,435
Other	179,756
Total operating revenues	14,281,172
Operating expenses:	
Transmission	6,340,037
Distribution	3,689,536
Board of directors	234,303
Administrative	891,734
Easement acquisition	180,325
Rural water sign-up	165,385
Customer service	172,795
Treatment	1,857,443
Total operating expenses	13,531,558
Operating gain	749,614
Nonoperating revenue:	
Property taxes	552,410
Unrealized gain/(loss) on investments	(151,361)
Investment income	510,665
Total nonoperating revenue	911,714
Change in net position	1,661,328
Total net position - beginning of year	23,179,046
Restatement due to implentation of GASB 68	(1,442,219)
Beginning of year, as restated	21,736,827
Total net position - end of year	$ 23,398,155

Electric Power Usage

Southwest Water Authority purchases power from the federal government through the Department of Energy for the main transmission pumping facilities throughout the 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. Southwest Water Authority pays for wheeling the power to the local utility companies.



Below is a chart illustrating the history of power costs at these locations:

WAPA Cost	2007	2008	2009	2010	2011
Beach Pump Station	$ 2,856.11	$ 4,061.44	$ 3,326.00	$ 5,254.64	$ 6,083.55
Bucyrus Pump Station	$ 5,201.13	$ 6,508.06	$ 8,718.89	$ 10,836.27	$ 10,530.90
Burt Pump Station	$ 2,212.72	$ 2,675.93	$ 3,519.60	$ 2,855.07	$ 3,765.80
Center Pump Station	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Dodge Pump Station	$ 34,711.35	$ 48,569.85	$ 52,391.38	$ 58,325.27	$ 71,045.58
Fryburg Pump Station	$ 3,761.52	$ 4,800.97	$ 5,280.61	$ 7,780.69	$ 9,138.29
Fresh Water Pump Station	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Intake Pump Station	$ 89,722.43	$ 128,326.67	$ 134,015.76	$ 160,412.27	$ 175,494.97
Jung Lake Pump Station	$ 15,780.66	$ 18,855.08	$ 24,407.09	$ 34,690.59	$ 31,036.80
Ray Christensen Pump Station	$ 32,541.01	$ 40,615.20	$ 47,822.65	$ 61,196.37	$ 66,915.15
Richardton Pump Station	$ 52,790.24	$ 79,483.76	$ 83,085.17	$ 99,634.04	$ 109,427.12
Scranton Pump Station	$ 1,908.07	$ 2,110.29	$ 1,282.49	$ 1,478.68	$ 1,592.24
Water Treatment Plant Dickinson	$ 6,877.99	$ 8,815.28	$ 9,805.41	$ 12,200.91	$ 13,269.84
Water Treatment Plant OMND	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Total	**$ 248,363.23**	**$ 344,822.53**	**$373,655.05**	**$ 454,664.80**	**$ 498,300.24**
Wheeling Cost	$ 188,240.59	$ 206,862.83	204,413.45	$ 221,161.88	$ 243,363.81
Other Power Cost	$ 90,609.45	$ 100,501.50	107,924.49	$ 100,541.19	$ 111,760.43
Total Power Cost	**$ 527,213.27**	**$ 652,186.86**	**$685,992.99**	**$ 776,367.87**	**$ 853,424.48**

WAPA Cost	2012	2013	2014	2015
Beach Pump Station	$ 6,080.73	$ 5,453.83	$ 6,851.62	$5,807.25
Bucyrus Pump Station	$ 11,802.40	$ 10,637.71	$ 8,865.25	$9,061.20
Burt Pump Station	$ 4,112.44	$ 3,567.94	$ 2,006.11	$2,268.46
Center Pump Station	$ 448.72	$ 2,856.93	$ 2,827.54	$4,284.56
Dodge Pump Station	$ 109,339.41	$ 108,393.23	$ 123,390.39	$103,801.26
Fryburg Pump Station	$ 9,898.95	$ 10,306.71	$ 10,544.87	$9,335.79
Fresh Water Pump Station	$ 0.00	$ 0.00	$ 0.00	$ 10,967.43
Intake Pump Station	$ 230,877.22	$ 246,905.11	$ 243,017.24	$231,363.86
Jung Lake Pump Station	$ 35,914.95	$ 35,863.70	$ 32,374.97	$34,053.04
Ray Christensen Pump Station	$ 77,218.27	$ 79,218.91	$ 70,551.69	$72,657.59
Richardton Pump Station	$ 153,474.25	$ 150,097.28	$ 153,294.60	$145,658.61
Scranton Pump Station	$ 2,438.64	$ 1,938.92	$ 1,556.50	$3,279.47
Water Treatment Plant Dickinson	$ 15,293.02	$ 13,472.40	$ 16,060.73	$18,062.59
Water Treatment Plant OMND	$ 20,612.86	$ 34,274.88	$ 36,573.24	$44,559.85
Total	**$ 677,511.86**	**$ 702,987.55**	**$ 707,914.75**	**$695,160.96**
Wheeling Cost	$ 355,437.21	$ 342,114.62	$ 345,425.34	$359,395.19
Other Power Cost	$ 115,013.88	$ 134,694.50	$ 156,522.83	$179,443.43
Total Power Cost	**$ 1,147,962.95**	**$ 1,179,796.67**	**$ 1,209,862.92**	**$1,234,000.58**

Service 2015

Treated Water Users & Gallons Used			
Alliance AG Co-op	200	Manning	3,835,900
Antelope Valley-Basin Electric	2,748,100	McKenzie Co. Grazing Association	419,000
Aries Land LLC	54,600	Medora	21,021,600
Assumption Abbey	1,360,000	Missouri Basin Well Service	3,563,600
Baker Boy	6,502,900	Mott	24,892,000
Beach	43,645,900	MWWS-OMND	40,482,500
Belfield	46,840,000	New England	25,525,700
Billings County	1,595,600	New Hradec	1,266,500
Carson	9,137,400	New Leipzig	5,410,900
Center	18,670,700	Northern Improvement Company	1,037,100
Coteau Properties	1,146,100	Perkins Co Rural Water System	141,482,000
Coyote Creek Mining	2,500	Prairie Learning Center	2,010,100
Dakota Gasification	3,595,600	Reeder	6,918,000
Dakota Prarire Refining	4,981,000	Regent	6,140,800
Dickinson	940,977,200	Rhame	5,873,500
Dickinson Research Center	848,400	Richardton	18,125,000
Dodge	3,343,000	Sacred Heart	405,000
Dunn Center	6,685,900	Scranton	10,648,400
East Weidner Bay	323,300	Sentinel Butte	5,117,900
Elgin	16,239,800	South Heart	18,183,800
Gladstone	7,982,200	Stanton	12,248,800
Glen Ullin	27,467,000	Stanton Station-Great River Energy	289,500
Golden Valley	6,600,400	Steffes Manufacturing	1,742,200
Golva	1,839,500	Target Logistics	2,420,300
GTLE Dakota Plant	318,000	Taylor	6,249,000
Halliday	13,163,600	West Medora Campground	2,224,000
Hazen	89,881,700	Zap	7,956,300
Hebron	24,907,000	Rural*	369,855,300
Hettinger	59,132,100	Construction	28,197,500
Home on the Range	1,300,000	Other	1,079,200
Karsky Dairy	1,817,000	**Total**	**2,137,548,700**
Killdeer	11,839,500		
Lakeshore Estates	1,375,500		
Lambourn, Travis & Tara	4,087,000	*Included in Rural Usage	
Leland Olds-Basin Electric	2,518,500	Missouri West Water System	14,050,900

Raw Water Users & Gallons Used					
Assumption Abbey	63,000	Fred Lorenz 2	585,200	Ken Richau (234)	57,900
Dodge Depot	8,709,000	Dan & Sue Moline	600	Ken Richau (365)	84,000
CB “Buck” Haas	315,000	Dan Neurohr	0	Ken Richau (415)	72,500
Ken Hueske	2,270,300	Perhus Brothers 1	207,500	Sacred Heart	594,000
Robert Jurgens	1,535,000	Perhus Brothers 2	198,800	SWA Depot	33,703,150
Gerald Kadrmas 1	15,800	Perhus Brothers 3	100	David Swenson	439,900
Gerald Kadrmas 2	107,200	Perhus Brothers 4	1,352,600	Shannon Weigum	118,200
Fred Lorenz 1	169,000	Red Tail Energy	177,271,000	**Total**	**227,869,750**

