



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

MEMORANDUM

To: Southwest Water Authority Board of Directors
From: Jen Murray, Manager/CEO, SWA
Subject: July 7, 2025, SWA Board of Directors Meeting
Date: July 1, 2025

The next Southwest Water Authority (SWA) Board of Directors meeting will be Monday, July 7, 2025, at 9:00 a.m. MDT at the SWA O&M Center Office in Dickinson, ND.

There are two policies for the Board to review and monitor this month: Policy IV. Manager/CEO Role and Policy III.G. Board Member Code of Conduct. Part of the policy is that “Board Members are the Soul and Spirit of Southwest Water Authority.” I request that each Board member sign the “Soul and Spirit” document, which will be filed in each Director’s file. I want to thank each of you for your time and dedication in serving on the SWA Board of Directors. Our mission and vision could not be accomplished without every one of you.

Decision making includes two policies and their related reports to the Board on Financial Condition and Asset Protection. These policies and reports are reviewed quarterly.

The SWA Board Retreat will take place on October 6-7, 2025. Jared Huibregtse of Bartlett & West will be the facilitator. We appreciate the responses to our questions last month and are utilizing the information to develop an agenda. We hope everyone will participate in providing us with a biography by October.

The board packet includes the North Dakota Water Education Foundation's Summer Water Tours schedule. SWA will sponsor the tours again this year. If you are interested in attending any tours, please notify our office.

The Board packet includes a memo on the upcoming Partner Annual Meetings. Most of these meetings occurred in June. Several written Board reports have been submitted and are included in the Board packet for your review.

For review and discussion this month is the proposed policy to address hydraulic anomalies. This policy is a commitment to evaluate hydraulics and system limitations that directly impact our ability to serve existing and prospective customers. It gives SWA the authority to consider low-cost, interim solutions that allow for customer connections without compromising the long-term integrity or efficiency of the system. Measures implemented are to be considered temporary and will be permanently addressed if and when a system hydraulic improvement is made in the affected area. Decision-making on this policy is anticipated for the August agenda.

Members of the Water Topics Overview Committee have been appointed. The complete membership list is included in the Board packet, along with the Committee’s responsibilities for the interim period. Meeting dates are to be determined.

One study that the Water Topics Overview Committee will be receiving is the ND Regional Water Systems Governance and Finance Report, which was part of House Bill 1020. The Request for Information related to this study has been advertised, and the progress schedule has been established. The Southwest Pipeline

Project's long-term governance and financial model will be evaluated, along with its operational and organizational aspects.

The SWC meeting was held on June 12, 2025. The SWPP had five items on the agenda. Memos and materials are included in the Board packet. All items were approved. The agreement with Gevo for the Preliminary Design Report for Raw Water Upgrades was approved. Gevo has committed to financing the portion of the report that reviews its future water allocation requests. The Bismarck Tribune wrote an article on the collaboration, which is included in the Board packet.

The DWR has completed the Missouri River Potential Intake Locations Investigation, which aimed at identifying optimal surface and subsurface water intake sites along the Missouri River corridor. A link to the complete study is included in the DWR press release and can be viewed on the DWR website.

Justin Froseth will update the Board on the status of SWPP construction and various projects and contracts. Justin's memo is included for your review. The North New England Strategic Improvement Contract has been advertised for bids, and the bid opening is scheduled for July 22, 2025. The award is expected at the August SWC meeting.

B&W has completed a map of the Hebron Rural Service Area and will present it to the Board. The map aims to serve all customers who have signed up in this area, which results in an increased cost estimate. The next steps are to contact high-cost customers to increase signups or service units. Discussions are needed on the customers along the proposed line to Lake Tschida and the efficiency of serving some of those customers sooner rather than later.

Tyson Decker will update the Board on the ongoing SWA construction and REM projects. The SWA Management team will provide an operations and maintenance (O&M) update for June.

Misti Conzemius will provide an update on the Signup and Easement Department. The waiting list currently has 757 service requests system-wide. In addition to the waiting list, 853 sign-ups have been collected in the Burt, Hebron Service Area. The Signup and Easement department will soon shift focus to the Hebron Rural Service Area to collect more signups and service units for high-cost lines.

The Missouri River Joint Water Board Advisory Committee held a meeting on June 18, 2025, at the Missouri West Water System Office in Mandan. The full Missouri River Joint Water Board met on June 26, 2025. Agendas from these meetings are included in the Board packet. Notable business items included amendments to the Joint Powers Agreement, which allows additional counties to join. There are still a couple of counties that have yet to sign the agreement. This seems to be a timing issue, as many of the water boards have not held formal meetings. The EAE program continues to search for a new Missouri River Coordinator. Ken Royse and I were scheduled to appear on the ND Today Show on June 18, 2025, to discuss the EAE program. Ken's flight from Seattle was delayed in Denver, and he was unable to make the appearance. The show must go on, however, and I was interviewed on the SWPP and the Missouri River. The broadcast can be viewed on KFYZ and the [SWA website](#) and Facebook page.

The Joint Summer Meeting and Executive Briefing will be held in Devils Lake on July 9-10, 2025, at the Spirit Lake Casino. Director Leingang will be in attendance.

The NDRWSA 2025 Leadership Retreat and Annual Meeting will be held on July 17, 2025, at the Medora Rough Riders Hotel & Conference Center.

Pat Fridgen has been named the first-ever Deputy Director for the Department of Water Resources. Pat has dedicated 25 years to the agency and currently serves as the Director of the Planning and Education Division. In the new role, he will continue to bring his extensive knowledge and passion for ND's water resources to help lead the agency's mission to responsibly manage and protect our state's water for current and future generations. Congratulations Pat!

The Department of Water Resources released its first episode of the new podcast "From the Headwaters" on June 30, 2025. The podcast will explore the people, projects and policies shaping ND's water future. Listen to the first episode, "Interview with DWR Director Reice Haase," [here](#), or wherever you get your podcasts.

The Board of Directors meeting will be held on Monday, July 7, 2025, at 9:00 a.m. MDT at the SWA O&M Center Office in Dickinson, ND.



North Dakota Department of Water Resources

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🔴 Exciting News from the North Dakota Department of Water Resources! 🔴

We are proud to announce that Pat Fridgen has been named the first-ever Deputy Director of the ND Department of Water Resources!

Pat has dedicated 25 years to the agency and currently serves as the Director of the Planning and Education Division. In his new role, he will continue to bring his extensive knowledge and passion for North Dakota's water resources to help lead the agency's mission to responsibly manage and protect our state's water for current and future generations.

Please join us in congratulating Pat on this well-deserved appointment! 🍌

[#NDWater](#) [#WaterResources](#) [#Leadership](#) [#NorthDakota](#)



Southwest Water Authority touts clean drinking water across region

Southwest Water Authority issued their annual Consumer Confidence reports outlining their compliance with state and federal guidelines although some critics have raise health concerns



Dickinson Press file photo
A glass of tap water.

BY EVAN BUTOW - THE DICKINSON PRESS

The Southwest Water Authority recently announced the drinking water it provides to homes and businesses across southwest North Dakota met — and in several cases surpassed — state and federal water quality standards.

“These results reflect our ongoing commitment to public health and service excellence,” said SWA Manager and CEO Jen Murray in a statement. “We know how important clean, safe drinking water is for our communities and we take that responsibility seriously.”

The SWA is a political subdivision that provides drinking water from the Missouri River, Lake Sakakawea and other sources to 12 counties, including Stark County and Dickinson.

To do this, the authority operates two primary treatment plants — one in Dickinson and another 15 miles northwest of Beulah — along with three smaller plants in Crown Butte, Junction Inn and Tower Hill. All five facilities met or exceeded state and federal water quality standards.

The drinking water Dickinson purchases from SWA comes from the Missouri River via Lake Sakakawea.

The Environmental Protection Agency monitors more than 90 contaminants in drinking water. These fall into five main categories: microbial, inorganic, organic, radioactive, and pesticide and herbicide contaminants.

Each contaminant has two federal regulatory benchmarks: Maximum Contaminant Level Goals (MCLGs), which are non-enforceable targets based on health risk, and Maximum Contaminant Levels (MCLs), which are enforceable safety limits.

Drinking water providers are encouraged to stay below MCLGs but are only legally required to remain under MCLs. Together, these standards are known as the National Primary Drinking Water Regulations.

In Dickinson, SWA reported five regulated contaminants, including barium, copper and nitrate-nitrite.

According to SWA's Dickinson Consumer Confidence Report, barium levels were measured at 0.0126 parts per million (ppm), well below the MCLG of 2 ppm. Copper was detected at 0.0738 ppm, below the MCL of 1.3 ppm (copper has no MCLG). Nitrate-nitrite levels were at 0.078 ppm, far under the MCLG of 10 ppm.

SWA also tests for lead, but its report showed no detectable lead particles in Dickinson's water.

The authority adds fluoride to the water supply to help prevent tooth decay and promote dental health. Fluoride was measured at 0.92 ppm, below both the MCL and MCLG of 4 ppm.

SWA also monitors turbidity — the cloudiness of water — measured in Nephelometric Turbidity Units (NTUs). Levels in Dickinson were reported at 0.2 NTU, slightly below the MCL of 0.3 NTU.

At the state level, the North Dakota Department of Environmental Quality is required to assess major drinking water sources. According to SWA's report, the state determined Lake Sakakawea to be "moderately susceptible" to contaminants but noted SWA has historically treated the water effectively.

Although legally compliant, Dickinson's water may still pose health concerns according to the Environmental Working Group, which compiles a national tap water database using state and federal records. The nonprofit compares those figures against its own, more stringent, health guidelines.

The EWG lists several contaminants in Dickinson it says exceed its internal recommendations. For example, it claims the city's haloacetic acid (HAA5) levels of 10.3 parts per billion (ppb) are 103 times higher than its guideline of 0.1 ppb.

Haloacetic acids are formed when disinfectants like chlorine react with organic matter in water. They have no MCLG, and the federal MCL is 60 ppb — putting Dickinson's level well within legal limits.

According to the EWG, long-term exposure to haloacetic acids may increase the risk of cancer. However, the group has drawn criticism from municipalities and industry experts who argue that its internally developed standards misrepresent risk and unnecessarily alarm the public.

Compared to other areas of the country, Dickinson and southwest North Dakota generally have clean, safe drinking water.

More information on the Consumer Confidence Reports is available on SWA's website, social media or by contacting the authority at 1-888-425-0241 or swa@swwater.com.



North Dakota Legislative Council

Prepared by the Legislative Council staff
LC# 25.9091.23000
June 2025

OIL AND GAS TAX REVENUES MONTHLY UPDATE

This memorandum provides an update on oil production and prices, oil and gas tax revenue collections, and oil and gas tax revenue allocations for June 2025 and for the biennium to date. The forecasted amounts reflect the 2023 legislative revenue forecast ("original forecast") prepared at the close of the 2023 regular legislative session and the March 2025 revised legislative forecast ("March 2025 revised forecast").

OIL PRODUCTION AND PRICES

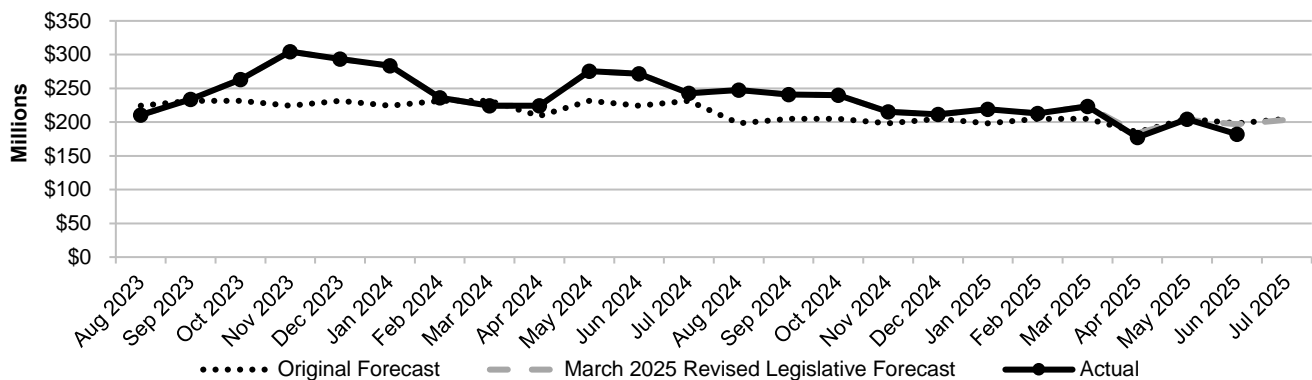
The schedule below provides information on oil production and prices for April 2025 and for the biennium to date. Oil and gas tax revenue allocations reflect production and price from 2 months prior. The actual oil prices reflect the North Dakota oil prices reported by the Tax Department.

	Original Forecast							
	April 2025				Biennium to Date			
	Actual	Forecast	Variance		Actual	Forecast	Variance	
			Amount	Percent			Amount	Percent
Average daily oil production	1,171,730	1,100,000	71,730	7%	1,208,304	1,100,000	108,304	10%
Average oil price per barrel	\$55.67	\$62.00	(\$6.33)	(10%)	\$69.25	\$66.17	\$3.08	5%

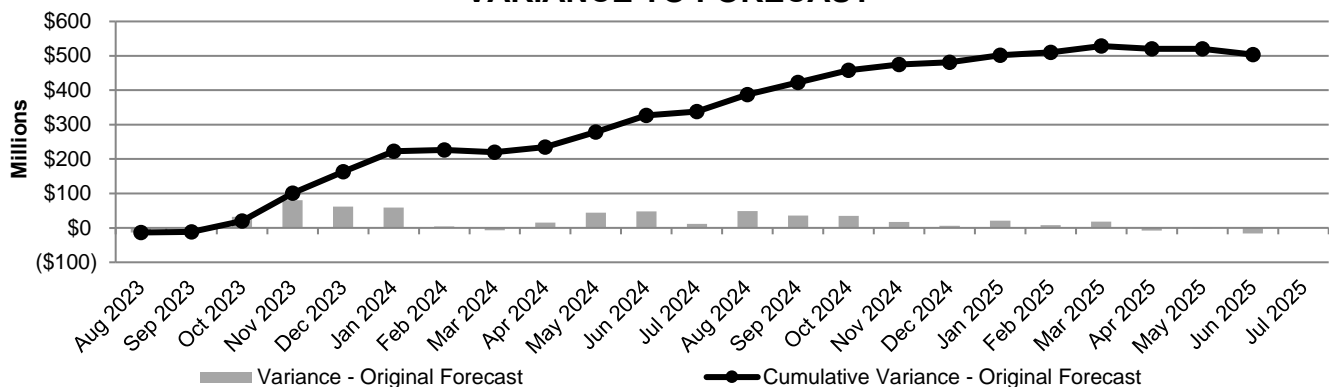
	March 2025 Revised Forecast							
	April 2025				Biennium to Date			
	Actual	Forecast	Variance		Actual	Forecast	Variance	
			Amount	Percent			Amount	Percent
Average daily oil production	1,171,730	1,150,000	21,730	2%	1,208,304	1,201,129	7,175	1%
Average oil price per barrel	\$55.67	\$62.00	(\$6.33)	(10%)	\$69.25	\$69.23	\$0.02	0%

OIL AND GAS TAX REVENUE COLLECTIONS

The chart below provides information on total oil and gas tax revenue collections based on the original forecast and actual allocations through June 2025.



VARIANCE TO FORECAST



OIL AND GAS TAX REVENUE ALLOCATIONS

The schedule below provides information on oil and gas tax revenue allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, state funds, and political subdivisions for June 2025 and for the biennium to date.

Original Forecast								
	June 2025				Biennium to Date			
	Actual	Forecast	Variance		Actual	Forecast	Variance	
			Amount	Percent			Amount	Percent
Three Affiliated Tribes	\$14.54	\$25.90	(\$11.36)	(44%)	\$469.52	\$643.69	(\$174.17)	(27%)
Legacy fund	50.40	51.86	(1.46)	(3%)	1,493.70	1,289.64	204.06	16%
North Dakota outdoor heritage fund	0.00	0.00	0.00	N/A	15.00	15.00	0.00	0%
Abandoned well reclamation fund	0.19	0.63	(0.44)	(70%)	15.00	13.84	1.16	8%
Political subdivisions	26.10	24.60	1.50	6%	794.88	657.31	137.57	21%
Common schools trust fund	7.10	8.47	(1.37)	(16%)	220.00	210.69	9.31	4%
Foundation aid stabilization fund	7.10	8.47	(1.37)	(16%)	220.00	210.69	9.31	4%
Resources trust fund	14.55	17.37	(2.82)	(16%)	451.00	431.91	19.09	4%
Oil and gas research fund	0.00	0.00	0.00	N/A	17.50	17.50	0.00	0%
State energy research center fund	0.00	0.00	0.00	N/A	7.50	7.50	0.00	0%
General fund	0.00	0.00	0.00	N/A	460.00	460.00	0.00	0%
Social service fund	0.00	0.00	0.00	N/A	250.00	250.00	0.00	0%
Budget stabilization fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Lignite research fund	0.00	0.00	0.00	N/A	10.00	10.00	0.00	0%
State disaster relief fund	0.00	0.00	0.00	N/A	8.45	12.53	(4.08)	(33%)
Strategic investment and improvements fund	62.25	0.00	62.25	N/A	692.10	400.00	292.10	73%
PERS main system plan	0.00	0.00	0.00	N/A	65.00	65.00	0.00	0%
Municipal infrastructure fund	0.00	25.37	(25.37)	(100%)	115.00	115.00	0.00	0%
County and township infrastructure fund	0.00	25.37	(25.37)	(100%)	115.00	115.00	0.00	0%
Airport infrastructure fund	0.00	10.42	(10.42)	(100%)	20.00	10.42	9.58	92%
Total oil and gas tax revenue allocations	\$182.23	\$198.46	(\$16.23)	(8%)	\$5,439.65	\$4,935.72	\$503.93	10%

March 2025 Revised Forecast								
	June 2025				Biennium to Date			
	Actual	Forecast	Variance		Actual	Forecast	Variance	
			Amount	Percent			Amount	Percent
Three Affiliated Tribes	\$14.54	\$17.48	(\$2.94)	(17%)	\$469.52	\$473.14	(\$3.62)	(1%)
Legacy fund	50.40	53.86	(3.46)	(6%)	1,493.70	1,498.33	(4.63)	0%
North Dakota outdoor heritage fund	0.00	0.00	0.00	N/A	15.00	15.00	0.00	0%
Abandoned well reclamation fund	0.19	0.31	(0.12)	(39%)	15.00	15.01	(0.01)	0%
Political subdivisions	26.10	26.02	0.08	0%	794.88	792.70	2.18	0%
Common schools trust fund	7.10	8.35	(1.25)	(15%)	220.00	222.86	(2.86)	(1%)
Foundation aid stabilization fund	7.10	8.35	(1.25)	(15%)	220.00	222.86	(2.86)	(1%)
Resources trust fund	14.55	17.11	(2.56)	(15%)	451.00	456.87	(5.87)	(1%)
Oil and gas research fund	0.00	0.00	0.00	N/A	17.50	17.50	0.00	0%
State energy research center fund	0.00	0.00	0.00	N/A	7.50	7.50	0.00	0%
General fund	0.00	0.00	0.00	N/A	460.00	460.00	0.00	0%
Social service fund	0.00	0.00	0.00	N/A	250.00	250.00	0.00	0%
Budget stabilization fund	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A
Lignite research fund	0.00	0.00	0.00	N/A	10.00	10.00	0.00	0%
State disaster relief fund	0.00	0.00	0.00	N/A	8.45	8.45	0.00	0%
Strategic investment and improvements fund	62.25	65.33	(3.08)	(5%)	692.10	693.96	(1.86)	0%
PERS main system plan	0.00	0.00	0.00	N/A	65.00	65.00	0.00	0%
Municipal infrastructure fund	0.00	0.00	0.00	N/A	115.00	115.00	0.00	0%
County and township infrastructure fund	0.00	0.00	0.00	N/A	115.00	115.00	0.00	0%
Airport infrastructure fund	0.00	0.00	0.00	N/A	20.00	20.00	0.00	0%
Total oil and gas tax revenue allocations	\$182.23	\$196.81	(\$14.58)	(7%)	\$5,439.65	\$5,459.18	(\$19.53)	0%

SOUTHWEST WATER AUTHORITY
Board of Directors Meeting Agenda
Monday, July 7, 2025, 9:00 a.m. MDT
Southwest Water Authority O&M Center Office, Dickinson, ND
Meeting can be accessed via Teams or by calling: 1-321-558-6608 ID: 190145978#

	Flip Chart Recorder: Director Eaton	Process Observer: Director Engelhardt	Minutes: Wendy Serhienko
9:00 a.m.	1. Call to Order – Pledge of Allegiance - Introductions		Chairperson Odermann
9:05 a.m.	2. Agenda A. Review Agenda B. Consent Agenda* <i>Official Minutes of June 2, 2025, Board of Directors Meeting, Accounts Payable & Financial Reports and Return on Investment*</i>		Chairperson Odermann Board of Directors
9:10 a.m.	3. Board Policy Review and Monitoring A. Policy III.G. Board Governance Process-Board Member’s Code of Conduct-Board Members are the Soul and Spirit of SWA B. Policy IV. Manager/CEO Role		Board of Directors Board of Directors
9:15 a.m.	4. Decision Making A. Policy II.C. Executive Limitations-Financial Condition Manager/CEO and Internal Report* B. Policy II.E. Executive Limitations-Asset Protection and Manager/CEO Internal Report*		Board of Directors Board of Directors
9:40 a.m.	5. Board Member Reports A. Strategic Plan - Board Retreat B. 2025 Summer Water Tours-The Future of Flood Protection C. Partner’s Annual Meetings 1. Grand Electric Annual Meeting 2. West River Telephone Annual Meeting 3. Roughrider Electric Annual Meeting 4. Slope Electric Annual Meeting 5. McKenzie Electric Cooperative Annual Meeting 6. Mor-Gran-Sou Electric Cooperative Annual Meeting 7. Consolidated Annual Meeting		Jen Murray/Board of Directors Director Glasoe/Chairperson Odermann Director Gaugler Director Tietz Director Tschetter Director Seifert Chairperson Odermann Director Leingang Director Ingold
10:00 a.m.	Break		
10:15 a.m.	6. Incidental Information A. SWA Interim Policy Addressing Hydraulic Anomalies B. Legislative Update – Water Topics Overview Committee 1. ND Regional Water Systems Governance and Finance Report-HB 2020 C. SWC Meeting 1. Missouri River Intake Study D. SWPP Update 1. North New England Strategic Hydraulic Improvements 2. Burt Hebron Rural Service Area		Jen Murray Jen Murray Jen Murray/Justin Froseth Justin Froseth Justin Froseth Froseth/ Decker Froseth/Decker/Murray Tyson Decker
11:15 a.m.	E. Update from Manager/CEO/SWA Staff 1. SWA Construction and O&M Update 2. Easement/Signup Update 3. Missouri River Joint Water Board Meeting/EAE Program 4. 2025 Joint Summer Water Meeting 5. NDRWSA Leadership Retreat		Decker/Murray/Rixen/Erickson Misti Conzemius Jen Murray Jen Murray Jen Murray
11:30 a.m.	F. Perkins County Rural Water System Update		Ledeanna O’Shields
11:35 a.m.	7. Review issues pending/Parking lot/Plan next agenda		
11:40 a.m.	Adjourn for Lunch		

***Items require Board action.**

**Minutes of Meeting
Southwest Water Authority
Board of Directors
June 2, 2025
Southwest Water Authority O&M Center Office in Dickinson**

1. Call to Order – Pledge of Allegiance - Introductions

The Southwest Water Authority Board of Directors met on Monday, June 2, 2025, at Southwest Water Authority O&M Center Office, and via phone conference in Dickinson, ND. Chairperson Odermann called the meeting to order at 9:00 a.m. MDT, followed by the Pledge of Allegiance and roll call.

Present at the meeting were: Directors James Odermann, Ryan Baumgartner, Mark Begger, Dave Burke, Jonathon Eaton, Bruce Engelhardt, Harold Gaugler, Curtis Glasoe, Bob Ingold, Bob Leingang, Don Schaible, Rick Seifert, Mike Tietz and Scott Tschetter. Also present were: Justin Froseth, DWR, Reice Haase, DWR, Chris Kadrmas, DWR, Darin Langerud, DWR, Tyson Decker, Bartlett & West, Dani Quissell, North Dakota Water, Jack Dwyer, Dwyer Law Office, Chelsey Jacobson, Odney, Inc., Jen Murray, SWA Manager/CEO, Andy Erickson, SWA Water Distribution Manager, Misti Conzemius, SWA Marketing Manager, Ledeanne O'Shields, SWA CFO/Office Administrator, Perry Grammond, SWA Assistant Water Treatment Manager, and Wendy Serhienko, SWA Executive Assistant.

Director Berg was excused.

2. Agenda

2.A. Review Agenda

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

Motion by Director Glasoe, seconded by Director Seifert, to approve the agenda as is. Motion carried by voice vote without dissent.

2.B. Consent Agenda*

Motion by Director Leingang, seconded by Director Tschetter, to approve item 2.B. Minutes May 5, 2025, Meeting, Official Minutes of Executive Committee Meeting, May 5, 2025, Accounts Payable, and Financial Reports and Return on Investment. Motion carried by voice vote without dissent.

3. Supplementary Intake Special Meeting

Haase reported a SWC special meeting for Contract 1-2A, the Supplementary Intake, was held on May 28, 2025. The SWC made a motion to authorize DWR to finalize the settlement agreement. The DWR can now move forward recouping costs associated with the Supplementary Intake. The settlement should be finalized in the next few weeks. This will allow the DWR to look at alternatives for the Supplementary Intake.

Haase noted Langerud is retiring from the DWR and a retirement celebration will be held at the DWR on June 6, 2025, from 9:00 a.m. to 11:00 a.m.

4. Board Policy Review and Monitoring

4.A. Policy III.B. Board Governance Process-Board Job Description

Director Tschetter reviewed the policy. Chairperson Odermann reviewed the policy and asked if there were any comments, questions or changes to the Policy III.B. Board Governance Process-Board Job Description. There were none. A copy of the policy and the report are on file with the official minutes.

5. Decision Making

5.A. Net-Zero Richardton, LLC Amendment #4*

Murray stated Net-Zero Richardton, LLC Contract RW-6 (a division of Gevo, formerly Red Trail Energy) is up for renewal. Within the renewal amendment the maximum flow rate and minimum annual purchase have been increased. The amendment also addresses storage.

Director Gaugler questioned the wording in the proposed amendment concerning the customer's ability to purchase water beyond the contracted amount, which could lead to misinterpretation.

Froseth proposed alternate verbiage to clarify the customer can purchase water in excess of 200 million gallons per year as long as the flow is not in excess of 600 GPM which was ratified by SWA legal counsel.

Motion by Director Leingang, seconded by Director Glasoe, to approve the Net-Zero Richardton, LLC Amendment #4 with the change to section three, the Customer agrees to purchase and make payment for not less than 200 million gallons per year (minimum annual raw water purchase) during the entire term of this contract. The Customer may purchase and make payment for water in excess of 200 million gallons per year as long as the flow is not in excess of 600 GPM. Motion carried unanimously by a roll call vote.

5.B. Dorothy Schmidt Booster Pump Agreement*

Murray stated at the May 5, 2025, Board of Directors meeting, the Board approved SWA to purchase, install and maintain a booster pump system within the Dorothy Schmidt residence after a formal agreement has been executed with the customer. This solution was proposed because the Schmidt pressure issues are an unintended outcome of an operational change to their service. Alleviating this customer's pressure issues due to SWA operations will allow the SWPP to connect several customers from the waiting list.

