MEMORANDUM

To: Southwest Water Authority Board of Directors

From: Jen Murray, Manager/CEO, SWA

Subject: August 3, 2026, SWA Board of Directors Meeting

Date: July 29, 2026

The next Southwest Water Authority (SWA) Board of Directors meeting will be on August 3, 2026, at 9:00 a.m. MDT at the Southwest Water Authority O&M Center Office in Dickinson.

We will start this month's meeting with the Oath of Office for three remaining reelected directors.

Decision-making includes two policies and reports to the Board. Policy II. Executive Limitations – General Executive Constraint and Policy II. F. Executive Limitations – Compensation and Benefits. Please review and let me know if you have any questions.

The 2025 Board of Directors' Action Plan is included in the Board packet each month. The plan focuses on topics such as the Supplementary Intake and Raw Water Infrastructure, Outside Funding Sources, the Three-Pronged Approach, and SWPP Ownership.

Odney has restructured accounts. The SWA account is being transitioned to Grady Blewett. Grady has worked on the account behind the scenes and has been involved with developing the Annual Report. Chelsey Jacobson and Grady will be in attendance at the Board meeting.

SWA hosted a Water Education Foundation Summer Water Tour on July 30, 2026. The SWA tour bus was full and featured a stop at the Theodore Roosevelt Presidential Library, Dakota Prairie Refinery, Phat Fish Brewery, and the Southwest Water Treatment Plant. Thank you to everyone who attended and made the event a great success.

The ND Water Users Association and ND Water Resource Districts Joint Summer meetings were held in Watford City on July 15-16, 2026. Chairperson Odermann, Director Gaugler and I were in attendance. The ND Water Users Association and Missouri River Joint Water Board meeting agendas are included in the board packet. The speakers and panelists were very informative. The final State Water Commissioner-hosted meeting was also well attended. On July 16, the ND Water Education Foundation hosted a water tour of the Watford City area.

The SWC Precommission Meeting was held on July 23, 2026. The agenda is included with the Board packet. SWPP items included Award of Contract 1-1C Modifications to the Existing Intake Pump Stations, and Contract 2-2I Metallic Raw Water Pipeline Replacement award authorization.

Justin Froseth will give an SWPP update on the status of current construction and various projects. Also included in the Board packet is the SWPP funding to date.

The Identified Needs Analysis for the North and East and South Zones has been completed. This report identifies the upgrades needed at the Ray Christensen Pump Station. This engineering report was done in the same manner as the West Zone Report, including identified needs, identified needs plus a 25% blue sky increase, and identified needs plus a 50% increase in design flow. Froseth will provide this information to the SWC at the August 18, 2026, meeting in anticipation of advertising for bid prior to the end of the biennium.

B&W and the DWR have been working on Preliminary Design Report 239, Supplementary Raw Water Intake. The report evaluates alignments for the Supplementary Raw Water Intake, probable costs, and potential timelines. Decker and Froseth will give an overview of this report and update the Board.

Deloitte has submitted its final observations and considerations report for the ND SWC Regional Water Systems Governance and Finance Study at the end of May 2026. Included in the Board packet is the SWPP portion of the study. The report includes three options. The DWR Director has publicly stated a preference for option 2, which would maintain current governance and leverage the SWA capital repayment for bonding. During the SWC Hosted Basin Meetings, I expressed support for the second option, with the caveat that details matter and SWA should be involved in discussions about bonding capacity, interest rates, and future implications for customer rates.

Decker will provide an update on SWA Construction. The SWA Management team will provide an operations and maintenance (O&M) update for July. Items in this report include Distribution, Treatment, and Staff activities.

The Close Interval Survey is an action item included in the Board's Action Plan to evaluate the effectiveness of cathodic protection on the main transmission lines and identify potential microbiologically influenced corrosion (MIC) concerns. The Board approved $200,000 for this work in the 2026 REM budget. The survey will assess the cathodic protection systems on the steel and ductile iron raw water transmission lines and the ductile iron potable water transmission lines. Survey results will be compared to the 2014 baseline to identify any anomalies or areas of concern that may indicate deterioration or MIC-related issues.

Misti Conzemius will give an update on subsequent customers, customer complaints and easement acquisition. The waiting list currently has 800 requests for service system-wide, and an additional 937 have signed up in the Hebron and Burt Service Areas for a total of 1,737 requests system-wide. North New England Strategic Hydraulic Improvement is progressing, and some customers have been turned over for service. SWA is collecting their completed signups. All Main Transmission Line Easements have been collected for the Hebron Rural Service Area Expansion. 95% of the Distribution Line easements have been collected.

The Upper Missouri Water Association Annual Conference will be held on September 21-22, 2026, in Pierre, SD. The agenda is included in the Board packet.

North Dakota Water Users Association is hosting regional meetings across the state in August. The first of these meetings will be held in Dickinson at the SWA Office on August 17, 2026. This is an opportunity to learn more about the ND Water Users Association and have conversations about water-related policy. Lunch will be provided.

America's Water Infrastructure Act of 2018 (AWIA) required community water systems that serve more than 3,300 people to complete a risk and resilience assessment and develop an emergency response plan.

This task was completed for the first time in June of 2021. Community water systems must review, revise (where applicable), and recertify their risk and resilience assessment and emergency response plan every 5 years. SWA recertified the risk and resilience assessments with the EPA in June 2026. SWA is reviewing and revising the emergency response plan, which is due for recertification by December 31, 2026.

SWA has received the annual discount from the Workers' Safety and Insurance Board. I want to thank the staff for making safety a priority and the Safety Committee for their diligence in compiling and submitting the required documentation that ensures compliance with these programs. Additional information is included under a separate memo.

SWA had a booth at “Water Day” at the ND State Fair on Thursday, July 23, 2026. Thank you to Bartlett & West for providing the popcorn machine.

SWA received several requests for water in July for data centers and data center-related uses. We continue to work with these entities to specify their needs and determine whether capacity is available to accommodate them.

I look forward to seeing you on August 3, 2026, at 9:00 a.m. MDT at the SWA O&M Center Office in Dickinson, ND.

Oath of Office

I,____of ___________________, N.D., do solemnly swear (or affirm) that I will support the Constitution of the United States, and the Constitution of the State of North Dakota and that I will faithfully discharge the duties of the office of

____

____

according to the best of my ability, so help me God (under pains and penalties of perjury).

____
Signature of Office Holder

STATE OF NORTH DAKOTA)
)ss.
County of ______________________________)

Subscribed and sworn to before me this _____ day of _______________, A.D. 20 ____

____
Notary Public

NOTARY SEAL / STAMP

My Commission Expires________________________

SFN 11501 (01-02)

SOUTHWEST WATER AUTHORITY
Board of Directors Meeting Agenda
Monday, August 3, 2026, 9:00 a.m. MDT
Southwest Water Authority O&M Center Office, Dickinson, ND
Click here to join the meeting **or call: 1-321-558-6608 ID: 190145978#**

Flip Chart Recorder: Director Eaton | Process Observer: Director Engelhardt | Minutes: Wendy Serhienko

9:00 a.m.	1.	Call to Order – Pledge of Allegiance - Introductions	Chairperson Odermann
9:02 a.m.	2.	Oath of Office	Re-elected Directors
9:05 a.m.	3.	A. Agenda	Chairperson Odermann
		B. ***Consent Agenda****	Board of Directors
		Official Minutes of July 6, 2026, Board of Directors Meeting, Accounts Payable & Financial Reports and Return on Investment*	
9:10 a.m.	4.	Decision Making	
		A. ***Policy II. Executive Limitations – General Executive Constraint and Manager/CEO Internal Report****	Board of Directors
		B. ***Policy II.F. Executive Limitations – Compensation and Benefits and Manager/CEO Internal Report****	Board of Directors
9:20 a.m.	5.	Board Member Reports	
		A. Board Action Plan	Board of Directors/Jen Murray
		B. Summer Water Tours-Bully! For a Sustainable Future	Director Gaugler
		C. Joint Summer Water Meeting	Director Gaugler/Jen Murray
		D. Garrison Diversion Conservancy District Board Meeting	Director Begger
		E. Partner’s Annual Meeting	Director Begger
		1. Goldenwest Annual Meeting	
10:00 a.m.		BREAK	
10:15 a.m.	6.	Incidental Information	
		A. SWC Meeting	Justin Froseth
		B. SWPP Update	Justin Froseth/Tyson Decker
		1. Ray Christensen Pump Station Upgrades	Decker/Froseth
		2. Supplementary Intake	Decker/Froseth
		3. Regional Water Systems Governance and Finance Study	Board of Directors/Murray
11:00 a.m.		C. Update from Manager/CEO/SWA Staff	
		1. SWA Construction Update	Decker/Murray
		a. SWPP Metallic Line Close Interval Survey	Decker
		2. SWA O&M Update	Murray/Grammond/Erickson
		3. Easement/Signup Update	Misti Conzemius
		4. Upper Missouri Water Association Conference	Jen Murray
		5. ND Water Users Association Regional Meetings	Jen Murray
		6. America’s Water Infrastructure Act Risk and Resilience Assessment	Jen Murray
		7. Workforce Safety and Insurance	Ledeanna O’Shields
		8. Water Day at the State Fair	Wendy Serhienko
11:30 a.m.		D. Perkins County Rural Water System Update	Ledeanna O’Shields
11:32 a.m.	7.	Review issues pending/Parking lot/Plan next agenda	
11:35 p.m.		Adjourn for Lunch	

***Items require Board action.**

Minutes of Meeting
Southwest Water Authority
Board of Directors
July 6, 2026
Southwest Water Authority O&M Center Office, Dickinson, ND

1. Call to Order – Pledge of Allegiance - Introductions

The Southwest Water Authority Board of Directors met on Monday, July 6, 2026, at Southwest Water Authority O&M Center Office, in Dickinson, ND. Chairperson Odermann called the meeting to order at 9:01 a.m. MDT, followed by the Pledge of Allegiance and roll call.

Present at the meeting were: Directors James Odermann, Ryan Baumgartner, Mark Begger, Gerald Braaten, Dave Burke, Jonathon Eaton, Bruce Engelhardt, Larry Froelich, Harold Gaugler, Curtis Glasoe, Bob Ingold, Mike Tietz and Scott Tschetter. Also present were: Justin Froseth, DWR, Tyson Decker, Bartlett & West, Jack Dwyer, Dwyer Law Office, Chelsey Jacobson, Odney, Inc., Michael Miller, Dunn County, Jen Murray, SWA Manager/CEO, Andy Erickson, SWA Water Distribution Manager, Ledeanna O'Shields, SWA CFO/Office Administrator, Misti Conzemius, SWA Marketing Manager, Perry Grammond, SWA Water Treatment Manager, and Wendy Serhienko, SWA Executive Assistant.

Directors Berg and Schaible were excused.

2. June 9, 2026, Primary Election Results

2.A. Oath of Office

Five Directors elected at the June 9, 2026, primary election was administered the Oath of Office by Murray. This included Directors Ryan Baumgartner, Gerald Braaten, Bruce Engelhardt, Curtis Glasoe, and Larry Froelich. Gerald Braaten is the newly elected Director for Bowman County and Larry Froelich is the newly elected Director for the City of Mandan. The remaining three Directors will be administered the Oath of Office at the August Board meeting.

2.B. *Election of Officers** and Transfer of Gavel

The nomination subcommittee met on June 29, 2026, to discuss the election of officers.

Director Tschetter, Chairperson of the Nominations Subcommittee, conducted the election of officers. Directors expressing interest in the positions were placed on the ballot and nominations were taken from the floor for each position. Director Odermann was recommended for Chairperson, Director Eaton was recommended for Vice Chairperson, and Director Tietz was recommended for Secretary/Treasurer. Director Tschetter asked three times for other nominations from the floor. There were no other nominations from the floor.

Motion by Director Glasoe, seconded by Director Gaugler, to cease nominations. Motion carried by voice vote without dissent.

Motion by Director Ingold, seconded by Director Baumgartner, to cast unanimous ballots for Director Odermann as Chairperson, Director Eaton as Vice Chairperson and Director Tietz as Secretary/Treasurer. Motion carried unanimously by a roll call vote.

The meeting was turned over to Chairperson Odermann.

2.C. Board Buddy

Chairperson Odermann noted SWA has a Board Buddy program which is a mentoring program for new Directors. The purpose of the program is to provide guidance to new Directors and to share information. Director Eaton volunteered to be Director Braaten's Board Buddy. Director Glasoe volunteered to be Director Froelich's Board Buddy.

2.D. Budget Subcommittee Appointment

Chairperson Odermann stated Director Eaton, Director Engelhardt, Director Glasoe, and Director Tschetter have volunteered to serve on the Budget Subcommittee.

3. Agenda

3.A. Review Agenda

Chairperson Odermann asked if there were any changes or additions to the agenda. There were none.

3.B. Consent Agenda*

Motion by Director Tschetter, seconded by Director Burke, to approve item 3.B. Minutes June 1, 2026, Meeting, Official Minutes of June 29, 2026, Nominations Subcommittee Meeting, Accounts Payable, and Financial Reports and Return on Investment. Motion carried by voice vote without dissent.

4. Public Comments

Chairperson Odermann asked if there were any public comments not on the agenda. There were none.

5. Board Policy Review and Monitoring

5.A. Policy III.G. Board Governance Process – Board Members' Code of Conduct-Board Members are the Soul and Spirit of SWA

Chairperson Odermann review the policy. Chairperson Odermann asked if there were any comments, questions or changes to the Policy III.G. Board Governance Process-Board Members' Code of Conduct-Board Members are the Soul and Spirit of SWA. There were none. Each Board member was asked to sign the Soul and Spirit.

5.B. Policy IV. Manager/CEO Role

Chairperson Odermann reviewed the policy. Chairperson Odermann asked if there were any comments, questions or changes to Policy IV. Manager/CEO Role as presented. There were none.

6. Decision Making

6.A. *Policy II.C. Executive Limitations-Financial Condition Manager/CEO Internal Report**

Director Tschetter reviewed Policy II.C. Executive Limitations-Financial Condition and Manager/CEO Internal Report.

Director Tschetter highlighted an error in the net/loss income amount reported. The amount of net income/loss through May 31, 2026, is $1,174,362. Murray will have the number corrected.

Motion by Director Gaugler, seconded by Director Ingold, to approve Policy II.C. Executive Limitations-Financial Condition and Manager/CEO Internal Report as amended. Motion carried unanimously by a roll call vote.

6.B. *Policy II.E. Executive Limitations-Asset Protection and Manager/CEO Internal Report**

Director Burke reviewed Policy II.E. Executive Limitations-Asset Protection and Manager/CEO Internal Report.

Motion by Director Eaton, seconded by Director Tschetter, to approve Policy II.E. Executive Limitations-Asset Protection and Manager/CEO Internal Report. Motion carried unanimously by a roll call vote.

6.C. ***SWA Contract R-2025-1 Coating System Rehab Work Change Directive****

Murray stated the Board awarded Contract R-2025-1, New England Reservoir Coating System Rehabilitation, to Maguire Iron in March 2026.

Murray noted the scope of work for this contract stated that the roof beams would be inspected for corrosion and would be replaced based on the severity of the observed corrosion. Based on observed corrosion during the most recent tank rehabilitation, this contract estimated the need to replace 16. The contractor has inspected and evaluated the reservoir's current condition and has determined that all 34 beams require replacement. The additional work has resulted in a work-change directive to replace 18 additional beams. The work change directive has been authorized and Murray requested the Board approve the associated increase in contract cost based on the unit price.

Decker noted Maguire is also requesting a modification to the installation of the new beams. They are proposing that the beams be welded rather than bolted at either end. This modification is proposed as being better from a corrosion standpoint.

Motion by Director Glasoe, seconded by Director Tietz, to approve the associated increase in contract cost based on the unit price for additional beam replacement. Motion carried unanimously by a roll call vote.

6.D. ***Accounting Software Implementation Consultant Proposals****

O’Shields stated Microsoft has formally announced the end of support and ongoing updates for Microsoft Dynamics GP. The system handles billing for rural and contract customers, manages payroll, processes accounts payable, tracks fixed assets, supports budgeting, and produces all core financial reporting for SWA. On December 31, 2029, Microsoft will end all product support and updates for Dynamics GP, including featured enhancements, tax/regulatory updates, and technical support. On April 30, 2031, Microsoft will end all security patching for Dynamics GP, marking the final stage of the product lifecycle.

O’Shields noted SWA reached out to consult vendors for proposals covering a scope of work that includes conducting a detailed assessment of current and future software needs, objective evaluation of software options, preparing the Request for Bid, and ensuring alignment of all relevant technologies with operational goals. The scope also encompasses contract drafting, evaluating and strengthening process readiness, and performing historical data testing to validate system integrity. In addition, vendors are expected to support organizational change efforts, produce all required mapping outputs, develop comprehensive training documentation, deliver staff training, and provide robust post go-live support to ensure a smooth transition and sustained operational success.

O’Shields stated four vendor proposals were received. Two of the vendors did not provide detailed information or provide the services required. Of the two responsive proposals, Lean Solutions, LLC provided the lowest quote.

Director Ingold questioned if this cost includes the software. Murray stated it does not.

Director Glasoe requested how this expense will reduce the amount of money in reserves. O’Shields will provide this information at the August meeting.

Director Baumgartner questioned the timeline for the consultant. Murray stated the consultant would begin right away to do an assessment of process maturities and inventory of needs. SWA will have software cost estimates to include in the 2027 budget. Early in 2027 the selection will occur and implementation to take place throughout 2027. All end of year financial work will be run in parallel at the end of 2027 to ensure no information is lost.

Motion by Director Baumgartner, seconded by Director Gaugler, to approve a contract with Lean Solutions, LLC in the amount of $280,640 for accounting software implementation. $150,000 will be added to the 2026 administration budget to cover phase one. The remaining $130,640 will be incorporated into the 2027 budget. Motion carried by a roll call vote. 12-Yes/1-No. Directors Baumgarter, Begger, Braaten, Burke, Eaton, Engelhardt, Froelich, Gaugler, Ingold, Odermann, Tietz, and Tschetter voted yes. Director Glasoe voted no.

7. Board Member Reports

7.A. Board Action Plan

Murray stated SWA is moving forward with the priorities of the Board Action Plan. The updated *Rules and Regulations of the Southwest Water Authority for Water Service from the Southwest Pipeline Project* have been distributed to all Board members. Murray also noted the final report for the Raw Water Implementation Study will be available in the upcoming weeks.

7.B. Partner's Annual Meetings

Chairperson Odermann thanked the Directors for their written reports on the Partner's Annual Meetings. All written reports are on file with the official minutes.

7.B.1. Grand Electric Annual Meeting

Director Gaugler attended the meeting on June 4, 2026. He shared their manager and treasurer's reports with the Board.

7.B.2. West River Telephone Annual Meeting

Murray reported the meeting was held on June 5, 2026.

7.B.3. Roughrider Electric Annual Meeting

Director Tschetter attended the meeting on June 4, 2026. He provided a written report to the Board.

7.B.4. Slope Electric Annual Meeting

Director Burke attended the meeting on June 3, 2026. He provided a written report to the Board.

7.B.5. McKenzie Electric Cooperative Annual Meeting

Chairperson Odermann attended the meeting on June 2, 2026. He provided a written report to the Board.

7.B.6 Mor-Gran-Sou Electric Cooperative Annual Meeting

Director Leingang attended the meeting on June 11, 2026. He provided the minutes of the annual meeting to the Board.

7.B.7. Consolidated Annual Meeting

Director Ingold attended the meeting on June 17, 2026. He provided a written report to the Board.

7.C. State Water Commissioner-Hosted Basin Meetings

Murray stated three out of the eight State Water Commissioner-Hosted basin meetings were held in June. Murray presented at the Lower Missouri River Basin meeting in Bismarck, ND on June 18, 2026, and at the Little Missouri, Upper Heart, and Cannonball Basin meeting in Dickinson, ND on June 29, 2026.

The primary focus of these meetings are the Strategic Financing and Governance Finance Study and the Cost Share Policy. SWA continues to remain in engaged in these discussions.

8. Incidental Information

8.A. SWC Meeting

Froseth stated the SWC meeting was held June 9, 2026, in Bismarck, ND. The Rural Service Area Expansion in the Hebron Service area, modifications to existing Intake pump stations, reimbursement from Reserve Fund for REM, and an updated process for reimbursement for REM projects were approved.

The next SWC pre-commission meeting will be on July 23, 2026, in Minot, ND.

8.A.1. Governance and Finance Study and Cost Share Study

Murray stated Deloitte has submitted its final observations and considerations report for the ND SWC Regional Water Systems Governance and Finance Study. Three options are included in the report. The first option would keep the current model with improvements. The second option would keep current Governance and leverage Capital Repayment and the third option would transfer ownership to SWA and leverage Capital Repayment. The DWR Director has publicly stated a preference for option two, which would maintain current governance and leverage the SWA capital repayment for bonding.

Murray noted each option has its own unique challenges. She encouraged the Board to engage in discussions and bring questions and concerns forward. The details of how any changes are made will be important to define. Murray stressed that customer rates and affordability need to remain a priority.

Questions brought forth by the group included; How would interest payments be made and by who? Would bonds limit SWPP's access to other funds? Would bonding or one-time funding impact the future construction schedule? Would capital repayment need to increase by more than the CPI in any given year and how does that impact affordability?

Director Tietz expressed concern about SWA's aging infrastructure and costs are expensive for O&M projects.

Chairperson Odermann encouraged Board members to bring forth questions and solutions to Murray. Murray would like the board to have several discussions before any decisions are made by the DWR.

8.B. SWPP Update and Funding

Froseth provided an SWPP update and a slide presentation on SWPP construction progress. His memo is on file with the official minutes.

Froseth stated the DWR and BW/AECOM recently executed Amendment Number 1 to the Preliminary Design Report (PDR) agreement for Contract 1-2A Supplementary Raw Water Intake. This amendment shifts the focus toward evaluating a northern intake pipeline alignment while also expanding the scope to include a comprehensive assessment of alternative project delivery methods. A meeting will be held on July 7, 2026, to discuss Amendment Number 1.

Froseth noted the SWC approved authorization to award the project and funding for the Hebron Rural Service Area Distribution Project at the June meeting. Notices of award have since been issued to the contractors. Schedule 2 did not fully meet the feasibility criteria, as the overall schedule exceeded the maximum cost per ESU. In response, SWA staff contacted participants to secure additional commitment levels and also obtained several new signups. The feasibility criteria have now been satisfied, allowing Schedule 2 to proceed alongside Schedules 1A and 1B.

8.C. Update from Manager/CEO/SWA Staff

8.C.1. SWA Construction Update and O&M Update

Decker stated the OMND WTP Roof Replacement is complete, and the final pay application was approved on June 26, 2026. NDIRF has not yet responded to the coverage amount. On June 7, 2026, storms damaged the metal flashing and a small section of the roof adjacent to the metal flashing at the southwest corner of the facility repaired roof. Windspeed reports recorded wind gusts of 82 mph, and the new roof is rated as 90 mph under warranty. SWA reached out to the contractor to begin the warranty claim and there is disagreement with the recorded windspeeds and an initial declination in the work being covered by warranty.

Decker stated Maguire Iron, Inc is blasting and applying a primer coat at the New England Tank.

Decker noted B&W is reaching out to companies to provide a Closed Interval Survey (CIS). The companies will provide a quote on ductile, steel and potable pipe once more information is available to them.

Distribution, Treatment and Staff updates were provided.

8.C.2. Easement/Signup Update

Conzemius reviewed the sign-up and easement report. Subsequent cost quotes, customer complaints and waiting list numbers were reported. There are 802 requests for service system-wide plus 936 Burt Hebron Service Area Signups for a total of 1,738 requests system wide. Of the 802 waiting list requests, 111 have committed for service via intent forms once the North New England Strategic Improvements have been completed. 12 subsequent customers signed up in June. The department is focused on acquiring the remaining easements for the Hebron Rural Service Area.

8.C.3. Water Topics Overview Committee

Murray stated the Water Topics Overview Committee net on June 10, 2026, in Bismarck, ND. Director Haase gave the committee an update on the Legislative reports and the activities of DWR. SWA will give a joint presentation with the DWR on the SWPP at the September 17, 2026, meeting.

8.C.4. ND Water Education Foundation 2026 Summer Water Tours

Murray reviewed the schedule of the ND Water Education Foundation’s Summer Water Tours. SWA is a sponsor of the tours and will host a tour on July 30, 2026. The SWA tour will feature a stop at the Theodore Roosevelt Presidential Library, Dakota Prairie Refinery, Phat Fish Brewery, and the Southwest Water Treatment Plant.

8.C.5. ND Water 2026 Joint Summer Water Meetings

Murray stated the ND Water Resource Districts and ND Water Users Association Joint Summer Meeting is scheduled for July 15-16, 2026, in Watford City. The Upper Missouri River Basin SWC Commissioner-hosted meeting will be held in conjunction with the conference.

8.D. Perkins County Rural Water System Update

O’Shields reported the Perkins County Rural Water System (PCRWS) provided minutes from their May 14, 2026, meeting, along with a copy of the agenda for the June 11, 2026. The next meeting will be held on July 9, 2026.

9. Review issues pending/Parking lot/Plan next agenda

Murray updated the Board on SWA customer, Brian Dschaak, ability to install poly pipe. The poly pipe was inspected by SWA staff and was found to have a pressure rating that is too low. Dschaak is considering installing yelomine pipe.

There being no further business, Chairperson Odermann adjourned the meeting at 11:36 a.m. MDT.

Jim Odermann, Chairperson	Mike Tietz, Secretary/Treasurer

MEMORANDUM

To: Jen Murray, Manager/CEO

From: Ledeanna O'Shields, CFO/Office Administrator

Subject: Financial, Administration and Customer Service – Incidental Information

Date: July 21, 2026

The financial statements included for your review are for June 2026. These include a summary income and expense statement that compares to budget, a detailed income statement of actual income and expenses for the year and the balance sheet. The balance sheet is a comparison of June 2025 to June 2026. Also included is a detailed statement of board expenses for the month of June.

The accounts receivable listing for rural customers is for June 2026 and the transmission accounts receivable listing is for June 2026. The checks written for the month are from June 23, 2026 to July 20, 2026.

