



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: Southwest Water Authority Board of Directors

From: Mary Massad, Manager/CEO

Subject: August 4, 2014, SWA Board of Directors Meeting

Date: July 27, 2014

The next Southwest Water Authority (SWA) Board of Directors meeting will be Monday, August 4, 2014, at 9:00 a.m. MDT, at SWA's O&M Center Office in Dickinson, ND.

As a note for One Call locates, August 11 is being designated as One Call Awareness Day. This is easy to remember as it is 811, the same number to call to locate underground utilities. SWA is impacted each and every day with one call requests. We are also impacted on a regular basis with underground damages and relocations of pipelines. The growth throughout the region has more impacts than just those which are visible. SWA will be a part of the public awareness campaign of "Call before you dig. It's the Law." Encourage everyone to be more aware of underground utilities, especially the SWPP and the impacts on the Project. Every six minutes an underground utility line is damaged because someone decided to dig without first calling 811. For more information please visit www.call811.com or www.ndonecall.com.

The Board monitoring is listed separately on the agenda. There is one policy to review and monitor this month. It is Policy III.G. Board Member Code of Conduct.

Decision making includes two reports to the Board on Executive Limitations policies, General Executive Constraint and Compensation and Benefits.

An interesting tidbit on the new Menard's in Dickinson is sales are up 20% over projections and foot traffic is down 50% from projections. Menard's has announced they are building a store in Williston.

There is also hiring staff on the agenda for decision making. Legal Counsel Jack Dwyer will address this issue. The Board of Directors addressed this issue in 2012 in hiring family of the CEO. It was addressed at the March 5 and April 2, 2012, Board of Directors meetings. The minutes are included for your review. SWA is short staffed at the WTP in Dickinson. The last two hires have left, one to move home and the other due to performance issues. Since I have a family member who is qualified and is interested, we are bringing this to the Board of Directors for their consideration. The Authority has had a large impact on the beliefs of my family concerning the importance of drinking water and the water industry for now and future generations. We truly believe there is not a more important industry or career in the world than water. I do believe this will be in the best interests of everyone, most especially the Authority. Therefore, we are bringing this to the Board for your consideration. Please contact me if you have any questions.

SWA has completed many projects over the last few years which are reimbursable from the REM Fund. Sandy Burwick will be addressing these. With the need for the growth of the REM Fund, some items were delayed in bringing the requests to the Board for consideration. SWA must be fair to all our rate payers both in considering the needs for REM and O&M.

There are two Board member reports this month. These are from Director Allen attending Goldenwest and Director Saxowsky attending Mor-Gran-Sou Electric Cooperatives annual meetings. It is great the Board takes an active role in representing SWA at the annual meetings of our partners.

With the water capacity and quality issues the city of Dickinson has been having recently, I am including the talking points SWA developed for staff and others for discussion. I am also including the letter the city sent out to affected residents and the public notice that was in the paper. It is important to note the city is dealing with capacity issues for their distribution system. They have projects under construction to address their issues and SWA is assisting where possible. Water sales for the Project are below projections year-to-date.

Talking points are helpful for all of us in answering questions that may come up. If there are consistent questions or just general information questions you as directors are faced with, please let me know. We would be happy to write talking points for you.

Sindhu S. Pillai-Grinolds and Jim Lennington will provide a Project update. There is a lot going on with construction at many locations. Maps are included for the Board meeting outlining construction progress. The Dunn Center Tank was raised this past week. MWWS has made a formal request for additional water supply. This would be on the SE portion of the East Center Service Area. If approved, this will be a change order on this contract. I am including the letter of request from MWWS.

SWA will again be meeting with the SWC in August to discuss the signups in Mahto Bay. This is an area signed up during the final sign up campaign in 2007. The discussion will include water service to the homes in this area. Representatives from the local association will be in attendance at the meeting.

It has come to the attention of SWA there are lots signed up with one signup serving two and sometimes more, separate buildings on the same lot. To the best of our knowledge, this was done in industrial developments. This is being addressed. It has also come to our attention that customers who were signed up as final signup customers (for construction, versus a subsequent customer), have not been charged for a meter pit when they have a frost-free location for their water service. This is also being investigated and will be resolved. Contracts 7-9C and 7-9D are included as well as current and future contracts. SWA will owe the SWC this cost difference. When we have determined the amount we will let you know.

Discussion at the Board of Directors meeting will also include the funding for the SWPP. We are including the funding sheet from the Water Coalition meeting which was held in Grand Forks on July 9, 2014. The current funding request for the SWPP for the upcoming biennium is currently at \$100 million. The SWC is mailing out a new request of cities based on the new cost-share criteria. This will be used to determine which projects would qualify and at what cost share to be considered in the MR&I items on the funding requests for the 2015-2017 biennium. Water Managers met in Medora this past month to review their funding requests. This funding sheet is truly a work in progress. The Office of OMB should have new projections for revenues for the Water Coalition in September for the Resources Trust Fund for next biennium.

Contract 2014-WTP is for the electrical at the WTP in Dickinson. After Board approval, I did sign the Notice of Award. We are awaiting signed contract documents.

As requested, we are providing information for AMR's for the Board's information and discussion. As noted last month, SWA is currently waiting on a shipment of 100 AMR units. They are being installed on all future construction and have been required for all subsequent users.

There were several additional meetings this past month with the Joint Summer Meetings, the Executive Briefing, the Water Tour of Grand Forks and their flood control project. Garrison Diversion Conservancy District met in Grand Forks. I did have time on the agenda to present SWA's 2013 Annual Operating Report. The NDRWSA Leadership Retreat was two days in Medora. I had the opportunity to speak on the SWPP. Our Majority Leader, Senator Rich Wardner, was one of the highlighted speakers. I am including some information from these meetings.

The minutes are now available from the last Water Topics Overview Committee meeting. They are included in the Board packet for your review. The Committee will be meeting in September and this is when all reports and studies are due.

Kaylee Lapp attended both the NAWS public hearing and Water Day at the State Fair in Minot this past week. She will give us an update.

Construction is moving forward for the city of Rhame. SWA will complete the tie-in this week, weather permitting. SWA is in the process of moving forward with the electrical and the pumps for the Rhame booster.

Sandy Burwick and Jack Dwyer will give the Board an update on the status of all the contracts and contract negotiations. The State Water Commission (SWC) has sent out all amendments for the cities served by the SWPP addressing industrial water sales. All but five have been returned to date. SWA is working on amendments for the other 56 small business contracts. Baker Boy is the first agreement SWA has been working on. Burwick and Dwyer have been working on the transfer of service (annexation) agreements and the right of first refusal agreement with the city of Dickinson. I did visit with the city of Dickinson this past week and I am hopeful we can move forward with the right of first refusal soon.

The bank and trust accounts authorized at the last Board meeting have been opened. Sandy Burwick will provide an update on these.

Sandy Burwick will be providing an update on Perkins County Rural Water System (PCRWS).

SWA is continuing to record the radio show, the "Southwest Water Cooler." It is currently airing Tuesday mornings at 7:20 a.m. on I94, 93.9 FM. It is also airing on Thursdays at 12:40 p.m. Again, please let me know if you have heard the show and what you think of it, and pass on suggestions for content to increase our Public Relations efforts. Kaylee has also posted it on the web. She has set up a YouTube page to go with our Facebook page.

Sandy Burwick will be providing an update on information on retirement through NDPERS when available. The next legislative committee meeting will be Thursday, September 18, 2014.

I continue to work with the Missouri River Stakeholders group. The Missouri River Leadership Committee met on July 2, 2014. We will again meet in August, later in the month.

The latest ND DoH sanitary survey results are included in the Board packet. This is what we do and why we are here. Hats off to our staff for such an outstanding job 24/7/365! Thank you!!

SWA is still working toward project close out with the new office building. A few items remain.

I am including other additional information with my memo. I am noting some of the information included such as the minutes from the last Disaster Coalition meeting. I was unable to attend, but found this information more than a little enlightening on what is going on in our region. Please let me know if you have any questions. Please note the *Mandan Messenger* this month again highlights the meter replacement program in the city. SWA continues to be a sponsor of the North Dakota Water Education Foundation (NDWEF) "Top o' the Day" Tee-Off Golf Scramble. There is another invitation to this event. SWA did advertise in the Dickinson Area Chamber of Commerce city map again this year. I am including the letter from the Chamber.

See you Monday, August 4, 2014, at 9:00 a.m. MDT, at the SWA O&M Center Office in Dickinson, ND.



Know what's below.
Call before you dig.

For Additional Information, Contact:
Kevin Archer, (701) 312-0263

For Immediate Release:

**NATIONAL 811 DAY:
NORTH DAKOTA COMMON GROUND ALLIANCE REMINDS
RESIDENTS AND CONTRACTORS ON AUGUST 11 (8/11) TO
CALL 811 BEFORE DIGGING**

Recent survey reveals do-it-yourself projects remain strong throughout 2014

Minot, ND – August 11 is National 811 Day, and the North Dakota Common Ground Alliance hopes the date will serve as a reminder for everyone to call 811 prior to any digging projects to have underground utility lines marked.

A recent survey by The National Gardening Association found that 68 percent of households anticipate do-it-yourself lawn and garden projects in 2014, and not all DIY-ers know that the law requires them to call ND One-Call before they dig

Calling 811 will connect people to their local one-call center which notifies the appropriate utility companies of their intent to dig. Professional locators are then sent to the requested digging site to mark the approximate locations of underground lines with flags or marking paint.

North Dakota state law requires a call 48 hours before the start date of the planned project. Because August 11 falls on a Monday, anyone planning to dig on the weekend of August 16-17 should call 811 during the first half of the week.

Installing a mailbox, putting in a fence, building a deck and laying a patio are all examples of digging projects requiring a call to 811. Striking a single line can result in injury, repair costs, fines and inconvenient outages. Every digging project, no matter how large or small, warrants a call to 811.

“On August 11 and throughout the year, we remind homeowners and contractors alike to call 811 before digging to eliminate the risk of striking an underground utility line,” said Kevin Archer of ND Common Ground Alliance. “Failure to call before digging results in more than 250,000 unintentional hits annually, and we do not want anyone’s project to become part of the statistic.”

The depth of utility lines can vary for a number of reasons, such as erosion, previous digging projects and uneven surfaces. Utility lines need to be properly marked for safety; even when digging only a few inches, the risk of striking an underground utility line exists.

Visit: www.call811.com or www.ndonecall.com for more information.

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IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Tests Show Coliform Bacteria in City of Dickinson Water

Our water system recently violated a drinking water standard. Although this is not an emergency, as our customers, you have right to know what happen, what you should do, and what we are doing to correct this situation. Please share this information with all the other people who drink this water, especially those who may have not 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 distributing copies by hand or mail.

We routinely monitor for the presence of drinking water contaminants. To date, we have taken thirteen (13) samples for coliform bacteria during July 2014. Of those samples, Two (2) showed the presence of coliform bacteria. The standard is no more than one (1) sample per month may do so.

What should I do?

- You do not need to boil your water or take other corrective actions. However, if you have specific health concerns, consult your doctor.
- If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water. General guidelines on ways to lessen the risk of infection by microbes are available from EPA's Safe Water Drinking Water Hotline at 1-800-426-4791.

What does this mean?

This is not an emergency. If it had been you would have been notified within 24 hours. Total coliform bacteria are generally not harmful themselves. Coliforms are bacteria which are naturally present in the environment and are used as an indicator that other potentially-harmful, bacteria may be present. Coliforms were found in more samples than allowed and this was a warning of potential problems.

Usually, coliform are a sign that there could be a problem with the treatment or distribution system (pipes). Whenever we detect coliform bacteria in any sample, we do follow-up testing to see if other bacteria of greater concern, such as fecal coliform or E coli are present. **We did not find any of these bacteria in our subsequent testing.** If we had we would have notified you immediately.

What is being done?

Since the original testing was done, we have collected eight (8) samples upstream and downstream from the site and they have all passed with no coliform bacteria present in the samples. We will be taking ten (10) additional samples before the end of July.

For more information, please contact: City of Dickinson at 701-456-7744

Date distributed: _____

Coliform Issue:

- Southwest Water Authority (SWA) places drinking water quality as its number one priority.
- To ensure the safety of the water and distribution system of the Southwest Pipeline Project, SWA continues to run more than one hundred water sample tests each and every month to meet the required stringent EPA regulations.
- SWA takes pride in the clarity and quality of their water and is proud to have been awarded "FOURTH BEST TASTING TAP WATER IN THE WORLD" in international competition for the second year in a row, moving up two places since 2013.

Resident calls whom have received letters of immediate area where Coliform was found:

- You do not need to take any corrective actions, however, if you have specific health concerns such as a severely compromised immune system, are pregnant, elderly or an infant, please seek advice from your health care provider about drinking the water.
- The presence of coliform is not an immediate emergency. It indicates possible problems of the pipes that distribute the water. The city of Dickinson took the corrective actions to do follow-up subsequent testing and did not find any other bacteria of greater concern.

Supply Issues:

- Southwest Water Authority's production is more than adequate and we are keeping up with demand. We can treat 12 million gallons of water in Dickinson and 3.5 million gallons at the OMND Water Treatment Plant per day.
- We are expanding our treatment facilities to add a new treatment facility in Dickinson, which will provide an additional 6 million gallons per day for the Southwest Pipeline Project.
- We protecting existing water customers by requiring a hydraulic analysis before adding any additional customers.

Other:

- Refer the customer to the website for water quality (CCR's) and additional information.
- Refer the customer to Facebook for water conservation tips.

If you cannot answer a question, please write the question down and we will find the answer. Do not forget to get the customer name and phone number. We would like to track questions.

**City Commission Meeting
Monday, July 21, 2014
4:30 PM**

Dickinson City Hall – 99 2nd Street East
Type of meeting: Regular Meeting of the Dickinson City Commission
Presiding Officer: President of Commission (Vice President in absence of President)

Opening of Meeting

Call to Order
Roll Call
President: Dennis W. Johnson
Vice President: Gene Jackson
Commissioners: Carson Steiner, Klayton Oltmanns, Scott Decker

1. **ORDER OF BUSINESS:** Consideration for approval

2. CONSENT AGENDA

A. Approval of meeting minutes dated July 7, 2014

B. Approval of Accounts Payable

3. Timetable Agenda

4:45 p.m. Impact of Growth on Maintenance of Transportation Corridor

5:00 p.m. Apex Engineering Update

5:30 p.m. 40th Street Special Assessment District

Consideration to approve Resolution

4. Non-Timetable Agenda

ADMINISTRATION/FINANCE

A. Citizen Interest Forms

A. Special Assessment Commission

1. Brian Bochman

Consideration to approve application

2. Adam McGill

Consideration to approve application

B. Planning and Zoning Commission

1. Adam Ballesteros

Consideration to approve application

2. Peggy O'Brien

Consideration to approve application

C. Historic Preservation Commission

1. Sean Berry

Consideration to approve application

B. V3 Studio DDG Development Group

Consideration to rescind 7/15/13 contract

C. V3 Studio Architecture

Consideration to approve revised contract

D. Financial Report, June, 2014

Consideration to approve report as presented.

E. HR Hiring Journal Monthly Report

F. Reports:

1. Alternates to Various Boards

2. BNSF – Notice to Request to Modify Pipeline

3. 2nd Quarter Report City Safety Program

4. Thank you notes

5. PUBLIC SAFETY

A. Fire Department

1. 2014 Second Quarterly Report

B. Police Department

1. None

6. ENGINEERING

A. Task Orders

1. Task Order W7 – Eastside .5 MG Storage Facility for Pressure Zone 1

Consideration to approve Task Order

2. Task Order W8 – River Drive Booster Pumping Facility and 12" Watermain Tie

Consideration to approve Task Order

3. Task Order W9 – State Avenue Booster Pumping Facility

Consideration to approve Task Order

B. Reports:

1. Project Updates

2. ETZ Boundaries

3. Truck Route

7. PUBLIC WORKS

A. Reports

1. Update on Maximum Contaminant Level Violation

2. Project Updates

8. COMMUNITY DEVELOPMENT

A. Rezoning Petition

1. Badlands Storage

Consideration to approve second reading and final passage of Ordinance 1556

9. COMMISSION

10. PUBLIC ISSUES OF CITY CONCERN NOT ON THE AGENDA

ADJOURNMENT

(Published July 20, 2014)

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For more information, please contact: City of Dickinson at 701-456-7744
(Published July 20, 2014)

NOTICE OF HEARING TO AMEND THE STARK COUNTY ZONING ORDINANCE

NOTICE IS HEREBY GIVEN that public hearings will be held on July 31, 2014 at the Stark County Planning and Zoning Commission's regular meeting at 3:00 p.m. in the Commissioner's room in the Stark County Courthouse. At said time, parties will be heard concerning proposed an amendment to the Stark County Zoning Ordinance adopted October 2, 2012:

1. Public Hearing- Kevin and Rita Burwick are requesting a zoning change from Agriculture to Rural Residential on a parcel located in the SE4 of Section 6, Township 140, Range 97 containing approximately 6.40 acres.

2. Public Hearing-Proposed amendments to the Stark County Zoning Ordinance as adopted on October 2, 2012.

Said proposed amendment is available for public inspection and copying at the office of the County Auditor, Stark County, Dickinson, North Dakota during normal office hours.

Kay Haag, Secretary
Stark County Planning Board
(Published July 20 & 27, 2014)

**Special City Commission Meeting
Monday, July 21, 2014
1:00 PM**

Dickinson City Hall – 99 2nd Street East
Type of meeting: Special Meeting of the Dickinson City Commission

Presiding Officer: President of Commission (Vice President in absence of President)

Opening of Meeting

Call to Order

Roll Call

President: Dennis W. Johnson

Vice President: Gene Jackson

Commissioners: Carson Steiner, Klayton Oltmanns, Scott Decker

1. 2015 Subsidy

A. Domestic Violence and Rape Crisis Center - Darianne Johnson

B. House of Manna – Pat Severson

C. RSVP+ - Rick Gordon

D. Theodore Roosevelt Symposium – Sharon Kilzer

E. Public Transit – Colleen Rodakowski

F. Western Wellness Foundation, Inc. – Kris Fehr

G. Dickinson City Band – Bob Keogh

H. Roughrider Commission – Duane Wolf

I. Sunrise Youth Bureau – Jerry Mayer

J. Southwest Homeless Shelter – Joe Wanner

K. Stark County Victim/Witness Program – Bob Keogh

L. Dickinson Churches United for the Homeless – Dale Hansen

2. Adjournment

(Published July 20, 2014)

Dare to Dream

jobsHQW

DISASTER COALITION MEETING
June 27, 2014

Present: Sherry, Joe, Danielle, Seth, Mo, Lynn, Laural, Rod, Kaylen.

Minutes: motion by Lynn to accept minutes as written. 2nd by Laural. Carried

REPORTS

Rod St. Bens There will be an exercise in July. We will kill the power and do a fire drill. We have done a tornado drill. It went very well. Staff had CPR training this week.

Sherry noted an alternate care site would be at DSU or the Armory if they had to evacuate. Elder Care and EMS would be utilized to help.

Lynn EMS the first half of mechanical CPR training is complete. The Stroke Program is benefiting greatly from it.

Fargo and Rugby have people in the Community Paramedic Program. Small communities are fighting it. There is a need for more education about it.

Stakeholder meetings are bringing up the comments and discussion.

Billings County application has been approved, but still don't know if it's confirmed yet.

Community Paramedics will help if local agencies are overwhelmed. Lynn said it will save Medicare millions.

Kaylen Sen. Heidkamp office we are working with the VA on appointments. They need people to sit down and recognize the need for change, then implement them.

The Post Office is seeing changes. There are kiosks being used more. It alleviates the lines. They are open all the time. 700 boxes are being added.

Retired Postal staff were invited to the roundtable meetings for comments on what works for staff stress reduction. The Regional PR rep has seen positive results in feedback.

VA clients can get reimbursed to see a different Dr. call the VA within 72 hours for reporting. There is still a disconnect with paperwork between private Clinics and the VA.

Monday Sen. Heidkamp had a tour through Baker Boy and Kinder Kids facility. There was a fundraiser in the evening.

Joe asked if she heard anything about the pipeline becoming a reality? Kaylen said the holdup is still in Nebraska.

There is a pipeline from Killdeer to Dickinson moving ahead. This will cut down on dangerous traffic. From Dickinson it goes to Rail cars and on to the Coast to be sold out of the country.

Laural EM the 911 fee increase did not pass. We hope for it next year. We think there was not enough education on it, plus a small voter turnout. We'll do better next time.

The 4th of July coming up. There was a press release done on fireworks danger. It is illegal in towns. Joe said many go out on country roads and set them off. People need a legal place to do them.

Be aware of Dangers of Strangers. We hear different stories of home entrance and assault. Life here has changed.

Mo Red Cross There was a response by Gladstone Fire Dept. to a Meth lab fire in a camper in a remote area of a farm with no water, sewer or electrical services. The Red Cross can't discriminate, so she called the guy to give him money for food/clothing. He was already in jail for something else. So no response done.

This showed Joe (Fire Chief) how many are living on the outskirts of life here with no facilities.

HEALTH UPDATE

Sherry reported that there are 74 cases of Chikungunya in 30 states. 190,000 cases in the Caribbean. It is a mosquito-based illness. There is no treatment for it at this time. Spread mosquito to human and visa-versa. Use mosquito control this summer.

West Nile Virus also around every summer. No treatment for that, either.

MERS CoV still active. Came from contact with infected camels in Saudi Arabia. It goes human to human, but those cases not as serious as camel to human. ND us becoming more aware of its spread, and doing education on it.

H7N9 waning from the 2nd wave. It is expected to go through a 3rd wave in the fall.

Ebola is in 3 countries in Africa. Inner city and rural affected. It has a 50% mortality rate. Many Africans are coming here to find work.

Trainings: Sept. 25, Oct. 15 are dated for Standard Awareness classes on weapons of mass destruction. Try to get new staff to one of them.

There will be De-Con training for medical staff at CHI St. Joseph's Health. Sherry will do the classes.

Oct. 3rd or 17th will be a full scale exercise with EMS. The scenario will be "no way to communicate" What would you do?

Possibilities are runners, HAM operators, radios and what else?

IC 300-400 class will be done in Dickinson in August or Nov. will let you know when, where.

No Disaster Coalition meeting in July.

If you need mosquito wipes for an outdoor activity, let us know. We have 2000. They are not for children. Mosquito wipes good in campers, boats, staff in the field, car.

Joe said a few weeks ago there was a meth lab explosion at a Hotel. 16 were out until it was all checked and De-Con done.

Lynn said there is a Conference in Medora this fall. They are looking for a speaker on behavioral issues. Sherry will talk to Dr. Baer and Karen Goyne for him.

Submitted by Maureen Roden



Dickinson, ND & Stark County Economy at a Glance

July 2014

WORKFORCE (Job Service North Dakota)

	June 2014	June 2013
Stark County Employment	23,010	21,165
Stark County Unemployment Rate	1.6 %	1.6 %
ND Unemployment Rate	3.0 %	3.2 %
US Unemployment Rate	6.3 %	7.8 %

CITY SALES TAX COLLECTIONS (OFFICE OF ND STATE TREASURER)

	June 2014	June 2013	YTD June 2014	YTD June 2013
Dickinson	\$1,183,130.95	\$734,183.31	\$5,793,016.074	\$4,906,007.51
Stark County	\$1,262,863.17	\$864,936.01	\$6,225,844.92	\$5,467,869.47

TAXABLE SALES & PURCHASES (OFFICE OF ND STATE TAX COMMISSIONER)

	1st Qtr 2014	1st Qtr 2013
Dickinson	\$309,758,391	\$249,567,607
Stark County	\$332,356,665	\$276,359,792

REAL ESTATE (HOME AND LAND COMPANY)

Dickinson - Residential	June 2014	June 2013	YTD June 2014	YTD June 2013
# of MLS Single Units Sold	81	48	318	282
MLS Average Sale Price - Single Family	\$263,034	\$250,540	\$247,974	\$233,251

TRANSPORTATION (DICKINSON THEODORE ROOSEVELT AIRPORT)

	June 2014	June 2013	YTD June 2014	YTD June 2013
Airport Passenger Boardings	5,116	2,989	25,797	10,084

BUILDING PERMITS (CITY OF DICKINSON)

	June 2014 Permits/Values	June 2013 Permits/Values	YTD June 2014 Permits/Values	YTD June 2013 Permits/Values
Commercial Structures	3/\$6,085,000	7/\$26,325,532	18/\$44,622,925	29/\$134,470,667
Public Structures	1/\$4,500,000	0	3/\$27,200,000	0
Single Family Structures	21/\$5,307,242	27/\$7,107,126	97/\$25,989,724	122/\$30,732,702
Duplex	0	0	0	0
Multi-Family & Rowhousing	0	3(96 units)/ \$4,394,827	5(168 units)/ \$21,988,347	8(264 units)/ \$23,993,545
Alteration/Additions	16/\$1,379,702	17/\$19,134,112	63/\$7,174,126	73/\$26,947,787
Misc. Permits/Fees Remitted to the City	233/\$96,356	193/\$202,180	1,029/\$735,116	1,071/\$901,463

314 3rd Avenue West, Po Box 765, Dickinson, ND 58602-0765

www.starkdev.com * Phone: 701-225-5997 * Toll Free: 1-888-880-7963 * Fax: 701-227-8647



August meetings

City Commission, Aug. 5 and 19, 5:30 p.m., City Hall

School Board, Aug. 4 and 18, 5:30 p.m., City Hall

Park Board, Aug. 11, 4:30 p.m., City Hall

County Commission, Aug. 11 and 26, 5:30 p.m., Morton County Courthouse

City Planning and Zoning Commission, Aug. 25, 5:15 p.m., City Hall

New & expanding Mandan businesses

- BAM Nutrition, 103 Second Avenue NW
- Bayside Tesoro & Something's Brewing, 2721 46th Ave SE
- Cenex, 4426 Memorial Highway
- Dakota Travel Nurse, 1200 N Collins Avenue (expansion/relocation)
- Extended Life Home Care, 109 Collins Avenue
- Mandan Aero Center, 4490 Highway 6
- Satellite Shelters, 303 Bisman Avenue SE
- Sweet Beginnings Bakery, 300 W Main Street (expansion/relocation)
- Veit Construction, 2801 Memorial Highway

Upcoming

- Arby's, approved for construction, Overlook Lane NW
- Bar M Steakhouse, 2815 Memorial Highway
- BREA, 306 W Main (planning renovation, expansion)
- Past Gas Garage, approved for construction, 1801 Eastside Court SE
- Witt O'Brien's, 1411 27th Street NW

Redevelopment of former Jr. High School on hold



The City of Mandan has received questions in recent months about the status of the former junior high school buildings located at 406 Fourth Street NW. The Mandan Public School District sold the building in August 2012 to GPA, LLC, led by Jordan Schuetzle of Yegen Development, Grand Forks. The company planned to invest approximately \$6 million to convert the buildings into Great Plains Apartments, a 62-unit mixed income development.

Yegen Development has since put the project on hold after construction bids came in at \$7.5 million, creating a shortfall in investment needed to move forward. The funding term expired in late 2013 for \$584,192 in North Dakota Housing Incentive Funds that had been awarded to the project for an affordable component.

Schuetzle is now exploring other potential partnerships and funding options for rehab of the building including federal tax credits for low income housing. He says, "The increased cost of construction makes the initial idea of a full conversion no longer feasible. One option we are considering is demolishing the non-historical buildings and securing the historic ones for future conversion."

Schuetzle welcomes inquires of interest in the property for housing or alternative uses. He can be contacted at Yegen Development Corporation, phone 701-203-3010 or by e-mail: jordan@yegendevlopment.com.

The property owner is responsible for maintenance of the buildings and grounds. City officials are encouraging proper upkeep.

County Emergency Management offers shelters, notification

The tornado that touched near Watford City this spring prompted a review of shelter options by Morton County Emergency Management. At the recommendation of Director Tom Doering, the Mandan City Commission approved use of the City Hall basement as a shelter for residents in the event of severe summer weather that meets criteria for activation of the outdoor warning system. The Morton County Commission is also making available the basement of the County Courthouse. Outdoor sirens are activated for severe thunderstorm warnings, tornado watches and tornado warnings.

Sign up for notification via CodeRED. Emergency Management also offers electron notification of emergency and critical situations through the CodeRED system. It can contact residents through their choice of telephone line, text, e-mail, devices for the hearing impaired, and a smart phone application. Sign up via the Morton County website: www.co.morton.nd.us.

Correction on street to be resurfaced

An article in last month's newsletter about street projects mistakenly indicated that 9th Street NE was to be resurfaced. It should have said 9th Avenue NE, from Main Street to 4th Street.





ON-LINE POLL RESULTS

Park facility question inspired racing, hockey users

June's on-line poll asked, "What Mandan Park District facility or feature do you use the most?" With 735 total responses as compared to typical monthly response levels ranging from 50 to 200, it appears results may be skewed with multiple responses from single users or IP addresses. The multiple responses are likely related to current Park Board discussions about potential capital improvements and facility plans, including discussions about possibly asking for a half-percent increase in the local sales tax to fund such improvements. Here's a summary of responses:

- 274 Dacotah Centennial Park - speedway
- 224 All Seasons Arena (hockey)
- 66 Dacotah Centennial Park - soccer
- 28 Multi-Use Trails
- 23 Golf Courses
- 23 Neighborhood Parks
- 20 Baseball/Softball Diamonds
- 14 Aquatic Center
- 10 Raging Rivers Water Park
- 6 Archery Range
- 5 Dacotah Centennial Park - horse/rodeo arena
- 4 Raging Fitness
- 4 Tennis Courts
- 2 Dog Park
- 7 Other
- 25 I don't use any park district facilities.

Water meter installations begin this month

The City of Mandan is replacing or updating nearly all of the 6,600 water meters in the city with models that can be read remotely via radio transmission. Installations are to begin in July. The project is expected to be complete by January 2015. Thirkettle Corporation is the primary contractor for the project.

Technicians from Thirkettle and its subcontractor, Total Backflow Resources, Inc., will begin installations in the area generally north of Main Street and east of Third Avenue NW. A map showing the anticipated order of installations in three sets is posted to the Announcements section of www.cityofmandan.com. In this same web section, property owners will find photos of installation technicians. Every technician has passed a background check by an independent third party and the City of Mandan. Copies of route maps and photos of the technicians will also be available at City Hall in the Finance Office.

The City has requested that all contact the contractor makes with residents come from Thirkettle Corp. Property owners will receive notification letters about 10 to 14 days before work begins in their neighborhoods. Each appointment will be communicated via a personalized postcard that will arrive 5-7 days before. Reminder phone calls will be made to property owners the day before each appointment as a courtesy.

Property owners who are unable to accommodate their appointment must call Thirkettle at to reschedule at one of these numbers: **701-204-1083, 701-214-8930**, or toll-free **888-305-5292**. The City and its contractor need cooperation from property owners to continue providing water services. Failure to allow a technician to make the required upgrades could result in temporary water service suspension which includes an operator's fee from the City of Mandan.