Total Water Used 2,365,418,450

Rural Water Usage History

Year	January	February	March	April	May	June	July
1995	638,000	722,000	797,000	841,000	934,000	1,282,000	1,601,000
1996	2,674,000	2,513,000	3,001,000	3,096,000	2,994,000	3,537,000	4,435,000
1997	4,508,000	4,513,300	3,876,400	4,383,300	4,642,000	5,516,800	6,041,300
1998	5,213,600	5,108,300	4,694,500	4,889,400	5,105,200	7,228,400	5,945,000
1999	5,627,700	5,355,100	4,912,600	6,081,700	5,589,900	6,078,700	7,307,200
2000	7,567,600	7,178,100	6,538,000	7,618,300	7,979,600	8,979,700	8,886,400
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

Year	August	September	October	November	December	Total
1995	1,708,000	1,822,000	1,531,000	1,839,000	2,130,000	**15,845,000**
1996	4,829,000	5,598,000	4,342,000	4,026,400	5,328,000	**46,373,400**
1997	6,136,200	5,623,200	6,124,000	4,679,100	4,853,000	**60,896,600**
1998	7,279,200	6,742,300	6,672,900	6,136,000	4,776,100	**69,790,900**
1999	8,430,100	7,579,700	7,742,800	6,717,200	7,047,500	**78,470,200**
2000	9,147,300	10,089,100	10,638,200	7,627,100	7,166,100	**99,415,500**
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**

Potable Water Usage

User	January	February	March	April	May	June
Alliance AG Co-op	0.00	0.20	0.00	0.00	0.00	0.00
Antelope Valley-Basin Electric	221.80	333.40	233.10	238.80	206.90	203.80
Aries Land LLC	15.80	10.40	13.90	5.50	1.30	3.70
Assumption Abbey	102.00	129.00	99.00	99.00	90.00	118.00
Baker Boy	297.70	374.70	415.30	512.50	544.10	709.40
Beach	2,692.90	2,980.50	2,854.60	2,852.10	3,495.40	4,353.60
Belfield	4,142.40	4,565.50	3,793.50	3,004.40	3,337.30	4,354.00
Billings County	0.00	0.00	0.00	138.90	184.80	206.10
Carson	575.50	713.50	703.80	610.90	800.30	792.50
Center	1,458.90	1,476.30	1,162.70	1,206.90	1,273.80	1,631.90
Coteau Properties	77.00	78.80	73.90	80.90	92.70	111.60
Coyote Creek Mining	0.00	0.00	0.00	0.00	0.00	0.00
Coyote Station - Otter Tail	0.00	0.00	0.00	0.00	0.00	0.00
Dakota Gasification	0.00	0.00	0.00	0.00	0.00	0.00
Dakota Prairie Refining	794.60	420.40	910.40	545.70	28.20	374.50
Dickinson	66,635.80	69,335.10	57,446.60	57,877.80	65,086.40	100,888.10
Dickinson Research Center	65.60	61.60	90.80	0.00	114.70	140.80
Dodge	303.00	280.00	339.00	202.00	248.00	325.00
Dunn Center	566.10	640.40	608.00	541.20	502.20	590.60
East Weidner Bay	0.00	0.00	0.00	0.00	11.30	22.10
Elgin	1,171.80	1,235.30	1,067.20	1,159.20	1,171.90	1,895.40
Gladstone	522.80	577.60	496.70	502.50	496.60	794.20
Glen Ullin	2,118.00	2,275.00	2,337.00	2,068.00	1,974.00	2,487.00
Golden Valley	460.30	1,315.40	369.30	388.30	425.00	574.30
Golva	159.40	138.30	124.10	120.10	132.80	152.40
GTLE Dakota Plant	0.00	0.00	0.00	0.00	0.00	0.00
Halliday	1,216.00	1,307.00	1,154.10	959.90	936.00	1,239.20
Hazen	6,140.30	6,664.90	5,430.90	5,550.90	6,060.30	8,837.90
Hebron	1,605.00	1,686.00	1,530.00	1,599.00	1,525.00	2,386.00
Hettinger	4,154.10	4,273.60	3,813.40	4,282.10	4,331.10	5,558.00
Home on the Range	124.50	121.00	120.00	118.50	125.10	132.90
Karsky Dairy	128.60	143.60	141.00	156.40	147.00	161.70
Killdeer	0.00	0.00	0.00	0.00	0.00	0.00
Lakeshore Estates	53.50	67.40	84.10	93.80	89.30	179.60
Lambourn, Traivs & Tara	128.60	106.00	335.80	418.50	431.80	457.80
Leland Olds-Basin Electric	508.80	574.10	328.30	136.50	175.50	145.50
Manning	184.20	297.40	334.50	426.10	508.10	569.40

per 1,000 Gallons

July	August	September	October	November	December	Total
0.00	0.00	0.00	0.00	0.00	0.00	**0.20**
277.60	203.10	283.90	191.40	199.20	155.10	**2,748.10**
1.50	0.00	0.00	0.00	1.30	1.20	**54.60**
131.00	170.20	118.80	116.00	99.00	88.00	**1,360.00**
662.10	755.60	703.70	675.40	501.00	351.40	**6,502.90**
5,981.20	6,476.40	4,240.40	3,266.70	2,358.80	2,093.30	**43,645.90**
4,404.20	5,721.70	4,415.90	3,165.30	2,403.20	3,532.60	**46,840.00**
205.30	357.50	230.50	254.90	17.60	0.00	**1,595.60**
809.40	1,010.70	876.20	911.60	690.80	642.20	**9,137.40**
1,676.70	2,539.60	2,009.50	1,841.90	1,172.10	1,220.40	**18,670.70**
114.00	138.40	104.60	99.10	102.70	72.40	**1,146.10**
0.00	0.00	0.00	0.00	0.00	2.50	**2.50**
0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
0.00	0.00	762.90	853.60	877.30	1,101.80	**3,595.60**
1,212.30	68.30	51.90	241.40	97.30	236.00	**4,981.00**
98,875.20	136,584.20	110,506.50	78,198.10	50,349.60	49,193.80	**940,977.20**
159.80	129.20	34.40	12.60	10.70	28.20	**848.40**
328.00	371.00	226.00	272.90	206.10	242.00	**3,343.00**
583.80	625.60	472.40	544.60	454.40	546.60	**6,685.90**
38.20	159.20	91.60	0.90	0.00	0.00	**323.30**
1,706.70	1,742.20	1,511.60	1,426.80	1,052.40	1,099.30	**16,239.80**
819.10	1,227.10	887.90	613.10	539.10	505.50	**7,982.20**
2,545.00	3,401.00	2,517.00	2,678.00	1,475.00	1,592.00	**27,467.00**
655.50	734.60	497.10	478.40	359.00	343.20	**6,600.40**
244.70	231.50	157.90	149.90	121.30	107.10	**1,839.50**
0.00	0.00	0.00	68.00	0.10	250.00	**318.00**
1,084.90	1,289.70	1,007.90	904.50	839.50	1,224.90	**13,163.60**
9,807.90	14,225.10	9,477.70	7,263.80	5,038.60	5,383.40	**89,881.70**
2,174.00	2,994.20	2,399.80	2,737.00	2,615.00	1,656.00	**24,907.00**
6,582.10	7,518.00	5,954.00	5,072.80	3,742.80	3,850.10	**59,132.10**
86.00	118.00	101.50	117.50	91.50	43.50	**1,300.00**
162.80	167.00	154.10	193.40	126.90	134.50	**1,187.00**
0.00	0.00	431.00	3,933.10	3,695.80	3,779.60	**11,839.50**
213.80	210.20	136.60	104.70	78.00	64.50	**1,375.50**
340.50	471.60	478.40	347.50	280.60	289.90	**4,087.00**
80.00	87.80	96.70	128.50	133.60	123.30	**2,518.60**
310.50	444.10	283.50	225.90	120.80	131.40	**3,835.90**