Dwyer reviewed various terms and conditions of the formal legal agreement that outlines responsibilities, liabilities, and ongoing maintenance requirements.

Motion by Director Gaugler, seconded by Director Ingold, to approve the Dorothy Schmidt Booster Pump Agreement. Motion carried unanimously by a roll call vote.

5.C. Dunn County Hydraulic Improvements Agreement*

Murray reported SWA and DWR received a letter from Dunn County requesting consideration of hydraulic improvements in Dunn County, along with their potential cost participation. BW/AECOM was able to develop a scope and fee estimate for a preliminary design of such a hydraulic improvement, which would identify the necessary construction project and provide an estimate for that project. The scope and fee estimate of \$110,000 was shared with Dunn County with the message that it would be at their cost. Dunn County responded that they would commit to the scope and fee to initiate the preliminary engineering effort. DWR has drafted an agreement to go forward with this preliminary engineering effort. The Board reviewed the contract, which outlines the purpose, scope, and financial commitment from Dunn County. Director Engelhardt would like to add SWA to Item 5, sections b, and e in the Commission's responsibilities in the agreement.

Motion by Director Glasoe, seconded by Director Tietz, to approve the draft Dunn County Hydraulic Improvements Agreement, with the addition of SWA in Item 5, sections b, and e. Motion carried unanimously by a roll call vote.

6. Board Member Reports

6.A. Strategic Plan

Murray reported the Strategic Plan is in front of the Board each month as the Board works toward achievement of goals and action items. A communications video is in development with Odney, Inc. Murray and Ken Royse, Manager of the Missouri River Joint Water Board's EAE Program, will appear on the ND Today show on June 18, 2025, to discuss the Missouri River Joint Water Board and the EAE program.

6.B. Board Retreat "Homework"

Murray stated the Board retreat 'homework' was emailed to all participants on May 21, 2025. Responses were requested by June 2, 2025. A photographer will be on site Monday, October 6, 2025, to take a group photo of the Board.

6.C. Roosevelt Custer Regional Council-State of Region 8

Director Schaible stated the Roosevelt Custer Regional Council hosted the State of Region 8 dinner at the Rough Riders Hotel & Conference Center in Medora on Tuesday, May 20, 2025. Director Glasoe and Murray were also in attendance. Senator Kessel reviewed the property tax bill and Representative Dressler provided legislative updates. NDDOT Director Ron Henke and Commerce Commissioner Chris Schilken discussed the legislative impacts on Region 8.

7. Incidental Information

7.A. SWC Meeting

Froseth stated the SWC Pre-commission meeting was held May 22, 2025. SWPP had several items on the agenda.

The first item was the Memorandum of Understanding (MOU) with the community of Manning. The hydraulic capacity of Manning would need to be increased in order for SWA to assume responsibility of individual rural connections in Manning when capacity from SWPP is available.

The second item was an agreement with Dunn County-Hydraulic Improvements Preliminary Engineering. DWR has been working on an agreement as well as a scope of work with BW/AECOM for the preliminary engineering design for the Dunn County waitlist.

The third item was an agreement with Gevo-Preliminary Design Report (PDR) for Raw Water Line Upgrades. DWR plans to work on an agreement with Gevo, the parent company of Net-Zero Richardton, LLC, and finalize a scope of work with BW/AECOM for the raw water implementation plan update and update the PDR.

The fourth item was a Water Service Agreement Amendment with Net-Zero Richardton, LLC.

The draft amendments or final amendments are expected to be presented for approval at the June 12, 2025, SWC meeting.

7.B. SWPP Update

Froseth provided an SWPP update on open contracts and current construction status. The memo is on file with the official minutes.

7.C. Easement/Signup Update

Conzemius reviewed the sign-up and easement report. Subsequent cost quotes, customer complaints and waiting list numbers were reported. There are 743 requests for service system-wide. Nine subsequent customers signed up in May. In addition to the waiting list, 837 sign-ups have been collected in the Burt, Hebron Service Area.

Director Tietz noted Schatz Point, on the south side of Lake Tschida, has gone to non-potable water.

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

7.D.1. SWA Construction Update and O&M Update

Decker stated a preconstruction conference was held on Wednesday, May 28, 2025, for the relocation of the SWPP along US Highway 85 from the Junction of Highway 200 to Long X Bridge. Work will begin as soon as the materials are delivered and submittals are approved. The date for substantial completion is November 1, 2025.

Decker reported a preconstruction conference was held on Friday, May 16, 2025, for the pipeline relocation near Chateau Road. Cordova plans to install 400 feet of four-inch pipe the week of June 2, 2025.

Decker stated on May 8, 2025, BEK replaced 304 feet of Microbiologically Influenced Corrosion (MIC) compromised 12" Ductile Iron pipe with 12" Pritec-coated pipe north of Goose Creek in Contract 2-3F. Observation of the construction for this replacement is aiding in the development of plans for the replacement of DIP on Contract 2-2C, near Dodge.

Murray reported Evoqua, the filter press supplier at the Residuals Handling Facility, completed a retrofit of the shifters in May 2024. Since that time, the operation of the filter presses improved for a short period of time, but problems persist. SWA has been in contact with Evoqua and is working to schedule a site visit to remedy the problem.

Grammond stated a fence is down by the lime sludge ponds and will be repaired this week.

Treatment and Distribution updates were provided.

7.D.1.a. Manning Water Works Public Meeting

Murray stated Manning Water Works will be holding a public meeting on June 3, 2025, at the Dunn County Courthouse. This meeting will have representatives from Manning Water Works, SWA, and Bartlett & West engineers. The meeting includes a review of the proposed water line placement, easements, right of way, estimated timelines, and to address concerns before the water line plans are finalized.

7.D.2. 2024 Annual Operating Report

The 2024 *Annual Operating Reports* were handed out to Board members and will be distributed to all SWA partners and stakeholders. The 2024 Annual O&M Reports for Distribution and Treatment were also completed and copies sent to the SWC, city of Dickinson and State Conservationist as required under various contracts.

7.D.3. Consumer Confidence Reports (Water Quality Reports)

O'Shields reported all five of the 2024 Consumer Confidence Reports (Water Quality Reports) for the SWPP have been completed and mailed to customers in the May billing. It informs customers of the source of their water, the presence of contaminants, if any, in their drinking water and how these contaminants may affect their health. The SWPP is required to prepare five separate CCR's. They are for the Water Treatment Plants (WTP) in Dickinson, the OMND WTP and the pocket areas of Crown Butte, Junction Inn and Tower Hill.

7.D.4. Vision West Consortium Meeting

Conzemius reported the Vision West Consortium Meeting was held May 15, 2025, at Home on the Range. There were updates on the Theodore Roosevelt Expressway, Theodore Roosevelt Presidential Public Library, and a demonstration of equine therapy.

7.C.5. 2025 Summer Water Tours/2025 Joint Summer Water Meeting

Quissell reported the North Dakota Water Education Foundation (NDWEF) summer water tours are scheduled. SWA is a sponsor. The tour in Williston on June 4, 2025, has been rescheduled to August 7, 2025. The schedule for the 2025 Joint Summer Meeting held in Devils Lake, ND, on July 9-10, 2025 was discussed.

7.D.6. Partner's Annual Meetings

Chairperson Odermann reviewed a memo on the upcoming partner annual meetings. Partner's Annual Meetings will be held throughout June and July. The schedule and director assignments are included with the official minutes.

7.D.7. NDRWSA Leadership Retreat

The North Dakota Rural Water Systems Association 2025 Leadership Retreat and Annual Meeting will be held in Medora on July 16-17, 2025. Murray asked the Board to let the office know if anyone is interested in attending so arrangements can be made.

7.D.8. NRWA WaterPro Conference-New Orleans, Louisiana

Murray noted the NRWA WaterPro Conference will be held at the Ernest N. Morial Convention Center in New Orleans, Louisiana, on September 15-17, 2025. The SWA Board approves the budgeting of two directors and the Manager/CEO to attend this event. Eric Volk, ND Rural Water Systems Executive Director, will be making a presentation at the Conference.

7.E. Perkins County Rural Water System Update

O'Shields reported the Perkins County Rural Water System (PCRWS) provided minutes from their April 10, 2025, meeting, along with a copy of the agenda for the May 8, 2025, meeting. The next meeting will be held June 12, 2025.

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

5. Decision Making (Continued)

5.A. Manager/CEO Evaluation*

The Board discussed the Manager/CEO's evaluation.

Motion by Director Ingold, seconded by Director Engelhardt, to approve a seven percent salary increase for the Manager/CEO. 13-Yes/1-No. Directors Baumgartner, Begger, Burke, Eaton, Engelhardt, Gaugler, Glasoe, Ingold, Odermann, Schaible, Seifert, Tietz and Tschetter voted yes. Director Leingang voted no. Motion carried.

There being no further business, Chairperson Odermann adjourned the meeting at 11:41 p.m. MDT.

Jim Odermann, Chairperson

Mike Tietz, Secretary/Treasurer



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

MEMORANDUM

To: Jen Murray, Manager/CEO

From: Ledeanne O'Shields, CFO/Office Administrator

Subject: Financial, Administration and Customer Service – Incidental Information

Date: June 25, 2025

The financial statements included for your review are for May 2025. These include a summary income and expense statement that compares to budget, a detailed income statement of actual income and expenses for the year and the balance sheet. The balance sheet is a comparison of May 2024 to May 2025. Also included is a detailed statement of board expenses for the month of May.

The accounts receivable listing for rural customers is for May 2025 and the transmission accounts receivable listing is for May 2025. The checks written for the month are from May 20, 2025 to June 23, 2025.

Total rural usage for May 2025 was 34,325,000 gallons. By comparison, in May 2024 rural water sales were 37,890,000 gallons. This is a decrease of 9.06%. During the month of May, there was 16 hookups with, four hookups in 7-9E, three in 7-9D two in 7-1B, one each in Contract 7-4, 7-8E, 7-9B, 7-9C, 7-9F, and 7-9G and one for the Theodore Roosevelt Presidential Library Contract.

There are 2,266 customers using our Automatic Payment Plan, 377 paid online with a credit option and 315 paid online with a checking account. We had 63 spot checks (two months without a reading or the same reading). Currently there are 417 customers who are using the Customer Service Center to view their accounts.

Included with this memo are spreadsheets for power costs, residual mill levy income and signup income for the month of May. Also included are WAPA, Wheeling power and MISO costs. SWA sold a total of 186,494.28 gallons of water in the month of May. The projection for the year 2025 is 2,324,607,000 gallons. A comparison of total usage through May 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 (2024) and 2025. This shows a historical year-to-date comparison. Also listed are the usage and the difference for the last two months. Sales through May were less than last year's sales through May by 0.68%. SWA had 7,793 active accounts with 2,988 subsequent users in May. As of the end of May 2025, SWA has 303 tenants.

Also listed below is O&M Income minus Capital Repayment and REM, along with percentages, through May 31, 2025.

Comparisons Through May	Listed in thousand gallons		
		April 2025	172,351.890
2016	195,042.370	May 2025	<u>186,494.280</u>
2017	205,452.240	Difference	14,142.390
2018	187,285.120		
2019	155,409.940		
2020	220,245.190		
2021	139,499.500		
2022	147,557.800		
2023	149,086.100		
2024	153,370.450		
2025	<u>152,325.450</u>		
Difference	(1,045.00)		

As of May 31, 2025	Amount	Percent
O&M Income	\$6,446,077	
Return on Investment Expense	(2,321,202)	36%
REM Expense	<u>(710,313)</u>	11%
Balance	<u><u>\$3,414,562</u></u>	53%

Water depot usage information is included with this memo.

Two Certificate of Deposits (CD) matured in June 2025, one for \$1,050,738.63 was reinvested into a CD with an interest rate of 4.15% for 12 months, and the other for \$4,412,351.90 was reinvested into a CD with an interest rate of 4.10% for 12 months.

A listing of Accounts Payables (aged trial balance) is included. In addition to the regular accounts payable, included in the listing are: Bartlett & West for \$40,240.83 which includes \$12,376.53 for Goose Creek, \$9,084.63 for Hwy 85, \$8,057.76 for Chateau Rd; \$868.22 for New England recoat, and \$830.59 for CP-2024; Border States Electric for \$17,196.49 which includes \$16,478.69 for the SWTP UF feed; Choice Insurance for \$4,583.00 property insurance renewal; Dakota Supply Group for \$17,903.81 which includes \$17,827.14 for inventory materials for subsequents; Fenix for \$5,282.20 for 4,802 data hosting, Great Plains Technical Services, Inc for \$3,662.00 to dismantle, inspect, clean and test all parts of the motor at the Bucyrus BPS; Informational Data Technologies for \$4,020.00 for 804 air minutes; Ingersoll Rand Company for \$23,415.12 which includes \$19,933.87 for the OMND WTP compressor replacement, and \$2,554.65 for the annual parts care plan for OMND WTP; JK Excavation for \$6,500.00 which includes \$3,000 to relocate the air vac on 19th St & 105th Ave, and \$3,500.00 to repair a 6" saddle at J-Cam lot; John Crane, Inc for \$6,155.61 which includes \$2,450.89 to rebuild the Bucyrus mechanical seal and \$3,704.72 for the Dodge BPS seal; Keane Hanson Plumbing & Excavating for \$1,950.00 for draining Goose Creek pipe; Manufacturer's Edge, Inc for \$4,415.04 for a VFD for the PLC vault; ND Rural Water Systems Association for \$15,398.10 for the 2025 membership; ND Water Education Foundation for \$4,000.00 for the *Water Magazine*; Pulsco, Inc for \$2,000.00 professional services related to Dodge and Richardton Air Chambers; Stoneridge Software, LLC for \$9,622.60 for the Microsoft GP annual subscription; USA Blue Book for \$1,796.68 which includes \$1,115.03 for lab chemicals and \$622.22 for valves for Hypochlorite; and Vessco, Inc for \$3,320.31 for OMND isolation valve for RO1-RO2.

Southwest Water Authority
Statement of Income & Expenses
For 1/1/2025 To 5/31/2025

	Current Period	Current YTD	YTD 2025 Budget	YTD % of Budget	Budget total 2025
Sales					
Sales of Water	\$1,492,927	\$6,334,714	\$6,356,628	33.98%	\$18,645,300
Sales of Equipment	\$27,575	\$100,522	\$105,458	39.72%	\$253,100
Sales of Services	\$1,646	\$10,841	\$10,792	41.86%	\$25,900
Gross Sales	\$1,522,148	\$6,446,077	\$6,472,878	34.06%	\$18,924,300
O&M Expense --Transmission	\$628,458	\$2,841,387	\$3,104,277	34.05%	\$8,345,800
O&M Expense --Distribution	\$483,665	\$2,210,209	\$2,219,738	37.96%	\$5,822,300
O&M Expense -- Treatment	\$251,751	\$1,175,984	\$1,449,750	33.80%	\$3,479,400
Customer Service Expense	\$15,625	\$93,770	\$101,125	38.64%	\$242,700
Total Expenses	\$1,379,499	\$6,321,350	\$6,874,890	35.33%	\$17,890,200
Gross Profit On Sales	\$142,649	\$124,727	(\$402,012)	12.06%	\$1,034,100
Other Income					
Mill Levy Income	\$1,479	\$12,058	\$0	0.00%	\$0
Other Income	\$74,856	\$285,235	\$250,375	47.45%	\$601,100
Grant Income	\$3,601	\$4,601	\$2,000	230.05%	\$2,000
Total Other Income	\$79,936	\$301,894	\$252,375	50.06%	\$603,100
Board of Directors Expense	\$16,565	\$87,088	\$115,375	31.45%	\$276,900
Administrative Expense	\$96,562	\$490,510	\$518,142	39.68%	\$1,236,100
Signup & Easement Expense	\$45,273	\$218,784	\$257,833	35.36%	\$618,800
Depreciation Expense	\$41,236	\$206,824	\$221,667	38.88%	\$532,000
Gain/Loss on Asset Disposal	(\$1,572)	(\$18,785)	\$0	0.00%	\$0
Net Income/Expenses	\$21,378	(\$595,370)	(\$1,262,654)	57.99%	(\$1,026,600)
Replacement & EM Fund Expense	\$54,116	\$189,583	\$2,341,383	3.38%	\$5,603,600
Net Income w/ Replacement & EM	(\$32,738)	(\$784,953)	(\$3,604,037)	11.84%	(\$6,630,200)

Board of Directors Expenses

For 1/1/2025 to 5/31/2025

	Current Period	Current YTD	2025 BUDGET YTD	2025 BUDGET Budget
Board of Directors Expenses				
Per Diem -- Board of Directors	\$4,367	\$18,638	\$29,167	\$70,000
Group Life Insurance -- Board of Directors	1	5	0	0
Workers Compensation Expense -- Board of Directors	4	20	83	200
FICA - Social Security -- Board of Directors	330	1,356	2,542	6,100
FICA - Medicare -- Board of Directors	77	317	625	1,500
Professional Services -- Board of Directors	2,733	23,463	14,583	35,000
Office Supplies -- Board of Directors	0	17	83	200
Copies & Duplication -- Board of Directors	0	0	42	100
Public Relations & Development -- Board of Directors	3,056	9,502	14,167	34,000
Development & Education -- Board of Directors	0	590	4,417	10,600
Mileage Reimbursement -- Board of Directors	1,005	5,123	8,333	20,000
Lodging & Meals -- Board of Directors	0	2,743	10,667	25,600
Travel Expenses -- Board of Directors	0	0	3,333	8,000
Telephone/Internet -- Board of Directors	480	1,915	2,083	5,000
Postage -- Board of Directors	82	511	250	600
Dues & Subscriptions -- Board of Directors	2,574	13,609	14,167	34,000
Insurance - Liability -- Board of Directors	1,856	9,279	10,833	26,000
Total Board of Director Expense	\$16,565	\$87,088	\$115,375	\$276,900
Total Expenses	\$16,565	\$87,088	\$115,375	\$276,900
	\$16,565	\$87,088	\$115,375	\$276,900

Comparative Balance Sheet

5/31/2025

	Through 5/31/2025	Through 5/31/2024
Assets		
Current Assets		
Cash		
Cash in Checking - O&M - Bravera	\$971,064	\$992,519
Cash in Checking - Payroll - Bravera	424,797	410,312
DDM - Reserve - O&M - Bravera	1,944,496	1,153,662
Cash in Checking - BMO Bank	75,355	49,890
Petty Cash	200	129
Total Cash	\$3,415,912	\$2,606,512
Short-Term Investments		
Short-Term Investment - O&M Fund	\$667,795	\$63,975
Short-Term Investment - General Fund	76,227	13,433
Short-Term Investment - Reserve Fund	79,244	5,083
Short-Term Investment - Escrow Fund	38,171	11,905
Short-Term Investment - Replacement	5,495,228	4,397,550
Cash Management Account - General Fund	23,230	22,023
Cash Management Account - O&M	1,243,291	1,184,479
Certificate of Deposit #18112	4,201,040	4,098,301
Certificate of Deposit #24548	0	1,000,000
Certificate of Deposit #24552	0	1,000,000
Certificate of Deposit #24572	1,050,739	1,000,000
Total Short-Term Investments	\$12,874,965	\$12,796,749
Accounts Receivable		
Accounts Receivable -- Distribution Prepayments	(\$58,435)	(\$70,700)
Accounts Receivable -- Transmission	858,226	793,805
Accounts Receivable -- Distribution	656,398	648,291
Accounts Receivable -- MWWS	19,393	11,600
Accounts Receivable -- Other	2,147	3,076
Grant Receivable	0	453,976
Allowance For Doubtful Accounts	(11,824)	(8,870)
Allowance For Doubtful Accounts -- MWWS	(2,168)	(1,477)
Total Accounts Receivable	\$1,463,737	\$1,829,701
Interest Receivable		
Total Interest Receivables	\$0	\$0

Inventory

Comparative Balance Sheet

	Through 5/31/2025	Through 5/31/2024
Inventory Contributed Capital	\$99,797	\$99,797
Inventory -- User Spare Parts	786,972	866,736
Inventory -- WTP	149,300	119,912
Inventory -- SWTP	153,079	219,936
Inventory -- OMND WTP	122,707	104,083
Total Inventory	\$1,311,855	\$1,410,464
Prepaid Expenses		
Prepaid Expenses	\$39,972	\$57,455
Prepaid Deposit -- MISO	14,845	14,845
Prepaid Insurance	78,528	71,342
Prepaid Workers Compensation	991	0
Total Prepaid Expenses	\$134,336	\$143,642
Total Current Assets	\$19,200,805	\$18,787,068
Long-Term Investments		
Long-Term Investment - O&M Fund	\$3,251,082	\$2,732,551
Long-Term Investment - General Fund	1,144,887	1,184,386
Long-Term Investment - Reserve Fund	1,363,002	362,135
Long-Term Investment - Escrow Fund	734,430	749,353
Long-Term Investment - Replacement	22,034,429	21,269,346
Total Long-Term Investments	\$28,527,830	\$26,297,771
Property, Plant and Equipment		
Land	\$112,817	\$112,307
Buildings & Improvements	3,959,597	3,959,597
Office Furniture & Fixtures	290,706	290,706
Vehicles	1,190,022	1,040,539
Contributed Vehicles	46,093	46,093
Other Fixed Assets	4,011	4,011
Computer Equipment	92,163	120,181
Machinery & Equipment	3,010,227	2,995,732
Contributed Equipment	60,530	60,530
Computer Software	178,590	178,590
Total Property, Plant and Equipment	\$8,944,756	\$8,808,286
Accumulated Depreciation		
Accum Depr -- Buildings & Improvements	\$1,310,849	\$1,214,447
Accum Depr -- Office Furn & Fixt	278,518	273,747
Accum Depr -- Vehicle	574,663	505,589

Comparative Balance Sheet

	Through 5/31/2025	Through 5/31/2024
Accum Depr -- Contributed Vehicles	46,093	46,093
Accum Depr -- Other Fixed Assets	4,011	4,011
Accum Depr -- Computer Equipment	88,519	96,644
Accum Depr -- Machinery & Equipment	2,090,706	1,881,334
Accum Depr -- Contributed Equipment	60,530	60,530
Accumulated Amortization	178,590	175,459
	<hr/>	<hr/>
Total Accumulated Depreciation	\$4,632,479	\$4,257,854
Other Assets		
Deferred Pension Outflows	\$1,628,277	\$3,537,993
Deferred OPEB Outflows	43,485	88,263
	<hr/>	<hr/>
Total Other Assets	\$1,671,762	\$3,626,256
	<hr/>	<hr/>
Total Assets	\$53,712,674	\$53,261,527
	<hr/> <hr/>	<hr/> <hr/>

Comparative Balance Sheet

	Through 5/31/2025	Through 5/31/2024
Liabilities and Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable	\$1,217,689	\$1,271,143
Employee Benefits Payable	124,180	120,133
Deductions Payable	(60)	0
Total Accounts Payable	\$1,341,809	\$1,391,276
Taxes Payable		
ND State Withholding Payable	\$2,981	\$2,885
Employer Matching FICA - Social Security	17,932	17,258
Employer Matching FICA - Medicare	4,194	4,036
Total Taxes Payable	\$25,107	\$24,179
Other Current Liabilities		
Accrued Annual Leave Payable	\$200,247	\$199,976
Accrued Sick Leave Payable	183,067	169,066
Flex -- Life Insurance Payable	0	(12)
Non-Flex -- Life Insurance Payable	0	(113)
Accrued Salaries Payable	292,888	282,223
Total Other Current Liabilities	\$676,202	\$651,140
Total Current Liabilities	\$2,043,118	\$2,066,595
Long-Term Liabilities		
Deferred Revenue	\$932,300	\$848,000
Tenant Rental Deposits	22,425	21,225
Tenant Rental Deposits -- MWWS	375	375
Customer Escrow Deposit	40,000	40,000
Deferred Pension Inflows	2,630,067	4,051,851
Deferred OPEB Inflows	50,389	40,187
Net Pension Liability	4,131,317	4,898,532
Net OPEB Liability	152,208	214,765
Total Long-Term Liabilities	\$7,959,081	\$10,114,935
Total Liabilities	\$10,002,199	\$12,181,530
Equity		
Reserve Funds		

Comparative Balance Sheet

	Through 5/31/2025	Through 5/31/2024
Reserve Account -- O&M Transmission	\$3,557,605	\$3,605,322
Reserve Account -- O&M Distribution	2,115,551	2,130,241
Reserve Account -- O&M Treatment	(2,177,681)	(2,174,397)
Reserve Account -- General Operating Fund	391,030	384,956
Reserve Account-Replace & EM -- Transmission	17,869,907	16,603,639
Reserve Account-Replace & EM -- Distribution	872,107	803,556
Interest Income -- Replace & EM	8,465,059	7,906,409
Dividend Income -- Replace & EM	439,506	391,261
	<hr/>	<hr/>
Total Reserve Funds	\$31,533,084	\$29,650,987
Unappropriated Funds	\$12,395,677	\$11,572,546
Contributed Capital	566,665	566,665
Net Profit/(loss)	(784,953)	(710,205)
	<hr/>	<hr/>
Total Equity	\$12,177,389	\$11,429,006
	<hr/>	<hr/>
Total Liabilities and Equity	\$53,712,672	\$53,261,523
	<hr/>	<hr/>

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: 12/31/2024

Exclude: Credit Balance, Zero Balance, No Activity, Unposted Applied Credit Documents, Multicurrency Info
Sorted By: Vendor ID
Document Date

Vendor ID:	AM1956	Name:	AMAZON CAPITAL SERVICES	
Voucher(s):	5	Aged Totals:		Due \$1,237.53
Vendor ID:	AM2682	Name:	AMERICAN WELDING & GAS INC	
Voucher(s):	3	Aged Totals:		Due \$15,278.99
Vendor ID:	AM3742	Name:	AMERICAN BACKFLOW	
Voucher(s):	1	Aged Totals:		Due \$87.77
Vendor ID:	AQ7167	Name:	AQUA-PURE, INC	
Voucher(s):	1	Aged Totals:		Due \$4,054.80
Vendor ID:	BA6742	Name:	BARTLETT & WEST ENGINEERS, INC.	
Voucher(s):	7	Aged Totals:		Due \$40,240.83
Vendor ID:	BO6225	Name:	BORDER STATES ELECTRIC SUPPLY	
Voucher(s):	9	Aged Totals:		Due \$17,196.49
Vendor ID:	BR2557	Name:	BRENNTAG PACIFIC	
Voucher(s):	1	Aged Totals:		Due \$1,820.00
Vendor ID:	BR3715	Name:	BRITANI KELLER PHOTOGRAPHY	
Voucher(s):	1	Aged Totals:		Due \$75.00
Vendor ID:	CE5269	Name:	C. EMERY NELSON, INC.	
Voucher(s):	1	Aged Totals:		Due \$7,800.00
Vendor ID:	CH5200	Name:	CHOICE INSURANCE	
Voucher(s):	1	Aged Totals:		Due \$4,583.00
Vendor ID:	CU5535	Name:	CUMMINS SALES & SERVICE	
Voucher(s):	1	Aged Totals:		Due \$490.75
Vendor ID:	DA4963	Name:	DAKOTA SUPPLY GROUP	
Voucher(s):	10	Aged Totals:		Due \$17,903.81
Vendor ID:	DA5770	Name:	DAN'S BODY SHOP	
Voucher(s):	1	Aged Totals:		Due \$512.27
Vendor ID:	DI1466	Name:	DICKINSON PARKS & RECREATION	
Voucher(s):	1	Aged Totals:		Due \$170.00
Vendor ID:	DI7135	Name:	DISA GLOBAL SOLUTIONS, INC	
Voucher(s):	1	Aged Totals:		Due \$41.68
Vendor ID:	DI7763	Name:	DNOW L.P.	