Appointments will generally take about 30 minutes, however the installation technicians may require up to a 2-hour window of time to arrive at each property. Someone over age 18 must be present during installation. During the appointment, the technician will remove the old meter and/or radio transceiver and install a new model. The installation technician will need at least 3 square feet of workspace to access the meter assembly. Property owners are asked to remove any belongings that could block access to a water meter assembly prior to the appointment.

City Contacts

Mandan City Hall
 205 Second Avenue NW
 Phone 701-667-3215
 Fax 701-667-3223
www.cityofmandan.com

Mandan City Commission

Mayor Arlyn VanBeek
 Mike Braun
 Shauna Laber
 Dennis Rohr
 Sandra Tibke

City Departments

Administration	667-3215
Airport Authority	663-0669
Assessing	667-3232
Building Inspection	667-3230
Business Development	
& Communications	667-3485
Cemetery	667-6044
Engineering, Planning & Zoning	667-3225
Finance	667-3213
Fire	667-3288
Human Resources	667-3217
Landfill	667-0184
Library	667-5365
Municipal Court	667-3270
Police	667-3250
Public Works	667-3240
Special Assessments	667-3271
Utility Billing	667-3219
Waste Water Treatment	667-3278
Water Treatment	667-3275

Receive E-mail Notices

Sign up to receive notice of city meetings and news in the "E-mail Updates" section of www.cityofmandan.com. Meeting dates and agendas are available.

QUESTION OF THE MONTH

Should the City take steps to foster more affordable housing developments?

Visit www.cityofmandan.com by July 31 to respond.

Dushinske/Jamison Water Resources Scholarship

11th Annual Golf Scramble

TOP O' THE DAY TEE-OFF

Monday, August 11, 2014

CrossRoads Golf Course ■ Carrington, ND

- Registration & Sack Lunch—Noon
- Shotgun Start—1 pm
- Dinner & Awards—6 pm
- 18-hole 4-person scramble
- \$50/person entry fee

To register, contact Stacey at the Garrison Diversion Conservancy District at 701.652.3194 or gdcd@daktel.com



July 23, 2014

Southwest Water Authority

Thank you for showcasing your business in the **Dickinson Area Chamber of Commerce 2014 City Map**. We appreciate your support of the Dickinson Area Chamber of Commerce. Please enjoy your enclosed copy of our city map.

Respectfully,

A handwritten signature in black ink, appearing to read "Cooper Whitman", is written in a cursive style.

Cooper Whitman
Chamber Executive Director

314 3rd Avenue West * PO Box C * Dickinson, North Dakota 58602

(701) 225-5115 * Fax: (701) 225-5116

www.dickinsonchamber.org * E-mail: team@dickinsonchamber.org

Wednesday Aug 13 • 10 a.m. – 5 p.m. • Radisson Hotel • Bismarck, ND**What Ales Us About the ND Conservation Measure? 10 a.m. – 11 a.m.**

A bold move to be sure – asking the state for \$4.8 billion dollars to be constitutionally dedicated for conservation efforts in North Dakota. But is it a wise move and will it set a precedent for other groups to attempt the same thing for their pet projects? Andy Peterson, president & CEO of the Greater North Dakota Chamber, called it a “greedy money grab.” Others think it is the best thing since sliced bread was invented. Which view is right and how should you vote is what will be discussed. Expect a lively discussion.

Jon Godfread – Greater North Dakota Chamber

Dan Wogsland – North Dakota Grain Growers Association

Steve Adair* – North Dakotans for Clean Water, Wildlife & Parks

Higher Ed Measure: What if We Get Rid of the Board? 11:10 a.m. – 12:10 p.m.

Higher education is valued by students and business alike. However, nothing is as fraught with politics as the higher education system here in North Dakota. Just talking about higher education elicits strong reaction amongst some lawmakers. A few lawmakers claim we are simply spending millions subsidizing the education of out of state kids. Still others view the system as on track and an unheralded gem of North Dakota. A legislatively referred ballot measure proposes to eliminate the State Board of Higher Education and replace with an appointed three member commission. Will this help or harm the system and why should you care? Hear both sides at this panel.

Sen. David Hogue

Rep. Al Carlson

Kirsten Diederich – Board Chair, State Board of Higher Education

Larry Skogen – Interim Chancellor, North Dakota University System

Murray Sagsveen – Chief of Staff, North Dakota University System

BUFFET LUNCH – 12:15 p.m.**Where Are We Going With Our State Politics? 12:45 p.m. – 1:45 p.m.**

Campaigns are like advertising. One has to sort through the messaging to understand where a candidate stands on an issue. We could potentially host candidate forums where candidates carefully explain their points of view. Or, we could cut through clutter and ask the party chairs and their executive directors where their respective parties see the state heading. As well, we can ask these folks to explain how their party would do something

different and better. At this panel you'll be treated to a lively and fascinating discussion about the future of North Dakota through the eyes of the Democrat and Republican Party Bosses. This will be epic.

Bob Valeu – North Dakota Democratic Party Chair

Chad Oban – North Dakota Democratic Party Executive Director

Robert Harms – North Dakota Republican Party Chair

Jason Flohrs – North Dakota Republican Party Executive Director

Show Me the Money: State Finances 2:00 p.m. – 3:00 p.m.

Cuba Gooding Jr. could not have said it better – we all want to see the money. Few topics are open to more rumor and misconception than state finances. State finances are complicated, and, at times, opaque so this panel will lay out how much money the state has, where the money is, and how it is being used. The panel will also discuss how the state intends to spend the money. At this panel you will have your opinions heard, get your questions answered, and walk away with a better understanding of our collective checkbook.

Pam Sharp – Director- Office of Management and Budget

Rob Port – SayAnything.com Blogger

Brent Bogar – Jadestone Consulting

Lance Gaebe – ND Department of Trust Lands

Un-Common Core Insights 3:10 p.m. – 4:10 p.m.

Mothers and Grandmothers urge children growing up to avoid talking about religion, politics, and how best to educate children. The Common Core – essentially a set of voluntarily adopted set of state educational standards – is quickly becoming controversial. To be fair, Chambers have been in supportive of the Common Core. However, this panel will look at both sides of the issue and help clarify the matter in the minds of lawmakers, Chamber of Commerce members, and parents. Expect a lively and forthright discussion.

Kirsten Baesler – North Dakota Superintendent of Public Instruction

Jane Robbins – American Principles Project

Tamara Uselman – Superintendent of Bismarck Public Schools

Cheryl Oldham – US Chamber of Commerce

Steve Cates - Consulting Geophysicist

HAPPY HOUR – 4:10 p.m.

Nothing caps off an intense day of discussion like free beer or another free flowing discussion with North Dakota's congressional delegation. We'll make sure you get your favorite beverage and be able to interact with US Senator Hoeven, and US Congressman Kevin Cramer. There will be a few moments where we hear from them too. Expect a heroic end to the day before you head to dinner or home.

Sen. John Hoeven
Rep. Kevin Cramer

POLICY SUMMIT PANEL MODERATORS:

Tom Gerhardt – KXNet News Director
Joel Heitkamp – KFGO “News & Views” Radio Host
Chris Berg – Valley News Live “Point of View” Host
Steve Bakken – Fargo-Moorhead Radio Personality

** indicates tentative participation*

GREATER NORTH DAKOTA CHAMBER

2000 Schafer Street, Box 2639 Bismarck, ND 58502 | [Map It \(http://goo.gl/maps/c2BLJ\)](http://goo.gl/maps/c2BLJ)

Phone: 701-222-0929

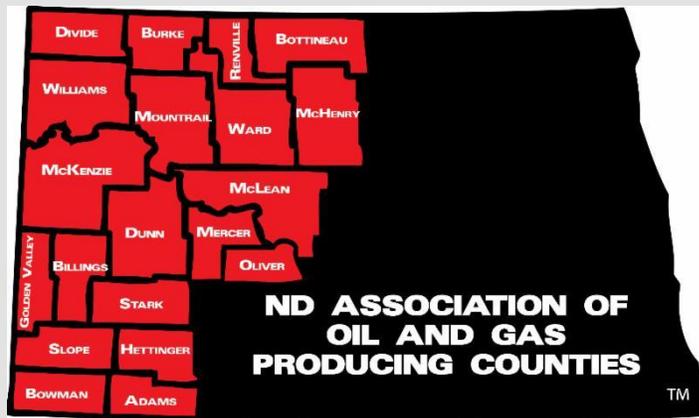
Fax: 701-222-1611

[Contact Us » \(/contact/\)](/contact/)

[Privacy Policy \(/privacy-policy/\)](/privacy-policy/)

[Terms and Conditions \(http://www.ndchamber.com/terms-and-conditions-2/\)](http://www.ndchamber.com/terms-and-conditions-2/)

[Site Map \(/site-map/\)](/site-map/)



North Dakota Association of Oil and Gas Producing Counties

SW Water Projects Move Forward to Meet Growth Needs

Southwest Water Authority CEO Mary Massad said their authority is managing sixteen contracts this summer. Just a few years ago, they would have managed one. The Resources Trust Fund, fueled by the oil extraction tax, is supplying over \$500 million dollars this biennium to water projects state-wide. Heavy June rain and lack of employees has caused some delays, but she is confident the projects will finish out if the weather cooperates. "We are doing everything we can do to meet the needs of our people," Massad said. There are areas in Dunn County and north of Killdeer, N.D. that have had people waiting for water hook ups since the project started over 30 years ago. Massad outlined \$100 million in projects for the central and southwestern ND area for the coming 2015 biennium request.



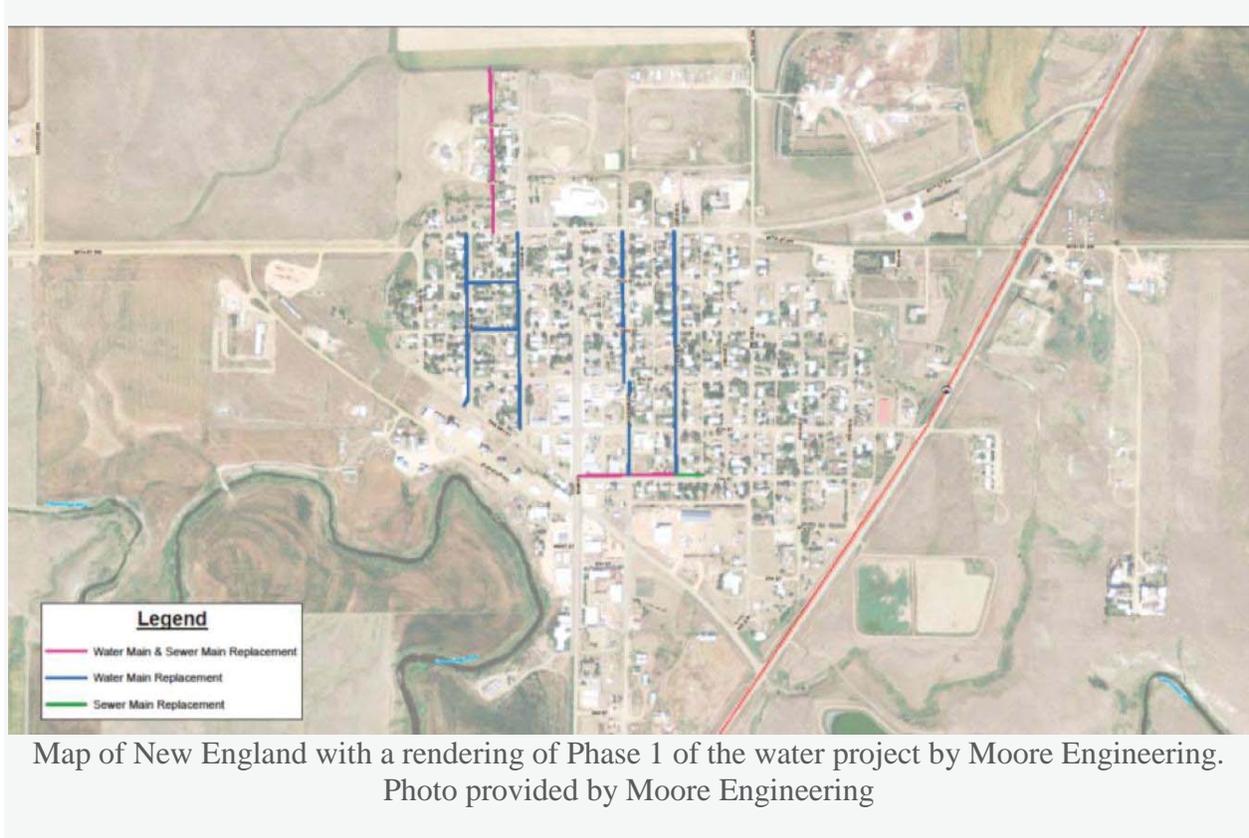
She said she is waiting on research about the Tyler oil play to the south of Belfield, N.D. and how water needs might change if that play is successful. There are a handful of "discovery" wells drilled. At the Cookfest educational session in Dunn Center, Dept. of Mineral Resources Director Lynn Helms said it will likely be five years before the oil industry might move into the development of the Tyler.

To read the full newsletter from NDAOGPC please follow the link below.

<http://www.ndenergy.org/>

New England explores possible water project

Published on July 4, 2014 | 0 Comment



Posted July 4, 2014

By COLE BENZ | Herald Editor | cbenz@countrymedia.net

Water. A commodity that is necessary for life to survive.

As the infrastructure deteriorates with age, the delivery of that commodity to the citizens of New England has seen some struggles. And as most citizens can attest to, the water pressure around town has been less than desirable, and the quality at times has room for improvement. To remedy the issues, the New England City Council has been researching different avenues they can take for improvement.

That's where Moore Engineering comes in. Moore Engineering, a firm out of West Fargo, N. D., was hired by the council to do a complete analysis of the water and sewer infrastructure of New England, and they explained their results and possible solutions at a public forum meeting on Monday, Jun. 30 at Memorial Hall on Main Street in New England.

The current water and sewer distribution system was built in 1947, with the existing water tower going up in 1983 and two lagoons being built in 1954 with expansion in 1978.

The current system, according to City Manager Dave Smith, only has so much time before it starts to deteriorate.

"Pretty much, the infrastructure is designed for about 50 years," Smith said.

By that time frame, the city has over extended the current system by almost 20 years.

When looking at the system, the report found a number of issues New England is suffering from.

"Insufficient fire flow demands, low water pressures throughout the systems, poor water circulation, low chlorine measurements throughout the systems and water age issues," Project Engineer Cavin Berube said. "Basically the water just wasn't getting circulated well enough, and there's issues arising from those things."

The issue of water flow can be linked to the size of the pipes and corrosion occurring inside the aging metal. The pipe is four inches and isn't sufficient for proper flow, and hurting the system even more is the build up from corrosion, which according to Senior Project Manager Kent Ritterman, has shrunk the pipe from the inside.

"That four inch pipe is now two, three inches in places," Ritterman said. "It affects flow, pressure, all that."

What could be more concerning to the citizens is how the current system performs in cases of fire emergencies.

"Part of the problem with the four inch size is fire flow, providing that fire flow that you need when you do have an emergency, we simply just can't get it in parts of town." Ritterman said. "We simply just don't have that fire flow."

Along with corroded piping, old and faulty valves could contribute to the system not performing correctly during an emergency, which would be improved as part of the project.

Water loss has also become another issue for the city. With the age of the pipes, according to Berube, you will see that occur. At this point, the city is losing over \$17,000 annually through water loss.

“With the age of the water main, and water main breaks water loss can become a big issue,” Berube said. “They’re (the city) just paying for water that’s either seeping into the ground through cracked pipes or it’s through water main breaks, or it’s just not being metered correctly.”

Along with upgrading the water system, the sewer system is also in need of changes.

According to Moore Engineering and their report, some of the sewer system is simply past the usable time frame, cost for infiltration and inflow will only rise for the city, and with the possibility of city growth the current system will put more pressure on the collection system.

When looking at the entire project, Moore Engineering broke it down into four phases, and both Berube and Ritterman went over the first phase during the special meeting.

Phase 1 improvements would include, according to the presentation, replacing water main, gate valves, water services, fire hydrants, older water meters, sanitary sewer mains and sanitary sewer manholes and install a new water tower. The current water tower, according to Moore Engineering is just too big to handle the population of New England. These changes would be total removal and replacement.

Total for the Preliminary Phase 1 project cost was estimated at \$5,000,000.00.

The initial phase does not include much sewer changes, which was done on purpose due to the location of the sewer lines and the higher demand for better situation with the water.

“A lot of the sewer in town, as most of you probably know, runs down the alleys, so that ends up being in kind of a different area, and right now the initial plan is to try and take care as much of the water issue because that’s the key component to the project the city has had us look at,” Berube said.

So where is the funding going to come from? That’s where Moore Engineering comes in again. Nestled in their engineering services, they also assist communities with acquiring the proper funding for these things, which was one of the main reasons New England Mayor Marty Opdahl said the council chose Moore Engineering.

“The main reason probably for us, is they’re a company that goes through the whole process,” Opdahl said. “They’re not just an engineering firm, they’re taking care of the financing and giving us the complete project.”

They have worked with many other cities, and they have located, and acquired grant money for a portion of the total bill.

According to the presentation, Moore Engineering is looking at trying to attain at least 45% of the cost through grant money. They have worked with Rural Development in the past and will do so for New England’s proposed project.

Rural Development also has loan projects they can offer communities for these projects. A Rural Development Loan, according to Moore Engineering, could be for 40 years at 3.35% interest which would make it a \$136,216 per year payment.

How the loan is paid for would be up to the city. Among ideas discussed at the public forum were sewer rate increase, water rate increase, special assessments, sales tax increase, or a combination of the four. Though there were some opinions voiced as to which would be the better option, nothing substantial was decided.

So why now? If the city waits, the cost is going to go up. According to a project Moore Engineering did in Oaks, N. D., costs increased by an average of 8% per year between 2009 and 2013.

Moore Engineering has already contacted the proper agencies related to the project such as environmental agencies along with other state entities.

“The next step, is we have to decide whether in fact we are going to hire Moore Engineering to do this, to move forward with this,” Opdahl said.

Though nothing was given a final decision at the conclusion of the meeting, Opdahl believes it was a good source of information for the public.

“Moore Engineering provided New England residents with their outstanding expertise and solution to our current aged and flawed water and sewer systems, while listening to the residents viable concerns and ideas. They will consider these concerns and ideas, utilizing their expertise to validate or invalidate these ideas, if they revise their plan it will be due to our concerns, coupled with their expertise. The end result will be the best obtainable solution for the City of New England and its residents as a whole.”

The final step before breaking ground will be for the council to decide how to finance it.

If all goes to plan, and the city moves forward with the project and they are awarded the funding, construction would begin in May 2015.

SOUTHWEST WATER AUTHORITY
Board of Directors Meeting
9:00 a.m. MDT
Monday, August 4, 2014
SWA O&M Center Office, Dickinson, ND

Board Agenda

Assignments:	Flip Chart Recorder Minutes Process Observer	Director Duane Bueligan Kaylee Lapp Director Brian Roth
9:00 a.m.	1. Call to Order – Pledge of Allegiance	Chairperson
9:05 a.m.	2. Agenda A. Review Agenda B. Consent Agenda* <i>Minutes of July 7, 2014, Board of Directors Meeting</i> <i>Minutes of July 16, 2014 Board of Directors Meeting</i> <i>Accounts Payable & Financial Reports</i>	Chairperson Board of Directors
9:10 a.m.	3. Board Policy Review and Monitoring A. Policy III. G. Board Member Code of Conduct*	Board of Directors
9:20 a.m.	4. Decision Making A. Policy II. Executive Limitations-General Executive Constraint-Manager/CEO* B. Policy II. F. Executive Limitations-Compensation and Benefits-Manager/CEO* C. Hiring Staff* D. REM Reimbursement Request*	Board of Directors Board of Directors Jack Dwyer Sandy Burwick
9:40 a.m.	5. Board Member Reports A. Goldenwest Electric Annual Meeting B. Mor-Gran Sou Electric Cooperative Annual Meeting	Director Allen Director Saxowsky
9:45 a.m.	6. Incidental Information A. SWPP Update 1. OMND a. Missouri West Water System	Sindhu Pillai-Grinolds/Jim Lennington/ Mary Massad
10:15 a.m.	BREAK	
10:30 a.m.	B. Update from Manager/CEO/SWA Staff 1. Easement/Signup Update 2. Water Depot Usage 3. SWPP Funding and Project Review 4. Contract 2014-WTP 5. Auto Meter Reads (AMRs) 6. Joint Summer Meetings, Executive Briefing and Water Tours 7. NDRWSA Leadership Retreat and Managers Meeting 8. Water Topics Overview Committee 9. Water Day at the State Fair 10. City of Rhame 11. Update on Contracts 12. Update on New Bank Accounts 13. Missouri River Stakeholders 14. NDDoH Sanitary Survey C. Perkins County Rural Water System Update	Misti Conzemius Mary Massad Mary Massad/Mike Dwyer/Board of Directors/Sindhu Pillai- Grinolds Mary Massad Mary Massad Mary Massad/ Chairperson Mary Massad/Board of Directors Mary Massad/Mike Dwyer Kaylee Lapp Mary Massad/Jim Lennington Sandy Burwick/Jack Dwyer Sandy Burwick Mary Massad Mary Massad Sandy Burwick
11:50 a.m.	7. Review issues pending/Parking lot/Plan next agenda	Director Bueligen/Board of Directors
11:55 a.m.	Adjourn for Lunch	

***Items require Board action.**

Additional incidental information presented at this meeting includes reports from the CFO/Office Administrator, Marketing Manager, Public Relations Specialist and Customer Service.

Please Download Board Packet to your iPad prior to the Meeting

If auxiliary aids or services such as readers, signers, or Braille material are required, please contact the Southwest Water Authority, 4665 2nd St. SW, Dickinson, North Dakota 58601 or call (701) 225-0241 prior to the meeting.

**Minutes of Meeting
Southwest Water Authority
Board of Directors
July 7, 2014
SWA O&M Center Office, Dickinson, ND**

1. Introductions

2. Call to Order – Pledge of Allegiance

The Southwest Water Authority Board of Directors met on Monday, July 2, 2014, at the SWA O&M Center, Dickinson, ND. Chairperson Bares called the meeting to order at 9:05 a.m. MDT, followed by the Pledge of Allegiance.

Present at the meeting were: Directors Larry Bares, Jim Odermann, Steve Schneider, Duane Bueligen, Glenn Eckelberg, Brian Roth, Rick Seifert, Bob Leingang, Jonathon Eaton, George Saxowsky, Gene Allen, Ray Beiber, Larry Stang, and Marie Johnson. Also present were: Mary Massad, SWA Manager/CEO; Sandra Burwick, SWA CFO/Office Administrator; Sindhu S. Pillai-Grinolds, SWC; Jim Lennington, Bartlett & West/AECOM; George Nodland, SWC; Misti Conzemius, SWA Marketing Manager; Lee Messer, SWA Water Distribution Manager; Kaylee Lapp, SWA Public Relations Specialist; Mike Dwyer, Legal Counsel; and Mike Hricik, The Dickinson Press. Jack Dwyer, Legal Counsel, and Melanie Goetz, Hughes & Stuart, joined the meeting via Skype internet and video conferencing.

Absent: Director Dave Juntunen, excused.

2. A. Oath of Office

Directors elected at the June 10, 2014, Primary Election were administered the Oath of Office for the SWA Board of Directors. This included Directors Marie Johnson, Larry Bares, Rick Seifert, Bob Leingang, George Saxowsky, Gene Allen, Ray Bieber and Steve Schneider.

2. B. Board Members are the Soul and Spirit of the SWA

Massad reviewed the Soul and Spirit of the SWA. All members were asked to sign and date the “Board Members are the Soul and Spirit of the SWA.” It will be kept in each director’s file at the O&M Center Office.

2. C. Board Buddy

SWA has a Board Buddy program which is a mentoring program for new directors. Massad stated the program mentors new directors to provide guidance and share information during the meetings and assist new directors with their responsibilities. Director Juntunen has agreed to assist Director Allen.

2. D. Election of Officers*

The Election Subcommittee met on June 19, 2014, to discuss the election of officers. A copy of the minutes are on file with the official minutes.

Director Roth, Chairperson of the Election Subcommittee, conducted the election of officers. Directors expressing interest in the positions were included and nominations were taken from the floor for each position.

Director Bares was recommended for Chairperson. There were no other nominations from the floor.

Motion by Director Eckelberg, seconded by Director Seifert, to cease nominations and cast a unanimous ballot for Director Bares as Chairperson. Motion carried unanimously by roll call vote.

Director Odermann was recommended for Vice-Chairperson. There were no other nominations from the floor.

Motion by Director Stang, seconded by Director Leingang, to cease nominations and cast a unanimous ballot for Director Odermann as Vice-Chairperson. Motion carried unanimously by roll call vote.

Director Schneider was recommended for Secretary/Treasurer. There were no other nominations from the floor.

Motion by Director Eckelberg, seconded by Director Leingang, to cease nominations and cast a unanimous ballot for Director Schneider as Secretary/Treasurer. Motion carried unanimously by roll call vote.

Chairperson Bares appointed Director Brian Roth to be the Process Observer for the Board of Directors.

2. E. Transfer of Gavel

The meeting was turned over to Chairperson Bares.

2. F. June 10, 2014, Primary Election SWA Board of Director Results

Massad reviewed a memo explaining the June 10, 2014, Primary Election results. Included for each director position was a certification by the county auditor. Directors Seifert, Bares, Allen, Bieber, Leingang, Johnson, Saxowsky and Schneider have been elected to a four-year term and will serve through June 2018. Directors were thanked for their willingness to serve.

3. Agenda

3. B. Consent Agenda*

Minutes of June 2, 2014, Board of Directors Meeting, Accounts Payable and Financial Reports

Chairperson Bares asked for approval of the consent agenda items: Minutes of June 2, 2014, Board of Directors Meeting, Accounts Payable and Financial Reports. Copies are on file with the official minutes.

Motion by Director Leingang, seconded by Director Seifert to approve Item 3. B. Minutes of June 2, 2014, Board of Directors Meeting, Accounts Payable and Financial Reports on the consent agenda. Motion carried by voice vote without dissent.

4. Board Policy Review and Monitoring

4. A. Policy IV.: Manager/CEO Role*

Chairperson Bares appointed Director Odermann to read aloud Policy IV.: Manager/CEO Role.

Motion by Director Leingang, seconded by Bieber to approve Policy and Board Monitoring of Policy IV.: Manager/CEO Role. Motion carried unanimously by roll call vote.

5. Decision Making

5. A. Budgeting/Forecasting Manager/CEO Internal Report – Policy II.B.*

5. B. Financial Condition Manager/CEO Internal Report – Policy II.C.*

5. C. Asset Protection Manager/CEO Internal Report – Policy II.E.*

Massad reviewed Budgeting/Forecasting Manager/CEO – Policy II.B. Internal Report, Financial Condition Manager/CEO – Policy II.C. Internal Report and Asset Protection Manager/CEO – Policy II.E. Internal Report.

Motion by Director Stang, seconded by Director Eaton to approve the Manager/CEO Internal Reports for Policy II.B. - Budgeting/Forecasting, Policy II.C. - Financial Condition and Policy II.E. - Asset Protection. Motion carried unanimously by roll call vote.

5. D. General Fund Budget for 2015*

Burwick reviewed the General Fund Budget for 2015. Copies are on file with the official minutes.

Motion by Director Bieber, seconded by Director Bueligen to approve the 2015 General Fund Budget. Motion carried unanimously by roll call vote.

5. E. Mill Levy Certification*

Burwick reviewed the Mill Levy Certification. A copy is on file with the official minutes.

Motion by Director Bieber, seconded by Director Seifert to approve the Mill Levy Certification. Motion carried unanimously by roll call vote.

5. F. New Accounts at American Bank Center and American Trust Center

Burwick reviewed the proposed MMAX account at American Bank Center and the Southwest Water Authority – O&M account at the American Trust Center. The new accounts would increase the FDIC insurance coverage and also draw more interest. Pledged securities and investment requirements were also reviewed. A copy is on file with the official minutes.

Motion by Director Schneider, seconded by Director Allen to approve new accounts at American Bank Center and American Trust Center. Motion carried unanimously by roll call vote.

6. Board Member Reports

6. A. West River Telephone Annual Meeting Report

Director Bueligen reported on West River Telephone's Annual Meeting held on June 6, 2014. A copy is on file with the official minutes.

6. B. Roughrider Electric Annual Meeting Report

Director Leingang reported on Roughrider Electric's Annual Meeting held on June 4, 2014. A copy is on file with the official minutes.

6. C. Consolidated Telcom Annual Meeting Report

Director Stang reported on the Consolidated Telcom Annual Meeting held on June 18, 2014. A copy is on file with the official minutes.

6. D. Slope Electric Annual Meeting Report

Chairperson Bares summarized Director Juntunen report on Slope Electric's Annual Meeting. A copy is on file with the official minutes.

6. E. Grand Electric Annual Meeting

Director Seifert reported Grand Electric's Annual Meeting in Bison, SD, was a good meeting with 144 members in attendance. They made \$1.5 million overall in income due to a rate increase. In 2013, they took in \$17.2 million with new customers represented by 32 residential, 7 commercial, 4 irrigation and 18 oil field. In 2014, the cooperative plans to build more than 450 miles of wire underground and are also expecting more growth in the oil field. Currently, they serve 244 oil wells.

7. Incidental Information

7. A SWPP Update

7. A. 1. OMND

OMND (Oliver, Mercer, North Dunn) Regional Service Area

Center SA Rural Distribution System 7-9E West Center Service Area & 7-9F East Center Service Area:

The contractor for 7-9F started construction near Hannover on June 16, 2014. They have installed 8 services and 4.2 miles of pipeline as of June 27, 2014.

The notice of award for contract 7-9E, West Center Service Area, was sent to Swanberg Construction. They have returned the requested contract documents to the SWC. Bartlett & West currently have the documents under review.

Contract 2-8E/2-8F Dunn Center Service Area (SA) Main Transmission Line (MTL):

The contractor for Contract 2-8E and 2-8F is currently working on Contract 2-8E, because the substantial completion date for this contract was July 1, 2014. The contractor asked the SWC for a one month extension on 2-8E, from July 1 to August 1. The extension was not granted and the SWC asked for the contractor to complete the project as soon as possible.

During this time the contractor began working on 2-8F on June 3, 2014, installing a little less than a mile. Since the extension was not granted on 2-8E, the contractor pulled the construction crew from 2-8F to work on completion of 2-8E.

Contract 4-6 Dunn Center SA Pumps inside OMND Water Treatment Plant (WTP):

The vibration testing and thermographic imaging have been completed. The SWC is waiting on reports for these tests.