Potable Water Usage cont'd

User	January	February	March	April	May	June
McKenzie Co. Grazing Association	0.00	0.00	0.10	0.00	0.00	162.70
Medora	573.10	604.80	724.70	784.90	1,140.80	2,917.40
Missouri Basin Well Service	449.50	304.50	386.80	299.80	348.10	324.50
Mott	1,738.20	1,900.00	1,678.60	1,997.30	1,840.90	2,878.30
MWWS-OMND	1,962.30	1,294.00	1,936.40	2,363.30	2,342.30	3,394.60
New England	1,686.40	1,889.50	1,586.30	1,787.00	1,950.50	2,955.30
New Hradec	73.60	87.10	81.80	137.80	220.60	173.60
New Leipzig	453.30	495.80	373.40	409.00	358.80	514.10
Northern Improvement	52.10	90.70	124.50	65.60	38.00	79.60
Perkins County Rural Water System	9,824.90	11,252.80	10,618.60	11,233.60	10,316.60	13,482.30
Prairie Learning Center	91.80	84.80	112.40	139.00	221.80	145.20
Reeder	540.00	698.30	436.70	468.20	410.00	661.60
Regent	408.10	389.60	357.60	436.30	436.80	749.20
Rhame	346.10	358.70	339.30	379.30	355.30	586.90
Richardton	1,361.00	1,422.00	1,231.00	1,281.00	1,322.00	1,908.00
Sacred Heart	27.00	33.00	32.00	28.00	44.00	44.00
Scranton	553.80	600.80	528.00	737.20	831.70	1,210.50
Sentinel Butte	1,053.60	926.00	435.30	413.90	428.50	424.10
South Heart	1,077.70	1,284.40	1,102.40	927.70	1,138.60	1,808.80
Stanton	762.90	900.40	704.60	940.10	923.70	1,152.00
Stanton St-Great River Energy	20.50	24.30	22.50	29.50	24.30	26.90
Steffes Manufacturing	119.50	117.90	115.60	114.10	119.30	92.10
Target Logistics	222.30	242.30	211.50	209.70	203.60	243.60
Taylor	443.00	497.00	460.00	451.00	428.00	638.00
West Medora Campground	35.00	36.00	30.00	30.00	91.00	376.00
Zap	580.30	817.10	579.70	603.40	605.50	877.00
Monthly Total	**121,081.40**	**128,534.20**	**110,620.80**	**112,163.10**	**120,687.60**	**178,223.30**

per 1,000 Gallons

July	August	September	October	November	December	Total
118.90	22.70	92.50	22.10	0.00	0.00	**419.00**
3,787.70	4,824.60	3,066.50	1,198.00	577.30	821.80	**21,021.60**
146.80	235.20	222.10	328.90	252.70	264.70	**3,563.60**
2,387.30	2,662.10	2,122.60	2,369.10	1,712.40	1,605.20	**24,892.00**
4,502.40	5,829.40	4,868.20	4,816.50	3,803.70	3,369.40	**40,482.50**
2,616.80	2,935.10	2,616.50	2,658.60	1,418.80	1,424.90	**25,525.70**
89.30	105.90	80.30	83.30	65.70	67.50	**1,266.50**
541.10	631.80	436.20	460.20	398.20	339.00	**5,410.90**
99.40	127.60	139.60	84.50	101.60	33.90	**1,037.10**
14,493.50	16,772.80	13,643.30	12,051.60	9,266.60	8,525.40	**141,482.00**
259.90	285.80	286.50	244.30	34.60	104.00	**2,010.10**
599.90	1,031.30	528.40	621.90	560.80	360.90	**6,918.00**
563.00	768.40	513.60	618.10	491.50	408.60	**6,140.80**
786.30	808.20	529.40	550.70	431.20	402.10	**5,873.50**
1,718.00	2,485.20	1,639.80	1,506.00	1,077.00	1,174.00	**18,125.00**
37.00	40.20	28.80	34.00	31.00	26.00	**405.00**
1,118.40	1,396.20	1,315.80	1,084.30	655.90	615.80	**10,648.40**
325.00	381.20	252.30	196.00	172.80	109.20	**5,177.90**
2,126.20	2,833.80	2,241.50	1,903.30	930.20	809.20	**18,183.80**
1,571.30	1,692.50	1,109.60	998.90	748.40	744.40	**12,248.80**
23.10	24.40	23.10	26.30	23.40	21.20	**289.50**
106.90	108.40	112.20	442.30	194.60	98.90	**1,742.20**
209.80	222.30	168.40	173.90	129.20	183.70	**2,420.30**
608.00	958.00	666.00	459.00	324.00	317.00	**6,249.00**
530.00	638.00	342.00	43.00	43.00	30.00	**2,224.00**
652.90	870.00	660.40	669.50	528.30	512.20	**7,656.30**
182,292.70	**238,863.90**	**188,927.50**	**150,743.60**	**103,823.90**	**102,454.70**	**1,738,416.70**

Water Service Contracts

User	Billed	O&M	Treatment
Aries Land LLC	1,200.00	$ 1,655.99	$ 960.00
Assumption Abbey (Demand)	1,360.00	$ 1,876.80	$ 1,088.00
Assumption Abbey (Raw)	100.00	$ 138.00	$ --
Baker Boy	6,502.90	$ 8,974.01	$ 5,202.32
Basin Energy Antelope Valley	2,748.10	$ 3,792.37	$ 2,198.48
Basin Energy Leland Olds	2,518.60	$ 3,475.67	$ 2,014.88
Beach	43,645.90	$ 60,231.34	$ 34,916.72
Belfield	46,840.00	$ 71,990.23	$ 39,843.30
Billings County	1,595.60	$ 2,201.93	$ 1,276.48
Carson	9,137.40	$ 12,609.61	$ 7,309.92
Center	18,670.70	$ 25,765.56	$ 14,936.56
Coteau Properties - OMND	1,200.00	$ 1,656.00	$ 960.00
Coyote Creek Mining - OMND	352.20	$ 486.04	$ 281.76
Dakota Gasification Company - OMND	6,763.00	$ 9,332.94	$ 5,410.40
Dakota Prairie Refining	4,981.00	$ 11,936.03	$ 6,919.44
Dickinson	940,977.20	$ 1,312,940.60	$ 757,424.36
Dickinson Research Center	1,200.00	$ 1,656.00	$ 960.00
Dodge	3,343.00	$ 4,613.34	$ 2,674.40
Dodge Water Depot (Raw)	8,709.00	$ 17,418.00	$ 8,709.00
Dunn Center	6,685.90	$ 9,226.54	$ 5,348.72
East Weidner Bay	1,200.00	$ 1,656.00	$ 960.00
Elgin	16,239.80	$ 22,410.91	$ 12,991.84
Gladstone	7,982.20	$ 11,015.44	$ 6,385.76
Glen Ullin	27,467.00	$ 37,904.46	$ 21,973.60
Golden Valley	6,600.40	$ 9,108.54	$ 5,280.32
Golva	1,839.50	$ 2,538.50	$ 1,471.60
Great River Energy St. Stanton	1,200.00	$ 1,656.00	$ 960.00
GTLE Dakota Plant	1,200.00	$ 1,656.00	$ 960.00
Haas, CB “Buck”	315.00	$ 434.70	$ --
Halliday	13,163.60	$ 18,165.77	$ 10,530.88
Hazen	89,881.70	$ 124,036.75	$ 71,905.36
Hebron	24,907.00	$ 34,371.66	$ 19,925.60
Hettinger	59,132.10	$ 81,602.30	$ 47,305.68
Home on the Range	1,300.00	$ 1,794.00	$ 1,040.00
Hueske, Ken (Raw)	2,270.30	$ 3,133.01	$ --
Johnson, Ole	1,200.00	$ --	$ --
Jurgens, Robert	1,535.00	$ 2,118.30	$ --
Kadrmas, Gerald	100.00	$ 138.00	$ --
Kadrmas, Gerald	107.20	$ 147.94	$ --
Karsky Dairy	1,817.00	$ 2,507.46	$ 1,453.60
Killdeer	11,839.50	$ 16,338.51	$ 9,471.60
Lakeshore Estates	1,375.50	$ 1,898.19	$ 1,100.40
Lambourn, Travis & Tara	4,087.00	$ 5,640.06	$ 3,269.60

