

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

Milestone crossed, project continues construction, in light of funding shortfalls

On behalf of the Southwest Water Authority Board of Directors, Management and Staff, Happy Holidays!

This has been a quite momentous year – one of huge milestones for the Southwest Pipeline Project (SWPP). This fall, SWPP reached its westernmost community, Beach. Now complete, Phase One of the Medora-Beach Service Area serves Sentinel Butte, Medora, Beach and 70 rural customers.



Ray Christensen,
Manager/CEO

In our 20th year of construction, we will focus on Phase Two of the Medora-Beach Service Area, including 430 rural customers and the community of Golva. This service area could be completed during the next legislative biennium, if the necessary \$15.5 million can be secured for construction. Because construction progress is directly related to the amount of state and federal funding secured, the date for Phase

Two construction completion is difficult to predict.

We remain hopeful that the necessary funding can be secured. Medora-Beach Phase Two must be completed before SWPP can move forward with construction of the Oliver, Mercer, North Dunn Service Area.

In the meantime, discussions have begun with the city of Beulah on an interim water service project. The proposed project would deliver water from the Beulah Treatment Plant to residents of Zap, Country Club Estates and several rural customers along the main service line to Zap.

Customers included in the interim water service project will ultimately be served by SWPP once the Oliver, Mercer, North Dunn Service Area is constructed. Until that time, the city of Beulah appears to have enough excess capacity to adequately supply the interim service area without adversely affecting cur-

rent Beulah water customers.

Potential financing for the interim water service project could be in the form of a United States Department of Agriculture-Rural Development (USDA-RD) funding package, combining 45 percent grant and 55 percent loan financing.

The USDA-RD loan application has been submitted and the earliest possible approval will be in 2005. If approved, construction could begin in late 2005 or early 2006. If denied, it may not be feasible for SWPP to further pursue the interim service proposal. It will not, however, deter our commitment to fully construct the Oliver, Mercer, North Dunn Service Area.

In anticipation that USDA-RD will approve the funding request for the interim service proposal, SWA is re-canvassing the area to confirm interest and need. Approximately 10 years ago, potential customers paid \$325.00 to sign up for water. These potential customers can be included in the interim water service project for no additional sign-up fee. However, for new potential customers, the current sign-up rate is \$430.00.

In early 2005, a public information meeting will be held in the Oliver, Mercer, North Dunn area to fur-

see Manager's Message, page 2

**SWA water
rates will be the
same in 2005
as in 2004.**

details, page 3

SWPP customers say. . .

Thank you all for the wonderful water and all the nice things you've done for us. My glasses are so clean – no streaks! Sinks are so white. The water is a little hard, but no white powder on anything. We really are happy with the water. Thanks!

- George and Irene Wolf, Medora, ND

Fifth Annual "Make A Splash" Water Festival essay contest winners



The 2004 "Make A Splash" Water Festival, held September 23-24 at the Dickinson Recreation Center, once again drew over 960 parents and children to Family Night.

"The two-day event is excellent curriculum for water education," said Nola Steier, event coordinator. "Our main objective is to educate fifth grade students on the importance of quality water, but we also open the doors to include parents and children of all ages on Family Night." Each year students participate in an essay contest. Essays are to discuss what each participant learned about at the festival. The 2004 essay contest winners are:

- Kelsey Lafond, Jefferson Elementary, Dickinson; Teacher: Mrs. Shobe
- Alissa Kadrmas, Jefferson Elementary, Dickinson; Teacher: Mrs. Manns
- Emily Pulver, Prairie View Elementary School, New Salem; Teacher: Mr. Klemisch
- Kayla Marie Scholes, Grant County Junior High, Elgin; Teacher: Ms. Koepplin
- Miranda Brown, Berg Elementary, Dickinson; Teacher: Mrs. Vinson
- Jade Praus, Berg Elementary, Dickinson; Teacher: Mrs. Kraenzel
- Allison Urlacher, New England Public School, New England; Teacher: Mr. Sheldon
- Heather Kuntz, New England Public School, New England; Teacher: Mrs. Hanson
- Courtney K., Lewis and Clark Elementary, Mandan; Teacher: Ms. Keller

- Shae Johnson, Lewis and Clark Elementary, Mandan; Teacher: Mr. Shreve
- Waylon Buechler, Lewis and Clark Elementary, Mandan; Teacher: Mrs. Riopelle

Southwest Water Authority leadership elected

In July, Southwest Water Authority (SWA) Board of Directors re-elected Loren Myran, Stark County representative as chairperson; Don Flynn, Bowman county representative as vice-chairperson and Leonard Jacobs, Adams County representative as secretary/treasurer.



