

Southwest Water Authority Mill Levy Report

An ACT to amend and reenact section 61-24.5-10
of the North Dakota Century Code, relating to
the mill levy of the Southwest Water Authority.



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Legislation Behind Mill Levy

The promise of quality water for southwest North Dakota started in the 1970s. The promise has changed over the years as southwest North Dakota has changed. The need for quality water continues and the need continues to grow. The promise finally grew into construction in the 1980's. The need for local support was the driver for the establishment of Southwest Water Authority (SWA). The promise of water for SWA's region had begun.

SWA is a political subdivision which was born in the 1991 legislative session. SWA was patterned after the Garrison Diversion Conservancy District, which collects a permanent mill levy from its 28 counties. Garrison Diversion was established in 1955 as was its mill levy. The District has proven this funding mechanism is a tried-and-true method of funding water projects. It is an effective and reliable funding source showing local support for large regional water projects. The mill levy should be made permanent for SWA to both fund SWA and to provide local support.

Early drafts of legislation to create SWA had a permanent mill levy; however, it was revised to be temporary and in 1991 was introduced to include a one mill levy from 1992-1997 for the payment of administrative expenses. The one mill was taken from the mill levy authority of the joint water resource board, the West River Joint Board (WRJB). The WRJB is made up of participants from, Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, Mercer, Morton, Oliver, Slope, and Stark Counties. No increase in overall taxing authority for water related purposes has occurred from the joint water resource board shifting one mill of their two mill authority to SWA. If the WRJB were to become active again it would have only a one-mill authority as long as SWA has mill levy authority.

North Dakota Century Code (NDCC) 57-15-26.6 defines a water resource district's general tax levy may not exceed four mills on each dollar of taxable valuation in the county or portion of the county in the district. A water resource district is responsible to do all things reasonably necessary to preserve the benefits derived from the conservation, control and regulation of the water resources of the district. NDCC § 61-16.1-11 Operations of Water Resource Districts Joint Exercise of Powers states "The boards of the member districts then shall levy by resolution a tax not to exceed two mills upon the taxable valuation of the real property within each district within the river basin or region subject to the joint agreement. The levy may be in excess of any other levy authorized for a district." This gives water resource districts with joint boards the authority to levy up to six mills. There are 28 joint boards in North Dakota, with three of them inactive. See *Water Resource District Joint Boards table below*.

Water Resource District Joint Boards	Member Counties/WRD
Cass County Joint Board	Maple River, North Cass, Rush River, and Southwest Cass County WRDs
Devils Lake Basin Joint Board	Cavalier, Eddy, Nelson, Pierce, Ramsey, Rolette, Towner and Walsh
Dickey-Sargent Joint Board	Dickey and Sargent
Elm River Joint WRD	
Forest River Joint	Walsh, Grand Forks, and Nelson
Griggs/Barnes Joint WRD	Barnes and Griggs
Hurricane Lake Joint Board	Pierce, Towner, Rolette, and Benson
James River Joint Board	Inactive

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Water Resource District Joint Boards	Member Counties/WRD
Maple River & Barnes County Joint	Maple River and Barnes County WRDs
Maple River - Ransom Joint Board	Maple River and Ransom County WRD
Maple River - Richland Joint Water Resource Board	Cass/Maple River and Ransom County
Maple River - Rush River Joint	Maple River and Rush River WRD
Maple River - Southeast Cass Joint WRD	Maple River and Southeast Cass WRD
Maple River - Steele County Joint Board	Maple River and Steele County
McLean-Sheridan Joint Board	McLean and Sheridan
Missouri River Joint	Burleigh, Dunn, Emmons, Mercer, Morton, Mountrail, Oliver, and Sioux
North Cass and Rush River Joint Board	North Cass and Rush River WRD
Park River Joint WRD	Pembina and Walsh
Red River Joint	Barnes, Grand Forks, Maple River, Nelson County, North Cass, Pembina County, Ransom County, Richland County, Rush River, Sargent County, Southeast Cass, Steele County, Traill County, Walsh County
Richland-Cass Joint Water Resource Board	Richland and Cass Counties
Richland-Sargent Joint WRD	Richland and Sargent Counties
Rocky Run Joint	Foster County, Wells, and Eddy Counties
Sheyenne River Joint	Barnes, Ransom, Steele, Griggs, Nelson, Southeast Cass, and Richland
Souris River Joint	Renville, Ward, McHenry, and Bottineau
Southeast Cass - Rush River Joint	Southeast Cass and Rush River WRD
Tri-County Joint WRD Executive Board	
Upper Sheyenne River Joint	Barnes County, Benson County, Eddy County, Griggs County, Nelson County, Pierce County, Sheridan County, Steele County, Stutsman County
West River Joint	Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, Mercer, Morton, Oliver, Slope, Stark (Inactive)

28 Joint Water Boards currently exist in North Dakota - three of which are inactive (James River, Sheyenne River, and West River)

Since the inception of SWA in 1991, the WRJB has been inactive. With no local water resource district in the area, and an inactive joint board, there has been no local financial commitment to cover costs of water-related projects. Mill levy income assists in allowing SWA to provide for the supply and distribution of water for the future economic welfare and prosperity of the people of southwestern North Dakota. Collection of this mill levy offsets administrative expenses of SWA.

Extension of Mill Levy

Through legislation, the mill levy has been extended three times. SWA collected the mill levy from its 12 counties for the first time in 1993. The first extension was granted in 1995 which extended

the levy until 2006. Through legislation, the mill levy was extended again in 2001 and 2009 to buffer administrative costs, at a minimum, until the bulk of construction is completed. In 2020, the mill levy is scheduled to sunset and we are not done. There are nearly 500 potential customers on waiting lists and there is critical infrastructure yet to be installed to ensure quality water throughout southwest North Dakota. If the mill levy were to sunset, the taxing authority granted to SWA will once again be shifted back to the joint water resource board's authority. The need for the authorized use of the funds will not diminish. In fact, the needs will continue to grow.

Purpose and Allocation of Mill Levy

In southwest North Dakota, communities and rural areas did not have access to adequate quantities of high-quality drinking water. SWA was created to provide for the supply and distribution of water to the people of southwestern North Dakota for purposes including domestic, rural water, municipal, livestock, light industrial, mining, and other uses, with primary emphasis on domestic, rural water and municipal use.

