

INDEPENDENT WATER PROVIDERS

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To: Chairman Schmidt and members of the Water Topics Overview Committee

My name is Steven Mortenson, chairman of the IWP. The downturn in the oil industry has come as quite a surprise to all of us. The IWP continues to also lose revenue due to falling oil prices and the cutbacks that are being required by the oil companies, and yes we do still have some market share but our market share has also dropped because there is no demand. We have had to do what many other businesses have had to do in these times and cut cost and price and still deliver the service the oil industry needs. Some water companies have had to lay off close to 300 employees because there is no work; top managers have had to take wage cuts and many expensive pumps and water transfer hose are stacked at the yards that also require a payment to the banks. At the last NDIC meeting the commission approved the industrial rate for WAWS to be as low as .60 per barrel if a client takes over 1,000,000 barrels. We feel this will be very counterproductive and everyone one will lose more. WAWS is having trouble cash flowing now. How will they be able to cash flow if they are getting .24 cents per barrel less? Even their own board members stated at the last water topics meeting it is more location than price. The IWP does not have that ability to forgo loan payments like WAWS and we will have to do whatever we can to stay in business while the oil industry recovers. The IWP has already given up an estimated 4,000 ac/ft of temporary industrial permits when the In-lieu of irrigations permits were canceled December 31, 2015. In my letter to the committee I have enclosed some charts and data that I feel the committee should be aware of. There was never any doubt the northwest area needed a potable water project, that is the one item that we do all agree on, but how it has escalated from \$150 million to \$430 million is still very hard to understand. We know the market will come back at sometime, but will it come back to where we were? With the new technology we know how many barrels we have in the ground and each year we will improve in getting more production out of the ground, and in the future we might not even use water to frac oil wells, but it is the risk the IWP are taking along with the taxpayers of North Dakota. As chairman I would love nothing more than to come up with some solution for all, but with the element of greed on both sides we seem to get further apart. I would like to thank Chairman Schmidt and the members of the water topics committee for giving the IWP the opportunity to voice their concern.

Thank you,



Steven Mortenson

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Item

1. WAWSA building water for just industry use, we were always informed that WAWS did not build lines for the oil industry.
2. WAWSA goes ahead with building purchase of \$1.85 million during slowdown in the Bakken with building renovations to be added.
3. Difficulty to obtain easements from landowners.
4. Executive Director Jaret Wirtz receives his quarterly bonus, he has received one for every quarter in 2015, I did not have access to the January minutes that stated that, that is also the minutes were Advanced Engineering ask for a rate increase for engineering and if it had not been for one of our members at the meeting they would have approved that also, we checked with other engineering firms and they were charging less during the down turn in the oil industry, Advance Engineering has asked for a increase every year since they have been on this project.
5. Minutes showing WAWS raising water rates to domestic communities.
6. WAWS asking for suspending principle payment on \$50 million loan.
7. WAWS asking to reduce industrial water rates for market share.
8. WAWS asking to reduce or take away baseline sales to participating entities.
9. Executive Director Jaret Wirtz given a 6% increase in annual salary, not sure of the number but I believe Jaret is making over a \$110,000 per year
10. 2016 WAWS Budget, I believe they are taking money from the industrial side and putting that as income to WAWS and then not making any loan payments and then putting the grant in as income for profit and loss, need to talk with the bank of North Dakota on this
11. WAWS annual 2015 water sales, if you use the last four months of 2015 as a baseline, you come up with an estimated total industrial water sales for 2016 of 1812 ac/ft which equates to \$10,121,394 or \$4, 4478,606 less than what is budgeted.
12. NDIC lowering Industrial rates for more market share

BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 05-081915 in the amount of \$2,796,025.57 and SWC Grant request 13-081915 in the amount of \$2,617,044.71 for a total request of \$5,413,070.28 were presented to the board for their approval. **Zubke moved to approve the pay requests in the amount of \$5,413,070.28, Koeser seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the industrial sales; June industrial sales were \$1,653,158.00.

ND Industrial Commission

Wirtz presented the board with the industrial capital improvements pay request in the amount of \$129,627.32. The ND Industrial Commission will be asked to reimburse WAWSA \$129,627.32. **Zubke moved to approve the reimbursement request to NDIC, Rust seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

Wirtz will present the NDIC with a request to build one mile of 12" pipeline from the transmission line north of Cty 12 to the Keene depot to create a better connection for industrial temporary direct connections. **Koeser moved to present the request to the NDIC, Haake seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

State Water Commission

The ND Missouri River Stakeholders will have a meeting on August 25, 2015 in Bismarck. Wirtz will be representing WAWSA.