Loren Myran, Taylor, began a third term as chairperson

SWA is governed by a 14-member board of directors, elected on a four-year rotation with seven of the director's terms expiring each biennium. A complete list of SWA Directors, including contact information, can be found on page eight.

Manager's Message, continued from page 1

ther explore the interim service arrangement and explain plans for service to the entire region.

Those interested in signing up for SWPP water should contact Glenn Eckelberg at 1-888-425-0241.



OFFICIAL PUBLICATION OF
SOUTHWEST WATER AUTHORITY AND
SOUTHWEST PIPELINE PROJECT

Vision Statement:
People and business succeeding with quality water.

Mission Statement:
Providing quality water for southwest North Dakota.

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SWA presents service awards Franchuk, Eckelberg, Roller recognized

The Southwest Water Authority (SWA) Board of Directors recognized three SWA employees for their long-term service and commitment to the Southwest Pipeline Project (SWPP) – Customer Service Representative, Vickie Franchuk; Marketing Coordinator, Glenn Eckelberg and Operations Specialist, Dan Roller.



Vickie Franchuk, Customer Service Representative

Franchuk celebrated five years of service as Customer Service Representative. “Vickie is a very conscientious employee whose calm demeanor helps her excel in this position,” commented Mary Massad, SWA CFO/Office Administrator. As customer service representative, Franchuk fields customer questions and requests, runs

“dispatch” for operators and runs the rural billing department.

Eckelberg and Roller each celebrated a decade of service to SWA.

Eckelberg is often the first contact customers have with SWPP. His responsibilities include: getting landowners to sign-up for water, obtaining easements and resolving complaints. “This requires someone with patience, perseverance, tact and a sense of humor,” said SWA Chairperson, Loren Myran. “SWA is fortunate to

have Eckelberg handle these responsibilities.”

When Roller was hired in 1994, he was awestruck at the size and complexity of the SWPP. By applying his knowledge of all things mechanical, he has become an expert on the technical aspects of the SWPP. As Operations Specialist, Roller provides operational advice to distribution operators, coordinates telemetry system expansions, maintains regulatory records required by the North Dakota Department of Health and keeps all global positioning data current. “Roller’s dedication, work ethic and attention to detail are assets to SWA,” commented Myran.

“We are truly fortunate to employ people who are so dedicated to the success of the pipeline project,” said Ray Christensen, SWA Manager/CEO. “Each one is uniquely driven to provide quality water for southwest North Dakota, whether it be through excellent customer service, easement and sign-up acquisition or maintaining a quality product.”



Glenn Eckelberg, Marketing Coordinator

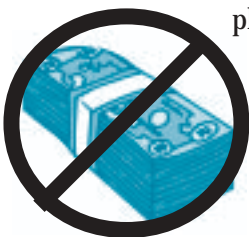


Dan Roller, Operations Specialist

No rate hike in 2005

For the third consecutive year, SWA Directors voted to absorb the required Consumer Price Index (CPI) increasing capital repayment fees for both contract and rural customers.

This action is consistent with the board’s goal of stabilizing rates for customers - a goal that is achieved by adding customers and selling more water, according to Mary Massad, SWA CFO/Office Administrator. The action is also consistent with the board’s philosophy that SWA is not in business to make a profit, but to manage, operate and maintain the pipeline while covering costs.



Lead and copper test results, SWA thanks participants

SWPP water complies with North Dakota Health Department regulations for lead and copper levels, according to recent test results. The test, conducted this fall, involved sampling water at 20 customer sites. “The test is performed to see if SWPP water leaches lead and copper off of pipes within a household,” explained Dan Roller, the Operations Specialist.