per 1,000 Gallons

Reserve	Replacement	Capital Repayment	Demand	O&M Distribution	Total
$ 84.00	$ 660.00	$ 1,368.00			**$ 4,727.99**
$ 95.20	$ 748.00	$ 1,550.40	$ 1,550.40		**$ 6,908.80**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 455.20	$ 3,576.60	$ 7,413.31			**$ 25,621.44**
$ 192.37	$ 1,511.46	$ 3,132.83			**$ 10,827.51**
$ 176.30	$ 1,385.23	$ 2,871.20			**$ 9,923.28**
$ 3,055.21	$ 24,005.25	$ 49,756.33			**$ 171,964.85**
$ 14,305.35	$ 106,149.07	$ 126,789.34		$ 39,600.71	**$ 398,678.00**
$ 111.69	$ 877.58	$ 1,818.98			**$ 6,286.66**
$ 639.62	$ 5,025.57	$ 10,416.64			**$ 36,001.36**
$ 1,306.95	$ 10,268.89	$ 21,284.60			**$ 73,562.56**
$ 84.00	$ 660.00	$ 1,368.00			**$ 4,728.00**
$ 24.65	$ 193.71	$ 401.51			**$ 1,387.67**
$ 473.41	$ 3,719.65	$ 7,709.82			**$ 26,646.22**
$ 605.45	$ 4,757.12	$ 9,860.20			**$ 34,078.24**
$ 87,456.49	$ 674,921.60	$ 1,216,402.48		$ 77,531.42	**$ 4,126,676.95**
$ 84.00	$ 660.00	$ 1,368.00	$ 1,368.00		**$ 6,096.00**
$ 234.01	$ 1,838.65	$ 3,811.02			**$ 13,171.42**
$ 8,709.00	$ 63,836.97	$ 63,836.97		$ 29,088.06	**$ 191,598.00**
$ 468.01	$ 3,677.26	$ 7,621.93			**$ 26,342.46**
$ 84.00	$ 660.00	$ 1,368.00	$ 1,368.00		**$ 6,096.00**
$ 1,136.79	$ 8,931.89	$ 18,513.37			**$ 63,984.80**
$ 558.75	$ 4,390.21	$ 9,099.71			**$ 31,449.87**
$ 1,922.69	$ 15,106.85	$ 31,312.38			**$ 108,219.98**
$ 462.03	$ 3,630.22	$ 7,524.46			**$ 26,005.57**
$ 128.77	$ 1,011.73	$ 2,097.03	$ 2,097.03		**$ 9,344.66**
$ 84.00	$ 660.00	$ 1,368.00			**$ 4,728.00**
$ 84.00	$ 660.00	$ 1,368.00			**$ 4,728.00**
$ 28.35	$ 173.25	$ 359.10			**$ 995.40**
$ 921.45	$ 7,239.98	$ 15,006.50			**$ 51,864.58**
$ 6,291.72	$ 49,434.94	$ 102,465.14			**$ 354,133.91**
$ 1,743.49	$ 13,698.85	$ 28,393.98			**$ 98,133.58**
$ 4,139.25	$ 32,522.66	$ 67,410.59			**$ 232,980.48**
$ 91.00	$ 715.00	$ 1,482.00	$ 1,482.00		**$ 6,604.00**
$ 204.33	$ 1,248.67	$ 2,588.14			**$ 7,174.15**
$ --	$ --	$ 1,368.00			**$ 1,368.00**
$ 138.15	$ 844.25	$ 1,749.90			**$ 4,850.60**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 9.65	$ 58.96	$ 122.21			**$ 338.76**
$ 127.19	$ 999.35	$ 2,071.38			**$ 7,158.98**
$ 828.77	$ 6,511.73	$ 13,497.03			**$ 46,647.64**
$ 96.29	$ 756.53	$ 1,568.07	$ 1,568.07		**$ 6,987.55**
$ 286.09	$ 2,247.85	$ 4,659.18			**$ 16,102.78**

Water Service Contracts cont'd

User	Billed	O&M	Treatment
Lorenz, Fred	169.00	$ 233.22	$ --
Lorenz, Fred	585.20	$ 807.58	$ --
Manning	3,835.90	$ 5,293.54	$ 3,068.72
McKenzie County Grazing Association	1,200.00	$ 1,656.00	$ 960.00
Medora	21,021.60	$ 29,009.81	$ 16,817.28
Missouri Basin Well Service	3,563.60	$ 7,127.20	$ 3,563.60
Missouri West Water System	40,482.50	$ 55,865.85	$ 32,386.00
Moline, Dale & Sue	100.00	$ 138.00	$ --
Mott	24,892.00	$ 34,350.96	$ 19,913.60
Neurohr, Dan	100.00	$ 138.00	$ --
New England	25,525.70	$ 35,225.47	$ 20,420.56
New Hradec	1,266.50	$ 1,747.77	$ 1,013.20
New Leipzig	5,410.90	$ 7,467.04	$ 4,328.72
Northern Improvement	1,200.00	$ 1,656.00	$ 960.00
Otter Tail-Coyote Station	1,200.00	$ 1,656.00	$ 960.00
Perhus Brothers	207.50	$ 286.35	$ --
Perhus Brothers	198.80	$ 274.34	$ --
Perhus Brothers	100.00	$ 138.00	$ --
Perhus Brothers	1,352.60	$ 1,866.59	$ --
Perkins County Rural Water System	141,482.00	$ 195,245.16	$ 113,185.60
Prairie Learning Center	2,010.10	$ 2,773.94	$ 1,608.08
Red Tail Energy	177,271.00	$ 244,633.98	$ --
Reeder	6,918.00	$ 9,546.84	$ 5,534.40
Regent	6,140.80	$ 8,474.30	$ 4,912.64
Rhame	5,873.50	$ 8,105.43	$ 4,698.80
Richardton	18,125.00	$ 25,012.50	$ 14,500.00
Richau, Ken	100.00	$ 138.00	$ --
Richau, Ken	100.00	$ 138.00	$ --
Richau, Ken	100.00	$ 138.00	$ --
Sacred Heart (Demand)	405.00	$ 558.90	$ 324.00
Sacred Heart Monastery (Raw)	594.00	$ 819.72	$ --
Scranton	10,648.40	$ 14,694.79	$ 8,518.72
Sentinel Butte	5,117.90	$ 8,438.95	$ 4,538.27
South Heart	18,183.80	$ 25,093.64	$ 14,547.04
Stanton	12,248.80	$ 16,903.34	$ 9,799.04
Steffes Corporation	1,742.20	$ 2,404.24	$ 1,393.76
SWA Water Depot (Raw)	33,703.15	$ 101,109.45	$ 33,703.15
Swenson, David & Douglas	439.90	$ 607.06	$ --
Target Logistics	2,420.30	$ 3,340.01	$ 1,936.24
Taylor	6,249.00	$ 8,623.62	$ 4,999.20
Weigum, Shanan	118.20	$ 163.12	$ --
West Medora Campground	2,224.00	$ 3,069.12	$ 1,779.20
Zap	7,709.50	$ 10,639.11	$ 6,167.60
Total:	**1,977,626.85**	**$ 2,817,858.64**	**$ 1,451,958.16**