Contract 5-15B 2nd Zap Potable Reservoir:

Foundation work is complete and backfilling inside the ring wall is in progress. The concrete floor for the tank will be poured the week of July 7, 2014.

Contract 8-3 Killdeer Mountain Elevated Tank:

The foundation work is complete. They are working on welding the pedestal.

Contract 5-17 Dunn Center Elevated Tank:

The pedestal work is complete and the welding of the tank is underway.

Contract 3-1H OMND Water Treatment Plant (WTP) Phase II Expansion:

The 3-1H contractors, Northern Plains Contracting Inc. and Edling Electric, are on site and are currently working on equipment installation. The RO and UF skids are installed. The contractor began late on this contract and has requested a six-week time extension. The SWC intends to give the contractor a three-week extension because of coordination for the water treatment plant to be operational during work hours. Membrane startup is expected in early August and ozone startup in mid-September.

Contract 7-9G Halliday and Dunn Center SA Rural Distribution System:

The report and maps from the archeology sub-consultant have been delayed. Depending on the receipt of the report, the submittal set of plans is expected in early August.

Other Contracts

Contract 7-1C/7-8H Hydraulic Improvements in the Davis Buttes, New Hradec and South Fryburg SA:

The bonding company hired Northern Improvement to complete this project. The SWC has received a letter from Northern Improvement saying they have completed the cleanup. The final inspection for this contract is expected soon. Bartlett & West is estimating final quantities for the final change order.

Contract 8-1A New Hradec Reservoir:

The tank became operational on June 19, 2014. The SWC sent a partial pay estimate to the contractor withholding \$270,000 in liquidated damages. The SWC has not heard back from the contractor.

Contract 4-5 Finished Water Pumping Station (FWPS):

A pre-construction conference was held on June 19, 2014. Bartlett & West has received 25 submittals and 13 requests for information as of June 30, 2014. Lennington reported the number of submittals received is over 40 as of July 7, 2014. The contractor is expected to begin construction during the week of July 7, 2014.

Contract 1-2A Supplemental Raw Water Intake:

The SWC received approval from the Corps of Engineers to complete ground freezing operations. The ground freezing operation started on June 26, 2014. It is expected to last 45 days. The SWC has received a revised schedule from the contractor and they expect 4.5-month delay in the substantial completion date. The shipments of caisson segments have started arriving on site.

The contractor has requested a two-week extension to submit documentation on their differing subsurface claim. The SWC has granted this request to the contractor.

Contract 3-2A Membrane Procurement for Six (6) million gallon per day (MGD) WTP at Dickinson:

Contract documents have been executed by all parties.

Contract 3-2B Softening Equipment Procurement for Six (6) MGD WTP at Dickinson:

The SWC has received the contract documents and they are under legal review. They have yet to receive documentation from the contractor that they are allowed to do business in North Dakota.

Contract 3-2C Ozone Procurement:

The SWC is expected to advertise this contract for proposal soon with bid opening on July 24, 2014.

7. B. Update from Manager/CEO/SWA Staff

7. B. 1. Easement/Signup Update

Conzemius reviewed the Sign-up and Easement Report. A copy is on file with the official minutes.

7. B. 2. Water Depot Usage

Massad reviewed the Oil Industry Usage/Revenue and Projections spreadsheets and the Depot Sales vs. Projections spreadsheet. Copies of the water depot usage are on file with the official minutes.

7. B. 3. SWPP Funding and Project Review

Massad summarized the SWPP funding spreadsheets and noted they have not been updated since May 23, 2014. Pillai-Grinolds pointed out a mistake in the completion date for contract 7-9E. The completion date should be July 15, 2015, not 2016. Massad reported the funding request for the SWPP in the 2015-2017 biennium is currently \$100 million. Lennington noted funding numbers will be higher. Copies of the funding and the letter are on file with the official minutes.

7. B. 4. Update on City, Small Business, Property Transfer Contracts and Water Agreements

Jack Dwyer gave an update on city, small business, property transfer contracts and water agreements. The annexation agreement for the City of Dickinson has been reviewed by the SWC and comments have been made. Once it is in agreement by all parties, it will be sent to the City of Dickinson to be negotiated. When the agreement with Dickinson is complete, the agreement will be used as a template for all the other cities.

Dwyer has been working with the City of Dickinson for a Right of First Refusal Agreement for the property by the water treatment plant. This agreement has been finalized with the City of Dickinson's lawyer and will need to be presented to the city for approval and executed before it is sent back to SWA.

Amendments to water service agreements addressing increase in rates for industrial sales and water permit compliance have been sent to all 31 communities. The SWC is currently receiving comments and negotiating with the cities on terms of the amendments. 19 of the 31 communities have returned signed contracts.

SWA and legal counsel have drafted an amendment to water service contracts for other contract customers. The amendment will prohibit the resale of water by the contract customer to the oil industry, except in a case where a written agreement exists between SWA and the contract customer. SWA currently has 56 contract customers.

7. B. 5. Water Coalition

Mike Dwyer reported the SWPP is on the list with a \$100 million funding request for the 2015-2017 biennium with the North Dakota Water Coalition. He reported the Water Coalition Funding Subcommittee has a meeting on Wednesday, July 9, 2014, to look at the funding request numbers to determine the allocation. This will be an ongoing process though October 2014. The next official revenue forecast for the 2015-2017 biennium will come in September of 2014.

7. B. 6. Water Topics Overview Committee

Massad reported Water Topics Overview Committee met on June 23 and 24, 2014. Overall it was a good joint meeting that gave the opportunity for the legislative Water Topics Overview Committee and the SWC to meet and review the proposed Cost Share Policy. Future policy, future funding numbers from rural water and the report on transfer of the SWPP to SWA is due in September. Copies of the current proposed funding are on file with the official minutes.

7. B. 7. Legislative Employee Benefits Programs Committee

Burwick reported on the Employee Benefits Programs Interim Committee meeting on June 5, 2014. Copies are on file with the official minutes.

7. B. 8. Joint Summer Meeting, Executive Briefing, Water Tours

Massad reported the Joint Summer Meetings and Executive Briefing will be later this week, starting on July 9, 2014, in Grand Forks. A tour of the Red River of the North will be held on July 10, 2014. The Executive Briefing will be on Tile Drainage. Garrison Diversion Conservancy District is also meeting in Grand Forks. Massad has requested time on the agenda to present SWA's 2013 Annual Operating Report. Chairperson Bares and Massad will be in attendance and will report back to the board next month.

7. B. 9. NDRWSA Leadership Retreat

The NDRWSA Leadership Retreat will be held July 15 and 16, 2014, in Medora. Massad reported she has been asked to speak on Rural Water Development in Oil Country with Jaret Wirtz from WAWS.

7. B. 10. Missouri River Stakeholders

Massad reported the Missouri River Stakeholders Group has put together information to hand out to organizations and individuals. She also reported the fall workshop will be held on November 20, 2014, at BSC and the spring conference will be June 3 and 4, 2015, at the Ramkota Hotel in Bismarck.

7. B. 11. Goldenwest Electric Annual Meeting

Chairperson Bares appointed Director Allen to attend the Goldenwest Electric's Annual Meeting on Thursday, July 10, 2014.

7. B. 12. Water Day at the State Fair

Lapp reported Water Day Festival O' Fun at the State Fair is scheduled for July 24, 2014. SWA will be represented with a booth display and will hand out popcorn and help with the Frost Fest.

7. C. Perkins County Rural Water System Update

Burwick reported Perkins County Rural Water System has not yet hired a manger. The highway 75 booster has been installed but they are still questioning if it is working properly. Their loan payments are due starting 2015.

8. Review issues pending/parking lot issues/plan next agenda

The board requested to add auto read meters to next month's agenda.

There being no further business, Chairman Bares adjourned the meeting at 12:00 p.m. MDT.

Larry Bares, Chairperson

Steve Schneider, Secretary/Treasurer

**Southwest Water Authority
Board of Directors Meeting
Rough Riders Hotel and Conference Center, Medora, ND
and SWA O&M Center Office, Dickinson, ND
Wednesday, July 16, 2014
1:00 p.m. MDT
Conference Call**

1. Call to Order

The Southwest Water Authority Board of Directors met on Wednesday, July 16, 2014, via conference call. The conference call originated from the SWA O&M Center Office, Dickinson, ND. A quorum being present, Chairperson Bares called the meeting to order at 1:07 p.m. MDT.

Attending the meeting were: Directors Larry Bares, Gene Allen, Duane Bueligen, Marie Johnson, Bob Leingang, Brian Roth, Rick Seifert, and Larry Stang. Also present were: Mary Massad, SWA Manager/CEO; Jim Lennington, Bartlett & West/AECOM; Sindhu S. Pillai-Grinolds, SWC; Lee Messer, SWA Water Distribution Manager; Kaylee Lapp, SWA Public Relations Specialist; and Jen Murray, SWA Executive Assistant.

Absent: Directors Jonathon Eaton, Glenn Eckelberg, Dave Juntunen, Jim Odermann, and George Saxowsky. Directors absent and excused: Ray Bieber and Steve Schneider.

2. Review Agenda

Chairperson Bares reviewed the agenda. There were no changes.

3. *Decision Making-Authorization to Award Contract WTP-2014**

Massad explained Contract WTP-2014 is for the Dickinson WTP Electrical Service Entrance Upgrade, which consists of coordinating with MDU to remove the existing utility transformer, installation of a new transformer and all associated work. MDU requires four (4) weeks' minimum lead time, therefore, time is of the essence in awarding this contract. Replacing the electrical service to the WTP was included in the 2014 REM Fund Budget for \$100,000.00. Contract WTP-2014 is for \$110,024.00. Total project costs will exceed this amount. The REM Fund balance as of May 31, 2014, is \$11,696,999.62.

Motion by Director Leingang, seconded by Director Seifert to authorize award of Contract WTP-2014. Motion carried unanimously by a roll call vote.

4. Other

None

5. Adjournment

There being no further business, Chairperson Bares adjourned the meeting at 1:16 p.m. MDT.

Larry Bares, Chairperson

Steve Schneider, Secretary/Treasurer



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

MEMORANDUM

To: Mary Massad, Manager/CEO

From: Sandra Burwick, CFO/Office Administrator

Subject: Financial, Administration and Customer Service – Incidental Information

Date: July 24, 2014

The financial statements included for your review are for June 2014. These include a summary income & expense statement that compares to budget, a detailed income statement of actual income and expenses for the year and the balance sheet. I am also including a detailed statement for board expenses for the month of June.

The accounts receivable listing for rural customers is for June 2014 and the transmission accounts receivable listing is for July 2014. The checks written for the month are from June 27, 2014 through July 17, 2014.

Total rural usage for June 2014 was 27,000,800 gallons. By comparison, in June 2013 rural water sales were 28,305,200 gallons. This is a decrease of 4.61%. During the month of June, we had thirty-nine customer hookups; six in 7-1B, one in 7-2, one in 7-3B, one in 7-5A, one in 7-7A, one in 7-8B, two in 7-8C, one in 7-8D, two in 7-8E, six in 7-8F, one in 7-9B, four in 7-9C and twelve in 7-9D. Five hundred fifty-two customers are using our Automatic Payment Plan, forty customers paid online with a credit card and one hundred eight paid online with a checking account. We had three hundred fifty-eight spot checks (two months without a reading or the same reading).

Through the end of June, 2014, SWA had 183 tenants. Deferred revenue includes 1167 signups, 152 extra units and a customer balance due of \$2,775.50. Attached to this memo are spreadsheets for power costs, mill levy income and signup income for the month of June. SWA sold a total of 246,034,430 gallons of water for the month of June. The projection for the year 2014 is 2,595,950,000 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 (2014) and 2013. This shows a historical year-to-date comparison. Also listed are the usage and their difference for the last two months. Sales through June were more than last year's sales through June by 5.3%. The water loss for June was 7.40%. SWA had 5,385 active accounts with 1,622 subsequent users in June.

Comparisons thru June	Listed in k gallons		
2005	480,388.15	May 2014	162,318.52
2006	615,797.93	June 2014	<u>246,034.43</u>
2007	658,637.25	difference	83,715.91
2008	687,361.00		
2009	684,332.90		
2010	675,459.10		
2011	715,611.80		
2012	1,016,214.56		
2013	1,037,610.58		
2014	<u>1,092,447.59</u>		
difference	54,837.01		

State Fire and Tornado Fund announced for the first time our property coverage premium for the new policy year effective July 1, 2014 is being waived. This is due to the Fund doing so well. For SWA, this is a savings of \$22,308.71. A premium will be charged for any increases to our insurance limits and for property added after June 30, 2014. Tanks will no longer be covered unless the wind speed is in excess of an EF3 rating or 136 - 165 mph.

A listing of Accounts Payables (aged trial balance) is included. In addition to the regular accounts payable, included in the listing are: Adams County Record for \$39.00 for a yearly subscription; Billings County for \$329.00 for the replacement of soil washed away by a leak on Forest Service land; Blackburn Mfg Company for \$1,674.81 for 20,000 flags for locates; City Air Mechanical for \$1,766.00 for a semi-annual maintenance contract on the HVAC system at the OMND WTP; Fargo Water Equipment for \$14,113.63 which includes \$1,880.80 for repairs at Norwegian Creek, \$4,895.80 for 40 curb stops, \$1616.20 for 20 ball corps, \$3,776.80 for 100 couplings, \$222.99 for three saddles, and \$1,721.04 for smaller parts and pieces for maintenance and repairs; IDT, LLC for \$13,520.02 which includes \$326.00 for 326 web applications and \$1,630.00 for 326 airtime minutes @ \$5.00 each and \$11,564.02 for 24 Harmony satellite units, installation kits and software; Dakota Farm Equipment for \$1,255.16 which includes \$1,079.92 for two brush-cutters and \$175.24 for smaller parts for repairs and maintenance of other small equipment; Merrick Industries for \$1,181.84 for a new motor for Slaker 6; Micro-Comm, Inc. for \$990.00 for a water temperature transmitter for the Golva BPS; Mitch's Radio for \$2,024.50 for three antenna boosters and installation; ND Water Education Foundation for \$4,000.00 for the contact payment for the ND Water Magazine; North American Survey Corp for \$51,000.00 for 130 miles of close interval survey (checking cathodic protection on all metallic pipeline in the system); PCSInet for \$2,253.92 for a new computer for the CEO and Total Safety for \$329.37 which includes \$41.58 for paint for the locator, \$277.00 for a replacement sensor on the gas detector and a replacement wind sock and \$10.79 for aspirin and pain reliever for the first aid kits.

Southwest Water Authority
Statement of Income & Expenses
For 1/1/2014 To 6/30/2014

	Current Period	Current YTD	YTD 2014 Budget	YTD % of Budget	Budget total 2014
Sales					
Sales of Water	\$1,351,289.33	\$6,092,821.53	\$7,597,049.94	40.10%	\$15,194,100.00
Sales of Equipment	\$35,022.75	\$104,411.05	\$156,249.96	33.41%	\$312,500.00
Sales of Services	\$4,529.18	\$23,929.67	\$21,000.00	56.98%	\$42,000.00
Other Income -- Transmission	\$0.00	\$1,384.00	\$499.98	138.40%	\$1,000.00
Gross Sales	\$1,390,841.26	\$6,222,546.25	\$7,774,799.88	40.02%	\$15,549,600.00
O&M Expense --Transmission	\$761,449.45	\$3,701,094.76	\$4,593,879.66	40.28%	\$9,187,760.00
O&M Expense --Distribution	\$296,145.24	\$1,514,470.48	\$1,786,882.44	42.38%	\$3,573,765.00
O&M Expense -- Treatment	\$177,780.64	\$829,557.02	\$1,078,695.60	38.45%	\$2,157,391.00
Customer Service Expense	\$14,218.28	\$61,449.74	\$102,112.44	30.09%	\$204,225.00
Total Expenses	\$1,249,593.61	\$6,106,572.00	\$7,561,570.14	40.38%	\$15,123,141.00
Gross Profit On Sales	\$141,247.65	\$115,974.25	\$213,229.74	27.20%	\$426,459.00
Other Income					
Mill Levy Income	\$3,165.15	\$431,152.78	\$207,627.54	103.83%	\$415,255.00
Other Income	\$16,486.34	\$95,114.93	\$144,400.02	32.94%	\$288,800.00
Total Other Income	\$19,651.49	\$526,267.71	\$352,027.56	74.75%	\$704,055.00
Board of Directors Expense	\$11,726.53	\$86,764.34	\$113,600.04	38.19%	\$227,200.00
Administrative Expense	\$21,124.17	\$134,211.18	\$171,167.52	39.21%	\$342,335.00
Easement Acquisition Expense	\$10,946.52	\$88,942.31	\$100,052.52	44.45%	\$200,105.00
Rural Water Signup Expense	\$6,597.64	\$56,513.59	\$78,957.30	35.79%	\$157,915.00
Other Expense	\$0.00	\$275.00	\$1,500.00	9.17%	\$3,000.00
Depreciation Expense	\$29,598.66	\$171,083.93	\$177,975.00	48.06%	\$355,950.00
Replacement & EM Fund Expens	\$2,040.81	\$25,371.21	\$601,249.98	2.11%	\$1,202,500.00
Gain/Loss on Asset Disposal	(\$475.83)	(\$2,599.30)	\$0.00	0.00%	\$0.00
Net Income/Expenses	\$78,388.98	\$76,481.10	(\$679,245.06)	(5.63)%	(\$1,358,491.00)

Board of Directors Expenses

For 1/1/2014 to 6/30/2014

	Current Period	Current YTD	2014 BUDGET YTD	2014 BUDGET Budget
Board of Directors Expenses				
Per Diem -- Board of Directors	\$4,050.00	\$23,976.00	\$23,500.02	\$47,000.00
Workers Compensation Expense -- Board of D	14.20	85.20	124.98	250.00
FICA Expense -- Board of Directors	297.54	1,820.60	1,800.00	3,600.00
Medicare Expense -- Board of Directors	69.59	425.80	424.98	850.00
Professional & Purchased Services -- Board o	1,302.56	16,836.96	37,800.00	75,600.00
Office Supplies -- Board of Directors	184.35	580.17	1,000.02	2,000.00
Copies & Duplication -- Board of Directors	0.00	7.97	2,500.02	5,000.00
Public Relations & Development -- Board of Di	113.42	5,368.93	6,499.98	13,000.00
Development & Education -- Board of Director	910.00	3,485.00	2,500.02	5,000.00
Mileage Reimbursement -- Board of Directors	1,444.80	7,738.93	8,800.02	17,600.00
Vehicle Gas Expense -- Board of Directors	0.00	0.00	75.00	150.00
Vehicle Insurance -- Board of Directors	3.18	19.08	49.98	100.00
Lodging and Meals -- Board of Directors	863.80	3,677.24	6,900.00	13,800.00
Travel Expenses -- Board of Directors	0.00	6,867.81	4,500.00	9,000.00
Telephone Expense -- Board of Directors	4.63	38.02	124.98	250.00
Internet Access -- Board of Directors	528.64	3,209.15	3,000.00	6,000.00
Postage & Pitney Bowes -- Board of Directors	24.76	122.12	250.02	500.00
Dues & Subscriptions -- Board of Directors	1,201.25	8,222.50	8,500.02	17,000.00
Insurance-Liability -- Board of Directors	713.81	4,282.86	5,250.00	10,500.00
Total Board of Director Expense	\$11,726.53	\$86,764.34	\$113,600.04	\$227,200.00
Depreciation Expense -- Board of Directors	\$318.28	\$1,273.12	\$1,600.02	\$3,200.00
Total Expenses	\$12,044.81	\$88,037.46	\$115,200.06	\$230,400.00
	\$12,044.81	\$88,037.46	\$115,200.06	\$230,400.00

BALANCE SHEET

As of 6/30/2014

	Current YTD
Assets	
Current Assets	
Cash	
Cash in Checking-American Bank Center (ABC)-O&M	\$900,997.60
Cash in Checking - ABC Payroll	289,705.04
ABC-O&M Money Market	8,530.12
ABC-O&M Money Market-Reserve/Transmission	384,724.38
ABC--O&M Money Market-Reserve/Distribution	179,621.90
Cash in Checking - Bank of the West	168,171.86
Petty Cash	200.00
	<hr/>
Total Cash	\$1,931,950.90
Short-Term Investments	
Transmission CD's at Dakota Community Bank(DCB)	\$100,000.00
Transmission CD's at DCB (short term)	250,000.00
Investment(General Fund)American Trust Center(ATC)	116,266.50
Investment (Reserve Fund/Gen Op) - ATC- Short Term	709.30
Investment (Escrow)-ATC-Short Term	548.22
Investment (Replace & EM)-ATC-Short Term	187,197.05
	<hr/>
Total Short-Term Investments	\$654,721.07
Accounts Receivable	
Accounts Receivable-Distribution Prepayments	(\$43,068.92)
Accounts Receivable-Transmission	1,078,392.23
Accounts Receivable-Distribution	317,473.68
Accounts Receivable-MWWS	9,201.96
Accounts Receivable-Other	(6,006.47)
Allowance For Doubtful Accounts	(5,702.65)
Allowance For Doubtful Accounts-MWWS	(391.15)
	<hr/>
Total Accounts Receivable	\$1,349,898.68
Interest Receivable	
Interest Receivable	\$9,116.59
	<hr/>
Total Interest Receivables	\$9,116.59
Inventory	
Inventory Contributed Capital	\$102,020.67
Inventory - User Spare Parts	201,058.72
Inventory -- WTP	106,407.89
Inventory -- OMND WTP	106,311.36
	<hr/>
Total Inventory	\$515,798.64

BALANCE SHEET

As Of 6/30/2014

	Current YTD
Prepaid Expenses	
Prepaid Expenses	\$25,882.57
Prepaid Insurance	22,413.71
Prepaid Postage	5,805.62
Prepaid Workers Compensation	2,594.46
	<hr/>
Total Prepaid Expenses	\$56,696.36
	<hr/>
Total Current Assets	\$4,518,182.24
Long-Term Investments	
Investment (Gen Op)American Trust Center(ATC)Long	\$512,053.71
Investment (Reserve Fund/Gen Op)-ATC-Long Term	328,974.17
Investment (Escrow)-ATC-Long Term	543,814.06
Investment (Replace & EM)-ATC-Long Term	11,661,883.14
	<hr/>
Total Long-Term Investments	\$13,046,725.08
Property, Plant and Equipment	
Land	\$109,196.34
Building & Improvements	3,657,377.23
Office Furniture And Fixtures	252,736.29
Vehicles	718,700.96
Contributed Vehicles	46,093.08
Other Fixed Assets	4,011.00
Computer Equipment	213,070.20
Machinery & Equipment	1,051,828.38
Contributed Equipment	63,664.87
Computer Software	239,047.98
	<hr/>
Total Property, Plant and Equipment	\$6,355,726.33
Accumulated Depreciation	
Accum Depr-Building & Improve.	\$232,255.33
Accum Depr-Office Furn & Fixt	61,975.59
Accum Depreciation-Vehicle	337,040.58
Accum Depr-Contributed Vehicle	46,093.08
Accum Depr-Other Fixed Assets	4,011.00
Accum Depr-Computer Equipment	154,606.24
Accum Depr-Machinery & Equipment	509,074.10
Accum Depr-Contributed Equipment	63,664.87
Amortized Software Costs	194,298.38
	<hr/>
Total Accumulated Depreciation	\$1,603,019.17
Other Assets	
	<hr/>
Total Other Assets	\$0.00
	<hr/>
Total Assets	\$22,317,614.48

BALANCE SHEET

As Of 6/30/2014

	Current YTD
Liabilities and Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$947,714.34
Accrued Annual Leave Payable	133,380.83
Accrued Sick Leave Payable	59,918.26
Employee Benefits Payable	75,631.33
	<hr/>
Total Accounts Payable	\$1,216,644.76
Taxes Payable	
ND State Withholding Payable	\$6,631.00
Employer Matching FICA	12,609.91
Employer Matching Medicare	2,949.08
	<hr/>
Total Taxes Payable	\$22,189.99
Other Current Liabilities	
Accrued Salaries Payable	\$205,685.42
Construction Costs Due ND SWC	7,096.00
	<hr/>
Total Other Current Liabilities	\$212,781.42
	<hr/>
Total Current Liabilities	\$1,451,616.17
Long-Term Debt	
Deferred Revenue	\$298,469.50
Rental Deposits from Tenants	13,425.00
Rental Deposits from Tenants-MWWS	375.00
Customer Escrow Deposit	40,000.00
	<hr/>
Total Long-Term Debt	\$352,269.50
	<hr/>
Total Liabilities	\$1,803,885.67
Reserve Funds	
Reserve Account--O&M Transmission	\$2,605,709.29
Reserve Account -- O&M Distribution	1,357,782.31
Reserve Account -- O&M Treatment	427,549.24
Reserve Account -- General Operating Fund	326,137.90
Reserve Account -- Replace & EM--Transmission	10,028,433.23
Reserve Account-Repl & EM -- Distribution	346,246.06
Interest Income - Replacement & Extraordinary Main	1,322,988.58
Dividend Income - Replacement & Extraordinary Main	175,028.97
	<hr/>
Total Reserve Funds	\$16,589,875.58
Equity	

Southwest Water Authority
BALANCE SHEET
As Of 6/30/2014

	Current YTD
Unappropriated Funds	\$3,378,431.21
Contributed Capital	468,940.92
Net Profit/(loss)	76,481.10
	<hr/>
Total Equity	\$3,923,853.23
	<hr/>
Total Liabilities and Equity	<u><u>\$22,317,614.48</u></u>

AGED TRIAL BALANCE
 Southwest Water Authority
 Payables Management

Ranges:
 Vendor ID: First - Last
 Class ID: First - Last
 Payment Priority: First - Last
 Vendor Name: First - Last

Accts Payable: First - Last
 Posting Date: First - Last
 Document Number: First - Last

Print Option: SUMMARY
 Age By: Document Date
 Aging Date: 0/0/0000
 Exclude: Credit Balance, Zero Balance, No Activity, Unposted Applied Credit Documents, Multicurrency Info
 Sorted By: Vendor ID
 Document Date

Vendor ID: AD1571	Name: ADAMS COUNTY RECORD		
Voucher(s): 1		Aged Totals:	Due \$39.00
Vendor ID: AL7283	Name: AL'S EXHAUST SYSTEMS & BODY SHOP		
Voucher(s): 1		Aged Totals:	Due \$399.47
Vendor ID: AM3577	Name: AMERICAN INSURANCE CENTER		
Voucher(s): 1		Aged Totals:	Due \$17.00
Vendor ID: AQ7167	Name: AQUA-PURE, INC		
Voucher(s): 2		Aged Totals:	Due \$16,686.00
Vendor ID: BA1491	Name: BACKYARD MECHANICS		
Voucher(s): 1		Aged Totals:	Due \$99.00
Vendor ID: BA6742	Name: BARTLETT & WEST ENGINEERS, INC.		
Voucher(s): 6		Aged Totals:	Due \$9,301.81
Vendor ID: BE4751	Name: BEULAH LUMBER COMPANY, INC		
Voucher(s): 1		Aged Totals:	Due \$81.88
Vendor ID: BI4430	Name: BILLINGS COUNTY		
Voucher(s): 1		Aged Totals:	Due \$329.00
Vendor ID: BL1141	Name: BLACKBURN MFG CO		
Voucher(s): 1		Aged Totals:	Due \$1,674.81
Vendor ID: BO6225	Name: BORDER STATES ELECTRIC SUPPLY		
Voucher(s): 2		Aged Totals:	Due \$183.41
Vendor ID: BR1752	Name: BRAUN DISTRIBUTING INC		
Voucher(s): 3		Aged Totals:	Due \$143.05
Vendor ID: CI7913	Name: CITY AIR MECHANICAL, INC		
Voucher(s): 1		Aged Totals:	Due \$1,766.00
Vendor ID: DA4965	Name: DAKOTA SPORTS		
Voucher(s): 1		Aged Totals:	Due \$21.98
Vendor ID: DI1440	Name: DICKINSON HEATING & AIR, INC.		
Voucher(s): 1		Aged Totals:	Due \$3,016.00
Vendor ID: DI1456	Name: DICKINSON SUPPLY		
Voucher(s): 1		Aged Totals:	Due \$61.59
Vendor ID: DO8576	Name: DOWNTOWN GAS & AUTO REPAIR		

AGED TRIAL BALANCE
 Southwest Water Authority

Voucher(s):	5	Aged Totals:	Due \$255.69
Vendor ID:	DU5115	Name:	DUNCAN COMPANY
Voucher(s):	3	Aged Totals:	Due \$460.17
Vendor ID:	EC5552	Name:	ECONO FOODS NORTH
Voucher(s):	7	Aged Totals:	Due \$19.59
Vendor ID:	EC5553	Name:	ECONO FOODS SOUTH
Voucher(s):	1	Aged Totals:	Due \$9.80
Vendor ID:	EN2637	Name:	ENERGY SYSTEMS INDUSTRIAL
Voucher(s):	1	Aged Totals:	Due \$178.07
Vendor ID:	EN3352	Name:	ENGINEERING AMERICA INC
Voucher(s):	1	Aged Totals:	Due \$10,000.00
Vendor ID:	ET3155	Name:	ETHANOL PRODUCTS, LLC
Voucher(s):	3	Aged Totals:	Due \$6,007.31
Vendor ID:	FA1274	Name:	FARMERS UNION-BEULAH
Voucher(s):	1	Aged Totals:	Due \$65.12
Vendor ID:	FA6358	Name:	FARGO WATER WORKS/DSG
Voucher(s):	4	Aged Totals:	Due \$14,113.63
Vendor ID:	FA6500	Name:	FARMERS UNION/BEACH
Voucher(s):	1	Aged Totals:	Due \$23.50
Vendor ID:	FE6377	Name:	FERGUSON ENTERPRISES INC
Voucher(s):	1	Aged Totals:	Due \$10.39
Vendor ID:	FO7672	Name:	FOUR SEASONS TROPHIES
Voucher(s):	1	Aged Totals:	Due \$15.00
Vendor ID:	GF7132	Name:	GFS CHEMICALS INC
Voucher(s):	1	Aged Totals:	Due \$439.50
Vendor ID:	GR1955	Name:	GRAYMONT CAPITAL INC.
Voucher(s):	6	Aged Totals:	Due \$23,253.78
Vendor ID:	HA1315	Name:	HACH COMPANY
Voucher(s):	4	Aged Totals:	Due \$2,200.50
Vendor ID:	HA8435	Name:	HAWKINS INC
Voucher(s):	3	Aged Totals:	Due \$8,847.08
Vendor ID:	HF7132	Name:	HF SCIENTIFIC INC
Voucher(s):	1	Aged Totals:	Due \$217.45
Vendor ID:	IN2566	Name:	INFORMATIONAL DATA TECHNOLOGIES L
Voucher(s):	4	Aged Totals:	Due \$106,753.68
Vendor ID:	JE6552	Name:	JEROME DISTRIBUTING, INC.