The levy must be approved by a majority vote by the members of the Board of Directors and be sufficient to meet ongoing administrative costs. Administrative costs are defined as: per diem, mileage, and other expenses of directors, expenses of operating the office, and any other obligations and liabilities relating to administrative, clerical, engineering, surveying, easement acquisition, investigations, legal, and other related expenses of the authority. Such expenses are provided for in the annual budget and expenditures of mill levy income must be approved by the Board of Directors. Income collected from the mill levy is not tied to construction of the SWPP.

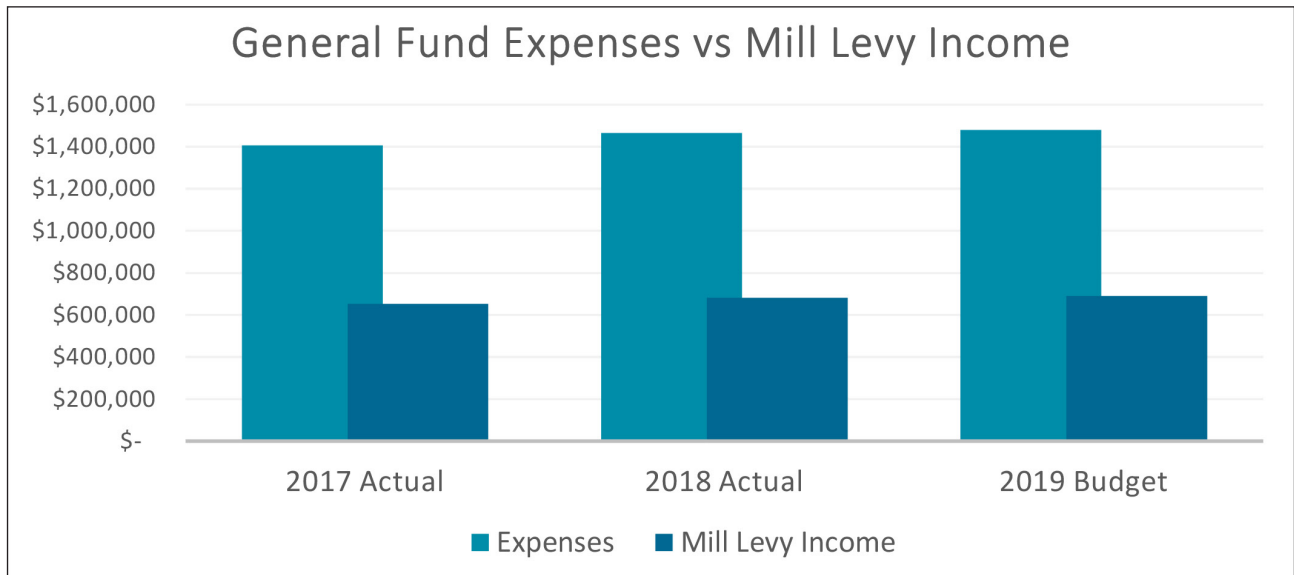
All operation and maintenance (O&M) costs are covered by water rates set by the Board of Directors. The collected mill levy is not used to assist with costs of treatment, transmission, or distribution of water through the SWPP. The SWA Board of Directors has expressed concern a sunset of the mill levy would negatively impact SWA's ability to deliver quality water to its customers throughout the 12 counties in southwest North Dakota served by the SWPP.

History of Mill Levy Income

The tax levied by SWA is collected from each of the 12 counties SWA serves. The annual mill levy income to SWA historically from 1995-2017 averaged \$275,620.40. Based on projections received from the counties, it is estimated the average annual mill levy income to SWA for the years 2018 to 2022 will be \$693,441.40.

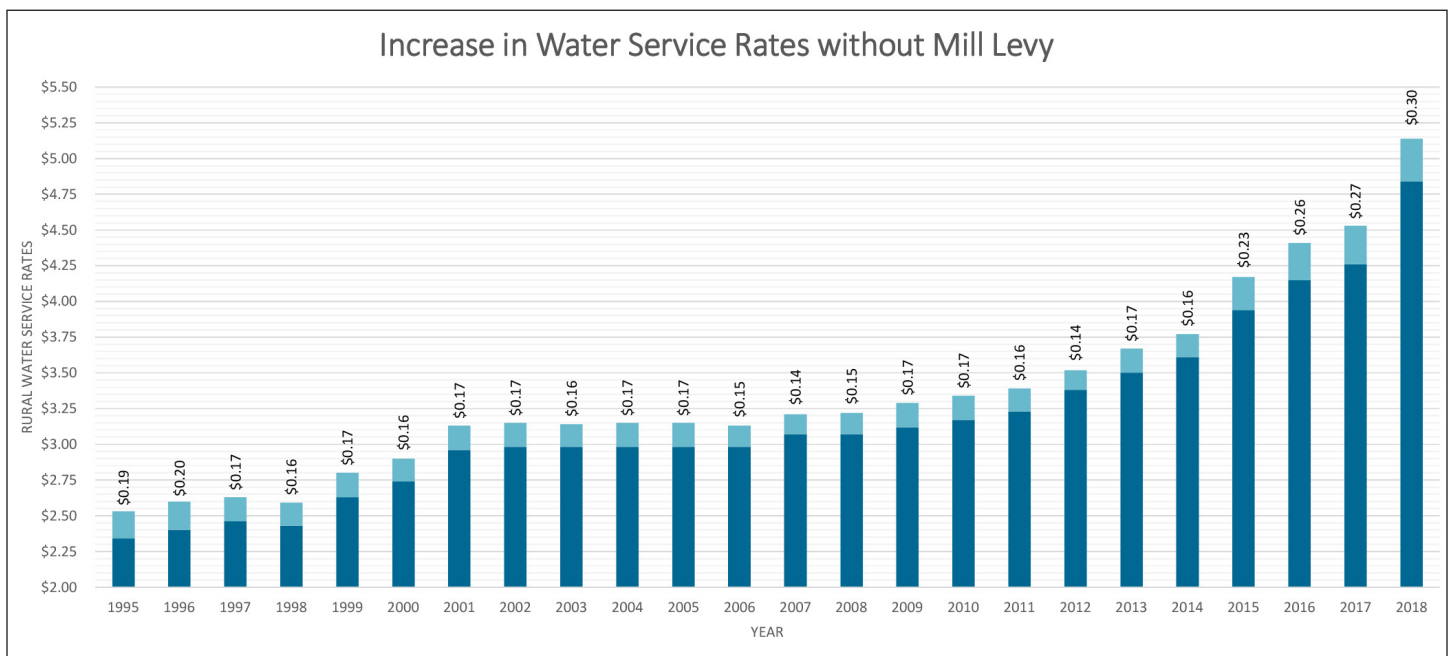
Percentage of General Fund Budget

In 2017, SWA budgeted \$620,000 for mill levy and actual income was \$653,082.88. The mill levy income paid for 46.5% of the General Fund total expenses. Revenue in the amount of \$752,751.23 was necessary from other sources. For 2018, SWA budgeted \$642,600 for mill levy, which is 62.7% of the General Fund Budget total expenses.