Total rural usage for June 2026 was 55,337,200 gallons. By comparison, in June 2025 rural water sales were 49,969,600 gallons. This is an increase of 10.74%. During the month of June, there were 18 hookups with six hookups in 7-1B, three hookups in 7-8G, two hookups in 7-8A and one hookup each in 7-2, 7-3A, 7-7B, 7-8, 7-9D, 7-9G, and 7-9G Sch 2.

There are 2,425 customers using our Automatic Payment Plan, 409 paid online with a credit option and 358 paid online with a checking account. We had 40 spot checks (two months without a reading or the same reading). Currently there are 603 customers who are using the Customer Service Center to view their accounts.

Included with this memo are residual mill levy income and signup income for the month of June. SWA sold a total of 303,752,970 gallons of water in the month of June. The projection for the year 2026 is 2,430,122,000 gallons. A comparison of total usage through June is listed at the top of the next page. The difference shown in the first column is the difference between year-to-date for the year (2025) and 2026. This shows a historical year-to-date comparison. Also listed are the usage and the difference for the last two months. Sales through June were more than last year's sales through June by 10.69%. SWA had 7,884 active accounts with 3,110 subsequent users in June. As of June 30, 2026, SWA has 321 tenants.

Also listed below is O&M Income minus Capital Repayment and REM, along with percentages, through June 30, 2026.

Comparisons Through June	Listed in thousand gallons
2017	311,991,510
2018	259,961,050
2019	242,079,670
2020	281,216,710
2021	273,198,400
2022	205,029,930
2023	268,958,080
2024	246,109,950
2025	274,427,150
2026	303,752,970
Difference	29,325,820

May 2026	190,605,680
June 2026	303,752,970
Difference	113,147,290

As of June 30, 2026	**Amount**	**Percent**
O&M Income	8,768,649	
Return on Investment Expense	(3,182,690)	36%
REM Expense	(1,080,620)	12%
Balance	$4,505,339	51%

Water depot usage information is included with this memo.

A listing of Accounts Payables (aged trial balance) is included. In addition to the regular accounts payable, included in the listing are: Bartlett & West Engineers, Inc for $44,204.58, which includes $28,692.56 for New England recoat, $7,251.10 for hydraulic and capacity studies, $4,073.44 for Hwy 85, and $1,235.89 for OMND roof; BEK for $5090.00 to repair at 93 Ave SW City of Dickinson for $25,267.82 for NDIRF insurance; Fenix for $6,504.30 for 5,913 customers; Informational Data Technology for $3,740.00 for 748 air minutes; Micro-com, Inc for $2,236.61 which includes $1,288.10 to repair boards and $948.51 for a transducer, cable; North Dakota Education Foundation for $4,000 for the *Water Magazine*; Odney for $23,042.73 for the SWA video filming; Sletten Excavating $11,165.00 of which $4,155.00 for repairs in Contract 7-9D, $3,930.00 for repair in Contract 2-7C, and $3,080.00 for repairs at the Intake; T. Fin Building for $1,539.08 for skylight repairs at the FWPS; The Village Family Service Center for $2,000.00 for the annual EAP contract; and William E Young Company for $2,944.81 for a remote transmitter for the OMND WTP; WSI for $18,805.14 for the annual workers compensation premium.

Southwest Water Authority
Statement of Income & Expenses
For 1/1/2026 To 6/30/2026

	Current Period	Current YTD	YTD 2026 Budget	YTD % of Budget	Budget total 2026
Sales					
Sales of Water	$2,249,309	$8,571,615	$8,210,322	43.38%	$19,759,956
Sales of Equipment	$37,656	$182,711	$127,063	71.90%	$254,125
Sales of Services	$643	$14,324	$13,700	52.28%	$27,400
Gross Sales	$2,287,608	$8,768,650	$8,351,085	43.75%	$20,041,481
O&M Expense --Transmission	$937,099	$3,758,055	$4,507,696	41.10%	$9,143,392
O&M Expense --Distribution	$533,704	$3,085,838	$3,300,179	46.47%	$6,640,757
O&M Expense -- Treatment	$289,677	$1,567,304	$1,836,550	41.79%	$3,750,100
Customer Service Expense	$19,071	$108,414	$146,650	36.41%	$297,800
Total Expenses	$1,779,551	$8,519,611	$9,791,075	42.96%	$19,832,049
Gross Profit On Sales	$508,057	$249,039	($1,439,990)	118.91%	$209,432
Other Income					
Mill Levy Income	$645	$7,966	$0	0.00%	$0
Other Income	$304,310	$372,911	$309,563	60.23%	$619,125
Grant Income	$193,020	$305,058	$31,000	492.03%	$62,000
Total Other Income	$497,975	$685,935	$340,563	100.71%	$681,125
Board of Directors Expense	$19,497	$123,490	$154,988	39.84%	$309,975
Administrative Expense	$93,932	$636,291	$703,350	45.34%	$1,403,300
Signup & Easement Expense	$54,702	$298,312	$325,475	44.40%	$671,950
Depreciation Expense	$42,443	$252,188	$331,033	38.09%	$662,066
Gain/Loss on Asset Disposal	($780)	($4,509)	$0	0.00%	$0
Net Income/Expenses	$794,678	($379,817)	($2,614,273)	17.61%	($2,156,734)
Replacement & EM Fund Expense	$34,002	$182,766	$2,223,743	4.11%	$4,447,485
Net Income w/ Replacement & EM	$760,676	($562,583)	($4,838,016)	8.52%	($6,604,219)

Board of Directors Expenses
For 1/1/2026 to 6/30/2026

	Current Period	Current YTD	2026 BUDGET YTD	2026 BUDGET Budget
Board of Directors Expenses				
Per Diem -- Board of Directors	$2,409	$24,747	$31,608	$75,860
Group Life Insurance -- Board of Directors	1	9	6	15
Workers Compensation Expense -- Board of D	3	15	83	200
FICA - Social Security -- Board of Directors	196	1,849	2,583	6,200
FICA - Medicare -- Board of Directors	46	433	625	1,500
Professional Services -- Board of Directors	3,624	37,460	26,250	63,000
Office Supplies -- Board of Directors	0	60	83	200
Copies & Duplication -- Board of Directors	0	20	42	100
Public Relations & Development -- Board of Di	5,397	17,212	14,167	34,000
Development & Education -- Board of Director	1,430	2,577	2,333	5,600
Mileage Reimbursement -- Board of Directors	748	7,275	9,542	22,900
Lodging & Meals -- Board of Directors	0	1,324	10,042	24,100
Travel Expenses -- Board of Directors	783	799	3,333	8,000
Telephone/Internet -- Board of Directors	347	1,834	2,083	5,000
Postage -- Board of Directors	85	562	417	1,000
Dues & Subscriptions -- Board of Directors	2,752	17,252	14,583	35,000
Insurance - Liability -- Board of Directors	1,677	10,062	11,375	27,300
Total Board of Director Expense	$19,498	$123,490	$129,155	$309,975
Total Expenses	$19,498	$123,490	$129,155	$309,975
	$19,498	$123,490	$129,155	$309,975

Comparative Balance Sheet

6/30/2026

	Through 6/30/2026	Through 6/30/2025
Assets		
Current Assets		
Cash		
Cash in Checking - O&M - Bravera	$955,140	$983,999
Cash in Checking - Payroll - Bravera	442,869	447,086
DDM - Reserve - O&M - Bravera	2,210,749	1,701,273
Cash in Checking - BMO Bank	91,158	76,146
Petty Cash	198	174
Total Cash	$3,700,114	$3,208,678
Short-Term Investments		
Short-Term Investment - O&M Fund	$765,858	$678,244
Short-Term Investment - General Fund	56,001	79,101
Short-Term Investment - Reserve Fund	1,062,313	81,578
Short-Term Investment - Escrow Fund	23,111	39,595
Short-Term Investment - Replacement	8,186,090	5,818,696
Cash Management Account - General Fund	24,202	23,302
Cash Management Account - O&M	1,290,920	1,246,861
Certificate of Deposit #18112	4,593,258	4,412,352
Certificate of Deposit #24572	1,119,173	1,074,577
Total Short-Term Investments	$17,120,926	$13,454,306
Accounts Receivable		
Accounts Receivable -- Distribution Prepayments	($51,012)	($57,196)
Accounts Receivable -- Transmission	1,429,331	1,279,021
Accounts Receivable -- Distribution	849,016	776,089
Accounts Receivable -- MWWS	14,949	20,423
Accounts Receivable -- Other	447	2,688
Grant Receivable	310,192	0
Allowance For Doubtful Accounts	(5,425)	(11,824)
Allowance For Doubtful Accounts -- MWWS	(497)	(2,168)
Total Accounts Receivable	$2,547,001	$2,007,033
Interest Receivable		
Total Interest Receivables	$0	$0
Inventory		
Inventory Contributed Capital	$99,797	$99,797
Inventory -- User Spare Parts	675,112	770,787

Comparative Balance Sheet

	Through 6/30/2026	Through 6/30/2025
Inventory -- WTP	118,564	151,352
Inventory -- SWTP	202,777	155,204
Inventory -- OMND WTP	147,413	128,296
Total Inventory	$1,243,663	$1,305,436
Prepaid Expenses		
Prepaid Expenses	$71,132	$57,735
Prepaid Deposit	197,987	24,845
Prepaid Insurance	86,195	64,674
Total Prepaid Expenses	$355,314	$147,254
Total Current Assets	$24,967,018	$20,122,707
Long-Term Investments		
Long-Term Investment - O&M Fund	$3,245,833	$3,250,957
Long-Term Investment - General Fund	1,195,415	1,144,887
Long-Term Investment - Reserve Fund	430,337	1,363,340
Long-Term Investment - Escrow Fund	765,450	735,089
Long-Term Investment - Replacement	21,020,745	21,948,167
Total Long-Term Investments	$26,657,780	$28,442,440
Property, Plant and Equipment		
Land	$113,318	$112,817
Buildings & Improvements	4,045,943	3,959,597
Office Furniture & Fixtures	296,585	290,706
Vehicles	1,190,022	1,190,022
Contributed Vehicles	46,093	46,093
Other Fixed Assets	25,301	4,011
Computer Equipment	99,565	92,163
Machinery & Equipment	3,010,227	3,010,227
Contributed Equipment	60,530	60,530
Computer Software	178,590	178,590
Total Property, Plant and Equipment	$9,066,174	$8,944,756
Accumulated Depreciation		
Accum Depr -- Buildings & Improvements	$1,427,661	$1,318,821
Accum Depr -- Office Furn & Fixt	283,322	278,915
Accum Depr -- Vehicle	776,325	590,194
Accum Depr -- Contributed Vehicles	46,093	46,093
Accum Depr -- Other Fixed Assets	5,256	4,011
Accum Depr -- Computer Equipment	94,220	89,721

Comparative Balance Sheet

	Through 6/30/2026	Through 6/30/2025
Accum Depr -- Machinery & Equipment	2,294,772	2,106,490
Accum Depr -- Contributed Equipment	60,530	60,530
Accumulated Amortization	178,590	178,590
Total Accumulated Depreciation	$5,166,769	$4,673,365
Other Assets		
Deferred Pension Outflows	$1,179,947	$1,628,277
Deferred OPEB Outflows	41,104	43,485
Total Other Assets	$1,221,051	$1,671,762
Total Assets	$56,745,254	$54,508,300

Comparative Balance Sheet

	Through 6/30/2026	Through 6/30/2025
Liabilities and Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable	$1,683,290	$1,395,366
Deferred Compensation Payable	(1,648)	0
Employee Benefits Payable	132,446	138,797
Deductions Payable	(1,342)	0
Total Accounts Payable	$1,812,746	$1,534,163
Taxes Payable		
ND State Withholding Payable	$3,882	$4,413
Employer Matching FICA - Social Security	18,472	18,156
Employer Matching FICA - Medicare	4,320	4,246
Total Taxes Payable	$26,674	$26,815
Other Current Liabilities		
Accrued Annual Leave Payable	$245,106	$200,247
Accrued Sick Leave Payable	232,062	183,067
Flex -- Medical Spending Payable	133	0
Non-Flex -- Life Insurance Payable	62	0
Accrued Salaries Payable	302,432	296,318
Total Other Current Liabilities	$779,795	$679,632
Total Current Liabilities	$2,619,215	$2,240,610
Long-Term Liabilities		
Deferred Revenue	$1,016,450	$943,250
Tenant Rental Deposits	23,775	22,425
Tenant Rental Deposits -- MWWS	375	375
Customer Escrow Deposit	40,000	40,000
Deferred Pension Inflows	1,828,404	2,630,067
Deferred OPEB Inflows	57,117	50,389
Net Pension Liability	3,776,854	4,131,317
Net OPEB Liability	131,093	152,208
Total Long-Term Liabilities	$6,874,068	$7,970,031
Total Liabilities	$9,493,283	$10,210,641
Equity		

Comparative Balance Sheet

	Through 6/30/2026	Through 6/30/2025
Reserve Funds		
Reserve Account -- O&M Transmission	$3,686,712	$3,557,605
Reserve Account -- O&M Distribution	2,142,158	2,115,551
Reserve Account -- O&M Treatment	(2,168,685)	(2,177,681)
Reserve Account -- General Operating Fund	424,619	391,030
Reserve Account-Replace & EM -- Transmission	18,317,216	18,026,433
Reserve Account-Replace & EM -- Distribution	1,355,506	892,458
Interest Income -- Replace & EM	9,097,959	8,521,720
Dividend Income -- Replace & EM	494,056	443,511
Interest Income -- O&M Reserve	1,250	0
Total Reserve Funds	$33,350,791	$31,770,627
Unappropriated Funds	$13,897,101	$12,395,677
Contributed Capital	566,665	566,665
Net Profit/(loss)	(562,581)	(435,307)
Total Equity	$13,901,185	$12,527,035
Total Liabilities and Equity	$56,745,259	$54,508,303

AGED TRIAL BALANCE

Southwest Water Authority

Payables Management

Ranges:

Vendor ID:	First - Last	Accts Payable:	First - Last
Class ID:	First - Last	Posting Date:	First - Last
Payment Priority:	First - Last	Document Number:	First - Last
Vendor Name:	First - Last		

Print Option:	SUMMARY	Exclude:	Credit Balance, Zero Balance, No Activity, Unposted Applied Credit Documents, Multicurrency Info
Age By:	Document Date	Sorted By:	Vendor ID
Aging Date:	12/31/2026		Document Date

Vendor ID	Name	Voucher(s)	Aged Totals: Due
AM1956	AMAZON CAPITAL SERVICES	8	$1,282.37
BA6742	BARTLETT & WEST ENGINEERS, INC.	6	$44,204.58
BA7351	BASIN AUTO PARTS	1	$8.49
BE4155	BEK CONSULTING, LLC	1	$5,090.00
BI3772	BIERSCHBACH EQUIPMENT & SUPPLY	1	$194.00
BO6225	BORDER STATES ELECTRIC SUPPLY	6	$1,844.79
BR2557	BRENNTAG PACIFIC	2	$7,420.00
CH5200	CHOICE INSURANCE	1	$987.00
CM2776	CM2 SUPPLY	1	$622.11
CO5755	CONSOLIDATED TELCOM	1	$994.00
DI1435	CITY OF DICKINSON	2	$25,270.82
DI1436	DICKINSON HARDWARE	3	$113.55
DW9264	DWYER LAW OFFICE, PLLC	1	$986.56
EU6523	EUROFINS EATON ANALYTICAL, INC	1	$97.85
FA3192	FARMERS UNION HAZEN	1	$92.22

Vendor ID	Name	Voucher(s)	Aged Totals: Due
FE2200	FEDERAL EXPRESS	1	$67.29
FE5387	FENIX USA LLC	1	$6,504.30
FE6377	FERGUSON ENTERPRISES INC	1	$380.97
FO6715	FORUM COMMUNICATIONS COMPANY	1	$300.00
GR1955	GRAYMONT (WI) LLC	8	$40,932.85
HA8435	HAWKINS INC	7	$10,999.29
HA9251	HAZEN ACE HARDWARE	4	$96.93
IN2566	INFORMATIONAL DATA TECHNOLOGIES L	1	$3,740.00
JU7735	JUST-IN GLASS, LLC	1	$306.72
KB6261	K B REPAIR	1	$193.25
LE7268	LEE SERVICES, LLC dba NAKOTA CLEAN	1	$1,624.00
LO2243	LOFFLER COMPANIES, INC	1	$952.89
LO3551	LOGO MAGIC, INC	2	$206.00
ME4152	MERCER COUNTY TREASURER	1	$111.00
MI1651	MICRO-COMM INC.	2	$2,236.61
MO7355	MOTION INDUSTRIES, INC	1	$801.63
NA6168	NAPA AUTO PARTS/BEULAH	1	$108.54
NO6275	ND DIVISION OF MICROBIOLOGY		

AGED TRIAL BALANCE

Southwest Water Authority

Vendor ID	Name	Voucher(s)	Aged Totals: Due
		4	$162.00
NO6301	ND DEPT OF ENVIRONMENTAL - CHEMIST	1	$1,017.51
NO6727	ND WATER EDUCATION FOUNDATION	1	$4,000.00
OD5299	ODNEY	3	$26,862.73
OL7558	OLSON'S SERVICE	4	$439.00
ON2114	ONE CALL CONCEPTS	1	$1,234.80
PL7542	PLUNKETT'S PEST CONTROL	2	$199.43
PO8266	POWERFLEET, INC	1	$474.81
PR1351	PRAIRIE AUTO PARTS INC	5	$231.66
PR2756	PRESORT PLUS, LLC	2	$6,208.96
PU5679	PUMP SYSTEMS, LLC	1	$15.58
RE3726	REITER WELDING, INC.	1	$749.50
RR1775	R & R AUTO, FARM & ELECTRIC, INC.	6	$726.85
RU5535	RUNNINGS SUPPLY, INC	25	$2,782.68
SC6158	SCRANTON EQUITY OIL DEPT	4	$997.17
SL2772	SLETTEN EXCAVATING, INC	3	$11,165.00
SO7739	SOUTHWEST LIME, LLC	1	$7,750.00
SO8901	SOUTHWESTERN DISTRICT HEALTH UNIT		

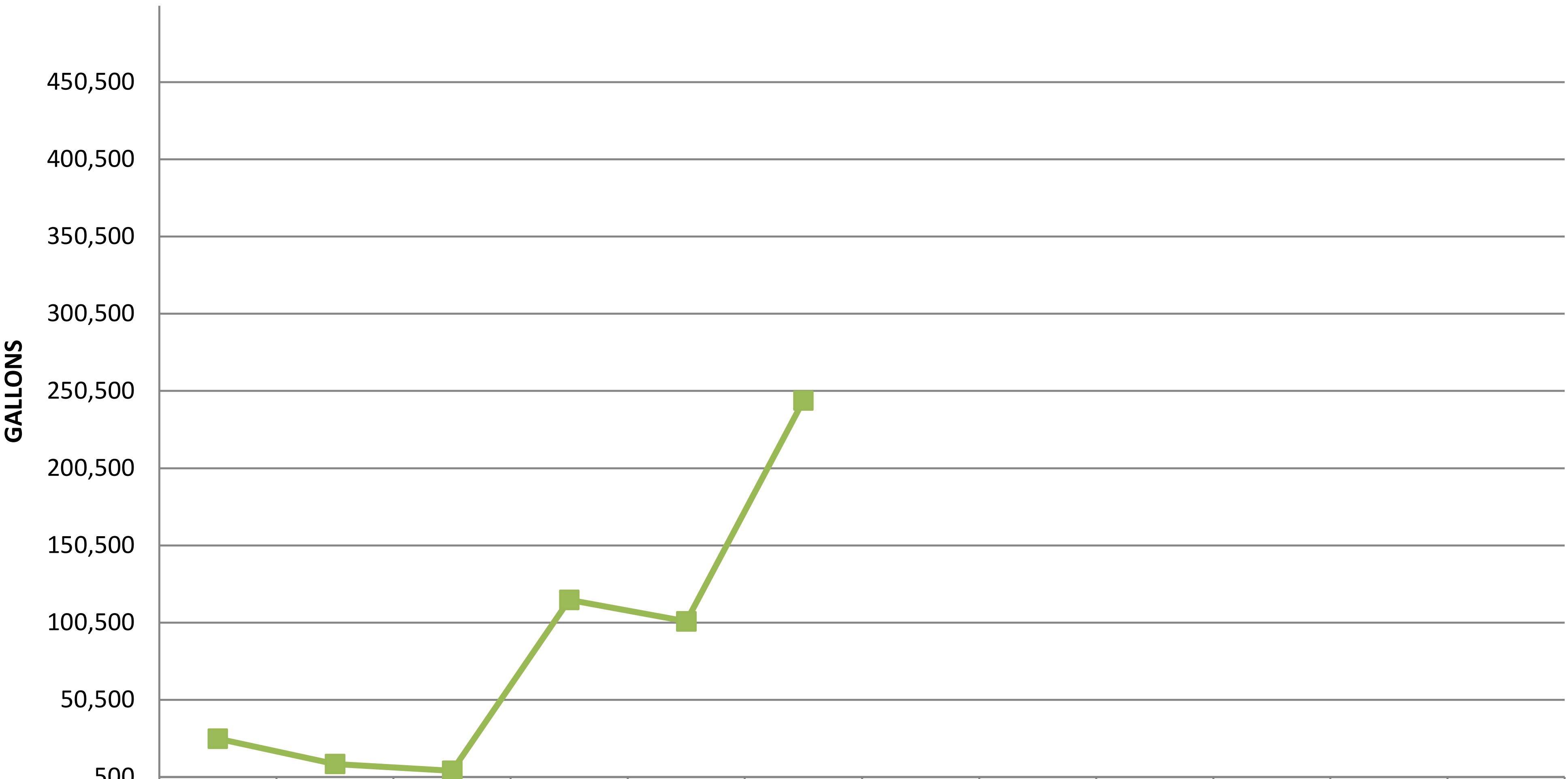
AGED TRIAL BALANCE

Southwest Water Authority

			Due
Voucher(s):	1	**Aged Totals:**	$420.00
Vendor ID: ST5526	**Name:** STONERIDGE SOFTWARE, LLC		
			Due
Voucher(s):	1	**Aged Totals:**	$183.75
Vendor ID: TF3517	**Name:** T. FIN BUILDING SOLUTIONS		
			Due
Voucher(s):	1	**Aged Totals:**	$1,539.08
Vendor ID: TH2834	**Name:** THE VILLAGE FAMILY SERVICE CENTER		
			Due
Voucher(s):	1	**Aged Totals:**	$2,000.00
Vendor ID: TO7143	**Name:** TOTAL SAFETY US, INC		
			Due
Voucher(s):	1	**Aged Totals:**	$63.75
Vendor ID: UN3827	**Name:** UNIVERSAL RECTIFIERS, INC		
			Due
Voucher(s):	1	**Aged Totals:**	$299.26
Vendor ID: US1147	**Name:** USA BLUE BOOK		
			Due
Voucher(s):	4	**Aged Totals:**	$1,394.80
Vendor ID: VI4325	**Name:** VIKING GLASS OF N.D., INC.		
			Due
Voucher(s):	1	**Aged Totals:**	$770.00
Vendor ID: VI7111	**Name:** VISA		
			Due
Voucher(s):	20	**Aged Totals:**	$5,113.46
Vendor ID: WE7700	**Name:** WEST DAKOTA OIL, INC.		
			Due
Voucher(s):	1	**Aged Totals:**	$1,470.65
Vendor ID: WE7769	**Name:** WEST RIVER HEALTH SERVICES		
			Due
Voucher(s):	1	**Aged Totals:**	$43.00
Vendor ID: WI3251	**Name:** WIGEN WATER TECHNOLOGIES		
			Due
Voucher(s):	1	**Aged Totals:**	$547.67
Vendor ID: WI4433	**Name:** WILLIAM E. YOUNG COMPANY		
			Due
Voucher(s):	1	**Aged Totals:**	$2,944.81
Vendor ID: WO6426	**Name:** WORKFORCE SAFETY & INSURANCE		
			Due
Voucher(s):	1	**Aged Totals:**	$18,805.14

	Vendor(s)	Due
Vendor Totals:	63	$259,383.66

2026 SWA DEPOT USAGE
TOTAL 499,880



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
ACTUAL	25,400	8,960	4,630	115,230	101,300	244,360						

Southwest Pipeline Project
Return on Investment

YEAR	RESOURCES TRUST FUND	BOND PAYMENTS	TOTAL
1991	$ 11,166.00		$ 11,166.00
1992	$ 212,899.00		$ 212,899.00
1993	$ 195,973.00		$ 195,973.00
1994	$ 300,472.00		$ 300,472.00
1995	$ 504,179.00		$ 504,179.00
1996	$ 734,994.15		$ 734,994.15
1997	$ 389,111.41	$ 468,801.59	$ 857,913.00
1998	$ 415,197.60	$ 500,593.77	$ 915,791.37
1999	$ 349,574.05	$ 676,423.19	$ 1,025,997.24
2000	$ 418,164.86	$ 728,614.91	$ 1,146,779.77
2001	$ 475,021.15	$ 833,246.78	$ 1,308,267.93
2002	$ 416,859.08	$ 1,015,365.60	$ 1,432,224.68
2003	$ 458,780.10	$ 1,122,504.11	$ 1,581,284.21
2004	$ 615,337.62	$ 1,005,901.63	$ 1,621,239.25
2005	$ 661,099.95	$ 1,045,858.38	$ 1,706,958.33
2006	$ 611,674.29	$ 1,336,805.97	$ 1,948,480.26
2007	$ 856,597.12	$ 1,451,468.74	$ 2,308,065.86
2008	$ 1,451,385.68	$ 1,004,121.20	$ 2,455,506.88
2009	$ 1,504,429.59	$ 1,114,558.52	$ 2,618,988.11
2010	$ 877,624.28	$ 1,898,922.31	$ 2,776,546.59
2011	$ 1,793,563.59	$ 1,282,852.85	$ 3,076,416.44
2012	$ 3,303,608.16	$ 983,667.70	$ 4,287,275.86
2013	$ 3,080,405.43	$ 1,441,235.41	$ 4,521,640.84
2014	$ 3,753,622.85	$ 1,340,702.63	$ 5,094,325.48
2015	$ 4,776,377.17		$ 4,776,377.17
2016	$ 4,936,757.79		$ 4,936,757.79
2017	$ 5,258,182.90		$ 5,258,182.90
2018	$ 5,015,416.74		$ 5,015,416.74
2019	$ 5,079,128.39		$ 5,079,128.39
2020	$ 5,476,914.31		$ 5,476,914.31
2021	$ 5,566,425.98		$ 5,566,425.98
2022	$ 5,688,266.69		$ 5,688,266.69
2023	$ 6,227,003.19		$ 6,227,003.19
2024	$ 6,642,973.92		$ 6,642,973.92
2025	$ 6,803,226.19		$ 6,803,226.19
2026	$ 2,728,398.04		$ 2,728,398.04
	$ 87,590,811.27	**$ 19,251,645.29**	**$ 106,842,456.56**
Perkins County	$ 5,459,000.00		$ 5,459,000.00
	$ 93,049,811.27	**$ 19,251,645.29**	**$ 112,301,456.56**
Jan	$ 530,737.07		$ 530,737.07
Feb	$ 497,659.02		$ 1,028,396.09
Mar	$ 519,101.89		$ 1,547,497.98
Apr	$ 486,889.97		$ 2,034,387.95
May	$ 544,455.27		$ 2,091,953.25
June	$ 694,010.09		$ 2,728,398.04

II. POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: ***GENERAL EXECUTIVE CONSTRAINT***

Adopted 12/6/99 - Amended 3/5/12; 8/6/12; 4/7/14

The manager/Chief Executive Officer shall not cause or allow in the organization any practice, activity, decision or circumstance which is either imprudent or in violation of commonly accepted business and professional ethics.