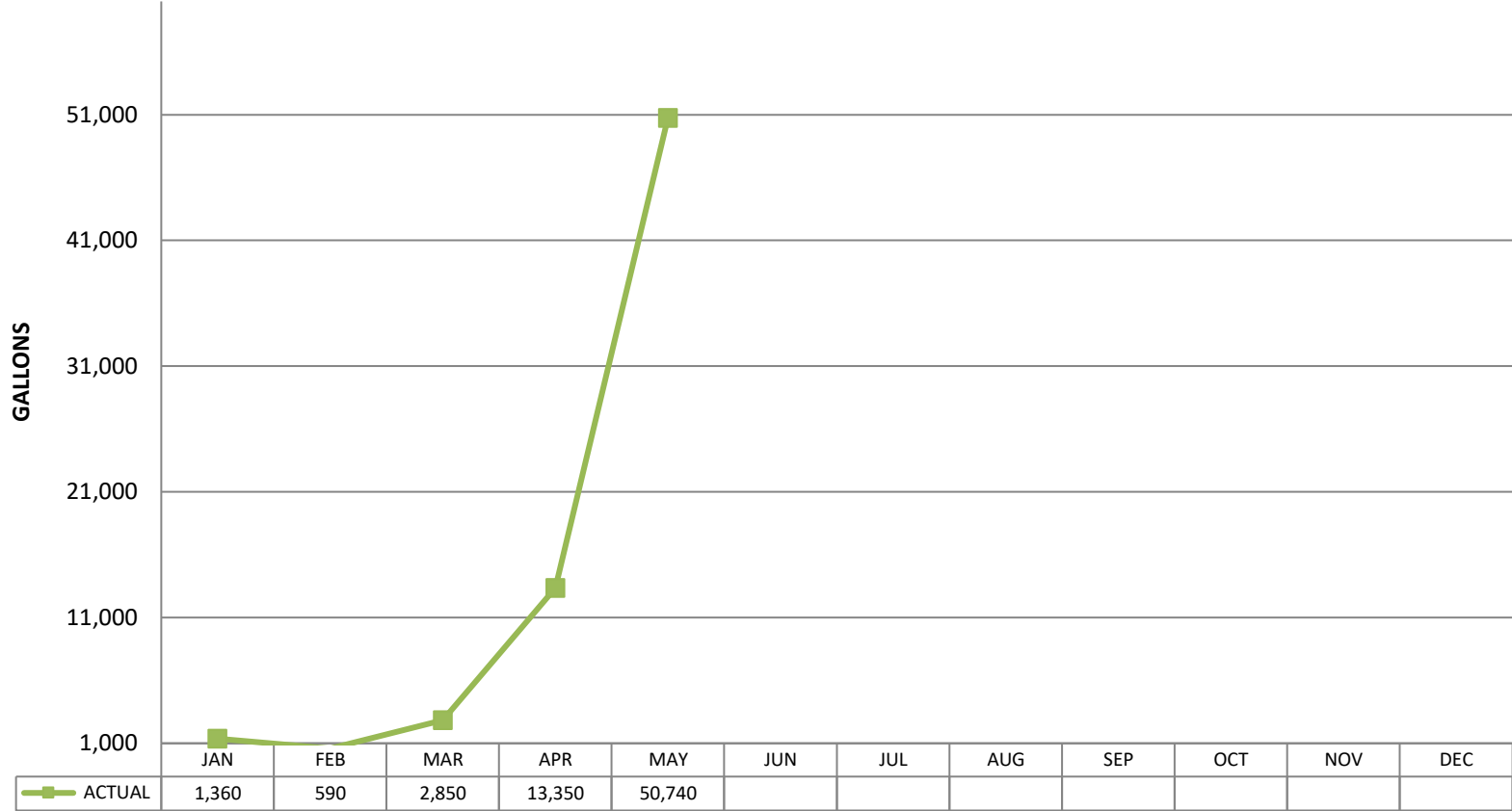
AGED TRIAL BALANCE
Southwest Water Authority

Voucher(s): 2		Aged Totals:	Due \$118.36
Vendor ID: FA1274	Name: FARMERS UNION-BEULAH		
Voucher(s): 1		Aged Totals:	Due \$571.80
Vendor ID: FA3192	Name: FARMERS UNION HAZEN		
Voucher(s): 2		Aged Totals:	Due \$696.72
Vendor ID: FE5387	Name: FENIX USA LLC		
Voucher(s): 1		Aged Totals:	Due \$5,282.20
Vendor ID: FE6377	Name: FERGUSON ENTERPRISES INC		
Voucher(s): 1		Aged Totals:	Due \$67.00
Vendor ID: FO7672	Name: FOUR SEASONS TROPHIES		
Voucher(s): 1		Aged Totals:	Due \$85.43
Vendor ID: GR1955	Name: GRAYMONT (WI) LLC		
Voucher(s): 7		Aged Totals:	Due \$33,217.30
Vendor ID: GR2180	Name: GREAT PLAINS TECHNICAL SERVICES INC		
Voucher(s): 1		Aged Totals:	Due \$3,662.00
Vendor ID: HA8435	Name: HAWKINS INC		
Voucher(s): 13		Aged Totals:	Due \$29,337.45
Vendor ID: HA9253	Name: HAZEN HARDWARE HANK		
Voucher(s): 1		Aged Totals:	Due \$10.99
Vendor ID: HA9258	Name: HAZEN WELDING & MACHINE		
Voucher(s): 1		Aged Totals:	Due \$32.50
Vendor ID: HE1566	Name: THE HERALD		
Voucher(s): 1		Aged Totals:	Due \$55.00
Vendor ID: IN2566	Name: INFORMATIONAL DATA TECHNOLOGIES L		
Voucher(s): 1		Aged Totals:	Due \$4,020.00
Vendor ID: IN3267	Name: INGERSOLL RAND COMPANY INDUSTRIAL		
Voucher(s): 3		Aged Totals:	Due \$23,415.12
Vendor ID: IN7266	Name: INTERSTATE POWER SYSTEMS, INC NW		
Voucher(s): 1		Aged Totals:	Due \$1,270.50
Vendor ID: JE6552	Name: JEROME DISTRIBUTING, INC.		
Voucher(s): 1		Aged Totals:	Due \$31.30
Vendor ID: JK2811	Name: JK EXCAVATION & CONSTRUCTION, INC.		
Voucher(s): 2		Aged Totals:	Due \$6,500.00
Vendor ID: JO3516	Name: JOHN CRANE, INC		
Voucher(s): 2		Aged Totals:	Due \$6,155.61
Vendor ID: JU7735	Name: JUST-IN GLASS, LLC		

Voucher(s): 1		Aged Totals:	Due \$65.00
Vendor ID: KE1523	Name: KEANE HANSON PLUMBING & EXCAVATING		
Voucher(s): 1		Aged Totals:	Due \$1,950.00
Vendor ID: LE7268	Name: LEE SERVICES, LLC dba NAKOTA CLEAN		
Voucher(s): 1		Aged Totals:	Due \$1,624.00
Vendor ID: LO2243	Name: LOFFLER COMPANIES, INC		
Voucher(s): 1		Aged Totals:	Due \$901.82
Vendor ID: MA5721	Name: MANUFACTURER'S EDGE, INC		
Voucher(s): 1		Aged Totals:	Due \$4,415.04
Vendor ID: ME2125	Name: SANFORD HEALTH OCCUPATIONAL MEDICAL		
Voucher(s): 1		Aged Totals:	Due \$96.00
Vendor ID: MI8724	Name: MIX TELEMATICS NORTH AMERICAN, INC		
Voucher(s): 2		Aged Totals:	Due \$949.62
Vendor ID: MO7355	Name: MOTION INDUSTRIES, INC		
Voucher(s): 2		Aged Totals:	Due \$1,482.71
Vendor ID: NA6111	Name: NAPA-BEACH		
Voucher(s): 1		Aged Totals:	Due \$190.99
Vendor ID: NA6168	Name: NAPA AUTO PARTS/BEULAH		
Voucher(s): 2		Aged Totals:	Due \$133.38
Vendor ID: NA6169	Name: NAPA- HAZEN		
Voucher(s): 3		Aged Totals:	Due \$62.06
Vendor ID: NO6275	Name: ND DIVISION OF MICROBIOLOGY		
Voucher(s): 5		Aged Totals:	Due \$1,175.70
Vendor ID: NO6310	Name: ND RURAL WATER SYSTEMS ASSOC.		
Voucher(s): 2		Aged Totals:	Due \$15,453.10
Vendor ID: NO6727	Name: ND WATER EDUCATION FOUNDATION		
Voucher(s): 1		Aged Totals:	Due \$4,000.00
Vendor ID: OD5299	Name: ODNEY		
Voucher(s): 2		Aged Totals:	Due \$7,640.00
Vendor ID: OL7558	Name: OLSON'S SERVICE		
Voucher(s): 7		Aged Totals:	Due \$522.65
Vendor ID: ON2114	Name: ONE CALL CONCEPTS		
Voucher(s): 1		Aged Totals:	Due \$1,070.30
Vendor ID: PL7542	Name: PLUNKETT'S PEST CONTROL		
Voucher(s): 2		Aged Totals:	Due \$191.76
Vendor ID: PR2756	Name: PRESORT PLUS, LLC		

Voucher(s): 3		Aged Totals:	Due \$6,778.05
Vendor ID: PU4715	Name: PULSCO, INC		
Voucher(s): 1		Aged Totals:	Due \$2,000.00
Vendor ID: PU5679	Name: PUMP SYSTEMS, LLC		
Voucher(s): 1		Aged Totals:	Due \$163.00
Vendor ID: QU1437	Name: QUALITY QUICK PRINT, INC.		
Voucher(s): 3		Aged Totals:	Due \$552.50
Vendor ID: QU1438	Name: QUALITY XTERMINATORS		
Voucher(s): 3		Aged Totals:	Due \$240.00
Vendor ID: RR1775	Name: R & R AUTO, FARM & ELECTRIC, INC.		
Voucher(s): 5		Aged Totals:	Due \$494.18
Vendor ID: RU5535	Name: RUNNINGS SUPPLY, INC		
Voucher(s): 28		Aged Totals:	Due \$3,124.57
Vendor ID: SA8557	Name: SAX MOTOR CO.		
Voucher(s): 1		Aged Totals:	Due \$1,213.24
Vendor ID: SM1671	Name: SMART COMPUTERS AND CONSULTING		
Voucher(s): 1		Aged Totals:	Due \$35.00
Vendor ID: SM2251	Name: SM FENCING & ENERGY SERVICES, INC		
Voucher(s): 1		Aged Totals:	Due \$1,281.00
Vendor ID: SO7739	Name: SOUTHWEST LIME, LLC		
Voucher(s): 1		Aged Totals:	Due \$7,500.00
Vendor ID: SO8901	Name: SOUTHWESTERN DISTRICT HEALTH UNIT		
Voucher(s): 16		Aged Totals:	Due \$400.00
Vendor ID: ST5526	Name: STONERIDGE SOFTWARE, LLC		
Voucher(s): 1		Aged Totals:	Due \$9,622.60
Vendor ID: TO7143	Name: TOTAL SAFETY US, INC		
Voucher(s): 3		Aged Totals:	Due \$879.43
Vendor ID: US1147	Name: USA BLUE BOOK		
Voucher(s): 6		Aged Totals:	Due \$2,250.99
Vendor ID: VE7715	Name: VESSCO, INC.		
Voucher(s): 1		Aged Totals:	Due \$3,320.31
Vendor ID: VI7111	Name: VISA		
Voucher(s): 33		Aged Totals:	Due \$5,615.80
Vendor Totals:		<u>Vendor(s)</u>	<u>Due</u>
		68	\$313,417.00

2025 SWA DEPOT USAGE
TOTAL 68,890



2025 INDUSTRIAL SALES

CITY	*COMMENTS	*RATE/KGAL FOR INDUSTRIAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	TOTAL GALLONS	TOTAL ACRE FEET
BEACH	SELLS WATER TO FARMERS FROM CITY WELLS ONLY. DOES NOT SELL SWPP WATER								
BELFIELD	\$32.00/1,000 GALLONS, AS OF MAY 2021	\$32.00	0	5,300	9,500	48,500	51,300	114,600	0.35
CARSON	DO NOT SELL								0.00
DICKINSON	\$19.00/1,000 GALLONS, AS OF MAY 2021	\$19.00	34,750	25,380	101,380	152,500	171,090	485,100	1.49
DODGE	DO NOT SELL								0.00
DUNN CENTER	DO NOT SELL								0.00
ELGIN	DO NOT SELL								0.00
GLADSTONE	DO NOT SELL								0.00
GLEN ULLIN	DOES NOT SELL ON REGULAR BASIS ONLY TO FARMERS & CONSTRUCTION,	\$15.00 per 1k	800	3,900	2,800	6,900	6,200	20,600	0.06
GOLDEN VALLEY	SPRAYING & DUST CONTROL USE ONLY								0.00
GOLVA	DO NOT SELL SWPP WATER - USES CITY WELLS								0.00
HALLIDAY	SELLS WATER TO FARMERS FROM CITY WELLS ONLY. DOES NOT SELL SWPP WATER								0.00
HEBRON	USUALLY SELLS TO FARMERS, ROAD CONSTRUCTION AND BRICK YARD. CHARGES THE SAME FOR ALL USERS	\$10.50	136,000	122,000	184,000	129,000	150,000	721,000	2.21
HETTINGER	CHARGES THE SAME FOR ALL USERS	\$10.00	16,000	0	0	0	0	16,000	0.05
KILLDEER	CHARGES THE SAME FOR ALL USERS	\$35.71	168,270	229,480	112,910	118,260	78,690	707,610	2.17
MEDORA	DO NOT SELL								0.00
MOTT	SPRAYING/DOES NOT SELL TO OIL INDUSTRY	\$10.00	0	0	0	22,686	55,129	77,815	0.24
NEW ENGLAND	CHARGES THE SAME FOR ALL USERS	\$20.00	0	0	0	0	0	0	0.00
NEW HRADEC	DO NOT SELL								0.00
NEW LEIPZIG	DO NOT SELL								0.00
REEDER	DO NOT SELL SWPP WATER - USES CITY WELLS								0.00
REGENT	DO NOT SELL								0.00
RICHARDTON	ONLY SELL TO FARMERS								0.00
SCRANTON	SPRAYING USE ONLY/DOES NOT SELL TO OIL INDUSTRY	\$8.00	0	0	0	0	0	0	0.00
SENTINEL BUTTE	INDUSTRIAL SALES ONLY	\$22.47	0	0	0	0	0	0	0.00
SOUTH HEART									0.00
TAYLOR	DO NOT SELL								0.00
ZAP	DO NOT SELL								0.00
TOTAL GALLONS			355,820	386,060	410,590	477,846	512,409	2,142,725	6.58
TOTAL ACRE FEET			1.09	1.18	1.26	1.47	1.57	6.58	
CONTRACT									
BAKER BOY			444,600	518,300	549,700	733,100	771,300	3,017,000	9.26
BILLINGS COUNTY DIST 3			0	0	56,100	41,600	100,200	197,900	0.61
SWA WATER DEPOT - RAW			1,360	590	2,850	13,350	32,800	50,950	0.16
DAKOTA PRAIRIE REFINING			906,900	1,033,900	885,500	1,858,400	1,376,600	6,061,300	18.60
ND ENERGY SERVICES			112,900	44,300	23,400	0	0	180,600	0.55
NET-ZERO RICHARDTON, LLC			14,237,000	16,288,000	16,335,000	17,813,000	15,685,000	80,358,000	246.61
STEFFES CORPORATION			161,300	218,800	268,300	220,700	213,000	1,082,100	3.32
TOTAL GALLONS			15,864,060	18,103,890	18,120,850	20,680,150	18,178,900	90,947,850	279.11
TOTAL ACRE FEET			48.68	55.56	55.61	63.46	55.79	279.11	
TOTAL GALLONS COMBINED			16,219,880	18,489,950	18,531,440	21,157,996	18,691,309	93,090,575	
TOTAL ACRE FEET COMBINED			49.78	56.74	56.87	64.93	57.36	285.68	285.68

Southwest Pipeline Project

Return on Investment

YEAR	RESOURCES TRUST FUND	BOND PAYMENTS	TOTAL
1991	\$ 11,166.00		\$ 11,166.00
1992	\$ 212,899.00		\$ 212,899.00
1993	\$ 195,973.00		\$ 195,973.00
1994	\$ 300,472.00		\$ 300,472.00
1995	\$ 504,179.00		\$ 504,179.00
1996	\$ 734,994.15		\$ 734,994.15
1997	\$ 389,111.41	\$ 468,801.59	\$ 857,913.00
1998	\$ 415,197.60	\$ 500,593.77	\$ 915,791.37
1999	\$ 349,574.05	\$ 676,423.19	\$ 1,025,997.24
2000	\$ 418,164.86	\$ 728,614.91	\$ 1,146,779.77
2001	\$ 475,021.15	\$ 833,246.78	\$ 1,308,267.93
2002	\$ 416,859.08	\$ 1,015,365.60	\$ 1,432,224.68
2003	\$ 458,780.10	\$ 1,122,504.11	\$ 1,581,284.21
2004	\$ 615,337.62	\$ 1,005,901.63	\$ 1,621,239.25
2005	\$ 661,099.95	\$ 1,045,858.38	\$ 1,706,958.33
2006	\$ 611,674.29	\$ 1,336,805.97	\$ 1,948,480.26
2007	\$ 856,597.12	\$ 1,451,468.74	\$ 2,308,065.86
2008	\$ 1,451,385.68	\$ 1,004,121.20	\$ 2,455,506.88
2009	\$ 1,504,429.59	\$ 1,114,558.52	\$ 2,618,988.11
2010	\$ 877,624.28	\$ 1,898,922.31	\$ 2,776,546.59
2011	\$ 1,793,563.59	\$ 1,282,852.85	\$ 3,076,416.44
2012	\$ 3,303,608.16	\$ 983,667.70	\$ 4,287,275.86
2013	\$ 3,080,405.43	\$ 1,441,235.41	\$ 4,521,640.84
2014	\$ 3,753,622.85	\$ 1,340,702.63	\$ 5,094,325.48
2015	\$ 4,776,377.17		\$ 4,776,377.17
2016	\$ 4,936,757.79		\$ 4,936,757.79
2017	\$ 5,258,182.90		\$ 5,258,182.90
2018	\$ 5,015,416.74		\$ 5,015,416.74
2019	\$ 5,079,128.39		\$ 5,079,128.39
2020	\$ 5,476,914.31		\$ 5,476,914.31
2021	\$ 5,566,425.98		\$ 5,566,425.98
2022	\$ 5,688,266.69		\$ 5,688,266.69
2023	\$ 6,227,003.19		\$ 6,227,003.19
2024	\$ 6,642,973.92		\$ 6,642,973.92
2025	\$ 2,479,817.44		\$ 2,479,817.44
	\$ 78,059,187.04	\$ 19,251,645.29	\$ 99,790,649.77
Perkins County	\$ 5,459,000.00		\$ 5,459,000.00
	\$ 83,518,187.04	\$ 19,251,645.29	\$ 105,249,649.77
Jan	\$ 524,179.15		\$ 524,179.15
Feb	\$ 465,874.73		\$ 990,053.88
Mar	\$ 496,188.74		\$ 1,486,242.62
Apr	\$ 470,457.96		\$ 1,956,700.58
May	\$ 523,116.86		\$ 2,479,817.44

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; 7/3/23

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 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 Southwest Water Authority."

MONITORING:

Method: Board of Directors Internal Report

Frequency: Annually

Month: July

Board Members are the Soul and Spirit of the Southwest Water Authority

Thank you for being a Board member and making our mission your mission. You are to be congratulated for your desire to help others. Many people only wish they could make this a better world — but you have taken action to help turn dreams into reality. There is a great sense of power when people come together to achieve a common cause. Making things happen to help people is perhaps the most satisfying part about belonging to our Board. Do not let little frustrations get you down as you work for our organization. Our mission cannot be accomplished in a day or a year.

A committed Board is the nucleus of a successful organization.

Your responsibilities as a Board member are to:

1. Set policies that guide the Southwest Water Authority.
2. Write a plan outlining the long-range goals you have for the SWA's growth and development.
3. Meet the needs of the people you serve.
4. Ensure the SWA has adequate finances and that the money is being spent responsibly.
5. Support your manager/Chief Executive Officer and staff.

It is the policy of the Southwest Water Authority to prohibit discrimination on the basis of race, color, religion, sex, national origin, age, the presence of any mental or physical disability, status with regard to marriage or public assistance, or participation in lawful activity off the employer's premises during nonworking hours which is not in direct conflict with the essential business related interests of the employer, to prevent and eliminate discrimination in employment relations, public accommodations, housing, state and local government services, and credit transactions; and to deter those who aid, abet, or induce discrimination, or coerce others to discriminate.

As a director on this Board, I will:

- ☆ Represent the interest of all people served by the Authority.
- ☆ Not use the Authority or my service on this Board for my own personal advantage or for the individual advantage of my friends or supporters.
- ☆ Approach all Board issues with an open mind, prepared to make the best decision for the whole Authority.
- ☆ Do nothing to violate the trust of those who elected me to the Board or of those we serve.
- ☆ Use my efforts on the mission of the Authority and not on my personal goals.
- ☆ Never exercise authority as a Board member except when acting in a meeting with the full Board or as I am delegated by the Board.

Director's Signature

Date

IV. POLICY TYPE: BOARD-MANAGER/CHIEF EXECUTIVE OFFICER RELATIONSHIP
POLICY TITLE: *MANAGER/CHIEF EXECUTIVE OFFICER ROLE*
Adopted 10/4/99 - Amended 8/6/07

The manager as Chief Executive Officer, is accountable to the Board acting as a body. The Board will instruct the manager/Chief Executive Officer through written policies, delegating interpretation and implementation to the manager/Chief Executive Officer.

MONITORING:
Method: Board of Directors Internal Report
Frequency: Annually
Month: July

II. POLICY TYPE: EXECUTIVE LIMITATIONS

C. POLICY TITLE: *FINANCIAL CONDITION*

Adopted 10/4/99 - Amended 5/3/10; 1/5/17; 1/7/2019

With respect to the actual, ongoing condition of the organization's financial health, the manager/Chief Executive Officer may not cause or allow the development of fiscal jeopardy nor a material deviation of actual expenditures from Board priorities established in *Aims/Ends* policies.

Accordingly the manager/Chief Executive Officer may not:

1. Expend more funds than have been received unless two and one half months of total operating reserves are in place.
2. Use any Long Term Reserves.
3. Use any Replacement and Extraordinary Maintenance Fund Reserves.
4. Conduct inter-fund shifting in amounts greater than can be restored by otherwise unencumbered revenues within the fiscal year.
5. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Submit a deficit budget without also submitting a balanced budget.

MONITORING:

<i>Method:</i>	<i>Manager/CEO Internal Report</i>	<i>External Report (Audit Report)</i>
<i>Frequency:</i>	<i>Quarterly</i>	<i>Annually</i>
<i>Month:</i>	<i>January, April, July, October</i>	<i>April</i>

II. POLICY TYPE: EXECUTIVE LIMITATIONS

C. POLICY TITLE: *FINANCIAL CONDITION*

MONITORING: MARCH 2025 THROUGH MAY 2025

With respect to the actual, ongoing condition of the organization's financial health, the manager/Chief Executive Officer may not cause or allow the development of fiscal jeopardy nor a material deviation of actual expenditures from Board priorities established in *Aims/Ends* policies.

Accordingly, the manager/Chief Executive Officer may not:

1. Expend more funds than have been received unless two and a half months of total operating reserves are in place.

Income thru 5/31/25 - \$6,747,971

Expenses thru 5/21/25 - \$7,460,226

Net Income/Loss thru 5/31/25 – (\$580,176)

Total Operating Reserves thru 5/31/25 – 9.64 months

2. Use any Long-Term Reserves.

No use of long-term reserves. List of bonds called attached.

3. Use any Replacement and Extraordinary Maintenance Fund Reserves.

No funds were used from the Replacement and Extraordinary Maintenance Fund during this period. As of May 31, 2025, the balance in the Fund was \$27,340,481.38.

4. Conduct inter-fund shifting in amounts greater than can be restored by otherwise unencumbered revenues within the fiscal year.

No inter-fund transactions occurred during this period.

5. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

All payroll debts were settled without penalties or late fees.

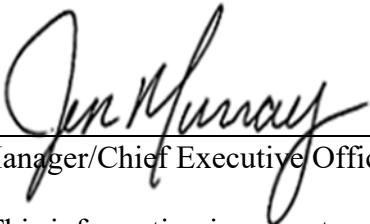
Attached list shows sufficient funds for payroll and debt payments.

6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

Attached is the schedule for tax filings. All payroll debts were settled without penalties or late fees. Worksheets, confirmation numbers and bank statements verifying filing date to meet IRS requirements are available at the O&M Center Office. According to IRS tax code, the due date for filing is three business days after the date of payroll.

7. Submit a deficit budget without also submitting a balanced budget.

Three budget options for 2025 were presented with the November 2024 Board Packet. The proposed options included one deficit budget with 8.90 and 8.71 months in reserve and a balanced budget with 9.17 months in reserve. Option Two with 8.71 months in reserve was approved.



Manager/Chief Executive Officer

6/25/2025

Date

This information is current as of 06/25/25.