How Rates Would Be affected if Mill Levy Was Not Present

Revenue for operation, management, maintenance, and repayment of the SWPP comes from water service revenues from ALL Project customers. Water rates are set annually by the Board of Directors to cover such costs. The collection of the mill levy enables SWA to keep rates stable. If the mill levy revenue was not available to SWA during 1995-2017, SWA would have had to increase the water rate by \$0.18/1,000 gallons. For the years 2018-2022, the water rate would need to increase by \$0.30/1,000 gallons to cover General Fund expenses.



Mill Levy Affect On Water Rates

	Mill Levy Collected by SWA	Gallons Sold (in thousand gallons)	Increase in Rates
1995	\$ 134,390.18	698,868	\$ 0.19
1996	\$ 158,474.02	808,329	\$ 0.20
1997	\$ 142,270.63	833,382	\$ 0.17
1998	\$ 144,699.37	931,702	\$ 0.16
1999	\$ 163,408.57	938,167	\$ 0.17
2000	\$ 162,112.18	1,020,280	\$ 0.16
2001	\$ 173,441.75	1,038,329	\$ 0.17
2002	\$ 177,510.67	1,074,724	\$ 0.17
2003	\$ 182,411.67	1,124,526	\$ 0.16
2004	\$ 193,777.75	1,123,040	\$ 0.17
2005	\$ 196,923.21	1,136,911	\$ 0.17
2006	\$ 209,721.87	1,402,348	\$ 0.15
2007	\$ 219,607.00	1,518,776	\$ 0.14
2008	\$ 236,071.24	1,597,024	\$ 0.15
2009	\$ 257,554.80	1,497,744	\$ 0.17
2010	\$ 276,564.24	1,600,642	\$ 0.17
2011	\$ 292,603.42	1,775,558	\$ 0.16
2012	\$ 341,631.26	2,373,063	\$ 0.14
2013	\$ 394,703.09	2,335,642	\$ 0.17
2014	\$ 415,255.00	2,595,950	\$ 0.16
2015	\$ 552,410.38	2,365,418	\$ 0.23
2016	\$ 621,831.45	2,377,511	\$ 0.26
2017	\$ 643,082.88	2,442,561	\$ 0.27
2018	\$ 681,769.82	2,269,833	\$ 0.30
2019	\$ 690,500.00	2,372,014	\$ 0.29
2020	\$ 725,100.00	2,443,300	\$ 0.30
2021	\$ 761,400.00	2,512,300	\$ 0.30
2022	\$ 799,500.00	2,583,300	\$ 0.31
2023	\$ 839,500.00	2,656,400	\$ 0.32
2024	\$ 881,500.00	2,731,600	\$ 0.32

Note: Increase in Rates is not cumulative

Benefits to Southwest North Dakota

All areas of southwest North Dakota have benefitted from the Southwest Pipeline Project. This includes rural farms receiving their first glass of clear quality water, cities growing with an adequate supply of quality water and the energy sector prospering due to available water for both their employees and the industry. A local contribution of one mill for the existence and support of quality water which provides quality of life is necessary. Water has made it possible for southwest North Dakota to prosper economically. The one mill levy in southwest North Dakota shows local support for the Project. It provides the “skin in the game” so often talked about being needed by the local entities and constituents for water development.

The promise to the citizens of southwest North Dakota is an adequate supply of water for quality of life and economic development. The region has changed over the years since construction started 32 years ago. The region is growing as are the water needs. The mill levy is needed to show the continued support of the region to meet the continued increased demand for quality water. We are all successful working together to this end with the local region and the state meeting the needs of our citizens. All 12 counties see benefits of providing quality water for the region. The population has been growing where water is available. This is the method of support needed to continue to grow the economic engine in southwest North Dakota.