MONITORING:

Method: ***Manager/CEO Internal Report***
Frequency: ***Annually***
Month: ***August***

II. POLICY TYPE: EXECUTIVE LIMITATION
POLICY TITLE: *GENERAL EXECUTIVE CONSTRAINT*
Adopted 12/6/99 - Amended 3/5/12; 8/6/12; 4/7/14

The manager/Chief Executive Officer shall not cause or allow in the organization any practice, activity, decision or circumstance which is either imprudent or in violation of commonly accepted business and professional ethics.

I have operated Southwest Water Authority in compliance with this Executive Limitation during the monitoring period. Management has conducted the organization's business in a manner consistent with prudent business practices and commonly accepted professional and ethical standards. This commitment is demonstrated through transparent decision-making, adherence to Board policies and applicable laws, responsible stewardship of public resources, and accountability in daily operations. Examples during this reporting period include maintaining competitive and documented procurement processes for professional services, ensuring personnel decisions and compensation adjustments were supported by objective market data and established policies, communicating openly with stakeholders regarding contractual obligations and organizational expectations, and fostering a workplace culture built on respect, professionalism, and ethical conduct. Management remains committed to acting with integrity and exercising sound judgment in all organizational decisions.

Jen Murray

Jen Murray, Manager/CEO

July 22, 2026
Date

MONITORING:

Method: *Manager/CEO Internal Report*
Frequency: *Annually*
Month: *August*

II. POLICY TYPE: EXECUTIVE LIMITATIONS

F. POLICY TITLE: *COMPENSATION AND BENEFITS*

Adopted 12/6/99 - Amended 3/5/12; 5/7/12; 4/7/14

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the manager/Chief Executive Officer may not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, the manager/Chief Executive Officer may not:

1. Change the manager/Chief Executive Officer's own compensation and benefits.

2. Promise or imply guaranteed employment.

3. Establish current compensation and benefits which:
   - A. Deviate materially from the geographic or professional market for the skills employed.
   - B. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.
   - C. Not include an annual cost of living adjustment (COLA) appropriate for the region.

4. Establish or change pension benefits which:
   - A. Cause unfunded liabilities to occur or in any way commit the organization to benefits, which incur unpredictable future costs.
   - B. Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity in key employees are not prohibited.
   - C. Allow any employee to lose benefits already accrued from any foregoing plan.
   - D. Treat the manager/Chief Executive Officer differently from other comparable key employees.
   - E. Are instituted without prior monitoring of these provisions.

MONITORING:

Method: *Manager/CEO Internal Report*
Frequency: *Annually*
Month: *August*

II. POLICY TYPE: EXECUTIVE LIMITATIONS

F. POLICY TITLE: *COMPENSATION AND BENEFITS*

Adopted 12/6/99-Amended 3/15/12; 5/7/12; 4/7/14

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the manager/Chief Executive Officer may not cause or allow jeopardy to fiscal integrity or public image.

I continually monitor and evaluate SWA's fiscal integrity to ensure the finances are protected. Fiduciary responsibilities remain a top priority. I encourage and promote a positive image of SWA at all times.

Accordingly, the manager/Chief Executive Officer may not:

1. Change the Manager/CEO's own compensation and benefits.

   Any change to compensation is initiated and approved by the Board of Directors at the June board meeting. Benefits are the same for all employees. Payroll records are available at the O&M Center Office for review. Changes are those approved by the Board of Directors.

2. Promise or imply guaranteed employment.

   There is no implied guarantee of employment. North Dakota is a right-to-work state. SWA follows state laws. It is also noted in the Employee Policy Manual which states, "The Southwest Water Authority recognizes that an employee has the right to leave the employment of the Southwest Water Authority at any time and for any reason. Similarly, the Southwest Water Authority reserves the right to terminate the employment of any employee at any time for any reason."

3. Establish current compensation and benefits which:

   A. Deviate materially from the geographic or professional market for the skills employed.

      In May 2026, Grave Consulting, LLC completed a comprehensive salary survey for SWA. The analysis incorporated compensation data from the AWWA Salary Survey, PayFactor, and CompAnalyst, utilizing both public and private sector market data. Average actual wages paid to incumbents within the defined labor market were used to establish a competitive market benchmark for each position within the organization.

      Based on the survey results, the salary structure has been updated to better align employee compensation with market conditions, support career progression within each position, and reduce the potential for pay compression.

      To maintain market competitiveness, future annual cost-of-living adjustments (COLAs) will be determined using the average of the Consumer Price Index (CPI) and the cost-of-labor percentage published by Grave Consulting, LLC. This methodology provides a balanced approach that considers both inflationary pressures and prevailing labor market conditions.

   B. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.

Financial obligations greater than one year are approved by the Board of Directors. All are subject to losses in revenue.

C. Not include an annual cost of living adjustment (COLA) appropriate for the region. *All employees except the Manager/CEO received a 2.92% COLA at the beginning of 2025.*

4. Establish or change pension benefits which:

A. Cause unfunded liabilities to occur or in any way commit the organization to benefits which incur unpredictable future costs.
SWA participates in North Dakota Public Employee Retirement System (NDPERS). All invoices for benefits are paid monthly to NDPERS. All invoices and payments are available for review in the O&M Center Office. The retirement benefit and liability and other post-employment benefits (OPEB) and liabilities are now on SWA's Balance Sheet as required by GASB Statement No. 68 and 75, respectively. Deferred Pension Inflows, Deferred OPEB Inflows, Net Pension Liability and Net OPEB Liability are under Long-Term Debt and Deferred Pension Outflows and Deferred OPEB Outflows are under Other Assets. The balance for the accounts as of June 30, 2026, are $41,104 for Deferred Pension Outflows, $1,179,947 for Deferred OPEB Outflows, $1,828,404 for Deferred Pension Inflows, $57,117 for Deferred OPEB Inflows, $3,776,854 for Net Pension Liability and $131,093 for Net OPEB Liability. SWA also participates in other benefit programs for employees.

B. Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity in key employees are not prohibited.
All full-time employees participate in NDPERS. Part-time employees may participate in NDPERS at their own expense. Benefits are outlined in the SWA Employee Policy Manual. The Employee Policy Manual is available on the SWA website.

C. Allow any employee to lose benefits already accrued from any foregoing plan.
Employee benefits are monitored by administrative staff and maintained according to policy. Payroll records are available at the O&M Center Office for review. SWA has made no changes to pension benefits since 1995, as approved at the August 7, 1995, Board of Directors meeting. Any changes to benefits are by state law.

D. Treat the manager/Chief Executive Officer differently from other comparable key employees.
All employees are provided equal payroll benefits. Employee benefits are monitored by staff and maintained according to policy. Payroll records are available at the SWA O&M Center Office for review.

E. Are instituted without prior monitoring of these provisions.
Changes must be approved by the Board. No changes to benefits have been made by management.

Jen Murray, Manager/CEO

July 28, 2026
Date

MONITORING:

Method: *Manager/CEO Internal Report*
Frequency: *Annually*
Month: *August*

Southwest Water Authority
Board of Directors Action Plan
2025-2027

Intake and Raw Water Infrastructure

The last Close-Interval Survey (CIS) was conducted in 2014; Microbiologically Induced Corrosion (MIC) issues have emerged in multiple locations.

1. Proceed with CIS on Southwest Pipeline Project (SWPP) metallic lines (including raw water and potable pipelines that are either Ductile Iron or Steel).
2. Data from the CIS will be used to identify potential areas of concern regarding MIC on the Ductile Iron Pipe. The 2026 budget includes $200,000 from Replacement and Extraordinary Maintenance for this purpose.
    - Develop scope of work
    - Select vendor and schedule survey for metallic transmission lines
    - Incorporate findings into 5-year capital planning
3. Cross-industry outreach on MIC
    - Coordinate and consult with other industries/entities on MIC
        - ND Petroleum Council, Energy & Environmental Research Center (EERC), NAWS, etc.
    - Revisit the SWPP Potential Indicators of MIC Matrix and update criteria with any new information
4. Remain engaged in discussions with the Department of Water Resources and the State Water Commission regarding the Intake Construction.

Rules and Regulations and Outside Funding Sources

As the SWPP evolves, outside funding becomes more prevalent. The SWA Board of Directors has discussed concerns about fairness, leapfrogging, implementation, interpretation, and alignment with prioritization. Sections of the *Southwest Water Authority's Rules and Regulations for Water Service from the Southwest Pipeline Project* require review.

1. SWA staff review and develop interpretations of existing *Rules and Regulations* and provide details on scenarios in which these *Rules and Regulations* may apply.
2. Appoint an Ad Hoc Committee to review interpretations and update *Rules and Regulations*
    - Conduct internal redline review, draft revisions if necessary, and provide recommendations to the SWA Board of Directors
        - Section IV.D. I Construction – New Property Owner Portion (Page 8)
        - Section VI. E. Application for Water Service (Page 10)
        - Section XVI.A. Extension of Transmission-Curb Stops-Relocations-Wet Taps (Page 20)
    - Present to the ND Department of Water Resources (DWR) for further discussions and collaboration.

3. Ad Hoc Committee to also consider outside funding as a criterion.
    - Outside funding score and weight, as well as the percentage of total project costs to be covered by such funding.

4. Draft a framework and pathway for customers that may contribute outside funding toward design or construction, taking prioritization into account.

Three-Pronged Approach

The Three-Pronged Approach was adopted in 2019. 1) Main Transmission Line Capacity 2) Strategic Hydraulic Improvements 3) Rural Expansion. The SWA Board of Directors discussed revisiting each prong armed with the information and lessons learned over the past six years.

1. Remain engaged with the Main Transmission Line Capacity plans
    - SWC approved 25% + blue sky scenario for West Zone
    - Advocate for the same template for other zones
2. Amend the Strategic Improvement Prioritization Matrix to include all service areas
    - Consider outside funding as a criterion
        - Outside funding score and weight, as well as the percentage of total project costs to be covered by such funding.
3. Rural Expansion - Pocket Areas
    - Identify areas of the SWPP where Strategic Hydraulic Improvements are not possible because there is no existing infrastructure
    - Develop a list of these ‘pocket areas' to be considered for potential rural expansion.
    - Identify rural expansion areas that are financially viable and hydraulically practical
4. Strategic Hydraulic Improvement vs. Rural Expansion
    - Any Service Areas that have existing pipelines should be included in the prioritization matrix for strategic improvements. Rural Expansions do inherently have longer design timelines than strategic improvements.

Ownership and Governance

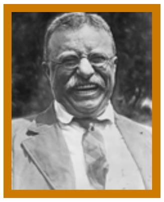
During the 2025 Legislative Session, House Bill 1020 included a requirement for a Regional Water Systems Governance and Finance Study. Deloitte is conducting this study.

1. Engage with Deloitte to provide feedback and stakeholder interviews.
2. Continue to support the existing position statement of remaining a state-owned entity with operations and maintenance management by SWA.
3. Review Deloitte findings as soon as available.

Operational and Organizational

1. Emergency Response Planning – Identify strategic points of contact.

Bully! For a Sustainable Future
Thursday, July 30, 2026
MOUNTAIN TIME



8:30 a.m.	Registration - Southwest Water Authority O&M Center Office
8:45 a.m.	Depart for Medora
9:25 a.m.	Tour Theodore Roosevelt Presidential Library Thanks to Bartlett & West for sponsoring the Theodore Roosevelt Presidential Library Tour!
11:25 a.m.	Depart for Phat Fish Brewing in Dickinson
12:00 p.m.	Lunch/Tour at Phat Fish Brewing
1:05 p.m.	Depart for Dickinson Water Treatment Plant
1:10 p.m.	Tour Dickinson Water Treatment Plant
2:10 p.m.	Depart for Marathon Petroleum – Dickinson Renewable Diesel Facility
2:25 p.m.	Tour Marathon Petroleum – Dickinson Renewable Diesel Facility
3:55 p.m.	Depart for Patterson Rail
4:00 p.m.	Tour Patterson Rail
4:45 p.m.	Depart for Southwest Water Authority
5:00 p.m.	Tour Ends

NORTH DAKOTA WATER EDUCATION FOUNDATION

North Dakota Water Education Foundation
701-223-8332 | jellingson@ndwater.net | www.ndwater.org

NORTH DAKOTA WATER USERS ASSOCIATION

DEDICATED TO PROTECTING, DEVELOPING, AND MANAGING NORTH DAKOTA'S WATER RESOURCES

PO Box 2254, Bismarck, ND 58502-2254 701-223-4615 • 701-223-4645 (Fax)

North Dakota Water Users Association

Rough Rider Center
Watford City, ND

Wednesday, July 15, 2026
9:00 a.m.

Join Zoom Meeting: https://us06web.zoom.us/j/89033958618

Meeting ID: 890 3395 8618

AGENDA

I. Call to Order – Mary Massad, President

II. March 4, 2026 Board Minutes

III. Review of YTD Financials

IV. Membership Update

V. SWC Cost Share Request—Convention

VI. ND Weather Modification Association

VII. Regional Meeting Discussion

VIII. Water Convention Theme and Speaker Ideas

IX. Legislative and Policy Update

X. Other Business

XI. Adjourn

North Dakota Water Users Association

2026 Officers

President
Mary Massad, Dickinson*

First Vice President
Jeff Frith, Devils Lake*

Second Vice President
Dennis Reep, Bismarck*

Treasurer
Dave Lang, Sterling*

Executive Vice President
Dani Quissell, New Salem

Staff
Dani Quissell, Jack Dwyer,
Julie Ellingson, Miranda Hoffert,
Annika Plummer, Robin Pursley

Legislative Committee
Ryan Ackerman, Dave Ashley, Tor Bergstrom,
Levi Clagett, Duane DeKrey, Chad Engels,
Sean Fredricks, Jeff Frith, Michael Gunsch,
Steve Hansen, Kurt Lysne, Mary Massad,
Merri Mooridian, Jen Murray, Dennis Reep,
and Casey Voigt

Past Presidents

2020-23	Dave Lang
2016-19	Alan Walter
2012-15	Norman Haak
2008-11	Kent Vesterso
2003-07	Ken Royse
2002-03	Loren Zimmer
2000-01	Don Lentz
1996-99	Jack Olin
1994-95	Howard Carlson
1992-93	Steve Hoetzer
1990-91	Herb Urlacher
1988-89	Robert Dorothy
1987	Glenn Schlenvogt
1986	Elmer Bechtold
1984-85	George Letvin
1983	Andy Mork
1982	Clarence Rupp
1981	Norman Rudel
1980	Earl C. Palmer
1979	C. E. Mitchel
1978	Royal R. Berstler
1977	Leon Dubourt
1976	Garry Bye
1975	Harry Zacher
1974	Dan Twichell
1973	James F. Coleman
1971-72	Robert Stranik
1969-70	Vernon Fahy
1967-68	H. A. Hendrickson
1965-66	James W. Moore
1961-64	R. L. Dushinske
1959-60	L. C. Mueller

2026 Board of Directors

Ex-Officio
Reice Haase, Dept. of Water Resources
Duane DeKrey, Garrison Diversion Conservancy District
Joe Silveria, Fort Berthold Rural Water

District I
2026 Doug Anderson*
2027 Corey Paryzek
2028 Gary Rust

District II
2026 Alan Walter*
2027 Dave Ashley
2028 Tom Klein

District III
2026 Jeff Frith*
2027 Van Howatt
2028 Duaine Ash

District IV
2026 Tom Perdue
2027 Geoff Slick*
2028 Ken Vein

District V
2026 Sean Fredricks
2027 Kurt Lysne
2028 Arv Burvee*

District VI
2026 Jason Gross
2027 Steve Hansen
2028 Mike Tweed*

District VII
2026 Dennis Reep
2027 David Lang*
2028 Michael Gunsch

District VIII
2026 Casey Voigt
2027 Bruce Engelhardt
2028 Harold Gaugler*

District IX
2026 Mary Massad*
2027 Larry Bares
2028 Duane Urlacher

*Executive Committee

Missouri River Joint Water Board

NOTICE OF SUMMER MEETING

July 16 8-9 AM CDT
Diamond/Opal/Emerald Rooms
ROUGHRIDER CENTER
2209 Wolves Den Parkway
Watford City, ND 58854

AGENDA

1. Call to Order/ Determine quorum / Introductions

2. Officer Reports

   a. Secretary: **Approve** Minutes December 11, 2025, meeting
   b. Treasurer: **Approve** Financial report

3. Old Business

   a. EAE update – Wade Bachmeier, Michael Gunsch, and Ken Royse
      1. Kansas City meeting
      2. COE AOP meeting
      3. Upcoming meetings
      4. Spillway project
   b. EAE Budget review

4. New Business

   a. Water Users proposal for Coordination Services
   b. Michael Gunsch contract
   c. Letter commenting on Cost Share policy changes

5. Adjournment 9:00 am

GARRISON DAM
DAM SAFETY MODIFICATION PROJECT

TIMELINE

- **Flood of Record Event** 2011
- **Periodic Assessment No. 1 Completed DSAC 2** 2013
- **Issue Evaluation Study Initiated** 2016
- **Issue Evaluation Study Completed DSAC 2 DSMS Recommended** 2020
- **Dam Safety Modification Study Completed** 2023
- **15% Design Package** 2025 - Early 2026
- **35% Design Package** Spring 2027

Post 35% schedule and budget to be reevaluated for possibly splitting the project into multiple construction contracts

POC: Don Whitmore, DSMC Director
Donald.A.Whitmore@usace.army.mil

Engineering | Construction | Geology | Planning | Hydraulics & hydrology | Costs & contracting

U.S. Army Corps of Engineers

Dam Safety Production Center—Huntington

US Army Corps of Engineers

Garrison Dam, North Dakota (ND 00030)

March 2026

Garrison Dam is located in North Dakota on the Missouri River approximately 77 miles north of Bismark. Garrison Dam is a DSAC 2 High Hazard Dam and would have extreme life safety consequences and economic damages extending from North Dakota to Mississippi if a failure were to occur. The project is currently in the Pre-Construction Engineering and Design phase designing the selected plan from the Dam Safety Modification Study to reduce life safety risk to a tolerable level.

Authorized Purposes and Annual Benefits

Flood Risk Management ($403M)
Hydropower ($263M)
Water Supply ($15M)
Recreation ($20M)
Water Quality
Irrigation

Watershed and Reservoir Volume

Total Area: 181,000 sq. miles
Area below Fort Peck Dam: 124,000 sq. miles
Max Storage Volume: 26,000,000 acre-ft
(USACE largest, 3rd largest in nation)

Risk Driving Failure Modes

PFM 8: Failure of the lower spillway chute and stilling basin

PFM 7: Failure of the Spillway Chute Slab due to manholes

PFM 7C: Failure of the Spillway Chute due to drain defects

PFM 42: Overtopping of Spillway Chute Walls

PFM 37: Spillway Gate Failure

PFM 41: Overtopping of Spillway Abutment Monoliths

PFM 6: Backward Erosion Piping at the West Abutment

DESIGNER OF RECORD

DELIVERING QUALITY

The LRD DSPC in Huntington, WV will deliver the Modification of Garrison Dam.

DSPC Director, Don Whitmore, will be the Designer of Record.

SELECTED PLAN

- Upper spillway chute overlay
- Lower spillway chute RCC and overlay
- Stilling basin overlay, baffle blocks, and end sill
- Spillway chute and stilling basin anchoring
- Replace spillway drain system
- Spillway crest gate deflector beam between piers
- Spillway gate modifications and de-icing system rehabilitation.
- Armor behind spillway chute walls
- Seal spillway abutment monoliths
- West Abutment Drain System

North Dakota Water Resource Districts Association
Board of Directors Meeting
Rough Rider Center
Watford City, ND

Thursday, July 16, 2026
9:00 a.m.

Join Zoom Meeting: https://us06web.zoom.us/j/86934550383
Meeting ID: 869 3455 0383

AGENDA

I. Call to Order – Harold Gaugler

II. Minutes

III. Board of Directors

IV. Business
- A. Membership
- B. Financial Reports
- C. Staff Transition

V. Interim Policy Update
- A. EA Study
- B. Joint Boards/Watershed
- C. Wetlands/Taxation
- D. Permitting Deadlines
- E. Cost Share Study

VI. Possible 2027 legislative proposals
- A. Borrowing Capacity for Bonding
- B. Maintenance Levy

VII. WRD Staff Trainings

VI. Summer Meetings:
- A. July 21-22, 2027: Valley City State University
- B. 2028: Wahpeton

VIII. 2026 December Water Convention Planning
- A. Manager Training Topics
- B. General Session Topics

IX. Other Business

X. Adjourn

GARRISON DIVERSION CONSERVANCY DISTRICT
BOARD OF DIRECTORS
Carrington, North Dakota
July 16 & 17, 2026

R E V I S E D A G E N D A

July 16

1:30 p.m. I. Call to Order & Pledge of Allegiance – Jay Anderson

1:31 p.m. II. Roll Call – Lisa Schafer

1:32 p.m. III. Announcements and Introductions – Jay Anderson

1:33 p.m. IV. Public Comment Period – Jay Anderson

1:48 p.m. V. **Reading and Consideration of Minutes** – Jay Anderson

A. **>Board of Directors – April 16 & 17**

1:50 p.m. VI. Officer & Committee Reports

A. Officer Reports

1. Chairman – Jay Anderson
2. Vice Chairman – Greg Bischoff
3. Second Vice Chairman Report – Jeff LeDoux

B. Committee Reports

1. Executive Committee – Jay Anderson
   a. Financial Report – Merri Mooridian
   b. ***2025 Audit Report –** Courtney Richman, Eide Bailly **(Separate Document)**
   c. **>*GDCD Financial Statements** – Merri Mooridian
   d. >Budget Timeline – Merri Mooridian
   e. **>*Updated 2027 Preliminary Budget** – Merri Mooridian
      i. ***2027 Budget Hearing – September 10**

2:30 p.m. VII. Missouri River Presentation – Ken Royse

3:00 p.m. ***COFFEE BREAK***

3:15 p.m. B. Committee Reports Continued

2. E&O Committee Report – Kyle Blanchfield
   a. **>*Five-Year OM&R Work Plan**
3. Recreation Committee – Bruce Klein
   a. ***Temporary Suspension of Recreation Grant Funding**
4. Agriculture & Natural Resources Committee – Brian Orn
5. MR&I Committee
   a. >Water Supply Assistance Grant Program – Larry Kassian
   b. >Construction Report – Duane DeKrey
6. Red River Valley Committee – Jason Siegert

3:45 p.m. VIII. Red River Valley Water Supply Project Update

A. Construction Update – Kip Kovar

B. Engineering Update – Kurt Ronnekamp

C. Biota Water Treatment Plant Update – Kip Kovar/Paul Boersma/Kurt Ronnekamp

1. Construction Manager at Risk (CMAR)

2. Power Supply

D. Biennium Work Plan/Budget Updates – Kip Kovar

1. >2023-2025 Biennium Work Plan

2. >2025-2027 Biennium Work Plan

E. >Program Schedule – Kurt Ronnekamp

4:20 p.m. IX. LAWA Update – Dr. Timothy Mahoney, Chair & Spencer Halvorson, Exec. Director

4:30 p.m. ***RECESS***

4:45 p.m. ***Social at the Garden Gate – Black & Veatch***

July 17

8:30 a.m. X. ND Water Users/Irrigation Assoc. Report – Dani Quissell

A. >Policy Update

B. >Cost Share Talking Points

C. >2026 ND Irrigation & Drainage Study

8:40 a.m. XI. Department of Water Resources – Reice Haase

A. Governance & Finance Study Results

1. ***Resolution Regarding RRVWSP Implementation Plan**

8:55 a.m. XII. >Bureau of Reclamation Report – Dani Fettig

A. ***>Funding for Extraordinary Maintenance** – Kip Kovar

9:10 a.m. XIII. Stump Lake Project Update – Randy Kreil

9:25 a.m. XIV. O&M Update – Ryan Anderson

A. Slide Repair

9:35 a.m. XV. >Irrigation Update – Ryan Anderson

A. >2026 Map

9:45 a.m. XVI. Trip Reports

A. >NWRA

10:00 a.m. ***COFFEE BREAK***

10:30 a.m. XVII. General Manager's Report – Duane DeKrey

A. Burleigh County Update

B. GA Group Meeting Recap

C. Dept. of Water Resources Meeting Recap

D. Hearts & Flowers Fund

10:45 a.m. XVIII. Upcoming Events – Jay Anderson

A. Garrison Diversion Meetings

1. >2026 Meeting Dates

B. Groundwater Mngmt. Dist. Assoc. Conf. – July 21-23, Lubbock, TX

C. SWC Pre-Commission Meeting – July 23, Virtual

D. Water Day at State Fair – July 23, Minot

E. LAWA TAC Meeting – July 23, Virtual

F. LAWA FAC Meeting – July 28, Grand Forks

G. >NWRA Western Water Seminar – August 3-6, Boise, ID

H. LAWA Board Meeting – August 6, Fargo

I. >Top O' the Day Golf Tournament – August 10, Carrington

J. State Water Commission Meeting – August 18, NAWS Biota Water Treatment Plant

K. National Rural Water Assoc. WaterPro Conf. – September 14-16, Phoenix, AZ

L. League of Cities Conference – September 16-18, Grand Forks

M. >Water Topics Overview Committee – September 17, Bismarck

N. >Upper Missouri Water Association Conference – September 21-22, Pierre SD

O. Association of Counties – October 11-13, Bismarck

10:50 a.m. XIX. Other – Jay Anderson

11:00 a.m. XX. Adjourn

Items in bold require action by the Board *** Requires a roll call vote**

State Water Commission Pre-Commission Meeting
Minot City Council Chambers
10 3rd Ave SW, 2nd Floor #246, Minot, ND
Thursday, July 23, 2026 – 1:00 p.m. CT
A QUORUM OF THE COMMISSION MAY BE PRESENT

