

- News from Southwest Water Authority
- January 2003



Manager's Message ■ by Ray Christensen, Manager/CEO

Year in review

Southwest Water Authority had another successful year in 2002 with water sales topping one billion gallons. Project development included completion of the Burt Service Area and continued construction in the Twin Buttes (Bowman-Scranton)

Service Area. With service being extended to Scranton and 258 additional rural customers, we now provide service to 23 communities and more than 2,300 rural users.

Completion of the Twin Buttes Service Area is expected in 2003, and contingent upon securing the necessary funding, construction will begin for the Medora-Beach Phase. Initial construction will include the main transmission line from Belfield to Beach, along with necessary booster

stations and storage reservoirs. Service to Beach, our top priority, is critical as they have some very serious well problems and a water supply that is extremely high in sodium.

Drought conditions in southwest North Dakota had a huge impact on the (See Year in review, page7)



Ray Christensen Manager/CEO

Rates will remain the same for 2003

Great news! Southwest Water Authority (SWA) is happy to announce water rates will remain the same for 2003!

The Board of Directors of the Authority has decided to absorb the increase from the consumer price index, which is adjusted annually by the ND State Water Commission. The capital repayment portion of the rural minimum and the contract rate is adjusted annually by the consumer price index.

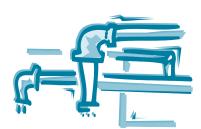
Rural water rates will continue to be \$38.25 per month, which includes 2,000 gallons of water with a cost of \$3.60 per thousand gallons thereafter. SWA has also implemented a trial reduced rate for rural customers. Any usage over 10,000 gallons per month is billed at \$2.60 per thousand gallons. Pasture taps are billed annually the end of October at a rate of \$229.50, which includes 12,000 gallons. The water rate for pasture taps is also \$3.60 per thousand gallons up to 60,000. Usage above 60,000 gallons will be billed at the \$2.60 reduced rate.

Demand contract and contract customers will see their rates stay the same as well: \$3.83 and \$2.98 per thousand gallons. The raw water contract rate remains \$2.45 per thousand gallons of water, equal to the contract rate less cost of treatment.



Construction Update ■ by Jim Lennington, Project Manager

Raw water facilities to be upgraded



As the Southwest Pipeline Project continues to grow and expand, the need for additional raw water capacity has become more and more apparent. When the raw water pumping facilities were first constructed, they were built to only provide capacity that would be used initially. An intermediate phase added pumps at Dodge and Richardton in 1996. Last November, bids were opened for the final phase of construction at the intake, Dodge, Richardton and Jung Lake pumping facilities. Contract 4-1B will complete the ultimate design capacity of project pumping facilities, and add the foundation and piping for a carbon dioxide (CO₂) tank at the Dickinson Pump Station.

The contract will add pumps at the intake, Dodge and Richardton pump stations. One 200 horsepower (hp) pump will be added in the Basin Electric intake facility and a 600 hp pump will be added to the intake booster pump station. At Dodge, one 700 hp pump will be added and one 900 hp pump at Richardton. Pumping capacities will be increased from 7,850 gallons per minute (gpm) to 10,500 gpm at the intake, and from 6,150 gpm to 8,950 gpm at Dodge and Richardton.

The contract also includes a 26 ton CO₂ tank to be added in the next year for additional capacity at the System Water Treatment Plant. The plant currently has only a 13 ton tank. Carbon dioxide is used to lower the pH and stabilize the water after lime softening. Contract 4-1B will include foundation and piping work for this tank.

The contract also includes an additional 350 hp pump for the Jung Lake Pump Station, bringing that facility from 1,900 gpm to 2,350 gpm. This pump will complete the ultimate design capacity of that facility.

On December 6, Contract 4-1B was awarded to PKG Contracting Inc. of Fargo, North Dakota. The contract has a completion date of November 1, 2003.

NOTICE

Occasionally, it is necessary for the Southwest Water Authority to repair waterline leaks causing interruption of service to customers. In order to inform customers of such an activity, Southwest Water Authority airs emergency public service announcements over KLTC, KCAD, KZRX and KFYR. Although it is not always possible to give advance notice of waterline repairs, Southwest Water Authority apologizes for any inconvenience interruptions of service may cause our customers.



OFFICIAL PUBLICATION OF SOUTHWEST WATER AUTHORITY AND SOUTHWEST PIPELINE PROJECT

Mission Statement:

Providing clean, quality water for southwest North Dakota

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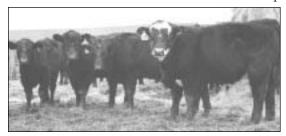
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Bringing quality water to livestock producers

by Sheyna Strommen for LoAnn's Marketing Inc.

