



WESTERN AREA

WATER SUPPLY AUTHORITY

ND Legislative Water Topics Committee Update

March 7th, 2016

Presented by: Mark Owan

- Mark Owan, Chairman of Western Area Water Supply Authority and Williams Rural Water District
 - o Continued success of the project
 - Prior to 2016, WAWS constructed over 800 miles of rural distribution and transmission line
 - An additional 650 miles of rural distribution will be constructed in 2016
 - 1,000 miles this biennium
 - 700 rural services will be installed this biennium
 - o In addition to all the rural work being completed , WAWS is continuing to serve 60,000 - 70,000 people in nine cities and rural areas within the project boundaries
 - o There is still a need for future dollars
 - \$150 Million of work remains to meet the future needs based on population projections for 58,000 wells as compared the previous projection of 70,000 wells (refer to handout – See Table #1)
 - Timing for some of the work will be delayed with oil development slowdown (ex. WTP and some Transmission)
 - WAWS is determining the amount of funds needed in the 2017-2019 biennium(dependent on need and state revenues)
 - o WAWS will be servicing \$20 Million in loans for the 2015-2017 biennium with Domestic revenue
 - o In addition, any future loans needed to match against SWC grant dollars are anticipated to be serviced with Domestic revenue
 - o WAWS Domestic rate increases (refer to handout – See Table #2)
 - 2011-2014 no adjustments were made to rates
 - 2015 2-5% increase
 - 2016 2% increase
 - o Member Entity rate increases
 - Reflect individual required O&M costs
 - Entities are cost-sharing the \$20 Million for WAWS through their rates
 - It should be mentioned that WAWS members pay some of the highest water rates in the state
 - o Previous existing debt being serviced with Industrial revenue
 - Industrial sales have declined with the price of oil
 - Selling 25% of the industrial water we sold last year at this time
 - Fortunately, we were able to pre-pay on debt during good times



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- Current Principal and Interest payments (refer to handout – See Table #3)
- Look to “weather the storm” during this decline and expect an increase of sales when oil price rebounds, however not at the levels seen in previous years due to increase competition and water availability
- Commend BND/NDIC relationship to make this work. As mentioned the suspension of partial interest and principal payments will help get us through this
- WAWS is trying to help as well with the reduction of Baseline Sales
 - Explain 2010 Baseline (\$4.8 Million per year legislated in SB 2233)
 - Board moved to suspend payments during months of inadequate sales with member and sub-member concurrence
- Supportive of NDIC approval of industrial pricing structure to help sell more water as WAWS Market share continues to decrease to currently around 14% (refer to handout – See Table #4)
- We would like thank the Legislature for their continued support of project