Participants were asked to provide a sample of water from their tap. The water had to have been sitting in their tap for six to eight hours. “We really appreciate all of the customers who provided samples. Without you, we could not have conducted this required test,” he said.

2003-2004 Progress Report

A vision...

People and business succeeding with quality water

“Beach was in dire need of an adequate supply of quality water. You answered our plea and today we celebrate the arrival of SWPP water in our community. I am confident that those who await your service will, some day, be as pleased as we are.”

- Pat Lynch, Mayor of Beach

“The Southwest Pipeline Project is a milestone for North Dakota – one we can point to with pride and accomplishment.”

- William Goetz, Chief of Staff,
North Dakota Governor’s Office

“Completion of the main transmission line from Belfield to Medora, Sentinel Butte and Beach is a major accomplishment. This step is only the first phase of construction necessary to complete the Medora-Beach Service Area.”

- James A. Odermann,
Farmer/Rancher, Belfield
Director, Southwest Water Authority

“Water is a necessity for any rural community. Investing in a basic community need such as quality drinking water supports the vision for a strong and vibrant rural America.”

- Clare A. Carlson, State Director,
USDA - Rural Development

a mission...

Providing quality water for southwest North Dakota

Water for southwest North Dakota.

MISSING PIECE: ADEQUATE FUNDING

An innovative concept developed more than 15 years ago, integrating municipal and rural water needs, is now a reality. Over 2,600 rural customers and 26 communities now enjoy an adequate supply of quality water.

Project completion

The missing piece. . .adequate funding for timely completion. When funding is appropriated, the Southwest Pipeline Project (SWPP) can construct the two areas awaiting service, including:

■ The Medora-Beach Service Area, Phase II, includes over 430 rural residents in Stark, Billings, Golden Valley and Morton Counties, as well as, the community of Golva; \$15.5 million is needed to complete this phase.

■ With preliminary and final engineering requirements ready to move forward, construction in the Oliver, Mercer, North Dunn Service Area could progress quickly. The preliminary cost estimate for this phase is \$40.3 million.

Since the 2003 legislative session, major portions of the SWPP have been completed, including:

■ Bowman-Scranton Service Area; this area includes Scranton and 297 rural customers.

our commitment.

Project completion and quality service

■ The main transmission line from Belfield to Beach, bringing water to the cities of Beach, Medora and Sentinel Butte and about 70 rural customers. It includes a major portion of the infrastructure required for Medora-Beach Service Area, Phase II.

■ Upgrades to three raw water and the Jung Lake pumping stations to meet peak demand and provide pumping flexibility.

■ Resurfacing the System Water Treatment Plant parking lot.

SWPP and the Southwest Water Authority (SWA) work diligently to stabilize rates, enhance service and educate the public.

Stabilizing rates

■ SWA budget projections indicate rates could remain constant until 2008, barring any major repairs or unforeseen problems. Stabilized water rates are the result of adequate Operations and Maintenance reserves, allowing the board to absorb the required Consumer Price Index increase.

■ In its second year, the trial volume discount offered to customers who use over 10,000 gallons of water per month, seems to be successful. Rural water sales, in excess of 10,000 gallons, rose again in 2004.

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.

Missing piece – adequate funding.



2003-2004 Progress Report

A vision...

People and business succeeding with quality water

■ Throughout the last biennium, SWA collaborated with the North Dakota Water Coalition to lobby for increased Municipal, Rural and Industrial funding for statewide water projects. These efforts, while somewhat successful, were still inadequate at the federal level.

Enhancing service

■ A new satellite facility in Elgin was constructed to enhance the quality of service to customers in that area.

■ SWPP met or exceeded all requirements established by the Environmental Protection Agency, as reported in the 2003 Consumer Confidence Report found online at www.swa.swc.state.nd.us.

■ In 2003, SWPP pumped 1.14 billion gallons of water from Lake Sakakawea, an increase of 46 million gallons from 2002.

■ Water delivered to the end user was 98.01 percent of the total water pumped by the SWPP from Lake Sakakawea.

■ Discussions were held with the city of Beulah to possibly provide interim water service to residents near Beulah, including service to Zap, while they await SWPP water via the Oliver, Mercer, North Dunn Phase of construction.