AGED TRIAL BALANCE
 Southwest Water Authority

Voucher(s):	1	Aged Totals:	Due \$79.50
Vendor ID:	JJ4244	Name:	J J KELLER & ASSOCIATES INC
Voucher(s):	1	Aged Totals:	Due \$256.00
Vendor ID:	JM3162	Name:	J&M HARDWARE, INC.
Voucher(s):	19	Aged Totals:	Due \$599.25
Vendor ID:	KB6261	Name:	K B REPAIR
Voucher(s):	1	Aged Totals:	Due \$89.15
Vendor ID:	KL2257	Name:	KLEEN THIS
Voucher(s):	1	Aged Totals:	Due \$1,536.00
Vendor ID:	LE7835	Name:	DAKOTA FARM EQUIPMENT, INC.
Voucher(s):	2	Aged Totals:	Due \$1,260.03
Vendor ID:	MA1735	Name:	MAC'S INC
Voucher(s):	1	Aged Totals:	Due \$14.69
Vendor ID:	MA6152	Name:	MARC NELSON OIL PRODUCTS
Voucher(s):	2	Aged Totals:	Due \$10,681.23
Vendor ID:	ME2125	Name:	SANFORD HEALTH OCCUPATIONAL MEDI
Voucher(s):	1	Aged Totals:	Due \$341.00
Vendor ID:	ME6631	Name:	MERRICK INDUSTRIES
Voucher(s):	1	Aged Totals:	Due \$1,181.84
Vendor ID:	ME7263	Name:	METERING & TECHNOLOGY SOLUTIONS
Voucher(s):	2	Aged Totals:	Due \$3,194.04
Vendor ID:	MI1651	Name:	MICRO-COMM INC.
Voucher(s):	1	Aged Totals:	Due \$990.00
Vendor ID:	MI2153	Name:	MIDCO DIVING & MARINE SERVICES, INC
Voucher(s):	1	Aged Totals:	Due \$7,048.00
Vendor ID:	MI7137	Name:	MITCH'S RADIO
Voucher(s):	1	Aged Totals:	Due \$2,024.50
Vendor ID:	MO7726	Name:	MOTT EQUITY EXCHANGE
Voucher(s):	1	Aged Totals:	Due \$71.98
Vendor ID:	NA6168	Name:	NAPA AUTO PARTS/BEULAH
Voucher(s):	8	Aged Totals:	Due \$427.57
Vendor ID:	NE8197	Name:	NEWBY'S ACE HARDWARE
Voucher(s):	11	Aged Totals:	Due \$384.59
Vendor ID:	NO6275	Name:	ND DEPT OF HEALTH-MICROBIOLOGY
Voucher(s):	4	Aged Totals:	Due \$80.00
Vendor ID:	NO6727	Name:	ND WATER EDUCATION FOUNDATION

AGED TRIAL BALANCE
 Southwest Water Authority

Voucher(s):	2	Aged Totals:	Due \$9,098.00
Vendor ID:	NO6731	Name:	NORTH AMERICAN SURVEY CORP
Voucher(s):	1	Aged Totals:	Due \$51,000.00
Vendor ID:	NO7122	Name:	NORTH DAKOTA SAFETY COUNCIL
Voucher(s):	1	Aged Totals:	Due \$45.00
Vendor ID:	NO8172	Name:	FERGUSON WATERWORKS
Voucher(s):	1	Aged Totals:	Due \$529.44
Vendor ID:	OL7558	Name:	OLSON'S SERVICE
Voucher(s):	16	Aged Totals:	Due \$1,023.80
Vendor ID:	ON2114	Name:	ONE CALL CONCEPTS
Voucher(s):	1	Aged Totals:	Due \$1,394.80
Vendor ID:	PC7352	Name:	PCSINET
Voucher(s):	2	Aged Totals:	Due \$2,553.92
Vendor ID:	PI7529	Name:	PITNEY BOWES
Voucher(s):	1	Aged Totals:	Due \$905.25
Vendor ID:	PI7531	Name:	PITNEY BOWES INC
Voucher(s):	1	Aged Totals:	Due \$180.00
Vendor ID:	PT6272	Name:	PT RESEARCH INC
Voucher(s):	1	Aged Totals:	Due \$50.00
Vendor ID:	PU5679	Name:	PUMP SYSTEMS, LLC
Voucher(s):	1	Aged Totals:	Due \$25.68
Vendor ID:	QU1437	Name:	QUALITY QUICK PRINT, INC.
Voucher(s):	2	Aged Totals:	Due \$57.45
Vendor ID:	QU3441	Name:	QUILL CORPORATION
Voucher(s):	1	Aged Totals:	Due \$235.65
Vendor ID:	RE7268	Name:	RESERVE ACCOUNT-PITNEY BOWES
Voucher(s):	1	Aged Totals:	Due \$2,000.00
Vendor ID:	RR1775	Name:	R & R AUTO, FARM & ELECTRIC, INC.
Voucher(s):	6	Aged Totals:	Due \$306.29
Vendor ID:	RU5535	Name:	RUNNINGS
Voucher(s):	14	Aged Totals:	Due \$438.85
Vendor ID:	SH2683	Name:	SHERWIN-WILLIAMS/DICKINSON
Voucher(s):	1	Aged Totals:	Due \$159.97
Vendor ID:	SO1362	Name:	SOUTHWEST AG REPAIR
Voucher(s):	1	Aged Totals:	Due \$209.81
Vendor ID:	SO8901	Name:	SOUTHWESTERN DISTRICT HEALTH UNIT

AGED TRIAL BALANCE
 Southwest Water Authority

Voucher(s):		Aged Totals:	Due
1			\$640.00
Vendor ID:	SO8965	Name:	SOUTHWEST BUSINESS MACHINES
1			\$47.10
Vendor ID:	ST2215	Name:	STEFFAN SAW & BIKE
2			\$60.36
Vendor ID:	ST2655	Name:	STERN MOTORS
2			\$138.00
Vendor ID:	SU6263	Name:	SUPERIOR CLEANERS
2			\$13.95
Vendor ID:	TI3262	Name:	TIGER DISCOUNT INC.
1			\$203.32
Vendor ID:	TR3252	Name:	TRI-ENERGY COOPERATIVE
1			\$133.56
Vendor ID:	TR7281	Name:	TRUE VALUE HARDWARE/ELGIN
1			\$16.48
Vendor ID:	US1147	Name:	USA BLUE BOOK
1			\$297.14
Vendor ID:	VE7715	Name:	VESSCO, INC.
1			\$838.90
Vendor ID:	VI7111	Name:	VISA
11			\$1,089.29
Vendor ID:	WA5167	Name:	WAL-MART COMMUNITY
2			\$103.44
Vendor ID:	WE7700	Name:	WEST DAKOTA OIL, INC.
1			\$87.94
Vendor ID:	WE7726	Name:	TOTAL SAFETY U.S., INC
3			\$329.37
Vendor ID:	XE6582	Name:	XEROX CORPORATION-LEASE
1			\$676.31
Vendor Totals:	<u>Vendor(s)</u> 84		<u>Due</u> \$311,838.70

III. POLICY TYPE: BOARD GOVERNANCE PROCESS

G. POLICY TITLE: *BOARD MEMBERS' CODE OF CONDUCT*

Adopted 12/6/99 - Amended 8/6/07; 4/7/14

The Board expects of itself and its members ethical and businesslike conduct. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as Board members.

1. Board members must represent unconflicted loyalty to the interests of the SWA. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. This accountability supersedes the personal interest of any Board member acting as an individual consumer of the organization's services.
2. Board members must avoid any conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
 - B. Board members must not use their positions to obtain employment in the organization for themselves, family members or close associates.
 - C. Should a Board member be considered for employment, the Board member must temporarily withdraw from Board deliberation, voting, and access to applicable Board information.
3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - A. Board members' interaction with the manager/Chief Executive Officer or with staff must recognize the lack of authority in any individual Board member or group of Board members except as noted above.
 - B. Board members' interaction with the public, press or other entities must recognize the same limitation and the similar inability of any Board member or Board members to speak for the Board.
 - C. Board members will make no judgments of the manager/Chief Executive Officer or staff performance except as that performance is assessed against explicit Board policies by the official process.
4. Board members will be requested to sign the attached "Board Members are the Soul and Spirit of the Southwest Water Authority."

MONITORING:

Method: Board of Directors Internal Report

Frequency: Annually

Month: August

II. POLICY TYPE: EXECUTIVE LIMITATION

POLICY TITLE: GENERAL EXECUTIVE CONSTRAINT

MONITORING: ANNUAL REPORT 2014

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 been prudent and ethical. Decisions are made based on fairness, equity and looking at the greater good. Decisions are well thought out. We are above board, forward thinking, looking out for those we serve today and future generations. I am aware the decisions made will have a long-lasting impact. I know at all times the Authority is dealing with our rate payers and taxpayers' dollars.


Mary Massad, Manager/CEO

July 28, 2014

Date

MONITORING:

Method: Manager/CEO Internal Report

Frequency: Annually

Month: August

II. POLICY TYPE: EXECUTIVE LIMITATIONS

F. POLICY TITLE: *COMPENSATION AND BENEFITS*

MONITORING: ANNUAL REPORT 2014

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 strive at all times to protect SWA's fiscal integrity. I also strive to present a positive public image in and out of the work place with employees, consultants, contract workers, volunteers and the general public.

Accordingly, the manager/Chief Executive Officer may not:

1. Change the manager/Chief Executive Officer'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 as all employees. Payroll records are available at the O&M Center Office for review.

2. Promise or imply guaranteed employment.

Interviews and hiring are a collaborative effort among department heads. There is no implied guarantee. North Dakota is a right to work state, and SWA follows state laws. There is adequate segregation of duties.

3. Establish current compensation and benefits which:

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

Compensation and benefits are based on CPI and local market and are reviewed by management a minimum of four times per year. They are compared to the region, North Dakota Rural Water Systems Association and major North Dakota cities.

- 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. All are subject to losses in revenue. An example of long-term obligations would be agreements for legal and engineering services.

- C. Not include an annual cost of living adjustment (COLA) appropriate for the region.

5% COLA for 2014 and budgeting for 5% COLA for 2015.

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.

- 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 expense. Benefits are outlined in the SWA Employee Policy Manual.

- C. Allow any employee to lose benefits already accrued from any foregoing plan.

Employee benefits are monitored by Human Resource personnel 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 benefits. Employee benefits are monitored by Human Resource personnel 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. The North Dakota Legislature increased the retirement payment from 13.26% to 15.26%, effective January 1, 2014. SWA continues to pay both employer and employee share.


Mary Massad, Manager/CEO

July 28, 2014

Date

MONITORING:

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



Dwyer LAW OFFICE PLLC

MEMO

To: SWA

From: Jack Dwyer

Date: 7/30/14

Re: New Employee

I have been asked to address whether any legal issues exist regarding a new potential employee for the Authority who is Mary Massad's son. In March, 2012, I researched our North Dakota nepotism statutes and our North Dakota Attorney General's Opinions and drafted a legal memo for the Authority, which is attached hereto. I have again reviewed the memo and the legal authority upon which I relied to form an opinion on the matter. I stand by my previous opinion.

In this situation, the Board has the ultimate decision on hiring and firing according to N.D.C.C. § 61-24.5-09(7). As such, the nepotism statutes do not apply, and the Authority is not precluded from hiring Ms. Massad's son. However, to avoid the risk of any challenge on this issue, I recommend that the Board ratify the appointment of Ms. Massad's son in accordance with N.D.C.C. § 11-10-25.

Jack P. Dwyer, *Attorney At Law*
3330 Fiechtner Dr.
Suite #102
Fargo, ND 58103
Phone 701-235-2040
Fax 701-235-2074
jdwyer@btinet.net



Michael A. Dwyer, *Attorney At Law*
1605 E. Capitol Avenue
P.O. Box 2599
Bismarck, ND 58502
Phone 701-223-4232
Fax 701-223-4645
mdwyer@btinet.net

MEMO

To: Southwest Water Authority

From: Jack Dwyer 

Date: 3/23/2012

Re: Nepotism in ND

This memo follows your request for an opinion on the question of whether or not the Southwest Water Authority, a political subdivision, may hire Mary Massad's son for a "communications support" position. Mary is the Chief Executive Officer of the Southwest Water Authority.

I have attached the four North Dakota statutes that discuss nepotism. Two of these statutes involve political subdivisions (N.D.C.C. § 11-10-25 (for counties) and N.D.C.C. § 40-13-13 (for cities)); one discusses the State of North Dakota (N.D.C.C. § 44-04-09); and one is penal in nature (N.D.C.C. § 44-04-10). Of these four statutes, the statutes dealing with political subdivisions, which are nearly identical, are most applicable to the case at hand.

N.D.C.C. § 11-10-25 forbids a "head of any executive or administrative department or agency in any county in this state from appointing his or her spouse, son, daughter, brother, or sister to any position under the control or direction of that official, unless the appointment has been previously approved by resolution of the board of county commissioners." By the plain meaning of the statute, therefore, as long as the Board of the Southwest Water Authority approves the appointment of Mary's son prior to the appointment, Mary may appoint her son to the position in question.

In addition, while virtually zero North Dakota court cases discuss nepotism, several North Dakota Attorney General Opinions have provided clarification to our North Dakota nepotism statutes over the years. I have attached North Dakota Attorney General's Opinion 59-222 (1959), which is the landmark opinion for nepotism in North Dakota.

In the attached opinion, the question before the Attorney General was whether a superintendent of the State Training School could hire a person related to him or her. In order to reach a conclusion, the Attorney General discussed the meaning of the wording “head of any executive or administrative department” as applicable to the State Training School. The Attorney General examined the setup of the State Training School, specifically Section 54-2301 of the 1957 Supplement to the N.D.R.C. of 1943, which delegated the ultimate responsibility for hiring and fixing compensation to the Board of Administration. Ultimately, the Attorney General opined that the Board of Administration was the “head” of the department, not the superintendent.

Similar to the situation in Opinion 59-222, N.D.C.C § 61-24.5-09(7) empowers the Board of Directors of the Southwest Water Authority “to appoint and fix the compensation of such employees as the board shall deem necessary to conduct the business and affairs of the authority, and to procure the services of engineers and other technical experts, and to retain an attorney or attorneys to assist, advise, and act for it in its proceedings.” While CEO Mary Massad often handles the staffing needs for the Southwest Water Authority, because the decisions to hire, fire, compensate, promote, discipline, or reward employees ultimately lie in the discretion of the Board, Mary would most likely not be considered the “head” of the department. As such, she would not be precluded from hiring her son.

While it is my opinion that the Southwest Water Authority is not precluded from hiring Mary Massad’s son, it is my recommendation that the Board of Directors approves the appointment prior to the appointment.

§ 11-10-25. Nepotism by county officials restricted. No head of any executive or administrative department or agency, either elective or appointive, of any county in this state, may appoint that official's spouse, son, daughter, brother, or sister to any position under the control or direction of that official, unless the appointment has been previously approved by resolution of the board of county commissioners.

§ 44-04-09. Nepotism. A state official or state employee, in the exercise of that official's or employee's duties, may not serve in a supervisory capacity over, or enter a personal service contract with, that official's or employee's parent by birth or adoption, spouse, son or daughter by birth or adoption, stepchild, brother or sister by whole or half blood or by adoption, brother-in-law or sister-in-law, or son-in-law or daughter-in-law. As used in this section, "supervisory capacity" means the authority to appoint, employ, hire, assign, transfer, promote, evaluate, reward, discipline, demote, or terminate. As used in this section, "evaluate" does not include evaluations by peers or subordinates. This section does not apply to an employment relationship or contract entered before August 1, 1999; nor to any employment relationship or contract entered before the state official or employee assumed the supervisory capacity; nor to any temporary work arrangement necessary to meet a critical and urgent agency need.

§ 44-04-10. Violation of provisions against nepotism—Penalty. Any moneys paid out, in violation of section 44-04-09, must be deducted from the salary of the hiring or contracting state official or state employee.

§ 40-13-13. Nepotism by city officials restricted. The head of an executive or administrative department of a city may not appoint that individual's spouse, son, daughter, brother, or sister to any position under the control or direction of that individual, unless the appointment has previously been approved by the governing body of the city.

OPINION
59-222

December 16, 1959 (OPINION)

OFFICES AND OFFICERS

RE: Duties of Officers - Nepotism; Prevention of - Applicability
to Superintendents of State Institutions

This is in reply to your request for an opinion on the question whether or not superintendents of state institutions (State Training School) under your jurisdiction come under section 44-0409 of the N.D.R.C. of 1943.

You called to our attention that section 44-0408 specifically mentions state institutions and state boards, but section 44-0409, the one in question, merely mentions executive and administrative departments of the state. You also advise that the Board approves all appointments and salaries for all institutions under its jurisdiction.

The statute in question, section 44-0409, reads as follows:

NEPOTISM; PREVENTION OF. No head of any executive or administrative department, either elective or appointive, of this state, shall appoint his wife or her husband, as the case may be, son, daughter, brother, or sister, to any position under the control or direction of said head of such department."

To resolve the question at hand we must determine amongst other things what is meant by the term "head of any executive or administrative department." The term "head" is defined in the new Century Dictionary as one to whom others are subordinate, a leader or a chief (as the head of a state or church or a party); the chief or most important part; the position of leadership, chief command, or greatest importance. The term "head off" is used in many cases and often is used to designate a leader of a subgroup. For example, within a given organization or unit one can find similar designations as head of athletic department, head of dramatics, head of music, head of languages, etc. Also, depending on how many subdivisions a unit or organization might have one would find similar designations for each subdivision. We do not believe the term is used in that sense. To determine the true meaning of the term as used in the statute in question, we must consider the purpose of such legislation. This office in an opinion dated May 9, 1956, held that section 44-0409 did not apply to subordinate departments of the Public Welfare Board. The intent and purpose of the law was to prevent the alleged practice and custom of elective or appointive officers from appointing relatives to subordinate positions under their control. (170 Pac. 273) The term "head of any executive or administrative department" must refer to the person who has the authority and power to appoint a person to an office or position and to determine his salary.

Our next concern is whether or not the superintendent of the State Training School comes within the provisions of the statute. In other words, is he considered the head of an executive or administrative department? To resolve this question we will have to examine the entire setup of the State Training School. Under section 54-2301 of the 1957 Supplement to the N.D.R.C. of 1943 we find this provision:

The board of administration shall have full power to manage, control, and govern, subject only to the limitations contained in this chapter and in Title 25, the state hospital, the penitentiary, the blind asylum, the school for the deaf, the Grafton state school, the state training school, the state tuberculosis sanatorium, and such other charitable, reformatory, and penal institutions as have been or may be created or established according to law. The board shall not have the power to manage, control, and govern the soldiers' home. The term 'board' as used in this chapter shall mean the board of administration."

As is material to the question at hand, the above section has contained the same provision since 1925. Title 25 as mentioned in this section refers to "insane, feeble-minded, tubercular, blind, and deaf."

Under chapter 12-46 of the N.D.R.C. of 1943 relating to the State Training School we have section 12-4603 which provides:

The officers of the state training school shall be a superintendent and such teachers and assistants as may be deemed necessary and recommended by the superintendent and approved by the board of administration."

Section 12-4604 amongst other things provides:

APPOINTMENT AND REMOVAL OF OFFICERS; TERM OF OFFICE.
All other officers and employees shall be appointed by the superintendent, subject to the approval of the board and shall hold office at the pleasure of the superintendent. The superintendent shall show in the record of any officer or employee who is discharged by him the reason therefor."

In this same chapter, section 12-4606 provides:

SALARY OF SUPERINTENDENT, OFFICERS, AND EMPLOYEES. The superintendent and all other officers and employees shall receive a salary to be fixed by the board of administration within the limits of legislative appropriations therefor."

In considering the foregoing sections it is observed that the control, management and the governing authority is vested in the Board of Administration. It is also observed that the superintendent does not have final authority to appoint officers and employees of the training school. His power is limited. All of his actions in this respect must be approved by the Board of Administration.

From section 12-4604 it could be concluded that the only final

authority vested in the superintendent is to dismiss any officer or employee he so desires. This is based on the provision "shall hold office at the pleasure of the superintendent." Such final authority is not vested in the superintendent to appoint officers and employees.

When considering the purpose for the enactment of section 44-0409 we are certain that the reference to "the head of any executive or administrative" refers to the head of such department who has the full authority to appoint and discharge officers or employees and does not merely refer to a person who is held responsible for the technical and ministerial performance and operation of a "department." It is also observed that the statute apparently limits its application to executive or administrative departments. The term "executive or administrative department" does not appear to be an all inclusive term. Throughout the Code we find reference made to state institutions, departments, bureaus, commissions, judicial officers, etc. In this instance, however, we do not find such broad and sweeping language. It is observed that the same chapter in which the section in question is found other sections refer to duties of the person in charge of a state institution. But under the section in question we merely find the term "executive and administrative department."

In this connection it is observed that in section 32-0904 in speaking of matters of garnishment it refers to a public corporation, the state of North Dakota, or any institution, department, or agency of the state to include the various departments, etc., whereas in the section in question we merely find the term "executive and administrative."

A research on the topic matter does not reveal many cases on nepotism, and no North Dakota cases. There is, however, the case of Barton v. Alexander, 148 Pac. 471, which is somewhat similar to the question at hand. In the cited case the Soldiers' Home was governed by a board of control composed of the Governor, Secretary of State, and the Attorney General. The defendants, Robert Barton was the duly appointed, qualified, and acting commandant of the Soldiers' Home, and was the father of the matron of the home. The question was whether the appointment of the matron violated the nepotism law of Idaho. The nepotism law of Idaho was rather all inclusive, legislative, judicial, ministerial, or other officer of this state, or any district, county, city, or other municipal subdivision of the state, to appoint or vote for the appointment of any person related to him by affinity or consanguinity within the third degree,"

The Act also made it a misdemeanor for any of the above mentioned persons to vote for the appointment of any person related to him or any of his associates. The North Dakota Act does not contain the provision "related to him or to any of his associates." In this respect the Idaho statute was also broader and more comprehensive. The court in discussing this provision said:

(2, 3) An 'Associate in office' is one who shares the office or position of authority or responsibility, and not an appointee who does not share the responsibility or authority of the office. 'Associates in office' are those who are united in

action; who have a common purpose; who share responsibility or authority and among whom is reasonable equality; those who are authorized by law to perform duties jointly or as a body. Under the provisions of the law, the commandant is an appointee of said board and has entire control and management of the Soldiers' Home under such rules and regulations as may be prescribed by said board, and has no authority or equality with the members of the board in making such rules or regulations or in his own appointment or in the appointment of any other appointee that said board has authority to make. Clearly, he is not an 'associate in office,' as said phrase is used in said Act. There is therefore no good reason, so far as the record shows, why the plaintiff should not be retained in her present position as matron of the Soldiers' Home, and, if the board desires to retain her, it may do so and will not violate any of the provisions of said Act."

The similarity between the Board of Administration and the State Training School and the Board of Control and the Soldiers' Home is very apparent. In noting the all inclusive provisions of the cited case, and our somewhat restricted language in the North Dakota statute, the logical conclusion would be that the superintendent of the State Training School is not the head of such department. If the court was correct in determining in the cited case that the commandant was not an associate, it would follow that the superintendent would not be an associate. If he was not an associate if office, he certainly would not be the head of an executive or administrative department. The head of the institution is the Board of Administration. The superintendent has no equal voice or vote with the Board in appointing officers or persons to any position.

The history of the statute has some significance and importance in determining what was to be accomplished and what the legislative intent was in using the term "No head of any executive or administrative department." House Bill No. 17 of the 23rd legislative assembly was the "originator" or the Act involved. Such bill was originally introduced and contained the following language:

. . . . It shall be unlawful for any executive, legislative, ministerial or judicial officer to employ, appoint, or vote for the employment or appointment of any person related to him by affinity or consanguinity within the third degree, when the salary, wages, is to be paid out of the public funds or fees of such office."

The original bill in section 5 also defined what officers are affected.

Officers affected. Under the designation executive, legislative, ministerial or judicial officer as mentioned herein are included the Governor, Lieutenant Governor, Speaker of the House of Representatives, and members of the Legislative Assembly, all the heads of the departments of the state government, judges of all the courts of this State, all commissioners and boards and commissions of every nature of the state government, the industrial commission, the mill and elevator board, the Bank of North Dakota, the Board of

Administration in all of its several branches, the state university, the state agricultural college, the state normal schools, the state industrial school, the state training school, state soldiers' home, mayors, clerks, councilmen, trustees, and all other officials of the state, district, county, cities or other municipal subdivisions of the State, or any other office or department that may be created by law in the future."

The bill was introduced and referred to the ways and means committee. (House Bill No. 17, page 115, House Journal). The committee then made its report and recommended some minor amendments. (Page 284 House Journal). The bill was again rereferred to the committee on ways and means. (Page 286 House Journal). The ways and means committee reported the bill back and recommended that everything after the words "A Bill" be stricken and new language inserted which amounted to a complete new Act. The new Act then provided that it shall be unlawful for any state executive or ministerial officer to appoint or employ, etc. (House Journal Page 391). The house then went into a committee of the whole and recommended that everything after the words "A Bill" be stricken and that new language be inserted in lieu thereof. The new language amounted to a new Act again.

As is material here the new language provided "it shall be unlawful for the head of any department either elective or appointive, etc." The remaining portion being very much identical to the Act as it is found in the Code at the present time. This was adopted. (House Journal, page 441).

The bill was passed in this manner, (House Journal page 462), and sent to the Senate. The Senate amended the bill by inserting after the word "any" the words "executive or administrative." (Senate Journal page 954). It was passed in this manner and returned to the House which concurred in the amendment. This is the law as we have it today.

It is to be noted that the various changes throughout kept narrowing the application of the Act and then finally the Legislature deemed it advisable to change the wording from "The head of any department" to "The head of any executive or administrative department." By qualifying the term "department" it restricted its application. We must give recognition to the legislative action where the Legislature began first with a very broad, sweeping language, covering every type of department or conceivably office local or state government and subsequently kept modifying and amending such bill to the present language. It must be presumed that the Legislature intended to restrict the application only to such executive or administrative departments that exercise plenary control in appointing persons to positions.

The last qualifying phrase of section 44-0409, ". . . . shall appoint to any position under the control or direction of said head of such department" has significance. As pointed out before the full power to manage, control, and govern such institutions is vested with the Board of Administration under section 54-2301 of the 1957 Supplement. WE are also mindful that the statute in question is

within the general nature of a penal statute and as such is subject to strict construction.

In view of the foregoing, it is our conclusion that the superintendent of the State Training School and superintendents of other schools which are managed, controlled, and governed by the Board of Administration do not come within the provisions of section 44-0409.

LESLIE R. BURGUM

Attorney General

Excerpt from March 5, 2012 Board of Directors Meeting Minutes:

Massad reported she has not heard from LoAnn Wegh from LoAnn's Marketing in months and Ms. Wegh has some personal life issues. SWA has been willing to work with her; however, she has been unresponsive. SWA sent a letter to LoAnn's Marketing requesting all SWA electronic files. A copy is on file with the official minutes. SWA received files on February 29, 2012 along with a written request that SWA sign off as having received all files and releasing LoAnn's Marketing of all responsibility for safekeeping SWA files. Legal Counsel has advised SWA against signing the release.

SWA plans to move forward and handle public information in house. Massad noted her oldest son, Lewis Froelich, has been writing articles and working on projects for SWA. The plan, if the Board agrees, is to continue having Massad's son work on public information projects until the new O&M office building is completed and someone can be hired for this position in-house. Massad noted if the Board does not want her son to do the work, SWA could hire someone else. The Board discussed having the manager/CEO's son work as SWA's public information consultant and whether nepotism is an issue. Legal Counsel noted nepotism would not be an issue unless SWA has a policy against it. Massad noted there is not a policy and there have been other family members working for SWA. She is bringing it forward and letting the Board know in case the Board prefers not to allow it. Legal Counsel noted there is no state law that would prohibit nepotism in a political subdivision so it would come down to policy on the Board's part. Massad noted SWA needs a legal opinion regarding the nepotism issue. Legal Counsel noted he can research the issue and provide a written opinion. Massad noted she also checked with the Auditor, who felt it would be permissible as long as the Board was aware.

By consensus, the Board agreed in favor of having the manager/CEO's son do the work as the public information consultant until legal counsel provides a legal opinion on the issue.

Excerpt from April 2, 2012 Board of Directors Meeting Minutes:

Massad noted the nepotism issue has come up because the marketing firm was unresponsive so her oldest son, Lewis Froelich, has been writing articles and working on public relations projects for SWA because of the need to have work done. She would like to hire someone in-house when the new O&M Building is completed. Legal counsel reviewed a memo addressing nepotism. Copies are on file with the official minutes. There is no uniform statute that covers SWA. Mary can hire her sons if it is approved by the Board. Director Schneider asked if Mary supervises her sons, and she explained that her youngest son Joe Froelich works in easements, sign-ups and customer service and is supervised by Bruce and Sandy. Her older son, Lewis, is doing marketing on a temporary basis. Director Juntunen asked for clarification on the Board having the discretion to hire and fire employees. Legal Counsel explained that Mary is empowered by the Board to handle staffing needs. Massad is looking at an RFP for an outside firm to do Public Relations work until SWA can hire someone in-house. Legal Counsel recommended that each son's employment be looked at on a separate basis. After further Board discussion it was decided that as long as the Board approves it, both sons may work for SWA. Massad stated she is not comfortable paying Lewis to do work for SWA because he is helping her. Director Odermann stated that the Board would be remiss if they expect Lewis to provide service at no cost to SWA. Since he is doing work for the Authority, he should be paid by the Authority.

Motion by Director Leingang, seconded by Director Schneider, to authorize Joe Froelich to continue working for SWA. Motion carried unanimously by roll call vote.

Motion by Director Leingang, seconded by Director Johnson, to employ Lewis Froelich for 2012 with pay by SWA. Motion carried by roll call vote. Director Bieber dissented.



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

MEMORANDUM

To: Mary Massad, Manager/CEO

From: Sandra Burwick, CFO/Office Administrator

Subject: **Reimbursement from the Reserve Fund for Replacement and Extraordinary Maintenance - Decision Making**

Date: July 29, 2014

Reimbursement from the Replacement and Extraordinary Maintenance Fund is being requested for seven separate items of work.

Work has been done on the Phase II Replacement of the Card Rack Telemetry Units. They were replaced with the modern Remote Terminal Units (RTU's) and the Central Terminal Unit (CTU); and the system software was upgraded. This was done at the Intake, the Ray Christensen Pump Station, the Zap, Dickinson, New England and Halliday Reservoirs, the New Hradec and Halliday Booster Pump Stations and the three Dodge Air Chambers. Using Ethernet Radios and SCADA software, O&M, the Dickinson Water Treatment Plant and the OMND WTP were linked together. The billing amount was \$298,331.22 and has been paid. This is a budgeted item for the Replacement and Extraordinary Replacement Fund for 2014. The amount in the budget was \$550,000.00 and was previously approved in the budgeting process.