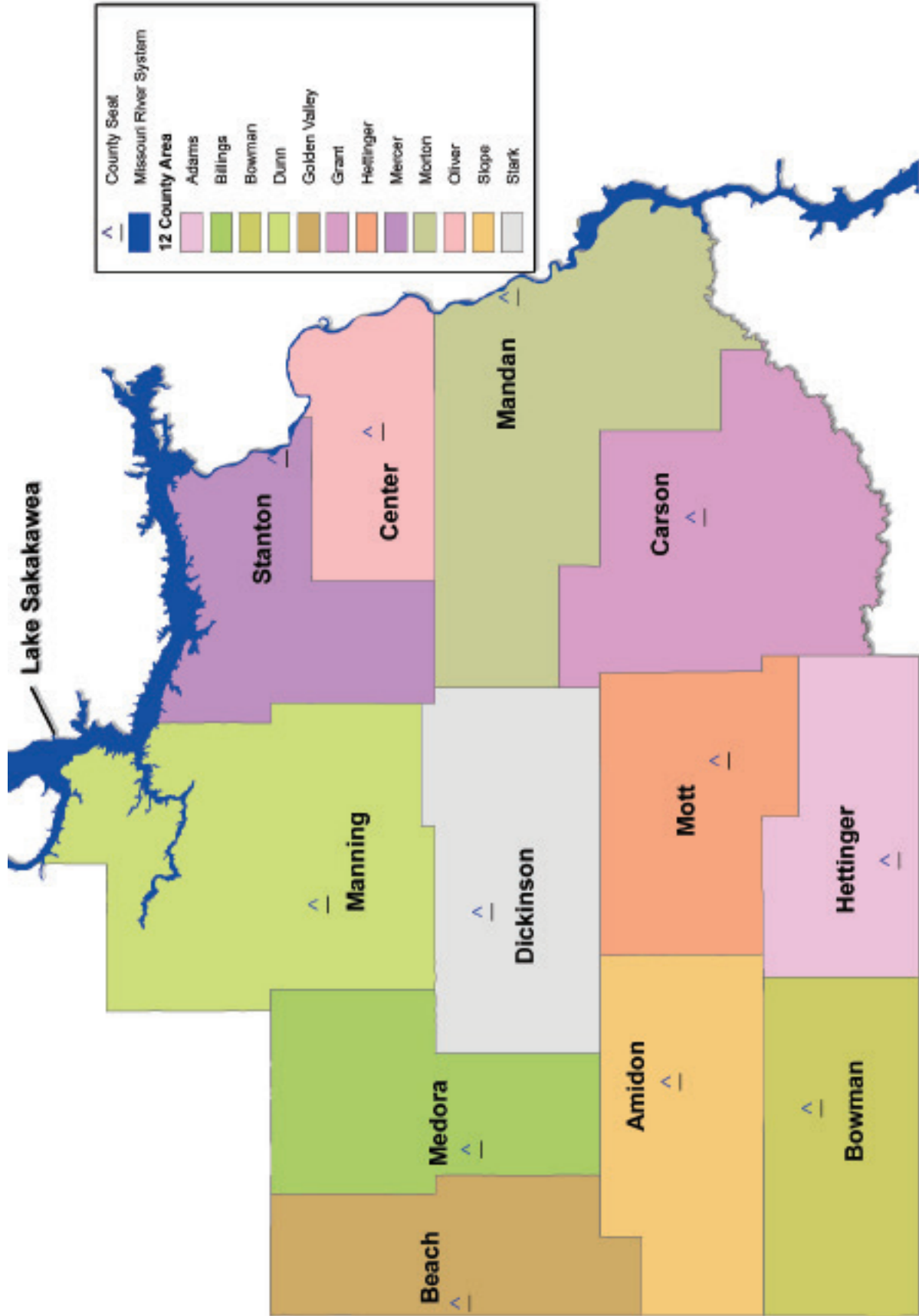
Proposed Mill Levy Legislation

An ACT to amend and reenact section 61-24.5-10 of the North Dakota Century Code, relating to the tax levy of the southwest water authority.

Section 1. AMENDMENT. Section 61-24.5-10 of the North Dakota Century Code is amended and reenacted as follows:

61-24.5-10. District budget – Tax Levy. For each taxable year ~~through 2020~~, the authority may levy a tax of not to exceed one mill annually on each dollar of taxable valuation within the boundaries of the authority for the payment of administrative expenses of the authority, including per diem, mileage, and other expenses of directors, expenses of operating the office, engineering, surveying, investigations, legal, administrative, clerical, and other related expenses of the authority. All moneys collected pursuant to the levy must be deposited to the credit of the authority and may be disbursed only as herein provided. The board may invest any funds on hand, not needed for immediate disbursement or which are held in reserve for future payments, in bonds of the United States, certificates of deposit guaranteed or insured by the United States or an instrumentality or agency thereof, and bonds or certificates of indebtedness of the state of North Dakota or any of its political subdivisions. During the period of time in which the authority may levy one mill annually as provided herein, any joint water resource board created pursuant to section 61-16.1-11, by or among one or more of the water resource districts in the counties which are included in the authority, must be limited to one mill under the authority of section 61-16.1-11.

Southwest Water Authority Service Area



Mill Levy for 2018 and 2019

	Actual for 2018	Actual Totals	Budget for 2019	Budget Totals
Other Income				
Mill Levy - Adams County	18,088.87		18,725.00	
Prior Year's Taxes - Adams County				
Other Tax Receipts - Adams County	467.12		275.00	
State Aid - Adams County	953.92	19,509.91	1,000.00	20,000.00

Mill Levy - Billings County	23,063.62		22,500.00	
State Aid - Billings County		23,063.62		22,500.00

Mill Levy - Bowman County	27,148.79		26,600.00	
Prior Year's Taxes - Bowman County				
Other Tax Receipts - Bowman County			1,000.00	
State Aid - Bowman County	4,538.41	31,687.20	2,500.00	30,100.00

Mill Levy - Golden Valley County	16,649.71		15,500.00	
Prior Year's Taxes - Golden Valley County				
Other Tax Receipts - Golden Valley County				
State Aid - Golden Valley County		16,649.71		15,500.00

Mill Levy - Grant County	19,420.65		19,550.00	
Prior Year's Taxes Grant County				
Other Tax Receipts - Grant County	267.49		250.00	
State Aid - Grant County		19,688.14	1,200.00	21,000.00

Mill Levy - Hettinger County	23,772.22		22,750.00	
Prior Year's Taxes - Hettinger County				
Other Tax Receipts - Hettinger County	256.73		250.00	
State Aid - Hettinger County	1,220.84	25,249.79	1,000.00	24,000.00

Mill Levy - Mercer County	55,242.35		55,000.00	
Prior Year's Taxes - Mercer County				
Other Tax Receipts - Mercer County				
State Aid - Mercer County		55,242.35		55,000.00

Mill Levy - Morton County	155,561.98		146,500.00	
Prior Year's Taxes - Morton County	9,342.22			
Other Tax Receipts - Morton County	2,508.66		9,800.00	
State Aid - Morton County		167,412.86	3,700.00	160,000.00

Mill Levy - Oliver County	14,196.05		17,400.00	
Prior Year's Taxes - Oliver County	296.43			
Other Tax Receipts - Oliver County	8,178.05		6,500.00	
State Aid - Oliver County	65.84	22,736.37	100.00	24,000.00

2018-2019 Mill Levy to Date cont'd

	Actual for 2018	Actual Totals	Budget for 2019	Budget Totals
Other Income				
Mill Levy - Slope County	11,393.39		11,850.00	
Prior Year's Taxes - Slope County				
Other Tax Receipts - Slope County	21.20		50.00	
State Aid - Slope County	2,060.03	13,474.62	1,500.00	13,400.00
Mill Levy - Stark County	196,745.71		223,000.00	
Prior Year's Taxes - Stark County	4,657.33			
Other Tax Receipts - Stark County	4,347.63		3,000.00	
State Aid - Stark County	10,098.17	215,848.84	9,000.00	235,000.00
Mill Levy - Dunn County	71,072.47		68,850.00	
Prior Year's Taxes - Dunn County				
Other Tax Receipts - Dunn County	133.94		150.00	
State Aid - Dunn County		71,206.41		70,000.00
Total		681,769.82		690,500.00

County Valuations for 2017

	Valuation	Revenue
Stark County	\$ 194,493,508	\$ 194,493.51
Dickinson	\$ 130,414,910	\$ 130,414.91
Richardton	\$ 3,422,961	\$ 3,422.96
Belfield	\$ 2,476,253	\$ 2,476.25
South Heart	\$ 1,582,706	\$ 1,582.71
Gladstone	\$ 641,656	\$ 641.66
Taylor	\$ 549,001	\$ 549.00
Morton County	\$ 160,684,429	\$ 160,684.43
Mandan	\$ 86,769,053	\$ 86,769.05
Hebron	\$ 1,566,242	\$ 1,566.24
Glen Ullin	\$ 1,520,930	\$ 1,520.93
County Revenue Difference		\$ 33,809.08

Stark and Morton County Valuation and Revenue: Out of the 12 counties served by the Southwest Pipeline Project, Morton and Stark Counties are the most populated. Property valuation and revenue collected from both Morton and Stark Counties is shown in the table. In 2017, one mill collected from Stark County equaled \$194,493.51 in revenue and \$160,684.43 in revenue from Morton County.