Microsoft Teams Need help?
Join the meeting now
Meeting ID: 279 099 525 616 0
Passcode: jL3kT9BG
Dial in by phone
+1 701-328-0950,,788659542# United States, Bismarck
Phone conference ID: 788 659 542#
Join on a video conferencing device
Tenant key: teams@join.nd.gov
Video ID: 113 787 091 2

AGENDA

1:00 – 1:03 A. Roll Call/Pledge of Allegiance

1:03 – 1:15 B. SWC Secretary Update (Reice Haase) (no attachment)

1:15 – 1:20 C. Ethics Commission Travel Rules (Jen Verleger) (no attachment)

1:20 – 1:25 D. Northwest Area Water Supply (NAWS) (Brandon Hicks)
1. High Service Pump Station—Operations and Maintenance Agreement

1:25 – 1:35 E. Southwest Pipeline Project (SWPP) (Justin Froseth)
1. Contract 1-1C Modifications to Existing Intake Pump Stations—Award and Funding Authorization Update
2. Contract 2-2I Metallic Raw Water Pipeline Replacement—Award Authorization

1:35 – 1:55 F. General Water (Abigail Franklund)

1.	Burke Co WRD	North Star Dam Removal	$185,282	C
2.	GDCD	MM 10R Irrigation Project	$253,729	C
3.	Ransom Co WRD	Fort Ransom Dam Modification	$412,500	C
4.	Pembina Co WRD	Pembina City Dam Modification	$365,501	C

1:55 – 2:20 G. General Water—Conveyance (Abigail Franklund)

1.	Cass Co Joint WRD	Drain 13 Outlet Improvements	$165,000	P
2.	Logan Co WRD	McKenna Lake Drainage Ph. 3	$0	P/CI
3.	North Cass WRD	Drain 26 Improvements	$279,626	C
4.	Pembina Co WRD	Drain 4 Stabilization	$130,368	C
5.	Richland Co WRD	Drain 4 (33) Improvements	$127,218	C

2:20 – 2:25 H. Water Supply Budget and Deferred Projects (Duane Pool)

2:25 – 2:35 I. Water Supply (Rural/Regional) (Julie Prescott)

1.	Northeast RWD	User and Facility Expansion	$1,164,761	C
2.	WAWSA	R&T Stanley and Little Knife Bay	$646,650	PC

2:35 – 2:45 J. Water Supply (Discretionary) (Julie Prescott)

1.	Medora	New Water Storage Reservoir	$943,561	C
2.	Pembina Co WRD	Pembina City Dam Modification	$819,742	C

2:45 – 3:15 K. Water Supply (Municipal/Regional) (Julie Prescott)

1.	Underwood	Water System Improvements	$555.466	C
2.	Grenora	Water Treatment Plant Improvement	$30,000	PC
3.	Steele	Watermain Replacement Ph. 1	$124,200	PC
4.	Almont	Drinking Water and Sanitary Sewer	$47,540	C
5.	Casselton	Downtown Improvements Project	$525,218	C
6.	Harwood	North Water Main Loop	$491,129	C

3:15 – 3:20 L. Water Supply (Municipal) (Julie Prescott)

Projects Deferred Pending Available Funding

1.	Grafton	Water System Replacement Phase I	$2,556,064	C
2.	Regent	Main Avenue Reconstruction	$644,705	C
3.	Watford City	2026 Water Main Replacement	$2,130,923	C
4.	West Fargo	1st Avenue E Reconstruction	$1,136,346	C
5.	West Fargo	Meadow Ridge Reconstruction Phase I	$1,120,118	C
6.	Williston	West Broadway Improvements	$395,962	C
7.	Rolla	WTP Improvements	$15,000	O
8.	Binford	Water & Wastewater System Improvements	$300,000	PC
9.	Mandan	Intake Phase III Study	$135,000	O
10.	Stanley	Capital Improvements Project IV	$95,640	PC

M. Adjourn

PC	Pre-Construction
C	Construction
L	Legislative
CI	Cost Increase
O	Other

E 1

TO: Lt. Governor, Michelle Strinden
Members of the State Water Commission

FROM: Reice Haase, Secretary

SUBJECT: SWPP Contract 1-1C – Modifications to Existing Intake Pump Stations - Award and Funding Authorization Update

DATE: July 15, 2026

Through this memo a correction is requested to the contract award and funding authorization that was presented to the State Water Commission at the June meeting for the item titled "SWPP Contract 1-1C – Modifications to Existing Intake Pump Stations Award." The error resulted from a typographical mistake made by staff on the General Construction Contract's low bid from CC Steel in the memorandum.

The June 2026 memo included the award of SWPP Contract 1-1C General Construction with Bid Alternate G-1 to CC Steel, LLC in the amount of $727,750. The correct amount is $764,250. The funding authorization presented and approved at the June 2026 meeting was $2.98 million. With the correction to the contract amount, the required funding authorization is $3.02 million.

Updated Recommendation:

I recommend the State Water Commission authorize the Secretary to award SWPP Contract 1-1C General Construction with Bid Alternate G-1 to CC Steel, LLC in the amount of $764,250, Contract 1-1C Mechanical Construction to Peterson Sheet Metal in the amount of $612,500, and Contract 1-1C Electrical Construction to Edling Electric in the amount of $1,137,000.

I recommend the State Water Commission allocate $3.02 million to the Southwest Pipeline Project from funds appropriated in the 2025-2027 biennium.

RH:JF/1736-99

DRAFT

E 2

North Dakota | Water Resources
Be Legendary.

TO: Members of the State Water Commission
FROM: Justin Froseth P.E., SWPP Project Manager
SUBJECT: SWPP – Contract 2-2I Raw Water Main Transmission Pipeline Replacement—Award Authorization
DATE: July 15, 2026

The Department of Water Resources (DWR), in coordination with Southwest Pipeline Project's consulting Engineer, Bartlett & West/AECOM (BW/AECOM), is developing the plans and specifications for the Raw Water Main Transmission Pipeline Replacement, Dodge to Richardton (Contract 2-2I). BW/AECOM recently submitted the 90% design package, which is under review by Department of Water Resources (DWR) and the Southwest Water Authority (SWA) staff. Following completion of the review and incorporation of final revisions, the project will be advertised for bids. The bid opening is anticipated to occur shortly after the August State Water Commission (SWC) meeting.

Construction during late winter or early spring 2027 construction is beneficial for the project. To support the schedule, DWR staff will request authorization at the August SWC meeting for the Secretary to award the contract to the lowest responsible bidder.

DWR staff evaluated Owner procurement of the pipeline and appurtenances for this project. After evaluation of the potential benefits Owner procurement is not being pursued. The primary advantages of the Owner procurement were the possibility of accelerating material delivery and achieving cost savings through the State's sales tax exemption. However, based on recent experience from the pre-procurement of equipment for the Existing Intake Modifications Project, staff concluded that pre-procurement did not improve delivery timelines. The main challenge was that material suppliers included numerous terms and conditions in their proposals resulting in prolonged contract negotiations. Suppliers typically negotiate directly with contractors and are generally not accustomed to submitting firm bids under State's procurement requirements. In contract, contractors involved with public improvement construction routinely participate in competitive bidding and generally provide bids without such qualifications.

In addition, the effective cost savings from the sales tax exemption would be less than the full 5% tax rate as a separate procurement package would need to be developed in accordance with Office of Management and Budget (OMB) procurement requirements, resulting in additional time and associated costs. A traditional furnish-and-install contract also helps minimize the potential for change orders. Under this approach, the contractor is responsible for furnishing all materials required to complete the work and has direct control over its suppliers to meet the project schedule.

DWR staff anticipates requesting authorization for the Secretary to award the contract to the lowest responsible bidder at the August SWC meeting. Funding authorization is expected to be presented at the the October SWC meeting.

RH:JF/1736-99

M E M O R A N D U M

To: Southwest Water Authority Board of Directors, Staff
From: Justin Froseth, PE, Southwest Pipeline Project Manager
Subject: SWPP Project Update
Date: July 29, 2026

Contract 1-2A Supplementary Raw Water Intake:

The Department of Water Resources (DWR) team is focused on developing a project needed to complete the supplementary intake for the SWPP. BW/AECOM is working on a Preliminary Design Report (PDR) for completing the supplementary intake.

Following execution of Amendment No. 1 to the Preliminary Design Report (PDR) agreement, the project's focus has shifted to evaluating a northern intake pipeline alignment as an alternative to alignments that utilize the existing caisson. The amendment also expands the scope to include a comprehensive evaluation of alternative project delivery methods. Because North Dakota law authorizes the use of Construction Manager at Risk (CMAR) contracts, the amendment includes a detailed assessment of the CMAR delivery model and its potential applicability to the project.

Existing Intake Improvements:

This project will increase the SWPP's physical intake capacity to align with the amended agreement with Basin Electric, which authorizes pumping an additional 3,000 gallons per minute (gpm). The increased capacity will be achieved by replacing the smallest pump unit at both Basin Electric's intake pump station and the SWPP intake pump station with pump units that match the capacity of the other three units at each facility.

Award notices were issued in July to the apparent low bidders for the General, Mechanical, and Electrical contracts. The executed contract documents are expected to be returned by the contractors soon, allowing the contracts to be finalized.

Distribution Upgrades – Strategic Plan

Prong 1 Transmission Improvements

West Zone Main Transmission Expansion:

At the October 2024 SWC meeting, the SWC approved proceeding with bid-ready documents for the highest capacity design, estimated at $40.4 million, following the recommendation of DWR staff. The SA with BW/AECOM has been amended to include a topographical survey of the pipeline route. Bid-ready documents will be segmented to accommodate construction and budget constraints.

Upon receiving the West Zone PDR, DWR staff is moving forward with phase I imrovements. Phase I improvements are a collection of projects that partially benefit all segments of the West Zone for roughly half the cost of the full build out identified. All phase I projects are ultimately needed for the full build out as well. DWR is currently focused on executing SAs with BW/AECOM to accomplish the phase I projects.

<u>Buffalo Gap Tank:</u>
The Buffalo Gap Tank was placed into service in early December and has been performing as expected. The contractor has completed most of the required corrective work, with only a few remaining items to be addressed as the project progresses toward final closeout.

<u>Ray Christensen Pump Station (RCPS) Preliminary Design Report (PDR):</u>
BW/AECOM is preparing the Preliminary Design Report (PDR), which will identify the primary components needed to implement the capacity upgrades identified during the West Zone preliminary engineering evaluation. Concurrently, projected future demands for the North, East, and South Zones are being evaluated to ensure that long-term planning needs for these areas are coordinated with near-term improvements to increase West Zone capacity.

Following delivery of BW/AECOM's draft needs analysis for the South, North, and East Zones, DWR and SWA staff completed their review of the report. DWR staff has identified the design flows to be carried forward into the preliminary engineering phase and intends to present the study findings and recommended design flows as an informational item at the August SWC meeting.

<u>Prong 2 Strategic Improvements</u>

<u>North New England Strategic Hydraulic Improvements</u>
Resuming work in April 2026, Wagner Construction has substantially completed pipeline installation for the project, with only the remaining tie-ins left to complete. The contractor is currently progressing through installation of the six pressure reducing valve (PRV) vaults included in the contract. The two booster stations are still expected to arrive in early October, with installation planned shortly thereafter to support project completion this fall.

<u>Prong 3– Expansion into Under-Served Areas</u>

<u>Burt-Hebron Service Area:</u>
The Hebron Rural Service Area Distribution Project bid results were presented at the June SWA Board meeting. Following that presentation, the results were brought before the June SWC meeting, where the Commission approved authorization to award the project and associated funding.

The contract has been executed with Carstensen Contracting for Schedules 1A and 1B. A preconstruction meeting for these schedules has not yet been scheduled but is expected to occur in the coming weeks. The project team continues to work with Abbott, Arne, and Schwindt to finalize execution of the Schedule 2 contract.

SWA staff continue to work on acquiring the easements necessary for project construction. The most recent update from SWA staff regarding individual landowner easement status is as follows:

- Sent: 846
- Obtained: 801 (94%)
- Refused: 23 (3%)
- Remaining: 22 (3%)

Easement acquisition remains a key focus for SWA easement staff. In coordination with SWA's efforts, the project team has continued meeting with landowners as needed to address specific concerns. This effort will continue; however, with the significant progress made on easement acquisition, the contractor will be able to complete a substantial portion of pipeline installation while the remaining easements are pursued.

Southwest Water Treatment Plant (SWTP) Expansion:

The project consists of constructing an expansion to the Southwest Water Treatment Plant (SWTP). Upon completion, the expanded SWTP will have the capacity to treat 18 million gallons per day (MGD), allowing for the eventual retirement of the Dickinson Water Treatment Plant, which was originally constructed approximately 60 years ago.

The first-floor walls have now been fully installed, giving the project the appearance of a completed building footprint compared to just a few weeks ago. Major ongoing activities include installation of structural steel for the roof, basement piping and electrical conduit installation, and application of basement coatings.

SWTP project picture below taken on July 27, 2026

Metallic Pipeline Replacement:

BW/AECOM delivered a 90% design package for review by DWR and SWA staff. A significant portion of the design effort has focused on confirming the appropriate pipe material for the project and evaluating the dewatering requirements that will be necessary during construction. The project will utilize 30-inch and 42-inch Ductile Iron Pipe (DIP) with a specialized bonded coating system known as Pritec. The contractor will be required to submit an engineered dewatering plan following project award. Both of these design considerations required the preparation of separate technical reports.

Following completion of the review process, the project is anticipated to be advertised for bid during the week of August 3, with a bid opening scheduled for the week of August 24. DWR staff will bring a memorandum to the August 18 SWC meeting requesting pre-approval for the Secretary to execute the award. This approval will help expedite the award process by eliminating the need to wait until the October SWC meeting for authorization.

Raw Water Implementation Study:

BW/AECOM continues to make progress on the study, which includes an update to the Raw Water Upgrades Implementation Plan originally completed in 2014, an alternatives service analysis for the Net-Zero Richardton ethanol facility, and an evaluation of potential expansions to the SWPP raw water conveyance infrastructure.

The implementation plan portion of the study has been finalized. The draft Alternative #1 analysis report, which evaluates increasing raw water delivery to Gevo's Net-Zero Richardton facility by 500 gallons per minute (gpm), has been completed and provided to DWR and Gevo staff for review. Under the cost-sharing agreement with Gevo, the parent company of the Net-Zero facility, monthly coordination meetings continue between DWR, BW/AECOM, and Gevo to maintain alignment throughout the study. The most recent meeting was held on July 23 and provided Gevo an opportunity to review the draft Alternative #1 analysis and ask questions. The Alternative #2 analysis, which evaluates an additional 1,400 gpm increase in flow to the Net-Zero Richardton facility, is currently underway.

Dunn County Hydraulic Improvements Preliminary Engineering Report (PER):

In 2025, Dunn County agreed to fund a preliminary engineering report (PER) to identify the projects and associated costs necessary to serve all rural waitlist users within the County. The County committed to this effort to evaluate whether system expansion projects could be advanced using County funding and potentially incorporated into the SWPP.

As previously reported, the PER identifies seven hydraulic service areas within the County, with four areas serving the majority of existing users. The report estimates approximately $9 million in system improvements would be required to serve the 105 rural users currently on the waitlist. Estimated cost per user varies significantly by service area. It should be noted that these estimates reflect only the hydraulic infrastructure upgrades required to enable future service connections and do not include individual service line costs to each property.

Recently, Dunn County officials met with SWA staff to request that all waitlisters within the county be contacted. Previously, SWA staff contacted waitlisters in the Dunn Center service area only because that service arewa has the highest population of waitlisters in Dunn County and ranked within the top three service areas in the prioritization matrix. SWA staff is currently completing the remaining calls and will report the results back to Dunn County to assist the county in determining the next steps based on the information gathered.

July 21, 2026

NORTH DAKOTA DEPARTMENT OF WATER RESOURCES
Attn. Justin Froseth, P.E., SWPP Project Manager
1200 Memorial Highway
Bismarck ND 58504-5262

SUBJECT: RAW WATER MTL REPLACEMENT DODGE TO RICHARDTON
SWPP CONTRACT 2-2I
PRITEC COATING
W.O. 3033.A47

Justin:

This memo is intended to provide the background information related to the use of the bonded Pritec coating system for ductile iron pipe that has been utilized on previous SWA replacement projects. Pritec has been utilized at the Decker Subdivision 2-3E Pipeline Replacement (SWA Contract PP-2020-1), SWPP 2-3A Pipeline Replacement (SWA Contract PP-2022-1), and SWPP 2-3F Pipeline Replacement near Goose Creek (SWA Contract PP-2025-1). This Pritec coating system is now planned for the SWPP 2-2C Replacement Project near Dodge, ND (SWPP Contract 2-2I). Recognizing that the use of Pritec was a decision by SWA and has not been brought before the SWC and DWR, BW/AECOM has requested a Technical Memorandum be prepared by BW/AECOM's corrosion subconsultant, HDR, on the use of Pritec on ductile iron pipe. This HDR memorandum is in draft form and is attached as Attachment No. 1.

BW/AECOM and its corrosion subconsultant, HDR, have been researching the observed MIC on the SWPP ductile iron pipe main transmission pipeline since samples were collected and corrosion causing microbes were identified in October 2016 from the Contract 2-3E pipeline south of Dickinson at the Dry Creek location. This assessment was compiled into a report published by HDR in June 2017 that indicated significant bacteriological activity and the presence of MIC (Microbiologically Induced Corrosion). This area had very corrosive soils, flowing water along the pipeline, and 1000 mg/l sulfate concentrations that led to this environment to be classified as a "uniquely severe environment" under the DIPRA classification system and the ANSI/AWWA C105/A21.5-Standard. One of the key observations at Dry Creek was the sulfates, which are a nutrient to the sulfate reducing bacteria (SRB) that can cause MIC, could be transported to and replenished along the surface of the pipe through flowing groundwater. It was also pointed out by HDR that if MIC is present under the polyethylene sheet encasement, the polyethylene sheet encasement could shield those areas from the cathodic protection system. This observation of flowing water remains a concern with the MIC observed on the 2-3A raw water pipeline near Taylor, ND and now the 2-2C raw water pipeline near Dodge, ND. Thus, the MIC observed on SWPP appears to be at least in part related to water flow along the pipe as corrosion cells have been observed despite the polyethylene sheet encasement and the cathodic protection applied to the pipeline. It is BW/AECOM's opinion that the effectiveness of polyethylene sheet encasement to prevent MIC corrosion on SWPP is contingent on the ability of the installation of polyethylene to remain watertight based on the flowing water observed. The effectiveness is reliant on workmanship during construction and handling with even a small tear or puncture allowing the ingress of water. Ductile Iron Pipe Research Association (DIPRA) states, "Polyethene encasement is not designed to be a watertight system." It is BW/AECOM's opinion that a bonded coating system is therefore inherently advantageous in preventing the nutrient rich flowing water from directly contacting the pipe's metallic surface by removing the annular space and avoiding much of the reliance on workmanship.

BW/AECOM and HDR have subsequently been in contact with numerous manufacturers in the ductile iron and pipe coatings industries to explore bonded coating options. We are not aware of a bonded coating system that can provide a warranty or specific testing that indicates the anticipated usable life in the uniquely severe environment observed in several locations on SWPP. In the absence of these assurances, a comparison can be made between the ductile iron and steel pipelines installed on the SWPP. MIC corrosion is a form of corrosion that is known to occur on both ductile iron pipelines as well as steel pipelines. Notably, MIC on SWPP steel pipelines has not been observed to date. It is reasonable to assume that the steel pipelines are installed in same uniquely severe corrosive environments as the ductile iron piping that are conducive to MIC formation. The largest contributing factor to the absence of MIC on steel pipelines is considered to be the dielectric tape wrap coating system that has been applied to the steel pipelines on SWPP.

The Pritec coating manufactured by Liberty Coating Company (https://libertycoating.com/product/pritec/) is considered the best readily available bonded coating system in the industry for ductile iron pipe. Pritec "combines the proven protective qualities of a polyethylene [material similar to the Polyethylene Encasement described in the AWWA C105 standard] PE Wrap] outer coating with a specially formulated butyl rubber adhesive." This two-layer Pritec coating system has adhesion and mechanical properties that are similar to the dielectric tape wrapped system that has been applied to steel pipelines on SWPP. The mechanical properties of the Pritec coating system offer the benefit of having a tolerance to handling, installation, and backfill processes that are inherent to the installation without forming a breach in the coating system. The improved mechanical properties can be attributed to the thickness of the Pritec coating being five times thicker that the polyethylene sheet encasement (40 mils compared to the 8 mils thickness). While no testing has been performed with MIC and the two layer system of a polyethylene outer layer with a butyl rubber adhesive, Liberty Coating Company has stated that this coating system has been utilized for corrosion protection on both ductile iron and steel pipelines since 1972. Liberty Coating company also stated that they are not aware of Pritec coating installations that had MIC-related failures or issues. This information has been compiled in a technical memorandum prepared by HDR. This memo recommends the use of the Pritec coated ductile iron pipe along with specific joint closure details utilizing AWWA C217 tape with an outerwrap applied for mechanical protection. HDR is also recommending improvements be made to the cathodic protection system be in these same replacement areas.

The consideration of replacing the ductile iron pipe with steel has been investigated and is considered logistically unfeasible for these small replacement projects. BW/AECOM has been told that the steel pipe manufacturers will not commit to producing the specific size of steel pipe for SWPP unless the quantities are in excess of a mile of pipe. This presents challenges with obtaining firm pricing and would most likely result in prospective bidders declining to bid any project with a firm completion date. In addition to the lead time issues, there are also cathodic protection system implications that could increase the cost of these replacement projects if ductile iron pipe were to be replaced with steel pipe.

Sincerely,

BARTLETT & WEST/AECOM

Tyson Decker
Project Manager

Cc: SWA – Jen Murray,
HDR- Jeff Giddings
AECOM- Glen Hille

File: SWPP 2-2I: 1.0

Project Funding

Southwest Water Authority
Quality Water for Southwest North Dakota

Southwest Pipeline Project (SWPP) Funding Sources

State Funding (in millions of dollars)

Resources Trust Fund	$334.63
Water Development Trust Fund	$8.55
Bonds	
USDA – Rural Development	$15.81
Public Revenue Bonds	$7.05
ND Drinking Water Revolving Loan Fund	$1.50
Subtotal	**$367.54**

Federal Funding

Garrison Diversion Conservancy District – Municipal Rural & Industrial (MR&I) Fund (ARRA Funding $11.90)	$105.63
USDA – Rural Development (RUS)	$15.36
Natural Resources Conservation Service PL566	$0.93
Subtotal	**$121.92**

Total Funding: $489.46
(As of May 31, 2026)

Capital Replacement Funding

State Fiscal Recovery Fund	$4.50
Replacement & Extraordinary Maintenance	$2.14
Subtotal	**$6.64**

POTENTIAL RURAL GROWTH	SERVICE UNITS BY SERVICE AREA			
	Davis Buttes SA	Taylor SA	New Hradec SA	Hebron SA
Unserved Potential Users**	120	30	98	649
Unserved Potential Users Less Standard Waiting List Users*	72	27	92	324
Waiting List Standard Service Requests	48	3	6	325
Waiting List Pasture Tap Requests	0.7	0	2.1	50.4
New Users Needed to Reach Service Level of 100%	120.7	30	100.1	699.4
*Waiting List Users are deducted from the 911 dataset. **911 Users from Table 3 of SA 219 Report				

Table 9 - North and East Zone Rural Growth Potential

POTENTIAL RURAL GROWTH	SERVICE UNITS BY SERVICE AREA				
	New England SA	Jung Lake SA	Twin Buttes SA	Burt SA	Bucyrus SA
Unserved Potential Users**	334	123	480	662	160
Unserved Potential Users Less Waiting List Users*	218	96	412	390	152
Waiting List Standard Service Requests	116	27	68	272	8
Waiting List Pasture Tap Requests	14.7	5.6	23.8	113.4	0.7
New Users Needed to Reach Service Level of 100% of Potentials and Waiting List	348.7	128.6	503.8	775.4	160.7
*Standard Waiting list Users are deducted from the 911 dataset ** 911 users are from Table 3 of SA 219 Report					

Table 18 - South Zone Rural Growth Potential

North and East Zone Identified Needs Summary	
Current Allocation (GPM)	1,229
Additional Rural Customer Allocation (GPM)	306
Additional Contract Customers Allocation (GPM)	77
Identified Needs Increase in Design Flow (GPM)	383
Identified Needs Design Flow (GPM)	1,612
Identified Needs +25% Blue Sky Increase in Design Flow (GPM)	479
Identified Needs +25% Blue Sky Design Flow (GPM)	1,708
Identified Needs +50% Increase in Design Flow(GPM)	575
Identified Needs +50% Design Flowrate (GPM)	1,804

South Zone Identified Needs Summary	
Current Allocation (GPM)	2,118
Additional Rural Customer Allocation (GPM)	556
Additional Contract Customers Allocation (GPM)	(6)
Identified Needs Increase in Design Flow (GPM)	550
Identified Needs Design Flow (GPM)	2,668
Identified Needs +25% Blue Sky Increase in Design Flow (GPM)	687
Identified Needs +25% Blue Sky Design Flow (GPM)	2,805
Identified Needs +50% Increase in Design Flow(GPM)	825
Identified Needs +50% Design Flowrate (GPM)	2,943
Identified Needs +450 GPM Increase in Design Flow(GPM)	1,000
Identified Needs +450 GPM Design Flowrate (GPM)	3,118

NORTH & EAST ZONE SERVICE AREA (SA)	CURRENT NUMBER OF SERVICE UNITS	RECOMMENDED ADDITIONAL NUMBER OF SERVICE UNITS[1]	CONSTANT FLOW CONTRACT CUSTOMERS	CURRENT POPULATION BASED DEMAND (GPM)	CURRENT DESIGN ALLOCATION (GPM)	PROPOSED ALLOCATION IDENTIFIED NEEDS (GPM)	RECOMMENDED INCREASE IN FUTURE ALLOCATION	CURRENT ALLOCATION	PROPOSED ALLOCATION IDENTIFIED NEEDS (GPM)*	PROPOSED ALLOCATION IDENTIFIED NEEDS +25% BLUE SKY (GPM)**	PROPOSED ALLOCATION IDENTIFIED NEEDS +50% BLUE SKY (GPM)**
Davis Buttes SA	1020	121	Gladstone	47	65	65	0	1313	1675	1775	1875
Taylor SA	255[2]	30	Taylor	40	30	50	20	719	992	1052	1111
New Hradec SA	409[3]	100	Steffes		12	25	13	168	216	229	242
			NIC		5	5	0				
Hebron SA	232	699	Richardton	120	105	175	70	592	835	885	935
			Glen Ullin	127	161	135	-26				
			Hebron	138	154	154	0				
			Assump. Abbey		40	40	0				
N&E Zone Totals	**1916**	**950**		**472**	**572**	**649**	**77**				
						Design Total w/ Exponent		**1229**	**1612**	**1708**	**1804**
						Curre					
Color Legend:	CURRENT ALLOCATION	PROPOSED ALLOCATION									

* CALCUALTED FOR EACH SA AS FOLLOWS: 0.5(RECOMMENDED FUTURE NUMBER OF SU IN SA)^(0.95)+SUM(PROPOSED TOTAL ALLOCATION IN SA)+DOWNSTREAM SA PROPOSED TOTAL ALLOCATION)

[1] As of October 24th, 2025. Represents the most current hydraulic model.

