

Testimony by Jenifer Murray, Acting Manager/CEO
Southwest Water Authority
On behalf of the
Southwest Pipeline Project
to the
Senate Appropriations Committee
Hearing on House Bill 1020
Monday, March 22, 2021

Mr. Chairman and members of the committee, my name is Jenifer Murray. I am the acting Manager/CEO of Southwest Water Authority (SWA), the entity managing, operating and maintaining the state-owned Southwest Pipeline Project (SWPP). My background and education are focused on Environmental Health and I recognize the importance of access to a clean, reliable source of drinking water is essential to public health. Water infrastructure is critical to meet those needs. I want to thank the North Dakota Legislature for its continued support and funding of water infrastructure across the state. It is because of this support, SWA has been able to connect over 7,300 rural water customers and serve over 56,000 people in ND.

The 2019-2021 State Water Commission appropriations bill included \$180 million for Capital Assets. The SWPP, as a Capital Asset for North Dakota, was expected to receive \$25.5 million through legislative intent. In the current biennium, the SWPP received \$2.3 million to construct the Second Davis Buttes Reservoir and the Second Belfield Reservoir providing 1.75 million gallons in additional potable water storage to help serve the region.

The approach SWA has taken to building for the future is three-pronged. The first prong includes increasing the main transmission line capacity to ensure transmission capacity does not become a limiting factor to connecting future customers. The second prong includes strategic hydraulic improvements which will allow users on SWA's waiting lists to be added as subsequent customers. The third prong is the expansion of the system into under-served areas. The expansion would be constructed on a service area basis just like the original construction phases of the SWPP. SWA plans to begin canvassing the Burt Service area soon which, according to information based on 911 addresses, only 37% is served by the SWPP at this time.

In June of 2020, water projects were asked to delay or defer funding for projects due to the downturn in the Resources Trust Fund revenues. SWA voluntarily reduced its funding needs by \$12 million to help with the advancement of other water development projects. Construction of main transmission lines from the Ray Christensen Pump Station to the Davis Buttes, Belfield and New England Reservoirs with an estimated project cost of \$8.3 million was delayed until the upcoming 2021-2023 biennium.

The SWPP has \$3.3 million in strategic hydraulic improvements under design with bid-ready documents expected before the session is over. These improvements projects will provide capacity to over a hundred committed customers which were previously unable to connect due to no capacity or low water pressures.

The SWPP funding request for the 2021-2023 biennium is \$32.5 million in Capital Assets funding and includes an intake pump station, rural distribution expansion, hydraulic improvements, and treatment plant equipment procurement. SWA is also faced with the challenge and cost of assessing and replacing portions of main transmission line constructed with Ductile Iron Pipe (DIP) which is not included in the funding request currently. This assessment and replacement is beyond extraordinary maintenance and very costly.

We are truly grateful for the support from the legislature and the Resources Trust Fund. Presently, the Resources Trust Fund is the only source of funding for the SWPP. The relationship SWA and the SWPP share with the Resources Trust fund is unique. Since 1991, the Capital Repayment from SWA customers is paid back to the Resources Trust Fund and is used for funding other water projects throughout the State. The repayment is approaching \$11 million per biennium. Over 28% of total funding received from the State equaling \$79 million has been returned to date.

The effort of providing a reliable supply of high-quality Missouri River water to southwest North Dakota has been a monumental undertaking. The success of which is mirrored in the successes of the region. The economic growth and quality of life that many residents, from all 12 counties of southwest North Dakota, now enjoy, is a direct benefit of quality water.

North Dakota has been set up for success through the thoughtful planning and wisdom of the legislature. There are water needs yet to be met and hundreds of people waiting for their chance to receive quality water. On behalf of SWA, I am here to express my support of House Bill 1020, and respectfully request your consideration of \$32.5 million in funding for the SWPP. It is only with your support we can continue our mission of quality water for southwest North Dakota.

Thank you.
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