Wirtz reported that a request has been made to the SWC by WAWSA to approve the \$60M project list and allow WAWSA to contract up to \$289M. He also requested that the SWC approve the project included in the \$80M project list in order to start design work.

Letter to the Editor

Wirtz presented a letter to the editor for the board's review and approval. The purpose of the letter is to inform the public that industrial sales are used to pay WAWSA loans and help keep customer rates down. Brostuen asked that the letter be sent to the ND Living magazine as well as the ND Rural Water magazine. **Rust moved to approve the letter, Zubke seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

Office Building

2. The WAWS executive committee approved a purchase agreement of \$1.85M for the Baker Hughes building for office and shop. Wirtz asked for full board approval of the purchase. **Zubke moved to approve the purchase of the Baker Hughes building for \$1.85M, Koeser seconded.** The funds for the building and improvements will come from WAWS's project fund account.

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

Wirtz asked for the board's approval to hire Hulsing and Associates as the architect and to prepare the bid packet for the building renovations. **Koeser moved to hire Hulsing and Associates, Rust seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

Easement Acquisition

3. Wirtz informed the board that it has become more difficult to obtain easements and there will be more letters of condemnation sent out than in the past.

Project Updates

Chorne presented a current water demand report

Chorne presented the Capital Accounting Report.

Chorne presented the board with project updates.

Williston WTP

PKG Change Order #13 in the amount of \$371,181.00 for pretreatment facility improvements was presented to the board for their approval. **Zubke moved to approve Change Order #13 in the amount of \$371,181.00, Koeser seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

PKG Change Order #14 in the amount of \$99,656.00 for raw water and sludge pump repairs and purchase of back up sludge pumps was presented to the board for their approval. **Rust moved to approve Change Order #14 in the amount of \$99,656.00, Zubke seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

Williston By-Pass Transmission Main

Merryman Change Order #8 for a 7 day time extension was presented to the board for their approval. **Zubke moved to approve Change Order #8 for a 7 day time extension, Koeser seconded.**

AYES: Brandt, Rust (also voting for Anderson), Koeser, Zubke (also voting for Veeder), Haake, Liesener and Brostuen
NAY: 0
CARRIED: 9-0

Executive Director's Report

1:20pm Gene Veeder joined the meeting.

System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the leaks near the 13 mile corner on the 20" and 24" pipeline. Wirtz reported that WAWSA has hired another easement person, Jason Slater. Wirtz reported on the industrial sales; September industrial sales were \$942,958.00.

NDIC

Wirtz reported on the September NDIC meeting. The NDIC will be meeting in Watford City Oct. 22nd and will be stopping by the Watford City Depot. Wirtz presented the board with the industrial capital improvements pay request in the amount of \$1,200.00. The ND Industrial Commission will be asked to reimburse WAWSA \$1,200.00. **Rust moved to approve the reimbursement request to NDIC, Koeser seconded.**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan
NAY: 0
CARRIED: 9-0

State Water Commission

Wirtz gave an update on the October 6th meeting. SWC did approve all \$80M projects that were requested. WAWSA received \$60M in grant and \$10M in loan from the SWC. WAWSA will need to obtain another \$10M loan.

Hulsing and Associates Architects, P.C. Contract

The contract with Hulsing and Associates Architects has been reviewed by Vogel Law Firm and submitted to Hulsing for their comments. **Koeser made a motion to give the Executive Committee the authority to approve the contract with Hulsing and Associates Architects, Brostuen seconded.**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan
NAY: 0
CARRIED: 9-0

Employee Compensation

Third quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 3rd quarter bonus for Executive Director Jaret Wirtz. **Zubke moved to give Wirtz a 10% 3rd quarter bonus based on Chairman Owan's recommendation, Haake seconded**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan
NAY: 0
CARRIED: 9-0

Equipment Purchase

Wirtz notified the board of the need for a backhoe for reclamation and maintenance. He asked for approval to purchase a 2012 John Deere 410K Backhoe for \$68,000.00. The backhoe has a 2 year warranty. **Rust made a motion to approve the purchase of the backhoe for \$68,000.00, Brostuen seconded.**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan
NAY: 0
CARRIED: 9-0