Work is complete on the Water Treatment Plant Rehab project. This work included sandblasting and painting Basin 106 and the Greenleaf filters; repairing the Basin 106 scraper drive; installing a coating system for the North Clearwell and reinforcing the Basin 106 East Wall. The amount billed to date is \$850,266.74 and has been paid. The amount of \$806,441.85 was previously reimbursed; therefore, the reimbursable balance is \$43,824.89. This was a budgeted item for the Replacement and Extraordinary Replacement Fund for 2013. The amount in the budget was \$750,000.00 and was previously approved in the budgeting process.

SWA's total cost for the October 2013 storm damages was \$32,016.28. We have received \$11,144.25 from FEMA and \$1,485.90 from the ND Department of Emergency Services for a total of \$12,630.15. The balance is \$19,386.13. SWA will not be reimbursed for these expenses. This is a budgeted item for the Replacement and Extraordinary Replacement Fund for 2014. The amount in the budget was \$50,000.00 and was previously approved in the budgeting process.

Work is complete on the O&M Center upgrades. The asphalt North and South of the existing O&M Center was replaced. The billing amount was \$85,638.78 and has been paid. This is a budgeted item for the Replacement and Extraordinary Replacement Fund for 2014. The amount in the budget was \$100,000.00 and was previously approved in the budgeting process.

The following costs were not budgeted for the Replacement and Extraordinary Replacement Fund for 2014: two motors for the Intake and one for the Dodge Booster Pump Station for a cost of \$75,841.06; pipeline relocation for a cost of \$37,072.50 that was in the right-of-way and 30 feet of pipeline repair on the raw water main transmission line between the Intake and the raw water tanks in Mercer County for a cost of \$22,320.20.

The total cost for all items requested for reimbursement is \$582,414.78. A spreadsheet listing the invoices is included with this memorandum. Copies of the invoices are available upon request.

The current balance in the Reserve Fund for Replacement and Extraordinary Maintenance is \$12,091,308.18 as of July 29, 2014.

I respectfully request the SWA Board of Directors approve the Phase II Replacement of the Card Rack Telemetry Units, the WTP Rehab, the October 2013 storm damages, the O&M Center upgrades, the motors, the pipe relocation and the raw water main transmission line repair to be eligible for reimbursement from the Reserve Fund for Replacement and Extraordinary Maintenance and approve the release of \$582,414.78 from this fund at this time.

The State Water Commission will be asked to take similar action on this request at their next Commission meeting in September.

REM EXPENSES

DATE	VENDOR	DESCRIPTION	AMOUNT
05/17/12	Micro-Comm Inc.	Phase II Replacement of the Card Rack Telemetry Units	\$ 135,843.00
06/05/12	PCSINET	Phase II Replacement of the Card Rack Telemetry Units	\$ 1,775.82
06/19/12	PCSINET	Phase II Replacement of the Card Rack Telemetry Units	\$ 110.00
06/19/12	PCSINET	Phase II Replacement of the Card Rack Telemetry Units	\$ 110.00
12/10/12	Micro-Comm Inc.	Phase II Replacement of the Card Rack Telemetry Units	\$ 160,492.40
			\$ 298,331.22
12/03/12	B&W, Infilco, Motion Industries, Gridor	WTP Rehab not previously reimbursed	\$ 43,824.89
10/05/13	Miscellaneous October 2013 storm related invoices	October 2013 Storm related costs not covered by FEMA or insurance	\$ 19,386.13
01/16/14	Comstock Construction, Inc.	O&M Center Upgrades - asphalt North and South of old O&M Center building	\$ 85,638.78
08/04/10	Great Plains Technical Services, Inc.	Motor at Intake	\$ 17,650.00
12/27/12	Great Plains Technical Services, Inc.	Motor at Intake	\$ 23,144.00
07/09/13	Great Plains Technical Services, Inc.	Motor at Dodge BPS	\$ 35,047.06
			\$ 75,841.06
06/19/11	JK Excavation & Construction, Inc.	Pipe relocation in the right of way - 1400' of class 200, 4" line and 475 feet of class 200, 3" line within 75' of county right-of-way to accommodate road reconstruction	\$ 12,012.50
08/11/12	JK Excavation & Construction, Inc.	Pipe relocation in the right of way - 460' of 3" line 12 miles north of Killdeer on the Hwy 22 project and 860' of 2" water line 9 miles north of Sentinel Butte on Bell Lake Road for DOT	\$ 8,700.00
09/14/11	JK Excavation & Construction, Inc.	Pipe relocation in the right of way - 2560' of 4" class, 200 psi pipe on 50th St SW for Stark County	\$ 16,360.00
			\$ 37,072.50
12/06/12	Kamphuis Pipeline Co.	Repair 30' line on raw water steel MTL	\$ 19,963.11
12/10/12	Dukes Welding & Fabrication LLC	Repair 30' line on raw water steel MTL	\$ 2,357.09
			\$ 22,320.20
TOTAL REM REIMBURSEMENT REQUEST			\$ 582,414.78



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Goldenwest Annual Meeting Report

2014 Annual Meeting Minutes – July 10, 2014

St. Mary's Catholic Church Hall

President Dale Schweigert called the meeting to order at 7:00 PM with 89 members and many guests in attendance. In all, 213 people enjoyed a fine roast beef dinner served by the ladies of St. Mary's Altar Society.

The group recognized longtime board member Herb Chrudimsky who recently received the Cooperative Spirit award from MECA and thanked Herb for his 41 years of dedicated service. Ray Clouse was recognized as having the NISC Boardroom in Mandan named after him and both Herb and Ray were congratulated by the membership.

Manager John Sokoloski on the creation of the "Luck of the Draw" scholarships, and Ray Clouse introduced 22 area students, each of whom was presented with a \$1,000 scholarship.

Mr. Sokoloski spoke about the growth at Goldenwest and the entire Upper Missouri region. He explained the increase in sales that Goldenwest has experienced and the continued growth that is expected. John spoke briefly on the plans to install a large substation on Beaver Hill and the costs associated with it. Past and current employees were thanked for their 58 years of no lost time due to an accident.

Claire Vigesaa from Upper Missouri Power Cooperative gave a short report on the increased kwh sales in Eastern Montana and Western North Dakota due to the oil activity. Claire thanked Ray for being an active member on the Upper Missouri board.

Dave Wheelihan gave a short report on the many challenges that coops across the country are facing, mainly with the Environmental Protection Agency (EPA) concerning carbon emissions and the effects it may have on coops.

Submitted by,

Gene Allen



Mor-Gran-Sou Electric Cooperative Annual Meeting

The Mor-Gran-Sou Electric Cooperative Annual Meeting was held on Friday, July 18, 2014 at the Prairie Knights Pavilion in Fort Yates, ND.

There were three positions open for election of board members and one proposed bylaw change. Casey Wells was elected to represent Grant County; Sioux County will be represented by Lance Froelich and Bob Leingang will represent the Mandan area.

The proposed bylaw change to make the language compatible with state law as well as giving the board of directors more flexibility when considering patronage capitol options was approved.

Co-general Managers Donald Franklund and Chris Baumgartner gave reports. They reported that the October snowstorm in 2013 toppled 800 poles and lines at a cost to the co-op of four-million dollars, as well as, that they have hired a safety coordinator to enhance the safety of their employee's. They also covered financial reports that included the information that last year's electrical cost was \$8.8 million, which is \$1.2 million more than the 2012 cost, the SW Power Pool had a 28% increase in electrical usage. Mor-Gran-Sou's net margin for 2013 was \$3.9 million, they are still in contact with, and waiting to hear the final ruling from FEMA on the 2012 storm damage claim of \$34 million.

It was an informative, interesting meeting.

Submitted by,
George Saxowsky

MEMORANDUM

To: Southwest Water Authority Board of Directors, Staff
From: Sindhuja S.Pillai-Grinolds, P.E., SWPP Project Manager
Subject: SWPP Project Update
Date: July 29, 2014

Oliver, Mercer, North Dunn (OMND) Regional Service Area

Center SA Rural Distribution System 7-9E & 7-9F:

Eatherly Constructors, contractor for Contract 7-9F started construction near Hannover area on June 16th and have installed around 10 miles of pipe. 9 users have been turned over to SWA. Change order (CO) No. 1 adding 8 users is being processed. CO No. 1 provides 20 day extension for completing the 8 added users. CO No. 2 and 3 are being prepared. CO No 2. & 3 adds 12 users and 26 day extension is provided for completing the added users. That will put the substantial completion to October 31, 2015. Any more added users would not be completed until 2016 construction season.

All parties have executed contract documents. We don't expect the contractor to start until this Fall.

Contract 2-8E/2-8F Dunn Center SA Main Transmission Line (MTL):

The contractor Carstensen Contracting for Contract 2-8E and F is currently working on Contract 2-8E. The concrete for the reservoir under the booster station has been poured and the precast booster station is delivered to site. The contractor has requested time extension on Contract 2-8E from July 1st to August 1st. Time extension is not granted at this time to get the contractor to complete the project as soon as possible. Contractor is pigging lines and working on testing the clearwell under the booster station.

Preconstruction conference for Contract 2-8F was held on June 3rd. Contractor has one crew working on this Contract.

Contract 4-6 Dunn Center SA Pumps inside OMND WTP:

Administrative items remain before this contract can be closed out.

Contract 5-15B 2nd Zap Potable Reservoir:

Foundation work is complete. Backfilling inside the ring walls is complete. Concrete floor for the tank will be poured within this week.

Contract 8-3 Killdeer Mountain Elevated Tank:

Foundation work is complete. Backfilling inside the ring walls is complete Welding of the pedestal is underway with erection of the pedestal underway.

Contract 5-17 Dunn Center Elevated Tank:

The tank is jacked up. Welding of the roof of the tank will begin soon.

OMND Water Treatment Plant (WTP) Phase II Expansion:

The 3-1H contractors Northern Plains Contracting Inc., and Edling Electric are on site and are currently working on equipment installation. The RO and UF skids are installed. Membranes have been shipped to the site. Contractor has requested 6-week time extension on the completion date and we intend to give them 3-week extension. Membrane startup expected in early August and Ozone startup in mid-September.

Contract 7-9G Halliday and Dunn Center Service Area:

The report with maps and recommendations from the archeology sub consultant have been delayed. Depending on the receipt of the report, submittal set of plans is expected in mid-July.

Other Contracts

Contract 7-1C/7-8H Hydraulic Improvements in the Davis Buttes, New Hradec and South Fryburg SA:

Pre-final punch list items have been forwarded to the Contractor. Final change order is under preparation.

Contract 8-1A New Hradec Reservoir:

The tank became operational on June 19th. Partial pay estimate withholding \$270,000 was sent to the contractor.

Contract 4-5 Finished Water Pumping Station (FWPS):

Contractor is on site working on the new sanitary connection for the WTP. Excavation for the clear well will begin soon.

Contract 1-2A Supplemental Raw Water Intake:

Contractor has started excavation for the caisson. The corps permit for underwater activity for microtunnelling machine retrieval and the screen structure has been submitted.

Contract 3-2A Membrane Procurement for Six (6) MGD Water Treatment Plant at Dickinson:

Contract documents have been executed by all parties.

Contract 3-2B Softening Equipment Procurement:

Contract documents have been executed by all parties.

Contract 3-2C Ozone Procurement:

Proposal opening for this Contract is on July 31st.

**SWPP CONTRACT 7-9F EAST CENTER SERVICE AREA
CONSTRUCTION PROGRESS**

- PIPELINE INSTALLED as of 7-30-14
- PIPELINE TURNED OVER TO SWA & READY FOR SERVICE
- PIPELINE & SERVICES INSTALLED as of 7-30-14
- PIPELINE PRESSURE TESTED as of 7-30-14

PIPELINE & APPURTENANCES INSTALLED THROUGH JULY 30, 2014

DESCRIPTION	WORK PERFORMED IN JULY	TOTAL WORK PERFORMED	TOTAL EST. WORK ON CONTRACT	% COMPLETE
Miles of Pipeline Installed	8.9 MILES	13.1 MILES	255 MILES	5%
Miles of Pipeline Pressure Tested	3.2 MILES	3.2 MILES	255 MILES	1%
Users Installed	17	25	341	7%
Users Turned Over Ready for Service	9	9	341	2%

**Intermediate
Completion Date
9-15-14**

**CONTRACT 7-9F PROJECT
AREA BOUNDARY**

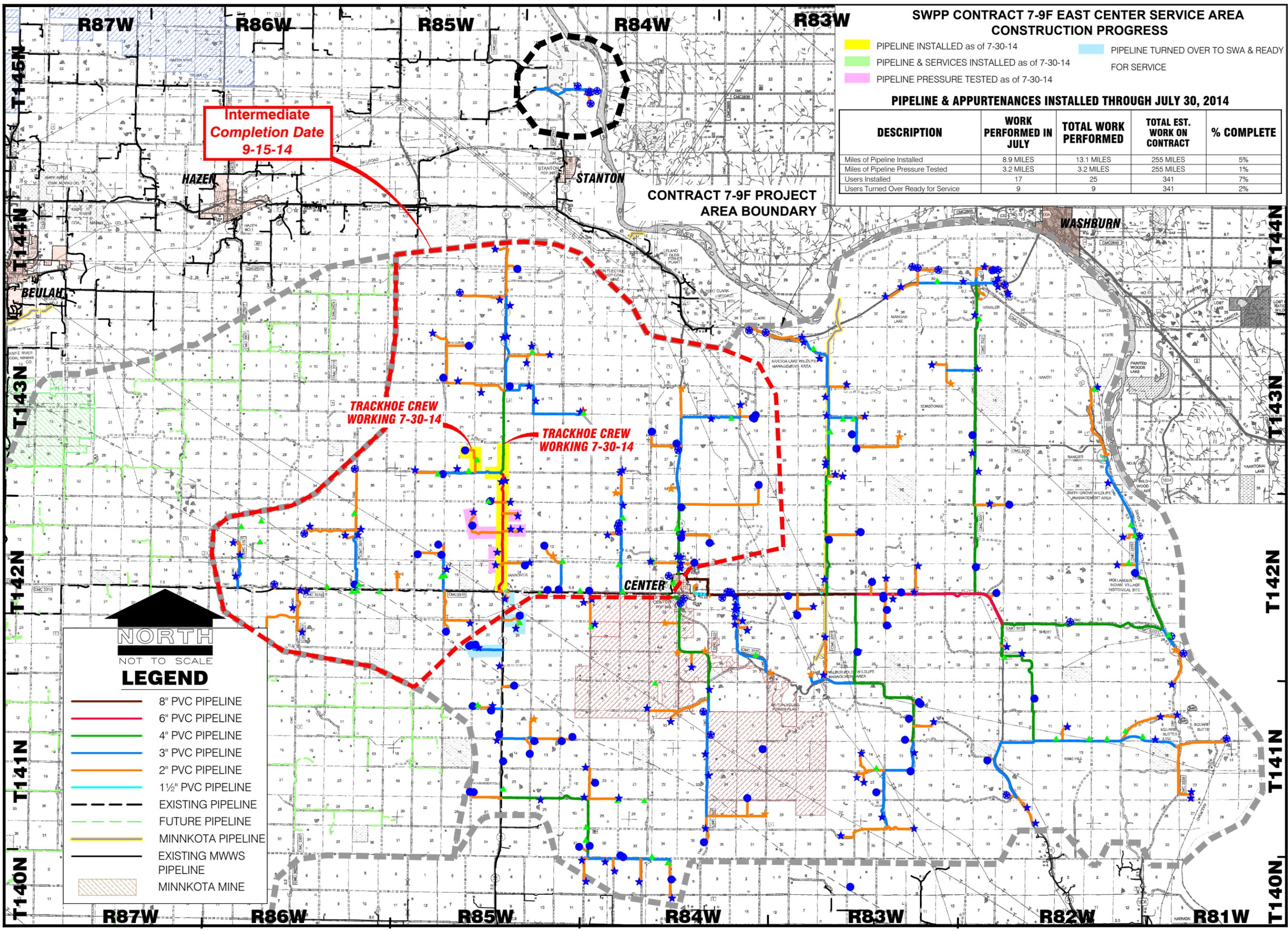
**TRACKHOE CREW
WORKING 7-30-14**

**TRACKHOE CREW
WORKING 7-30-14**

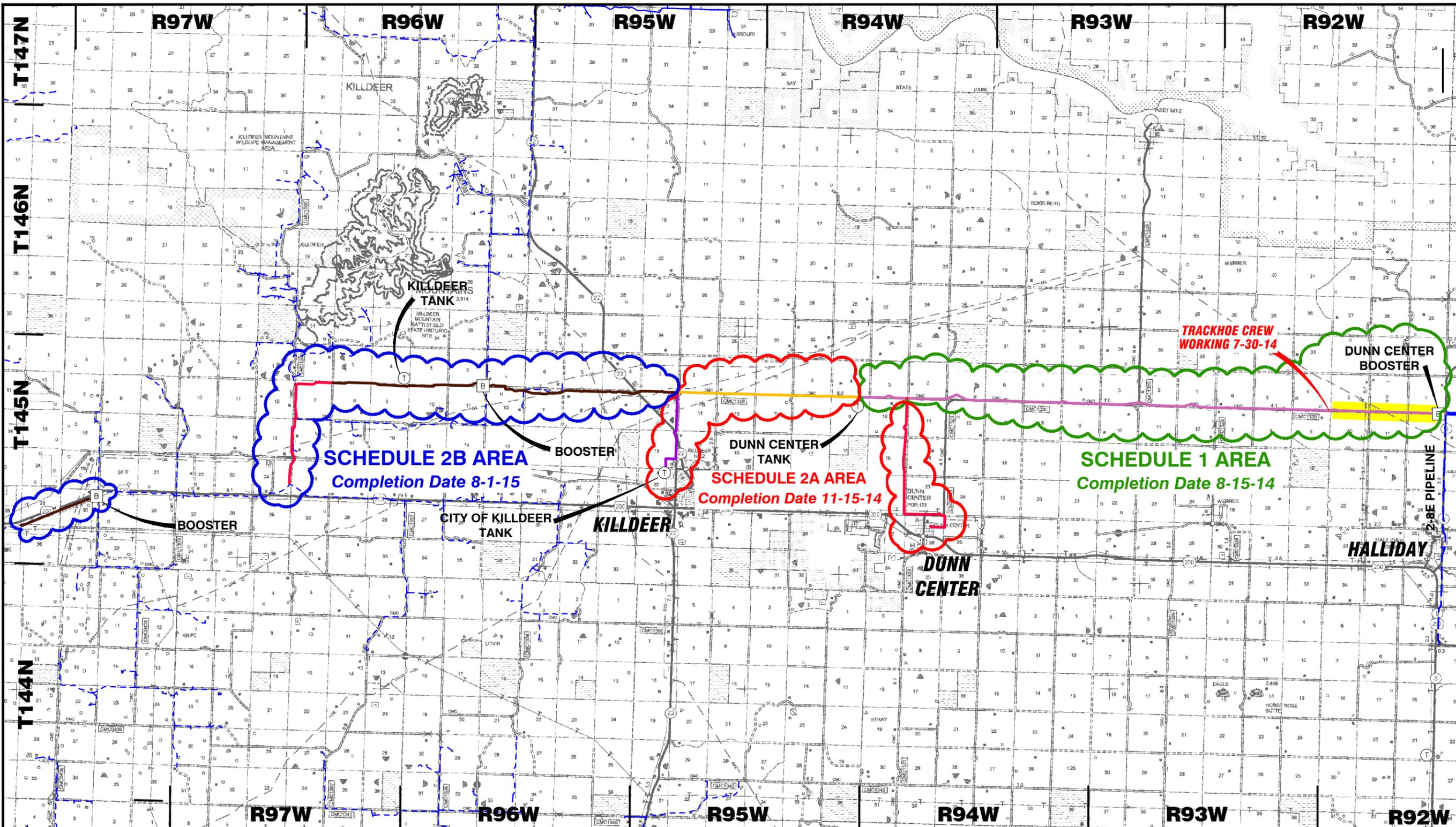
NORTH
NOT TO SCALE
LEGEND

- 8" PVC PIPELINE
- 6" PVC PIPELINE
- 4" PVC PIPELINE
- 3" PVC PIPELINE
- 2" PVC PIPELINE
- 1½" PVC PIPELINE
- EXISTING PIPELINE
- FUTURE PIPELINE
- MINNKOTA PIPELINE
- EXISTING MWWS PIPELINE
- MINNKOTA MINE

Drawing name: F:\Pro\3000\3033\3033.970\AutoCad\Plan Set\3033.970.FIELD.ORDER.set.dwg Layout name: Construction Progress Plotted on: Jul 30, 2014 10:14am



Last edit on: Oct 01, 2013 by: ddm00439 Drawing name: F:\Proj\3000\3033\3033.974\auccoc\Plan SET\3033.974 2-8F FIELD ORDER Set.dwg Layout name: Progress Map Plotted on: Jul 30, 2014 10:05am



SCHEDULE 2B DESCRIPTION	WORK PERFORMED IN JUNE	TOTAL WORK PERFORMED	TOTAL EST. WORK ON CONTRACT	% COMPLETE
Miles of Pipeline Installed	0 MILES	0 MILES	15.3 MILES	0%
Miles of Pipeline Pressure Tested	0 MILES	0 MILES	15.3 MILES	0%
Killdeer Booster Station Tie-In	0%	0%	1	0%
Killdeer Mountain Booster Station	0%	0%	1	0%
Killdeer Mountain Tank Turnout	0%	0%	1	0%
North Fairfield Booster Station Tie-in	0%	0%	1	0%
North Fairfield Booster Station	0%	0%	1	0%

SCHEDULE 2A DESCRIPTION	WORK PERFORMED IN JUNE	TOTAL WORK PERFORMED	TOTAL EST. WORK ON CONTRACT	% COMPLETE
Miles of Pipeline Installed	0 MILES	0 MILES	11.8 MILES	0%
Miles of Pipeline Pressure Tested	0 MILES	0 MILES	11.8 MILES	0%
Dunn Center Master Meter	0%	0%	1	0%
Killdeer Master Meter	0%	0%	1	0%

SWPP 2-8F MAIN TRANSMISSION PIPELINE CONSTRUCTION PROGRESS

PIPELINE & APPURTENANCES INSTALLED THROUGH JULY 30, 2014

SCHEDULE 1 DESCRIPTION	WORK PERFORMED IN JULY	TOTAL WORK PERFORMED	TOTAL EST. WORK ON CONTRACT	% COMPLETE
Miles of Pipeline Installed	1.4 MILES	2.7 MILES	15.5 MILES	17%
Miles of Pipeline Pressure Tested	0 MILES	0 MILES	15.5 MILES	0%
Dunn Center Tank Turnout	0%	0%	1	0%
Dunn Center Booster Tie-In	0%	0%	1	0%

<p style="text-align: center;">CONSTRUCTION PROGRESS MAP</p> <p style="text-align: center;">OMND ZAP SERVICE AREA CONTRACT 2-8F</p> <p style="text-align: center;">SOUTHWEST PIPELINE PROJECT</p> <p style="text-align: center;">NORTH DAKOTA STATE WATER COMMISSION PROJECT NO. 1736</p>	<p style="text-align: center;">DATE: 5/13 SUBMITTAL SET: 12/13</p> <p style="text-align: center;">AECOM</p> <p style="text-align: center;">BARTLETT & WEST</p> <p style="text-align: center;">3405 S. BARKSDALE AVENUE SOUTH DAKOTA 57108-1110 • FAX PHONE 605-731-1110 • WWW.BARTLETTWEST.COM</p>
<p>DESIGNED BY: RAK, BJZ DRAWN BY: JUB APPROVED BY: JCL DESIGN PROJ: 3033.974 CONST PROJ: 3033.995 SCALE: AS NOTED DATE: DEC 2013</p>	
<p>PROGRESS MAP</p>	

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MISSOURI WEST WATER SYSTEM



July 17, 2014

North Dakota State Water Commission
Attn: Ms. Sindhuja S.Pillai-Grinolds, P.E., SWPP Project Manager
900 E. Boulevard Ave.
Bismarck, ND 58505

Dear Sindu:

By this letter, MWWS is formally requesting an additional connection to the Southwest Pipeline Project. It has come to our attention that the proposed pipe in the SWPP Contract 7-9F project is currently planned to be within a ½ mile of existing MWWS pipelines. This area of the MWWS currently has low pressure and has reached capacity. MWWS has had to turn down additional users in the area due to lack of capacity. It is anticipated that this area along Highway 25 will continue to experience growth as there are existing subdivisions that are not full and a proposed subdivision in this area. MWWS is requesting the capacity to serve approximately 20 users with the proposed connection to SWPP and would like to be included in the current project. We would prefer to amend the existing water purchase agreement to include this connection.

Please refer to the attached map for the proposed connection location. If you have any additional questions or need additional information please feel free to contact me.

Sincerely,

Mike Kemnitz, General Manager
Missouri West Water System

cc: BW – Bryan Ziegler





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: Mary Massad, Manager/CEO, Southwest Water Authority
FROM: Misti Conzemius, Marketing Manager, Southwest Water Authority
SUBJECT: Report for July 2014
RE: Marketing Managers Incidental Information
DATE: July 25, 2014

SIGN-UP REPORT

Subsequent Customers:

Thirteen (13) subsequent customer(s) signed up in July, and 65 subsequent customers have been added year-to-date. A total of 96 subsequent customer cost quotes have been given year-to-date.

NAME	TYPE OF CUSTOMER	SERVICE DESCRIPTION
Jeff Ellwein	Standard	7-9D Zap
Scott & Malinda Focht	Standard	7-1B Davis Buttes
Bruce Hagen	Standard	7-4 Bucyrus
Douglas & Janelle Fitterer	Standard	7-2 New England
Tollberg Homes	Standard	7-1B New Hradec
Boyd & Sons	Standard	7-8B Fryburg
Clip ND 11 & Clip ND 11A	Standard	7-1B Davis Buttes
Clip ND 11 & Clip ND 11A	Standard	7-1B Davis Buttes

Sarah Holecek	Pasture Tap	7-7B Bowman
Cody Jorgenson	Standard	7-4 Bucyrus
Zared & Katie Lefor	Standard	7-2A Belfield
Diane Christian	Pasture Tap	7-7A Bowman
West River Vet Clinic	Standard	7-4 Bucyrus

7-9E West Center Service Area:

NAME	TYPE OF CUSTOMER	LEGAL DESCRIPTION
Brandon Rusch	Pasture Tap	140-87-13
Jason Schmalenberger	Pasture Tap	140-91-2
Jason Schmalenberger	High Consumption 1	140-91-2
Jason Schmalenberger	Standard	141-90-28
Jason Schmalenberger	Pasture Tap	141-90-31
Elm Creek Ranch	Standard	142-90-25

7-9F East Center Service Area:

Jim & Beverly Riedemann	Pasture Tap	142-84-15
Loren & Kristin Henke	Standard	142-85-23
David & Gloria Berg	Pasture Tap	143-85-13

7-9G Dunn Center/Halliday Service Area:

Adam & Lorina Rogers	Standard	145-92-30
Beni & Michelle Paulson	Pasture Tap	146-93-32

Complaints

Four (4) complaints were called in during the month of July. Total complaints to date from January 2014 to July 2014, are as follows by area and type. Six (6) warranty complaints were also called in for settlement and reseeding, 2 in 7-9D and 4 in 7-9C.

BY: SERVICE AREA & STATUS			
SERVICE AREA	OPEN	CLOSED	TOTAL
7-7B Bowman	0	1	1
7-8B Fryburg	0	1	1
7-9C Zap	0	2	2
7-9B Fairfield	1	1	2
7-4 Hettinger-Reeder	0	1	1
7-2 New England	0	4	4
7-8A Fryburg	1	1	2
7-2A Belfield	0	1	1
7-1B Davis Buttes	1	0	1
2-8B Zap	1	0	1
7-8F Beach	1	0	1
Total	5	12	17
Percentage	29%	71%	100%

BY: TYPE OF COMPLAINT			
COMPLAINT	OPEN	CLOSED	TOTAL
Trench Settlement	3	3	6

Taste/Odor	2	9	11
Total	5	12	17
Percentage	29%	71%	100%

7-9F East Center Service Area update:

To date a total of 534 easements have been mailed out for the 7-9F East Center Service Area. A total of 425 have been signed and returned. All requirements have now been completed for the Right-Of-Way permit to serve the landowners east of the Knife River Indian Villages National Historic Site. The fully executed permit from National Park Service has been received. There are two easements that remain in the Knife River area and those landowners were waiting for the completion of the permit before signing their easements. A representative from SWA will continue to work out in this service area obtaining easements.

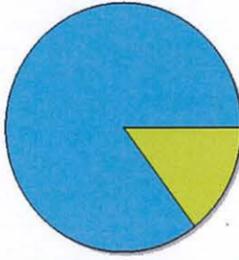
- 534 Easements mailed out to date including re-routes and additional signups
- 425 Easements signed and returned
- 109 Open easements
- 66 Refusals and easements no longer needed due to re-routes, declinations and property sales
- 43 Remaining easements needed to date; this will change with re-routes and late customers signups. A portion of the remaining easements have multiple parcels combined on the same easement.

There is one easement outstanding in the intermediate completion area. It should be completed this week.