MONITORING:

<i>Method:</i>	<i>Manager/CEO Internal Report</i>	<i>External Report (Audit Report)</i>
<i>Frequency:</i>	<i>Quarterly</i>	<i>Annually</i>
<i>Month:</i>	<i>January, April, July, October</i>	<i>July</i>

Bonds Called or Sold

Date	Amount	Cost	Account
3/17/2025	\$ 17.22	\$ 17.73	Reserve Fund for Replacement
3/20/2025	\$ 79,590.76	\$ 79,787.62	Reserve Fund for Replacement
3/25/2025	\$ 1,124.74	\$ 1,160.97	Reserve Fund for Replacement
4/15/2025	\$ 8.35	\$ 8.59	Reserve Fund for Replacement
4/21/2025	\$ 110,229.20	\$ 110,501.84	Reserve Fund for Replacement
4/25/2025	\$ 969.13	\$ 993.14	Reserve Fund for Replacement
5/7/2025	\$ 500,000.00	\$ 501,124.99	O&M Fund
5/15/2025	\$ 7.53	\$ 7.75	Reserve Fund for Replacement
5/20/2025	\$ 170,263.76	\$ 170,684.89	Reserve Fund for Replacement
5/27/2025	\$ 1,025.20	\$ 1,050.60	Reserve Fund for Replacement
	<hr/>		
	\$ 863,235.89	\$ 865,338.12	

CASH MANAGEMENT FOR MONITORING PERIOD: Mar 2025 - May 2025

PAYROLL			
Date		Payment	Balance after payment
3/3/2025	\$	281,073.66	\$ 143,927.97
3/5/2025	\$	134,674.50	\$ 9,253.47
3/10/2025	\$	22,573.89	\$ 9,435.47
3/12/2025	\$	4,905.64	\$ 9,531.27
3/28/2025	\$	6,274.60	\$ 3,256.67
4/1/2025	\$	271,850.52	\$ 135,799.10
4/4/2025	\$	129,122.28	\$ 6,676.82
4/7/2025	\$	19,394.44	\$ 6,850.82
4/10/2025	\$	3,439.19	\$ 6,946.62
5/1/2025	\$	274,310.99	\$ 150,043.00
5/2/2025	\$	143,516.44	\$ 6,526.56
5/9/2025	\$	14,981.00	\$ 12,413.33
5/10/2025	\$	5,677.76	\$ 6,735.57
5/16/2025	\$	5,733.32	\$ 6,831.37
Total Payments	\$	1,317,528.23	

O&M			
Date		Payment	Balance after payment
3/3/2025	\$	225,458.24	\$ 501,769.55
3/7/2025	\$	55,425.55	\$ 499,261.58
3/10/2025	\$	85.20	\$ 899,435.98
3/12/2025	\$	5,001.44	\$ 906,066.01
3/13/2025	\$	65,146.07	\$ 1,131,268.67
3/18/2025	\$	642,083.94	\$ 489,184.73
3/21/2025	\$	26,386.74	\$ 1,222,019.13
3/28/2025	\$	406,543.58	\$ 900,273.57
4/4/2025	\$	64,312.19	\$ 871,228.46
4/7/2025	\$	457,246.75	\$ 444,827.31
4/10/2025	\$	3,674.99	\$ 520,514.05
4/11/2025	\$	16,895.38	\$ 1,095,334.10
4/15/2025	\$	2,195.00	\$ 1,027,378.77
4/17/2025	\$	617,823.00	\$ 665,238.50
4/24/2025	\$	417,407.37	\$ 583,552.17
4/25/2025	\$	19,354.48	\$ 566,697.69
5/2/2025	\$	11,830.97	\$ 559,213.62
5/8/2025	\$	29,143.15	\$ 401,730.84
5/9/2025	\$	57,844.98	\$ 343,885.86
5/16/2025	\$	25,912.43	\$ 607,994.27
5/20/2025	\$	666,248.74	\$ 910,279.85
5/23/2025	\$	27,747.54	\$ 1,231,931.30
5/27/2025	\$	417,965.28	\$ 823,246.34
5/30/2025	\$	1,408.76	\$ 840,544.81
Total Payments	\$	4,263,141.77	

GENERAL FUND		
Date	Payment	Balance after payment
4/4/2025		\$ 68,163.49
5/30/2025		\$ 75,839.63
Total Payments	\$ -	

GOVERNMENT PAYMENTS/FILINGS 2Q2025

<u>INITIATION DATE</u>	<u>PAYMENT</u>	<u>FILING</u>	<u>SETTLEMENT DATE</u>
3/28/2025	\$65,448.72	FTD FOR APR 1 PAYROLL	4/1/2025
4/7/2025	\$5,095.70	FTD FOR APR 10 PAYROLL	4/10/2025
4/10/2025	\$580.78	FTD FOR APR 11 PAYROLL (BOD)	4/11/2025
4/24/2025	\$68,006.68	FTD FOR MAY 1 PAYROLL	5/1/2025
5/8/2025	\$5,677.76	FTD FOR MAY 9 PAYROLL	5/9/2025
5/16/2025	\$906.84	FTD FOR MAY 16 PAYROLL (BOD)	5/16/2025
5/27/2025	\$67,416.36	FTD FOR JUN 2 PAYROLL	6/2/2025
6/9/2025	\$1,458.43	FTD FOR JUN 10 PAYROLL	6/10/2025
6/6/2025	\$5,223.56	FTD FOR JUN 10 PAYROLL (BOD)	6/10/2025

QUARTERLY STATE WITHHOLDING ONLINE TO BE UPLOADED BY 7/30/2025

QUARTERLY SUTA ONLINE TO BE UPLOADED BY 7/30/2025

II. POLICY TYPE: EXECUTIVE LIMITATIONS

E. POLICY TITLE: *ASSET PROTECTION*

Adopted 10/4/99 - Amended 1/7/08; 8/2/10

The manager/Chief Executive Officer may not allow assets to be unprotected, inadequately maintained nor unnecessarily risked.

Accordingly, the manager/Chief Executive Officer may not:

1. Fail to insure against theft and casualty losses to at least 80 percent replacement value and against liability losses in the amount of \$2 million to Board members, staff or the organization itself.
2. Allow non-bonded personnel access to material amounts of funds.
3. Subject plant and equipment to improper wear and tear nor insufficient maintenance.
4. Unnecessarily expose the organization, its Board or staff to claims of liability or loss.
5. Make any unbudgeted purchase or commit the organization to any unbudgeted expenditure of greater than \$5,000.00.
6. Make any purchase:
 - A. wherein normally prudent protection has not been given against conflict of interest
 - B. of over \$2,500.00 without having obtained comparative prices and quality
 - C. of over \$10,000.00 without a stringent method of assuring the balance of long term cost and quality
 - D. without following North Dakota Century Code Chapter 44-08
7. Receive, process or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.
8. Invest or hold operating capital except as directed by N.D.C.C. Chapter 21-04, 21-06-07.
9. Acquire, encumber or dispose of real property.
10. Fail to work with suppliers in developing long-term relationships and involvement in new service development.

MONITORING:

<i>Method:</i>	<i>Manager/CEO Internal Report</i>
<i>Frequency:</i>	<i>Quarterly</i>
<i>Month:</i>	<i>January, April, July, October</i>

II. POLICY TYPE: EXECUTIVE LIMITATIONS

E. POLICY TITLE: *ASSET PROTECTION*

MONITORING: MARCH 2025 THROUGH MAY 2025

The manager/Chief Executive Officer may not allow assets to be unprotected, inadequately maintained nor unnecessarily risked.

Accordingly, the manager/Chief Executive Officer may not:

1. Fail to insure against theft and casualty losses to at least 80 percent replacement value and against liability losses in the amount of \$2 million to Board members, staff or the organization itself.

Property is insured at 90% replacement value. Liability losses are insured for \$10 million for Board members, staff and SWA. Documentation is available at the SWA O&M Center Office.

2. Allow non-bonded personnel access to material amounts of funds.

All employees are bonded through the ND State Bonding Fund in accordance with NDCC 26-1-21-10 with a \$2 million limit of liability. Documentation is available at the SWA O&M Center Office.

3. Subject plant and equipment to improper wear and tear nor insufficient maintenance.

Annual, preventative, and routine maintenance per schedules at pump stations, distribution systems, O&M Center and water treatment plants and related facilities. The Annual O&M Report is distributed to appropriate agencies in April per the Transfer Agreement. Documentation is available at the SWA O&M Center Office, pump stations and water treatment plants.

4. Unnecessarily expose the organization, its Board or staff to claims of liability or loss.

To protect SWA against claims of liability, all SWA issued crossing permits are required to be accompanied by a Certificate of Liability from the landowner naming SWA as an additionally insured entity.

Staff keeps documentation through work logs, notes, vehicle tracking information and field notes.

Contracts and agreements are reviewed by staff and legal counsel prior to execution. Liability coverages are adequate. Staff is trained on proper techniques and use of machinery and equipment.

5. Make any unbudgeted purchase or commit the organization to any unbudgeted expenditure of greater than \$5,000.

All large purchases were budgeted

6. Make any one-item purchase:
 - A. wherein normally prudent protection has not been given against conflict of interest;
 - B. of over \$2,500 without having obtained comparative prices and quality;
 - C. of over \$10,000 without a stringent method of assuring the balance of long-term cost and quality.
 - D. without following North Dakota Century Code Chapter 44-08.

SWA obtains comparative quotes for one-item purchases over \$2,500. Purchases follow NDCC 44-08. Long-term and quality are evaluated for purchases over \$10,000.

7. Receive, process or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.

Follow accounting manual approved by auditors.

8. Invest or hold operating capital except as directed by North Dakota Century Code Chapter 21-04, 21-06-07.

*Investments through Bravera Wealth follow the ND Century Code.
See attached listing of investments.*

9. Acquire, encumber or dispose of real property.

SWA has not acquired, encumbered or disposed of real property.

10. Fail to work with suppliers in developing long-term relationships and involvement in new service development.

SWA has long-term relationships with many suppliers including Brenntag Pacific, Dakota Supply Group, Ferguson Waterworks, Graymont Capital, Inc., Hach Company and Hawkins Inc. SWA has service relationships in the form of service agreements with Central Square for billing, Mix Telematics (formerly Trimble) for the vehicle tracking system and Presort Plus for printing and mailing the monthly invoices to rural customers. A list of other frequent vendors and maintenance agreements is available at the SWA O&M Center Office.



Manager/Chief Executive Officer

6/25/2025

Date

This information is current as of 6/25/2025.

MONITORING:

Method: *Manager/CEO Internal Report*

Frequency: *Quarterly*

Month: *January, April, July, October*



SWWA - CMA
Account #: 8058

Account Detail On: 05/31/2025

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
CD - Other % of Portfolio: 19.71%						
Connexus Credit Union CD 4.95% Due 08/06/25	250,000.00	1.00	250,375.00	250,000.00	12,375.00	847.60
Money Market % of Portfolio: 41.40%						
Bravera Deposit Fund	524,972.09	1.00	524,972.09	524,972.09	22,416.44	0.00
Cash Equivalents Total	<u>774,972.09</u>		<u>775,347.09</u>	<u>774,972.09</u>	<u>34,791.44</u>	<u>847.60</u>
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 19.18%						
Federal Home Loan Bank (3/25) 0.85% Due 03/25/26	250,000.00	97.28	241,173.87	243,204.68	2,125.00	29.51
CD - Other % of Portfolio: 19.71%						
Wells Fargo Bank CD 5.40% Due 11/07/25	250,000.00	1.00	250,000.00	250,000.00	13,500.00	887.67
Fixed Total	<u>500,000.00</u>		<u>491,173.87</u>	<u>493,204.68</u>	<u>15,625.00</u>	<u>917.18</u>
Grand Total	<u><u>1,274,972.09</u></u>		<u><u>1,266,520.96</u></u>	<u><u>1,268,176.77</u></u>	<u><u>50,416.44</u></u>	<u><u>1,764.78</u></u>



Southwest Water Authority - Escrow Fund

Account #: 8050

Account Detail On: 05/31/2025

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
Money Market % of Portfolio: 5.57%						
Bravera Deposit Fund	38,304.50	1.00	38,304.50	38,304.50	1,635.61	0.00
Meridian Bank Deposit Fund	0.04	1.00	0.04	0.04	0.00	0.00
Money Market Total	38,304.54		38,304.54	38,304.54	1,635.61	0.00
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 63.36%						
Farmer Mac (8/25) 1.27% Due 08/19/30	50,000.00	85.75	50,000.00	42,877.40	635.00	178.15
Federal Farm Credit Bank (6/25) 1.29% Due 12/22/26	150,000.00	95.63	150,000.00	143,450.06	1,935.00	849.25
Federal Farm Credit Bank 1.26% Due 10/15/30	50,000.00	85.80	50,000.00	42,901.01	630.00	79.18
Federal Home Loan Bank (6/25) 1.28% Due 12/02/30	50,000.00	85.64	50,000.00	42,818.08	640.00	316.44
Federal Home Loan Bank (6/25) 1.34% Due 03/03/28	60,000.00	93.29	60,000.00	55,974.67	804.00	194.30
Federal Home Loan Bank (8/25) 1.50% Due 02/25/31	25,000.00	85.93	25,000.00	21,483.07	375.00	98.96
Federal Home Loan Bank STEP (6/25) 1.25% Due 9/29/31	100,000.00	86.65	100,000.00	86,649.19	1,250.00	211.81
Bond - US Govt (State Tax Exempt) Total	485,000.00		485,000.00	436,153.48	6,269.00	1,928.09
Bond - US Govt (State Taxable) % of Portfolio: 3.10%						
Freddie Mac (8/25) 1.15% Due 08/26/30	25,000.00	85.42	24,976.12	21,354.25	287.50	75.07
Mutual Funds - Fixed Income % of Portfolio: 27.97%						
PIMCO GNMA & Government Securities Instl	10,406.98	9.24	114,602.79	96,160.15	4,567.13	0.00
Vanguard GNMA Adm	10,482.23	9.20	109,717.39	96,436.28	3,607.71	0.00
Mutual Funds - Fixed Income Total	20,889.21		224,320.18	192,596.43	8,174.84	0.00
Fixed Total	530,889.21		734,296.30	650,104.16	14,731.34	2,003.16
Grand Total	569,193.75		772,600.84	688,408.70	16,366.95	2,003.16



Southwest Water Authority - General Fund

Account #: 8051

Account Detail On: 05/31/2025

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
Money Market % of Portfolio: 7.21%						
Bravera Deposit Fund	76,559.26	1.00	76,559.26	76,559.26	3,269.10	0.00
Meridian Bank Deposit Fund	0.02	1.00	0.02	0.02	0.00	0.00
Money Market Total	76,559.28		76,559.28	76,559.28	3,269.10	0.00
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 39.49%						
Farmer Mac (8/25) 1.27% Due 08/19/30	60,000.00	85.75	60,000.00	51,452.88	762.00	213.78
Federal Farm Credit Bank 1.26% Due 10/15/30	50,000.00	85.80	50,000.00	42,901.01	630.00	79.18
Federal Home Loan Bank (6/25) 1.25% Due 06/30/31	50,000.00	88.84	50,000.00	44,418.65	625.00	258.68
Federal Home Loan Bank (6/25) 1.28% Due 12/02/30	100,000.00	85.64	100,000.00	85,636.15	1,280.00	632.89
Federal Home Loan Bank (6/25) 1.34% Due 03/03/28	70,000.00	93.29	70,000.00	65,303.78	938.00	226.68
Federal Home Loan Bank (8/25) 1.50% Due 02/25/31	50,000.00	85.93	50,000.00	42,966.14	750.00	197.92
Federal Home Loan Bank STEP (6/25) 1.25% Due 9/29/31	100,000.00	86.65	100,000.00	86,649.19	1,250.00	211.81
Bond - US Govt (State Tax Exempt) Total	480,000.00		480,000.00	419,327.80	6,235.00	1,820.94
Bond - US Govt (State Taxable) % of Portfolio: 7.91%						
Freddie Mac (6/25) 1.24% Due 09/30/31	50,000.00	82.70	50,000.00	41,348.20	620.00	103.33
Freddie Mac (8/25) 1.15% Due 08/26/30	50,000.00	85.42	49,952.24	42,708.50	575.00	150.14
Bond - US Govt (State Taxable) Total	100,000.00		99,952.24	84,056.70	1,195.00	253.47
Mutual Funds - Fixed Income % of Portfolio: 45.39%						
PIMCO GNMA & Government Securities Instl	25,972.18	9.24	286,892.47	239,982.83	11,397.99	0.00
Vanguard GNMA Adm	26,321.81	9.20	277,709.10	242,159.77	9,059.21	0.00
Mutual Funds - Fixed Income Total	52,293.99		564,601.57	482,142.60	20,457.20	0.00
Fixed Total	632,293.99		1,144,553.81	985,527.10	27,887.20	2,074.41
Grand Total	708,853.27		1,221,113.09	1,062,086.38	31,156.30	2,074.41



Southwest Water Authority Operation & Maintenance Fund

Account #: 8054

Account Detail On: 05/31/2025

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
Money Market % of Portfolio: 18.52%						
Bravera Deposit Fund	666,492.34	1.00	666,492.34	666,492.34	28,459.39	0.00
Meridian Bank Deposit Fund	0.02	1.00	0.02	0.02	0.00	0.00
Money Market Total	666,492.36		666,492.36	666,492.36	28,459.39	0.00
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 65.67%						
Farmer Mac (8/25) 1.27% Due 08/19/30	90,000.00	85.75	90,000.00	77,179.31	1,143.00	320.68
Federal Farm Credit Bank (6/25) 1.29% Due 12/22/26	250,000.00	95.63	250,000.00	239,083.43	3,225.00	1,415.42
Federal Farm Credit Bank (6/25) 1.40% Due 04/28/28	200,000.00	92.71	200,000.00	185,413.62	2,800.00	248.89
Federal Farm Credit Bank (6/25) 2.25% Due 12/18/29	200,000.00	92.17	200,000.00	184,347.26	4,500.00	2,025.00
Federal Farm Credit Bank 1.26% Due 10/15/30	250,000.00	85.80	250,000.00	214,505.03	3,150.00	395.90
Federal Home Loan Bank (5/27) 4.50% Due 11/14/29	500,000.00	100.76	500,000.00	503,823.55	22,500.00	1,000.00
Federal Home Loan Bank (6/25) 1.25% Due 06/30/31	250,000.00	88.84	250,000.00	222,093.23	3,125.00	1,293.40
Federal Home Loan Bank (6/25) 1.28% Due 12/02/30	250,000.00	85.64	250,000.00	214,090.38	3,200.00	1,582.22
Federal Home Loan Bank (6/25) 2.35% Due 10/18/29	100,000.00	93.23	100,000.00	93,230.15	2,350.00	274.17
Federal Home Loan Bank (8/25) 1.50% Due 02/25/31	500,000.00	85.93	500,000.00	429,661.35	7,500.00	1,979.17
Bond - US Govt (State Tax Exempt) Total	2,590,000.00		2,590,000.00	2,363,427.31	53,493.00	10,534.85
Bond - US Govt (State Taxable) % of Portfolio: 2.37%						
Freddie Mac (8/25) 1.15% Due 08/26/30	100,000.00	85.42	99,904.39	85,416.99	1,150.00	300.28
Mutual Funds - Fixed Income % of Portfolio: 13.44%						
PIMCO GNMA & Government Securities Instl	26,016.65	9.24	286,229.57	240,393.58	11,417.54	0.00
Vanguard GNMA Adm	26,364.25	9.20	276,125.53	242,550.89	9,073.84	0.00
Mutual Funds - Fixed Income Total	52,380.90		562,355.10	482,944.47	20,491.38	0.00
Fixed Total	2,742,380.90		3,252,259.49	2,931,788.77	75,134.38	10,835.13
Grand Total	3,408,873.26		3,918,751.85	3,598,281.13	103,593.77	10,835.13



Southwest Water Authority Reserve Fund For Replacement

Account #: 8053

Account Detail On: 05/31/2025

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
CD - Other % of Portfolio: 0.99%						
Connexus Credit Union CD 4.95% Due 08/06/25	250,000.00	1.00	250,375.00	250,000.00	12,375.00	847.60
Money Market % of Portfolio: 17.90%						
Bravera Deposit Fund	3,408,782.27	1.00	3,408,782.27	3,408,782.27	145,555.87	0.00
Meridian Bank Deposit Fund	1,101,499.03	1.00	1,101,499.03	1,101,499.03	50,669.20	0.00
Money Market Total	4,510,281.30		4,510,281.30	4,510,281.30	196,225.07	0.00
Cash Equivalents Total	4,760,281.30		4,760,656.30	4,760,281.30	208,600.07	847.60
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 61.83%						
Farmer Mac (8/25) 1.27% Due 08/19/30	1,000,000.00	85.75	1,000,000.00	857,547.90	12,700.00	3,563.06
Farmer Mac (8/25) 1.78% Due 08/12/31	1,000,000.00	85.98	1,000,000.00	859,807.30	17,800.00	5,340.00
Farmer Mac (8/25) 2.00% Due 02/10/27	900,000.00	96.09	900,000.00	864,796.05	18,000.00	5,500.00
Federal Farm Credit Bank (6/23) 0.94% Due 06/08/27	400,000.00	93.89	399,784.71	375,579.72	3,760.00	1,797.36
Federal Farm Credit Bank (6/25) 1.29% Due 12/22/26	600,000.00	95.63	600,000.00	573,800.22	7,740.00	3,397.00
Federal Farm Credit Bank (6/25) 1.40% Due 04/26/29	2,500,000.00	90.29	2,500,000.00	2,257,144.25	35,000.00	3,305.56
Federal Farm Credit Bank (6/25) 1.40% Due 04/28/28	600,000.00	92.71	600,000.00	556,240.86	8,400.00	746.67
Federal Farm Credit Bank (6/25) 2.08% Due 02/19/30	900,000.00	91.14	900,000.00	820,233.45	18,720.00	5,252.00
Federal Farm Credit Bank (8/25) 5.44% Due 08/21/34	500,000.00	100.17	500,000.00	500,850.95	27,200.00	7,480.00
Federal Farm Credit Bank 1.26% Due 10/15/30	1,550,000.00	85.80	1,550,000.00	1,329,931.16	19,530.00	2,454.59
Federal Home Loan Bank (6/25) 1.07% Due 06/04/27	1,000,000.00	94.44	1,000,000.00	944,352.30	10,700.00	5,231.11
Federal Home Loan Bank (6/25) 1.25% Due 06/30/31	1,200,000.00	88.84	1,200,000.00	1,066,047.48	15,000.00	6,208.33
Federal Home Loan Bank (6/25) 1.27% Due 12/02/30	1,000,000.00	85.59	999,097.89	855,873.20	12,700.00	6,279.44
Federal Home Loan Bank (6/25) 1.28% Due 12/02/30	1,000,000.00	85.64	1,000,000.00	856,361.50	12,800.00	6,328.89
Federal Home Loan Bank (6/25) 1.34% Due 03/03/28	650,000.00	93.29	650,000.00	606,392.28	8,710.00	2,104.92
Federal Home Loan Bank (6/25) 2.35% Due 10/18/29	485,000.00	93.23	485,000.00	452,166.23	11,397.50	1,329.71
Federal Home Loan Bank (6/25) 2.69% Due 09/26/34	500,000.00	84.07	500,000.00	420,374.20	13,450.00	2,391.11
Federal Home Loan Bank (8/25) 1.50% Due 02/25/31	1,000,000.00	85.93	1,000,000.00	859,322.70	15,000.00	3,958.33
Federal Home Loan Bank STEP (6/25) 1.25% Due 9/29/31	600,000.00	86.65	600,000.00	519,895.14	7,500.00	1,270.83
Bond - US Govt (State Tax Exempt) Total	17,385,000.00		17,383,882.60	15,576,716.89	276,107.50	73,938.91
Bond - US Govt (State Taxable) % of Portfolio: 14.57%						
FNMA Remic 2.546% Due 12/25/26	703,845.82	97.09	721,285.75	683,358.21	17,922.03	294.61
Freddie Mac (6/25) 1.24% Due 09/30/31	1,000,000.00	82.70	1,000,000.00	826,963.90	12,400.00	2,066.67
Freddie Mac (8/25) 1.15% Due 08/26/30	1,000,000.00	85.42	999,043.18	854,169.90	11,500.00	3,002.78



Southwest Water Authority Reserve Fund For Replacement

Account #: 8053

Account Detail On: 05/31/2025

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Fixed						
Bond - US Govt (State Taxable) % of Portfolio: 14.57%						
GNMA Class KC 5.50% Due 03/20/46	1,291,974.00	101.28	1,295,169.82	1,308,554.94	71,058.58	1,973.85
Bond - US Govt (State Taxable) Total	<u>3,995,819.82</u>		<u>4,015,498.75</u>	<u>3,673,046.95</u>	<u>112,880.61</u>	<u>7,337.91</u>
Mortgage Backed Security						
Government National Mortgage Association 7.00% Due 12/15/29	329.73	103.04	339.41	339.77	23.08	1.01
Mutual Funds - Fixed Income % of Portfolio: 4.71%						
PIMCO GNMA & Government Securities Instl	57,162.94	9.24	632,028.21	528,185.22	25,086.24	0.00
Vanguard GNMA Adm	70,521.22	9.20	737,376.60	648,794.78	24,271.51	0.00
Mutual Funds - Fixed Income Total	<u>127,684.16</u>		<u>1,369,404.81</u>	<u>1,176,980.00</u>	<u>49,357.75</u>	<u>0.00</u>
Fixed Total	<u>21,508,833.71</u>		<u>22,769,125.57</u>	<u>20,427,083.61</u>	<u>438,368.94</u>	<u>81,277.83</u>
Grand Total	<u>26,269,115.01</u>		<u>27,529,781.87</u>	<u>25,187,364.91</u>	<u>646,969.01</u>	<u>82,125.43</u>



Southwest Water Authority - Reserve Fund

Account #: 8052

Account Detail On: 05/31/2025

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
CD - Other % of Portfolio: 71.38%						
Affinity Bank CD 4.15% Due 09/14/27	247,000.00	1.00	247,000.00	247,000.00	10,250.50	477.42
Goldman Sachs Bank CD 4.25% Due 03/13/28	250,000.00	1.00	250,000.00	250,000.00	10,625.00	2,338.65
Northwest Bank CD 4.25% Due 03/15/27	250,000.00	1.00	250,000.00	250,000.00	10,625.00	2,252.04
Somerset Trust Company CD 4.05% Due 05/15/28	250,000.00	1.00	250,000.00	250,000.00	10,125.00	499.32
CD - Other Total	997,000.00		997,000.00	997,000.00	41,625.50	5,567.43
Money Market % of Portfolio: 5.67%						
Bravera Deposit Fund	79,243.79	1.00	79,243.79	79,243.79	3,383.73	0.00
Meridian Bank Deposit Fund	0.01	1.00	0.01	0.01	0.00	0.00
Money Market Total	79,243.80		79,243.80	79,243.80	3,383.73	0.00
Cash Equivalents Total	1,076,243.80		1,076,243.80	1,076,243.80	45,009.23	5,567.43
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 12.36%						
Farmer Mac (8/25) 1.27% Due 08/19/30	50,000.00	85.75	50,000.00	42,877.40	635.00	178.15
Federal Home Loan Bank (6/25) 1.28% Due 12/02/30	50,000.00	85.64	50,000.00	42,818.08	640.00	316.44
Federal Home Loan Bank (6/25) 1.34% Due 03/03/28	70,000.00	93.29	70,000.00	65,303.78	938.00	226.68
Federal Home Loan Bank (8/25) 1.50% Due 02/25/31	25,000.00	85.93	25,000.00	21,483.07	375.00	98.96
Bond - US Govt (State Tax Exempt) Total	195,000.00		195,000.00	172,482.33	2,588.00	820.23
Bond - US Govt (State Taxable) % of Portfolio: 3.06%						
Freddie Mac (8/25) 1.15% Due 08/26/30	50,000.00	85.42	49,952.24	42,708.50	575.00	150.14
Mutual Funds - Fixed Income % of Portfolio: 7.53%						
Vanguard GNMA Adm	11,440.06	9.20	121,050.07	105,247.30	3,937.38	0.00
Fixed Total	256,440.06		366,002.31	320,438.13	7,100.38	970.37
Grand Total	1,332,683.86		1,442,246.11	1,396,681.93	52,109.61	6,537.80



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Southwest Water Authority Strategic Plan 2023

At the 2023 Board of Directors' Retreat, a situational analysis was conducted. Below are the six identified areas of priority, opportunity, and challenge in which the Board has affirmed require awareness, focus, and action to achieve the mission and vision of Southwest Water Authority.

Southwest Pipeline Project Supplementary Intake

1. Communicate the need for the Supplementary Intake for the people of southwest North Dakota
2. Communicate the impacts of a deficit at the Intake to stakeholders
3. Encourage the SWC to consider alternative options
 - a. Develop a plan/proposal for an interim Intake to address the potential deficit until the permanent intake is completed (Increase flowrate with Basin Electric, construct a temporary Intake, evaluation of other locations/sources, etc.)
4. Communicate the income opportunity of serving Prairie Horizon Hydrogen or other industrial users

Aging Infrastructure

1. Prioritize areas of concern
 - a. Utilize REM analysis as a tool to monitor age of infrastructure and life-expectancy
 - i. Keep the REM analysis updated
 - ii. Budget accordingly
2. Develop a plan to address shutdowns
 - a. Redundancy
 - i. Consideration of additional water reservoirs at Zap and/or Dickinson
 - ii. Consideration of secondary raw water line
3. Work with other Rural Water Systems and related agencies to revive the Water/Wastewater Agency Response Network (WARN) – a statewide inventory database for spare parts or emergency mitigation
 - a. Mutual Aid Agreements

Education and Communication and Project Funding

1. Communication – How will the Board and Staff Communicate with Stakeholders
 - a. Develop the SWPP and SWA message to be communicated
 - i. Who we are, what we do, and why we exist
 - b. Outreach
 - i. Identify audiences with whom the message will be communicated (County Commissions, City Commissions, Legislators, Public, other boards/agencies, etc.)
 - ii. Identify Champions and Build Relationships
 - c. Develop a communication video
 - i. Make a statement, be memorable, include testimonials.