per 1,000 Gallons

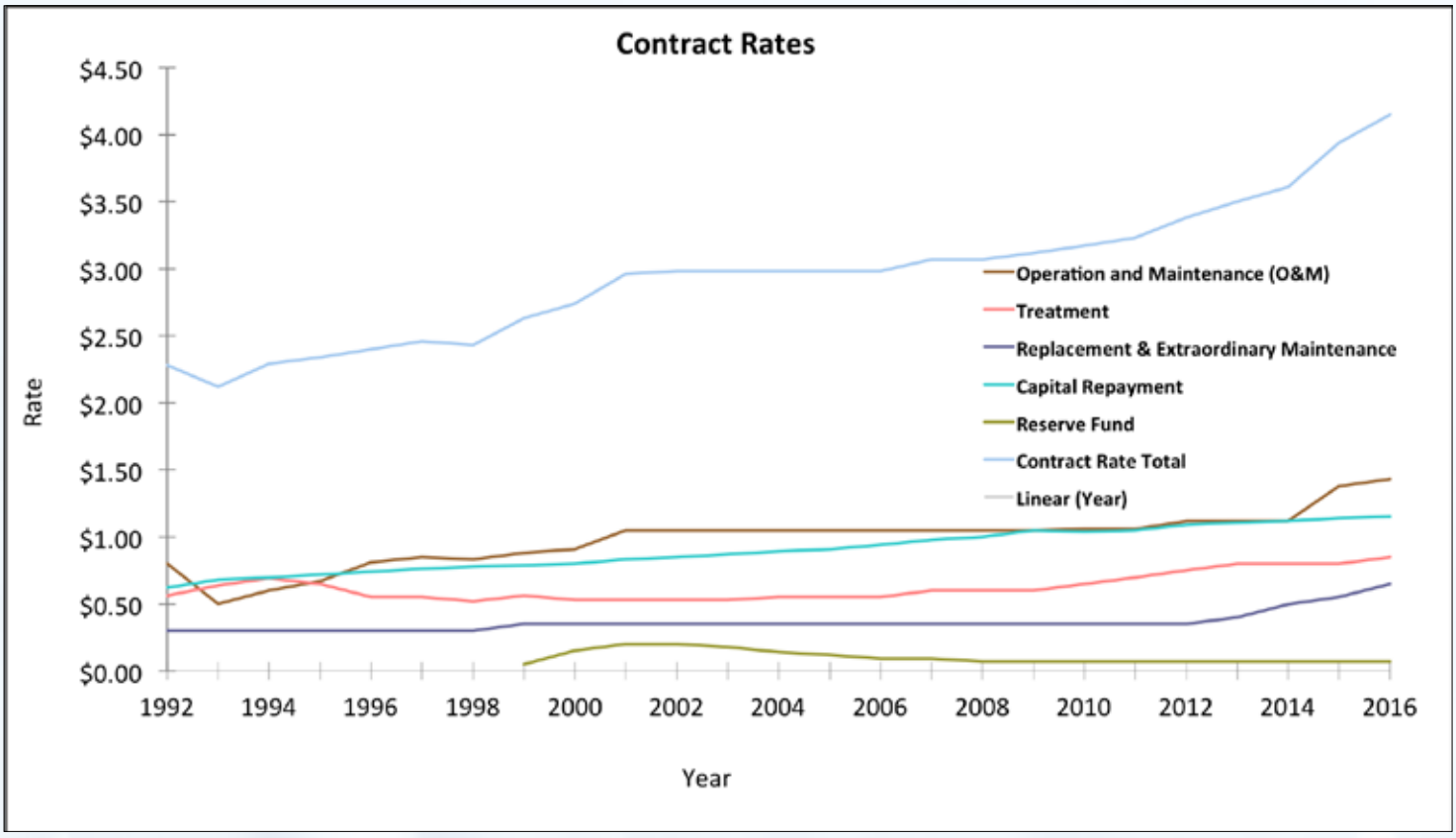
Reserve	Replacement	Capital Repayment	Demand	O&M Distribution	Total
$ 15.21	$ 92.95	$ 192.66			**$ 534.04**
$ 52.67	$ 321.86	$ 667.13			**$ 1,849.24**
$ 268.51	$ 2,109.75	$ 4,372.93			**$ 15,113.45**
$ 84.00	$ 660.00	$ 1,368.00	$ 4,372.93		**$ 9,100.93**
$ 1,471.51	$ 11,561.88	$ 23,964.62			**$ 82,825.10**
$ 3,563.60	$ 26,121.19	$ 26,121.19		$ 11,902.42	**$ 78,399.20**
$ 2,833.78	$ 22,265.38	$ 46,150.05			**$ 159,501.06**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 1,742.44	$ 13,690.60	$ 28,376.88			**$ 98,074.48**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 1,786.80	$ 14,039.14	$ 29,099.30			**$ 100,571.27**
$ 88.66	$ 696.58	$ 1,443.81	$ 1,443.81		**$ 6,433.83**
$ 378.76	$ 2,975.84	$ 6,168.43			**$ 21,318.79**
$ 84.00	$ 660.00	$ 1,368.00			**$ 4,728.00**
$ 84.00	$ 660.00	$ 1,368.00			**$ 4,728.00**
$ 18.68	$ 114.13	$ 236.55			**$ 655.71**
$ 17.89	$ 109.34	$ 226.63			**$ 628.20**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 121.73	$ 743.93	$ 1,541.96			**$ 4,274.21**
$ 9,903.74	$ 77,815.10	-			**$ 396,149.60**
$ 140.71	$ 1,105.56	$ 2,291.51			**$ 7,919.80**
$ 15,954.39	$ 97,499.05	$ 202,088.94			**$ 560,176.36**
$ 484.26	$ 3,809.90	$ 7,886.52			**$ 27,256.92**
$ 429.86	$ 3,377.44	$ 7,000.51			**$ 24,194.75**
$ 411.15	$ 3,230.43	$ 6,695.79			**$ 23,141.60**
$ 1,268.78	$ 9,968.75	$ 20,662.50			**$ 71,412.53**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 9.00	$ 55.00	$ 114.00			**$ 316.00**
$ 28.35	$ 222.75	$ 461.70	$ 461.70		**$ 2,057.40**
$ 53.46	$ 326.70	$ 677.16			**$ 1,877.04**
$ 745.39	$ 5,856.62	$ 12,139.18			**$ 41,954.70**
$ 2,422.62	$ 17,864.75	$ 19,547.66		$ 7,413.97	**$ 60,253.22**
$ 1,272.87	$ 10,001.09	$ 20,729.53			**$ 71,644.17**
$ 857.42	$ 6,736.84	$ 13,963.63			**$ 48,260.27**
$ 121.95	$ 958.21	$ 1,986.11			**$ 6,864.27**
$ 148,293.82	$ 173,234.14	$ 82,909.76		$ 202,218.90	**$ 741,469.22**
$ 39.59	$ 241.95	$ 501.49			**$ 1,390.09**
$ 169.42	$ 1,331.17	$ 2,759.14			**$ 9,535.98**
$ 437.43	$ 3,436.95	$ 7,123.86			**$ 24,621.06**
$ 10.64	$ 65.01	$ 134.75			**$ 373.52**
$ 155.68	$ 1,223.20	$ 2,535.36	$ 2,535.36		**$ 11,297.92**
$ 539.67	$ 4,240.23	$ 8,788.83			**$ 30,375.44**
$ 334,353.49	**$ 1,579,780.80**	**$ 2,448,662.98**	**$ 18,247.29**	**$ 367,755.48**	**$ 9,018,616.83**

Rates History

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
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
Treatment	$ 0.56	$ 0.64	$ 0.69	$ 0.65	$ 0.55	$ 0.55	$ 0.52	$ 0.56	$ 0.53	$ 0.53	$ 0.53
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
Capital Repayment	$ 0.62	$ 0.68	$ 0.70	$ 0.72	$ 0.74	$ 0.76	$ 0.78	$ 0.79	$ 0.80	$ 0.83	$ 0.85
Reserve Fund								$ 0.05	$ 0.15	$ 0.20	$ 0.20
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
Capital Repayment as a Percentage of Total	27.19%	32.08%	30.57%	30.77%	30.83%	30.89%	32.10%	30.04%	29.20%	28.04%	28.52%

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
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
Capital Repayment for Rural	$ 20.00	$ 20.00	$ 20.00	$ 21.95	$ 22.52	$ 23.25	$ 23.64	$ 23.96	$ 24.50	$ 25.34	$ 26.03
Capital Repayment as a Percentage of Total	80.00%	80.00%	80.00%	81.45%	80.43%	68.58%	69.73%	68.26%	68.44%	67.48%	68.05%