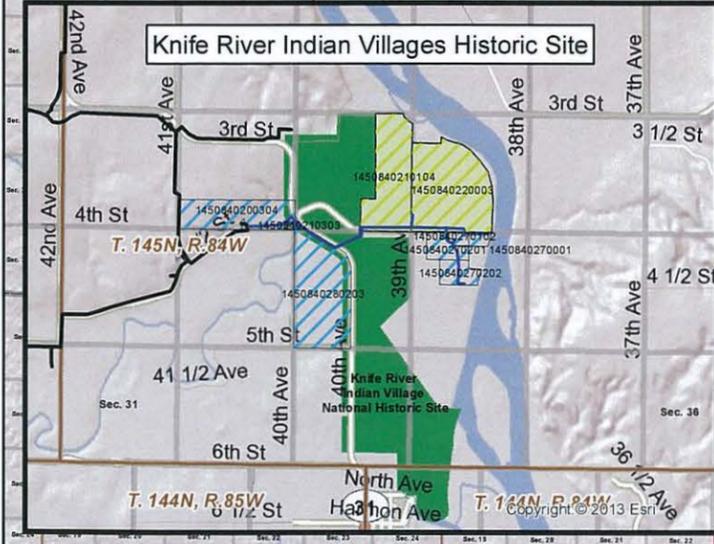
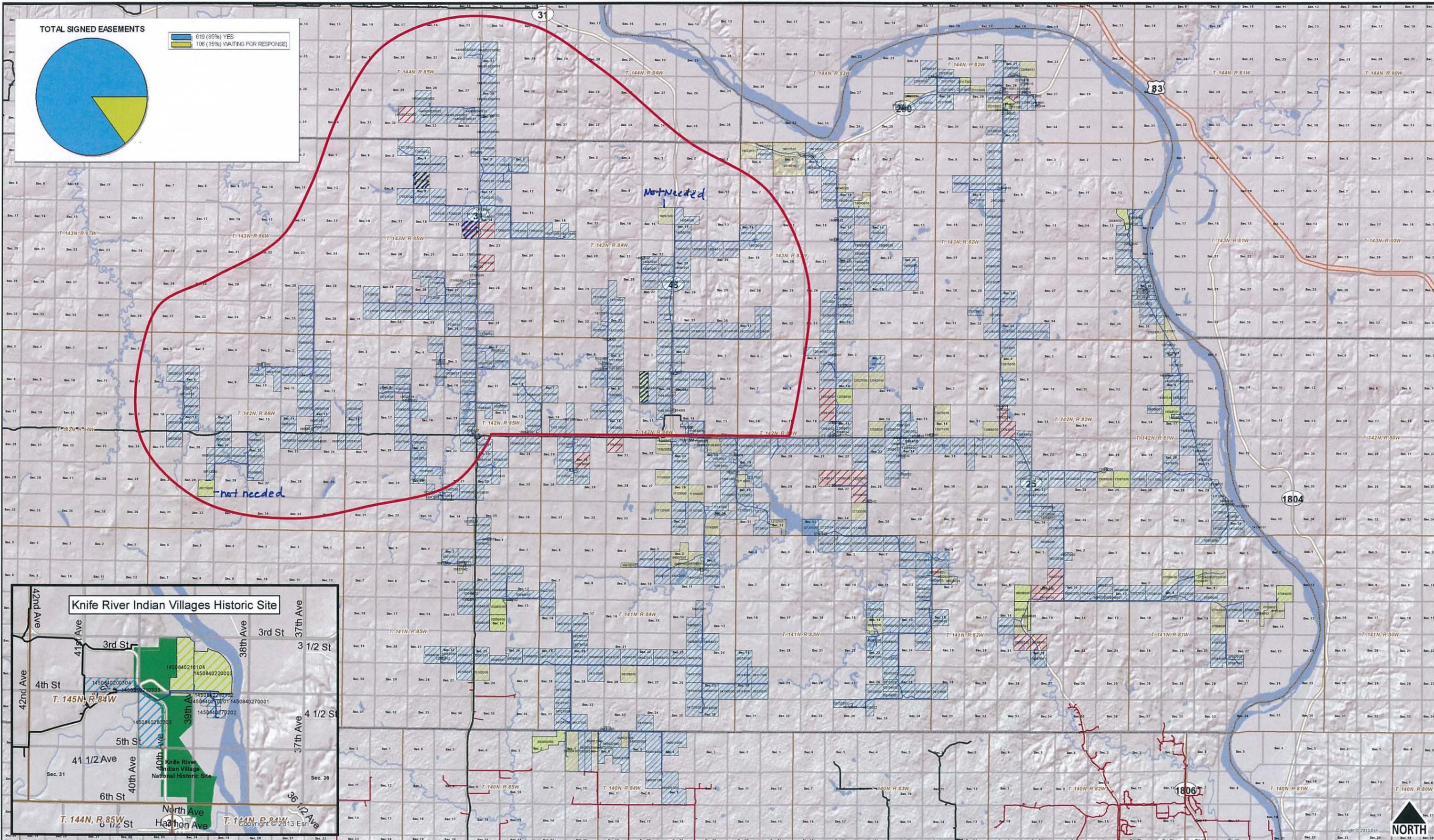
7-9E West Center Service Area update:

To date a total of 426 easements have been mailed out for the 7-9E West Center Service Area. A total of 305 have been signed and returned. Our priority is obtaining easements for the intermediate completion area. A representative from SWA will continue to work out in this service area obtaining easements.

TOTAL SIGNED EASEMENTS

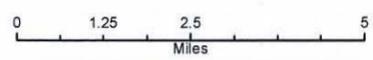


619 (85%) YES
106 (15%) WAITING FOR RESPONSE



- Contract 7-9F Pipe
- SWWP Water Network
- YES
- WAITING FOR RESPONSE
- ADDED PARCEL/WAITING RESPONSE
- NO
- MWW Water Network

SWPP CONTRACT 7-9F PIPELINE EASEMENT STATUS



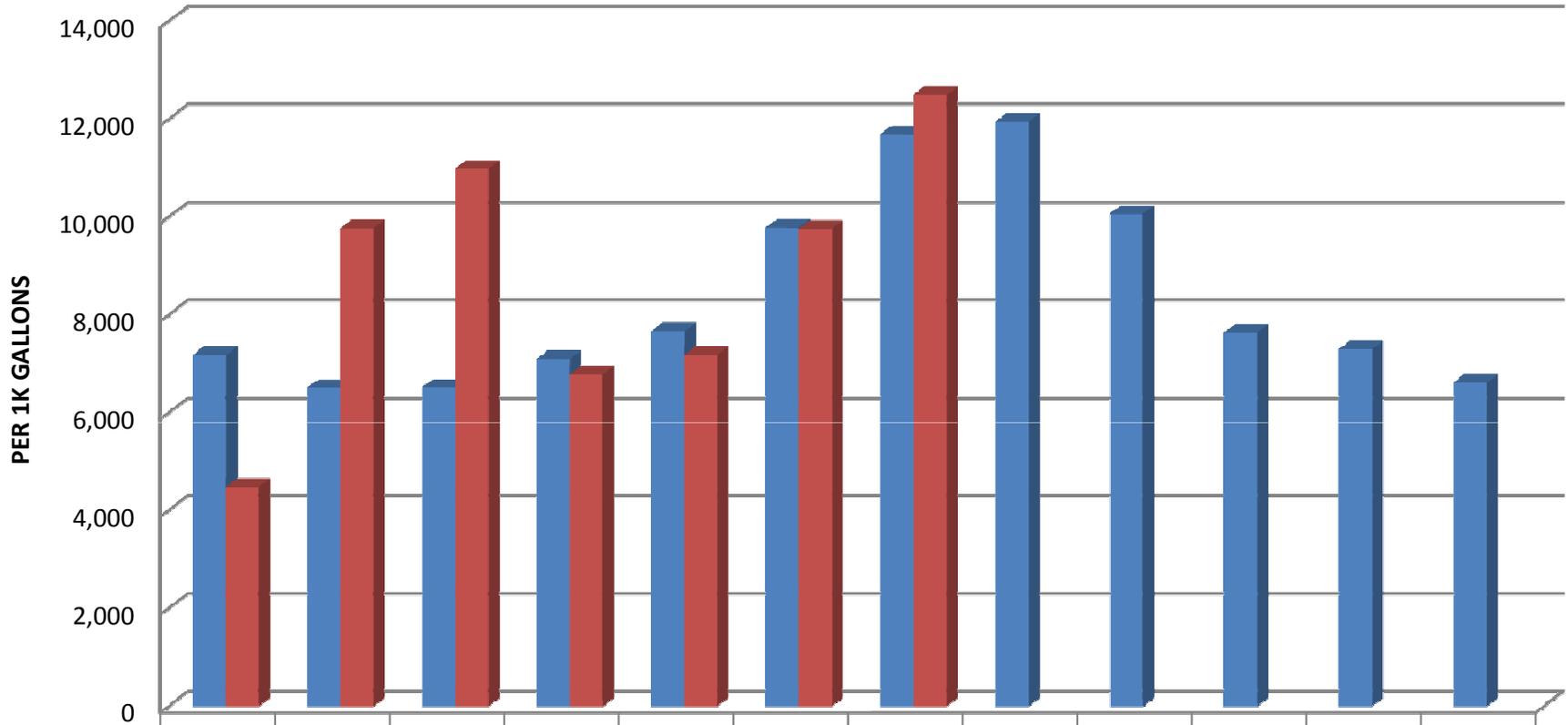
ACTUAL PIPELINE ROUTE TO BE DETERMINED AT TIME OF CONSTRUCTION



PROJECT NO:
3033.970
DATE:
4/28/2014
DRAWN BY:
grj01253

Path: F:\proj\2007\3033-3033\010\ArcGIS\Projects\Designs\Data\Easements\SWPP 7_9F_Easement_Status_12711.mxd

2014 SWA DEPOT SALES VS PROJECTIONS
PROJECTION TOTAL - 100,000
ACTUAL TOTAL - 61,446



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
■ PROJECTION	7,182.56	6,512.82	6,517.29	7,101.53	7,663.07	9,782.60	11,689.07	11,945.79	10,059.24	7,636.00	7,292.19	6,617.85
■ ACTUAL	4,475.99	9,770.35	10,986.12	6,777.48	7,181.72	9,762.13	12,491.87					

2014 INDUSTRIAL SALES

CITY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL GALLONS	TOTAL ACRE FEET
BEACH								0.00
BELFIELD	1,807,500	1,256,500	1,884,600	1,787,800	1,396,100	2,351,700	10,484,200	32.17
CARSON								0.00
DICKINSON	4,667,000	12,658,950	11,654,180	10,693,020	10,928,500	13,039,630	63,641,280	195.31
DODGE								0.00
DUNN CENTER								0.00
ELGIN								0.00
GLADSTONE								0.00
GLEN ULLIN	550	300	100	3,500	19,500	8,150	32,100	0.10
GOLDEN VALLEY								0.00
GOLVA								0.00
HALLIDAY								0.00
HEBRON	68,000	40,000	45,000	67,000	28,830	100,000	348,830	1.07
HETTINGER	0	0	12,000	8,700	65,000	56,500	142,200	0.44
MANNING								0.00
MEDORA								0.00
MOTT	0	0	0	4,460	51,705	61,675	117,840	0.36
NEW ENGLAND	0	0	0	35,078	370,857	122,400	528,335	1.62
NEW HRADEC								0.00
NEW LEIPZIG								0.00
REEDER								0.00
REGENT								0.00
RICHARDTON								0.00
SCRANTON	0	0	0	28,900	331,300	415,200	775,400	2.38
SENTINEL BUTTE	428,904	566,496	292,614	116,218	427,210	1,072,092	2,903,534	8.91
SOUTH HEART								0.00
TAYLOR								0.00
ZAP								0.00
TOTAL GALLONS	6,971,954	14,522,246	13,888,494	12,744,676	13,619,002	17,227,347	78,973,719	242.36
TOTAL ACRE FEET	21.40	44.57	42.62	39.11	41.80	52.87	242.36	
*Rates updated May 2013								
CONTRACT								
BAKER BOY	131,800	164,400	138,400	192,600	280,900	486,200	1,394,300	4.28
BILLINGS COUNTY DIST 3	0	0	0	0	84,700	227,400	312,100	0.96
SWA WATER DEPOT - RAW	4,475,990	9,770,350	10,986,120	6,777,480	7,181,720	9,762,130	48,953,790	150.23
DODGE WATER DEPOT	1,119,000	5,227,000	3,003,000	830,000	933,000	8,168,000	19,280,000	59.17
GTLE DAKOTA PLANT	0	0	0	0	0	0	0	0.00
MISSOURI BASIN WELL SERVICE	10,200	38,500	287,200	188,900	256,000	345,600	1,126,400	3.46
MOTT GRAIN	9,300	8,700	7,600	8,800	0	31,300	65,700	0.20
RED TRAIL ENERGY	16,083,000	12,877,000	15,719,000	14,565,000	10,778,000	18,875,000	88,897,000	272.81
STEFFES CORPORATION	249,700	300,200	213,800	141,000	376,200	8,300	1,289,200	3.96
TOTAL GALLONS	22,078,990	28,386,150	30,355,120	22,703,780	19,890,520	37,903,930	161,318,490	495.07
TOTAL ACRE FEET	67.76	87.11	93.16	69.68	61.04	116.32	495.07	
TOTAL GALLONS COMBINED	29,050,944	42,908,396	44,243,614	35,448,456	33,509,522	55,131,277	240,292,209	
TOTAL ACRE FEET COMBINED	89.15	131.68	135.78	108.79	102.84	169.19	737.43	737.43

SWA WATER DEPOT PROJECTIONS/ACTUAL

2014 PROJECTION						2014	2015	2016	2017		
100,000,000 GALLONS											
	2014 RATE	2014 BUDGET TOTAL	CAPITAL REPAYMENT	REM	BALANCE TO SWA	AMRs for 7-9C, 7-9D AND 7-9F	O&M BUILDING COST	THIRD YEAR PROFIT/LOSS	FOURTH YEAR PROFIT/LOSS	FIFTH YEAR PROFIT/LOSS	SIXTH YEAR PROFIT/LOSS
TREATMENT	\$ 1.00	\$ 100,000.00			\$ 100,000.00						
TRANSMISSION O&M	\$ 3.00	\$ 300,000.00			\$ 300,000.00						
DISTRIBUTION O&M	\$ 3.00	\$ 300,000.00			\$ 300,000.00						
TRANSMISSION REM	\$ 4.67	\$ 467,000.00		\$ 467,000.00	\$ -						
CAPITAL REPAYMENT (double contract rate)	\$ 2.24	\$ 224,000.00	\$ 224,000.00		\$ -						
TRANSMISSION RESERVE	\$ 6.09	\$ 609,000.00			\$ 609,000.00						
TOTAL	\$ 20.00	\$ 2,000,000.00	\$ 224,000.00	\$ 467,000.00	\$ 1,309,000.00	\$ 235,800.00	\$ 100,000.00	\$ (292,761.82)	\$ 1,016,238.18	\$ 2,325,238.18	\$ 3,634,238.18
NOTE: Profit/Loss includes (\$1,265,961.82) from first two years.											
2014 ACTUAL THRU 7/31/14						2014	2015	2016	2017		
61,446,000											
	2014 RATE	2014 BUDGET TOTAL	CAPITAL REPAYMENT	REM	BALANCE TO SWA	AMRs for 7-9C, 7-9D AND 7-9F	O&M BUILDING COST	THIRD YEAR PROFIT/LOSS	FOURTH YEAR PROFIT/LOSS	FIFTH YEAR PROFIT/LOSS	SIXTH YEAR PROFIT/LOSS
TREATMENT	\$ 1.00	\$ 61,446.00			\$ 61,446.00						
TRANSMISSION O&M	\$ 3.00	\$ 184,338.00			\$ 184,338.00						
DISTRIBUTION O&M	\$ 3.00	\$ 184,338.00			\$ 184,338.00						
TRANSMISSION REM	\$ 4.67	\$ 286,952.82		\$ 286,952.82	\$ -						
CAPITAL REPAYMENT (double contract rate)	\$ 2.24	\$ 137,639.04	\$ 137,639.04		\$ -						
TRANSMISSION RESERVE	\$ 6.09	\$ 374,206.14			\$ 374,206.14						
TOTAL	\$ 20.00	\$ 1,228,920.00	\$ 137,639.04	\$ 286,952.82	\$ 804,328.14	\$ 2,700.00	\$ 824.00				

**POSITIVE CASH FLOW
PROJECTED IN 2015**

**Southwest Pipeline Project
Funding to Complete the Project**

Contract	Description	Detail	Bid Award Date	Completion	Est. Project Cost
2011-2013 Biennium					
	Little Missouri washout	Crop damages and land loss caused by spring 2009 flooding along SWPP			\$198,000
7-9D	Zap SA Rural Distribution System, Phase 2 (North)	140 miles 10"-1 1/2" PVC, 153 users, Lakeshore Estates, Beulah Bay Recreation Area	4/27/12	8/1/13	\$5,965,559
6	SCADA Modifications, Change Order 21	SCADA for Tanks, PRV's, Center BPS, MWWS BPS			\$230,000
7-1C/7-8H	7-1C Secondary MTL, S Fryburg Upgrade	7 miles of 8" PVC, PRV/5 miles 6" PVC	10/10/12	6/15/13	\$1,423,188
1-1A	Intake Air Handling Unit	Furnishing and Installing 260 MBH (22 Tons) AHU	1/17/13	5/1/13	\$75,416
8-1A	New Hradec Tank	80' x 25', 300,000 gallons	5/15/13	9/15/13	\$721,720
5-17	Dunn Center Reservoir	1,000,000 Gallon elevated Storage	5/15/13	8/15/14	\$2,796,528
3-1F	Ozone equipment procurement for the OMND WTP	Ozone equipment procurement for the OMND WTP	6/19/13	3/30/14	\$697,750
3-1G	Membrane Equipment Procurement for OMND WTP	2 UF skids and 1 RO skid	6/19/13	3/30/14	\$2,180,211
2-8E	Dunn Center SA MTL Phase 1	18.75 miles 12"-10" 6 miles 6" PVC, OMND WTP to Halliday Trnt, Halliday to 2-7C Conn, Dunn Center Booster Station	5/15/13	8/1/14	\$6,643,686
4-6	Dunn Center SA Pumps inside the OMND WTP	3 Pumps @ 50HP each	5/15/13	12/31/13	\$441,242
6	SCADA Modification Change Order 22	Contract 4-6 MCC			\$140,091
5-15B	2nd Zap Potable Water Reservoir	1.67 Mgal Ground Storage, 107 diameter x 25' high	6/19/13	8/15/14	\$1,649,900
8-3	Killdeer Mtn. Tank Elevated Tank	200 Kgal Elevated Tank	9/30/13	8/15/14	\$1,533,000
2-8F	Dunn Center SA MTL Phase 2	25.8 miles 18"-8" PVC, Halliday Turnout to 7-9I, 6 miles to Killdeer and DC, 9 miles 7-9I	3/15/14	11/30/15	\$8,835,000
Totals		2011-2013 Project Total			\$34,780,529
		Design SA's for future biennium projects			\$1,800,000
		AGENCY OPERATION			\$750,000
		Total 2011-2013 Funding			\$37,330,529
Proposed for 2013-2015 Biennium					
		Funding shortag/carry over from 2011-2013			(\$365,391)
1-2A	Supplemental Raw Water Intake	Caisson, intake pipe and screen structure	8/15/13	4/15/15	\$15,434,000
7-9F	Center SA Rural Distribution System, Phase 1 (East)	250 miles 6"-1 1/2" PVC, 330 users	9/30/13	9/15/15	\$10,164,000
3-1H	Phase 2 OMND WTP, 1.5 MGD upgrade	Equipment Installation	12/13/13	7/15/14	\$2,287,666
3-2A	New Dickinson WTP Membrane Procurement	Membrane Equipment Procurement for new 6MGD WTP	1/23/14	2/1/16	\$2,096,000
3-2B	Softening Equipment procurement	For the new 6 MGD WTP	3/17/14	9/1/16	\$701,525
6	SCADA Modifications, Change Order 23	New Hradec Tank, NH Control vault, supplemental Intake, Dunn Center BPS, Halliday Tank CV, Dunn Center Tank, Killdeer MTN BPS, Fairfield BPS			\$343,500
6	SCADA Modifications, Change Order 24	VFD for the RO feed pump 3 in OMND WTP			\$65,500
4-5	Dickinson WTP Finished Water Pump Station	Move Dickinson HS and RCPS Transfer Pumps to New Facility, Genset	5/29/14	8/30/15	\$12,186,000
7-9E	Center SA, Rural Distribution System Phase 2 (West)	270 miles 6"-1 1/2" PVC, 255 users	5/29/14	12/15/15	\$10,643,870
6	SCADA Modifications Contract 6 , Change Order 25	OMND WTP, Phase II		9/1/14	\$100,000
6	SCADA Modifications Contract 6 , Change Order 26	Dickinson FWPS SCADA		9/1/15	\$185,000
7-9G	Halliday and Dunn Center SA Rural Distribution System	270 miles and 281 Users			\$11,978,063
3-2C	Ozone equipment procurement for the Dickinson WTP	New Dickinson WTP Ozone Procurement			\$1,634,000
3-2D	Dickinson Sludge Handling Facility	2 sludge thickeners, 2 pumps, 2 filter presses			\$5,445,000
Totals					\$71,350,000
		AGENCY OPERATION			\$750,000
		Funding Needed in 2013-2015 Biennium			\$72,100,000
Remaining Items					
3-2E	New Dickinson 6 MGD WTP	Building & Equipment Installation			\$20,898,000
1-2B	Supplemental Intake Pump Station	Intake PS Building, Pumps, Genset			\$4,933,500
6	SCADA Modifications Contract 6 , Change Order 27	Dickinson WTP SCADA			\$605,000
6	Intake PS SCADA	Intake PS, SCADA			\$200,000
1-1B	1-1C Intake PS Upgrade	Misc. Piping and Air Chamber			\$342,000

Contract	Description	Detail	Bid Award Date	Completion	Est. Project Cost
4-3A	Ray Christensen PS Upgrades	350 HP SZ and 125 HP NZ pumps			\$759,500
5-9A	2nd Belfield Reservoir	750 Kgal Ground Storage Res., 52' diameter x 47' high			\$1,075,500
5-13A	2nd Davis Buttes Reservoir	1 Mgal Ground Storage Res., 60' diameter x 47' high			\$1,434,000
5-1A	2nd Richardton Reservoir	1.3 MG Ground Storage Reservoir, 98' diameter x 24' high			\$1,864,200
2-1A	Parallel Pipe Intake to Zap	4 miles 30" CML&DC Steel			\$4,673,000
5-2A	2nd Dickinson Reservoir	3.2 MG Ground Storage Reservoir, 132' diameter x 32' high			\$4,206,400
8-4	Golva Tank	150 Kgal Standpipe, 25' diameter x 41' high			\$558,800
4-1E	4-1E Dodge PS Upgrade	700 to 900 HP, P6 900 HP, 1500 KW Genset			\$4,231,000
4-2B	4-2B Richardton PS Upgrade	900 to 1200 HP, 2000 KW Genset			\$3,933,000
2-2I	Parallel Pipe Zap to Richardton	20.4 miles 30" Steel and DIP			\$23,690,000
2-3H	Parallel Pipe Richardton to Dickinson Res.	5 miles 24" DIP			\$4,768,000
2-3I	Parallel pipe Dickinson Res to Dickinson WTP	1.43 Miles 24" DIP			\$1,638,000
Totals					\$79,810,000

Statewide Water Funding Needs

	2013-15	2015-17	2017-19	2019-21	2021-23
Devils Lake Outlet Operations Downstream Impacts	\$10 million (\$15 million-Fargo: \$30 million total)	\$10 million \$10 million-GF (VC-90%, Fargo-50%, GF-20%)	\$10 million (\$5 million-GF: \$15 million total)	\$10 million	\$10 million
F-M Diversion	\$100 million	\$69 million	\$69 million	\$69 million	\$69 million
General Water Management (flood control, water management, water retention- studies)	\$30 million	\$90 million (includes Grafton & Williston flood projects)			
Irrigation	\$5 million	\$10 million			
Missouri River	\$3 million	\$3 million			
MR&I Water Supply Rural Water Municipal Water	\$55 million \$16 million	\$70 million \$110 million (includes \$20 m for GF)			
Northwest Area Water Supply	\$14 million	\$18 million			
Red River Valley Water Supply	\$11 million	\$150 million	\$150 million	\$150 million	\$150 million
Sheyenne River Flood Control	\$21 million	\$50 million	\$30 million		
Souris River Flood Control	\$61 million	\$110 million			
Southwest Pipeline Project	\$79 million	\$100 million	\$30 million	\$10 million	
Weather Modification	\$1 million	\$1 million			
Western Area Water Supply	\$79 million/\$40	\$120 million	\$50 million	\$10 million	
BND Community Loan Fund	\$15 million	-----			
SWC Administrative Costs	\$18 million	-----			
Revolving Loan Fund	\$17 million	\$60 million (not included in total)			
Renewable Energy Funds	\$4.2 million	\$4.2 million			
Municipal Oil Impact Grants	\$33 million	-----			
Bond Defeasance	\$83 million	-----			
Total	\$710.2 million	925.2 million			

1. Some of the funds allocated may be allocated as loans

2. Projects allocated for funding MUST be submitted to and be approved by the State Water Commission

Notice of Award

Date: July 16, 2014

Project: **Dickinson Water Treatment Plant Electrical Service Entrance Upgrade, Contract WTP-2014**

Owner: **Southwest Water Authority**

Owner's Contract No.: **WTP-2014**

Contract: **WTP-2014**

Engineer's Project No.: **3055.004**

Bidder: **Muth Electric**

Bidder's Address: **PO Box 1400**

Mitchell, SD 57301

You are notified that your Bid dated July 7, 2014 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for Southwest Water Authority Contract WTP-2014.

The Contract Price of your Contract is One Hundred Ten Thousand Twenty Four Dollars and no/100 (\$110,024.00).

3 copies of the proposed Contract Documents (except Drawings) accompany this Notice of Award.

5 sets of the Drawings will be delivered separately or otherwise made available to you immediately.

You must comply with the following conditions precedent within **ten (10) [~~15~~]** days of the date you receive this Notice of Award.

1. Deliver to the Owner [3] fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract security [Bonds] as specified in the Instructions to Bidders (Article 20), General Conditions (Paragraph 5.01), and Supplementary Conditions (Paragraph SC-5.01).
3. Other conditions precedent:

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Southwest Water Authority

By: _____

Mary Massad
Manager/CEO

Copy to Engineer



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

MEMORANDUM

To: Mary Massad, Manager/CEO

From: Sandra Burwick, CFO/Office Administrator

Subject: Automatic Meter Reads (AMR's)

Date: July 29, 2014

At the July 2014 board meeting, the Board of Directors requested to add automatic meter reads (AMR's) to the agenda and what it would take to install AMR's at all locations.

The current cost for a satellite unit is \$473.00 per unit. The price is locked in until September 30, 2014. After that date, the cost will increase to \$498.00 per unit. There is a 3% per-payment discount available on orders of 500 or more units with a down payment of 50% of the cost of the units within seven days of the date of the order or within seven days of the date requested for the release of 500 units or more.

For Carstensen Contracting Incorporated to install 1,000 units at a time, with 60% meter pits at \$145.00 each and 40% basement meter setters at \$245.00 each, the cost would be \$217,000.00. To install all 4,550 units, with 3,300 meter pits at \$125.00 and 1250 basement setters at \$225.00 each, the cost would be \$768,750.00.

IDT Harmony satellite units interface with Badger and Neptune meters. Approximately 3,200 of the 4,550 meters in our system are either Badger or Neptune (70%), so the meter body can remain and just the register will need replacement. Recent invoice costs were \$70.00 per register, which included 25 feet of wire. If the body needs replacement, recent invoice costs, including freight, were about \$53.00 each.

Installation of 1,000 meters for 700 of the registers at \$70.00 each would be \$49,000.00, and 300 bodies and registers at \$123.00 each would be \$36,900.00, for a total of \$85,900.00

Installation of all 4,550 meters, with 3,185 registers at \$70.00 would be \$222,950.00 and 1,365 bodies and registers at \$123.00 would be \$167,895.00 for a total of \$390,845.00.

Following is a summary of what it would cost to install 1,000 units:

Harmony Units	\$458,000.00
Contractor Costs	\$217,000.00
Meter Costs	<u>\$ 85,900.00</u>
Total	\$761,700.00

Following is a summary of what it would cost to install 5,000 units:

Harmony Units	\$2,087,585.50
Contractor Costs	\$ 768,750.00
Meter Costs	<u>\$ 390,845.00</u>
Total	\$3,247,180.50

Carstensen Contracting Incorporated could install approximately 20 units per day. It would take one to two years to install all 4,550 units, depending on the weather.

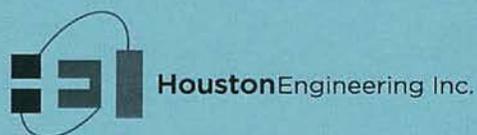
System meters, city meters and smart PRV's should be considered for this replacement. There are approximately 44 system meters (including 16 smart PRV's), 32 city meters and 56 contract meters.

SWA is requiring satellite read meters for all subsequent customers. SWA is paying for all AMR's installed on contracts for the OMND Service Area beginning with the Zap I Service Area.

Currently, 325 satellite units have been installed and are in use. There are 120 subsequent customers, and customers who have requested and paid for the units voluntarily, who have satellite units. Of the 120, there are three customers who have voluntarily purchased the units. Several more are waiting, including the NDSU experiment station who wants to install the units on all 10 of their accounts. There are 46 units in Contract 7-9C where the two way automated communication system (TWACS) meters could not be linked to an electric meter. Approximately 10 customer leaks have been detected since the satellite units have been installed.

Thank You

*to our summer
meeting sponsors:*



Joint Summer
Meeting &
Executive Briefing

JULY 9-11 ■ GRAND FORKS
Canad Inn

agenda

Wednesday, July 9

- 2:00 PM – 5:00 PM Registration, *Front Entrance Lobby*
- 9:00 AM – 5:00 PM Garrison Diversion Conservancy District Board of Directors Meeting, *Ambassador C*
- 1:00 PM – 4:00 PM Red River Joint Board Meeting, *Upper Playmakers*
- 3:30 PM – 5:30 PM N.D. Water Resource Districts Association Board Meeting, *Ambassador A*
- 5:30 PM – 7:00 PM AE2S Social, *Upper Playmakers*

Thursday, July 10

- 7:00 AM Breakfast, *Upper Playmakers*
- 7:30 AM – Noon Registration open, *Front Entrance Lobby*
- 8:00 AM – 11:30 AM N.D. Water Resource Districts Association Summer Business Meeting, *Ambassador C*
- 11:45 AM Box lunches served at Canad Inn, *Front Lobby*
- 12:15 PM Load bus for tour, *Front Lobby Entrance*
- 12:30 PM – 4:30 PM *Red River of the North Tour*
- 4:45 PM Buses return to hotel to drop off/pick up guests for social
- 5:30 PM – 6:30 PM *Social Sponsored by HDR, Houston Engineering and Bartlett & West at Whitey's*
- 6:30 PM – 8:30 PM *Dinner at Whitey's*

Friday, July 11

- 7:00 AM Breakfast, *Upper Playmakers*
- 8:00 AM – Noon Executive Briefing on Tile Drainage, *Ambassador C*

fyi

- Social on Wednesday evening will be held at the Canad Inn in Upper Playmakers.
- Social on Thursday will be held at Whitey's in East Grand Forks. The buses will return to the hotel after the tour to drop off/pickup guests and continue onto Whitey's. Buses will return to the Canad Inn by 9:00 PM.

ND Water Education Foundation's

EXECUTIVE BRIEFING ON TILE DRAINAGE

- 8:00 AM – 8:45 AM TILE DRAINAGE BASICS
Dr. Tom Scherer, Associate Professor, NDSU Ag & Biosystems Engineering
- 8:45 AM – 9:15 AM POLITICAL PERSPECTIVE ON TILE DRAINAGE
Sen. Larry Luick
- 9:15 AM – 9:40 AM RESULTS OF BTSAC STUDY
Randy Gjestvang, Basin Technical & Scientific Advisory Committee (BTSAC) Member
- 9:40 AM – 10:00 AM NORTH DAKOTA TILE PERMITTING
Sean Fredricks, Attorney, Ohnstad Twichell Law Office
- 10:00 AM – 10:15 AM BREAK
- 10:15 AM – Noon CHALLENGES AND OPPORTUNITIES OF TILE DRAINAGE
Brian Hefty, Ag PhD



Garrison Diversion's mission:
to provide a reliable, high quality and affordable water supply to benefit the people of North Dakota.