Waiting List and Customer Connections

1. Finalize Feasibility Criteria Adjustments
2. Revise Prong 2 and Prong 3 approach to address future needs for waiting lists, under-served areas/new construction areas
3. Strategic Hydraulic Improvements
 - a. Assess and prioritize waiting list areas of the Project through constant review of Prioritization Matrix
 - b. Combine projects to make cost effective

Water Treatment Plant Expansion and Decommissioning of Dickinson WTP

1. Southwest Water Treatment Plant designed for future of SWPP – 18 MGD
 - a. Secure staging area for construction and materials
 - b. Budget for unknown maintenance needs for first year after warranty period
2. Dickinson Water Treatment Plant
 - a. Develop timeline for decommissioning
 - b. Discuss with City of Dickinson on responsibilities, assets/inventory, and future for the site
3. Security
 - a. Upgrade security and cybersecurity at the SWTP
4. Education
 - a. Foster and maintain educated treatment staff

Affordable Rates

1. Remain aware how SWA compares to other ND Rural Water Systems as a gauge for affordability
2. Review over-allocation policy
3. Review and analyze reserves during budgeting
4. REM analysis
 - a. Review and update every two years
 - b. Keep reserve relevant to future need and policy
 - c. Remain educated on the SWC Basic Asset Inventory Assessments and Capital Improvement Plans for other water systems



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M E M O R A N D U M

TO: Southwest Water Authority Board of Directors

FROM: Jen Murray, Manager/CEO, SWA

SUBJECT: Board Retreat

DATE: June 27, 2025

The Board of Directors retreat will be held following the October Board meeting and lunch on Monday, October 6, 2025, at the Dakota Room at the Stark County Family & Ag Resource Campus in Dickinson, ND. It will be followed by a social at 5:30 p.m. and dinner at 6:00 p.m. The social and dinner will be held at the Astoria.

The retreat will reconvene at 8:00 a.m. on Tuesday, October 7, 2025, and will wrap up by noon. Lunch will be provided.

Thank you for your responses regarding the 'homework'. Several ideas have been generated based on the feedback received. We are in the process of collecting additional information and collaborating with Jared Huibregtse to formulate the agenda. In order to ensure the success of this retreat, we are focusing on refining potential topics.

A photographer will be onsite Monday, October 6, 2025, to take a group photo of the Board. Please keep this in mind when selecting your attire.

2025 North Dakota Water Education Foundation WATER TOURS

1. Up for the Challenge – Wednesday, June 4

In the last 15 years, the population in northwest North Dakota has increased by more than 57%, and meeting the needs of a growing population is paramount. The tour will highlight how the Western Area Water Supply Authority (WAWS)

is tapped to meet critical municipal, rural, and industrial water needs. Additionally, tour participants will learn how Mountrail-Williams Electric Cooperative seeks to improve the quality of life in its service area. The Links of North Dakota and Little Egypt park are tasked with meeting recreational needs. Tour participants will learn how irrigation impacts agriculture in the region at the Nesson Valley Irrigation Project. The tour begins and ends in Williston.



2. The Future of Flood Protection – Wednesday, June 18

Spring snow melts result in the recurring threat of major flooding along the Red River, creating anxiety in the Fargo-Moorhead metro and rural Cass County communities. The construction of the Fargo-Moorhead Metro Flood Diversion will help protect 260,000+ residents in this area. Tour participants will visit existing flood control facilities and flood protection sites and structures under construction. They will learn about the overall operation of the Diversion and how it will bring permanent, reliable flood protection to the area. The tour begins and ends in Fargo.



3. The Rising Impacts of Water – Thursday, July 10

Devils Lake has experienced flooding since 1993 and continues to see near record levels of water. Join us for the Devils Lake area tour to see the ongoing effects of the high water, mitigation efforts that have been implemented to reduce the impacts of flooding and some of the many recreational opportunities the additional waters have created. The tour begins and ends in Devils Lake.



4. Innovative Irrigation in Oakes - Tuesday, July 15

Irrigation plays an important role in the success of crops near Oakes in southeastern North Dakota. Onions and potatoes, along with other commodity crops, are irrigated using a variety of different methods, including drip irrigation, drain tile, and 360 RAIN. Several irrigators in the region are testing a novel satellite sensor and advanced modeling to measure moisture in the soil profile with the goal of saving water and conserving this valuable natural resource (backed by the National Science Foundation ag engine FARMS). Animal agriculture is also significant in this area, and hog manure works in tandem with irrigation to help the crops succeed. Learn how irrigation, conveyance ditches, hogs, and innovations in technology contribute to the economy in the southeast region of the state. The tour begins and ends in Oakes.

THANK YOU 2025 Water Tour Sponsors

- AE2S
- Apex Engineering Group
- Bartlett & West
- Cavendish Farms
- Devils Lake Basin Joint Water Resource Board
- Ellingson Companies
- FARMS
- Garrison Diversion Conservancy District
- Hess Corporation
- Houston Engineering, Inc.
- Moore Engineering, Inc.
- N.D. Department of Water Resources
- N.D. Natural Resources Trust
- N.D. Water Resource
- Districts Association
- Southwest Water Authority
- Western Area Water Supply Authority
- N.D. Game & Fish Department
- Ackerman-Estvold
- Basin Electric Power Cooperative
- HDR
- Barr Engineering Co.
- Image Printing, Inc.
- MVI-Bismarck
- N.D. Rural Water Systems Association
- Ohnstad Twichell, P.C.

5. Water, Wind and Weather Modification – Wednesday, July 30

Southwestern North Dakota is not known for an abundance of water. However, the Bowman-Haley Lake and Dam, located southeast of Bowman, has 17 miles of scenic shoreline offering year-round recreational opportunities and a haven for a wide variety of wildlife. Weather modification is a tool used to benefit the semi-arid climate in the region; learn how it works and why it is a useful tool. Tour participants will also learn about Bowman Wind, a wind energy project that will generate 200 megawatts of energy, powering up to 72,000 U.S. homes. The tour begins and ends in Bowman.



June 18, 2025

To: SWA Board

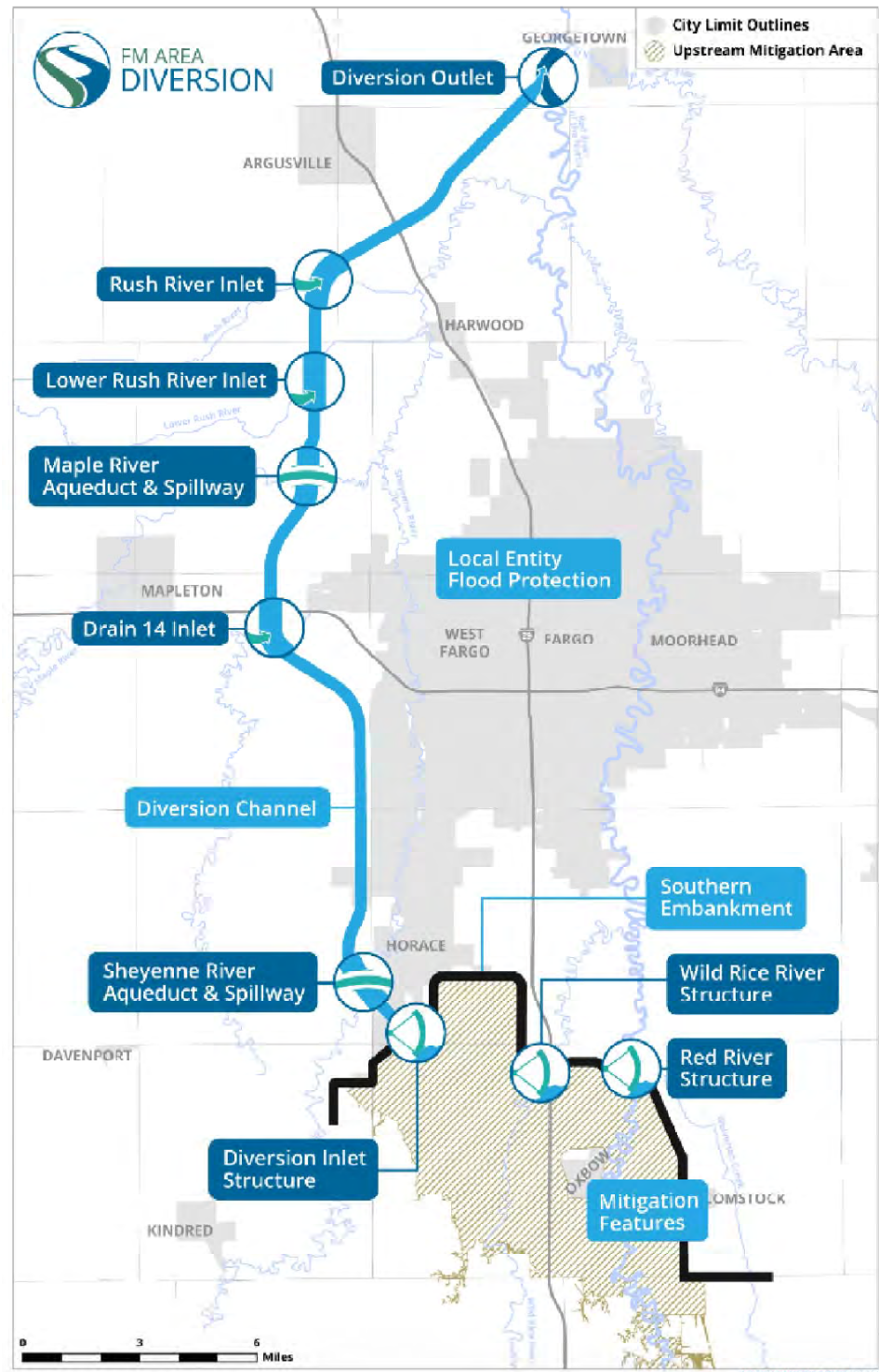
The North Dakota Water Education Foundation tour, "The Future of Flood Protection", in Fargo was well attended with over 40 participants from North Dakota and Minnesota. The day-long event provided an in-depth view FM Area Diversion.

The FM Area Diversion is a comprehensive Congressionally authorized federal project using a split-delivery method, which means the project is divided into two major components with each delivered by a different partner. This allows the project to be completed faster than with traditional funding/financing methods.

The funding/financing model involves two agreements:

1. A Joint Powers Agreement

This agreement created the Metro Flood Diversion Authority, a permanent North Dakota political subdivision, and established the MFDA role as the primary non-federal sponsor for the project. It establishes the duties,

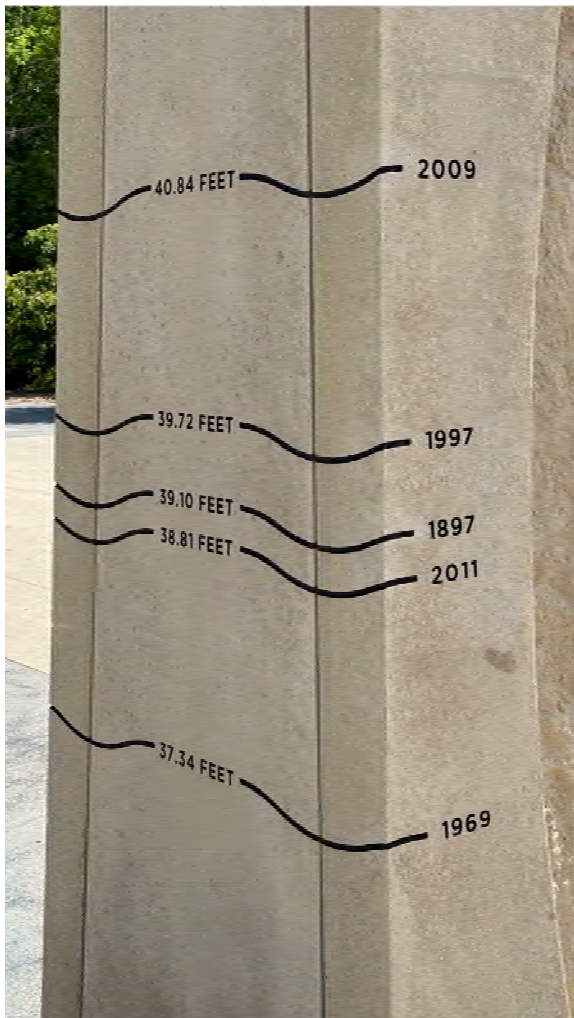


The FM Area Diversion footprint. Cross-hatched area at bottom is the storage area for water at times of flooding. Note Oxbow is protected by a ring dike.

responsibilities and obligations of the MFDA and its member entities in North Dakota and Minnesota. Members of the MFDA are the City of Fargo, City of Moorhead (Minnesota), Clay County (Minnesota), Cass County and Cass County Joint Water Resources District.

2. A Project Partnership Agreement

This agreement is between the government (the U.S. Army Corps of Engineers) and non-federal partners (the Metro Flood Diversion Authority, the City of Fargo and the City of Moorhead (Minnesota)) serves as the legal agreement establishing the partnership between the government and the non-federal sponsors for FM Area Diversion construction. The business relationship has been classified as a P3 Partnership, an arrangement which typically involve a government agency contracting with a private partner to renovate, construct, operate, maintain, and/or manage a facility or system, in whole or in part, that provides a public service.



The Spirit of the Sandbagger monument documented the various levels of the Red River during flood stages. The record flood was in 2009 when the Red River reached 40.84 feet. The FM Area Diversion will begin to divert water when the Red River reaches 37 feet.

The tour featured stops at infrastructure construction sites, discussion about the need and goals of the project and general information on construction progress.

Kris Bakkegard, project engineer for the FM Area Diversion, was the keynote presenter during the tour. He detailed history about the flood control project, which is permanent, reliable flood protection for the future of the Fargo-Moorhead Area. Nathan Boerboom, Fargo city engineer, also provided in depth information about the project.

The commitment on the FM Area Diversion cements public and private participation from North Dakota and Minnesota, a coalition of stakeholders and U.S. Army Corps of Engineers.

The FM Area Diversion MFDA is led by the 13-member board representing the city commissions of Fargo, West Fargo and Moorhead, the county commissions of Cass and Clay (Minnesota) counties and the Cass County Joint Water Resource District. Tony Grindberg of Fargo is the current chair of the MFDA.

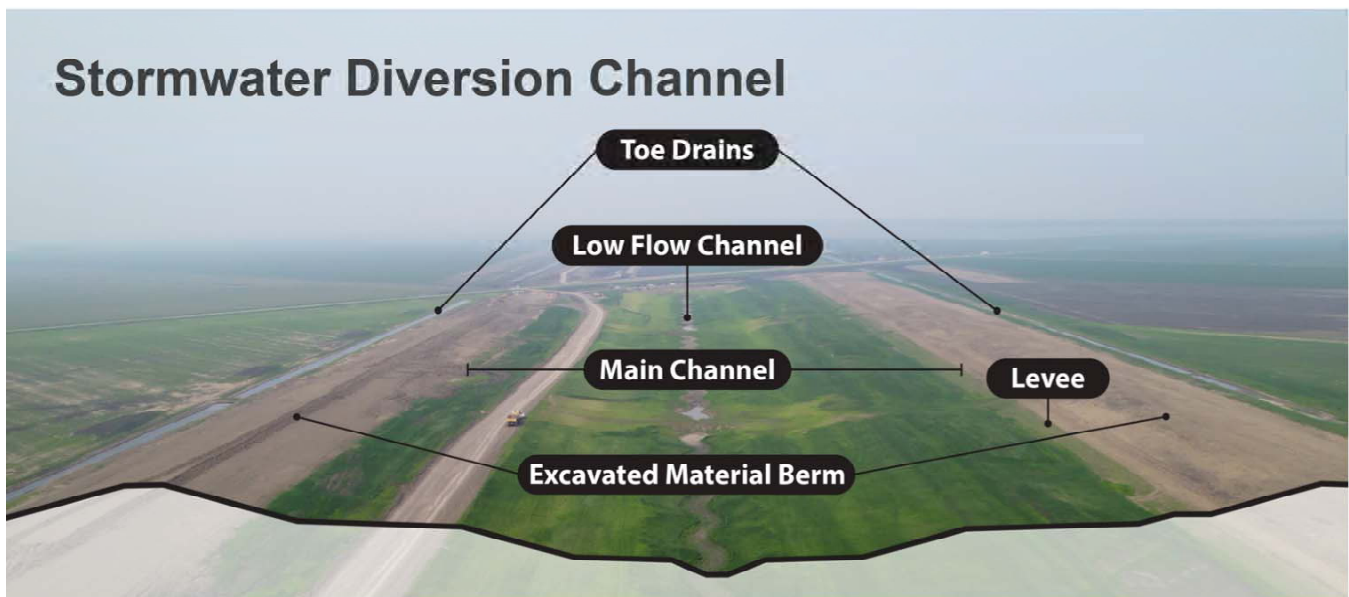
Delivered by the P3 (public-private) partnership will be the following:

- 30-mile channel
- 2 aqueducts
- Diversion outlet
- 3 railroad crossings
- 2 interstate bridges
- 14 road crossings
- 19 total crossings

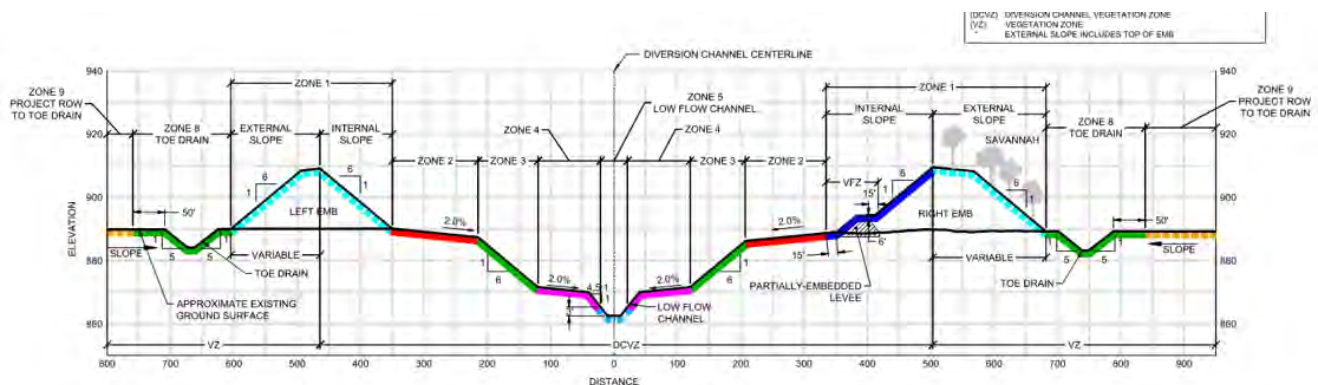
The Corps commitment includes the following:

- 20-mile earthen embankment, which backs up water into the cross hatched area as shown in photo on first page of report
- 3 water control structures (includes the beginning of the diversion channel and radial-arm flood gates on the Red and Wild Rice rivers)
- Interstate bridge & 4-mile road raise
- Mitigation projects

The FM Area Diversion is designed to divert water away from the municipalities involved if there is a possibility of flooding. In the case of the Red River, if the level will exceed 37 feet, the MFDA will prepare to operate the FM Area Diversion. Similar sensitivity to other rivers (Wild Rice, Sheyenne and Maple) is part of the plan.



The graphic above details the stormwater diversion channel. The graphic below shows the dimensions of the various widths of the channel parts.



The P3 contract relies on milestone payments made during construction. After substantial completion of the Stormwater Diversion Channel, a series of availability payments will be made over the course of a 30-year period for maintenance.

The MFDA established an ongoing Operations and Maintenance Funding Program that will be funded by excess sales and tax revenues, an annual maintenance district levy, and stormwater maintenance fees from Minnesota member entities. The program also will fund any unforeseen mitigation needs that may arise during operation.

The tour included a boots on the ground look at various structures or a bus view (because of recent rains limiting travel to certain locations) of structures and the diversion channel. The diversion right-of-way is between a quarter to a half mile wide and 30 miles long. The diversion channel is 350' to 450' wide, depending on the location. The low flow channel also varies in width from 20' to 50', depending on the location.

As one might expect, as the diversion channel moves northward, the width increases.

One of the most amazing engineering feats in the entire project is construction of aqueducts through which the normal flow of the Sheyenne and Maple Rivers will pass unimpeded over the diversion ditch unless there is a major flood event.



At left, construction on the Maple River aqueduct proceeds. Above, an artists rendition of how the Maple River aqueduct will function when completed.

Total cost of the project with funding breakdown (source: <https://fmdiversion.gov/about/how-it-is-funded/>) is as follows:

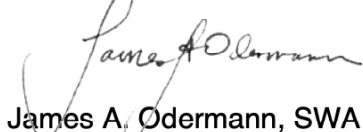
\$750 million	U.S. Army Corps of Engineers Project Partnership Agreement
\$850 million	State of North Dakota: \$436 million from Legacy Fund; \$415 from Department of Water Resources
\$86 million	City of Moorhead: \$40 million; Clay County Minnesota \$46 million
\$1.514 billion	Local residents approved multiple sales tax initiatives to fund the FM Area Diversion, including payments during construction and short- and long-term debt payments. According to the FMDA website at least 94% of the local share will be paid by Fargo and Cass County sales and use taxes.
\$569 million	U.S. Environmental Protection Agency Water Infrastructure Finance and Innovation Act loan. The low 2.08% interest rate on the loan will save area taxpayers about \$438 million over the life of the loan.
\$55 million	North Dakota Public Finance Agency State Revolving Fund loans.
\$280 million	U.S. Department of Transportation Private Activity Bonds (PABS) for the transportation elements of the project crossing the stormwater diversion channel.

The FM Area Diversion notes some of the multiple benefits as follows:

1. Billions of dollars in property protection
2. Protecting 3 major insitutions of higher education
3. Protecting 65 K-12 schools
4. Savings of roughly \$30-50 million in annual insurance premiums
5. Preventing annual flood fighting expenses
6. Halting losses of billions of dollars in flood damages
7. Protecting major employers and all employees within the region from losses incurred by flooding.

This is a monumental project that involves cooperation from many disciplines of water development and management. This is a testament to collaboration between many stakeholders across many units of government in tandem with private citizens.

Respectfully submitted,



James A. Odermann, SWA director
Billings County



This is a photo of one of the gates that will open and close to allow or stop water from flowing.



Southwest Water Authority board member James Odermann, left, is shown during the FM Area Division tour with State Water Commissioner April Walker and Department of Water Resources employees: John Packowski, Amy Winkleman, Shana Brost, Sarah Felchle, Sheila Fryer, Jay Yang.



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MEMORANDUM

To: Jen Murray, Manager/CEO

From: Wendy Serhienko, Executive Assistant

Subject: Partner Annual Meetings – Incidental Information

Date: June 23, 2025

Grand Electric's Annual Meeting was held Friday, June 6, 2025, at 3:00 p.m. MDT at the Grand Electric Cooperative Warehouse, in Bison SD. Director Gaugler will report on this meeting.

West River Telephone's Annual Meeting 73rd Annual Meeting was held on Friday June 6, 2025, with registration and lunch starting at 11:00 a.m. and the meeting starting at 1:00 p.m. CDT. It was held at the Hazen High School Gymnasium, in Hazen ND. Director Tietz will report on this meeting.

Roughrider Electric's Annual Meeting was held on Wednesday, June 4, 2025, with registration starting at 4:30 p.m. and the business meeting starting at 5:00 MDT. It was held at Astoria Hotel & Event Center, in Dickinson ND. Director Tschetter will report on this meeting.

Slope Electric's Annual Meeting was held on Thursday, June 5, 2025, with registration starting at 4:30 p.m. and the meeting starting at 5:00 p.m. MDT. It was held at the Four Season Pavilion, in Bowman ND. Director Seifert will report on this meeting.

McKenzie Electric Cooperative's Annual Meeting was Tuesday, June 3, 2025, with registration and dinner starting at 5:30 p.m. and the meeting starting at 6:30 p.m. CDT. It was held at the McKenzie County Ag Expo, in Watford, City ND. Director Odermann will report on this meeting.

Mor-Gran-Sou Electric Cooperative's Annual Meeting was Thursday, June 12, 2025, with dinner and registration starting at 5:00 p.m., and the business meeting begins at 6:00 p.m. CDT. It was held at the Mandan Service Center, in Mandan ND. Director Leingang will report on this meeting.

Consolidated's Annual Meeting was held on Wednesday, June 18, 2025, with registration and dinner starting at 4:30 p.m. and the meeting starting at 6:00 p.m. MDT. It was held at Trinity High School, in Dickinson ND. Director Ingold will report on this meeting.

Goldenwest Electric's Annual Meeting will be held Wednesday, July 16, 2025, with dinner starting at 5:30 p.m. and the meeting starting at 6:00 p.m. MDT. It will be held at the Wibaux County Fairgrounds, 7900 Highway 7, in Wibaux, MT. Director Begger will be in attendance.



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June 26, 2025

On Friday, June 6, 2025, I attended the West River Telephone Annual Meeting at the Hazen High School Gymnasium.

The following items were the highlights from the meeting:

1. 333 attendees were present for the annual meeting which was held in the Hazen gymnasium
2. Independent audit returned no findings
3. \$41 million non-operating/Other income assisted in generating another year of capital credits for the members
4. Service awards presented to employees
5. 10 Scholarships awarded in 2025
6. Election results include:
 - A. Brittany Sathren re-elected District 1 Turtle Lake, ND
 - B. Matt Erhardt, JR re-elected District 3 Center, ND (uncontested)
7. Overall company reflecting a positive year with more infrastructure planned for 2026

The Board members and annual report are included for review.

Respectfully submitted,

Mike Tietz
Oliver County Director

It Really
PAYS
to be a
MEMBER
with WRT!