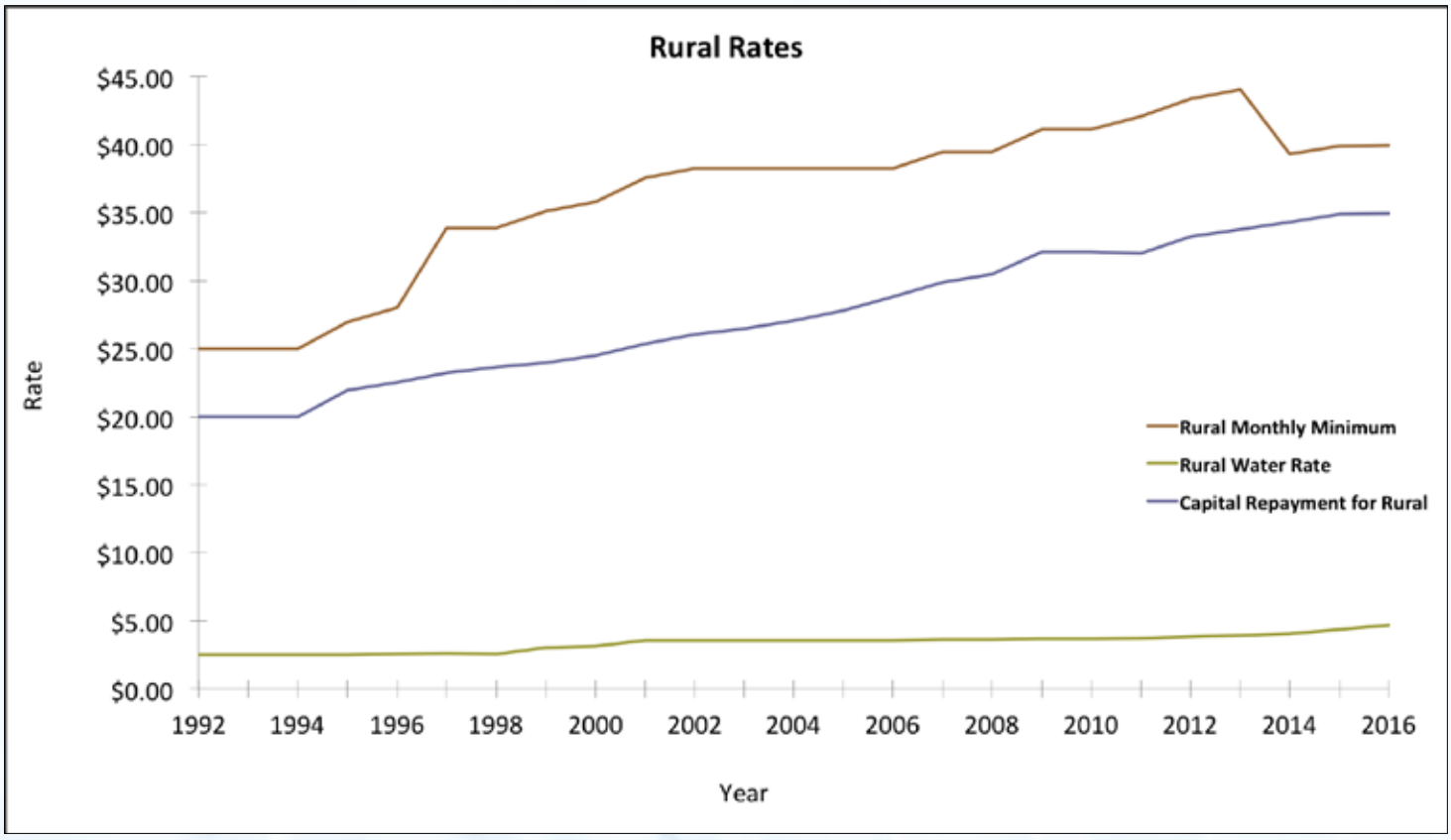
Consumer Price Index	2.90%	2.75%	2.67%	2.54%	2.61%	3.26%	1.67%	1.36%	2.27%	3.42%	2.72%



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
$ 1.05	$ 1.05	$ 1.05	$ 1.05	$ 1.05	$ 1.05	$ 1.05	$ 1.06	$ 1.06	$ 1.12	$ 1.12	$ 1.12	$ 1.38	$ 1.43
$ 0.53	$ 0.55	$ 0.55	$ 0.55	$ 0.60	$ 0.60	$ 0.60	$ 0.65	$ 0.70	$ 0.75	$ 0.80	$ 0.80	$ 0.80	$ 0.85
$ 0.35	$ 0.35	$ 0.35	$ 0.35	$ 0.35	$ 0.35	$ 0.35	$ 0.35	$ 0.35	$ 0.35	$ 0.40	$ 0.50	$ 0.55	$ 0.65
$ 0.87	$ 0.89	$ 0.91	$ 0.94	$ 0.98	$ 1.00	$ 1.05	$ 1.04	$ 1.05	$ 1.09	$ 1.11	$ 1.12	$ 1.14	$ 1.15
$ 0.18	$ 0.14	$ 0.12	$ 0.09	$ 0.09	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07
$ 2.98	$ 2.98	$ 2.98	$ 2.98	$ 3.07	$ 3.07	$ 3.12	$ 3.17	$ 3.23	$ 3.38	$ 3.50	$ 3.61	$ 3.94	$ 4.15
29.19%	29.87%	30.54%	31.54%	31.92%	32.57%	33.65%	32.81%	32.51%	32.25%	31.71%	31.02%	28.93%	27.71%

$ 38.25	$ 38.25	$ 38.25	$ 38.25	$ 39.45	$ 39.45	$ 41.10	$ 41.10	$ 42.10	$ 43.35	$ 44.05	$ 39.30	$ 39.88	$ 39.95
$ 3.60	$ 3.60	$ 3.60	$ 3.60	$ 3.65	$ 3.65	$ 3.70	$ 3.70	$ 3.75	$ 3.86	$ 3.96	$ 4.06	$ 4.39	$ 4.69
$ 26.50	$ 27.07	$ 27.79	$ 28.80	$ 29.90	$ 30.49	$ 32.13	$ 32.13	$ 32.01	$ 33.22	$ 33.78	$ 34.30	$ 34.88	$ 34.95
69.28%	70.77%	72.65%	75.29%	75.79%	77.29%	78.18%	78.18%	76.03%	76.63%	76.69%	87.28%	87.46%	87.48%

1.80%	2.15%	2.65%	3.63%	3.82%	1.97%	5.37%	-1.50%	1.15%	3.78%	1.69%	1.53%	1.69%	0.19%



Rates 2015

The water rate for rural customers in 2015 was raised to a minimum payment of $39.88 per month plus consumption. The rate for water per gallon is $4.39 per thousand gallons.

Rural Customers

Treatment	$0.80
Transmission Operations and Maintenance	$1.38
Transmission Replacement and Extraordinary Maintenance	$0.55
Transmission Reserve	$0.07
Distribution Operation and Maintenance	$1.34
Distribution Replacement	$0.10
Distribution Reserve	$0.15
Total	**$4.39**

The standard rural minimum fee ($39.88) is broken into two separate components: O&M fee and capital repayment. The capital repayment ($34.88) and O&M fee ($5.00) portions of the minimum are used to pay back to the Resources Trust Funds. After two years, the O&M fee is paid to the operations and maintenance fund, covering fixed O&M costs.

The 2015 rate for demand contract customers is $5.08 per 1,000 gallons of potable water.

Demand Contract Customers

Treatment	$0.80
Transmission Operation and Maintenance	$1.38
Transmission Replacement and Extraordinary Maintenance	$0.55
Capital Repayment	$1.14
Demand Charge	$1.14
Transmission Reserve	$0.07
Total	**$5.08**

The 2015 rate for contract customers was $3.94 per 1,000 gallons of potable water.

Contract Customers

Treatment	$0.80
Transmission Operation and Maintenance	$1.38
Transmission Replacement and Extraordinary Maintenance	$0.55
Capital Repayment	$1.14
Transmission Reserve	$0.07
Total	**$3.94**

The 2015 rate for oil industry customers was $22.00 per 1,000 gallons of water.

The raw water contract rate was $3.16 per 1,000 gallons of water. Raw water customers do not pay for the cost of treatment.

Rates 2016

Rural Customers

The rural monthly minimum will increase to $39.95. This rate will include capital repayment ($34.95) and O&M fee ($5.00). The capital repayment amount is tied to the Consumer Price Index and adjusted annually by the North Dakota State Water Commission. Capital repayment was increased by $0.07 for 2016.

The rural customer rate per 1,000 gallons will increase to $4.69.

Contract Customers

There will be a rate increase for demand, contract and raw customers. The demand rate will be $5.30 per 1,000 gallons of potable water. The contract customer rate will be $4.15 per 1,000 gallons of potable water. The raw water contract rate will be $3.32 per 1,000 gallons of water. The oil industry rate will remain at $22.00 per 1,000 gallons of water. For our demand, contract and raw water customers, capital repayment will increase $0.01, and transmission replacement and extraordinary maintenance will increase $0.10. For contract and demand customers, treatment will increase by $0.05, and the demand charge will increase $0.01. The transmission operating and maintenance will increase $0.05 for customers.