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday November 18, 2015**

Attendees

Members Present: Bert Anderson, Raoul Brandt, Chris Brostuen, Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan, Gary Rust, and Denton Zubke

Members Absent: Gene Veeder

Others Present: Jaret Wirtz (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Steve Burian (AE2S) via phone, Jeff Shaffer (MCWRD), Jeff Viniard (MCWRD), Kent Bickler (R & T Water), Eric Hager (Armstrong), Ben Clarys (WRWD), Rick Olson (WRWD), John Ward (Zugo Kirmd & Smith) and Nate Mitchell (NW Construction).

Meeting Called to Order

Chairman Mark Owan called the meeting to order at 1:00 pm.

Approval of Agenda

The Agenda was presented for approval. **Brostuen moved to approve the agenda, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the October 21, 2015 board meeting were presented for approval. **Zubke moved to approve the minutes as presented, Rust seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan

NAY: 0

CARRIED: 10-0

Financial Report

The financial reports were presented for consideration and discussion. **Koeser moved to accept the financial reports as presented, Brostuen seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan

NAY: 0

CARRIED: 10-0

2016 Budget

5.

Wirtz presented a draft of the 2016 WAWSA budget. After reviewing the budget, the board discussed an annual inflationary water rate increase. **Koeser made a motion to apply an inflationary water rates increase of 2% effective January 1, 2016, Haake seconded.** The adjusted budget will be presented at next month's meeting,

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan

NAY: 0

CARRIED: 10-0

BND Loan/SWC Grant Payment Requests

Presentation of Audit

Megan Awalt with Brady, Martz & Associates presented the 2014 Audit to the Board. **Brostuen moved to accept the 2014 audit findings as presented, Koeser seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

BND Loan/SWC Grant Payment Requests

The SWC \$39.5M Grant request 17-121515 in the amount of \$363,700.00, the SWC \$60M Grant request 1-121515 in the amount of \$3,133,200.80 and the BND loan request of \$1,628,530.31 were presented to the board for their approval. **Veeder moved to approve the pay requests for the SWC grants and the BND loan, Haake seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. WBI is crossing our line near the Missouri River on the south edge of the river bank. They are paying the precautionary costs for locating the WAWSA line.

There is another leak on the north side near the Love's Truck Stop. It will be a two-day fix. WAWSA, WRWD and the City of Williston are working on how to back feed the water so no one would be without water.

Wirtz reported on the industrial sales; November industrial sales were \$853,051.00

NDIC

6 Wirtz reported he will be meeting with the NDIC tomorrow. Due to the slowdown in industrial sale, there will be discussion with the NDIC to suspend the principal payment on the \$50M loan, since WAWSA has prepaid the \$50M loan to July 2017. This is not a restructuring of the loan. A separate item is that Bank of North Dakota may suspend the required monthly interest payment on the \$25M General Fund loan and the \$10M Resources Trust Fund loan until July 2017.

1. Wirtz asked for the board to allow the Executive Committee to make the decision on the industrial water rate proposals to present to NDIC at their January meeting. **Veeder made a motion to allow the Executive Committee to make a decision on the industrial rate proposals, Anderson seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

2010 Baseline Sales

Wirtz discussed the possibility of lowering the 2010 baseline sales that are paid to qualifying member and sub-member entities each month. A plan will be presented to the board at the next board meeting. The preliminary plan is to pay month by month if the money is available or a percentage of the baseline sales. This will require an amendment to the member and sub-member agreements.

Domestic Loan Repayment Analysis

The Domestic Debt Allocation Analysis was presented to the board for their approval. The analysis proposed methodology allocations by Member Entities for repaying the anticipated \$20M loans that must be repaid with domestic dollars. **Anderson**

made a motion to approve the amounts for each member as presented and to begin billing each member for their share of the member contribution on the debt allocation beginning January 2016, Koeser seconded.

Brostuen asked for Wirtz to present the presentation to the City of Williston Commission at their January meeting. Wirtz will present to R & T at their December 28th meeting.