Benefits to the City of Mandan

Missouri West Water System decided not to wait for the construction of the Southwest Pipeline Project and began construction of their system in 1993. Western Morton County from the Blue Grass Hills to the Stark County line was originally included in the Southwest Pipeline Project due to land elevations. Missouri West Water System did not want to delay building water infrastructure in Morton County. The Southwest Pipeline Project gave up funding to allow Missouri West Water System to build their system.

There are pocket areas in Morton County which could not be served by the Missouri West Water System distribution system. The Southwest Pipeline Project has worked together with Missouri West Water System to supply water to the rural customers in those pocket areas. The Southwest Pipeline Project installed pipelines and purchases water from Missouri West Water System. This directly benefits the city of Mandan because Missouri West Water System purchases water from the city of Mandan.

Southwest Pipeline Project customers in Morton County shop in the city of Mandan, creating more demand for businesses and boosting local sales tax revenues. Sales tax revenue in the city of Mandan is used for property tax reduction, economic development, street, water and sewer improvements and municipal debt reduction.

The benefits to the city of Mandan are both direct and indirect. There are overwhelming indirect benefits with SWA in business in Morton County. Benefits to the trade area are benefits to the city. The Project's ability to provide additional water to the western area has allowed for additional growth not only in the western part of the county, but also in the east which is beneficial to the city of Mandan. Increasing potable water capacity increases the ability to grow. Increasing water sales for the city of Mandan and quality water for the region directly impact quality of life and the economy of the city.

SWA is a proponent and an advocate for water in the region and in the state. This includes supporting water in the city of Mandan. It is in the best interest of all to make the mill levy permanent.



OMND Water Treatment Plant and water reservoirs

Mill Levy History

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Adams County	\$ 6,737.22	\$ 6,245.47	\$ 6,344.80	\$ 6,772.54	\$ 7,066.68	\$ 7,389.83	\$ 7,284.70	\$ 7,405.85	\$ 7,858.11	\$ 7,634.34	\$ 7,562.52	\$ 7,991.10	\$ 8,009.83	\$ 8,503.46
Billings County	\$ 6,989.55	\$ 6,352.30	\$ 6,415.99	\$ 5,722.14	\$ 5,707.61	\$ 5,388.98	\$ 5,585.92	\$ 5,662.18	\$ 5,674.36	\$ 6,430.95	\$ 6,419.75	\$ 6,393.55	\$ 6,658.58	\$ 7,498.60
Bowman County	\$ 7,761.05	\$ 6,908.64	\$ 7,018.34	\$ 7,939.17	\$ 9,199.13	\$ 8,502.24	\$ 9,868.10	\$ 8,776.42	\$ 9,372.94	\$ 10,977.84	\$ 10,887.02	\$ 11,522.21	\$ 11,612.07	\$ 14,937.02
Dunn County	\$ 10,764.31	\$ 10,436.74	\$ 10,816.58	\$ 10,798.84	\$ 11,154.77	\$ 11,247.80	\$ 12,000.03	\$ 12,442.36	\$ 12,565.48	\$ 13,148.59	\$ 13,215.77	\$ 13,796.85	\$ 13,935.65	\$ 14,280.37
Golden Valley County	\$ 4,478.29	\$ 4,691.48	\$ 4,940.01	\$ 4,783.19	\$ 5,377.15	\$ 5,614.92	\$ 5,761.01	\$ 5,826.11	\$ 6,191.70	\$ 6,208.34	\$ 6,257.48	\$ 6,465.42	\$ 6,415.75	\$ 6,885.25
Grant County	\$ 7,017.52	\$ 7,405.51	\$ 7,561.21	\$ 7,883.06	\$ 8,731.93	\$ 8,800.63	\$ 8,868.17	\$ 9,167.74	\$ 9,276.45	\$ 9,117.29	\$ 9,096.99	\$ 9,301.71	\$ 10,383.34	\$ 9,641.94
Hettinger County	\$ 7,177.24	\$ 7,509.66	\$ 7,883.85	\$ 6,543.57	\$ 8,930.52	\$ 8,537.51	\$ 8,552.95	\$ 9,038.27	\$ 9,441.26	\$ 9,452.68	\$ 9,543.94	\$ 9,954.06	\$ 10,566.28	\$ 11,064.90
Mercer County	\$ 13,583.53	\$ 13,824.95	\$ 14,177.96	\$ 14,718.91	\$ 17,830.16	\$ 17,970.16	\$ 19,782.99	\$ 20,772.11	\$ 21,202.66	\$ 21,034.57	\$ 21,330.65	\$ 21,842.80	\$ 23,343.86	\$ 22,701.54
Morton County	\$ 38,092.68	\$ 62,335.95	\$ 41,981.78	\$ 42,105.27	\$ 47,420.15	\$ 44,876.44	\$ 50,268.06	\$ 51,971.58	\$ 50,560.24	\$ 57,402.15	\$ 59,081.84	\$ 66,220.23	\$ 66,509.58	\$ 72,046.09
Oliver County	\$ 4,369.82	\$ 4,443.96	\$ 4,338.65	\$ 5,365.63	\$ 4,653.80	\$ 4,792.47	\$ 4,904.07	\$ 5,034.64	\$ 5,337.38	\$ 5,296.31	\$ 5,295.86	\$ 5,537.05	\$ 5,956.07	\$ 6,820.18
Slope County	\$ 3,471.75	\$ 3,644.00	\$ 3,969.06	\$ 3,929.96	\$ 5,111.34	\$ 5,128.66	\$ 5,211.56	\$ 5,297.98	\$ 5,429.11	\$ 6,054.35	\$ 6,007.44	\$ 5,485.82	\$ 6,475.85	\$ 6,601.19
Stark County	\$ 24,008.23	\$ 24,675.36	\$ 26,822.40	\$ 28,137.09	\$ 32,225.42	\$ 33,862.54	\$ 35,354.19	\$ 36,115.47	\$ 39,521.98	\$ 36,096.96	\$ 42,223.95	\$ 45,238.07	\$ 49,740.14	\$ 55,090.70
Total	\$ 134,390.19	\$ 158,474.02	\$ 142,270.63	\$ 144,699.37	\$ 163,408.66	\$ 162,112.18	\$ 173,441.75	\$ 177,510.71	\$ 182,411.67	\$ 188,854.37	\$ 196,923.21	\$ 209,721.87	\$ 219,607.00	\$ 236,071.24
\$ Increase from previous year		\$ 24,083.83	\$ -16,203.39	\$ 2,428.74	\$ 18,709.29	\$ -1,296.48	\$ 11,329.57	\$ 4,068.96	\$ 4,900.96	\$ 6,442.70	\$ 8,068.84	\$ 12,798.66	\$ 9,885.13	\$ 16,464.24
% Increase from previous year		17.92%	-10.22%	1.71%	12.93%	-0.79%	6.99%	2.35%	2.76%	3.53%	4.27%	6.50%	4.71%	7.50%