Water plays a vital role in North Dakota's future for individuals, families and the economic viability of the state. The Garrison Diversion Conservancy District (Garrison Diversion) is a leader in building North Dakota's water supply infrastructure and managing this priceless resource to benefit everyone who works and lives here.

Garrison Diversion Overview

Garrison Diversion was created by the state in 1955 to develop the Garrison Diversion Unit project. Garrison Diversion encompasses 28 counties; each member county elects a citizen to serve on the board of directors and levies one mill to support the activities of Garrison Diversion.

Focus Areas

The Municipal, Rural and Industrial (MR&I) Water Supply Program

Reliable and high quality water can mean the difference between success and failure for small towns and family farms. Garrison Diversion works to ensure North Dakotans have access to reliable and high quality water through the MR&I Program.

Garrison Diversion is the fiscal agent and, along with the State Water Commission, is responsible for administering the state MR&I Program. This program has \$400 million authorized in federal funding to help water systems deliver quality water to homes, businesses and farms across North Dakota.

To date, over \$250 million has been awarded for system expansions and improvements. Systems that received funding include, among others, the Southwest Pipeline Project, Southeast Water Users District, All Seasons Rural Water, South Central Regional Water District and the Northwest Area Water Supply. Through future federal funding, several new and existing regional projects and the four Indian Reservations in North Dakota will benefit from a reliable, high quality and affordable water supply.

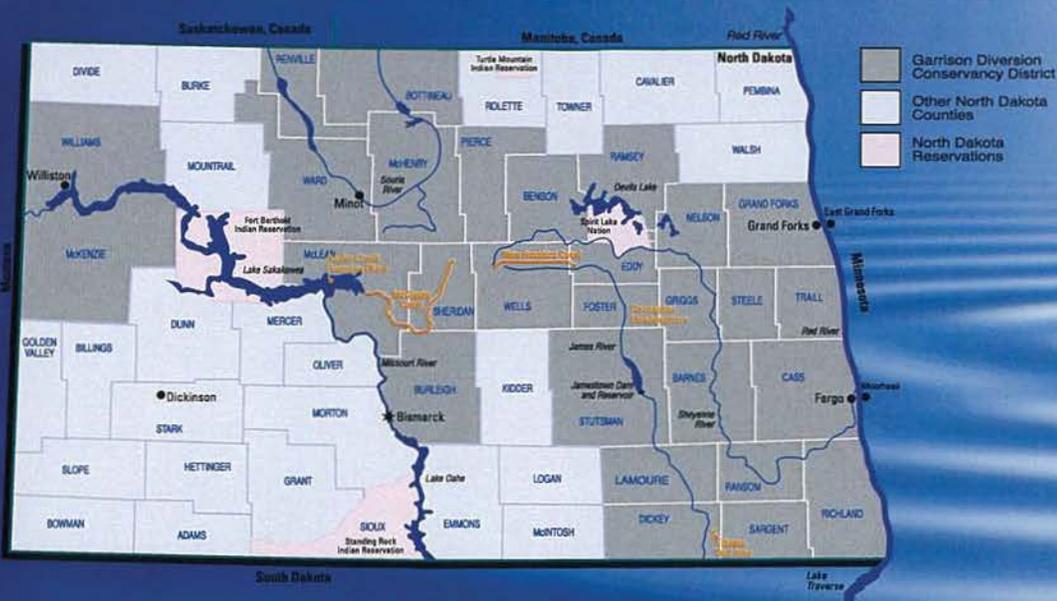
Agriculture & Natural Resources

Garrison Diversion's roots are in agriculture, and though we are now a multi-purpose project, we have not forgotten our roots. Garrison Diversion continues to invest in agricultural initiatives throughout the state. We have partnered with NDSU Extension Service and the North Dakota Irrigation Association to develop, expand and enhance irrigation efforts.

There are 75,480 acres authorized for federal irrigation development in North Dakota, and we continue to work with individual producers and irrigation districts to expand the number of acres under irrigation.

Garrison Diversion works to maintain, enhance and protect North Dakota's natural resources. From wildlife habitat mitigation to the North Country Trail, Garrison Diversion plays a part in keeping North Dakota a beautiful and environmentally friendly place.





Recreation

Garrison Diversion has been careful to set aside public land accessible to people with a variety of recreational interests. We dedicate two-tenths, or 20%, of our one mill levy to our Matching Recreation Grant Program. To date, this program has awarded over \$3.1 million to local recreation projects within the Garrison Diversion Conservancy District.

The \$6.5 million Dakota Water Resource Act Recreation Program is ready to implement. We are developing the Chain of Lakes Recreation Area along the McClusky Canal, in partnership with the Bureau of Reclamation, and we partnered with the ND State Parks and Recreation Department to develop the Devils Lake Park System.



Red River Valley Water Supply Project

Red River Valley residents rely on the drought-prone Red River for their primary water supply needs. Present water supplies would be insufficient if the Valley were to face a severe drought similar to the 1930s. It is not a question of if a severe drought will occur; it is a question of how soon.

Garrison Diversion was designated by Governor Hoeven to be the state lead in developing the Red River Valley Water Supply Project. The proposed Project will supplement existing water supplies to meet the needs of the Red River Valley. The proposed Project will use the McClusky Canal and a buried pipeline to bring treated Missouri River water east to Lake Ashtabula. Using Lake Ashtabula as a regulating reservoir, the water would continue down the Sheyenne River and flow into the Red River, ensuring the Valley a much needed, reliable supply of drinking water.



Operations & Maintenance

Garrison Diversion is responsible for the operations and maintenance (O&M) on the Garrison Diversion Unit project facilities under a cooperative agreement with the Bureau of Reclamation. These facilities consist of the McClusky Canal, New Rockford Canal and Oakes Test Area.

We employ a skilled workforce and maintain a large fleet of equipment to aid in the completion of O&M projects. We are also able to provide support to systems experiencing water emergencies. Our crew can mobilize quickly with equipment and is able to handle just about any situation that arises.

Learn More

Garrison Diversion is unwavering in our commitment to provide a reliable, high quality and affordable water supply for the benefit of North Dakota. We are proud to play a vital role in the future of our state.

For comprehensive information, please contact us at:

- Garrison Diversion Conservancy District, PO Box 140, Carrington, ND 58421
- www.garrisondiversion.org
- gdc@daktel.com
- 1-800-532-0074

CONSTRUCTION UPDATE:

In the East Center Service Area, located in Oliver County, construction started in early June around the Hannover Area. When complete, there will be an additional 250 miles of pipeline connecting 330 users to the SWPP.

The West Center Service Area, which includes Oliver, southern Mercer and northern Morton County, has been bid and awarded. Construction is expected to begin this year and when complete the service area will add an additional 270 miles of pipeline and connect 255 users.

Construction on the Main Transmission Line (MTL) resumed in early June on the first phase of the line. This line will reach from west of the OMND Water Treatment plant to north of Halliday. The second phase of the MTL will also begin soon, which will reach to northwest of Killdeer.

The contractor for the Killdeer Mountain Elevated Tank has begun the pedestal work. The Dunn Center

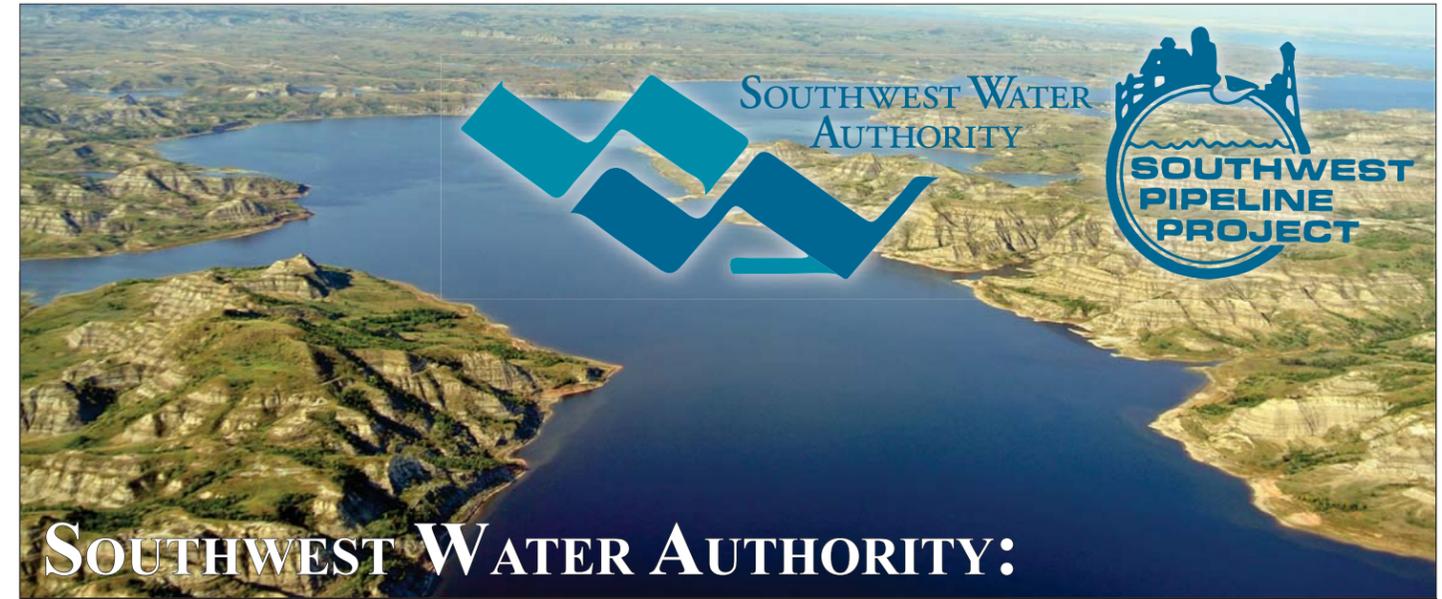
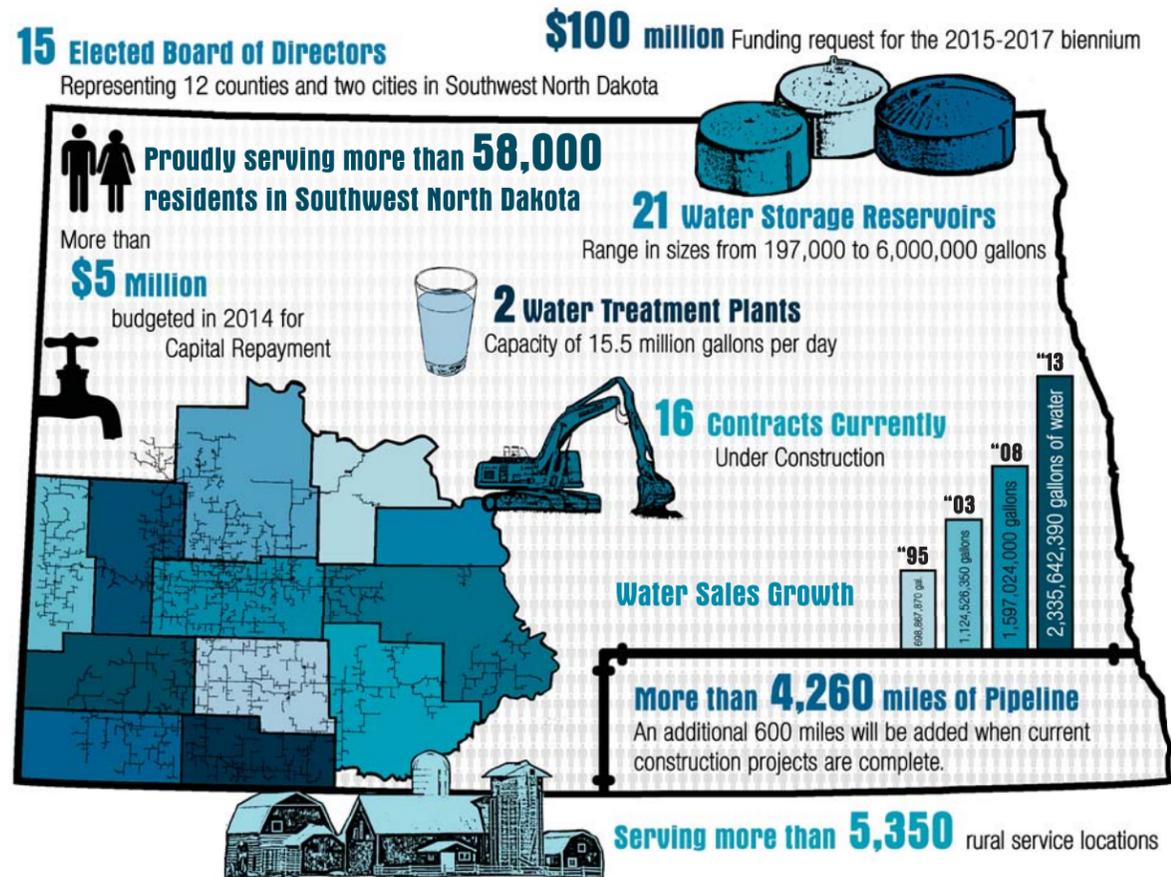
Elevated steel tank is currently being built. The fourth tank at the OMND Water Treatment Plant north of Zap is also currently under construction.

Installation of upgrades at the OMND Water Treatment Plant are currently underway. This upgrade will increase the plant's treatment capacity to 5.25 MGD.

The contractor is on site for the supplementary raw water intake. This will be the second intake for the Project that will add additional capacity for current and future SWPP water users.

In Dickinson, construction has begun on the Finished Water Pump Station. There is also preliminary work underway for the future water treatment plant located in Dickinson. This will increase the capacity to meet the current and future growth.

The City of Rhame is paralleling pipeline connect to the Project. Although this contract is not being complete by the SWPP, it will be turned over for service when complete.



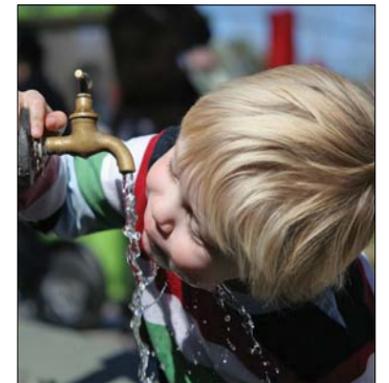
Southwest Water Authority (SWA) is a political subdivision born in the North Dakota Legislature in 1991 to provide for the supply and distribution of water for the future economic welfare and prosperity of the people of southwestern North Dakota. SWA is governed by a elected 15-member board of directors representing the following counties: Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, Mercer, Morton, Oliver, Slope and Stark, and the cities of Dickinson and Mandan.



The Southwest Pipeline Project (SWPP) is a network of pipelines, pump stations, reservoirs and treatment facilities. It is North Dakota's first large multi-county regional rural water project and was established to bring a reliable source of quality water to people living and working in the southwest region. The Project is responsible for transporting Missouri River water from Lake Sakakawea to the OMND and Dickinson water treatment plants. At the plants, the

water is treated to deliver quality water to customers throughout southwest North Dakota and Perkins County, South Dakota.

The need for quality water in southwest North Dakota is greater than ever. Many rural residents have signed up, paid their hookup fees and are still patiently waiting for quality water. As southwest North Dakota's population is growing at an unprecedented rate, the need for water is increasing exponentially. It is important for the SWPP to receive continued funding for the quality of life and economic development for all of southwest North Dakota.



It's more than a pipeline - It's a lifeline.

Southwest Water Authority

4665 2nd Street SW
Dickinson, ND 58601
701-225-0241 • 800-425-0241
swa@swwater.com

Quality of Life. The SWPP exists due to a lack of quantity and quality water in southwest North Dakota. It provides an adequate supply of quality water for customers to drink and bathe.

Unprecedented Growth. The southwest region is experiencing unprecedented growth due to the economic impact of the oil and energy industries. The communities receiving quality water from the SWPP are literally doubling their populations.

Economic Viability. The communities and rural areas currently being served by the SWPP are basing their current and future growth on the availability of quality water.

Funding is Vital. With the goal to complete the OMND Service Area, the SWPP currently has 16 contracts under construction. SWA is seeking \$100 million in funding for the 2015-2017 biennium.

Water Quality. With the mission of “Quality Water for Southwest North Dakota,” SWA’s water continues to meet and exceed all of the Environmental Protection Agency and North Dakota Department of Health’s stringent water quality rules, laws and requirements. In fact, SWPP water has been judged the fourth best in the world. This was determined by an independent panel of 10 judges earlier this year.

Paying Back to North Dakota. Through June 2014, \$39.6 million has been paid back to the state of North Dakota. The SWA 2014 budget includes \$5.2 million in capital repayment. This is an increase from the \$4.5 million that was paid back in 2013.

Total Water Revenues. In 2013, SWA generated over \$13 million in revenue. The 2014 projected revenue is \$15.6 million.

FREQUENTLY ASKED QUESTIONS:

What is the Southwest Pipeline Project?

The Southwest Pipeline Project (SWPP) is the first large multi-county regional rural water project developed in the state of North Dakota. The SWPP provides for the supply and distribution of water to the people of southwestern North Dakota through a pipeline transmission and delivery system. While the SWPP is state-owned and administered by the North Dakota State Water Commission (SWC), it has been managed by Southwest Water Authority (SWA) since January 1, 1996. SWA also began managing the water treatment plant located in Dickinson April 1, 2000.

What has the SWPP accomplished since its formation?

Since 1986, the SWC has been constructing an efficient network of pipelines, pump stations, reservoirs and treatment facilities to bring southwest North Dakota an adequate supply of quality water. SWA manages, operates and maintains more than 4,260 miles of pipeline including two water treatment plants (12 MGD and 3.5 MGD capacity) and 21 storage reservoirs varying in size from 197,000 – 6,000,000 gallons.

What is the primary focus of the SWPP??

The SWPP transports Missouri River water from Lake Sakakawea to provide a clean, safe, quality water supply for residents of the southwestern portion of the state. Missouri River water is transported from the lake to the OMND Water Treatment Plant (WTP) and the WTP in Dickinson. Once at the WTP, it is treated and delivered to the customers in southwest North Dakota and Perkins County, South Dakota.

How does SWA treat the water?

Water for the SWPP is treated at the OMND WTP and the WTP in Dickinson. The treatment process follows stringent laws put in place by the Environmental Protection Agency administered by the North Dakota Department of Health. Visit the SWA website to learn more about the water quality and to view the Consumer Confidence Reports (CCR).

Who funds the SWPP?

As a state owned project, the SWPP is 100% funded by state and federal programs. The local share of the capital costs is based on an ability to pay study, which determined a repayment rate charged to all water users. The Project repayment is from all customers and is indexed annually to the CPI. This repayment goes on in perpetuity. The Garrison Diversion Conservancy District’s, Municipal, Rural and Industrial (MR&I) Water Supply Grant Program, provides up to 75% of the cost for development of water supply projects. The legislation that created the program gives cost-sharing credit for the funds the state previously expended on the Project. Through April 2014, \$88.86 million from North Dakota’s Resources Trust Fund, \$8.47 million from the Water Development Trust Fund and \$102.92 million in MR&I funding has been spent on the SWPP.

What does funding mean to the people and businesses of southwest North Dakota?

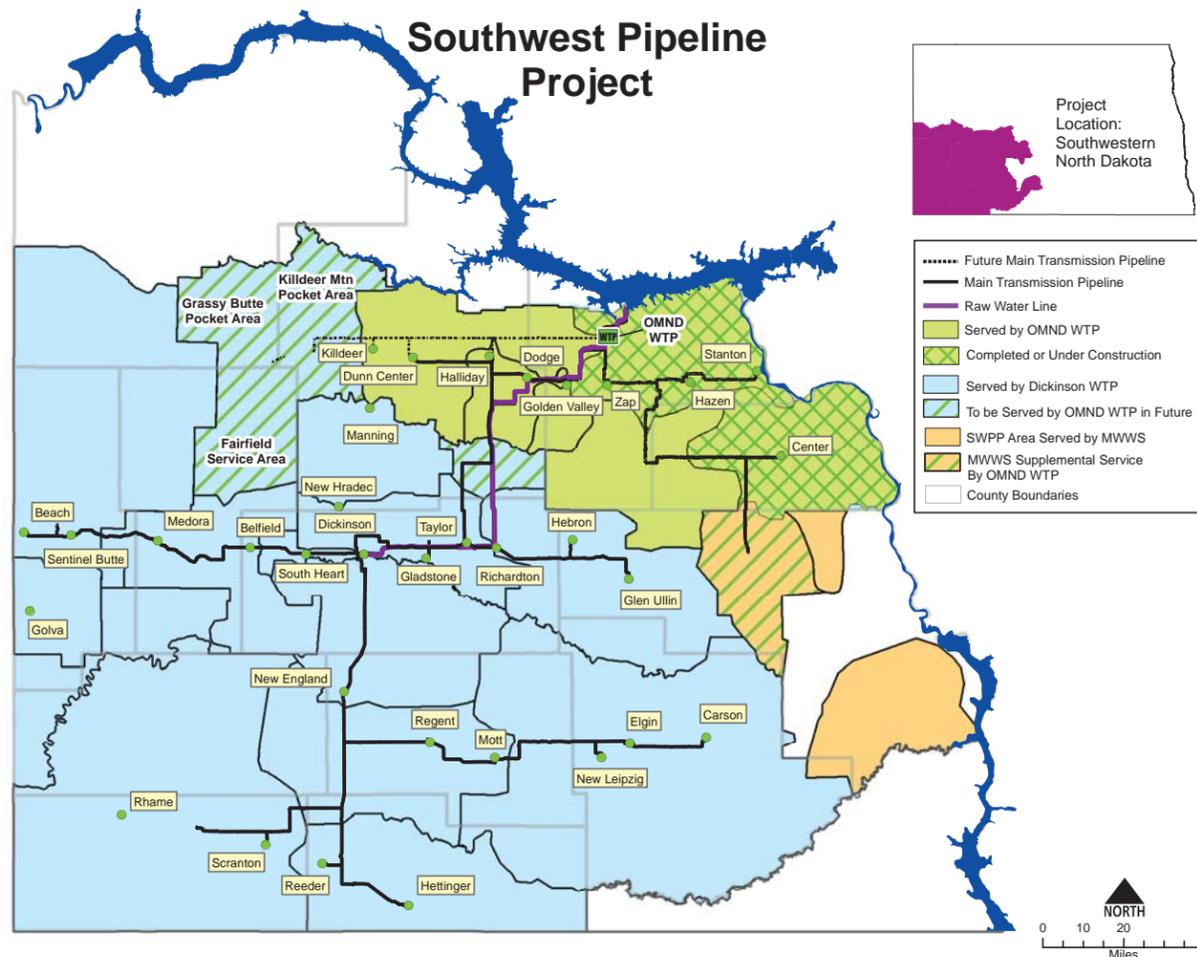
In short, it means building more than 600 miles of pipeline, increasing SWA’s pumping capacity of water by the end of 2017, economic development for all of North Dakota and allowing for the ability to serve the citizens who continue to repay the state of North Dakota.

Is there a waiting list for water at the SWPP?

There are waiting lists for water from the Southwest Pipeline Project. There are many communities and rural service areas that are in need of additional quantities of quality water. There are people today who cannot drink water from their tap as they are not yet connected to the SWPP. In some cases, people signed up for water and paid their fees more than 20 years ago and are still waiting. There are also people on waiting lists in specific areas currently served due to Project capacity.

How does the SWPP influence North Dakota?

Quality water is essential to keep the state’s economic engines growing and moving forward. This is why the SWPP continues to stay true to its vision “People and Business Succeeding with Quality Water.”



North Dakota Water Education Foundation
RED RIVER OF THE NORTH-SIMPLY GRAND TOUR
Thursday, July 10

- 11:45 a.m. Registration at the Canad Inn parking lot
Jackie Nye, ND Water Education Foundation
Jessie Pfaff, ND Water Coalition
Julie Ellingson, ND Water Education Foundation
- 12:00 p.m. Box Lunch at Canad Inn Lobby
- 12:15 p.m. Load bus for City-wide tour
- Alerus
- Grand Forks New Development/City and Water Retention Plans
- Flood protection system/Greenway Tour
- Lincoln Drive Park Stop (snack break)
- Downtown Grand Forks and Flood Wall
- Riverside Park
- Engelsted Arena
- 4:30 p.m. Buses depart for hotel
- 4:45 p.m. ND WEF participants return to the Canad Inn
- 5:30 p.m. WRD/GDCD Social Hour
Whiteys Patio Deck, East Grand Forks
- 6:30 p.m. WRD/GDCD Dinner
Whiteys, East Grand Forks
- 8:30 p.m.-
9:00 p.m. Buses return to Canad Inn

Grand Forks Tour Map



-  Alerus Center/Canad Inn
-  New School Development
-  Choice Health & Fitness Center
-  Lincoln Dr. Park

-  Downtown
-  University of North Dakota Medical School
-  Walmart Development
-  Business Park

ND RURAL WATER SYSTEMS ASSOCIATION
2014 LEADERSHIP RETREAT
ROUGH RIDERS HOTEL & CONFERENCE CENTER
301 THIRD AVENUE, MEDORA, ND
JULY 15-16, 2014

Agenda

Tuesday, July 15th (All times in MDT)

- Noon-Taco Bar Buffet Luncheon *Rough Riders Conference Center*
- 1:00-Michele Schommer, NDRWSA President *Rough Riders Conference Center*
Welcome
Alison Ritter, ND Industrial Commission,
Department of Mineral Resources
Water Needs Throughout the Phases of Oil Development
- 2:00-Kris Roberts, ND Dept of Health
Spill Response Emergency Management
- 2:45-Gene Veeder, McKenzie County Economic Development
Planning for the Boom
- 3:30-Senator Rich Wardner, Senate Majority Leader
Vision for Water in ND
- 4:30-5:30-Social *Rough Riders Terrace*
Special Appearance-President Theodore Roosevelt
- 6:00-Pitchfork Fondue & Medora Musical *Tjaden Terrace & Burning Hills Amphitheatre*

Wednesday, July 16th (All times in MDT)

- 8:00-Southern Style Breakfast Buffet *Rough Riders Conference Center*
- 9:00-Gaylon Baker, Stark Development Corporation *Rough Riders Conference Center*
Stark County: An Economic Melting Pot
- 9:20-Bruce Emmil, Todd Seibel and Ryan Caya, BSC NECE
Water and Wastewater Technology Certificate Program
- 10:15-Mike Hove, ND State Water Commission
Industrial Water Depot Use & Telemetry Pilot Study
- 11:00-Mary Massad, Southwest Water Authority
Jaret Wirtz, Western Area Water Supply Authority
Rural Water Development in Oil Country
- 11:30-Eric Volk & Jon Nelson, NDRWSA
Legislative & SWC Policy Update



Water & Wastewater Technology

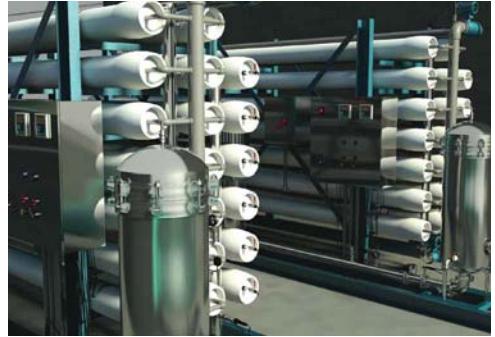
This one-year online certification program offered from the National Energy Center of Excellence at Bismarck State College was established in 2012. This program is designed to teach students how to apply biological, chemical and mechanical knowledge and skills to the operation of water and wastewater treatment facilities. Industry-approved and endorsed by the North Dakota Rural Water Association, this curriculum provides cutting-edge training to help fulfill the need for skilled operators.

Water & Wastewater Technology Degree Program

The Water and Wastewater Technology program is designed for entry-level employment in water and wastewater treatment plants of all types; city and rural utilities, power plants, process and other industrial facilities. Students that enroll in this training program will participate in online training for two semesters allowing them to enter the workforce within one year. High quality graphics, animations and virtual treatment processes and equipment are utilized within this program to enhance the delivery of course content.

The program focuses on treatment processes and equipment including training on laboratory analyses and regulatory compliance. Responsibilities of water and wastewater treatment operators regarding the safety of communities, personnel and the environment will also be emphasized.

** In addition to coursework students will complete an internship/job shadow experience at a water treatment facility or hands-on lab activities at BSC's National Energy Center of Excellence. This experience will require students to observe and assist in the daily operations of a functional water or wastewater treatment facility. The "hands on training" is expected to include lab testing, process checks, basic problem-solving and routine maintenance activities.*



Water & Wastewater Technology Courses

Recommended Sequence - 1st Semester

WATR 101 Introduction to the Water Industry
ENRT 105 Safety, Health & Environment
ENRT 107 Mechanical Fundamentals
ENRT 103 Applied Math
ENRT 112 Print Reading
WATR 116 Control Systems

Recommended Sequence - 2nd Semester

WATR 105 Laboratory Procedures
WATR 110 Water Treatment I
WATR 115 Water Treatment II
WATR 129 Wastewater Treatment
WATR 220 Practical Applications



For more information on the **Water and Wastewater Technology program**, visit our website at bismarckstate.edu/energy.

Contact us at 701.224.5651 or 800.852.5685.

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

WATER TOPICS OVERVIEW COMMITTEE

Monday, June 23, 2014

Lecture Rooms, Heritage Center, Capitol Grounds

Bismarck, North Dakota

Tuesday, June 24, 2014

Roughrider Room, State Capitol

Bismarck, North Dakota

Senator Tony Grindberg, Chairman, called the meeting to order at 1:00 p.m.

Members present: Senators Tony Grindberg, Ray Holmberg, Gary A. Lee, Larry Luick, Larry J. Robinson; Representatives Bill Amerman, Dick Anderson, Ron Guggisberg, Curt Hofstad, Curtiss Kreun, Scott Louser, Jon Nelson, Jim Schmidt, Vicky Steiner

Members absent: Representatives Naomi Muscha, Todd Porter

State Water Commission members present: Governor Jack Dalrymple, Tom Bodine representing Agriculture Commissioner Doug Goehring, Maurice V. Foley, Larry L. Hanson, George Nodland, Harley Swenson, Robert Thompson

State Water Commission members absent: Arne Berg, Douglas Vosper

Others present: Jessica K. Unruh, State Senator, Beulah
See [Appendix A](#) for additional persons present.

It was moved by Senator Robinson, seconded by Representative Guggisberg, and carried on a voice vote that the minutes of the April 10, 2014, meeting be approved as distributed.

Governor Jack Dalrymple called the meeting of the State Water Commission to order at 1:05 p.m.

**JOINT WATER TOPICS OVERVIEW COMMITTEE AND
STATE WATER COMMISSION MEETING**

The members of the Water Topics Overview Committee and the State Water Commission gave introductions focusing on their experience with water-related issues.