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Vehicle Purchase

Wirtz presented the board with a request to purchase two new pickups. A used utility pickup was purchased with part of the money that was approved at the last meeting instead of the two pickups requested. Wirtz is requesting an additional \$45,000.00 to purchase the two pickups for a total of \$110,000 for the three vehicles. **Veeder made a motion to ratify the November motion adding the \$45000.00 to the total requested for a total of \$110,000.00 the three vehicle purchases, Haake seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Executive Directors Salary

9. Chairman Mark Owan recommended to the board to increase Jaret Wirtz's annual salary by 6% for the 2016 fiscal year. **Veeder moved to increase Wirtz's annual base salary by 6% for 2016, Brostuen seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Tioga Reservoir

The Tioga Reservoir that City of Tioga cannot use would be of benefit to WAWSA; instead of buying land and constructing a new reservoir WAWSA could modify the tank and utilize it in our system. Wirtz asked for approval to have the Executive Committee negotiate a price for the land and reservoir with Tioga. This purchase could save WAWSA \$300,000.00 to \$400,00.00. **Koeser made a motion to authorize the Executive Committee to negotiate a price for the Tioga Reservoir, Haake seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Project Updates

Schultz presented a current water demand report and the Capital Accounting Report.

Schultz presented the board with project updates.

MCWRD System IV Expansion

Schultz presented a Certificate of Substantial Completion for Merryman Excavation, Inc. on MCWRD System IV Expansion. **Brostuen moved to approve the Certificate of Substantial Completion for Merryman Excavation, Inc. on MCWRD System IV Expansion, Anderson seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

10.

Western Area Water Supply Authority 2016 Proposed General Budget

Accrual Basis

	Jan - Dec 16
Ordinary Income/Expense	
Income	
2010 Baseline Sales Reimb NDIC	4,799,780.00
Billing and Invoicing	278,000.00
Bulk Commercial Water Sales	1,389,999.92
Bulk Commercial Wtr Reimb - Mem	235,434.96
Debt Pmt Reimbursement - NDIC (Interest)	965,900.00
Domestic Water Sales	8,109,043.44
Indust Wtr Cost Reimb NDIC	2,829,555.00
Member Reimb Loan Interest	214,999.92
Miscellaneous Income	233,400.00
NDIC Reimb - Loan Interest	3,891,636.00
Total Income	22,947,749.24
Gross Profit	22,947,749.24
Expense	
Advertising	21,850.08
Armstrong - MDU Deficiency Pmt	65,000.04
Bad Debt Expense	5,000.04
Bank Charges	1,599.96
BDW Water System Association	259,750.96
Billable/Reimbursable	0.00
Board of Directors Expense	1,700.04
City of Williston	6,415,448.02
Computer Expense	18,300.00
Credit Card Fee	249.96
Dues & Subscriptions	5,000.04
Easement Expense	500.04
Employee Benefits	291,016.08
Freight	849.96
Gain/Loss on Disposal	20,000.04
Insurance	62,679.84
Interest Expense	4,106,636.04
Line Breaks	299,999.88
Line Locates	28,250.04
MCWRD	2,690,687.16
Meals and Entertainment	4,249.92
Office Expense	57,099.96
Operation Expense	84,600.00
Payroll Expenses	1,235,224.92
Postage Expense	2,000.04
Professional Fees	382,500.00
Promotional	77,499.96
R&T Water Supply Commerce Autho	3,628,512.00

10.

Western Area Water Supply Authority 2016 Proposed General Budget

Accrual Basis

	<u>Jan - Dec 16</u>
Realestate Taxes	20,100.00
Reclamation	20,000.04
Rent or Lease	129,999.96
Telemetry Expense	127,500.00
Telephone Expense	14,599.92
Training and Education	18,499.92
Travel - Employee	12,500.16
Utilities	64,999.92
Vehicle	78,000.00
Water Sampling Expense	3,000.00
WRWD	401,899.68
Total Expense	<u>20,657,304.62</u>
Net Ordinary Income	2,290,444.62
Other Income/Expense	
Other Income	
Member Entities Loan Prin. Reim	1,000,000.00
NDIC Capital Reimbursements	1,000,000.00
NDIC Remb Principal Member Debt	2,313,000.00
SWC Grant \$39.5M	1,200,000.00
SWC Grant \$60M	45,000,000.00
Total Other Income	<u>50,513,000.00</u>
Other Expense	
Amortization Expense	620,000.04
Depreciation	2,795,000.04
Total Other Expense	<u>3,415,000.08</u>
Net Other Income	47,097,999.92
Net Income	<u><u>49,388,444.54</u></u>

10.