Educate the public

■ SWA hosted the fifth annual "Make A Splash" Water Festival in September, with over 900 people attending Family Night. The two-day festival was packed with elementary students from 25 schools in southwest North Dakota. They participated in educational activities and

a mission...

Providing quality water for southwest North Dakota

Water for southwest North Dakota.

entertainment related to the importance of an adequate supply of quality water.

Planning ahead

■ SWA Board Members and SWA Manager/CEO attended the 2004 National Rural Water Rally in Washington, D.C. With representatives from 49 states, this was an excellent venue to network and discuss present and future concerns facing rural water systems on a national level.

■ The SWA Board of Directors participated in a strategic planning retreat in the fall of 2003 to discuss and verify goals necessary to accomplish their mission and vision for the regional water distribution system.

Background notes

■ The SWA, a political subdivision, was established by the North Dakota State Legislature in 1991 to manage, operate and maintain the SWPP. The

Southwest Pipeline Project Funding Sources through 10/31/04

State Funding (In millions of dollars)

Resources Trust Fund	\$42.1
Water Development Trust Fund	7.3
.....	\$49.4

Grants

Garrison Diversion Conservancy District, Municipal Rural and Industrial Fund	\$69.7
USDA-Rural Development	9.1
NRCS PL5666
.....	\$79.4

State Bonds Repaid by Users

Public Revenue Bonds	\$7.0
USDA-Rural Development	8.8
ND Drinking Water Revolving Loan Fund	1.5
.....	\$17.3

Total Funding \$146.1

our commitment.

Project completion and quality service

SWA is governed by a 14-member board of directors, elected on a four-year rotation. One director represents each county within the 12-county service area, and two directors represent the city of Dickinson.

■ The SWPP, a state-owned project, administered by the ND State Water Commission and operated and maintained by the SWA, transports raw water from Lake Sakakawea to Dickinson where it is treated and delivered to customers in southwest North Dakota and Perkins County, South Dakota.

Phased Development Plan

Current Development Phase Zone
Medora-Beach Phase West

Next and Final Development Phase .. Zone
Oliver, Mercer, North Dunn Phase ... North

Missing piece – adequate funding.



Phase II Medora-Beach Service Area ranch families in need

Phase II construction of the Medora-Beach Service Area, including portions of western Stark, Billings, Golden Valley and eastern Morton counties, is set to begin this spring. While the extent of construction is uncertain due to funding, the water problems and needs in this next phase are crystal clear.

People in the Medora-Beach Phase II Service Area face huge obstacles when it comes to their current sources of water. These people face extreme water shortages that require them to haul water for home and livestock. Their tea or coffee-colored, rancid water stains sinks and toilets on contact, ruins water heaters and smells/tastes like rotten eggs.

Each individual has a story to tell. In the following paragraphs, we meet two southwest North Dakota ranch families who face substantial water challenges as they await construction of the SWPP.

The Meyers, Flasher, North Dakota

"I haven't been able to go anywhere for the last three years because I need to be here to haul water everyday for my herd. It takes about three hours a day!" said Herman Meyer, a Flasher area rancher.

In the 1970's and 1980's, Meyer had to haul some water to his 300 head cow-calf operation because of drought, but when his springs, ponds and dugouts completely dried up three years ago, hauling water became a daily routine.

"This year I hauled 3,000 gallons of water daily to

See "Ranches in need," page 7

SWA welcomes Juntunen



Right: Dave Juntunen, Slope County Representative

Amidon rancher, David Juntunen, was sworn in this July as the newest Director of the Southwest Water Authority. In this summer's primary election, Juntunen won a four-year term as Slope County representative. Juntunen and his wife, Sue, have four children.

"We welcome David to the board," said SWA Chairman Loren Myran. "We look forward to working together to meet Southwest Water Authority's mission of providing quality water to southwest North Dakota."

Satellite office constructed to serve Elgin area

Southwest Water Authority (SWA) has completed construction on a new office and garage in Elgin. The 30' x 40' building is located along Highway 49.