[2] Includes Sacred Heart Monastery 20GPM demand converted to 8.2 service units

[3] Includes New Hradec 42GPM demand converted to 32 service units and Dickinson Research Center 30GPM demand converted to 18 service units.

Table 11 - North and East Zone Flow Summary

SOUTH ZONE SERVICE AREA (SA)	CURRENT NUMBER OF SERVICE UNITS	RECOMMENDED ADDITIONAL NUMBER OF SERVICE UNITS[1]	CONSTANT FLOW CONTRACT CUSTOMERS	CURRENT POPULATION BASED DEMAND (GPM)	CURRENT DESIGN ALLOCATION (GPM)	RCPS UPGRADES PROPOSED TOTAL ALLOCATION (GPM)	RECOMMENDED INCREASE IN FUTURE ALLOCATION	CURRENT ALLOCATION	PROPOSED ALLOCATION IDENTIFIED NEEDS (GPM)*	PROPOSED ALLOCATION IDENTIFIED NEEDS +25% BLUE SKY (GPM)**	PROPOSED ALLOCATION IDENTIFIED NEEDS +50% BLUE SKY (GPM)**	PROPOSED ALLOCATION IDENTIFIED NEEDS +450 GPM (GPM)
New England SA[2]	732[3]	349	New England	119	110	170	60	2188	2792	2935	3080	3242
			Speedway		10	10	0					
Jung Lake SA[2]	330	129	Mott	113	177	145	-32	1821	2256	2372	2489	2706
			Regent	30	47	40	-7					
Bucyrus SA[2]	393	161	Hettinger	186	273	240	-33	853	860	904	948	1010
			Reeder	22	43	30	-13					
			PCRWS		400	400	0					
Twin Buttes SA	486	504	Scranton	45	50	50	0	253	412	433	455	712
			Bowman	255	0	0	0					
			Rhame	27	35	35	0					
Burt SA	307	775	New Leipzig	38	57	50	-7	375	641	674	707	641
			Elgin	94	133	120	-13					
			Carson	49	66	55	-11					
			PLC		10	10	0					
			Flasher		0	50	50					
South Zone Totals	**2248**	**1918**		**978**	**1411.0**	**1405**	**-6.0**					
						Design Total w/ Exponent		**2118**	**2668**	**2805**	**2943**	**3118**
Color Legend:	CURRENT ALLOCATION	PROPOSED ALLOCATION										

* CALCUALTED FOR EACH SA AS FOLLOWS: 0.5(RECOMMENDED FUTURE NUMBER OF SU IN SA)^(0.94)+SUM(PROPOSED TOTAL ALLOCATION IN SA)+DOWNSTREAM SA PROPOSED TOTAL ALLOCATION)

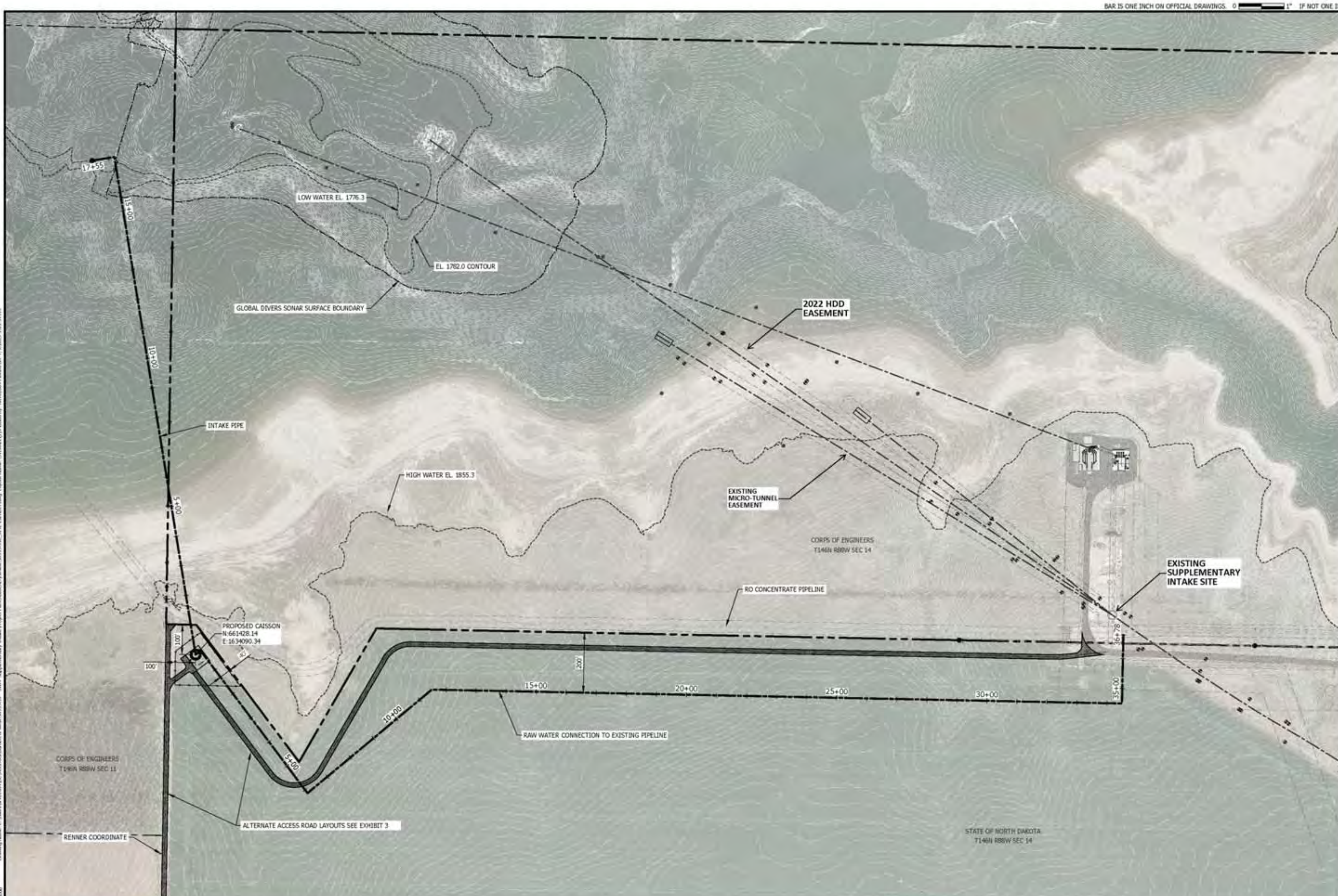
[1] As of October 24th, 2025. Represents the most current hydraulic model.

[2] With South Dakota Flow of 400 GPM

[3] Aries Land, LLC changed from 3gpm constant flow contract to 3gpm demand flow contract which was converted to 0.2 service units. Disconnected 2/25/2025.

Table 20 - South Zone Flow Summary

BAR IS ONE INCH ON OFFICIAL DRAWINGS. 0 1" IF NOT ONE INCH, ADJUST SCALE ACCORDINGLY.



OVERALL PIPING PLAN
SCALE: 1"=150'
0 150' 300'

VERTICAL DATUM: NAVD 88
HORIZONTAL DATUM: NAD83, ND STATE PLANE SZ, US FT.
VERTICAL DATUM CONVERSION: NAVD 88 = NGVD 29 +1.3 FT.

NORTH Dakota | Water Commission
Be Legendary.

Bartlett&West | AECOM

OVERALL SITE PLAN
EXHIBIT 1

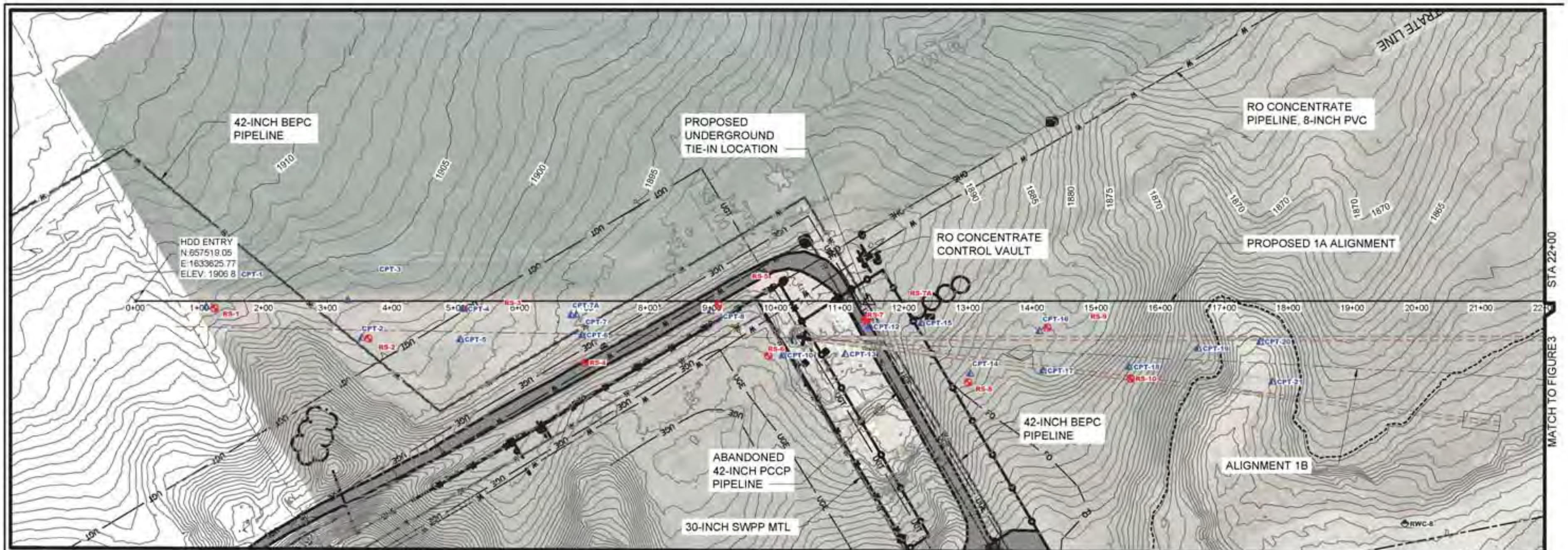
SUPPLEMENTARY RAW WATER INTAKE
SOUTHWEST PIPELINE PROJECT
BEULAH, NORTH DAKOTA

NOT FOR CONST.

DESIGNED BY:	ARV
DRAWN BY:	ARV
APPROVED BY:	
DESIGN PROJ:	3033.A39
CONST PROJ:	----
SCALE:	AS NOTED
DATE:	07/09/2025

DRAWING NO: EXHIBIT 1
SHEET NO: of

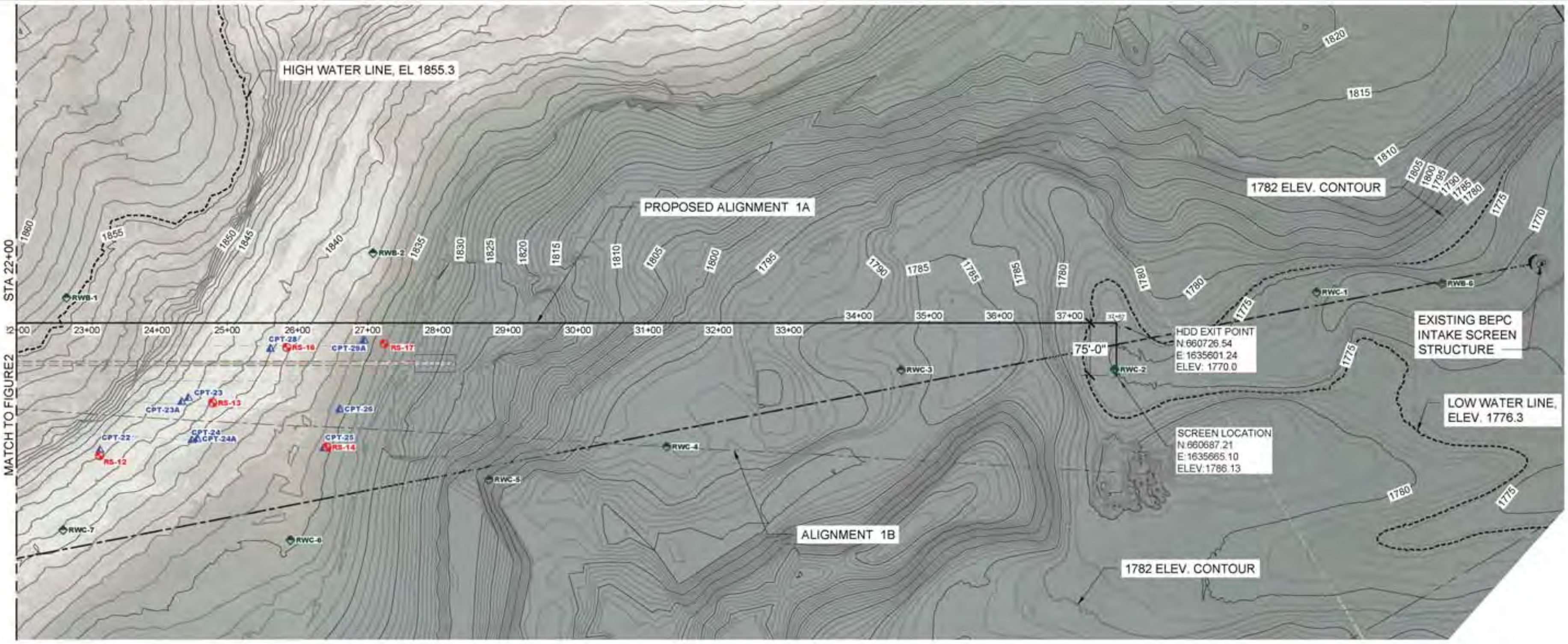
EXEMPT ATTORNEY WORK PRODUCT



NOTE:
VERTICAL DATUM: NAVD 88
HORIZONTAL DATUM: NAD83, ND STATE PLANE SZ, US FT.
VERTICAL DATUM CONVERSION: NAVD 88 = NGVD 29 +1.3 FT.

PROPOSED HDD ALIGNMENT 1A & 1B - PLAN (STA 0+00 TO STA 22+00)

SCALE: 1" = 100'



NOTE:
VERTICAL DATUM: NAVD 88
HORIZONTAL DATUM: NAD83, ND STATE PLANE SZ, US FT.
VERTICAL DATUM CONVERSION: NAVD 88 = NGVD 29 +1.3 FT.

PROPOSED HDD ALIGNMENT 1A & 1B - PLAN (STA 22+00 TO STA 37+67)

SCALE: 1" = 100'

Regional Water Systems Detailed Analysis

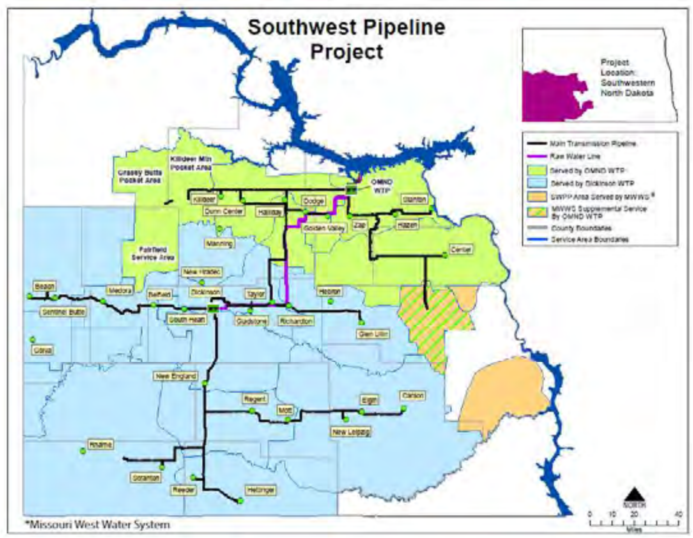
This section of the Study provides a detailed assessment of each of the three regional water systems, including its history, status, current governance, and finance structures, a SWOC Analysis, opportunities to improve the current model, and alternative models to strengthen the governance and finance of the system. While some weaknesses cut across all three systems (see Common System Governance Enhancement Opportunities and Common System Finance Enhancement Opportunities sections below), the analysis and options are tailored to the specific regional water system being addressed.

Southwest Pipeline Project

Project Development History and Current Status

SWPP is a regional water supply initiative intended to address chronic water supply constraints in southwestern North Dakota by developing a pipeline transmission and retail delivery system to supply water for domestic, rural, industrial, and municipal uses. Construction of the system began in 1986, and the project's scope broadened in 1989 to integrate rural water distribution into the development approach. Today, SWPP is a State-owned system with over 5,200 miles of pipelines that serve more than 58,000 customers across 33 communities and approximately 7,700 rural service locations. The project provides over two billion gallons of treated water to its customers annually.

Figure 3: SWPP Map



SWPP currently has four primary areas of focus beyond servicing its current customer base:

1. There are roughly 1,700 customers waiting for service, and SWA considers it a top priority to expand the system to connect these potential customers.
2. The Southwest Water Treatment Plant (SWTP) is currently being expanded to grow capacity from 6 million gallons per day (MGD) capacity to an ultimate 18 MGD, with construction expected to be completed in 2027. With funding secured for the SWTP expansion, successful completion of this project will provide reliable water treatment capacity for SWPP.
3. SWPP has identified microbiologically influenced corrosion (MIC) as a driver of accelerated internal deterioration in certain metallic pipeline segments. MIC creates structural integrity risk and is forcing the program to address key uncertainties such as the true extent and pace of MIC across the pipeline network, optimization of the replacement through improved inspection, condition assessment and prioritization, and

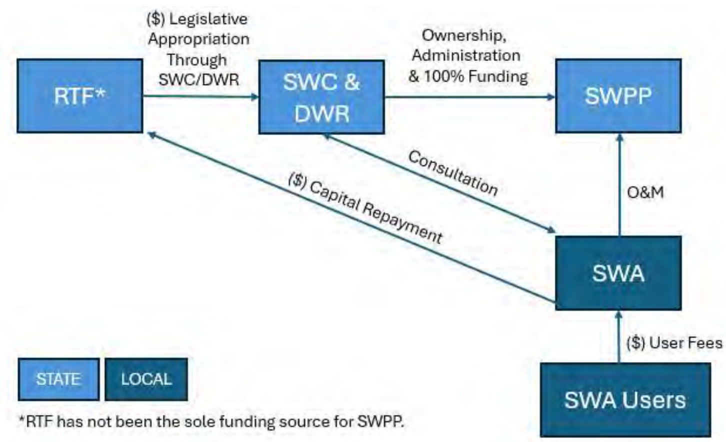
identification of additional segments due to constructability constraints and inflationary pressures.

4. A supplementary raw water intake for SWPP has been in the plans since 2012. With three failed drilling attempts and extended time lost due to the failures, successful completion of the supplementary raw water intake is critical for the project.

Current Governance and Financing Structure

SWPP is a State-owned project administered and developed by SWC and DWR. The project is operated and maintained by SWA. As owner, SWC and DWR are responsible for managing capital construction and investment for SWPP. Instead of a traditional cost-share approach used by other systems, the State funds 100% of the upfront costs of SWPP capital construction in exchange for the perpetual stream of capital repayment, which is collected by SWA as part of user fees (adjusted annually using the Consumer Price Index (CPI) as noted in the agreement that transferred management and operations and maintenance (O&M) to SWA) and repaid into the RTF. Capital repayments currently amount to approximately $7M per year and will continue indefinitely without regard to any target cost-share percentage. SWA reports that customers have repaid over $109M in capital repayment through 2025.

Figure 4: SWPP Current Structure



SWA has been responsible for the day-to-day management, operations, and maintenance of SWPP since 1996 under a contract with SWC. SWA, a political subdivision established in 1991, is governed by a 15-member Board of Directors representing 12 counties in southwest North Dakota and the cities of Dickinson and Mandan. SWA employs a full-time Manager/CEO who leads SWA's customer-facing administration, and O&M of the system. When it comes to overall system stewardship, SWA supports the State in ongoing development, planning, and preparing biennium funding requests. SWA is also responsible for customer administrative practices such as user fee collection. This governance split effectively separates statewide program stewardship (State ownership and administration) from regionally managed operations and maintenance (SWA as the operating authority).

SWA collects user fees from its customers based on water usage that fall into three broad types and purposes. First, the bulk of the user fees are base water use fees that fund regular expenses such as salaries, operating and regular maintenance costs, and administrative overhead. Second, SWA collects a formula-based capital repayment fee that is paid back to the State in the form of perpetual capital repayment, adjusted annually according to increases in CPI. Third, user fees contribute to the growth of a fund established for replacement and extraordinary maintenance (REM) to enable at least portions of future large-scale capital investment to maintain the system.

In support of continuing capital needs, SWPP's 2023–2025 biennium request totaled $131.6M across major initiatives (treatment expansion, transmission improvements, hydraulic improvements, and supplementary intake pump station) with $130M appropriated by the Legislature. In the 2025-2027 biennium, the request totaled $150M with $101M appropriated by the Legislature. The request and appropriation illustrate ongoing reliance on State capital appropriations alongside fee-based repayment and reserves.

Key Governance and Financing Challenges

Several critical governance and financing challenges have emerged from the SWOC Analysis for SWPP, which is summarized in **Table 3**. SWPP's primary governance challenge arises around decision-making related to the control and prioritization of system expansion and infrastructure improvements. With over 1,700 potential customers remaining on the waitlist there is significant need for continued capital investment, but the cost per new connection of these investments continues to escalate as the connections become more complex and remote. While DWR staff consults with SWA regarding SWPP expansion and prioritization decisions, the State, as owner of SWPP and sole upfront funder of capital investments, has the ultimate decision-making authority for the execution of system expansion.

Figure 5: SWPP Current State

Evaluation Criteria	Status
Alignment of Risk Burden with Decision Making Authority	Medium
Effectiveness of Current Governance Structure & Authority	High
Level of Stakeholder Representation, Transparency & Public Accountability	High
Alignment of Structure, Capacity & Capabilities with Stated Policy, Strategy & Goals	High
Efficient Use of State and Local Resources and Availability of Alternatives	Medium
Long Term Affordability for Stakeholders	Medium
Structured to Address Future Risks and Facilitate Sustainability	Medium
Ability to Attract Federal, State and Local Investment	Medium

To complicate matters, the capital repayment model creates potential financial misalignment between the interests of SWC and SWA in system expansion decisions. Unlike a traditional cost-share model that requires some upfront local investment (i.e., "skin in the game"), under the current capital repayment approach, the State funds all upfront investment and the capital repayment collected from the system users remains unchanged no matter the cost-effectiveness of a capital investment (subject to an agreed upon cap on the cost per new connection). Thus, the State has an interest in managing the upfront buildout costs, while SWA has limited incentive to prioritize cost-effectiveness in reaching the 1,700+ customers on the waiting list. This disconnect between interests, incentives, and decision-making has the potential to lead to increased misalignment between SWC and SWA going forward as investment decisions become more complex, particularly without shared strategic and financial plans and a strong performance monitoring system.

SWPP has been operational for many years, and the aging pipeline system will likely incur significant REM expenses in the near future. While a REM reserve fund has been established to help cover those costs as required by N.D.C.C.§ 61-24.5-21, concerns were expressed by certain stakeholders that those funds may not be sufficient over the longer term. This represents a considerable risk particularly if ownership of the project is transferred to SWA.

Finally, the capital repayment approach to cost-share has some weaknesses that are exacerbated by the current funding environment and alternative ownership models. As identified in a study of the cost-share program performed in parallel to this study, there is a projected near-term shortfall in the RTF, which will make it more challenging for the State to pay 100% of the upfront costs of the remaining SWPP buildout. In addition, if ownership is transferred to SWA without changes to the current capital repayment structure, the perpetual capital repayment obligation would limit the ability of SWA to reinvest those funds back into the project over the long-term and would likely make the economics of the project unworkable for SWA. While this does not mean that the capital repayment approach should be abandoned, it does require that options are considered to address these limitations.