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Budget	Total
Adams County	\$ 8,724.49	\$ 9,280.01	\$ 8,598.95	\$ 10,087.86	\$ 11,653.63	\$ 12,757.20	\$ 14,249.38	\$ 15,628.48	\$ 18,344.43	\$ 19,509.91	\$ 20,000.00	\$ 251,620.79
Billing County	\$ 7,915.94	\$ 8,428.33	\$ 9,876.66	\$ 11,232.59	\$ 12,831.57	\$ 18,283.71	\$ 20,614.18	\$ 20,990.49	\$ 22,054.84	\$ 23,063.62	\$ 22,500.00	\$ 264,692.39
Bowman County	\$ 17,141.02	\$ 18,739.67	\$ 17,966.26	\$ 29,004.50	\$ 29,767.78	\$ 33,465.37	\$ 35,105.41	\$ 33,649.84	\$ 31,484.42	\$ 31,687.20	\$ 30,100.00	\$ 443,393.66
Dunn County	\$ 14,690.36	\$ 16,209.65	\$ 17,157.35	\$ 19,746.30	\$ 26,051.13	\$ 38,323.55	\$ 45,399.99	\$ 56,370.50	\$ 61,521.37	\$ 71,206.41	\$ 70,000.00	\$ 607,280.75
Golden Valley County	\$ 6,980.91	\$ 7,222.94	\$ 8,205.23	\$ 8,739.18	\$ 10,699.80	\$ 11,777.45	\$ 15,402.67	\$ 15,679.41	\$ 15,548.66	\$ 16,649.71	\$ 15,500.00	\$ 212,272.06
Grant County	\$ 11,965.26	\$ 10,932.30	\$ 11,650.68	\$ 13,298.53	\$ 15,173.39	\$ 18,428.77	\$ 19,246.17	\$ 20,478.45	\$ 20,717.39	\$ 19,688.14	\$ 21,000.00	\$ 304,832.57
Hettinger County	\$ 11,019.62	\$ 12,519.66	\$ 12,070.90	\$ 15,894.80	\$ 19,868.45	\$ 22,129.30	\$ 23,362.37	\$ 24,495.55	\$ 23,931.09	\$ 25,249.79	\$ 24,000.00	\$ 338,678.22
Mercer County	\$ 24,597.75	\$ 25,967.16	\$ 28,580.18	\$ 33,593.53	\$ 36,926.40	\$ 41,715.13	\$ 46,495.47	\$ 47,576.17	\$ 51,074.68	\$ 55,242.35	\$ 55,000.00	\$ 710,884.67
Morton County	\$ 77,221.10	\$ 82,341.18	\$ 86,634.55	\$ 93,793.78	\$ 103,860.38	\$ 114,742.03	\$ 129,554.95	\$ 139,649.44	\$ 149,389.99	\$ 167,412.86	\$ 160,000.00	\$ 2,055,472.30
Oliver County	\$ 7,679.99	\$ 8,557.71	\$ 8,700.11	\$ 8,786.68	\$ 10,548.00	\$ 12,343.35	\$ 14,121.79	\$ 18,251.46	\$ 20,782.55	\$ 22,736.37	\$ 24,000.00	\$ 228,653.90
Slope County	\$ 6,909.26	\$ 7,649.29	\$ 8,000.10	\$ 10,187.46	\$ 12,232.87	\$ 12,995.80	\$ 13,735.48	\$ 13,386.31	\$ 13,370.09	\$ 13,474.62	\$ 13,400.00	\$ 197,132.35
Stark County	\$ 62,709.10	\$ 68,776.98	\$ 75,105.97	\$ 87,266.05	\$ 105,119.69	\$ 147,257.81	\$ 175,122.52	\$ 215,675.35	\$ 224,863.37	\$ 215,848.84	\$ 235,000.00	\$ 2,121,858.18
Total	\$ 257,554.80	\$ 276,624.88	\$ 292,546.94	\$ 341,631.26	\$ 394,703.09	\$ 484,219.47	\$ 552,410.38	\$ 521,831.45	\$ 653,082.88	\$ 681,769.82	\$ 690,500.00	\$ 7,736,771.84
\$ Increase from previous year	\$ 21,483.56	\$ 19,070.08	\$ 15,922.06	\$ 49,084.32	\$ 53,071.83	\$ 89,516.38	\$ 68,190.91	\$ 69,421.07	\$ 31,251.43	\$ 28,686.94	\$ 37,417.12	\$ 584,796.75
% Increase from previous year	9.10%	7.40%	5.76%	16.78%	15.53%	22.68%	14.08%	12.57%	5.03%	4.39%	5.73%	