Last summer's drought conditions and this winter's minimal precipitation may leave some livestock producers searching for a consistent, cost efficient, low-mainte-



nance source of quality water for their pastures and feedlots. The Southwest Pipeline Project (SWPP), coupled with low-maintenance, frost-free watering systems and a drought-relief program from the ND State Water Commission (SWC) and Natural Resources Conservation Service (NRCS) may provide the solution sought by many ranchers in southwest North Dakota.

SWPP pasture taps

Bringing quality water to various sections of the pasture could result in benefits to livestock by increasing daily weight gains and more effective use of available forage. Those



producers who installed taps this summer capitalized on the quality water in areas where natural sources had become stagnant. They also were able to maintain an efficient grazing pattern, utilizing available forage away from natural water sources. Research from South Dakota State University indicates greater daily gains in pasture calves using pipeline water.

To date, SWPP has installed 141 pasture taps in southwest North Dakota, of which 112 are actively used. According to Vickie Franchuk, Southwest Water Authority (SWA) Customer Service Representative, each uses an average of 52,000 gallons of pipeline water per year.

"We certainly encourage livestock producers to use SWPP water; however, if your watering device fills from the bottom, such a connection is considered a cross connection and must be protected by a dual test type back flow preventer," added Franchuk. "Please contact our office to make sure you are in compliance."



Bringing the water...North Dakota's Drought Disaster Assistance Program

Livestock producers with drought-related water supply problems may be eligible for water development assistance from the SWC. The program, established in 1991 by the North Dakota Legislature and reintroduced last year, provides cost-share assistance to livestock producers affected by drought in the counties outlined by Governor John Hoeven's Drought Emergency Proclamation. Eligible counties include Golden Valley, Billings, Stark, Slope, Bowman, Hettinger, Adams, Grant, Morton, Oliver and Sioux, in addition to counties east of the Missouri River.

According to program guidelines, cost-share assistance may only be used for projects providing long-term and immediate solutions to drought-related problems. Such projects include the construction of pipelines and rural water system connections. Applicants may receive up to 50 percent, but no more than \$3,500 of the eligible costs of the project. The program will be available concurrent with funding.

(See Bringing quality water, page 6)

Meet your new board members



Larry Bares represents the city of Dickinson. He is a graduate of Dickinson State College. Larry taught school and coached for 17 years, 13 of those in Dickinson. He has been in the construction business for many years and has farmed in the Beach area. Larry and his wife Elaine have two children and four grandchildren. He enjoys hunting, fishing, all sports and carpentry.



Emanuel Stroh is Dunn County's representative. He graduated from Killdeer High School, and owned and operated Manning Sales and Service for 30 years, retiring in 1999. Emanuel has four daughters and nine grandchildren and has lived in Manning for over 41 years. He enjoys gardening, yard work, snowmobiling, boating and spending time with his grandchildren.



Steve Tomac represents Morton County. He graduated from North Dakota State University with a Bachelors of Science degree in Agricultural Economics and Communications.

Volume discounts positive decision

Preliminary results indicate rural residents in southwest North Dakota have taken advantage of volume discounts offered by Southwest Water Authority (SWA). In July, SWA Board of Directors implemented a declining rate structure for rural water sales greater than 10,000 gallons. Within the first five months of the trial, SWA reports showed an increase of rural water sales by 34.48 percent. Conversely, expenses only increased 8.98 percent.

"Since 2002 was a relatively dry year, it is difficult to ascertain the exact reason for the increase," said Mary Massad, SWA Chief Financial Officer. SWA compared rural sales and those throughout the system to determine the effects of the drought, and reports show that rural sales were up considerably as compared to cities. "This leads us to believe that reduced rates have had some positive effect on water sales," she explained.

Overall, the preliminary findings are favorable for continuing the volume discount structure, noted Massad. "It is good that this rate structure will be reviewed over a three year period. Thus enabling us time to review and compare the numbers throughout numerous weather conditions."



from the SWA office

Staff receives training

Southwest Water Authority encourages its employees to participate in a variety of courses and seminars that will enhance their abilities both professionally and personally. Employees receiving training the past three months are as follows:

- Dale Binstock, leadership seminar
- Todd Gordon, tested for and received his Class A commercial driver's license, motor control correspondence course
- Vickie Franchuk, defensive driving course
- Mary Massad, Carol Schmaltz, Sandy Burwick, Vickie Franchuk, "Achieving Customer Service Excellence" seminar

Coffee Shop ■ by Glenn Eckelberg, Marketing Coordinator

Local rancher's calves gain better with SWPP water

Leon Monke of rural Regent signed up to use Southwest Pipeline Project (SWPP) water for his livestock because he was tired of fixing his 900 foot well. His investment in the minimum maintenance, abundant source of quality water seemed to pay off this fall at the auction market. Monke's calves gained roughly 30 to 40 more pounds than in prior years -- with the same feed. "Of course, breeding and the bulls also played a part," he said, "but I think the water helped." Monke is so convinced of the benefits of Southwest Pipeline water that he plans to install more pasture taps in 2003.