Replacement & Extraordinary Maintenance Fund

	1991-1998	1999	2000	2001	2002	2003	2004	2005	2006
Beginning Balance	$ 3,067,901	$ 1,630,497	$ 2,002,873	$ 2,314,893	$ 2,804,274	$ 3,301,016	$ 3,835,485	$ 4,220,502	$ 4,787,646
Contract Contributions	$ 1,447,534	$ 298,472	$ 320,454	$ 329,448	$ 333,308	$ 346,330	$ 335,340	$ 374,808	$ 424,777
Rural Contributions	$ 76,192	$ 33,369	$ 43,850	$ 44,066	$ 53,121	$ 62,334	$ 67,709	$ 64,725	$ 82,115
Interest	$ 162,870	$ 98,511	$ 121,376	$ 127,292	$ 160,258	$ 150,883	$ 188,625	$ 198,149	$ 202,716
Dividends	$ 28,619	$ 5,601	$ 9,137	$ 16,575	$ 4,016	$ 3,985	$ 2,279	$ 5,633	$ 8,203
Fiduciary Fees	$ (13,335)	$ (7,302)	$ (8,602)	$ (9,552)	$ (12,177)	$ (14,190)	$ (15,845)	$ (17,417)	$ (19,135)
Disbursements	$ (71,383)	$ (56,275)	$ (174,195)	$ (18,448)	$ (41,784)	$ (14,874)	$ (193,119)	$ (31,754)	$ (149,084)
Ending Balance	**$ 4,698,398**	**$ 2,002,873**	**$ 2,314,893**	**$ 2,804,274**	**$ 3,301,016**	**$ 3,835,485**	**$ 4,220,502**	**$ 4,787,646**	**$ 5,338,238**

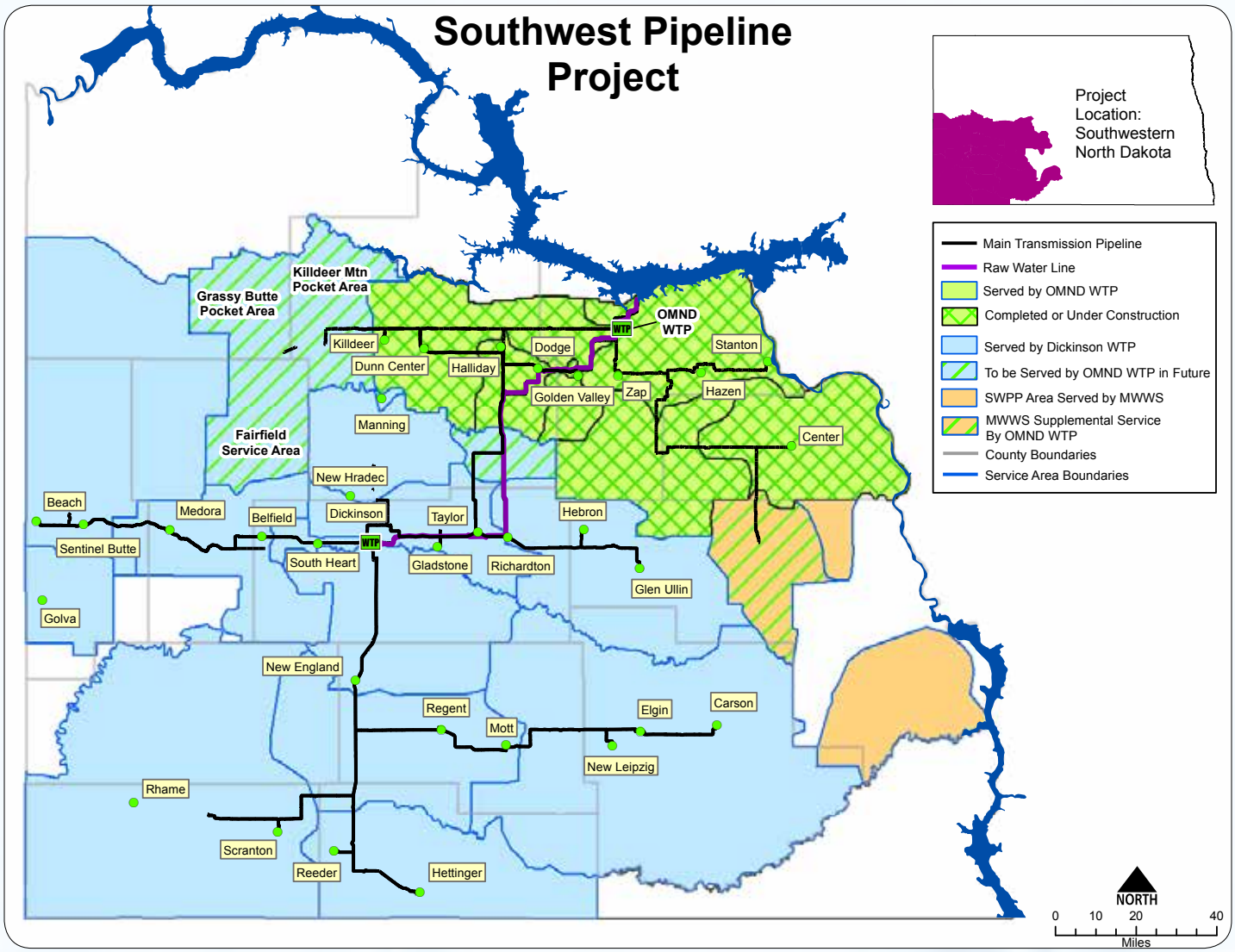
In 1981, when the Southwest Pipeline Project (SWPP) was authorized, the North Dakota Legislature established the Replacement & Extraordinary Maintenance (REM) Fund. This fund was set up to create an account to cover costs of an extraordinary nature or to replace parts of the SWPP in the years to come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

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, both 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 maintenance of the pipeline 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, especially to replace the existing 12 MGD Water Treatment Plant located in Dickinson, 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, and will be increased to $.65 per thousand gallons for 2016.

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

2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
$ 5,338,238	$ 6,141,750	$ 7,004,573	$ 7,865,343	$ 8,629,770	$ 9,232,440	$ 9,596,193	$ 10,956,243	$ 13,017,560	
$ 467,831	$ 472,933	$ 457,040	$ 478,501	$ 543,731	$ 799,134	$ 896,093	$ 2,146,195	$ 1,614,271	$ 12,060,199
$ 90,793	$ 106,858	$ 101,620	$ 115,801	$ 114,383	$ 140,126	$ 155,954	$ 172,580	$ 233,530	$ 1,759,127
$ 258,201	$ 295,859	$ 329,085	$ 331,850	$ 313,990	$ 332,206	$ 335,644	$ 355,634	$ 396,013	$ 4,359,188
$ 8,335	$ 12,461	$ 1,943	$ 12,412	$ 14,189	$ 22,163	$ 12,665	$ 14,585	$ 15,743	$ 198,545
$ (21,648)	$ (25,288)	$ (28,918)	$ (32,218)	$ (34,927)	$ (38,594)	$ (40,305)	$ (45,262)	$ (54,348)	$ (439,064)
$ 0	$ 0	$ 0	$ (141,919)	$ (348,696)	$ (891,282)	$ 0	$ (582,415)	$ 0	$ (2,715,228)
$ 6,141,750	$ 7,004,573	$ 7,865,343	$ 8,629,770	$ 9,232,440	$ 9,596,193	$ 10,956,243	$ 13,017,560	$ 15,222,769	$ 15,222,769



Annual Capital Repayment

Capital Repayment is a portion of the water rate charged by Southwest Water Authority (SWA) to pay back the cost of construction of the Project. In 1982, a study determined that due to economic constraints in southwest North Dakota, there would be a limit to the amount customers could pay in order to cover the cost of construction. Since capital repayment is based on the ability to pay, the portion of the rate designated for capital repayment is indexed to the Consumer Price Index (CPI) and adjusted annually by the ND State Water Commission (SWC).