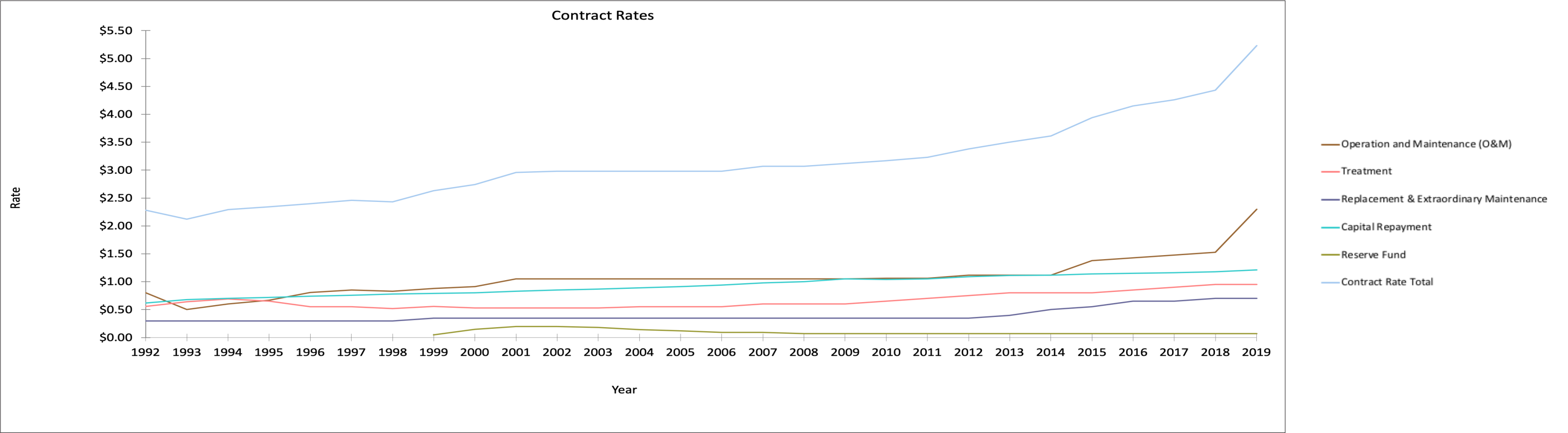
History of Water Rates for Contract Customers

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Transmission O&M	\$ 0.80	\$ 0.50	\$ 0.60	\$ 0.67	\$ 0.81	\$ 0.85	\$ 0.83	\$ 0.88	\$ 0.91	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.06	\$ 1.06	\$ 1.12	\$ 1.12	\$ 1.12	\$ 1.38	\$ 1.43	\$ 1.48	\$ 1.53	\$ 2.30
Treatment	\$ 0.56	\$ 0.64	\$ 0.69	\$ 0.65	\$ 0.55	\$ 0.55	\$ 0.52	\$ 0.56	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.65	\$ 0.70	\$ 0.75	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.85	\$ 0.90	\$ 0.95	\$ 0.95
Replacement & Extraordinary Maintenance	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.50	\$ 0.55	\$ 0.65	\$ 0.65	\$ 0.70	\$ 0.70
Capital Repayment	\$ 0.62	\$ 0.68	\$ 0.70	\$ 0.72	\$ 0.74	\$ 0.76	\$ 0.78	\$ 0.79	\$ 0.80	\$ 0.83	\$ 0.85	\$ 0.87	\$ 0.89	\$ 0.91	\$ 0.94	\$ 0.98	\$ 1.00	\$ 1.05	\$ 1.04	\$ 1.05	\$ 1.09	\$ 1.11	\$ 1.12	\$ 1.14	\$ 1.15	\$ 1.16	\$ 1.18	\$ 1.21
Reserve Fund								\$ 0.05	\$ 0.15	\$ 0.20	\$ 0.20	\$ 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	\$ 0.07	\$ 0.07	\$ 0.07
Contract Rate Total	\$ 2.28	\$ 2.12	\$ 2.29	\$ 2.34	\$ 2.40	\$ 2.46	\$ 2.43	\$ 2.63	\$ 2.74	\$ 2.96	\$ 2.98	\$ 2.98	\$ 2.98	\$ 2.98	\$ 2.98	\$ 3.07	\$ 3.07	\$ 3.12	\$ 3.17	\$ 3.23	\$ 3.38	\$ 3.50	\$ 3.61	\$ 3.94	\$ 4.15	\$ 4.26	\$ 4.43	\$ 5.23

Capital Repayment as a Percentage of Total	27.19%	32.08%	30.57%	30.77%	30.83%	30.89%	32.10%	30.04%	29.20%	28.04%	28.52%	29.19%	29.87%	30.54%	31.54%	31.92%	32.57%	33.65%	32.81%	32.51%	32.25%	31.71%	31.02%	28.93%	27.71%	27.23%	26.64%	23.14%
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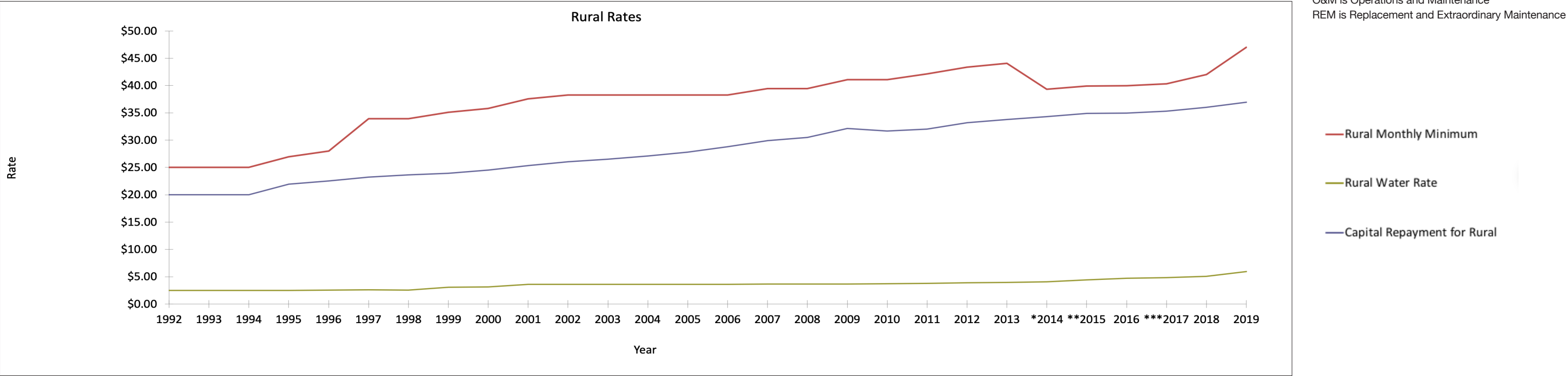
Contract Rate Total Increase		-7.02%	8.02%	2.18%	2.56%	2.50%	-1.22%	8.23%	4.18%	8.03%	0.68%	0.00%	0.00%	0.00%	0.00%	3.02%	0.00%	1.63%	1.60%	1.89%	4.64%	3.55%	3.14%	9.14%	5.33%	2.65%	3.99%	18.06%
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O&M is Operations and Maintenance