Call me at 701-225-0241 or 1-888-425-0241 today to make arrangements to install pasture taps on your ranch. You *will* see a difference in your herd!

In Memory

Our deepest sympathy to the family of Roger Hewson, who passed away December 23, 2002. Roger served seven years representing Billings County on the Southwest Water Authority Board of Directors. His dedication and commitment to the Southwest Pipeline Project helped bring an abundant source of quality water to many southwest North Dakotans.

Bringing quality water

(continued from page 3)

Environmental Quality Incentive Program

Once the pasture tap is installed, the NRCS can assist interested ranchers in developing the alternative water source. The Environmental Quality Incentive Program (EQIP) will pay up to 75 percent of the cost for infrastructure construction from rural water pasture taps to pasture tanks. The program does not pay to

bring the pipeline to the pasture as the Drought Disaster Assistance Program does. It instead pays for the small arteries linking the pasture tap to the tanks.

Specific information on EQIP can be obtained by contacting your local United States Department of Agriculture Service Center or your local conservation district.

Sign me up!

Depending on the rancher's location from the pipeline, pasture tap installation could take as little as one week. Interested producers should contact Glenn Eckelberg for more information at 701-225-0241 or toll-free 1-888-425-0241.



Help us protect our precious water supply

With more than 2,000 miles of pipeline and numerous reservoirs and pump stations, it is both difficult and costly to keep our system under constant surveillance. We are asking for your help to report any unusual activities near any of the Southwest Pipeline Project's facilities. Southwest Water Authority staff members are on call around the clock to respond to your calls. Please notify us of to any strange activity in your area by calling 701-225-0241 or toll-free 1-888-425-0241.

ND State Water Commission receives payments



Paul Adcock (second from left), Perkins County Rural Water System's general manager, recently presented Jack Olin (second from right), board member, ND State Water Commission, a check for \$748,000 for constructing the pipeline to Perkins County, South Dakota. Also present were Loren Myran (left), Southwest Water Authority board chairman and Jim Lennington (right),

Southwest Pipeline Project manager.

During the North Dakota Water Convention held in Bismarck in December, USDA-Rural Development presented a check for \$3,364,000 to the ND State Water Commission to repay a loan and grant used for constructing the Scranton-Bowman Phase of the Southwest Pipeline Project. (Photo not available.)

Vickie's Water Notes ■ by Vickie Franchuk, Customer Service

To avoid extra charges and to help detect system leaks, customers should submit meter readings monthly.

Not reporting a meter reading on a consistent basis will cause your bill to fluctuate from month to month. Currently, customers using water will receive the first 2,000 gallons at no additional charge. However, if a meter reading is not received by the twentieth of the month with the payment, the user is not eligible for the allotted 2,000 gallons. This reduces the usage for the month to zero. Essentially, the customer is giving up 2,000 gallons of water each month a reading is not entered.

Late payments also result in penalties. If your payment is late and a reading is not reported, a \$3.00 late fee will be added to your account. When meter readings are not reported for two consecutive months, Southwest Water Authority personnel will read the meter and a \$10.00 charge which will be added to your bill. If you are not connected for service or not using water, please enter zeroes or draw a line through the meter reading section of the payment stub.

Meter readings help in the detection of leaks - a large increase in a customer's usage pattern sometimes indicates a leak. It is difficult to see what the normal usage level is when a meter reading is only reported periodically. The customer usage pattern can also indicate a problem with a meter. Remote meters may at times stick or not register correctly. Problems of this nature have been found through meter readings.

If a meter reading is not taken when payment is made, customers can call their meter readings in at 701-225-0241 or toll-free 1-888-425-0241, or e-mail swa@swwater.com.

ATTENTION

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SWA CUSTOMERS! Please call 1-888-425-0241 or e-mail swa@swwater.com. We would like your 911 address for our records. Thank you for your assistance!

Year in review

(continued from front page)

demand for a dependable supply of quality water. This is evidenced by the high number of construction applicants added to rural contracts in the Twin Buttes Service Area. Conditions experienced during last summer's drought reinforce the importance of having a dependable source of water.

Perhaps the best news for 2003 is no rate increase! The consumer price index adjustment by the ND State Water Commission will be absorbed by the Authority. Providing an affordable supply of quality water is a goal of your Board of Directors, and we are committed to keeping rates as low as possible. We sincerely appreciate your patronage and look forward to serving you in 2003. Happy New Year!

SOUTHWEST WATER AUTHORITY

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Southwest Water Authority (SWA) Board of Directors

To obtain information in your area regarding SWA, contact your county or city representative.

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Don Flynn (2006)*
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Dunn

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Darrel Oech (2006) 16690 40th Street Southwest Beach, ND 58621 872-4807

Grant

Brian Roth (2004) 7260 77th Avenue Southwest New Leipzig, ND 58562 584-2470

Hettinger

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Mercer

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*Executive Committee Members

**Chairperson
Updated October 2, 2002