Mr. Todd Sando, State Engineer and Chief Engineer-Secretary, State Water Commission, gave a presentation ([Appendix B](#)) on 2013-15 water project funding priorities, the draft project prioritization guidance concept, and the draft cost-share policy. He said the 2015-17 project inventory includes 177 projects that may qualify for some type of funding assistance.

Mr. Bruce Engelhardt, Director, Water Development Division, State Water Commission, answered questions for the committee.

In response to a question from Senator Robinson, Mr. Engelhardt said there are cost overruns in most projects. He said on smaller projects there is flexibility because the State Engineer can approve cost overruns under \$50,000. He said if the amount is more, then the State Water Commission can act. He said a 10 percent contingency is included in most contracts and allows for cost overruns.

Representative Kreun said the mission of the State Water Commission is to improve the quality of life and economy. He said if an industry comes to an area in which there is not population growth, the industry should not be treated differently from when there is population growth.

In response to a question from Representative Kreun, Ms. Michelle Klose, Assistant State Engineer, State Water Commission, said the water project prioritization contains as a high-priority project addressing severe and

anticipated water supply shortages for domestic use. She said this is in areas with a three-year average population growth of greater than 3 percent. She said the list within the high-priority projects is not hierarchical.

Representative Kreun said the prioritization should not contain the three-year average population growth greater than 3 percent as a measure of population growth.

In response to a question from Commissioner Swenson, Representative Kreun said a community that is subsidized for growth will subsidize business.

Governor Dalrymple said the State Water Commission discussed the growth concept. He said all cost-share has to be brought through political subdivisions. If there is a large economic development situation, he said, the weight of multiple requests would support the project. He said the project would not be left out because there was not any population growth.

Representative Kreun said Valley City has growth in the industrial sector, but the population is down. He said the growth factor creates an uphill battle for Valley City.

Governor Dalrymple said the State Water Commission may make exceptions, and low-priority projects could be funded and high-priority projects not funded.

Commissioner Nodland said there are small communities with large population growth, and these communities have no recourse to pay for projects. He said these small towns need an edge.

Representative Nelson said the goal is not tie the hands of the State Water Commission. He said the commission needs flexibility.

In response to a question from Representative Nelson, Ms. Klose said affordability is considered when there is a lack of water supply. She said it is factored in when determining grants and the ability to pay for loans.

Commissioner Swenson said he had trouble with funding domestic use to support industry. He said the growth factor relates to domestic use. He said he does not want the State Water Commission choosing winners and losers for economic development projects.

Commissioner Thompson said large industrial projects fall under the special funding category.

Senator Holmberg said 3 percent seems arbitrary. He said this is always the case when number thresholds are used.

In response to a question from Senator Holmberg, Mr. Sando said defining rapid growth is a moving target. He said the 3 percent was based on 2012 figures. He said 2013 numbers suggest the number may need to be higher.

Representative Steiner said anything over 4 percent is rapid growth. She said this is based on the ability of a political subdivision to absorb the growth in a reasonable amount of time.

Mr. Sando said 3 percent is the starting number and 4 percent is a good number as well. He said Minot numbers have been skewed because of the flood.

Representative Hofstad said the Legislative Assembly asked for a methodology for the Legislative Assembly to prioritize projects. He said this is a broad filter. He said it allows flexibility. He said he is comfortable with the prioritization concept, and it fulfills the Legislative Assembly request.

Mr. Sando said the State Water Commission will fund in all prioritization categories, but there will be different cost-share.

Governor Dalrymple said there has been a huge expansion of the water programs. He said there needs to be a filter. He said there might be three projects that do not receive any money for every project that is funded.

In response to a question from Senator Robinson, Mr. Sando said with the growth of the budget and number of projects, the State Water Commission will need more staff.

In response to a question from Chairman Grindberg, Commissioner Swenson said a person from Grand Forks came to the State Water Commission and used the possibility of having a fertilizer plant as a justification for

expanding the water treatment plant. He said he understands the need, but the commission cannot fund economic development.

Representative Kreun said the water plant is for growth and water quality. He said he does not support defining rapid growth with a number in the policy.

Governor Dalrymple said nothing precludes the State Water Commission from supporting a regional project. He said he expects to see more joint political subdivision applications in the future. He said the prioritization is not a law or rule. He said it is merely a policy the commission uses, and the commission can change or make an exception at any time. He said the 3 percent is a guideline but could be altered in a second. He said the policy should have enough support so that the legislature does not feel it needs to set the growth rate at 3 or 4 percent and take away flexibility from the commission.

Representative Nelson said he would like to see incentives for regionalization and cooperation. He said one group omitted is the tribes. He said partnerships with the tribes and political subdivisions may help the tribes.

In response to a question from Representative Nelson, Ms. Klose said high-priority projects have higher cost-share. She said this supports regionalization which generally expands water supply. She said although not explicit in the prioritization, the concept is implicit in the cost-share rates.

Representative Schmidt said the prioritization policy is what was intended as a product when the bill last legislative session was written.

Mr. Sando said the State Water Commission seeks a resolution in support of the prioritization policy.

Representative Kreun said he was mostly in support of the policy with some concerns.

Mr. Sando reviewed the cost-share policy with a couple of proposed changes. He said the 60 percent cost-share grant for rural water systems received the most comments. He said the proposed change is to allow for a 75 percent cost-share.

In response to a question from Commissioner Swenson, Ms. Klose said the factors for consideration for water system expansion include affordable and sustainable water rates as determined by the Chief Engineer. She said "as determined by the Chief Engineer" makes the State Water Commission able to figure the rate over the appropriate amount of users.

Commissioner Nodland said the project receiving 75 percent grant funding could only receive 80 percent total cost-share, which leaves 5 percent for loans. He said exceptions beyond that can be made by the State Water Commission.

In response to a question from Representative Hofstad, Ms. Klose said affordability is important to each rural water system. She said as end users become more and more difficult to reach, it becomes less affordable. She said some end users are willing to pay and some are not. She said the policy provides that if the people at the end are willing to pay, then there may be a 75 percent grant. She said this does not guarantee a 100 percent service but gets in those areas at the end of the line.

Representative Hofstad said limiting cost-share to 80 percent may make the funding for the remainder through loans more complicated than it needs to be. He said there is a revolving loan fund, and it should be used the best it can. In response to a question from Representative Hofstad, Ms. Klose said although buyin may come from loans from the State Water Commission, the commission wanted some money from other sources, especially when the sources are available and should be used for appropriate projects.

Governor Dalrymple said the State Water Commission has specific examples of rural water systems being unable to open up new areas at 60 percent grant. He said in those examples, the 75 percent grant would have made it possible. He said this is why the change was made. He said the commission thinks it is important that there be some local stake. He said the money available for projects will not go very far if there is a 100 percent cost-share.

Commissioner Nodland said road projects are generally 10 to 20 percent local participation. He said there must be some skin in the game. He said usually the local entity can tax or increase rates to cover the local share.

Representative Hofstad said a 100 percent loan and grant from the State Water Commission provides skin in the game because the skin is the loan. He said it should not make a difference if it all comes from the commission. He said would it be easier to have a one-stop shop.

Governor Dalrymple said there are various loan sources that could help with the local share. He said the State Water Commission discussed keeping loan programs comparable so that all would be used. He said commission loans will be comparable with the State Department of Health loans and the state revolving fund. He said then the proper program will be chosen based on convenience or fit with the project. He said the Legislative Assembly should keep the statutory rate at a comparable rate.

Mr. Sando said the other proposed change provides that the top one quarter can be provided up to 80 percent loans for water projects that result in high rates. He said this quarter will be determined by comparison against those other projects submitted.

Mr. Engelhardt said there are roughly 80 projects submitted. He said the projects will be divided into peer group, and the top quarter in each peer group would be eligible for the 80 percent. He said what is the top quarter is determined by the State Water Commission, which provides for flexibility.

In response to a question from Commissioner Swenson, Ms. Klose said it would be difficult to categorize based upon statewide cost when there are over 240 cost-share requests. She said it would be difficult to implement on a statewide basis.

Mr. Engelhardt said the policy allows for the purchase of land for flood retention projects. He said it does not allow for the purchase of easements. He said most projects do not include money for purchase or easement because it is difficult to know whether the transfer is a good deal. He said when negotiations are neighbor-to-neighbor, there is one set of negotiations, but if there is state or federal money involved, the negotiations take on a different tenor. He said the allowance for cost-share for purchasing land is an exception to a general rule and should not be expanded to include easements.

Commissioner Thompson said sometimes a water project is able to get a free easement for a pipeline. He said the major cost to retention projects is the purchase of the land. He said there would not be any retention projects if there was not any cost-share.

In response to a question from Representative Schmidt, Mr. Engelhardt said the cost attributable to archaeological finds, including downtime and the archaeologist, are not in the policy but are addressed in agreements. He said these costs are not an eligible expense and the sponsor bears the cost.

In response to a question from Representative Schmidt, Mr. Engelhardt said three feet of free board is not uncommon for a Federal Emergency Management Agency (FEMA) requirement. He said the policy provides for two feet above the 100-year floodplain. He said the individual ring dike program has dikes designed by the Natural Resources Conservation Service and does not have to meet FEMA requirements.

In response to a question from Senator Lee, Ms. Klose said there is no change to the policy as it relates to litigation. She said the State Water Commission may defer payment, but the policy does not require the commission to defer payment.

In response to a question from Senator Lee, Ms. Klose said sometimes the State Water Commission needs to fund a project to get into litigation to resolve the issues.

In response to a question from Senator Lee, Ms. Klose said the draft environmental impact statement was issued on Friday for the Northwest Area Water Supply (NAWS) Project.

In response to a question from Representative Kreun, Ms. Klose said the acquisition plan is separate from the hazard mitigation grant program.

Governor Dalrymple said the State Water Commission has always placed credence on recommendations of the North Dakota Water Coalition. He said it is a group of most all water groups, and the recommendations are based on consensus. He said the commission does not automatically approve North Dakota Water Coalition recommendations.

Senator Robinson said the joint meeting provided for good dialogue and valuable interaction.

Chairman Grindberg said the process for developing the policies has been good. He said the meeting today with the State Water Commission was productive and properly timed. He said the committee seemed supportive of the policies presented at the meeting.

Chairman Grindberg recessed the meeting at 4:25 p.m. and called the meeting to order at 9:00 a.m. on Tuesday, June 24, 2014, in the Roughrider Room, State Capitol, Bismarck.

FLOOD INSURANCE

Representative Louser provided handouts ([Appendix C](#)) that were the basis for his testimony on a state flood insurance program. He said the actuarial review of a program shows it probably is not something that could be done in this state. He said it is insolvent with 10,000 policyholders. He said North Dakota benefits from the national insurance program by receiving three and a half times the amount paid in premiums for claims. He said the federal program has a three-year fix.

FARGO-MOORHEAD DIVERSION PROJECT

Mr. Darrell Vanyo, Chairman, F-M Area Diversion Authority, provided written testimony ([Appendix D](#)) on the Fargo-Moorhead Diversion Project.

In response to a question from Representative Schmidt, Mr. Vanyo said agricultural mitigation will provide financial compensation to landowners.

In response to a question from Senator Luick, Mr. Vanyo said Oxbow was catastrophically flooded in 2009.

In response to a question from Senator Luick, Mr. Vanyo said Oxbow has flood protection, but it is not certified to the 100-year level by FEMA.

In response to a question from Senator Luick, Mr. Vanyo said early on in the process the plan was to buy out homes in Oxbow and Hickson. He said there was resistance, so a levee alternative was developed with the Army Corps of Engineers.

In response to a question from Senator Luick, Mr. Vanyo said from day one, the Fargo project has had independent utility.

Senator Luick said to date, Hickson and Bakke have not flooded and Oxbow now has substantial protection.

In response to a question from Senator Luick, Mr. Vanyo said the Minnesota Department of Natural Resources has no authority as to the project and the start of construction on the levee. He said Oxbow does not have 100-year protection. He said construction on the levee should be done immediately because it is more cost-effective.

In response to a question from Senator Luick, Mr. Vanyo said the levee is the only solution to have 100-year protection when there is 500-year protection for Fargo-Moorhead. He said the levee has provided stability as to home prices and for the tax base for the Kindred School District. He said there are some negative impacts that will be mitigated.

Senator Luick said the flood protection in Oxbow is good for 10,000 years if the project in Fargo-Moorhead does not go through.

In response to a question from Senator Luick, Mr. Vanyo said it is a complex issue for agricultural producers to be provided a remedy if they will not be qualified for crop protection because of the project. He said it is complex because producers operate with a just-in-time mentality. He said most are waiting for funding for the project. He said a consultant has been hired, and the goal is to come up with numbers that are available for farmers.

In response to a question from Senator Luick, Mr. Vanyo said there are 14 projects for upstream storage on the Minnesota side. He said five are more ready. He said money from the Cass County sales tax was used for levy work in small communities and for retention. He said there are 96 water retention projects that encompass 100,000 acres. He said water boards and districts need to approach the authority. He said the authority supports retention and distributed storage, but it is never a replacement for the diversion.

In response to a question from Representative Hofstad, Mr. Vanyo said the storage is not part of the diversion project. He said retention is supported because it lessens the frequency of which the operation of the project will be required. He said it becomes less likely there will be backup of water on other people with the retention projects. He said it also lessens the chance of the need to use insurance by agricultural producers.

In response to a question from Representative Hofstad, Mr. Vanyo said the potential use of the project goes down with retention projects, but it does not affect the cost of the diversion project.

In response to a question from Representative Kreun, Mr. Vanyo said the ring dike around Oxbow was included in the project and is a mitigation factor.

In response to a question from Representative Kreun, Mr. Vanyo said the levee project around Oxbow has started because of an advance agreement with the Army Corps of Engineers for advance construction costs being credited to the federal portion of funding.

Mr. Keith Berndt, County Administrator, Cass County, answered questions for the committee. In response to a question from Representative Kreun, Mr. Berndt said the authority may spend more from the federal funds at first as long as there is the appropriate cost-share at the end. He said federal funding is always up to Congress, and if there is no federal funding, the cost of the levee could be a local responsibility.

Representative Kreun said it should be in writing that Fargo will pay for the levee if there is not federal funding. He said the state should not be responsible for these costs. He said the wording in the bill was to protect the state from the federal government.

In response to a question from Representative Kreun, Mr. Berndt said the language in the bill indicates prior to authorization, state money may be used only for the levee, not the channel.

In response to a question from Representative Louser, Mr. Vanyo said the one-half cent sales tax is a 20-year tax in Fargo and Cass County.

In response to a question from Senator Luick, Mr. Vanyo said the red line on the maps is a line drawn by the Army Corps of Engineers and does not have to be the line separating who is entitled to compensation for agricultural losses and who is not.

In response to a question from Representative Louser, Mr. Vanyo said he agrees some critical decisions are taking too long and there needs to be a plan to make sure the upstream interests are taken care of.

In response to a question from Representative Amerman, Mr. Vanyo said the total amount of acres that will need to be purchased is around 8,000 acres. He said around 2,000 acres have been purchased and some rented back to the producer. He said not all of the 2,000 acres are within the area needed because the purchase of units of land sometimes does not coincide with the land needed for the project. He said the process of purchasing land started last fall and will most likely pick up again in the fall when the harvest season is over.

In response to a question from Representative Amerman, Mr. Vanyo said the authority will pay taxes on the land and has hired a land management company to take care of the land. He said the authority is not in the land ownership business and most likely will sell the land that is not needed in the footprint.

COMMITTEE REVIEW AND DIRECTIVES

Committee Counsel reviewed the activities of the committee through the interim to date.

Representative Hofstad said he was comfortable with the cost-share policy and prioritization schedule. He said he has angst with the revolving loan fund but will wait to see how it operates. He commended the State Water Commission with doing what was asked and the process the commission used to develop the policy and prioritization.

Representative Schmidt said he had concerns but supported the prioritization schedule and cost-share policy.

Representative Nelson said both are working documents, and there may be changes to them in the future.

Representative Hofstad said the cost-share policy to be approved included the draft changes.

It was moved by Representative Hofstad, seconded by Representative Schmidt, and carried on a roll call vote that the committee accept and recommend to the Legislative Management the prioritization schedule and cost-share policy developed by the State Water Commission. Senators Grindberg, Luick, and Robinson and Representatives Amerman, Guggisberg, Hofstad, Kreun, Louser, Nelson, Schmidt, and Steiner voted "aye." No negative votes were cast.

WATER FUNDING NEEDS

Mr. Mike Dwyer, North Dakota Water Coalition, provided a handout ([Appendix E](#)) on statewide water funding needs. He said the process includes getting all of the projects identified and then looking at the revenue forecast to make suggestions to the State Water Commission for support by the Legislative Assembly.

In response to a question from Representative Schmidt, Mr. Dwyer said the potential initiated measure for conservation asks for 5 percent of the oil extraction tax.

In response to a question from Chairman Grindberg, Mr. Dwyer said the revolving loan fund begins January 1, 2015, and will be loaned out by the State Water Commission.

Committee Counsel said North Dakota Century Code Section 54-35-02.7, which provides for the Water Topics Overview Committee, has references to the studies that were completed this interim, and the section may need to be amended to not duplicate the studies in the future.

Senator Robinson requested a bill draft that would provide for the administration costs of the State Water Commission to be provided for by general funds other than the resources trust fund.

Chairman Grindberg said there will be one more meeting unless other issues arise.

In response to a question from Representative Nelson, Ms. Klose said something definitive on NAWWS will most likely not be available before the next legislative session. She said her guess is that the environmental impact study will be presented to the court in March of next year.

Representative Hofstad requested information from the Industrial Commission on the sweep of industrial sales and the ability of the Western Area Water Supply Authority to pay.

No further business appearing, Chairman Grindberg adjourned the meeting at 10:45 a.m.

Timothy J. Dawson
Counsel

ATTACH:5



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

MEMORANDUM

To: Mary Massad, Manager/CEO

From: Sandra Burwick, CFO/Office Administrator

Subject: American Bank Center and American Trust Center – Incidental Information

Date: July 24, 2014

Per Board approval at last month's Board of Director's meeting, Southwest Water Authority opened two new bank accounts; one with American Bank Center and one with American Trust Center.

The account with American Bank Center is the Money Market Account Xtra (MMAX). The amount deposited in the MMAX account is \$750,000.00. Attached is the deposit confirmation.

The account with American Trust Center is the Southwest Water Authority - O&M account. This account consists of funds for Southwest Water Authority's Operations and Maintenance and Operations and Maintenance Reserves. The amount deposited in this account is \$250,000.00.

These new accounts will increase the FDIC insurance coverage and also draw more interest.



**CHARITY
DEPOSITS
CORP.**

ORDER CONFIRMATION

DEPOSIT

To: **American Bank Center**

Attn: **Tom Wyckoff**

As Agent for: **Southwest Water O & M Reserve
Account**

Settlement Date: **7/14/2014**

Amount: **\$750,000.00**

Confirmation No.: **85775**

IDC Account No.: **900000410738**

Transaction Comments:

**This confirms that you have acquired the ownership interest in an FDIC-Insured Money Market. Wells Fargo will purchase the Deposits pursuant to instructions from CDC.*



ORDER CONFIRMATION

DEPOSIT

To: **Southwest Water O & M Reserve Account**
4665 2nd St SW
Dickinson, ND 58601-7231

Settlement Date: **7/14/2014**

Amount: **\$750,000.00**

Confirmation No.: **85775**

IDC Account No.: **900000410738**

Transaction Comments:

**This confirms that you have acquired the ownership interest in an FDIC-Insured Money Market.*

Deposits Portfolio:

Deposit Issuer Name	FDIC No	City, State	Amount
BBandT Financial FSB	9846	Miami, FL	\$249,500.00
Doral Bank FSB	34905	New York, NY	\$249,500.00
State Bank of India	33664	Chicago, IL	\$1,500.00
Wells Fargo Bank National Association	3511	Daphne, AL	\$249,500.00
		Grand Total:	\$750,000.00

North Dakota Missouri River Stakeholders

North Dakota Missouri River Stakeholders (NDMRS)

Mission: Creating grassroots unity, leadership and direction to advocate and promote North Dakota's Missouri River interests.

Goals of this effort

- To create unity and leadership for a North Dakota vision and voice on Missouri River issues.
- 2014 Fall Workshop: to build momentum, interest, commitment (ownership).
- 2015 Spring Conference: to develop leadership and direction to advocate North Dakota's Missouri River interests.

How we got here!

- 2005 - Missouri River Joint Board (MRJB) formed to address local issues along the river.
- 2012 - Workshop attended by 65 North Dakota stakeholders resulted in the formation of a Leadership Committee to create a North Dakota Missouri River organizational strategy.
- Funding provided by State Water Commission and Garrison Diversion Conservancy District to the MRJB to implement the 2012 workshop outcomes.
- The Leadership Committee established a path forward, a conceptual framework, and hired a project team to assist.

The challenge:

- To foster understanding among North Dakota's Missouri River interests – including views and needs of those stakeholders.
- To develop agreement on key issues and work together to maximize the Missouri River's potential in North Dakota.
- To convey stakeholders' goals within and outside the state's borders, and then work to achieve them.

Why is this needed?

- To enable North Dakota's Missouri River interests to collectively meet about, educate, advocate, understand, or respond to Missouri River issues and challenges.
- North Dakota needs greater unity and advocacy for what lies ahead - we need to start working together today to be ready for tomorrow!

What is needed?

- We need to develop a strong regional grassroots structure to listen, discuss, learn, educate, communicate, involve, advocate, and promote Missouri River issues.
- Agreement by North Dakotans on the key issues whenever possible.
- Commitment by North Dakotans to work together to realize North Dakota's interests on the Missouri River.
- A vision we all support and will help achieve.

What are some of the issues?

- Access to water within reservoir boundaries
- Flood control
- Wildlife habitat
- Annual Missouri River operating plan
- Adequate water supplies
- Sovereign land management
- Recreational access (boat ramps)
- Bank stabilization
- Floodplain management
- Sedimentation and delta formation
- Noxious weed control
- Land management
- Missouri River Recovery Program
- Irrigation
- Fishery health
- Water quality
- Endangered species
- Hunting access

What can you do to help?

- GET INVOLVED!
- STAY INVOLVED!
- SHARE YOUR VIEWS!
- LEAD!

ATTEND THE FALL WORKSHOP:
November 20, 2014
Bismarck State College
Bismarck, ND

ATTEND THE SPRING CONFERENCE:
June 3-4, 2015
Ramkota Hotel
Bismarck, ND

Contact:

Ryan Norrell
Executive Director
rmnorrell@ndwaterlaw.com
701-223-4615

North Dakota Missouri River Stakeholders
PO Box 2254
Bismarck, ND 58502

Leadership Committee

Wade Bachmeier
wade@btinet.net
701-400-4251

Mary Massad
mmassad@swwater.com
701-225-0241

Duane Dekrey
duaned@daktel.com
701-652-5174

Jim Neubauer
jneubauer@
cityofmandan.com
701-667-3214

Terry Fleck
tfleck@attitudedr.com
701-223-9768

Bill Ongstad
bill.ongstad@gmail.com
701-341-2937

Pat Fridgen
pfridgen@nd.gov
701-328-4964

Ken Royse
ken.royse@bartwest.com
701-202-5459

Michael Gunsch
mgunsch@houstoneng.com
701-527-2134

Ron Sando
rksando1@aol.com
701-226-5038

Dave Koland
davek@daktel.com
800-532-0074

Jean Schafer
jeans@bepc.com
701-400-5814

Project Team

Ryan Norrell
rmnorrell@ndwaterlaw.com
701-223-4615

Jackie Nye
waterone@btinet.net
701-223-4615

Lance Yohe
tblance@gmail.com
701-371-8246

Mike Dwyer
mdwyer@ndwaterlaw.com
701-223-4615

North Dakota Missouri River Stakeholders

Creating grassroots unity,
leadership and direction to advocate
and promote North Dakota's
Missouri River interests.

Contact:

**NORTH DAKOTA MISSOURI RIVER
STAKEHOLDERS (NDMRS)**

**Ryan Norrell
Executive Director
rmnorrell@ndwaterlaw.com
701-223-4615**



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ATTEND THE FALL WORKSHOP

**November 20, 2014
Bismarck State College
Bismarck, ND**

Name _____

Organization _____

Address _____

E-mail _____

Phone _____



ATTEND THE SPRING CONFERENCE:

**June 3-4, 2015
Ramkota Hotel
Bismarck, ND**

Name _____

Organization _____

Address _____

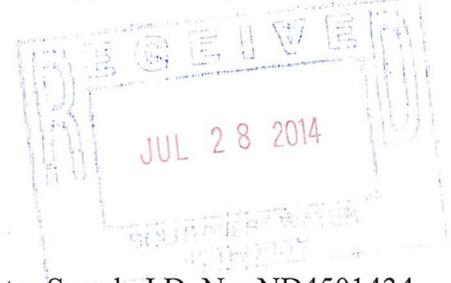
E-mail _____

Phone _____



July 10, 2014

SOUTHWEST WATER AUTHORITY
c/o MASSAD, MARY
4665 2ND ST SW
DICKINSON, ND 58601



Public Water Supply I.D. No: ND4501434

Dear Ladies and Gentlemen:

On, July 8, 2014, a representative of the Department of Health conducted a routine inspection/sanitary survey of the following as required by the Safe Drinking Water Act and/or the Clean Water Act:

Critical Inspection Areas

- Drinking water source (well[s], spring[s], **surface water**, consecutive user)
- Source water protection
- Water treatment plant
- Chemical addition equipment for treatment of well water
- Water distribution system
- Finished water storage facilities
- Potable water pumps, pump facilities, and controls
- System management and operation
- Operator compliance with certification
- Required monitoring and reporting, and data verification for drinking water
- Wastewater collection system
- Wastewater treatment facility

If any defects are noted in the enclosed inspection report, corrective action is required within the time line designated. You must notify this department in writing within forty-five (45) days of the date of this letter regarding the status of the corrected defects, or present a formalized plan to correct the defects.

July 10, 2014

Violations of the Safe Drinking Water Act and/or Clean Water Act, which have occurred within the last twelve (12) months, are discussed in the general remarks section of the inspection report, along with appropriate action to be taken by the system. In addition, any deficiencies reported in the critical inspection areas are also discussed with appropriate corrective action.

It is the intent of the department representative to complete a comprehensive inspection. However, factors such as time constraints, lack of appropriate testing, and accessibility may limit the detection of all defects in the system(s).

Please contact Shawn Heinle, the department representative who conducted the inspection at 701.328.6627, or me at 701.328.6622, if you have any questions regarding the inspection or the enclosed report.

Sincerely,

A handwritten signature in cursive script that reads "Mike Brisben".

Mike Brisben
Administrator of Inspection Program
Division of Municipal Facilities

MB/:SH
Enc.

CC:Southwestern District Health Unit
Grace Rixen-Handford, Plant Manager
Lee Messer, Water Distribution Manager

**NORTH DAKOTA DEPARTMENT OF HEALTH
DIVISION OF MUNICIPAL FACILITIES
BISMARCK, NORTH DAKOTA**

DATE OF REPORT: July 14, 2014
DATE OF SURVEY: July 08, 2014
PLACE: SOUTHWEST WATER AUTHORITY
OBJECTIVE: Drinking Water Survey
ACCOMPANIED BY:

DEFECTS, CORRECTIVE ACTIONS, TIME LINES, AND REFERENCES:

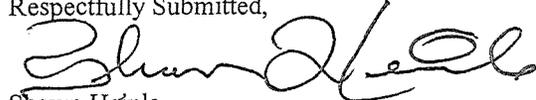
Drinking Water

DEFECT: No defects noted at this time.
CORRECTIVE ACTION:
TIME LINE:
REFERENCE:
COMMENT:

During the inspection I discussed with Grace the need for containment barriers for some of the chemicals used at the treatment plant. Grace said she would look into some temporary ones, as Southwest is looking to build a new plant and does not wish to invest money in the old plant. I would suggest that the new plant have containment barriers for any chemicals that will be used.

I appreciate the time and cooperation shown to me by Lee Messer and Grace Rixen-Handford during the recent inspection. If you have any questions or concerns, please contact me at 701.328.6627.

Respectfully Submitted,



Shawn Heinle
Environmental Scientist
Division of Municipal Facilities

Unofficial

Perkins County Rural Water System, Inc.
104 West Main Street PO Box 160
Bison, SD 57620-0160
Tele: (605)244-5608 Fax: (605)2445926
E-MAIL: pcrws@sdplains.com

July 10th, 2014

The meeting was called to order by President Don Melling at 7:30 PM at the Perkins County Rural Water Sys. Inc. board room in Bison, SD. Other directors present were Stanley Brixey, Colin LaMont, Charles Edwards, Holly Waddell, Matthew Butsavage, Rod LeFebre and Lynn Frey. Directors absent were Brian Morris. Also in attendance were Larry Thelen of AE2S, Eric Bogue, attorney, Eric Newman, Shiloh Baysinger and Brandi Baysinger, staff.

Agenda

Motion by Colin LaMont, seconded by Lynn Frey to approve agenda with addition of 8. C. Resignation, motion passed.

Minutes

Motion by Matthew Butsavage, seconded by Holly Waddell, minutes to be approved. Motion passed.

Financial Report

Motion by Rod LeFebre and seconded by Colin LaMont to approve Unpaid and Paid bills, motion passed.

Motion by Charles Edwards and seconded by Colin LaMont to approve Financial Reports, motion passed.

Pay Estimate #3 from American General Contractors for retainage was tabled at this meeting.

Engineers Report

No report.

DENR

Final Completion Status and Repayment Schedule – Interest only payable before July 1, 2015

Managers Report

Lemmon Livestock has leaks and PCRWS put in a new meter to regulate meter flows more accurately for usage.

Automatic meter readers are here for test usage.

Director's Report

No report.

All other matters

AE2S – Larry Thelen presented proposal to evaluate the HWY 75 booster station and Main pump station – pressure and flows – with recommendations to PCRWS. Letter of agreement, contract, with work done in 35 days from signing date were presented. Lynn Frey moved to proceed with engaging AE2S to

evaluate the HWY 75 booster station, after attorney review of contract, seconded by Colin LaMont. Motion passed.

Loan repayment options – Matthew Butsavage moved to have Eric Bogue send a letter to City of Lemmon stating no further negotiation and full debt repayment is owed that was proposed based on gallons of water provided in the contract and rates will be adjusted accordingly. Stanley Brixey seconded, motion passed.

Resignation – Holly Waddell moved to reluctantly accept Charles Edwards resignation from the Board. He has moved from the city limits of Lemmon. Rod LeFebre seconded, motion passed.

Executive Session

Next meeting August 14th, 2014 at 7:30 pm

Meeting Adjourned at 10:00 PM.

**Southwest Water Authority
Board of Directors**

**Parking Lot
August 4, 2014**

Item

Date put on Parking Lot

Agenda Date