55% CASH BACK
based on
\$14,244,465
2024 Patronage

15,941 CHECKS
mailed out in
June 2025

Average
CO-OP CASH
Check =
\$825

ASSETS, LIABILITIES & EQUITIES

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	\$35,254,223	\$31,064,588
Short-term investments	32,114,321	23,834,119
Telecommunications receivable	1,567,619	1,550,562
Other accounts receivable	2,123,864	1,900,920
Short-term notes receivable	412,663	410,710
Income taxes receivable	273,672	696,063
Materials and supplies	1,413,629	1,331,725
Other current assets	467,631	704,804
Total current assets	<u>73,627,622</u>	<u>61,493,491</u>
Investments and Noncurrent Assets		
Long-term investments	112,235,244	103,350,478
Investments in affiliates	46,939,109	43,047,816
Investments in nonaffiliates	2,241,494	2,057,521
Long-term notes receivable	2,675,371	3,088,034
Other non-current assets	1,560,187	1,497,910
Total investments and noncurrent assets	<u>165,651,405</u>	<u>153,041,759</u>
Property, Plant and Equipment		
Regulated telecommunications plant in service	164,355,493	159,484,857
Regulated telecommunications plant under construction	1,380,557	1,014,125
Nonregulated plant in service	2,978,980	3,316,896
Total investment in plant	168,715,030	163,815,878
Less accumulated depreciation and amortization	<u>76,491,426</u>	<u>70,609,968</u>
Net plant	<u>92,223,604</u>	<u>93,205,910</u>
	<u>\$331,502,631</u>	<u>\$307,741,160</u>
LIABILITIES AND EQUITIES	2024	2023
Current Liabilities		
Accounts Payable	\$851,654	\$835,680
Advanced billing and customer deposits	115,345	125,195
Current maturities of long-term debt	333,333	333,333
Other accrued taxes	305,488	369,164
Other accrued liabilities	942,545	926,835
Total current liabilities	<u>2,548,365</u>	<u>2,590,207</u>
Long-Term Debt, net of current maturities	<u>1,229,475</u>	<u>1,560,868</u>
Other Liabilities		
Other long-term liabilities	18,607	19,279
Deferred revenue	1,896,132	-
Deferred income taxes	2,518,033	1,761,879
Total other liabilities	<u>4,432,772</u>	<u>1,781,158</u>
Members' Equity	<u>323,292,019</u>	<u>301,808,927</u>
	<u>\$331,502,631</u>	<u>\$307,741,160</u>

STATEMENT OF OPERATIONS

STATEMENT OF OPERATIONS	2024	2023
Operating Revenues		
Wireline	\$23,894,530	\$23,213,063
Internet	11,428,272	9,930,959
Miscellaneous	3,448,718	3,387,859
Total operating revenue	<u>38,771,520</u>	<u>36,531,881</u>
Operating Expenses		
Plant specific operations	6,197,453	6,033,985
Plant non-specific operations	722,365	748,644
Depreciation and amortization	8,926,920	8,738,154
Customer operations	1,586,007	1,406,832
Corporate operations	3,228,118	2,898,833
Operating taxes, other	194,189	207,360
Nonregulated	10,400,616	9,113,884
Total operating expense	<u>31,255,668</u>	<u>29,147,692</u>
Operating Margin	<u>7,515,852</u>	<u>7,384,189</u>
Other Income (expense)		
Interest and dividend income	10,275,370	8,235,677
Interest expense	(16,368)	(17,126)
Income from affiliates	28,006,017	25,028,691
Other nonoperating income	2,954,911	2,300,974
Total other income	<u>41,219,930</u>	<u>35,548,216</u>
Net Margin Before Income Taxes	<u>48,735,782</u>	<u>42,932,405</u>
Income tax expense	<u>3,237,977</u>	<u>2,474,345</u>
Net Margins	<u>\$45,497,805</u>	<u>\$40,458,060</u>



AUDIT REPORT: MOSS ADAMS LLP, CERTIFIED PUBLIC ACCOUNTANTS

Moss Adams, LLP issued their opinion on our financial statements that based on their audit and the report of other auditors, the financial statements present fairly, in all material respects, the financial position of West River Telecommunications Cooperative as of December 31, 2024, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. The above information was taken from the audited financial statements. Audited financial statements and their opinion are on file at the Co-operative's office.

MOSS ADAMS, LLP
Spokane, WA

MINUTES OF THE 72ND ANNUAL MEMBERSHIP MEETING

The 72nd Annual Meeting of the members of West River Telecommunications Cooperative was called to order by President Erhardt at the Hazen High School Auditorium in Hazen, North Dakota, at 1:00 o'clock p.m. CDT on June 7, 2024, pursuant to Notice duly given.

All Board members were present.

Pastor Randy Emgarten, English Lutheran Church of Hazen, gave the invocation. Ken Miller, Superintendent of the Hazen School, welcomed all to the meeting.

President Erhardt introduced the Board of Directors and guests.

Patrick A. Donovan, West River Telecommunications Cooperative's attorney, was appointed as parliamentarian for the meeting by President Erhardt.

Ken Richau, Chairman of the Credentials Committee, reported that 281 members had registered for the meeting, and a quorum was declared present.

The reading of the Notice of Meeting and Proof of Mailing were dispensed with upon motion duly made, seconded, and carried.

The reading of the minutes of the last meeting was dispensed with, and such minutes were approved upon motion duly made, seconded, and carried.

The election of directors was the next topic on the agenda. Attorney Donovan explained that there would be no ballot voting this year as the incumbent directors were the only candidates for re-election. The members were told that three of the seven Director positions were open. District 2 has Jay

Seibel; in District 5, Nick Vollmuth is the sole candidate; in District 6, Harley Overseth is the sole petitioner and nominee for election. The candidates were introduced. Because the candidates were uncontested and no nominations are allowed from the floor, the election would be by motion and voice vote.

President Erhardt invited motions for election of the candidates. After receiving a motion and second for the election of each of the three candidates, followed by voice votes, President Erhardt declared Jay Seibel, Nick Vollmuth and Harley Overseth elected to new 3-year terms.

President Erhardt presented his report to the members.

There were no By-law changes to report. Chris Skidmore of WRT's auditing firm, Moss

Adams LLP, presented the financial report and this report was accepted upon motion duly made, seconded, and carried.

CEO/GM Troy Schilling then presented his report to the members.

Service awards were presented.

President Erhardt then called for unfinished business and there was none. Next, he called for new business.

President Erhardt answered a couple of questions pertaining to WRT operations and finances.

There being no other or further business, the meeting was duly adjourned upon motion made, seconded, and carried at 2:05 p.m.

AGENDA

CALL TO ORDER Matt Erhardt, Jr.

PRESENTATION OF COLORS
American Legion, Hazen

NATIONAL ANTHEM

INVOCATION Pastor Justin Werven,
New Life Worship Center, Beulah

WELCOME Myra Savelkoul, HCD Director

INTRODUCTIONS

APPOINT PARLIAMENTARIAN

CREDENTIALS COMMITTEE REPORT
Ken Richau, Chairman

READING OF NOTICE/PROOF OF MAILING

APPROVAL OF MINUTES

PRIZE DRAWINGS (must be present)

VOTING PROCEDURES Patrick A. Donovan

ELECTION OF DIRECTORS

PRESIDENT'S REPORT

BY-LAW CHANGE(S)

PRIZE DRAWINGS (must be present)

FINANCIAL REPORT Chris Skidmore

CEO'S REPORT Troy Schilling

WRT SERVICE AWARDS

PRIZE DRAWINGS (must be present)

UNFINISHED BUSINESS

NEW BUSINESS

ELECTION RESULTS

ADJOURNMENT

GRAND PRIZE DRAWING (must be present)

2025 DIRECTOR CANDIDATES

The following candidates are running for the WRT Board of Directors, with two candidates running for District 1 and one candidate running unopposed for District 3.



DISTRICT 1 CANDIDATE / DARRELL BELISLE

Darrell Belisle, Turtle Lake, is a Director for District 1 candidate, which consists of parts of McLean, Sheridan, Burleigh, and Kidder Counties in ND including the parts of the Underwood, Turtle Lake, Mercer, McClusky, and Goodrich exchanges lying within these counties. Belisle is a WRT retiree, with 32 years of service. He is an active member of the community, serving as past president of the Turtle Lake City Commission, and is a long-standing board member with the ND Bowhunters Association, where he enjoys working with the legislative assembly on issues related to hunting and the outdoors. Belisle and his wife, Denise, have three grown children and five grandchildren.



DISTRICT 1 CANDIDATE / BRITTANY SATHREN

Brittany Sathren, Turtle Lake, is the current Director for District 1, which consists of parts of McLean, Sheridan, Burleigh, and Kidder Counties in ND including the parts of the Underwood, Turtle Lake, Mercer, McClusky, and Goodrich exchanges lying within these counties. Sathren is a second-generation WRT Director and has served on the WRT Board of Directors since 2009. She is also a member of the NTCA Women in Telecom program. Sathren was raised in Turtle Lake and lives there with her husband, TJ, and their daughter. She is employed at the Turtle Lake-Mercer Public School in Turtle Lake.



DISTRICT 3 CANDIDATE / MATT ERHARDT, JR. (Unopposed)

Matt Erhardt, Jr., rural Center, is the current Director for District 3, which consists of parts of Oliver, Morton, McLean, and Stark Counties in ND including the parts of the Center, Hazen, Beulah, Hebron, Glen Ullin, New Salem, and Washburn exchanges lying within those counties north of Interstate 94. He has served on WRT's Board of Directors since 1989 and as WRT Board President since 2000. Erhardt has also served on the NDATC/BAMD statewide industry board, including as past president. Erhardt owns and operates a ranch east of Center. He has three children, ten grandchildren and one on the way. Erhardt was inducted into the Dakota Musicians Hall of Fame in 2018.

WRT DIRECTORS, CEO/GM & ATTY

WRT Directors are elected by the membership to serve a three-year term and may run for re-election.



Matt Erhardt, Jr.
District 3
President
Center, ND



Nick Vollmuth
District 5
Vice President
Selfridge, ND



Jay Seibel
District 2
Sec./Treas.
Beulah, ND



Brittany Sathren
District 1
Director
Turtle Lake, ND



Joy Kitzan
District 4
Director
Hebron, ND



Gene Wolf
District 7
Director
Hazen, ND



Harley Overseth
District 6
Director
Mobridge, SD



Troy Schilling
CEO/General
Manager
Hazen, ND



Patrick A. Donovan
Donovan &
Kaffer, PLLP
Hazen, ND



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

June 5, 2025

On Wednesday, June 4, 2025, I attended the Roughrider Electric Annual Meeting at the Astoria. Roughrider Electric Board President, Greg Steckler called the meeting to order. Scott Decker, Dickinson Mayor gave a welcoming address.

Roughrider Electric was formed in 2008 and serves 9,404 members with 15,687 services. They strive to provide the 7 principles of cooperatives:

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

Roughrider's CFO presented a review of their 2024 financial performance. Their balance sheet remains strong. 2024 Operating revenue was \$82.8M, an increase of almost 4%. 73% of revenue comes from commercial/industrial clients, 20% from farms and residences and 7% from misc. They had a healthy bottom line and were able to return a good amount of capital credits to their members. We also heard from Co-Managers/CEO's, Travis Kupper and Jason Bentz. Highlights from their addresses:

- Strength in membership
- Expand, upgrade, and improve reliability
- Maintain and enhance team
- Ranked #2 Touchstone Energy Cooperative
- Growing Regulation
- 1470-megawatt plant being constructed near Epping, ND
- Safety is forefront of their culture – received OSHA award
- Personalized service – expand digital services, newsletters, public outreach

President Steckler outlined their "Operation Roundup" program which gives members the opportunity to round each monthly bill up to the nearest dollar. Proceeds then go to benefit non-profits in the communities they serve. They were able to make some significant contributions back to the communities. They also introduced their scholarship winners. One from each high school in their service area and announced a \$20 bill credit to everyone that attended.

Respectfully submitted,

Scott Tschetter
City of Dickinson Director

June 3, 2025

To: SWA Board

“80 Years of Connection” was the theme of the 80th annual meeting of the McKenzie Electric Cooperative held at the new McKenzie County Ag Expo just west of Watford City. Between 350-400 members, guests and dignitaries attended the event.

Registration and a complimentary meal began at 5:30 p.m. CDT. The annual meeting followed at 6:30 p.m. CDT.

CEO Matt Hanson delivered the keynote address as he provided a look back in history tracing the McKenzie Electric Cooperative from its start to the present day. He applauded electric coop pioneers for their resiliency and collaboration. Hanson said the goals of the cooperative remain the same: “reliable, low cost energy for all. . . .” He said the coop is working to create redundancy where possible to minimize situations where customers would experience power outages.



Sandra Fearing, a representative Sen. Kevin Cramer’s office, and McKenzie Electric Cooperative CEO Matt Hanson posed for a photo at the 80th annual meeting of the cooperative.

Other high points noted in the electric cooperatives presentations and annual meeting program were as follows:

- Current employees = 63
- Total members = 4,866
- Total meters = 13,780
- Miles of distribution line = 4,083.7
- Substations = 76
- New miles of line built in 2024 = approximately 240
- New substations built in 2024 = 2
- Total assets = \$646,763,826 (compared with \$590,205,484 last year)
- Total new margin = \$52,314,742 (compared with \$43,355,102 last year)

The McKenzie Electric Cooperative is one of the biggest electric cooperatives (fifth or sixth) in all of the United States. Hanson noted the cooperative’s annual growth is over eight per cent (8%), which is over the national average.

Hanson said one of the major challenges facing the cooperative is supply chain. He said there is a two-year lead time on substation breaker supplies and costs have more than doubled.

Tim Wasem of Halliday was recognized for 18 years of service as a board member of the cooperative, most recently as the secretary/treasurer. He retired from the board and was replaced by Clay Bombach of Killdeer. Bombach, Cameron Wahlstrom and Chris Link were elected to the board unanimously.

June 3, 2025

The board re-elected Link as president for the next year. Ray Tescher was reelected vice president and Wahlstrom was elected secretary/treasurer.

Four students from the cooperative were recognized. Addison George, Danielle Nusz and Paige Delaney received scholarships to continue their education after high school. Alexa Avila-Vazquez was selected at the 2025 youth tour delegate.

In other business the operation roundup report announced four recipient's grants. The grant total for all recipients was \$16,500.



Attending the 2025 McKenzie Electric Cooperative meeting were Jill and Ray Tescher, Sandra Fearing and James and Leona Odermann. The Teschers are Southwest Pipeline Water users and Fearing is a representative Sen. Kevin Cramer's office.

Respectfully submitted,

James A. Odermann, SWA director
Billings County



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

June 19, 2025

To: Southwest Water Authority Board of Directors

RE: Consolidated 64th Annual Meeting

On June 18, 2025, I attended Consolidated's annual meeting held at Trinity High School in Dickinson, ND. The evening meal was catered by Mulligans and was very good.

This year 119 members attended the meeting which is the largest crowd they have had since Covid was going around. For the year 2024 they paid out approximately \$1.4 million dollars to current members. Their operating budget for 2024 was \$45.7 million dollars.

Their employee for 2024 is Jennifer Wyman who works in their Service Center.

This year Consolidated gave out ten \$1,000 scholarships to area graduating high school seniors. In addition, they also awarded eight \$250 scholarships to high school students who are taking dual credits.

Jan Stebbins from Bowman was the Director for District 5 (Bowman and Ladd) area and after 22 years as a director will retire.

Two district elections were held this year. In District 2 Bill Schaller (incumbent) was challenged by Ryan Schleppenbach with Bill winning the seat. Both candidates are from Killdeer. In District 5 Ryan Pagel was running against Robyn Mrnak with Robyn winning the seat. Both candidates are from Bowman.

An area concern for Consolidated is their cable tv service. From 2020 until 2024 they have lost 2,000 customers for this service so they will be keeping an eye on any further decline in subscribers.

Respectfully submitted,

Bob Ingold
Dunn County Director

SWA Interim Policy on Addressing Hydraulic Anomalies Affecting Service Capacity

Purpose:

To demonstrate SWA's commitment to identifying and resolving hydraulic anomalies that restrict the Authority's ability to provide adequate service, particularly in areas with growing demand and customer waitlists.

Policy Statement:

SWA is committed to routinely evaluating hydraulics and system limitations that directly impact its ability to serve existing and prospective customers. When it is determined that an operational change or system constraint originating from within SWA's control is a contributing factor to inadequate service pressure or delivery, SWA will consider low-cost, interim solutions that allow for customer connections without compromising long-term system integrity or efficiency.

Guidelines:

1. Assessment and Identification:

SWA staff will regularly assess the distribution system for hydraulic anomalies and performance inconsistencies that may inhibit the ability to serve customers, particularly in high-demand or growth areas.

2. Responsibility-Based Response:

When SWA's operations are the primary contributor to a customer's low-pressure condition due to operational or design constraints, and where feasible, SWA may develop a temporary, site-specific solution to enable service connection.

- Example: Installation of a SWA-maintained booster pump within a customer's residence under a mutually agreed-upon arrangement.

3. Temporary Nature of Interim Measures:

Any such solution will be considered temporary. If and when strategic hydraulic improvements are made in the affected area, SWA will pursue permanent modifications (e.g., upsizing or paralleling lines, relocating PRVs, or installing regional boosters) that allow for the removal of interim measures from customer premises.

4. Customer Communication and Agreements:

A formal agreement will be established between SWA and the affected customer outlining:

- The scope and purpose of the interim solution.
- SWA's responsibility for installation, maintenance, and future removal.
- The customer's responsibilities (e.g., electrical costs, equipment protection, communication and permissions with SWA to arrange maintenance visits)
- The conditions under which the solution may be removed or replaced by permanent infrastructure improvements.

5. Situational Selectivity:

This policy is not intended to promote widespread or duplicative installation of customer-side booster pumps or other piecemeal fixes. These accommodations will be reserved for situations in which:

- An anomaly exists due to a clear SWPP construction or SWA operational change.
- The interim solution is significantly less costly than a typical capital project and can be reversed when the system is improved.
- Additional customers can be connected if the anomaly is addressed.

Review and Oversight:

This policy and its applications will be reviewed periodically to ensure alignment with SWA's long-term infrastructure goals, customer service standards, and resource management practices.

Water Topics Overview Committee

Number Of Members: 17

2025-2027 Interim
Meeting Schedule TBD

Members



**Representative
Steve Swiontek**
District 10 | R
Chairman



**Senator
Justin Gerhardt**
District 34 | R
Vice Chairman



**Representative
Mike Beltz**
District 20 | R



**Representative
Mike Berg**
District 8 | R



**Representative
Liz Conmy**
District 11 | D



**Representative
Jay Fisher**
District 5 | R



**Representative
Jon O. Nelson**
District 14 | R



**Representative
Todd Porter**
District 34 | R



**Representative
Dan Ruby**
District 38 | R



**Representative
Matthew Ruby**
District 40 | R



**Representative
Daniel R. Vollmer**
District 6 | R



**Senator
Randy A. Burckhard**
District 5 | R



**Senator
Michael Dwyer**
District 47 | R



**Senator
Larry Luick**
District 25 | R



**Senator
Ronald Sorvaag**
District 45 | R



**Senator
Paul J. Thomas**
District 6 | R



**Senator
Mark F. Weber**
District 22 | R

Committee Studies and Assignments

Duties and Studies

Legislative overview of water-related topics and related matters and any necessary discussions with adjacent states on water-related topics. (NDCC § [54-35-02.7](#))

Legislative overview of the Garrison Diversion Project. (NDCC § [54-35-02.7](#))

Report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. (NDCC § [54-35-02.7](#))

([1020 § 19](#)) Consider studying funding for storm water projects in the state, including current funding sources, related statutes, and the policies of the State Water Commission. The study must include information regarding recently completed storm water projects and funding needs for future storm water projects in the state.

([1577 § 3 \(PDF\)](#)) Study the feasibility and desirability of establishing a wastewater project fund to provide grants for upgrading, constructing, or replacing wastewater infrastructure. The study must include input from cities, counties, townships, and water resource districts.

([2210 § 1 \(PDF\)](#)) Study the feasibility and desirability of assigning management authority for the waters of the state to the area located in the naturally occurring watershed, rather than assigning management authority based on political subdivision boundaries. The study must review the approaches used for managing water in surrounding states; the powers, duties, and organizational structure of watershed boards; dispute resolution procedures afforded to individuals residing within the boundaries of a watershed district; the mechanism to initiate, implement, and improve works projects within a watershed district; and the role of the Department of Water Resources in mapping and establishing watershed boundaries.

Reports

Receive a report from the Department of Water Resources regarding the status of and any recommendations from Phase 2 of the Missouri River intake sites study. ([2025 House Bill No. 1020 § 20](#))

Receive a draft report from the State Water Commission by March 31, 2026, regarding the results of and recommendations from the regional water systems governance and finance study. ([2025 House Bill No. 1020 § 21](#))

Receive a draft report from the State Water Commission by March 31, 2026, regarding the results of and any recommendations from the commission's cost-share policy study. ([2025 House Bill No. 1020 § 22](#))

Receive a report from the Department of Environmental Quality before August 1, 2026, regarding the use of one-time funding for regulation of onsite wastewater treatment systems. ([2025 Senate Bill No. 2267 § 5](#))

Receive a report before May 31 of each even numbered year on any request anticipated to be submitted to the State Water Commission or to the next Legislative Assembly for which the state cost-share is estimated to be \$10 million or more. (NDCC § [54-35-02.7](#))

Receive quarterly reports from the State Water Commission on each project the State Water Commission has designated as a carryover project that has had a cost-share agreement in place for at least 4 years, the amount of funds still committed for each carryover project included in the report, the total amount of funds reallocated or made available from carryover projects included in a previous report to other projects since the commission's preceding report, and the status of each carryover project for which the committee has made a recommendation to terminate since the commission's preceding report. The committee may make a recommendation to the State Water Commission that a carryover project included in a report be terminated under Section [61-02-14.3](#) and any funds remaining for the carryover project be reallocated and made available for projects with the same general purpose as the carryover project. (NDCC § [61-02-14.4](#))

**STATE OF NORTH DAKOTA
STATE WATER COMMISSION
1200 MEMORIAL HWY, BISMARCK, ND 58504-5262**

Request For Information (RFI)

Solicitation Number: 770.5000-25-02

Date of Issue: June 16, 2025

RFI Title: North Dakota Regional Water Systems Governance and Finance Report

Purpose of RFI: To obtain initial information from vendors/respondents for consequent use in potentially selecting a contractor or contractors to assist in meeting study requirements as directed by North Dakota's 69th Legislative Assembly, as provided in Section 21 of House Bill 1020 – to study the long-term governance and finance models of the Northwest Area Water Supply (NAWS), Southwest Pipeline Project (SWPP), and Red River Valley Water Supply Project (RRVWSP). The study must include an evaluation of the operational and organizational aspects of these three regional systems.

Please Note: Also as provided in Section 21 of House Bill 1020 – the State Water Commission is not subject to procurement requirements under North Dakota Century Code Chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity or entities that do not receive direct or indirect financial benefits from any regional, municipal, or rural water system within the State of North Dakota.

1.04 RFI Schedule

EVENT	DATE
RFI Issued	June 16, 2025
Deadline for Submission of Questions and Requests for Clarification by 5:00 PM, Central Time (CT)	June 26, 2025
Amendment with Responses to Questions and Requests for Clarification Issued Approximately (if required)	July 1, 2025
Deadline for Submission of Responses by 5:00 PM, CT	July 21, 2025

1.05 Approximate Project Schedule

EVENT	DATE
Execute Agreement with Vendor(s)	August 29, 2025
First Draft Available for State Review	February 27, 2026
Final Draft Available for Review	March 27, 2026
Final Report Complete	May 29, 2026

Click here to review the full RFI:

https://www.swc.nd.gov/pdfs/home_page/nd_regional_water_systems_governance_and_finance_report.pdf

State Water Commission Meeting
#238 Lewis and Clark Room, Bank of North Dakota
1200 Memorial Hwy., Bismarck, ND
Thursday, June 12, 2025 – 1:00 p.m. CT

Microsoft Teams [Need help?](#)

[Join the meeting now](#)

Meeting ID: 264 548 973 224

Passcode: z5EUSS

Dial in by phone

[+1 701-328-0950](#).,401120696# United States, Fargo

[Find a local number](#)

Phone conference ID: 401 120 696#

AGENDA

- 1:00 – 1:02 A. Roll Call
1. Pledge of Allegiance
 2. Conflict of Interest
- 1:02 – 1:03 B. **Consideration of Agenda**
- 1:03 – 1:04 C. Consideration of Minutes
1. **Draft Minutes for the April 10, 2025, SWC Meeting**
 2. **Draft Minutes for the May 22, 2025, Pre-Commission Meeting**
 3. **Draft Minutes for the May 28, 2025, Special SWC Meeting**
- 1:04 – 1:20 D. SWC Secretary Update (no attachment)
1. Water Supply Priorities (Pat Fridgen)
 2. Economic Analysis Memo (Pat Fridgen)
- 1:20 – 1:25 E. Financials (Chris Kadrmas)
- 1:25 – 1:30 F. **Draft Cost-Share Policy Study RFI and Financial and Governance Study RFI** (Pat Fridgen)
- 1:30 – 1:50 G. Southwest Pipeline Project (SWPP) (Justin Froseth)
1. **Memorandum of Understanding with community of Manning, Dunn Co—Waterline Const.**
 2. **Agreement with Dunn Co.—Hydraulic Improvements Preliminary Design**
 3. **Agreement with Gevo—Preliminary Design Report for Raw Water Upgrades**
 4. **Water Service Agreement Amendment with Net-Zero Richardton, LLC**
 5. **Supplementary Intake Contract 1-2A Update**
- 1:50 – 2:05 H. Northwest Area Water Supply (NAWS) (Sindhuja S.Pillai-Grinolds)
1. **Award Contract 1-1A—Intake and Snake Creek Pumping Plant Modifications**
 2. **Agreement with City of Minot—Water Supply and Treatment**
 3. **Reimbursement from Replacement and Extraordinary Maintenance Fund for Pump Rebuild**

CONSENT AGENDA

A consent agenda can be approved with one motion, or an item or items can be removed for additional discussion and separate action. Director Haase recommends approval of the following items:

- 2:05 – 2:10 I. Flood Control (Abigail Franklund)
- | | | | |
|----------------------|---|-----------|----|
| 1. City of Dickinson | Northwest Regional Pond Feasibility Study | \$240,000 | PC |
| 2. Ward Co WRD | Valley Street Bank Stabilization | \$165,000 | PC |
| 3. Stutsman Co | Crystal Springs Watershed Initiative | \$18,000 | CI |


J. General Water (Abigail Franklund)				
1. DEQ	Nonpoint Source Pollution BMP Team	\$200,000		O
2. DWR	DWR/USGS Monitoring Program FY2026. \$538,378	\$548,818		O
K. Water Supply (Municipal/Regional) (Julie Prescott)				
1. City of Grafton	Water System Replacement 2026 – Ph. 1	\$225,000		PC
2. City of Minot	11 th Ave NW Watermain Replacement	\$120,000		PC
3. City of Minot	Dacotah Homes & 2 nd Ave SW Watermain	\$120,000		PC
4. City of Cando	4 th Avenue Watermain Replacement	\$395,084		C
5. City of Jamestown	2025 Watermain Replacement North	\$873,335		C
6. City of Kindred	Elm Street Watermain Replacement Project	\$430,723		C
L. Water Supply (Rural) (Julie Prescott)				
1. Central Plains WD	Maddock Connection to CPWD	\$0		O

AGENDA

2:10 – 3:00	N. Water Supply (Municipal/Regional) (Julie Prescott)			
	1. WAWSA	Water Treatment Plant Intake – Ph.2	\$1,254,750	PC
	2. City of Belfield	Water Improvements – Ph. 1	\$1,314,186	C
	3. City of Grand Forks	47 th Avenue S Transmission and Extension	\$1,545,020	C
	4. City of Grand Forks	Highway 81 Area Ph. 2	\$1,138,220	C
	5. City of Jamestown	2025 Water Main Replacement South	\$1,797,994	C
	6. City of Kenmare	2025 Water Main Replacement \$867,627	\$1,131,138	C
	7. WAWSA	MCWRD System 2 Expansion Rural \$14,346,000	\$16,626,375	C
	8. WAWSA	NWRWD East Williston CR9 – Alt 1	\$1,972,793	CI
	9. GDCD	RRVWSP 25-27 Funding	\$150,000,000	L
	10. GDCD	RRVWSP Loan Request	\$50,000,000	O
3:00 – 3:20	O. Water Supply (Rural) (Julie Prescott)			
	1. East Central RWD	Hillsboro Area Supply \$12,675,453	\$14,208,218	C
	2. South Central	UofMary Service Area Water Storage	\$1,345,725	C
	3. Southeast WUD	West Water Treatment Plant \$16,308,863	\$19,358,801	C
	4. NPRWD	Mountrail Co Water Supply Ph. 3	\$2,016,603	CI
3:20 – 3:25	P. Water Supply (Discretionary) (Julie Prescott)			
	1. Turtle Mountain	Highway 3 Corridor Ph. 2 \$6,853,148	\$6,818,473	C
3:25 – 3:50 (5 min each)	Q. Project Updates (Presentations if time allows)			
	1. Devils Lake (Alexis Faber)			
	2. Mouse River (Alexis Faber)			
	3. Missouri River (Alexis Faber)			
	4. NAWS (Sindhuja S.Pillai-Grinolds)			
	5. SWPP (Justin Froseth)			
3:50 – 3:55	R. Legal Updates (Presentation if time allows) (Matt Sagsveen)			
	S. Adjourn			

BOLD ITEMS REQUIRE SWC ACTION

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

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

FROM: Reice Haase, Secretary
SUBJECT: SWPP – Memorandum of Understanding (MOU) for Community of Manning
DATE: May 28, 2025

Manning Waterworks, governed by Dunn County, approached the Southwest Water Authority (SWA) about converting the residents within the Community of Manning served as contract customer to direct SWA rural customers. Currently, Manning Waterworks, as a contract customer, provides operation and maintenance on the downstream side of the Manning Waterworks meter to the residents, much like most communities within the Southwest Pipeline Project (SWPP). SWA has notified Dunn County that SWPP currently does not have enough capacity to serve all of the community of Manning with individual rural connections. Therefore, the hydraulic capacity on the SWPP would need to be increased.