Table 3: SWPP SWOC Analysis

Strengths	Weaknesses
• Well-functioning system that is generating revenue and delivering water to the customer base in southwest North Dakota • Have been able to expand initial project scope and customer base over life of the project • Clear understanding of project scope and purpose • Have capital repayment stream built into rates, which has generated the equivalent of 32% of State funding and 23% of total project funding as of December 2025 • SWA has a sufficient CEO and staff structure to support operations • O&M Agreement in place	• While DWR/SWA collaboration has been strong, limited formal local control over system buildout decisions • Potential incentive mismatch in buildout decisions due to no upfront local investment • Reserves for REM may not be sufficient • Indefinite capital repayment obligations of $7M+ per year limits the ability to reinvest those funds directly back into project • Lack of a clear and strategic long-term buildout and financial plan • No clear KPIs or performance measurements for determining cost effectiveness of O&M
Opportunities	**Challenges**
• Exploring alternative operations and delivery models to address current challenges • Additional unmet demand for water supply (1,700+ potential customers on waiting list) • Potential to restructure perpetual capital repayment into something mutually beneficial for the State and SWPP • Create mutually beneficial partnerships with private industry to advance economic development	• Significant investment still required to reach unmet customer demand and the cost per new connection is increasing • Declining expected oil extraction tax revenues invested in the RTF could make future funding less certain

Recommended Options to Improve Governance and Finance Models

After analyzing the current governance and finance model for SWPP and assessing potential solutions to the major weaknesses and challenges for the governance of the project using the Evaluation Criteria, the study has identified three potential options for improving the governance and finance model of SWPP:

- Option 1: Keep State ownership and SWA operations and implement collaborative planning process to align on buildout decision-making.
- Option 2: Keep State ownership and SWA operations and use capital repayment to backstop a long-term loan or bond issuance.
- Option 3: Transfer ownership to SWA and keep capital repayment in-system and use it to backstop a long-term loan or bond issuance.

Table 4: SWPP Peer Project Spotlight

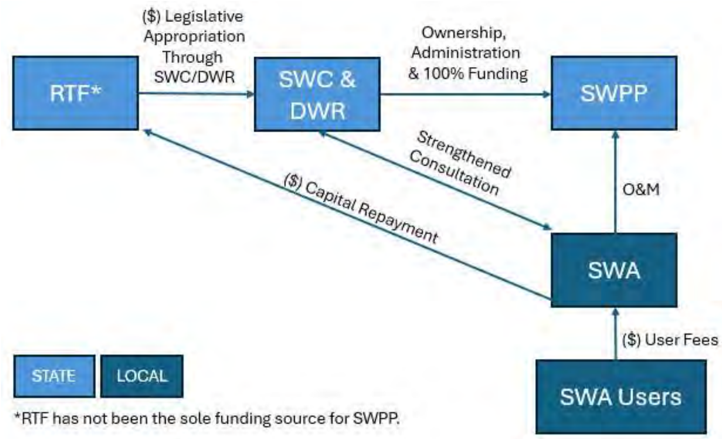
Lewis and Clark Regional Water System (SD/IA/MN) – A Similar System in Similar Context
Like SWPP, the Lewis and Clark Regional Water System (LCRWS) that spans parts of South Dakota, Iowa and Minnesota is a large, phased regional water supply system built to solve long-term water quality and quantity challenges for a mix of cities, rural users, and rural water systems. Both systems deliver supplemental water from a major river source and have sought to expand their original configurations as demand grew. SWPP can draw on a couple of practical lessons from the Lewis and Clark system. First, LCRWS shows the value of stronger member-driven capital alignment, where beneficiaries co-fund additional construction and commit early to future capacity increases, which can improve expansion discipline as SWPP pursues growth. And second, LCRWS demonstrates the benefit of diversified and flexible financing, including pursuing funding from a variety of sources to keep construction moving when outside funding pressure grows, a model SWPP could adapt for priority expansions instead of relying so heavily on a single state-centered repayment structure.

Option 1 — Keep State ownership and O&M by SWA, implement collaborative planning process to align on buildout decision-making, and deploy a performance monitoring program

This option preserves the current governance split between State ownership and SWA responsibility for O&M and focuses on removing one of the biggest points of uncertainty: how remaining buildout decisions should be made to fully incorporate local understanding of outstanding needs. This option seeks to better align SWA and SWC priorities through a more collaborative and structured approach to planning buildout and financing decisions. To decrease investment priority misalignment between SWA and the State, SWA and SWC would coordinate and formalize a collaborative short and long-term planning process that builds on the current ongoing collaboration between DWR, the SWA Board, and SWA staff to provide additional structure for SWA to communicate the local perspective of pressing buildout needs and the State to provide context and details about investment priority criteria and magnitude. The result of this planning process will be a clear long-term financial plan for remaining system buildout and REM, including a build out schedule with sequencing and prioritization (including limits and thresholds for uneconomical system expansion). The financial model should include detailed revenue, cost, and funding projections, and plans for revenue and rates management, REM, capital improvements, reserve funds, and financial monitoring.

In addition, SWC and SWA would implement a performance monitoring program using targeted metrics to inform decision-making, track progress against the financial plan, and monitor the impact of State funding. Additional details on performance monitoring, including potential metrics, can be found under "Common System Governance Enhancement Opportunities" at the end of this report.

Figure 6: SWPP Option 1 Proposed Structure



Summary of Benefits and Tradeoffs

This option is a "low disruption" governance refinement that would tighten collaborative decision rules, align planning expectations, and improve performance tracking without changing who owns assets or who operates them. Option 1 can strengthen risk forecasting and mitigation and improve the transparency of buildout decision-making and when and how REM spending is approved.

The level of effort of implementing Option 1 is low to medium and the feasibility is high because it can largely be implemented through administrative rule, policy and procedure updates, rather than wholesale statutory restructuring.

The following summarizes the benefits and cost implications of Option 1:

Benefits: The primary benefits are improved clarity through collaborative decision-making (reducing ambiguity-driven delays), and better forecasting of capital needs. This restructuring would shift buildout decisions from negotiated case-by-case outcomes to a more structured and strategic approach within a repeatable decision-making framework. This approach also helps strengthen the alignment of risk with decision-making authority as it gives local stakeholders, which have repaid over 23% of total project cost to date and will be making capital repayments indefinitely, a greater say in buildout and REM decisions. The more collaborative long-range planning can reduce ad hoc capital requests, support steadier reserve behaviors, and modestly improve stakeholder affordability through fewer emergency-driven cost spikes, while keeping the underlying rate and cost-share framework largely intact.

Tradeoffs: The key tradeoffs are decreased financial flexibility and increased engagement requirements for the State. Working more collaboratively with SWA will take additional time and effort to find consensus in long-term planning efforts that balance both State and local priorities. State costs are modest and primarily administrative, including a one-time effort to define multi-year asset planning expectations, update governance and process documentation, and conduct stakeholder communications and administrative logistics.

SWPP Option 1 Implementation Roadmap and Responsibilities

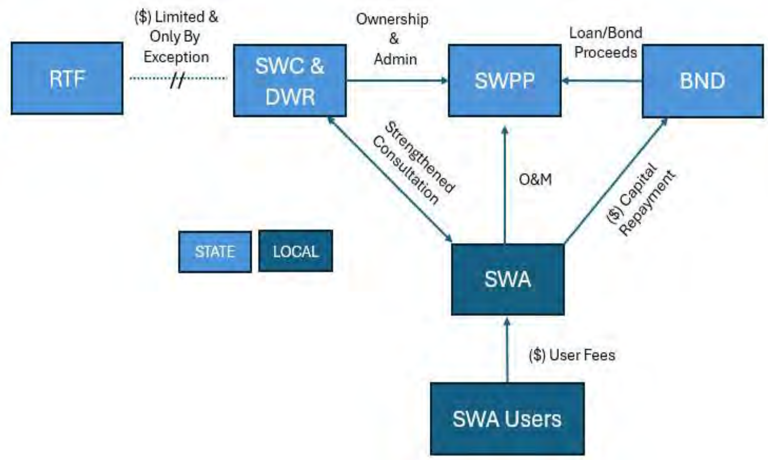
The following table sets forth the key components, timeline, responsibilities, and legislative actions or other authorities required to implement SWPP Option 1:

Implementation Components and Timeline	Responsible (R)	Accountable (A)	Consulted (C)	Informed (I)	Legislative/ Authority Implications
First 3 Months: Establish the joint SWC/DWR–SWA planning structure, including charter, roles, meeting cadence, and escalation protocols.	DWR, SWA Staff	SWC; SWA Board	SWC; SWA Board; Legal Counsel	SWPP Stakeholders	Can be implemented through administrative/board action, interagency protocols.
Months 4 to 6: Adopt common buildout prioritization criteria, eligibility definitions, uneconomical expansion thresholds.	DWR, SWA Staff	SWC; SWA Board	SWC, SWA Board; Legal Counsel	SWPP Stakeholders	Requires policy and procedure updates by SWC and SWA.
Months 6 to 12: Develop the integrated short and long-range buildout and financial plan and establish the performance monitoring framework and KPI definitions.	DWR; SWA Staff	SWC; SWA Board	SWC; SWA Board	Legislature; SWPP Stakeholders	Can be completed under existing authority. The main legislative implication is use of the plan to support future appropriation requests.
Annually: Conduct annual plan update and corrective-action assessment.	DWR; SWA Staff	DWR	SWC; SWA Board	SWPP Stakeholders	Can be completed under existing authority.

Option 2 — Keep State ownership and SWA operations; use capital repayment to backstop a long-term loan or bond issuance

This option keeps the current governance structure with State ownership and SWA managing O&M but changes the financing model to address short-term RTF funding challenges while strengthening the longer-term financial footing of SWPP. Under this option, the capital repayment stream (or an applicable portion of it) would be rechanneled back into SWPP and pledged to secure a long-term (i.e., 30-40 year) bond or loan, funding a significant portion of near-term buildout. Depending on debt structure, tenor and interest rate, the loan could reduce upfront investment required from the RTF by $100-200M and cover a significant portion of the estimated SWPP funding requirements over the next 10 years. By explicitly using the capital repayment stream to support a long-term borrowing strategy, the system can accelerate capital investment and system expansion and mitigate funding risks for the project.

Figure 7: SWPP Option 2 Proposed Structure



Summary of Benefits and Tradeoffs

ant shift in how the development of SWPP is currently funded. Instead of fully-funding capital investment from the RTF, this option leverages the capital repayment stream to access debt capital that funds project development. While this approach is quite feasible, it will require a moderate to high level of effort to design, structure, and execute the loan or bond transaction and complete the necessary legislative authorizations and agreements it will require.

The following summarizes the benefits and cost implications of Option 2:

Benefits: Leveraging the capital repayment stream could reduce near-term State upfront funding pressure by $100-200M, covering a significant portion of the next decade's buildout and planned REM, which will significantly reduce SWPP's draw on the RTF and allow RTF funding to be deployed for other priority projects. This option also increases the certainty and speed of capital availability for planned projects, which directly addresses concerns shared by SWA leadership. Additional benefits include smoother funding versus waiting for RTF appropriations and potentially lower total lifecycle costs if proactive investment captures construction timing advantages. Finally, because this option does not change the capital repayment rates charged to SWPP customers, affordability remains consistent while investment accelerates.

Tradeoffs: Tradeoffs include diverting the capital repayment stream away from broader State uses for the life of the borrowing, the incurrence of an additional interest expense, and increasing administrative complexity (e.g., increased reporting and compliance requirements). State execution costs are both one-time (e.g., debt structuring, legal documentation, legislative action, and enhanced forecasting and reporting) and ongoing (e.g., debt administration and monitoring).

The main legal and institutional hurdles are debt authority and oversight considerations (terms, repayment protections, and reporting), plus ensuring SWC and SWA governance documents explicitly define cashflow priorities and decision rights in a way that remains workable under covenant-like constraints.

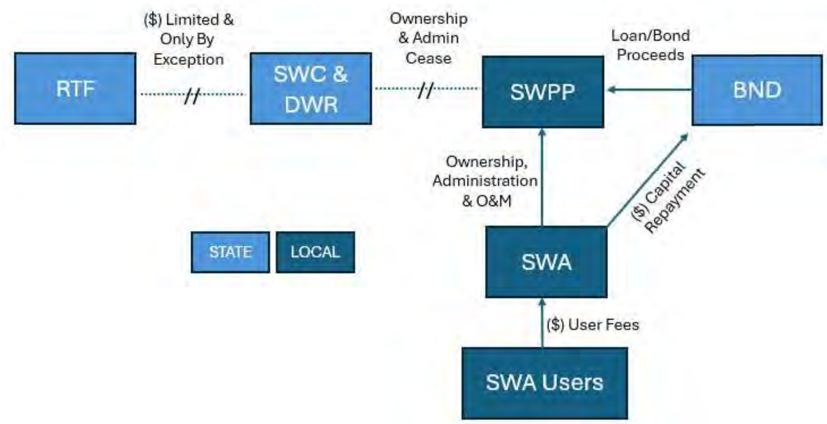
SWPP Option 2 Implementation Roadmap and Responsibilities

The following table sets forth the key components, timeline, responsibilities, and legislative actions or other authorities required to implement SWPP Option 2:

Implementation Components and Timeline	Responsible (R)	Accountable (A)	Consulted (C)	Informed (I)	Legislative/ Authority Implications
First 3 Months: Discussion with BND and PFA to determine financing options.	DWR	DWR	SWC; SWA Staff, SWA Board; Legal Counsel	SWPP Stakeholders	Likely can begin under existing administrative authority as a planning and diligence activity.
Months 3 to 9: Develop an integrated long-range buildout and financial plan (from Option 1).	DWR; SWA Staff	SWC, SWA Board	SWC; SWA Board	Legislature; SWPP Stakeholders	No additional authority needed to execute and will support future legislative consideration and financing approval.
Months 3 to 9: Define the proposed cashflow framework and priority of funds under a borrowing structure.	DWR; SWA Staff	SWC, SWA Board	SWC; SWA Board; BND and PFA	Legislature; SWPP Stakeholders	Century Code language allows borrowing against Capital Repayment.
Months 7 to 11: Adopt required policy changes and secure legislative authorization for the financing model.	DWR; SWA Staff; Legislature	DWR, SWA Board	SWC, SWA Board; Legal counsel	SWPP Stakeholders	This step requires legislative action including authorization to enter long-term borrowing arrangements.
Months 12 to 21: Negotiate the financing terms, assemble the approval package, and establish the ongoing administration and compliance framework.	DWR; SWA Staff	DWR; SWC	SWC; SWA Board, Legal Counsel; BND and PFA	Legislature; SWPP Stakeholders	Can proceed once enabling policy decisions and required legislative authority are in place.

Option 3 — Transfer ownership to SWA; keep capital repayment in-system and use it to backstop a long-term loan or bond issuance

Figure 8: SWPP Option 3 Proposed Structure



This option presents the largest governance shift: SWA becomes the sole owner and operator of SWPP, assumes control of all investment and construction decisions, and uses the capital repayment stream to secure the long-term loan or bond. Following the transfer of ownership, the capital repayment fees collected by SWA would remain in SWPP and be reinvested by SWA into the development and maintenance of the system rather than transferred to the State, subject to the determination by the State and SWA that sufficient local funding has been provided for the project after taking into account the proceeds of the long-term loan or bond. This will provide a long-term stream of funding that promotes SWA's financial self-sufficiency in supporting future expansion of SWPP. By bundling ownership transfer with the updated approach to capital repayment, this option seeks to address one of the largest concerns expressed by SWA leadership - taking over ownership without long term financial certainty.

Summary of Benefits and Tradeoffs

This option turns SWPP into an independent regional water system with ownership and operation managed by SWA, an authority that was created to represent the interests of local stakeholders. By consolidating ownership and operations under SWA, it better aligns the governance and decision-making for the project with the end users and enhances the accountability of SWA for system performance, long-term planning, and O&M sustainability, which are key elements of this study's Evaluation Criteria.

The level of effort of this option is high and the feasibility is medium because the transfer of State-owned infrastructure likely requires statutory authorization and detailed asset-transfer terms, due diligence, and new accountability guardrails.

The following summarizes the benefits and cost implications of Option 3:

<u>Benefits</u>: This option creates better alignment of incentives because, with SWA ownership, the entity making expansion decisions directly bears the long-run lifecycle, O&M, and affordability consequences, which can sharpen planning discipline, clarify accountability for performance, and potentially improve lender confidence in a single, financeable counterparty. SWA gains autonomy and the ability to move faster, but it assumes greater financial and reputational risk. Benefits to the State include shifting project management responsibility away from the State and improving governance clarity by consolidating ownership and operations. Like Option 2, borrowing against the capital repayment stream and reinvesting it in SWPP creates significantly

more certainty around funding system development and REM expenses, which addresses one of SWA's largest concerns about taking over ownership. The upfront investment required from the RTF will also be significantly reduced, enhancing its short-term funding position. It should be noted, however, that the capital repayment-backed loan will not likely cover all projected capital investments needed for SWPP to reach all potential customers, which will require SWPP to prioritize its use of funds and/or consider additional sources of funding and financing.

Tradeoffs: Given the scope and complexity of Option 3, there are some significant implementation costs. One-time State costs will be significant, including transfer legislation and contracting, intensive stakeholder management, and legal fees. While the State's direct administrative burden will decline after the transition, it should reserve a reasonable level of oversight to preserve public accountability as direct State control diminishes. For SWA, taking over ownership and management of the system development and buildout will require an expansion of both its capacity (e.g., staffing, systems, financial governance capability) and budget, ensuring they have sufficient resources to be held to a higher bar for transparency, conflict resolution, and performance reporting as owner of the water system they operate. During an anonymous survey of the SWA Board, reduced access to funding was listed as the primary cost and concern of transferring ownership to the Authority, although leveraging the capital repayment stream helps mitigate those concerns.

The primary legal and institutional hurdles are obtaining and structuring statutory authority for asset transfer, defining enforceable governance conditions that balance autonomy with public oversight, and ensuring the post-transfer model remains consistent with applicable code chapters and expectations for public accountability.

SWPP Option 3 Implementation Roadmap and Responsibilities

The following table sets forth the key components, timeline, responsibilities, and legislative actions or other authorities required to implement SWPP Option 3:

Implementation Components and Timeline	Responsible (R)	Accountable (A)	Consulted (C)	Informed (I)	Legislative/ Authority Implications
First 6 Months: Conduct a legal and operational readiness assessment for ownership transfer.	DWR; SWA Staff	SWC, SWA Board	SWC, SWA Board; Legal Counsel	Legislature; SWPP Stakeholders	No additional authority needed but should be structured to support eventual transfer legislation and formal transfer documentation.
First 6 Months: Draft the post-transfer governance and oversight framework, including the State's retained oversight rights.	DWR; SWA Staff	SWC, SWA Board	SWC, SWA Board; Legal Counsel	SWPP Stakeholders	N/A
Months 7 to 11: Secure statutory authority for asset	DWR; SWA Staff; Legislature	DWR, SWA staff	SWC, SWA Board	SWPP Stakeholders	N/A

transfer and execute the ownership transfer documentation.					
Months 12 to 24: Structure the long-term financing backed by the capital repayment stream, including State's role, if any.	SWA Staff	SWA Board; SWC	SWC; SWA Board; Legal Counsel; potential financing partners;	SWPP Stakeholders	N/A
Months 24 to 36: Implement SWA capability and internal-control upgrades needed to operate as owner.	SWA Staff	SWA Board	SWA Board; Legal Counsel	SWPP Stakeholders	Most of this can be implemented through SWA board action but some elements may need to be incorporated into transfer conditions.

Potential Additional Opportunities to Strengthen SWPP Finances

Several opportunities were already identified to strengthen the finances of SWPP in the options above, including the co-development of a long-term financial plan for remaining system buildout and REM and leveraging the capital repayment stream. In addition, under Option 3, the State could take additional action to address one of the limitations of that option. Given that SWA does not have a credit rating and if it obtains one it will likely be lower than the State's rating, the cost of borrowing against the capital repayment stream will likely be higher if ownership (and borrowing responsibility) is transferred from SWC to SWA. To address this challenge, the State could provide a guarantee to backstop the loan for SWA to allow SWA to benefit from the State's strong credit rating and reduce borrowing costs.

See the "Common System Finance Enhancement Opportunities" section at the end of this report for other actions that could be taken to improve the financial management and sustainability of SWPP and access additional sources of funding and financing for the system.

Figure 9: SWPP Impact Analysis

Evaluation Criteria	Current State	Option 1 Impact	Option 2 Impact	Option 3 Impact
Alignment of Risk Burden with Decision Making Authority	Medium	Improved	Improved	Limited Net Impact
Effectiveness of Current Governance Structure & Authority	High	Improved	Improved	Improved
Level of Stakeholder Representation, Transparency & Public Accountability	High	Limited Net Impact	Limited Net Impact	Improved
Alignment of Structure, Capacity & Capabilities with Stated Policy, Strategy & Goals	High	Improved	Improved	Improved
Feasibility to Implement/ROI of Implementing Recommendations	N/A	Feasible w/ limited ROI	Higher LOE, higher ROI	Feasible, high potential ROI
Efficient Use of State and Local Resources and Availability of Alternatives	Medium	Improved	Improved	Improved
Long Term Affordability for Stakeholders	Medium	Limited Net Impact	Limited Net Impact	Limited Net Impact
Structured to Address Future Risks and Facilitate Sustainability	Medium	Improved	Improved	Improved
Ability to Attract Federal, State and Local Investment	Medium	Limited Net Impact	Improved	Improved

Table 5: Summary of Recommended Options for SWPP

	Option 1: Keep Current Model with Improvements	Option 2: Keep Current Governance and Leverage Capital Repayment	Option 3: SWA Ownership and Leverage Capital Repayment
Option Summary	State retains ownership of the pipeline and SWA retains operational responsibility and authority with several improvements to the current approach, including: • Establishing a collaborative short- and long-term planning process where SWC and SWA set forth a plan to address buildout and financing; • Co-developing a clear financial plan for remaining system buildout and REM, including setting limits/ thresholds for uneconomical system expansion; and • Implementing a performance monitoring program using targeted metrics to inform decision-making and track impact of State funding.	• State retains ownership of the pipeline and SWA retains operational responsibility and authority while implementing many of the improvements from Option 1. • Capital repayment will be reinvested back into SWPP by servicing a loan or bond to fund a significant portion of the required investment in the near term. • Under this approach, the capital repayment stream (or a large % thereof) will no longer go to the RTF but will be pledged as collateral to backstop a 30- to 40-year loan to cover SWPP buildout and planned REM costs. • Depending on loan structure, tenor and interest rate, the loan could reduce upfront investment required from the State by $100-200M, covering a significant portion of the buildout and planned REM over the next 10 years. • Additional investments beyond the projected amount of the loan proceeds would require RTF funding or alternative sources of capital.	• State transfers ownership of the pipeline to SWA making SWA solely responsible for the ownership, construction, operation, and maintenance of SWPP. • The Capital Repayment will be fully reinvested back into SWPP and, following transfer of ownership, will no longer go to the State. • Additional investments beyond the projected amount of capital repayment-backed loan proceeds would require further SWA borrowing, RTF funding or other alternative sources of capital.
Benefits	• State retains capital repayment stream in perpetuity; provides clarity around financial requirements and responsibility for pipeline expansion and REM; relatively easy to implement; reduces risk of unfunded REM.	• Upfront State investment in SWPP is lowered and reduces the short-term shortfall in the RTF; increased clarity; provides more certainty to SWA on availability of funding.	• SWA is fully incentivized to make efficient pipeline expansion decisions; upfront State investment in SWPP is significantly lowered and reduces the shortfall in the RTF; increased clarity; provides more certainty to SWA on availability of funding.
Tradeoffs	• State remains responsible for full upfront cost of buildout and REM; doesn't address incentives for SWA on buildout positioning.	• Capital repayment stream does not flow to RTF during loan repayment; still requires a capital outlay from the RTF (i.e., loan doesn't cover the full cost); relatively complex to implement with Bank of North Dakota (BND) or other lender involvement and a different loan structure; adds interest expense (amount dependent on terms of loan).	• Will require further expansion of capacity and budget of SWA; capital repayment stream no longer flows to RTF; will still require additional financing to complete full buildout; relatively complex to implement with BND involvement and a different loan structure.

NORTH DAKOTA WATER USERS ASSOCIATION

Dedicated to Protecting, Developing, and Managing North Dakota's Water Resources

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State Water Commission's Proposed Changes to the Cost Share Program

In general,

- Resources Trust Fund dollars should be put to work as quickly and efficiently as possible.
- We should be partners in reducing carryover and protecting the future of the Resources Trust Fund.
- Taken together, many of the proposed changes could increase carryover, thereby putting continued access to Resources Trust Fund dollars for water projects at risk.
- The water community does not expect that every project conceived of, identified in the Water Development Plan, or presented to the Commission will be funded. Project sponsors are strongly encouraged to be prepared and apply for cost share dollars early in the biennium with the understanding that dollars will and should be allocated as early in the biennium as possible.
- We encourage the Commission to retain its ability to use discretion to make decisions on an application-by-application basis.

In particular,

- We strongly support bonding.
- We believe maintaining current cost share percentages will better support project feasibility, even if that results in fewer projects being funded.
- We generally support the proposed prioritization criteria.
- Requiring bids and easements prior to cost share application will cause delays and cost increases.

In closing, the Water Users reiterates the need for the Commission and project sponsors to work collaboratively to put appropriated Resources Trust Fund dollars to work in a way that completes projects and reduces carryover. We encourage the Commission to maintain flexibility and discretion in its cost share policy so these goals can be met. A balanced approach that preserves project feasibility, minimizes carryover, and supports efficient delivery of water infrastructure will best serve the citizens of North Dakota.

North Dakota WATER COALITION

PO Box 2254 ● Bismarck, ND 58502 (701) 223-4330

DRAFT

Date

North Dakota State Water Commission
1200 Memorial Hwy
Bismarck, ND 58504

Re: Comments on Proposed Cost Share Policy Changes

Dear Governor Armstrong, Commissioner Goehring, and State Water Commissioners:

Thank you for the opportunity to provide comments on the proposed updates to the State Water Commission's cost share policy. The North Dakota Water Coalition appreciates the Commission's ongoing efforts, as well as the recent analytical work performed by Deloitte, to evaluate and refine how Resources Trust Fund (RTF) dollars are allocated to water projects across North Dakota.

General Comments

At the outset, the Water Coalition emphasizes that the cost share policy should function primarily as a tool to allocate appropriated dollars efficiently and in a timely manner to projects that advance water management and water supply for the benefit of North Dakota citizens. The policy should provide broad guidance while preserving the Commission's discretion to evaluate and act on project applications based on individual circumstances.