For all contract customers, the capital repayment rate is based upon a per thousand gallons charge. For all rural customers, the capital repayment 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 capital repayment by water users throughout the system:

	1991-1995	1994	1995	1996	1997	1998
Contract	$ 414,498.00	$ 292,997.00	$ 408,563.00	$ 418,179.77	$ 487,828.22	$ 568,497.91
Rural	$ 5,540.00	$ 7,475.00	$ 95,616.00	$ 316,814.38	$ 370,085.00	$ 347,293.46
Total	**$ 420,038.00**	**$ 300,472.00**	**$ 504,179.00**	**$ 734,994.15**	**$ 857,913.22**	**$ 915,791.37**

	1999	2000	2001	2002	2003	2004
Contract	$ 580,865.33	$ 634,275.73	$ 751,392.41	$ 800,159.52	$ 861,015.31	$ 846,041.48
Rural	$ 445,131.91	$ 524,952.50	$ 556,470.52	$ 630,004.66	$ 718,768.94	$ 774,667.77
Total	**$ 1,025,997.24**	**$ 1,159,228.23**	**$ 1,307,862.93**	**$ 1,430,164.18**	**$ 1,579,784.25**	**$ 1,620,709.25**

	2005	2006	2007	2008	2009	2010
Contract	$ 897,289.69	$ 1,067,345.59	$ 1,244,385.61	$ 1,269,698.28	$ 1,255,131.37	$ 1,344,386.07
Rural	$ 809,668.64	$ 881,134.67	$ 1,063,680.25	$ 1,184,034.70	1,363,856.74	$ 1,432,160.52
Total	**$ 1,706,958.33**	**$ 1,948,480.26**	**$ 2,308,065.86**	**$ 2,453,732.98**	**$ 2,618,988.11**	**$ 2,776,546.59**

	2011	2012	2013	2014	2015	Total
Contract	$ 1,595,570.21	$ 2,634,953.62	$ 2,582,830.77	$ 2,955,122.24	$ 2,501,338.51	**$ 26,412,365.64**
Rural	$ 1,480,846.23	$ 1,652,322.24	$ 1,938,810.07	$ 2,139,203.24	$ 2,275,038.66	**$ 21,013,576.10**
Total	**$ 3,076,416.44**	**$ 4,287,275.86**	**$ 4,521,640.84**	**$ 5,094,325.48**	**$ 4,776,377.17**	**$ 47,425,941.74**

Southwest Pipeline Project Funding Sources

State Funding (in millions of dollars)

Resources Trust Fund	$155.85
Water Development Trust Fund	$8.47
Subtotal	**$164.32**

Grants

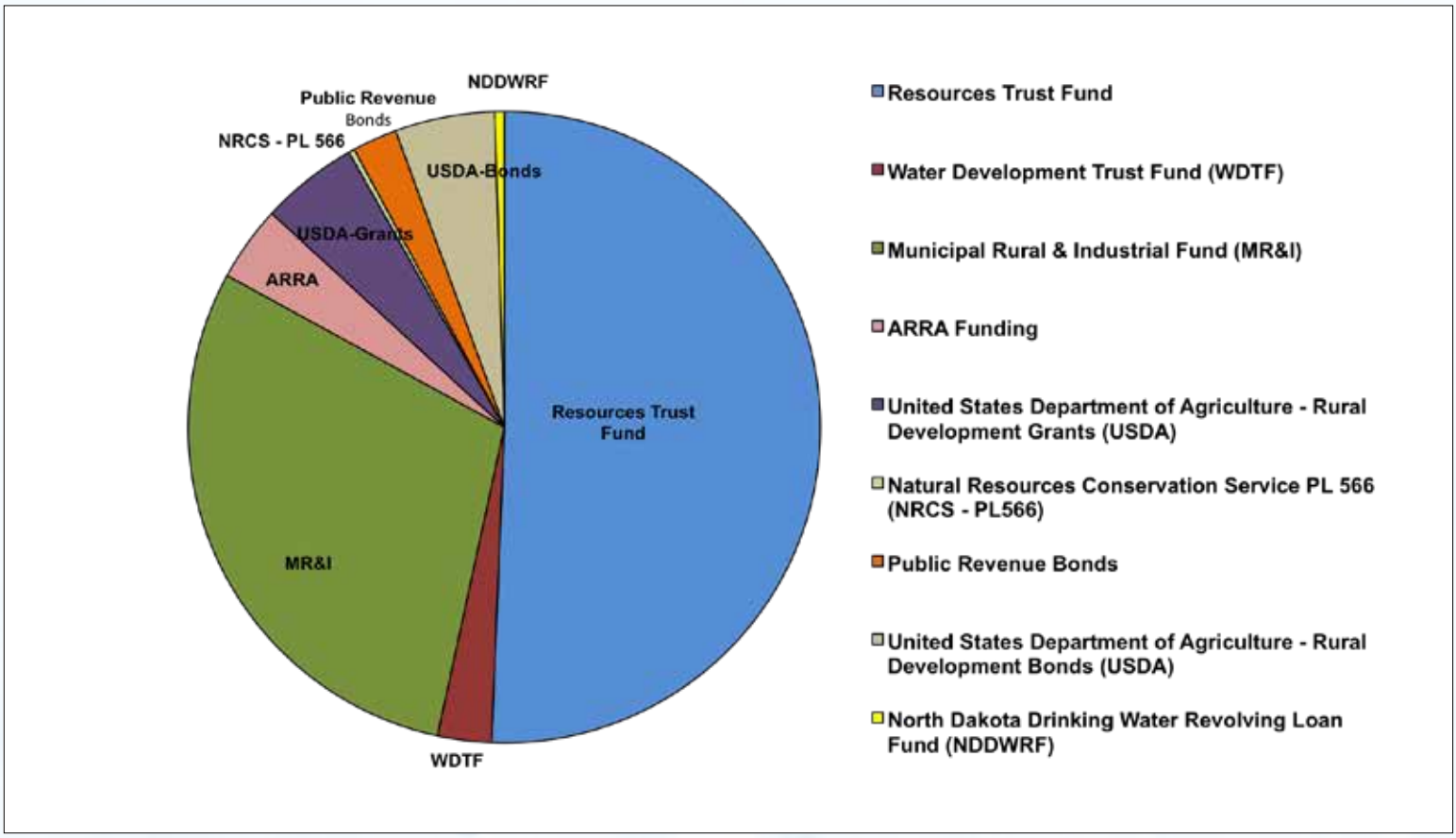
Garrison Diversion Conservancy District	
Municipal Rural & Industrial (MR&I) Fund (AARA Funding $11.90)	$102.92
United States Department of Agriculture - Rural Development (RUS)	$15.32
Natural Resources Conservation Service PL566	$0.93
Subtotal	**$119.17**

State Bonds Repaid by Users

Public Revenue Bonds	$7.04
United States Department of Agriculture - Rural Development	$15.70
ND Drinking Water Revolving Loan Fund	$1.50
Subtotal	**$24.24**

Total Funding **$307.73**

as of December 31, 2015



Southwest Pipeline Project (SWPP) Timeline

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Projects:	West River Diversion						SW Area Water Supply				
Organizations:									West River Water Supply District		

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Projects:	Southwest Pipeline Project (SWPP)										
Organizations:	Southwest Water Authority (SWA) (Political Subdivision)										

SWPP Historical Events:

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

Funding (in millions):

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
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:											

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
State Resources Trust Fund	0.77	1.46	1.77	1.18	0.70	1.34	4.21	0.83	0.33	3.06	2.38
Garrison Diversion MR&I	10.10	7.77	5.41	0.18	2.47	1.24					
Natural Resources Conservation Service	0.13	0.41	0.39								
Revenue Bonds				3.96	3.08						
USDA Rural Development (loans)					3.50	0.02	1.38	0.50	0.23	1.63	1.54
USDA Rural Development (grants)					1.04	1.54	1.59	2.48	0.92	1.04	0.56
Drinking Water State Revolving Loan Fund							1.00	0.50			
Water Development Trust Fund								1.45	5.17	0.26	0.45
TOTAL:	**11.00**	**9.64**	**7.75**	**5.32**	**10.79**	**4.14**	**8.18**	**5.76**	**6.65**	**5.99**	**4.93**

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Southwest Pipeline Project (SWPP)											
	West River Joint Board							SWA (Non- Profit)	SWA (Political Subdivision)		

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Southwest Pipeline Project (SWPP)										
Southwest Water Authority (SWA) (Political Subdivision)										

2001 – State Funding
Bowman-Scranton Phase
2003 – Medora-Beach Phase
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
Finished Water Pump Station completed

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
- - - - - -	23.60	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - -	- - - - -	- - - - - -	0.04	0.06	0.68
					7.38	8.33	6.67	2.65	5.32	6.87	5.30
	23.60				**7.38**	**8.33**	**6.67**	**2.65**	**5.36**	**6.93**	**5.98**

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
3.05	1.62	0.69	2.70	5.43	1.27	4.73	8.86	13.00	29.68	42.41	**155.85**
			2.94	1.13	4.64	16.91	5.64	1.97			**102.92**
											0.93
											7.04
	2.47	1.43	3.00								**15.70**
1.30	1.93	0.52	2.07	0.10				0.23			**15.32**
											1.50
	0.09	1.05									**8.47**
4.35	**6.11**	**3.69**	**10.71**	**6.66**	**5.91**	**21.64**	**14.50**	**15.20**	**29.68**	**42.41**	**307.73**

SOUTHWEST WATER AUTHORITY

SOUTHWEST PIPELINE PROJECT

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Online: www.SWwater.com Email: swa@swwater.com