Western Area Water Supply - Industrial Account
2016 Proposed Industrial Budget

	<u>Jan - Dec 16</u>
Ordinary Income/Expense	
Income	
Industrial Water Sales	14,600,000.00
Total Income	<u>14,600,000.00</u>
Gross Profit	14,600,000.00
Expense	
2010 Baseline Sales	4,799,780.00
Accrued Interest	3,891,636.00
Bad Debt Expense	5,000.00
Bank Service Charge	100.00
Debt Payments	3,278,900.34
Industrial Wtr Reimbursement	2,829,555.00
NDIC Full Time Employee	75,000.00
Total Expense	<u>14,879,971.34</u>
Net Ordinary Income	-279,971.34
Other Income/Expense	
Other Income	
Finance Charge	10,000.00
Total Other Income	<u>10,000.00</u>
Net Other Income	<u>10,000.00</u>
Net Income	<u><u>-269,971.34</u></u>

WAWS Monthly Water Use Totals from State Engineer Telemetry System

Meter Site Water Use for WAWS in 2015

Meter #	Jan AcFt	Feb AcFt	Mar AcFt	Apr AcFt	May AcFt	Jun AcFt	Jul AcFt	Aug AcFt	Sep AcFt	Oct AcFt	Nov AcFt	Dec AcFt	WAWS Depot Name	Depot Count
143	9.40	7.70	10.60	12.70	10.42	9.37	12.83	12.2	7.4	8.51	8.76	10.14	Williston City Depot 2nd Depot	Building:01
144	14.34	9.78	10.48	14.21	12.63	11.80	16.72	15.6	12.7	11.73	12.24	12.53	Williston City Depot 2nd Depot	Building:01
159	1.03	0.45	0.00	0.00	0.00	0.01	0.05	3.0	4.1	2.87	3.30	3.33	2nd St - Armstrong Depot	Building:02
160	16.63	14.39	1.09	0.23	0.24	0.33	1.01	0.0	0.0	0.00	0.00	0.00	2nd St - Armstrong Depot	Building:02
161	16.03	13.20	0.94	0.68	0.00	0.02	0.69	0.2	0.0	0.00	0.00	0.00	2nd St - Armstrong Depot	Building:02
186	84.57	65.36	69.96	43.61	23.68	19.67	26.85	19.4	16.9	15.66	15.97	19.26	4 Mile Corner Depot	Building:03
192	4.58	3.59	3.74	3.27	2.46	3.16	3.80	5.5	7.4	5.52	4.47	3.26	Keene Water Depot	Building:04
204	2.59	1.09	1.38	3.49	3.60	2.04	2.83	1.7	1.2	1.43	0.79	3.26	Indian Hill Water Depot	Building:05
205	6.62	4.92	5.85	4.52	4.24	4.78	5.27	4.1	4.8	3.61	3.39	3.24	Indian Hill Water Depot	Building:05
214	6.55	5.13	5.71	5.23	4.46	5.50	6.41	8.6	2.5	8.81	6.63	5.60	Keene Water Depot	Building:04
325	4.21	4.20	3.54	4.57	3.65	3.49	4.20	4.2	3.6	2.64	2.58	2.10	Indian Hill Water Depot	Building:05
326	0.71	0.75	0.98	1.92	1.51	0.73	1.69	0.7	0.6	0.40	0.50	0.69	Indian Hill Water Depot	Building:05
327	2.04	1.24	1.92	2.27	2.04	3.48	2.37	0.6	0.7	0.91	1.26	1.34	Indian Hill Water Depot	Building:05
328	1.28	0.42	0.37	0.42	0.77	2.26	0.73	0.6	0.7	1.32	1.88	0.09	Indian Hill Water Depot	Building:05
464	3.23	2.83	2.92	2.11	4.14	1.86	2.09	1.9	1.6	1.67	1.61	1.77	Direct Connections Depot (Continental Inc.)	Pipe:10
465	6.74	0.23	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00	0.00	0.00	Direct Connections Depot (SM Energy)	Pipe:11
466	73.08	18.87	43.32	11.67	0.00	1.29	5.29	6.0	0.0	0.00	0.00	0.00	Direct Connections Depot (Triangle Petro)	Pipe:12
467	0.48	0.44	0.14	0.18	0.21	0.24	0.28	0.3	0.3	0.34	0.33	0.32	Direct Connections Depot (Oasis Petro)	Pipe:13
468	6.09	4.16	6.51	7.26	3.33	2.73	0.61	0.0	0.0	3.14	0.45	0.00	Direct Connections Depot (ECS Inc.)	Pipe:14
585	34.63	34.47	17.49	13.20	57.86	9.63	10.11	0.0	38.4	6.61	6.23	8.25	Direct Connections Depot (Black Trailer)	Trailer:16
586	0.00	30.42	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00	0.00	0.00	Direct Connections Depot (White Trailer)	Trailer:17
589	0.00	34.14	0.00	0.00	0.00	0.00	21.23	0.0	0.0	0.00	0.00	0.00	Direct Connections Depot (Pewter Trailer)	Trailer:18
976	57.32	61.32	60.03	31.73	47.10	8.42	54.47	82.6	6.4	5.97	4.94	6.80	Direct Connections Depot (Continental Inc.)	Pipe:15
1006	105.30	106.55	83.03	34.31	37.67	28.25	27.52	25.6	28.3	29.60	24.56	26.33	Watford City Depot P#720 & P#6086	Building:06
1089	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00	0.00	0.00	Direct Connections Depot (White Trailer)	Trailer:19
1090	4.01	4.31	7.14	9.04	9.29	10.67	12.76	12.7	11.6	8.81	2.14	1.64	Direct Connections Depot (Whiting Lester)	Trailer:20
1168	3.18	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.00	0.00	0.00	Direct Connections Depot (Mobile Meter1)	Trailer:21
1181	33.23	34.75	18.74	21.26	18.64	14.52	13.91	17.3	14.2	15.92	14.44	12.65	13 Mile Corner Depot	Building:07
1182	40.34	26.72	27.09	25.42	26.08	23.59	21.09	17.1	15.4	16.53	15.12	15.11	Alexander Depot	Building:08
1203	3.39	1.76	2.29	1.54	1.52	1.56	1.93	3.8	2.4	1.38	0.44	0.52	WAWS: R & T Depot	Building:09
Total AcFt	541.6	493.2	385.3	254.8	275.5	169.4	256.7	243.7	181.2	153.4	132.0	138.2	Year to Date Total = 3,225 AcFt	
(Note: 1 Acre-Foot = 325,851 gallons or 7,758.4 barrels)														