Progress in Perkins County

Paul Adcock, Perkins County Rural Water Manager reports that construction is progressing throughout their rural water district. As of September, a total of 88 customers were connected, with nine miles of pipe left to install.

Adcock presented a \$220,000.00 check to the ND State Water Commission for the reimbursement of costs associated with delivering water to Perkins County.



"Ranches in need," continued from page 6

two pastures. The year before I hauled 5,100 gallons per day – 2,100 gallons in one trip and 3,000 in another," he said. Not only does Meyer have a huge amount of time invested in hauling water to livestock, he has money tied up in trucks, storage tanks and fuel, as well.

He's contemplated different solutions to his water problems such as digging new dugouts or even a well. In the Flasher area, however, the lifespan of a dugout is only about 10 years. The sandy soil surrounding the dugout is easily trampled by cattle. As the banks of the dugouts erode, the dugout loses water and consequently, cattle get stuck in the muck, creating even more trouble and heartburn for area ranchers, according to Meyer.

Another option he's considered is digging a well. However, Meyer's pastures are fairly remote. They are far enough away from a powerline that digging a well and running power to it is cost prohibitive.

"Research shows that calves are 20-30 pounds heavier, if they have a good source of clean water. Therefore, the cost of pipeline water would be covered in the additional pounds gained," he said.

Meyer also sees benefit of pipeline water for household usage. Water from his tap runs clear, but magically turns red, if allowed to set for a period of time. "It's terrible water, but better than none at all," said Meyer. When forced to use the water in his house for a short period of time, it ruined his pressure tank.

The conundrum of poor quality and limited supply is fairly commonplace for families, farmers and ranchers in southwest North Dakota – people like the Boehm family of Mandan.

The Boehms, Mandan, North Dakota

James Boehm and his family run a dairy operation near Mandan. A silver-haired grandfather and former state legislator, Boehm recalls a time when his children were afraid of bathing in the farmstead's coffee-colored water because "they couldn't see the bottom of the tub," he said.

Now grown, three of the Boehm sons and their families work with their father on a rather successful dairy operation. On a daily basis, they continue to face extreme water obstacles, particularly with their dairy equipment, which must meet health department stan-

dards.

Boehm also battles inadequate supply. "I had a full quarter of pasture land that was not used for 12 years, because there was no water source," he said. Boehm said that the cost to drill a well was too high and that the runoff was insufficient to gather in dugouts. "The pasture could have held 20 head of cattle for 12 years, but because of the lack of water, it sat stagnant."

"As a state legislator, I know how difficult it is to stretch the budget," he said, "but water is so important for family farmers and essential for economic growth and stability. Many family farmers are just trying to hang on to what they currently have. We need an adequate supply of quality water."

"We need to stress the importance of funding water projects in North Dakota," said Ray Christensen, Southwest Water Authority Manager/CEO. Christensen sees that all too often, farm families and small towns in dire need of an adequate supply of quality water. "We are diligently working hard to secure the necessary funding to finish construction of the Southwest Pipeline Project and we thank those awaiting service for their patience and understanding."





SOUTHWEST WATER AUTHORITY

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Return Service Requested

Southwest Water Authority Board of Directors

ADAMS

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401 Highway 22 N
Reeder, ND 58649
853-2219

BILLINGS

James Odermann (2008)
2767 129th Ave SW
Belfield, ND 58622
575-4767

BOWMAN

Don Flynn (2006)*
PO Box 531
Scranton, ND 58653
275-6351

DUNN

Emanuel Stroh (2008)
101 Eger St
Manning, ND 58642
4552-4552

GOLDEN VALLEY

Darrel Oech (2006)
16690 40th St SW
Beach, ND 58621
872-4807

GRANT

Brian Roth (2008)
7260 77th Ave SW
New Leipzig, ND 58562
584-2470

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Ray Bieber (2006)
PO Box 125
Mott, ND 58646
824-2712

MERCER

John Klein (2006)
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Duane Bueligen (2008)
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843-7239

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Taylor, ND 58656
974-3644

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Larry Ziegler (2008)
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DICKINSON

Larry Bares (2006)
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Dickinson, ND 58601
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*Executive Committee
**Chairperson

Lake Sakakawea - Elevation Gauge