History of Water Rates for Rural Customers

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	*2014	**2015	2016	***2017	2018	2019	
Rural Monthly Minimum	\$ 25.00	\$ 25.00	\$ 25.00	\$ 26.95	\$ 28.00	\$ 33.90	\$ 33.90	\$ 35.10	\$ 35.80	\$ 37.55	\$ 38.25	\$ 38.25	\$ 38.25	\$ 38.25	\$ 38.25	\$ 39.45	\$ 39.45	\$ 41.10	\$ 41.10	\$ 42.10	\$ 43.35	\$ 44.05	\$ 39.30	\$ 39.88	\$ 39.95	\$ 40.32	\$ 42.00	\$ 47.00	
Capital Repayment for Rural	\$ 20.00	\$ 20.00	\$ 20.00	\$ 21.95	\$ 22.52	\$ 23.25	\$ 23.64	\$ 23.96	\$ 24.50	\$ 25.34	\$ 26.03	\$ 26.50	\$ 27.07	\$ 27.79	\$ 28.80	\$ 29.90	\$ 30.49	\$ 32.13	\$ 32.13	\$ 32.01	\$ 33.22	\$ 33.78	\$ 34.30	\$ 34.88	\$ 34.95	\$ 35.32	\$ 36.00	\$ 36.97	
Capital Repayment as a Percentage of Total	80.00%	80.00%	80.00%	81.45%	80.43%	68.58%	69.73%	68.26%	68.44%	67.48%	68.05%	69.28%	70.77%	72.65%	75.29%	75.79%	77.29%	78.18%	78.18%	76.03%	76.63%	76.69%	87.28%	87.46%	87.48%	87.60%	85.71%	78.66%	
Rural Monthly Minimum Increase		0.00%	0.00%	7.80%	3.90%	21.07%	0.00%	3.54%	1.99%	4.89%	1.86%	0.00%	0.00%	0.00%	0.00%	3.14%	0.00%	4.18%	0.00%	2.43%	2.97%	1.61%	-10.78%	1.48%	0.18%	0.93%	4.17%	11.90%	
Treatment	\$ 0.56	\$ 0.56	\$ 0.69	\$ 0.69	\$ 0.55	\$ 0.55	\$ 0.52	\$ 0.56	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.55	\$ 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	\$ 0.90	\$ 0.95	\$ 0.95
Transmission O&M	\$ 0.80	\$ 0.50	\$ 0.60	\$ 0.60	\$ 0.81	\$ 0.85	\$ 0.83	\$ 0.88	\$ 0.91	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.05	\$ 1.06	\$ 1.06	\$ 1.12	\$ 1.12	\$ 1.12	\$ 1.38	\$ 1.43	\$ 1.48	\$ 1.53	\$ 2.30	
Transmission Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.05	\$ 0.15	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.14	\$ 0.12	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	
Transmission REM	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.50	\$ 0.55	\$ 0.65	\$ 0.65	\$ 0.70	\$ 0.70	
Distribution O&M	\$ 0.84	\$ 1.14	\$ 0.81	\$ 0.81	\$ 0.79	\$ 0.79	\$ 0.81	\$ 1.01	\$ 1.01	\$ 1.22	\$ 1.22	\$ 1.24	\$ 1.26	\$ 1.28	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.33	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.44	\$ 1.49	\$ 1.54	\$ 1.64	
Distribution REM			\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	
Distribution Reserve								\$ 0.10	\$ 0.10	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	
Rural Water Rate Total	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.55	\$ 2.59	\$ 2.56	\$ 3.05	\$ 3.15	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.70	\$ 3.75	\$ 3.86	\$ 3.96	\$ 4.06	\$ 4.39	\$ 4.69	\$ 4.84	\$ 5.04	\$ 5.91	
Rural Water Rate Increase		0.00%	0.00%	0.00%	2.00%	1.57%	-1.16%	19.14%	3.28%	14.29%	0.00%	0.00%	0.00%	0.00%	0.00%	1.39%	0.00%	0.00%	1.37%	1.35%	2.93%	2.59%	2.53%	8.13%	6.83%	3.20%	4.13%	17.26%	



*2Kgal included in minimum from January 1, 1997 to December 31, 2014
** Declining block rate from July 1, 2002 to December 31, 2015
***Inclining block rate started July 1, 2017

Southwest Pipeline Project

Project Location: Southwestern North Dakota

Legend:

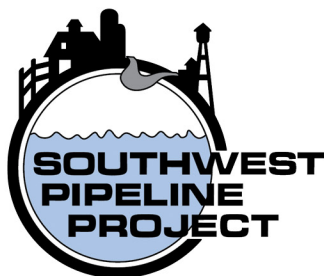
- Main Transmission Pipeline
- Raw Water Line
- Served by OMND WTP
- Served by Dickinson WTP
- SWPP Area Served by MWWS
- MWWS Supplemental Service By OMND WTP
- County Boundaries
- Service Area Boundaries

Map Labels:

- Killdeer Mtn Pocket Area
- Grassy Butte Pocket Area
- Fairfield Service Area
- Killdeer
- Dunn Center
- Manning
- New Hradec
- Dickinson
- Belfield
- Medora
- Sentinel Butte
- Goliva
- Beach
- South Heart
- Gladstone
- Taylor
- Richardson
- Hebron
- Golden Valley
- Zap
- Hazen
- Stanton
- Center
- Glen Ullin
- New Leipzig
- Elgin
- Carson
- Mott
- Regent
- New England
- Rhome
- Scranton
- Reeder
- Heltinger

Scale: 0 10 20 40 Miles

North Arrow



QUALITY WATER FOR SOUTHWEST NORTH DAKOTA

Mary Massad, Manager/CEO

Southwest Water Authority
mmassad@swwater.com

4665 Second Street SW
Dickinson, ND 58601-7231

Phone: 701-225-0241

Toll-Free: 888-425-0241

Fax: 701-225-4058

Vision Statement

People and business succeeding with quality water

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www.facebook.com/swwater
www.twitter.com/SWwaterND