February 22nd, 2016

12.

Did the State Industrial Commission Defy State Law?

Last week we told you about the actions taken in the last several weeks to prop up the favorite socialist program of North Dakota Republicans.

On February 16th, the State Industrial Commission (comprised of the Governor, Attorney General, and Agriculture Commissioner) voted 2 to 1 to allow the Western Area Water Supply Authority to utilize a tiered rate plan for industrial water sales:

It was moved by Attorney General Stenehjem and seconded by Governor Dalrymple that the Industrial Commission specifically approve that the Western Area Water Supply Authority may offer the following industrial rate schedule for three months based on volume commitments:

Volume Commitment in Barrels	Industrial Water Rate
0-250,000	\$.84/barrel
250,001-500,000	\$.75/barrel
500,001-750,000	\$.70/barrel
750,001-1,000,000	\$.65/barrel
1,000,000+	\$.60/barrel

On a roll call vote, Governor Dalrymple and Attorney General Stenehjem vote aye and Commissioner Goehring voted nay. The motion carried.

This action seems to defy legislation passed in 2015 that addressed specifically the issue of rate changes.

Senate Bill 2020 was the Water Commission budget appropriations bill. Section 27 of Senate Bill 2020 stated that quote:

SECTION 27. INDEPENDENT WATER PROVIDERS AND WESTERN AREA WATER SUPPLY AUTHORITY - REPORT TO THE WATER TOPICS OVERVIEW COMMITTEE. During the 2015-16 interim, the independent water providers and the western area water supply authority shall report to the legislative management's water topics overview committee on a regular basis and collaborate with the committee and the state water commission to monitor water usage, rates, engineering contract procedures, and market share. The water topics overview committee shall report to the legislative management with recommendations to ensure western area water supply authority's ability to maintain its payment schedule of the state's loan.

While there was no mention specifically of the Industrial Commission in the legislative language, there is mention of a collaboration that "shall" take place with regard to "water usage, rates, engineering contract procedures, and market share."