Dunn County has been planning a street reconstruction project in the community of Manning. The county recognizes a cost saving opportunity with installation of new waterlines ahead of, or during, the street reconstruction project at their cost. SWA has notified Dunn County that to have SWA directly serve the residents as rural customers in the future, the new waterlines would need to be installed according to SWPP standards. SWA would then assume responsibility of individual rural connections in the community of Manning when capacity from SWPP is available. There is currently no committed timeline for increasing the hydraulic capacity on the SWPP.

As the owners of the SWPP, the State Water Commission will be involved because the lines installed may be owned by the project after installation and a subsequent agreement upon realizing the needed capacity. Therefore, it has been expressed that installation needs to be in accordance with SWPP standards as well.

An MOU is under development with the above included along with other details. Attached is the current version of the draft MOU. It is requested to authorize the Secretary to finalize and execute the MOU between Dunn County, Manning Waterworks, SWA, and the State Water Commission.

I recommend the State Water Commission authorize the Secretary to finalize and execute the MOU between Dunn County, Manning Waterworks, the State Water Commission, and

SWPP – Memorandum of Understanding (MOU) for Community of Manning Page 2 of 2
May 28, 2025

the Southwest Water Authority regarding Community of Manning's residents becoming future SWA rural customers.

RH/JF:1736-99

Attachment

WATER LINE CONSTRUCTION MEMORANDUM OF UNDERSTANDING (MOU)

This MOU is between Southwest Water Authority (“SWA”), the State of North Dakota by and through the State Water Commission (“SWC”), Community of Manning Water Works (“Manning”), and Dunn County (“County”).

I. INTRODUCTION

1. SWC is developing a water pipeline, water supply, and water distribution project known as the Southwest Pipeline Project (“SWPP”).
2. SWA, a North Dakota political subdivision created under North Dakota Century Code § 61-24.5, provides operation, maintenance, and management of the SWPP.
3. In 1995, the SWC entered into an agreement with SWA assigning to SWA the completed portions of the SWPP for operation, maintenance, and management.
4. Under North Dakota Century Code § 61-24.5-09, SWA may enter into contracts for aiding and promoting the establishment, construction, development, maintenance, and operation of the SWPP.
5. Manning, an unincorporated village, has established a public water system (“PWS”) which provides water to the residents living in and around Manning. Manning’s PWS is currently a SWPP contract customer under Contract No. SWPP 1736-26.
6. Manning is interested in dissolving its PWS so that its users become individual SWA rural customers. Manning’s users would be considered “Subsequent Customers” as that term is defined in SWA’s *Rules and Regulations for Water Service from the Southwest Pipeline Project* (“Rules and Regulations”). Subsequent Customers are generally responsible for granting or acquiring easements, paying the costs of construction, and completing a *Water Customer Information and Agreement*.
7. SWA is willing to convert Manning’s PWS from a contract customer to SWA rural customers in the future if Manning designs and constructs a water distribution system that meets SWPP specifications. Manning will allow construction observation and inspection by SWA or its authorized agents.
8. SWA’s master meter serving Manning PWS provides demand flow at a rate of 35 gallons per minute, which equates to 24 Equivalent Service Units (ESU). If all Manning users are to be served as individual rural customers, capacity for ?? ESUs is necessary. SWA does not currently have the capacity to serve all of Manning’s residents as individual rural customers, but SWA anticipates that it will have adequate capacity once SWPP hydraulic improvements are constructed. SWPP does not currently have a timeline for the construction of hydraulic improvements that are necessary to serve Manning’s residents directly.
9. The County is undertaking a road construction project. As part of that project, the County Commission authorized the design and construction of a water distribution system in Manning that meets SWPP specifications.

II. MOU

Now, therefore, the parties agree to the following terms and conditions:

1. Manning and County will jointly authorize its engineer to prepare plans, specifications, and construction contract documents for construction of the water distribution system serving Manning. The water distribution system will be sized to accommodate additional Subsequent Customers to the extent allowed by the current site conditions and hydraulic limitations. Manning and County will require its contractor to provide a warranty for workmanship for a period of four years, and a warranty for trench settlement for a period of two years.
2. Manning and County will provide SWA with its plans and specifications so that SWA can confirm that the plans and specifications are compliant with SWPP specifications. Easements may be required for construction up to the customer's meter pit. Easements for the distribution system will be obtained by Manning or County and be assigned to SWA prior to transfer of service.
3. Manning and County will let the construction contract for bid in accordance with North Dakota law and may award a construction contract to the lowest responsive and responsible bidder. Department of Water Resources (DWR) staff will be allowed to concur with the award in writing.
4. Manning and County will perform construction observation to verify that the contractor constructs the water service line in accordance with the contract documents. Manning and County engineers shall keep SWA apprised of construction activity so that SWA can have its staff or authorized agents participate in observation.
5. After construction of the water distribution system, ownership of the water distribution system will remain with Manning PWS until that time that SWPP hydraulic improvements can be made in the area that would allow SWA to take over Manning PWS' distribution system and individual customers. Manning PWS will continue to be served by SWA as a contract customer until SWA takes over its distribution system and individual customers.
6. Once hydraulic improvements are completed, the following actions are required before SWA takes over Manning PWS' distribution system and serves the residents as individual rural customers: 1) each Manning PWS customer will execute a *Water Customer Information and Agreement* form, 2) a signup fee at the current rate will be paid to SWA for each Manning PWS customer.
7. SWA is not responsible for Manning PWS' distribution system and individual customers until that time that SWA provide the parties to this MOU a written notice that SWA is taking over Manning PWS' distribution system and individual customers. Thereafter, SWA will assume responsibility of operations and maintenance of Manning PWS' distribution system.
8. To the extent that any SWPP or Manning PWS water pipeline necessary to serve SWA customers near Manning is relocated out of County's right of way, or loses sufficient cover due to a public project, SWA will not be responsible for the costs of relocation. Should any roads over SWPP pipelines be paved, and SWA must damage the pavement to access any water pipelines that need

to be repaired or replaced, neither SWA nor the SWC will be responsible for the costs in repairing the asphalt that was damaged.

9. The provisions of this MOU must be read as a whole and are not severable or separately enforceable by any party. If any term of this MOU is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms is unaffected, and if possible, the rights and obligations of the parties are to be construed and enforced as if the agreement did not contain that term.
10. This MOU constitutes the entire Agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this MOU. This MOU may not be modified, supplemented, or amended in any manner, except by written Agreement signed by both parties.
11. Unless expressly agreed to, no assignment by a party of any rights under, or interests in the Agreement, will be binding on another party without the written consent of the party sought to be bound. No assignment will release or discharge the assignor from any duty or responsibility under the Agreement.
12. Each party binds itself, its successors, assigns, and legal representatives to the other party, its successors, assigns, and legal representatives in respect of all covenants, agreements, and obligations contained in the Agreement.
13. This MOU must be construed and interpreted in accordance with the laws of the State of North Dakota. Any action to enforce this MOU must be adjudicated exclusively in the District Court of Burleigh County, North Dakota.
14. Each of the undersigned persons represents and warrants that he or she is fully authorized to enter into the terms and conditions of this MOU, and execute this MOU on behalf of the Party or Parties he or she represents and further represents that he or she has explained this MOU to the Party or Parties he or she represents and has obtained the agreement of each such Party to abide by the term and conditions of this MOU.

IN WITNESS WHEREOF, the parties have executed this MOU on the dates below.

**NORTH DAKOTA STATE WATER
COMMISSION**
1200 Memorial Highway
Bismarck, ND 58505

SOUTHWEST WATER AUTHORITY
4665 Second Street Southwest
Dickinson, ND 58601

By: Reice Haase
Its: Secretary

By: Jen Murray
Its: Manager/CEO

Date _____

Date _____

CITY OF MANNING WATER WORKS

431 Manning Ave
Manning, ND 58642

DUNN COUNTY COMMISSION

205 Owens Street
Manning, ND 58642


By:
Its:

Date _____

By: Tracey Dolezal
Its: Chairperson

Date _____

DRAFT

TO: Lt. Governor Michelle Strinden
Members of the State Water Commission 
FROM: Reice Haase, Secretary
SUBJECT: SWPP – Dunn County Agreement for Preliminary Engineering
DATE: May 28, 2025

Dunn County approached Southwest Water Authority (SWA) about hydraulic improvements needed to serve all wait listed customers within the county. Currently, the waitlist within the county includes over 100 properties including the potential rural services in the community of Manning.

The county is willing to commit to the expense of a preliminary engineering design to understand potential projects needed, and the cost, that would increase the hydraulic capacity in the county to serve the waitlist users. The majority of four hydraulic service areas and parts of a few others are within Dunn County, since hydraulic service areas don't follow county lines. The county has been notified that the estimate from BW/AECOM to complete the preliminary engineering design is \$110,000. The county was also notified that if they elect to go forward to construction of a project that may be identified with the support of this preliminary engineering, the state is not committing to any construction projects at this time.

Department of Water Resources (DWR) has been working on an agreement as well as a scope of work with BW/AECOM for the preliminary engineering design. Attached is the current version of the agreement. It is requested to authorize the Secretary to finalize and execute the agreement between Dunn County, SWA, and the State Water Commission regarding preliminary hydraulic improvements design within Dunn County.

I recommend the State Water Commission authorize the Secretary to finalize and execute the Agreement between Dunn County, the State Water Commission and the Southwest Water Authority regarding Preliminary Engineering for Hydraulic Improvements in Dunn county.

RH/JF:1736-99
Attachment

DUNN COUNTY HYDRAULIC IMPROVEMENTS AGREEMENT

1. **BACKGROUND:** The North Dakota State Water Commission (Commission) is developing a water pipeline, water supply, and water distribution project known as the Southwest Pipeline Project ("SWPP"). Dunn County Commission, North Dakota (Dunn County) approached the Commission about understanding potential hydraulic improvements project on the SWPP within Dunn County. The hydraulic improvements are to serve residents within Dunn County who are on the waiting list on the SWPP due to lack of hydraulic capacity.
2. **PARTIES:** This Agreement is between the Commission, the Southwest Water Authority (Authority), and Dunn County.
3. **PURPOSE AND SCOPE:** This Agreement is for the Commission, on behalf of Dunn County and the Authority, to facilitate a preliminary engineering design study and cost estimate (Study) from Barlett & West/AECOM (BW/AECOM) for hydraulic improvements on the SWPP throughout Dunn County. This is a preliminary design for potential hydraulic improvements project. The majority of the four hydraulic service areas (Killdeer Mountain, Dunn Center, Halliday, and New Hradec) are located in Dunn County. There are several other smaller hydraulic service areas within Dunn County that will be studied as well. Each of the hydraulic service areas will be assessed separately in the Study. Hydraulic improvement projects increase capacity in distribution lines. They do not expand the water service lines to individual properties. This preliminary engineering design study is expected to take four months to complete.
4. **PAYMENT:** The estimated cost for the Study is \$110,000. Dunn County is responsible for full cost of the Study. The Commission will enter into the contract directly with BW/AECOM and Dunn County will reimburse the Commission for the full cost of the Study, with 50% paid after the Commission executes the agreement with BW/AECOM, and 50% paid after the completion of the study.
5. **COMMISSION'S RESPONSIBILITIES:**
 - a. Develop draft scope of work for the Study to be included in a Specific Authorization (SA) with BW/AECOM;
 - b. Share the draft scope of work with Dunn County and seek input;
 - c. Execute the SA agreement with BW/AECOM for the Study;
 - d. Manage BW/AECOM's work on the SA;
 - e. Keep Dunn County informed on the progress of the Study; and,
 - f. Notify Dunn County if the actual cost of the Study is anticipated to exceed the initial estimate of \$110,000.

6. **DUNN COUNTY'S RESPONSILITIES:**

- a. Reimburse the Commission for the cost of the Study with 50% paid after the Commission executes the SA with BW/AECOM, and the remaining 50% when the Study is complete;
- b. Provide input on draft scope of work.

7. **AUTHORITY'S RESPONSIBILITIES:**

- a. Provide input on draft scope of work.
- b. Provide feedback during the study.

8. **DISCLAIMER:** This is a preliminary design study for potential hydraulic improvement projects. The Commission's agreement to move forward with this preliminary design study in no way commits the Commission to any funding for potential construction projects developed from the preliminary engineering design study. Any future construction projects that may arise from this effort would be managed by the Commission and would be constructed following SWPP standards.

9. **TERM:** This Agreement becomes effective upon signing by all parties and is effective for an estimated term of four months. The Commission reserves the right, in its sole discretion, to extend this Agreement for an additional period of time to fulfill the purpose and scope of this agreement.

10. **TERMINATION:**

- a. Termination by Mutual Agreement. This Agreement may be terminated by mutual consent of all parties executed in writing.
- b. Termination for Lack of Funding or Authority.

Any party may terminate the whole or any part of this Agreement, effective upon delivery of written notice to the other parties or on any later date stated in the notice, under any of the following conditions:

- 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
- 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.

Termination of this Agreement under this subsection is without prejudice to any obligations or liabilities of any party already accrued prior to termination.

- c. Termination for Cause

The Commission may terminate this Agreement effective upon delivery of written notice to Dunn County, or any later date stated in the notice:

- 1) If the Dunn County fails to provide payment required by this agreement in accordance with Payment Section of this Agreement and within the time specified or any extension agreed to by the parties; or
- 2) If Dunn County fails to perform any of the other provisions of this

Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms.

The rights and remedies of the parties provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

11. **FORCE MAJEURE:** No party shall be held responsible for delay or default caused by fire, riot, terrorism, pandemic (excluding COVID-19), acts of God, or war if the event was not foreseeable through the exercise of reasonable diligence by the affected party, the event is beyond any party's reasonable control, and the affected party gives notice to any other party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.
12. **NOTICE:** All notices or other communications required under this Agreement must be given by registered or certified mail and are complete on the date postmarked when addressed to the Parties at the following addresses.

COMMISSION	COUNTY	AUTHORITY
Justin Froseth	Name	Jen Murray
SWPP, Project Manager	Title	SWA Manager/CEO
1200 Memorial Highway	Address	4665 2 nd Street SW
Bismarck, ND 58503	City, State, Zip	Dickinson, ND 58601

Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

13. **ASSIGNMENT:** No party may assign nor otherwise transfer or delegate any right or duty without the other parties' express written consent. No party has the authority to contract for or incur obligations on behalf of any other party.
14. **SPOLIATION – PRESERVATION OF EVIDENCE:** Dunn County shall promptly notify the Commission of all potential claims that arise or result from this Agreement. Dunn County shall also take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to the State the opportunity to review and inspect such evidence, including the scene of an accident.
15. **SEVERABILITY:** If any term of this Agreement is declared to be illegal or unenforceable by a court having competent jurisdiction, the validity of the remaining terms is unaffected and, if possible, the rights and obligations of the parties are to be construed and enforced as if this Agreement did not contain that term.
16. **APPLICABLE LAW AND VENUE:** This Agreement is governed by and construed under

the laws of North Dakota. Any action to enforce this Agreement must be adjudicated exclusively in the District Court of Burleigh County, North Dakota.

17. **MERGER AND MODIFICATION:** This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented, or amended in any manner, except by written agreement signed by all parties.
18. **AUTHORITY TO SIGN:** Each of the undersigned persons represents and warrants that he or she is fully authorized to enter into the terms and conditions of this Agreement and execute this Agreement on behalf of the party or parties he or she represents, and further represents that he or she has explained this Agreement to the party or parties he or she represents and has obtained the agreement of each such party to abide by the terms and conditions of this Agreement.

**NORTH DAKOTA STATE WATER
COMMISSION**

DUNN COUNTY, NORTH DAKOTA

Reice Haase, Secretary

Title:

Date:


Date:

SOUTHWEST WATER AUTHORITY

James Odermann, Chairman

Date:



TO: Lt. Governor Michelle Strinden
Members of the State Water Commission 
FROM: Reice Haase, Secretary
SUBJECT: SWPP – Agreement with Gevo - Preliminary Design Report (PDR) for Raw Water Upgrades
DATE: May 28, 2025

Gevo is the parent company of the Net-Zero Richardton, LLC facility, the facility that was formerly known as Red Trail Energy. Gevo approached Department of Water Resources (DWR) and Southwest Water Authority (SWA) about the possibility of increasing their allocation in the water service agreement from SWPP. Currently, the facility is provided with a flow rate of 600 gallons per minute (gpm). The facility would like to explore the cost of infrastructure upgrades needed on the SWPP to increase the allocation to 1,100 gpm and the possibility of exploring an allocation of 2,000 gpm to the facility.

In response to this request, DWR staff directed BW/AECOM to develop a scope and fee for a Preliminary Design Report (PDR) to understand infrastructure upgrades and costs for increasing the SWPP's raw water line capacity. The request from Gevo comes at a time when DWR staff was contemplating an update to the SWPP Raw Water Implementation plan that was initially completed in 2008 and updated in 2014. Therefore, there are some inherent efficiencies to completing the update and analyzing Gevo's additional allocation request at the same time. Both of these can be included in one PDR. DWR has informed Gevo that DWR staff would support a plan to proceed with the PDR and will require Gevo to pay their fair share for the PDR.

Department of Water Resources (DWR) has been working on an agreement as well as a scope of work with BW/AECOM for the PDR. Attached is the current version of the agreement. It is requested to authorize the Secretary to finalize and execute the agreement between Gevo and the State Water Commission regarding preliminary design report for the raw water line upgrades.

I recommend the State Water Commission authorize the Secretary to finalize and execute the Agreement between Gevo, Inc. and the State Water Commission regarding the Preliminary Design Report (PDR) for the raw water upgrades.

RH/JF:1736-99
Attachment

**AGREEMENT WITH GEVO, INC. FOR PRELIMINARY DESIGN REPORT FOR
SOUTHWEST PIPELINE RAW WATER LINE UPGRADES**

1. **BACKGROUND:** The North Dakota State Water Commission (SWC/State) is developing a water pipeline, water supply, and water distribution project known as the Southwest Pipeline Project (“SWPP”).
2. **PARTIES:** This Agreement is between the SWC and Gevo, Inc. (Gevo).
3. **PURPOSE AND SCOPE:** This Agreement is for State, on behalf of Gevo, to facilitate a raw water line preliminary design report (PDR) from Barlett & West/AECOM (BW/AECOM) that includes updates to the 2014 Raw Water Implementation Plan and analysis of additional alternatives that will increase raw water capacity beyond the analysis included in the 2014 Raw Water Implementation Plan.. The alternatives that are planned for analysis include:
 - a. Alternative 1: An additional 500 gallons per minute (gpm) of capacity to the Net Zero-Richardton facility, owned by Gevo.
 - b. Alternative 2: An additional 6,000 gpm of capacity to SWPP. This would be for currently unidentified needs along the raw water line, most likely for industrial use.
 - c. Optional Alternative 3: An additional 1,400 gpm of capacity to the Net Zero-Richardton facility, owned by Gevo.
4. **PAYMENT:** The estimated cost and allocation of financial responsibility for the PDR is as follows, with possible alternatives:
 - a. Planning and reporting portion of the PDR: Estimated at \$201,000. This cost will be split between State and Gevo. State and Gevo will each cover 50% of the cost.
 - b. Raw Water Implementation Plan Update: Estimated at \$120,000. State and Gevo will each cover 50% of the cost.
 - c. Alternative 1 – 500 gpm to Net Zero-Richardton: Estimated at \$110,000. Gevo will cover 100% of the cost.
 - d. Alternative 2 – 6,000 gpm of additional capacity to SWPP: Estimated at \$353,000. State will cover 100% of the cost.
 - e. Optional Alternative 3: 1,400 gpm of additional capacity to Net Zero-Richardton: Estimated at \$173,000. Gevo will cover 100% of the cost.

The total estimated cost for Gevo is \$271,500, with an optional \$173,000. State will pay for the full amount of the PDR and Gevo will reimburse State its share as noted above .

5. **STATE’S RESPONSIBILITIES:**
 - a. Share draft scope of work to be included in the Specific Authorization (SA) with

Gevo for input.

- b. Execute the SA agreement with BW/AECOM for the PDR.
- c. State will invoice Gevo 50% of Gevo's share after the SA with BW/AECOM is executed.
- d. State will invoice Gevo's quarterly after the initial 50% payment from Gevo is exhausted.
- e. Manage BW/AECOM's work on the SA.
- f. Keep Gevo informed on the progress of the PDR.
- g. Notify Gevo if the estimated cost of the PDR is expected to be exceeded over 10% of the initial estimate.

6. GEVO'S RESPONSILITIES:

- a. Provide input on draft scope of work.
- b. Reimburse the State for the cost of their share of the PDR

7. DISCLAIMER: This is a preliminary design report for potential raw water line capacity projects. The State's agreement to move forward with this preliminary design study in no way commits the State to any funding for potential construction projects developed from the preliminary engineering design study. Any future construction projects that may arise from this effort would be managed by the State and would be constructed following SWPP standards.

8. TERM: This Agreement becomes effective upon signing by both parties and is effective for an estimated term of fourteen months. The State reserves the right, in its sole discretion to extend this Agreement for an additional period of time to fulfill the purpose and scope of this agreement.

9. TERMINATION:

- a. Termination by Mutual Agreement. This Agreement may be terminated by mutual consent of both parties executed in writing.
- b. Termination for Lack of Funding or Authority.
Either party may terminate the whole or any part of this Agreement, effective upon delivery of written notice to the other party or on any later date stated in the notice, under any of the following conditions:
 - 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
 - 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this agreement or are no longer eligible for the funding proposed for payments authorized by this agreement.
 - 3) If any license, permit, or certificate required by law or rule, or by the terms of this Agreement, is for any reason denied, revoked, suspended, or not renewed.

Termination of this Agreement under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

c. Termination for Cause

The State may terminate this Agreement effective upon delivery of written notice to Gevo, or any later date stated in the notice:

- 1) If Gevo fails to provide payment required by this Agreement to the State in accordance with this Agreement and within the time specified or any extension agreed to by the parties; or
- 2) If Gevo fails to perform any of the other provisions of this Agreement or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms.

Gevo may terminate this Agreement effective upon delivery of written notice to the State, or any later date stated in the notice:

- 1) If the State fails to provide services required by this Agreement within the time specified or any extension agreed to by State; or
- 2) If the State fails to perform any of the other provisions of this Agreement or so fails to pursue the payment for services as to endanger performance of this Agreement in accordance with its terms.

The rights and remedies of the Parties provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

10. FORCE MAJEURE: Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, pandemic (excluding COVID-19), acts of God, or war if the event was not foreseeable through the exercise of reasonable diligence by the affected party, the event is beyond the party's reasonable control, and the affected party gives notice to the other party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.

11. INDEMNIFICATION: The State and Gevo each agree to assume their own liability for any and all claims of any nature including all costs, expenses and attorneys' fees which may in any manner result from or arise out of this agreement.

12. NOTICE: All notices or other communications required under this Agreement must be given by registered or certified mail and are complete on the date postmarked when addressed to the Parties at the following addresses:

STATE	GEVO, INC.
Justin Froseth	Name
SWPP, Project Manager	Title
1200 Memorial Highway	Address
Bismarck, ND 58503	City, State, Zip

Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

13. ASSIGNMENT: Neither party may assign nor otherwise transfer or delegate any right or

duty without the other party's express written consent. Neither party has the authority to contract for or incur obligations on behalf of the other party.

14. **SPOILIATION – PRESERVATION OF EVIDENCE:** Gevo shall promptly notify the State of all potential claims that arise or result from this Agreement. Gevo shall also take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to the State the opportunity to review and inspect such evidence, including the scene of an accident.
15. **SEVERABILITY:** If any term of this Agreement is declared to be illegal or unenforceable by a court having competent jurisdiction, the validity of the remaining terms is unaffected and, if possible, the rights and obligations of the Parties are to be construed and enforced as if this Agreement did not contain that term.
16. **APPLICABLE LAW AND VENUE:** This Agreement is governed by and construed under the laws of North Dakota. Any action to enforce this Agreement must be adjudicated exclusively in the District Court of Burleigh County, North Dakota.
17. **NONDISCRIMINATION:** Parties agree to comply with all applicable federal and state laws, rules, and policies, including those relating to nondiscrimination, accessibility, and civil rights (*See* N.D.C.C. Title 34 – Labor and Employment).
18. **MERGER AND MODIFICATION:** This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented, or amended in any manner, except by written agreement signed by both parties.
19. **AUTHORITY TO SIGN:** Each of the undersigned persons represents and warrants that he or she is fully authorized to enter into the terms and conditions of this Agreement, and execute this Agreement on behalf of the Party or Parties he or she represents and further represents that he or she has explained this Agreement to the Party or Parties he or she represents and has obtained the agreement of each such Party to abide by the term and conditions of this Agreement.

**NORTH DAKOTA STATE WATER
COMMISSION**

GEVO, INC.


Reice Haase, Secretary

Title:

Date:

Date:

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

FROM: Reice Haase, Secretary 

SUBJECT: SWPP – Water Service Agreement Amendment #4 with Net-Zero Richardton, LLC

DATE: May 28, 2025

The Southwest Water Authority (SWA) informed DWR that the water service agreement RW – 6 with Net-Zero Richardton, LLC is expiring on May 26th, 2025. An amendment is under development. The amendment includes the following:

1. Extends the term of the agreement to June 2035.
2. Increases the allocation from 480 gpm to 600 gpm and requires Net-Zero Richardton to provide a minimum of 864,000 gallons storage and utilize it. This is to ensure that facility is resilient to any emergency situations that arise on the Southwest Pipeline Project (SWPP) that curtails flow to the facility.
3. Increases the minimum annual purchase from 160 million gallons to 200 million gallons. This is to hold Net-Zero Richardton, LLC accountable for the increased allocation of 600 gpm from the SWPP.

Attached is the current version of the amendment #4. It is requested to authorize the Secretary to finalize and execute Amendment #4 to SWPP water service agreement RW – 6.

I recommend the State Water Commission authorize the Secretary to finalize and execute Amendment #4 to the Southwest Pipeline Project water service agreement, RW – 6 between State Water Commission, Net-Zero Richardton, LLC and the Southwest Water Authority.

RH/JF:1736-99
Attachment

**AMENDMENT No. 4 to the
SOUTHWEST PIPELINE PROJECT
RAW WATER SERVICE CONTRACT
RW-6**

Contract Number RW-6 was executed by the North Dakota State Water Commission, Southwest Water Authority, and Red Trail Energy on April 3, 2006, and subsequently assigned to Net-Zero Richardton, LLC., on April 9, 2025. Contract Number RW-6 provides raw water service from the Southwest Pipeline Project to Net-Zero Richardton LLC under the terms, conditions, and covenants in Contract Number RW-6. Contract Number RW-6 has a ten-year term, which can be renewed for successive ten-year periods.