The water community strongly supports deploying appropriated RTF dollars as early and efficiently as possible within each biennium. Reducing carryover is critical to ensuring funds are put to work, projects are completed, and public benefits are realized.

While the Water Coalition appreciates the Deloitte study, we believe there are important gaps that should be considered before adopting the recommendations. These gaps include:

- Variability in the availability of RTF dollars on a biennium-by-biennium basis relative to project needs; and
- The "burn rate" of projects in spending appropriated or allocated dollars within each biennium.

The Water Coalition is concerned that, taken together, the Deloitte recommendations could increase carryover, thereby putting continued access to RTF dollars for water projects at risk.

The Water Coalition also acknowledges that the Commission's cost share program is a finite grant program. The water community does not expect that every project conceived of, identified in the Water Development Plan, or presented to the Commission will be funded. Project sponsors are strongly encouraged to be prepared and apply for cost share dollars early in the biennium with the understanding that dollars will and should be allocated as early in the biennium as possible.

Bonding

The Water Coalition supports bonding as a tool to advance water projects, particularly the Red River Water Supply Project and the Mouse River Enhanced Flood Protection Project, and believes it should be a top priority for the Governor and the legislature in the 2027 legislative session. As we did during the 2021 session, the Water Coalition stands ready to advocate for bonding in the upcoming session.

Cost Share Percentages
The Deloitte proposal suggests lowering cost share percentages to address anticipated funding constraints by spreading limited dollars across more projects. However, the Water Coalition believes maintaining current cost share percentages will better support project feasibility, even if that results in fewer projects being funded. Past experience demonstrates that cost share levels are directly tied to whether projects—particularly projects that benefit rural communities like irrigation and rural water supply—can realistically be completed.

The Deloitte proposal includes several recommendations to impose caps on cost share dollars per project in addition to cost share percentages. The Water Coalition has concerns about the feasibility of projects with the proposed caps and generally favors percentage-based approaches over fixed caps.

Restricting lower-priority projects from reaching the Commission could leave legislatively appropriated dollars unobligated, which should be avoided. The policy should instead prioritize obligating funds as early as possible in the biennium to maximize their use.

The Water Coalition generally supports the proposed prioritization criteria but notes that water supply projects fall into either high priority or low priority; it is unlikely any would be considered moderate. We appreciate the recognition that irrigation and agricultural drainage projects are high priority.

Lines of Credit
The Water Coalition supports full utilization of existing lines of credit (LoCs). While large municipalities could benefit from utilization of LoCs, current funding limitations restrict their use.

The Water Coalition also recommends that the Water Infrastructure Revolving Loan Fund (WIRLF) be capitalized annually. Additionally, we believe it would be beneficial for the Department of Water Resources and Bank of North Dakota to model LoC usage over the past two bienniums to demonstrate how LoCs improve cash management, particularly as we move into another legislative session.

Replacement Projects
The Water Coalition recognizes the proposed 25% cost share for replacement projects but emphasizes that the Commission should retain discretion to increase cost share where warranted.

We recommend refining the definition of replacement projects by removing "enhancing service levels" from the definition as it may create confusion with system expansion.

Projects should be encouraged to leverage all available funding sources, including WIRLF and the Drinking Water State Revolving Fund, and the state should assist in streamlining application processes across programs.

Maintenance
The Water Coalition is generally comfortable with excluding maintenance from cost share eligibility. However, the Commission should retain discretion to address extraordinary or emergency maintenance situations—such as dam failures—on a case-by-case basis.

Cost Caps and Engineering
Rather than establishing rigid policy limits, the Water Coalition encourages the Commission to rely on its discretion when evaluating requests due to cost increases.

If engineering costs are capped or scrutinized, it is important to fully account for the wide range of services included in that category, such as environmental reviews, permitting, and project planning.

Additional Considerations

- **Cost per user caps:** Most lower-cost opportunities across the state have already been completed, and remaining hookups are inherently going to be more expensive. Additionally, the Water Coalition believes establishing a state-wide threshold would be challenging given the many variables that contribute to costs for projects.
- **Capital repayment structure:** This would represent a fundamental shift in current practice and raises questions, particularly regarding applicability to non-rate-based projects.
- **Water Development Plan (WDP) requirement:** Requiring projects to be included in the WDP prior to requesting cost share could present challenges. This approach would not allow a path for emergencies or economic development opportunities that arise outside the planning cycle to come before the Commission.
- **Bid requirement:** Requiring bids in hand before coming before the Commission will delay projects and increase costs. Longer bid windows increase contractor risk, often resulting in higher bids, and may conflict with limited construction timelines. The challenges associated with this requirement would be exacerbated under the proposed altered schedule for Commission meetings in 2027.
- **Easement requirement:** Requiring 100% of easements to be in hand prior to coming to the Commission for funding will be unworkable for many projects. In the experience of project sponsors across the water community, there are often landowners who will not sign easements until after funding commitments are in place.
- **BAIA:** The Water Coalition supports the BAIA requirement removal.
- **Two-year check-ins:** The Water Coalition supports requiring periodic progress updates.
- **Emergency Action Plans (EAPs) and permit requirements:** Clarification is needed regarding which permit requirements are contemplated. If EAP compliance is a concern, the Water Coalition encourages collaborative solutions rather than punitive measures for project sponsors.

Conclusion
In closing, the Water Coalition reiterates the need for the Commission and project sponsors to work collaboratively to put appropriated RTF dollars to work in a way that completes projects and reduces carryover. We encourage the Commission to maintain flexibility and discretion in its cost share policy so these goals can be met. A balanced approach that preserves project feasibility, minimizes carryover, and supports efficient delivery of water infrastructure will best serve the citizens of North Dakota.

Thank you for your consideration of these comments and for your continued leadership in advancing the state's water resources.

Sincerely,

Loren DeWitz, Chair
North Dakota Water Coalition

Missouri River Joint Water Board

mrjwb.weebly.com

July 28, 2026

Mr. Reice Haase, Director
North Dakota Department of Water Resources
1200 Memorial Highway
Bismarck, ND 58504-5262

Re: Comments Regarding Proposed Cost Share Policy Revisions

Dear Director Haase:

The Missouri River Joint Water Board (Board) has reviewed the proposed recommendations for modifications to the North Dakota State Water Commission Cost-Share Program, as presented during the recent regional basin meetings. The Board's efforts focus on education, advocacy, and engagement regarding the use of the Missouri River. Accordingly, the Board strongly encourages the allocation and appropriation of Missouri River water to beneficial uses within the State of North Dakota. This includes prioritizing its use and implementing responsible projects throughout the state to ensure the effective utilization of North Dakota's share of these waters.

The Board believes projects utilizing Missouri River water should be given ***higher priority*** to allocate and actively promote the highest and best use of this resource. This includes the implementation and completion of larger projects to supply water to all areas of the State of North Dakota.

One significant potential use of Missouri River water is irrigation. A recently completed study provides information regarding the amount of irrigable land in the state. A second study provides insight regarding the significant economic value of irrigation, including the increased revenue stream it could provide for the state. One element of irrigation economics is the availability of preference power from the Pick-Sloan project and Garrison Dam. The Board recommends that the State Water Commission, North Dakota Department of Water Resources, and the Garrison Diversion Conservancy District continue to work to pursue the availability of preference power for all irrigation water withdrawn from the Missouri River.

The Board supports bonding particularly for the Red River Valley Water Supply Project. Bonding for this project will guarantee funding is available to complete this important project which will allocate and use up to 165 cfs of Missouri River water. At the same time, bonding for large projects would free up Resources Trust Fund monies for other projects that will also put Missouri River water to beneficial use.

The Board recommends reconsidering the stripper well exemption and reinstating the funding allocation for the Resources Trust Fund, to fully develop projects using Missouri River waters. This should include considering eliminating the permanent status for stripper wells, if alternate recovery methods are implemented for their continued production. As Missouri River is a primary source of frack water for oil production it is prudent for the energy industry to contribute to the beneficial use of this resource.

The Board believes its best to maintain cost-share funding at current levels, understanding that the prioritization process and the overall logistics of project development will govern the use of available resources. Under this approach, projects would be constructed over a longer period, and some currently in the State Water Plan may never be constructed, after including the ability to pay considerations. It is understood that there will be projects that will go unfunded, which is a function of available funds, however if cost shares are decreased some projects could have unreasonable fee structures, which are undesirable and not sustainable.

Now more than ever downstream and western states are discussing the pursuit of Missouri River waters to resolve their water shortages. Therefore, our efforts to allocate and use our share of these waters are becoming ever more critical than ever.

We greatly appreciate the opportunity to provide these comments for consideration by the North Dakota State Water Commission.

Respectfully,

Wade Bachmeier, Chairman
Missouri River Joint Water Board

C: Dabu Quissell, ND Water Users and WRD Association
Eric Volk, ND Rural Water Association
Matt Gardner, ND League of Cities
MRJWB Managers and Technical Advisory Committee

WBI ENERGY CORROSION SERVICES
An MDU Resources Group company

552 Roxy Lane
Billings, MT 59105
(406) 248-6985
www.wbienergy.com

July 21st, 2026

Southwest Pipeline Project (Bartlett & West)

Attn: Tyson Decker

Re: 2026 Close Interval Survey - SWPP

Mr. Decker,

WBI Energy Corrosion Services proposes to perform an Interrupted Close Interval Survey based on approximately 120.9 segment miles of total Southwest Water pipeline as defined by Bartlet and West company representatives. This includes approximately 34 miles of Potable water line, approximately 43.3 miles of Steel Raw water, and approximately 43.6 miles of Ductile Iron Raw water pipeline. Prices are estimated on a 5-6-mile average per day, per crew for CIS because of the need to test isolation and set and pull interruption daily. The crews will work to get more mileage per day as conditions allow. Each individual estimate is based on one crew and full mob/demob for each project. The Estimated Project Completion Total is based on all work being completed in one trip with two crews during the August timeframe.

Interrupted CIS Crew Daily Rates

Interrupted CIS Survey w/ GPS per day______________________**$ 3,965.00**
(Including 4 interrupters per crew)

Travel, per day, per crew __________________________________**$ 3,000.00**
(Day rates will be charged on all mob/de mob days)

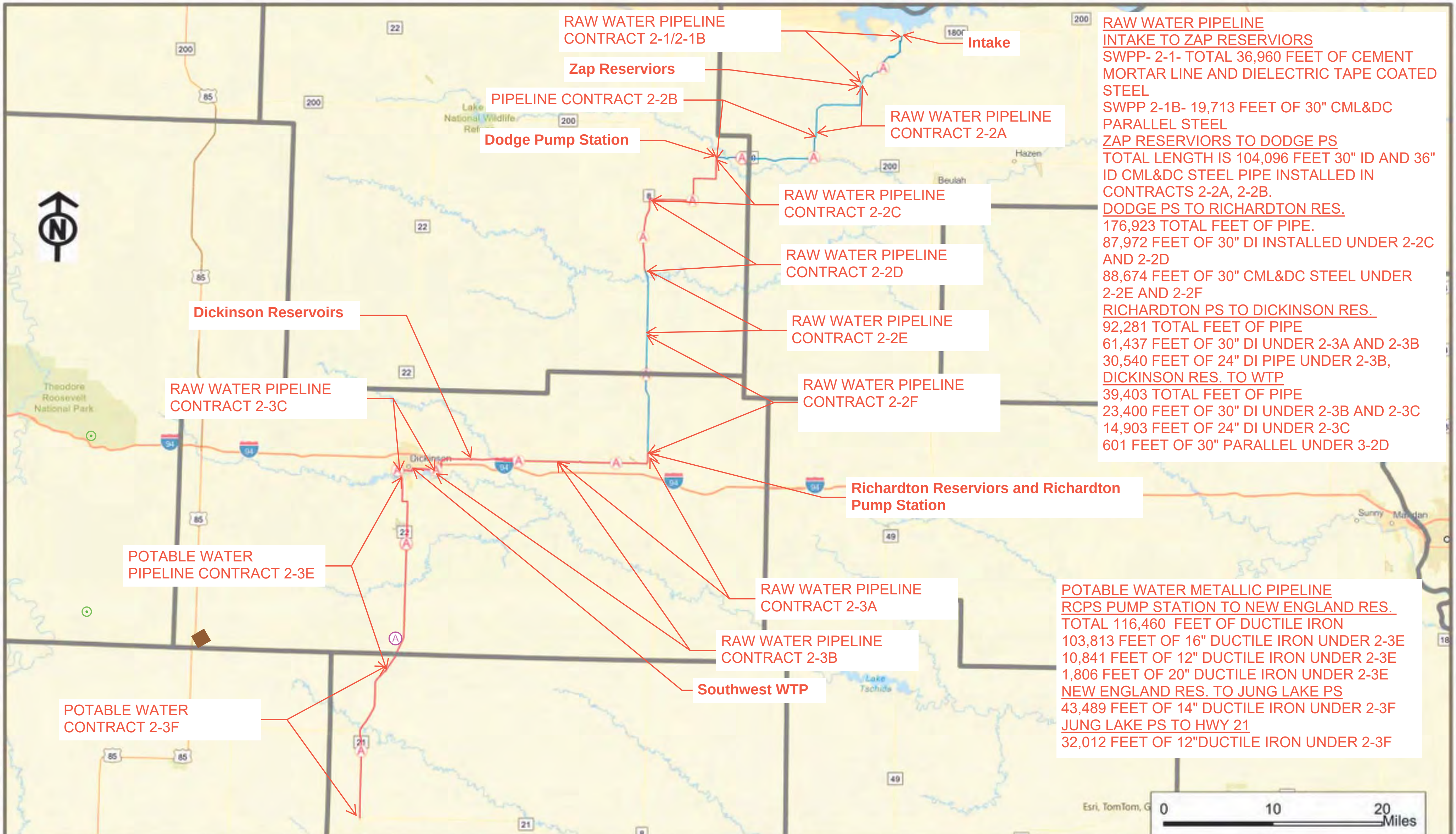
Interrupter charge per unit per day_____________________________**$ 35.00**

Estimated Potable Interrupted CIS Total____________________**$ 30,781.25**
(Based on 1 crew, 6.25 CIS workdays, 2 CIS travel day, and all report processing)

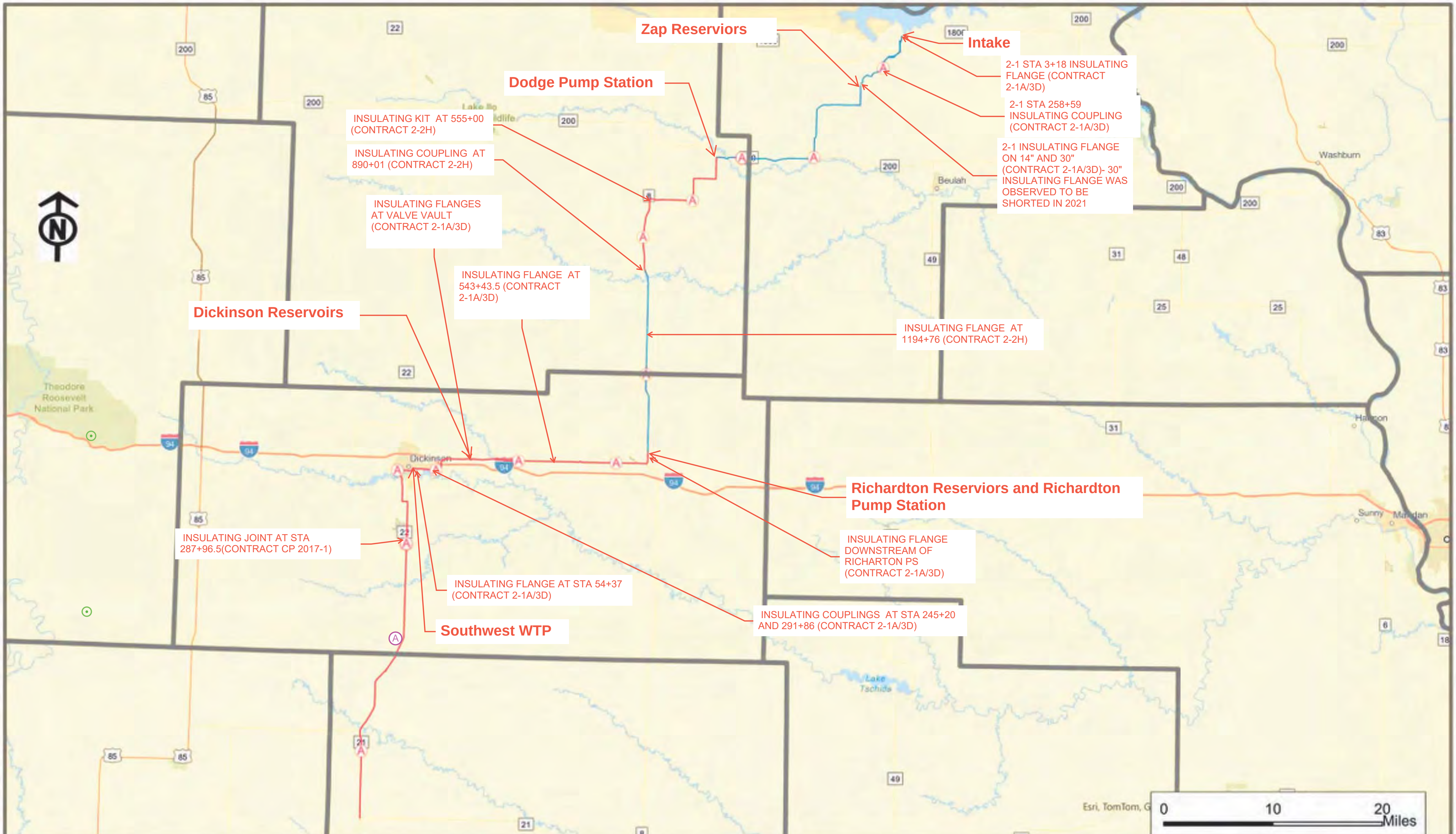
Estimated Ductile Interrupted CIS Total_____________________**$ 37,720.00**
(Based on 1 crew, 8 CIS workdays, 2 CIS travel days, and all report processing)

Estimated Steel Interrupted CIS Total______________________**$ 37,720.00**
(Based on 1 crew, 8 CIS workdays, 2 CIS travel days, and all report processing)

Estimated Project completion Total________________________**$ 99,230.00**
(Based on 2 crews, 22 CIS workdays, 4 CIS travel days, and all report processing)



SOUTHWEST PIPELINE PROJECT
CATHODIC PROTECTION



NORTH Dakota Be Legendary.

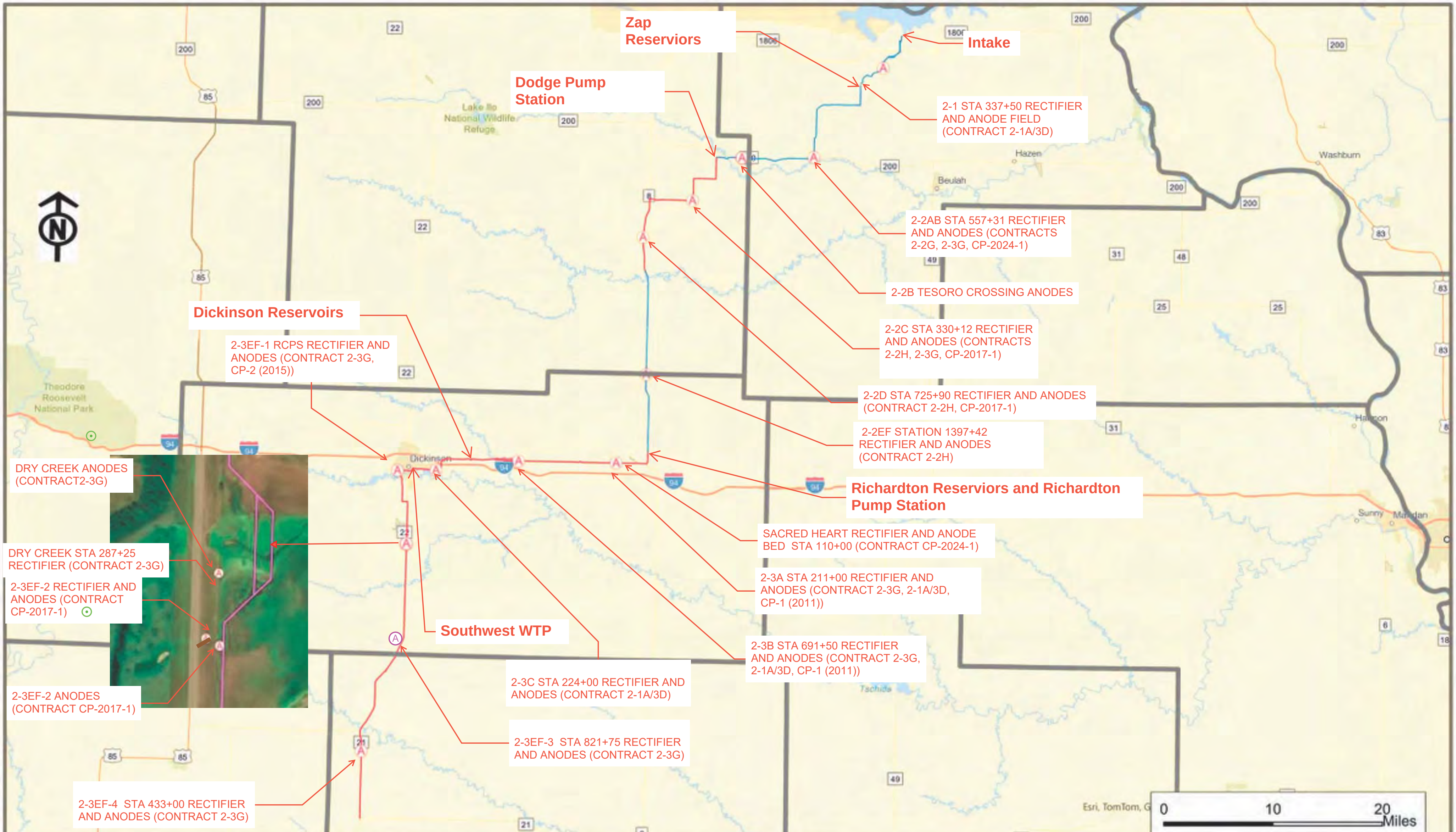
This program is a partnership of the Water Resources & Water Commission

Southwest Water Authority

SOUTHWEST PIPELINE PROJECT
CATHODIC PROTECTION

Bartlett & West

AECOM



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Southwest Water Authority

SOUTHWEST PIPELINE PROJECT
CATHODIC PROTECTION

Bartlett & West

AECOM

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MEMORANDUM

To: Southwest Water Authority Board of Directors
From: Jen Murray, Manager/CEO
Subject: SWA Construction and O&M Update – Incidental Information
Date: July 29, 2026

This memo updates the SWA Board of Directors on ongoing and upcoming SWA Construction and O&M activities.

SWA Construction:

The contract for relocating SWPP infrastructure along US Hwy 85 from the junction of Hwy 200 to the Long X Bridge is nearing close out. SWA received reimbursement from the NDDOT in May in the amount of $1,814,059, and $94,423.49 in July. There will be at least one more reimbursement disbursement. SWA was notified this week about a section of this relocation that is not at the proper depth that will need to be lowered. SWA is working with a contractor to schedule this work.

The OMND WTP Roof was damaged in summer storms in 2022 and required complete replacement. The OMND WTP Roof Replacement is complete, and the final pay application was approved on Friday, June 26, 2026. NDIRF has not yet responded to the coverage amount. On June 7, 2026, storms damaged the metal flashing and a small section of the roof adjacent to the metal flashing at the southwest corner of the facility. repaired roof. Windspeed reports recorded wind gusts of 82 mph, and the new roof is rated as 90 mph under warranty. We did reach out to the contractor to begin the warranty claim. The contractor, Herzog, is doing an initial investigation into the warranty claim and is waiting for a response from the manufacturer.

Maguire Iron, Inc., was awarded the contract for the New England Tank Recoat and Rehabilitation. The Contractor mobilized to the site the week of June 8, 2026. Maguire has inspected the roof beams and has determined that all 34 beams will need to be replaced. As addressed under decision-making at the July meeting, this resulted in a work change directive and additional cost to the contract. In July, SWA approved the change from a bolted roof design to a fully welded roof design with no additional cost to the owner. B&W is seeking additional justification for the additional costs to replace the C-channels. The substantial completion date on this project is October 31, 2026.

SWA, B&W and WBI have a meeting scheduled for July 31, 2026, to outline the details of the Close Interval Survey (CIS) on the metallic line in the SWPP system. The CIS will evaluate and the cathodic protection on both the raw and potable ductile and steel main transmission lines which may indicate areas affected by MIC. This work was budgeted for REM in 2026.

Treatment:

SWA received a monitoring violation notice in early July that the required Bromate samples for the second quarter of the year were not collected. Bromate is a disinfection by-product. Due to the violation, SWA was required to send letters to all customers notifying them of the monitoring violation. SWA also has this information displayed on our website. The sample has since been collected and has been added to the sampling schedule.

On July 16, 2026, the water treatment plant started operating 24 hours/day until Labor Day except Tuesday and Wednesdays to ease operations with water demand.

On July 15, 2026, Twin City Roofing repaired the Finished Water Pump Station roof membrane and skylight for the second time due to summer storms.

On July 27, 2026, the North Press at the Residuals Handling Facility experienced a malfunction. Treatment Manager reached out to Evoqua to troubleshoot solutions.

In July, over 200 million gallons of water were treated for SWTP and DWTP and over 50 million gallons for OMND! The highest treatment day recorded in SWA history was on July 10, 2026, with 11.88 million gallons. This day's treatment needs were a combination of excessive heat and fire fighting needs for a major fire on Villard in Dickinson.

Distribution Operations:

On July 1, 2026, staff mended the fence around the Burt Reservoir in Contract 2-6B by setting posts for 4 new corners, tightening wires, and hanging the gate that blew over in high winds.

On July 8, 2026, staff attempted to run the Intake 4160V generator while Roughrider Electric had a planned power outage to allow Coteau Mine to move their shovel. Staff found that a coolant hose blew near one of the hot starts and the generator shut itself down due to low coolant levels. Staff cleaned up the coolant and requested a cost quote from Cummins to replace all four hoses.

On July 9, 2026, staff rented a manlift from Bierschbach Equipment & Supply and installed brackets to secure the 1st Dickinson Reservoir roof flashing.

On July 10, 2026, staff responded to a report of a leak in Contract 7-4. Staff assisted Brandon Lampher of Bison, SD, to repair a 2" CL 200 bell and spigot connection that cracked due to pipe deflection. Once the leak was repaired, air was flushed from the line prior to its return to service.

On July 15, 2026, staff assisted Gary Bangert to repair a leak on the subsequent customer service valve in Contract 7-9B The service line was moved to accommodate road improvements. The previous contractor did not use the 2" Schedule # 40 pipe (280 PSI) provided by SWA and used 2" CL 160 pipe. On the inlet side of the service line valve, 160 PSI pipe was installed instead of the required 200 PSI pipe. Bangert repaired all the deficiencies with the subsequent line.

On July 16, 2026, staff responded to a report from the City of Regent that the city reservoir was overflowing. Staff found debris in the check valve on the backflow line of the pilot system of the control valve. Cleaning the debris from the check valve allowed water to flow as intended. The City of Regent was credited for the water lost.

On July 20, 2026, staff responded to a potential leak reported by Gerald Kadrmas of Golden Valley, ND by assisting Sletten Excavation to repair a 3" CL 160 pinhole leak in Contract 7-9G Bid Schedule 1. Air was flushed from the line after the leak was repaired.

On July 21, 2026, staff responded to a power/phase fail alarm at the Scranton BPS by switching the pump station from utility power to generator power using the 100kW portable generator (G2). Staff found that the utility power disconnect switch had burnt up. A new switch has been ordered and the anticipated installation date is Wednesday, July 29, 2026, allowing the Scranton BPS to run off utility power. Scranton Equity has been putting 50-60 gallons of fuel in the generator daily until utility power can be used again.

On July 21, 22, 23, 27, 28, and 29, 2026, staff assisted Wagner Construction to tie-in Contract 7-2B with the Type 2 and 3 PRV's. Once the tie-in was complete the water line was placed back into service and air was flushed from it.

The motor saver displays for the pump motors at the Intake Pump Station have failed due to a power surge. Motor savers monitor the heat on the bearing and windings, as well as voltage, amperage, and phases on the switch gear. SWA has ordered 5 new motor savers to be replaced.

Lead Service Line Inventory:

SWA staff continue to collect information for the Lead Service Line Inventory (LSLI) for the NDDEQ. SWA has collected inventories from 5,268 accounts, or 66.8% of all connections. The survey link remains active on the SWA website, and O&M staff continue to collect the information during routine operations and new connections.

Staff

SWA hired Darren Ressemann as our new Water Maintenance Worker II in Elgin.

NORTH
Dakota | Environmental Quality
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PWS ID: ND4501434

July 7, 2026

Southwest Water Authority
Jen Murray
4665 2nd Street SW
Dickinson ND 58601

RE: Failure to Submit the Minimum Number of Drinking Water Samples for Disinfection By-product (Bromate) Analysis - Requirement to Notify Customers

Dear Ms. Murray,

According to our records, Southwest Water Authority did not submit one (1) drinking water sample for Disinfection By-product (Bromate) analysis during the recent quarter including the months of April, May and June 2026, as required by the Safe Drinking Water Act. When required drinking water samples are not submitted before the deadline, the supplier of drinking water is required to notify its users accordingly.

You must notify your consumers of the violation using TWO methods of public notification within thirty (30) days of receipt of this letter.

Step 1 Initial notification of the violation must be provided by **mail or direct delivery** to each customer receiving a bill and to other service connections to which water is delivered.

Step 2 A second method of initial notification must be used to reach others regularly served by the system who would not normally be reached by mail or direct delivery (e.g., renters, apartment dwellers, university students, nursing home patients, prison inmates, etc.). These methods may include: **publication in a local newspaper; posting in public places or on the Internet; delivery to community organizations; or delivery of multiple copies for distribution by customers that provide their water to others** (such as apartment building owners or large employers).

The enclosed notice contains mandatory language that must be included whenever a violation of the Disinfection By-product standard occurs. In your notice, describe the steps your system is taking to correct the violation and provide local contact information. If the notice is posted, the notice must remain in place for as long as the violation or situation persists, but in no case for less than seven (7) days even if the violation or situation is resolved.

4201 Normandy Street | Bismarck ND 58503-1324 | Fax 701-328-5200 | deq.nd.gov

Director's Office 701-328-5150
Division of Air Quality 701-328-5188
Division of Municipal Facilities 701-328-5211
Division of Waste Management 701-328-5166
Division of Water Quality 701-328-5210
Division of Chemistry 701-328-6140 2635 East Main Ave Bismarck ND 58501

Step 3 The due dates for the required public notification actions are listed on the Proof of Public Notice form that is enclosed with this letter. **Complete the form and return it, with a copy of each type of notice published, distributed, or posted, to our office within ten (10) days of completing the public notification.** Please be informed that failure to provide proper notice or proof of notice within the specified time frame constitutes a violation of the Public Notification requirements of the Safe Drinking Water Act.

The Safe Drinking Water Act requires all public water systems that fail to perform required drinking water monitoring to take immediate corrective measures and to notify the public. Sampling of public drinking water supplies for safety is required by both federal and state law, and you as a supplier can be subject to legal action for continued noncompliance.

If you have any questions, or do not understand what is required of you as a supplier of drinking water by the Safe Drinking Water Act, please contact me at 701-328-7262.

Sincerely,

Mason Johnson

Mason Johnson
Environmental Scientist
Drinking water
Division of Municipal Facilities

Enc.

cc:
Toby Turner, Operator
Andrew, Erickson Jr., Operator

Important Information about your Drinking Water

Southwest Water Authority

Collects Too Few Samples

Southwest Water Authority is required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are an indicator of whether or not our drinking water meets health standards. During the recent quarter including the months of April, May, June 2026 we did not complete all disinfection by-product (Bromate) monitoring or testing and therefore cannot be sure of the quality of our drinking water during that time. Even though this is not an emergency, as our customers you have a right to know what happened and what we are doing to correct the situation.

A minimum of one (1) acceptable sample was to be submitted to a certified laboratory for analysis. Records show zero (0) acceptable samples were submitted for the April, May, June 2026 quarter.

There is nothing you need to do at this time.

Southwest Water Authority regrets that this error in meeting monitoring requirements occurred. It is recognized that a complete monitoring program is of great value in making certain that safe drinking water is provided to all customers. We have added monthly electronic reminders before and after the quarter to ensure that adequate monitoring will be performed in the future.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or by distributing copies by hand or mail.

For more information, please contact:

Perry Grammond at 701-290-7051 or Jen Murray at 701-225-0241
Dated: 07-14-26

Southwest Water Authority

Our Vision: People and Business Succeeding with Quality Water   Our Mission: Quality Water for Southwest North Dakota

MEMORANDUM

TO: Jen Murray, Manager/CEO, Southwest Water Authority
FROM: Misti Conzemius, Marketing Manager, Southwest Water Authority
SUBJECT: Report for July, 2026
RE: Marketing Manager's Incidental Information
DATE: July 21, 2026

JULY 2026 SIGN-UP REPORT

SUBSEQUENT CUSTOMERS

NAME	TYPE OF CUSTOMER	SERVICE AREA	SERVICE DESCRIPTION
Lloyd Weinreis	Standard	7-8 Golva	137-105-23
Rick & Lisa Kleinwaechter	Standard	7-1B Davis Buttes	140-96-26
Nathan Strid	Standard	7-4 Bucyrus	131-98-9
Austin Buckman	Standard	7-2A Belfield	139-99-11
Caden Albers	Standard	7-9F Center	143-84-32
April & Miles Mettler	Standard	7-9D Zap	146-86-31
Mike Gayda	Standard	7-2 New England	139-96-35
Mike Gayda	Standard	7-2 New England	139-96-35
Dustin & HaLeigh Hibl	Standard	7-2 New England	139-96-35
Jeff & Bonnie Miller	Standard	7-1B Davis Buttes	140-96-26
Nolan Potter	Standard	7-2 New England	139-96-8
Phillip Wallace	Standard	7-1B Davis Buttes	140-96-2
Hlebechuk Construction	Standard	7-8A Fryburg	139-99-4

Thirteen (13) subsequent customer signed up in July and 97 subsequent customers have been added year-to-date. A total of 128 customer quotes have been given year-to-date. SWA had a total of 3110 active subsequent users in July.

2026 COMPLAINTS

Zero (0) complaints were called in during the month of July.

One (1) complaint was closed during the month of July.

Open complaints are shown above by area and type.

Open complaint numbers may not include landowner/customer concerns handled in the field.

WAITING LIST UPDATE

Two (2) water requests have been added to the waiting list during the month of July.
There are currently 800 requests system wide.

BURT, HEBRON SERVICE AREA

Four (4) services were signed up in July for a total of 940 services signed up to date. Of the 940 signups, 641 or 68% are Rural and 299 or 32% are Lake Tschida.
Three (3) signups were received in the month of July in Hebron Rural including North Lake Tschida for a total of 494, and One (1) signup was received in July in Burt Rural including South Lake Tschida for a total of 446.

SYSTEM WIDE SERVICE REQUESTS

There are currently 800 waiting list requests and 937 Burt Hebron Campaign Signups for a total of 1,737 requests system wide.
Waiting list will decrease by 107 upon completion of the 7-2B North New England Strategic Improvement Project.
Waiting list will decrease by 102 upon completion of the Burt and Hebron Service Area Projects.

HEBRON RURAL & MAIN TRANSMISSION LINE EASEMENTS

To date a total of 728 easements sent for the Hebron Rural Area. A total of 688 easements or 95% obtained. 40 easements for 27 parcels remain.

To date a total of 116 easements sent for the Main Transmission Line. A total of 116 easements or 100% obtained.

County	Waiting List Locations	Standard Service	Pasture Tap Service	High Consumption	Other
Adams	25 locations	12	12	1	0
Billings	74 locations	20	50	2	2
Bowman	83 locations	52	26	4	1
Dunn	87 locations	48	35	1	3
Golden Valley	72 locations	34	34	2	2
Grant	62 locations	46	12	2	2
Hettinger	52 locations	33	16	3	0
Mercer	28 locations	11	17	0	0
Morton	107 locations	57	47	3	0
Oliver	1 location	1	0	0	0
Slope	60 locations	37	17	6	0
Stark	149 locations	129	17	3	0
Grassy Butte (McKenzie County)	0 locations	0	0	0	0
Total Waiting List	**800**	**480**	**283**	**27**	**10**

Other: Subdivisions, Additional Capacity, or Higher Usage

Updated through July 21, 2026

WAITING LIST REQUESTS BY CLASSIFICATION						
SERVICE AREA	**WAITING LIST START DATE**	**STD**	**PT**	**HC**	**OTHER**	**TOTAL**
7-1B DAVIS BUTTES	10/3/2022	16	3	0	0	19
7-1B NEW HRADEC		0	0	0	0	0
7-2 NEW ENGLAND*	3/6/2012	144	30	5	0	179
7-2A BELFIELD	3/6/2013	1	0	0	1	2
7-3 JUNG LAKE	3/1/2016	26	7	2	0	35
7-4 BUCYRUS		0	0	0	0	0
7-5 HEBRON**	5/30/2017	3	1	0	0	4
7-6 BURT**	3/15/2012	61	32	3	2	98
7-7 BOWMAN	6/13/2012	79	32	8	0	119
7-8 BEACH	10/5/2011	34	35	2	0	71
7-8 FRYBURG	6/20/2016	7	6	1	3	17
7-8C TOWER HILL/JUNCTION INN/ NORTH CROWN BUTTE	TOWER HILL-7/29/2015 JUNCTION INN-12/1/2015 N. CROWN BUTTE-1/20/2021	43	33	3	0	79
7-8 FAIRFIELD/GRASSY BUTTE POCKET	10/17/2016	18	41	2	1	62
7-9B KILLDEER MOUNTAIN		0	0	0	0	0
7-9E WEST CENTER	7/24/2019	16	19	0	0	35
7-9G DUNN CENTER	10/20/2017	26	28	1	3	58
7-9G HALLIDAY	1/3/2021	6	16	0	0	22
TOTALS		480	283	27	10	800

***Intent forms signed for hydraulic improvement project in this area will decrease waiting list numbers by a total of 107.**

****Current signups from Burt and Hebron service areas will decrease waiting list numbers by 102.**

Updated through July 21, 2026

Upper Missouri Water Association CONFERENCE

September 21-22, 2026

Ramkota Hotel & Conference Center
Pierre, SD

MONDAY, SEPTEMBER 21

10:00 a.m. Registration Opens, *Lake Oahe Lobby*

10:30 a.m. Upper Missouri Water Association (UMWA) Board of Directors Meeting, *Lake Sharpe*

12:00 p.m. Opening Luncheon and Distinguished Service Awards Presentation, *Gallery B*
Welcome from Governor Larry Rhoden, invited

1:00 p.m. – 5:00 p.m. Bureau of Reclamation Customer Meetings, *Lake Sharpe*

1:00 p.m. Welcome, *Gallery C*
UMWA President Darrell Raschke

1:10 p.m. Water in South Dakota, *Gallery C*
Mark Mayer, South Dakota Dept. of Agriculture and Natural Resources

2:00 p.m. Updates from the Bureau of Reclamation, *Gallery C*
Dani Fettig, Rural Water Division Manager, Dakotas Area Office
Ryan Newman, Manager, Montana Area Office
Lyle Myler, Manager, Wyoming Area Office

3:20 p.m. Break, *Gallery C*

3:50 p.m. Water in Washington, D.C., *Gallery C*
Greg Morrison, National Water Resources Association

4:30 p.m. – 5:30 p.m. Social Hour and Reception, *Gallery B*

TUESDAY, SEPTEMBER 22

8:00 a.m. Registration Opens, *Lake Oahe Lobby*

8:30 a.m. Breakfast, *Gallery B*

9:30 a.m. Panel Discussion on the Missouri River Basin, *Gallery C*

Moderator:

Troy Larson, Lewis & Clark Regional Water System

Panelists:

Wade Bachmeier, Missouri River Joint Water Board
Dana Berwick, Montana Irrigator
Larry Buss, Iowa Corn Growers Association
Frank Huseman, NEW Cooperative
Kurt Pfeifle, Dakota Mainstem
Greg Totze, WaterOne

12:00 p.m. Conference concludes

NORTH DAKOTA WATER USERS ASSOCIATION

More Information:

701-223-4615
staff@ndwater.net

REGIONAL MEETINGS

Join us to learn more about the North Dakota Water Users Association, receive highlights on policy perspectives on water issues, and have open conversations with colleagues.

DICKINSON

Date: Monday, August 17, 2026
Time: Noon-2 p.m. Mountain Time
Place: Southwest Water Authority
4665 2nd St. SW, Dickinson, ND

WILLISTON

Date: Monday, August 17, 2026
Time: 7-9 p.m. Central Time
Place: Western Area Water Supply
1117 E. Broadway, Williston, ND

MINOT

Date: Tuesday, August 18, 2026
Time: 7-9 p.m. Central Time
Place: Minot City Hall
10 3rd Ave. SW, Minot, ND

GRAND FORKS

Date: Wednesday, August 19, 2026
Time: 1-3 p.m. Central Time
Place: AE2S, 4050 Garden
View Dr. #200, Grand Forks, ND

WEST FARGO

Date: Wednesday, August 19, 2026
Time: 7-9 p.m. Central Time
Place: Moore Engineering
925 10th Ave. E., West Fargo, ND

JAMESTOWN

Date: Thursday, August 20, 2026
Time: 1-3 p.m. Central Time
Place: Stutsman Rural Water District
1812 Hwy 281 N., Jamestown, ND

BISMARCK

Date: Thursday, August 20, 2026
Time: 7-9 p.m. Central Time
Place: Bartlett & West
3456 E. Century Ave., Bismarck, ND

DEVILS LAKE

Date: Friday, August 21, 2026
Time: 1-3 p.m. Central Time
Place: Ramsey County Courthouse
524 4th Ave. NE, Devils Lake, ND

NORTH DAKOTA
WATER USERS
ASSOCIATION

North Dakota Water Users Association

REGIONAL MEETING
DICKINSON

Join us to learn more about the North Dakota Water Users Association, receive highlights on policy perspectives on water issues, and have open conversations with colleagues.

Date: Monday, August 17, 2026

Time: Noon-2 p.m. Mountain Time

Place: Southwest Water Authority
4665 2nd St SW, Dickinson, ND

More Information:

701-223-4615
staff@ndwater.net

FOOD

SPONSORED BY:

Bartlett & West

FACT SHEET

Risk and Resilience Assessment and Emergency Response Plan Requirements for Drinking Water Utilities

Safe Drinking Water Act (SDWA) section 1433, which was amended by America's Water Infrastructure Act (AWIA) section 2013 in 2018, requires community water systems (CWSs)[1] that serve more than 3,300 people to complete a risk and resilience assessment (RRA) and develop an emergency response plan (ERP). For more information, please see the law text on congress.gov.

Risk and Resilience Assessment (RRA)

RRAs evaluate the vulnerabilities, threats, and consequences from potential hazards. SDWA section 1433 RRAs shall assess the risks to and resilience of specified assets to malevolent acts and natural hazards, including:

- physical barriers
- source water
- pipes and constructed conveyances, water collection and intake
- pretreatment and treatment
- storage and distribution facilities
- electronic, computer, or other automated systems (including the security of such systems)
- monitoring practices
- financial infrastructure
- the use, storage, or handling of chemicals
- operation and maintenance of the system

CWSs that serve over 3,300 people must conduct an RRA and submit certification of its completion to the U.S. Environmental Protection Agency (EPA) by the dates specified in the law. Every five years, the utilities must review the RRA and submit a recertification to the EPA that the assessment has been reviewed and, if necessary, revised. The table below shows the original certification deadlines specified in the law, as well as the next 5-year cycle certification deadlines.

Population Served	Previous RRA Deadline	Next 5-Year Submission Cycle RRA Deadline
≥100,000	March 31, 2020	March 31, 2025
50,000-99,999	December 31, 2020	December 31, 2025
3,301-49,999	June 30, 2021	June 30, 2026

Find more guidance for developing an RRA here on EPA's website.

Emergency Response Plan (ERP)

No later than six months after certifying completion of its RRA, each CWS must prepare or revise an ERP that incorporates the findings of the assessment. SDWA section 1433 ERPs shall include:

[1] SDWA section 1433 applies to CWSs. CWSs are drinking water utilities that consistently serve at least 25 people or 15 service connections year-round.

Office of Water (4608T)
EPA-817-F-19-004
Originally Published: May 2019
Last Updated: July 2024

MEMORANDUM

To: Southwest Water Authority Board of Directors

From: Ledeanna O'Shields, CFO/Office Administrator

Subject: Workforce Safety & Insurance – Incidental Information

Date: July 21, 2026

Southwest Water Authority (SWA) participates in Workforce Safety and Insurance's (WSI) two safety incentive programs; the Safety Management Program (SMP) and the Safety Action Menu (SAM).

The SMP is designed to assist employers in developing or improving current safety management systems. A WSI Safety Consultant conducted an assessment based on the SMP requirements and developed plans to assist SWA in making improvements.

The SAM program is designed to provide employers with options to implement safety improvement programs. SWA chose the Safety Committee Program, the Safe Driver Program and the Drug-Free Workplace Program. Each program provides a 5% discount up to a maximum of 15%.

SWA successfully participated in WSI's SMP program, and received a premium discount of 10%. Plus, we successfully participated in three of the SAM programs and received a premium discount of 15% for a total savings of $6,652.56.

SWA was billed $35,436.54 for July 1, 2026, through June 30, 2027. With discounts and dividends of $16,631.40, total paid was $18,805.14.

Thank you to all SWA staff for making safety a priority, and to the Safety Committee for their hard work in helping SWA achieve this discount each year.

North Dakota Workforce Safety & Insurance

Congratulations!

Certificate of Completion

Southwest Water Authority

Successfully completed the following:

Safety Management Program (SMP)

July 2025 – June 2026

Kent Mortenson | WSI Safety Consultant

North Dakota Workforce Safety & Insurance

Congratulations!

Certificate of Completion

Southwest Water Authority

Successfully completed the following:

Safety Action Menu (SAM) Program

- Drug Free Workplace Program
- Safety Committee Program
- Safe Driver Program

July 2025 – June 2026

Kent Mortenson | WSI Safety Consultant

Southwest Water Authority

Our Vision: People and Business Succeeding with Quality Water Our Mission: Quality Water for Southwest North Dakota

M E M O R A N D U M

TO: Jen Murray, Manager/CEO, SWA

FROM: Wendy Serhienko, Executive Assistant, SWA

SUBJECT: Water Day at the State Fair– Incidental Information

DATE: July 27, 2026

SWA participated in Water Day Festival O’ Fun during Water Day at the North Dakota State Fair on Thursday, July 23, 2026.

The day was busy with attendees of all ages. Around 500 snow cones were served during the Frost Fest and 325 Water Wiz trivia entries were submitted.

Thank you to Zane MacDonald from Bartlett & West for popping over 250 bags of popcorn!

NORTH DAKOTA WATER EDUCATION FOUNDATION
PO Box 2254, Bismarck, ND 58502
701-223-8332 • Fax: 701-223-4645

July 27, 2026

Dear Water Day Exhibitor:

On behalf of the North Dakota Water Education Foundation (NDWEF), I would like to thank you for exhibiting at the *Water Day Festival O' Fun* during the North Dakota State Fair.

We had another great year with numerous attendees of all ages! We served about 500 snow cones and had 325 Water Wiz trivia entries submitted out of 450 printed. We ran out of the trivia questions towards the end of the day, but it showed me how much busier we were this year compared to last year. For reference, in 2025, we printed 400 Water Wiz trivia cards and ran out.

It was great to see a high level of engagement throughout the day. We had many positive comments regarding Water Day. Many said they learned a lot about water and had fun while doing it!

We appreciate your willingness to participate in this annual event. Mark your calendar for July 22, 2027, for the 29th annual Water Day! We look forward to working with you in the future.

Sincerely,

Julie Ellingson

Julie Ellingson
Events Director

AGENDA

Perkins County Rural Water System Board Meeting

Date: July 9th, 2026 Time: 4:30 PM

PCRWS Office, Bison, SD

1. Call to Order……………………………………………………………….President

   A) Additions and Approval of Agenda**…………………………..Board
   B) Minutes of June 11th, 2026**…………………………………..Board

2. Financial Report……………………………………………………………

   A) Approve paid and unpaid bills**……………………………..Board
   B) Financial Reports**……………………………………………..Board

3. Delegations
4. Bartlett & West……………………………………………………….Nathan Danner
5. Managers Report……………………………………………………….Staff
6. Directors Reports…………………………………………………….Board
7. All Other Matters……………………………………………………….Board

Adjournment

Next Meeting

Date: August 13th, 2026 Time: 4:30 pm

****BOARD ACTION NECESSARY**

Perkins County Rural Water System, Inc.
104 West Main Street PO Box 160 Bison, SD 57620-0160
Tele: (605)244-5608 Fax: (605)244-5926
E-MAIL: pcrws@sdplains.com WEBSITE: www.pcrws.com

June 11, 2026

The regular monthly meeting was called to order by President Don Melling at **4:36** PM MT at the Perkins County Rural Water Sys. Inc. boardroom in Bison, SD. Other directors present were Brian Morris, Lynn Frey, Pat Dalzell and Luke Clements. Board members absent were none. Also in attendance were Nathan Danner, Bartlett & West, Kolson Melling, Lodgepole (5:00 PM), Shiloh Baysinger and Brandi Baysinger, staff.

Agenda

Motion by **Brian Morris**, seconded by **Luke Clements**, to approve agenda, motion passed.

Minutes

Motion by **Luke Clements**, seconded by **Pat Dalzell**, to approve the May 14th, 2026, minutes, motion passed.

Financial Report

Motion by **Don Melling**, seconded by **Brian Morris**, to approve paid and unpaid bills, motion passed.

Motion by **Don Melling**, seconded by **Pat Dalzell**, to approve financial reports, motion passed.

Delegations

None.

Bartlett & West

Nathan Danner was present to report on a proposal for Metcalf for $12,XXX and South Dakota Archeology $28,XXX. Both estimates are based on hourly rates so the bills may vary based on this information.

Motion by Luke Clements, seconded by Pat Dalzell to approve the contract with Metcalf for the ARC survey, motion carried.

Managers' Report

Shiloh Baysinger reported on the meter pit replacements, the shop seems to be fairing well right now, the Town of Bison may be half of the Bison Meter Pit repair. An application was not approved and landowner asked if board would approve landowner crossing which is against current policy, discussion was had and no action was taken.

Director's Report

Lynn Frey reported on the next meeting in Deadwood. Lynn reported on a lobbying discussion held about whether to give money to local state campaigns.

All Other Matters

2027 Budget – Motion by Lynn Frey, seconded by Brian Morris to approved a preliminary rate increase of 3%, $9.87/$8.39 respectively..

Meeting adjourned at **5:24** pm MT

Next meeting July 9th, 2026, at 4:30 pm MT.

Southwest Water Authority
Board of Directors

Parking Lot
August 3, 2026

Item	Date put on Parking Lot	Agenda Date

Planning Agenda

DATE: Tuesday, September 8, 2026 TIME: 9:00 A.M. MDT LOCATION: SWA O&M Center Office

ASSIGNMENTS

☐ Director Eaton
Scribe/Flip Chart

☐ Wendy Serhienko
Minutes

☐ ____
Reporter

☐ ____

☐ ____
Timekeeper

☐ Director Engelhardt
Process Observer

☐ ____
Warm-up

☐ ____

MEETING OBJECTIVE____

PLAN		ACTUAL CLOCK	AGENDA ITEMS	WHO	METHOD	DESIRED OUTCOMES
TIME	CLOCK START					
			Call to Order – Pledge of Allegiance			Meeting readiness
			Review Agenda			Additions, focus meeting
			Consent Agenda		Voice Vote	Meet legal requirements
			Board Monitoring Policy III. General Governance Commitment		Monitoring	
			Board Monitoring Policy - III.F. Annual Board Cycle		Monitoring	
			Executive Limitations – II.G. Communication and Counsel to the Board		Roll Call	
			Review issues pending / Parking Lot / Plan next agenda			
			Monitoring			
			Adjourn			