This Amendment No. 4 to Contract Number RW-6 amends certain terms, conditions, and covenants as set forth below.

In consideration of the mutual covenants contained in this Amendment and in the original Contract, the parties agree to the following revisions, additions, and deletions to Contract Number RW-6:

1. To exercise the option for a third renewal under Section IV., to extend the term of Contract Number RW-6 for an additional 10-year period.
2. To terminate Amendment No. 1 to Contract Number RW-6 in its entirety, and reinstate the original language modified by Amendment No. 1 in Section V.2. Type of Service, which reads: “Constant flow not to exceed 600 gpm.”
3. To reinstate the original language of Section V.3. Quantity of Raw Water and Flow Rate, which reads: “Minimum annual water purchase. The Customer agrees to purchase and make payment for not less than 200 million gallons per year (minimum annual raw water purchase) during the entire term of this contract (380 gpm). The Customer may purchase and make payment for water in excess of this amount as long as the Project’s ability to meet other demands is not impaired.”
4. To amend the second sentence in Section V.2. Type of Service, which reads “Customer shall provide adequate on-site storage to meet their processing needs[,]” to read: “The Customer will provide and utilize a minimum of 864,000 gallons of storage. The Customer will utilize this required storage regularly as part of its standard operations.”
5. To delete Section VI.4 Payment for Operation, Maintenance, and Replacement (OM&R), Items d and e.
6. All other terms, conditions, and covenants of Contract Number RW-6 shall remain in full force and effect.

{Signatures on second page}

The Parties executed this Amendment on the date(s) specified below.

STATE WATER COMMISSION

By: Reice Haase

Its: Secretary

Date: _____

SOUTHWEST WATER AUTHORITY

By: James Odermann

Its: Chairman


Date: _____

NET-ZERO RICHARDTON, LLC

By: _____

Its: _____

Date: _____

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

FROM: Reice Haase, Secretary
SUBJECT: SWPP – Supplementary Intake Contract 1-2A – Update
DATE: May 28, 2025

This memo includes the project history, summary of claim related expenses, projection of claim related expenses through July 2025, and overall cost spent to date on the Southwest Pipeline Project's Supplementary Raw Water Intake project.

Project History:

The supplementary raw water intake project has been viewed as a need for 15 years. In February of 2010, the State Water Commission (SWC) approved Specific Authorization (SA) 166 which authorized Bartlett & West/AECOM to complete the design and develop bid ready documents for the construction of the intake. In the summer of 2013, bids were received for the project and a construction contract was executed with James W. Fowler Company (JWF). Also in the summer of 2013, SA 190 was approved with BW/AECOM to provide construction engineering (inspection and management) services for the construction phase of the project.

Since the contractual agreement with JWF, there have been two failed micro-tunneling attempts as well as a failed Horizontal Directional Drilling (HDD) attempt over the past ten years. The HDD failure was in September of 2022. JWF submitted a differing site condition and constructability claim for the HDD attempt. Resolution of the claim through a mediation process is ongoing. Along with these failures have come multiple change orders to the construction contract and amendments to the SAs for the engineering services over the years, ultimately aimed at successful completion of the intake project.

After the failed HDD attempt, the Contractor, JWF, filed a claim against the state in 2022. In pursuit of claim resolution, the SWC has authorized the amounts shown in Table 1 for claim related expenses.

May 28, 2025 Special Meeting:

At the special SWC meeting held on May 28, 2025, global settlement with all involved parties in exchange for a release of all contractual obligations for the project was approved. Details of the settlement agreement are still getting finalized.

Table 1: Commission authorization for claim related expenses

Month	Amount Authorized
February of 2023	\$ 900,000
April of 2023	\$ 470,000
June of 2023	\$ 270,000
August of 2023	\$ 180,000
October of 2023	\$ 450,000
February of 2024	\$ 150,000
April of 2024	\$ 60,000
June of 2024	\$130,000
August of 2024	\$60,000
October of 2024	\$40,000
February of 2025	\$100,000
Total	\$ 2,810,000

Claim Related Expenses:

A summary and explanation of the estimated claim expenses through anticipated mediation were provided at the April 2023 meeting. The expenses through mediation were estimated at \$2.1 to \$2.5 million. A summary of expenses to date and estimated anticipated expenses through July 2025 are included in Table 2 and Table 3. With about \$2.72 million expended to date (Table 2) and with the projection of needing an additional \$0.12 million through July (Table 3), \$30,000 of additional funds are projected to be required for mediation expenses.

Table 2: Expenses paid or invoiced to date related to the claim

Firm/Company	Claim Related Expenses included in April Memo	April through May Expenses
Fabyanske, Westra, Hart & Thompson, P.A.	\$ 704,359.93	\$ 41,134.06
Bennett Trenchless Engineers, LLP	\$ 209,172.85	
Dr. Richard Finno	\$ 100,184.38	
Woods Aitken LLP	\$ 62,928.62	\$ 11,937.44
Braun Intertec (Geotechnical Program)	\$ 730,565.07	
BW/AECOM	\$ 742,177.03	\$ 138.43
Dakota Appraisal Ltd	\$ 17,500.00	
Spectrum Forensics, LLC	\$ 75,000.00	
Stress Engineering	\$ 22,077.40	
	\$ 2,663,965.28	\$ 53,000.00
Total paid to date (rounded to nearest \$1,000)		\$ 2,717,000.00

Table 3: Additional estimated expenses through end of July 2025

Firm/Company	Projected Expenses
Fabyanske, Westra, Hart & Thompson, P.A.	\$ 100,000
Bennet Trenchess Engineers	\$ -
Dr.Finno	\$ -
Woods Aitken LLP	\$ 10,000
Braun Intertec	\$ -
BW/AECOM	\$ 10,000
Spectrum Forensincs	\$ -
Estimated additional expenses through July of 2025	\$ 120,000

Expenses Invoiced/paid	\$ 2,717,000.00
Total estimated through July of 2025	\$ 2,837,000.00
Prior Authorization	\$ 2,810,000.00
Additional authorization requested	\$ 30,000

Project Cost Summary:

Table 4 below is the accounting summary of the construction contract with JWF. Table 5 summarizes the payment summary to JWF and Table 6 summarizes all costs to date including engineering and mediation expenses on the intake contract.

Table 4: SWPP Contract 1-2A Construction Contract Costs Summary

Change Order Number	Date	Amount	Description
1	12/8/14	\$ -	JWF allowed to use SWPP's Reverse Osmosis Concentrate line for dewatering
2	4/23/14	\$ -	Accepted the use of larger reinforced concrete pipe with 73.5" outside diameter
3	2/10/15	\$ 3,500,000.00	Settlement for Differing Site Condition (DSC) claim during caisson construction
4	5/21/15	\$ (6,022.00)	Elimination of shaft ladder
5	7/27/15	\$ 29,557.00	Increase in screen size to match the larger intake pipe
6R	7/18/17	\$ -	Acceptance of revised microtunneling alignment and other details
7	1/25/18	\$ -	Negotiation of reduced liquidated damages and extension of the contract completion date to December 31, 2018
8	4/2/21	\$ -	Acceptance of Horizontal Directional Drilling plan, renegotiation of the Liquidated damages, extension of contract completion date to February 28, 2023
9	3/25/22	\$ 9,068,203.00	Mediated settlement agreement for JWF to stay and complete the project, release of claim for engineering expenses, release of JWF's claim of DSC and defective plans and specifications
Total		\$ 12,591,738.00	

Total Change Order

Costs \$ 12,591,738.00

Bid Cost \$ 12,994,000.00

Total Contract Amount \$ **25,585,738.00**

Contract Payment to

JWF \$ (21,530,019.00)

Contract Amount

Remaining \$ 4,055,719.00

Table 5: SWPP Contract 1-2A Construction Payments to JWF

Payment Number	Date	Payment Amount
1	22-Apr-14	\$ 809,370.00
2	02-Jul-14	\$ 163,075.00
3	05-Aug-14	\$ 297,261.00
4	13-Aug-14	\$ 1,429,047.00
5	19-Sep-14	\$ 664,136.00
6	22-Oct-14	\$ 611,364.00
7	20-Nov-14	\$ 624,025.00
8	30-Dec-14	\$ 336,078.00
9	14-Jan-15	\$ 376,016.86
10	12-Feb-15	\$ 2,830,548.54
11	13-Mar-15	\$ 1,078,280.55
12	09-Apr-15	\$ 541,364.63
13	12-May-15	\$ 91,588.20
14	10-Jun-15	\$ 160,741.64
15	15-Jul-15	\$ 181,286.71
16	14-Aug-15	\$ 935,621.82
17	21-Sep-15	\$ 455,932.50
18	10-May-22	\$ 5,111,262.17
19	08-Jun-22	\$ 1,450,700.63
20	22-Jun-22	\$ 1,223,157.02
21	18-Jul-22	\$ 869,914.22
22	11-Aug-22	\$ 801,762.97
23	09-Sep-22	\$ 487,484.41

\$11,585,737.45 *

\$ 9,944,281.42 **

Total \$ 21,530,018.87

*Total Payments prior to First Microtunneling failure

**Total Payments prior to HDD Failure

Table 6: SWPP Contract 1-2A Total Costs Summary

Description	Dates of Expenditure	Amount Spent to Date
Design and bid ready documents (BW/AECOM)	2011 to 2013	\$1,014,000
Construction Engineering (BW/AECOM)	2013 to present	\$2,622,000
Construction Contract (JWF)	2013 to present	\$21,530,000
HDD Claim related expenses (Multiple vendors)	November of 2022 to present	\$2,717,000
Total		\$27,883,000

I recommend authorizing additional \$30,000 for the total authorized to date amount of \$2.84 million towards claim related expenses for the SWPP Contract 1-2A.

RH/JF:1736-99

TO: Lt. Governor Michelle Strinden
Members of the State Water Commission
FROM: Reice Haase, Secretary
SUBJECT: SWPP – Project Update
DATE: May 28, 2025



Updates from last Commission meeting memo are shown in bold italics.

Contract 1-2A Supplemental Raw Water Intake:

Updates on expenditures will be provided through separate agenda item.

Distribution Capacity Expansion:

Southwest Water Authority (SWA) and State Water Commission (SWC) implemented a three-pronged plan to meet the distribution capacity needs of SWPP. The three prongs include:

- Prong 1. Improvements to the transmission facilities from the Ray Christenson Pump Station to the first tanks in the distribution system, which were completed in 2022. The West Zone Transmission improvements which were added to Prong 1 in 2022.
- Prong 2. Addressing the waiting list users by implementing hydraulic improvements like booster pump station, parallel piping, and water reservoirs at strategic locations.
- Prong 3. Canvassing targeted service areas for users interested in signing up for rural water and design a rural distribution system for those areas.

Prong 1 – Transmission Improvements:

West Zone Transmission Improvements:

The West Zone transmission improvements includes main transmission pipeline improvements, improvements to the Ray Christensen, Fryburg, and Beach pump stations, and a new reservoir west of Medora.

At the October 2024 SWC meeting, moving forward with developing bid ready documents for the design with the next nominal pipe size above identified needs with 25 percent additional capacity design was approved. Since the October meeting, SWPP's consultant engineer Bartlett & West/AECOM (BW/AECOM) was requested to provide a phasing analysis for completing construction of the West Zone capacity expansion. This is a necessary step to determine the implementation plan for building out the infrastructure needed in the West Zone with budget constraints. While the 2023-2025 budget included \$17.6 million for West Zone expansion, the preliminary cost estimate of the design selected for developing bid ready documents is \$40.4

million resulting in a \$23 million shortfall. The phasing analysis will help prioritize projects based on budget availability.

United States Forest Service (USFS) has returned a decision memo and an amendment to previously issued permit to cover the parallel piping planned for construction on USFS lands. The amendment to the permit was issued based on preliminary pipeline alignments. USFS has been notified of the plan approved by the SWC. When pipeline alignments are finalized USFS will issue another amendment to the permit.

The West Zone Preliminary Engineering Report has relied on the surge analysis task in order to complete. BW/AECOM's surge analysis subconsultant is actively working on this analysis. The surge analysis work is expected to complete in the coming weeks which would be followed by the finalization of the Preliminary Engineering Report.

Following the approval of the bids at the last SWC meeting, the Buffalo Gap Tank contract has been executed and the contractor has been given the notice to proceed with the project. A preconstruction meeting is scheduled for June 4th and it is anticipated that the contractor will mobilize to the site soon after.

Prong 2 -Strategic Hydraulic Improvements:

Following the June 2024 SWC meeting that approved proceeding with final design of the hydraulic improvement project in the north New England Service Area, a Specific Authorization (SA) for completing the bid ready documents for this project was executed with BW/AECOM.

With issues in securing easements on this project, bidding the project has been delayed. We are hopeful that the project will be ready for bidding soon with recommendation for award anticipated at the August SWC meeting.

Prong 3 – Rural Distribution System Improvements

Burt and Hebron Service Area Expansion:

In February 2021, SWA voted to proceed with signup campaign in the Burt and Hebron service areas including Lake Tschida. SWC concurred with that request in April 2021.

As of May 2025, in the Burt-Hebron service area there are 832 signups with 295 around Lake Tschida and 537 in rural areas. The preliminary design for Burt Hebron Service Area expansion is divided into seven sub areas: Hebron Service area divided into: Hebron Rural, North Tschida and Curlew Butte pocket area; Burt Service area divided into Burt Rural, South Tschida, Burt VFD pocket area, and service to Flasher. A map showing the different sub areas is attached.

Following the February 2024 SWC action to increase the maximum cost per ESU limit within the project's Feasibility Criteria, the SWA took action at their March 2024 meeting. The action focused on a project in the Hebron Rural area while also looking at the potential to develop a smaller project in the Burt Rural area that could be constructed with the \$11.2 million included in the 2023-2025 budget for Burt-Hebron Service Area expansion.

BW/AECOM has completed a preliminary design that includes signups that meets the distance of three quarters of a mile, a distance that could be met with a maximum per ESU amount of \$75,980 approved by the SWC in February 2024. The Hebron Rural area was determined to be the most feasible and also fits within the budgeted amount for the 2023-2025 biennium.

In order to move forward with developing bid ready documents, the SWA established the December 31, 2024 as the final design cutoff date for Hebron Rural area. To inform the public about the final design cutoff date and to make progress in the final design, SWA scheduled three public meetings during the week of November 4th. One was at Lake Tschida and the other two were at Hebron. The purpose of the meetings was to provide basic project information of the project, to express the importance of timely signups in order to guide the final design, and to answer questions. The meetings were very well attended with over 100 people between the three meetings. SWA received eighteen additional signups in the two weeks after the public meetings and many more signup packets were requested for potential customer's consideration.

An SA to complete bid ready documents for the rural expansion project in the Hebron Rural Area was executed on March 24th and the project is expected to be bid in winter 2025.

Metallic Line Replacement and Assessment Progress:

Assessment and evaluation of metallic pipeline to determine the extent of Microbiologically Induced Corrosion (MIC) is continuing. Evaluation includes exploratory excavation to confirm presence or absence of MIC at locations where MIC are suspected to be likely. SWA hired BEK to conduct these exploratory excavations at ten locations, about ten miles southwest of Dodge, during the weeks of October 28th and November 4th. The excavation revealed MIC consistent with what has been observed before. With this information, another metallic pipe replacement project needs development.

At the February SWC meeting, SWC approved a policy whereby the DWR would be the lead agency for managing replacement of Capital Projects. Pipeline replacements that exceed the public improvement threshold limit were defined as Capital Projects. Based on that approved policy, BW/AECOM is developing an SA for DWR's approval to develop bid ready documents for the metallic pipe replacement project.

Southwest Water Treatment Plant (SWTP) Expansion:

Work is progressing and progress on the site includes installation of shoring system, site excavation, fence installation, and potholing to confirm location of site utilities.

Picture below from May 22, 2025



Existing Intake Capacity Expansion:

Following the SWC approval of an amendment to the water service agreement with Basin Electric Power Cooperative (Basin) that increased intake capacity allocation from the Basin intake, an SA was executed with BW/AECOM for developing bid ready documents. Bidding this project for construction is expected in fall 2025.

Gevo/Net-Zero Richardton, LLC Water Service Contract :

DWR staff and SWA staff met with Gevo, the parent company of the Net-Zero Richardton, LLC facility, to discuss the water needs for the ethanol to sustainable aviation fuel processing planned for the Red Trail Energy facility. The current water service agreement provides 480 gallons per minute (gpm) allocation to the facility.

Additional details are included as separate agenda items.

NEWS RELEASE | FOR IMMEDIATE RELEASE | June 19, 2025

DWR Completes Missouri River Intake Study

Identifies Optimal Sites for Future Industrial, Irrigation, and Municipal Water Use

BISMARCK, N.D. — The [North Dakota Department of Water Resources](#) (DWR) has announced the completion of the [Missouri River Potential Intake Locations Investigation](#), a strategic study aimed at identifying optimal surface and subsurface water intake sites along the Missouri River corridor. The findings mark a major milestone in North Dakota's efforts to support industrial development, expand irrigation capacity, and strengthen domestic water supply options using the state's most abundant freshwater source.

The study identified 11 top-ranking surface water intake sites and 6 top-ranking subsurface intake sites. These sites were evaluated based on multiple criteria, including but not limited to, water availability, water quality, sedimentation risk, proximity to infrastructure such as railroads, roads, power lines, and gas lines, as well as expressed interest by industry.

The study area spanned 231.6 river miles from the Montana state line to Washburn, ND—including 178 miles within Lake Sakakawea and 53.6 miles of free-flowing river channel. Conducted by HDR Engineering, Inc. and subconsultants, the study evaluated intake sites with the capacity to supply at least 15,000 acre-feet of water per year (approximately 9,300 gallons per minute), suitable for industrial, irrigation, or municipal use.

To determine optimal intake sites, the study used two geospatial models—one for surface water and one for subsurface aquifers—to score and rank grid cells throughout the study area based on the criteria mentioned above. Spatial analysis was used to identify the top-ranking surface water and subsurface sites for each river reach and aquifer identified in the study.

"This effort supports our strategic goal of putting North Dakota's water to its highest and best use," said Reice Haase, Director of the Department of Water Resources. "With this study, we now have a data-driven framework to guide additional development and investment in water infrastructure along the Missouri River."

The intake study was commissioned after a formal request for proposals (RFP) was issued in early 2024. HDR was selected through a competitive procurement process, and the State Water Commission approved a \$335,000 contract for the work in April 2024.

"This study lays the groundwork for economic opportunity, thoughtful development, and long-term water planning in North Dakota," Haase added. "By narrowing the field to the most promising intake locations, we've created a clearer path forward."

While the data provided by this study is robust, the DWR will verify conditions in the field to confirm findings and determine the technical feasibility of site development. Field verification may include completing bathymetric surveys, LiDAR collection, geotechnical sampling, aquifer testing, and cultural resource evaluations.

MEMORANDUM

To: Southwest Water Authority Board of Directors, Staff
From: Justin Froseth, PE, Southwest Pipeline Project Manager
Subject: SWPP Project Update
Date: July 1, 2025

Contract 1-2A Supplementary Raw Water Intake:

Following the May 28th special meeting to agree to the main terms of a global settlement, the DWR staff continues to work with our outside counsel to finalize the terms of the global settlement agreement.

Existing Intake Improvements:

A Specific Authorization (SA) with BW/AECOM to complete bid ready documents to upgrade pumps and other equipment in order to realize the capacity from the executed amendment with Basin Electric Power Cooperative has been executed. The SA indicates a bid this fall with construction completion in 2027.

Even with the execution of this interim project, focus on completing the supplementary raw water intake project to realize the ultimate intake capacity need for the SWPP continues.

Distribution Upgrades – Strategic Plan

Prong 1 Transmission Improvements

West Zone Main Transmission Expansion:

At the October 2024 SWC meeting, SWC approved moving forward with completing bid ready documents for Design 3, which is an estimated \$40.4 million, based on the recommendation by the DWR staff. The SA with BW/AECOM has been amended to include topographical survey of the pipeline. Bid Ready documents are expected to be split into segments to meet the construction and budget constraints. Estimated preliminary cost for Design 3 exceeds the budget included in the 2023-2025 budget for the West Zone Expansion.

The United States Forest Service (USFS) has finished their review of our permit submittal and has issued the permit amendment for execution to allow us to move forward with construction when ready. With the Design 3 chosen by the Commission, the pipeline length and size have changed and we are in communication with USFS to determine the path forward for executing the issued permit amendment. The current amendment has been executed and another amendment will be executed after the extent of the pipeline that will cross USFS land is final, presumably upon completion of the project.

BW/AECOM has been conducting topographical and boundary survey of the proposed alignments of the planned parallel pipeline alignments and is working on permission to access

land needed for the remainder of the survey. Concurrently, Scott Foster Engineering is the subconsultant that is working on the surge analysis which is needed to complete the preliminary design.

Buffalo Gap Tank:

A preconstruction meeting was held for this project on June 4th. At that meeting, the contractor informed that the start date is set for early August. The schedule includes consistent work until the milestone is complete in late November. The milestone completion date allows for the tank to be used and is to be complete by December 1, 2025. Final completion is June of 2026.

Prong 2 Strategic Improvements

North New England Strategic Hydraulic Improvements

The advertisement for bid is currently published with a bid opening date of July 22nd. This bid opening date will allow results to be considered at the August SWC meeting. The easement staff has been working on obtaining the easements needed for the pipeline routes. Most, but not all easements have been secured at this time.

Prong 3– Expansion into Under-Served Areas

Burt-Hebron Service Area:

The Hebron Service Area rural distribution project is in final design phase with plans anticipated to be ready for bid late in 2025 or early 2026 and construction starting in 2026. Bartlett and West has recently submitted a first iteration of final design plans which shows what the project would look like, and the cost, if all signups were to be served. This is a starting point but final design for rural expansion projects is very iterative because of the nature of balancing commitments along with feasibility and working those variables into the design.

Southwest Water Treatment Plant (SWTP) Expansion:

Project activity is increasing. The perimeter piling is nearly complete. The basement dig and shoring installation is well underway. The completion of the shoring system is expected late in July or August. Following that, the foundation concrete will be poured to start the building's structure.

The BW/AECOM team have received dozens of submittal packages to review. These are specific drawings from the contractor and vendors to detail the materials and construction methods that will be used. BW/AECOM is promptly reviewing them and working with the contractor in the process. This review has yielded the need for Work Change Directives, some of which have been approved by DWR.

Metallic Pipeline Replacement:

DWR is working with BW/AECOM on an SA to develop bid ready documents for replacement of metallic pipeline. The segments identified for final design in 2025 are those that are of most concern because of Microbiologically Induced Corrosion.

Gevo/Net-Zero Richardton (NZ-R), LLC Water Service Contract:

Following the approval of the draft agreement between SWC and Gevo at the June SWC meeting, the agreement for mutual participation in the Raw Water Implementation Update is being finalized. The scope of work under this study will include the following:

- An update to the 2014 Raw Water Implementation Plan that studied the improvements and associated costs to deliver 18 Million Gallons Per Day (MGD) (12,500 gallons per minute (gpm)) to Dickinson. Variables have changed since 2014 with the Microbiologically Induced Corrosion (MIC) being a prime example of one of the changes. Also, construction cost escalation has increased faster than regular inflation and differs depending on the type of construction.
- Alternative 1: An additional 500 gpm delivered to the NZ-R facility to allow them to expand their plan.
- Alternative 2: An additional 1,400 gpm delivered to the NZ-R facility to allow them to expand their plant.
- Alternative 3: An additional 6,000 gpm delivered to Dickinson. There is no specific use identified for this additional capacity at the moment. The motivation for studying this alternative is to be in a good position to answer questions from future potential development, typically associated with industry, that may want to locate in SW ND and would need significant water in order to do so.

Under the agreement, Gevo will pay for the parts of the scope of work that benefit them including a share of the scope of work that benefits both Gevo and the state.

Dunn County Preliminary Design:

SWC approved an agreement to go forward with a Dunn County preliminary design. Because it is not in step with the hydraulic improvement prioritization, Dunn County has agreed to pay for this preliminary design which is estimated to cost about \$110,000. The agreement is anticipated to be fully executed soon and the SA with BW/AECOM would soon follow.

https://bismarcktribune.com/news/state-regional/article_b76f5846-a805-471d-ae09-d601a4cbb4ce.html

Southwest North Dakota biofuels plant, regional growth prompt study on water pipe capacity

Joey Harris

Jun 19, 2025



Colorado-based Gevo bought Red Trail Energy's ethanol plant in Richardton in 2024. The facility produces about 65 million gallons of ethanol from about 23 million bushels of corn each year.

PROVIDED, RED TRAIL ENERGY

Joey Harris

A southwest North Dakota biofuels facility may eventually more than triple its water demand, which could make its water use close to that of the region's largest city.

Colorado-based Gevo has told the Southwest Water Authority -- the state-owned water utility for the area -- that it is looking to potentially increase its water allocation at its ethanol plant in Richardton from 600 gallons per minute to 1,100 gallons per minute or 2,000 gallons per minute.

While the overall increase in water use is relatively small compared to Lake Sakakawea -- the reservoir that SWA draws from -- it is a lot of water relative to what the utility already uses. Higher demands could require infrastructure upgrades, said Southwest Pipeline Project Manager Justin Froseth.

Last week, Froseth requested and **received funding from the State Water Commission** for a preliminary design report that would study the infrastructure needed to upgrade SWA's raw water infrastructure to help meet this potential demand in particular along with other unspecified industrial demands that may come to the region.

People are also reading...

- 1 **Former Mandan man rearrested on warrant in 2018 case alleging theft of 184 cattle**
 - 2 **Bismarck pedestrian killed when struck by vehicle in intersection**
 - 3 **Bismarck woman accused of fleeing police, crashing into city vehicle while drunk**
 - 4 **Parents charged with child abuse-neglect after teen reports to school with broken nose**
-

The Water Commission also raised Gevo's annual minimum water purchase requirement from 160 million gallons per year to 200 million gallons per year over the next 10 years. This was done as a result of the plant's peak water flow increasing since the early 2000s when the utility and ethanol plant signed a water use agreement, Froseth said.

"The study would look (from) a high level (at) what improvements would be needed to our system. Is it more parallel piping? Is it more pump horsepower in order to deliver certain intervals of increased capacity? And that includes for both Gevo's request and the long-term needs of the Southwest Pipeline Project aside from Gevo," he told the Tribune.

Gevo **purchased what was then Red Trail Energy's ethanol plant** in Richardton in 2024 for \$210 million.

The ethanol plant was one of the first -- and is still one of the few -- U.S. industrial facilities to deploy carbon capture and storage technology, which was part of what prompted the purchase. Every year since 2022, around 180,000 metric tons of planet-warming carbon dioxide that would otherwise be released into the atmosphere **is stored in small cavities between** the rocks that sit just under the plant.

There is additional space at the location, both for more underground CO₂ storage and more above-ground industrial expansion into products such as sustainable aviation fuel. Ethanol is mostly used in gasoline blends.

Growth at the plant would also likely mean more water use. Gevo did not respond to questions left on a public relations inquiry form on its website or a voicemail requesting comment.

A growing system

Froseth told the Tribune that the gallons-per-minute water allocations represent the peak amount of water that a user can pull, not what the user demands every single minute of the year.

With just over 224.3 million gallons of water demand in 2024, the ethanol plant was already SWA's third-largest customer last year, according to the utility's **annual operating report**. The SWA network used just north of 2.4 billion gallons of water last year.

Dividing the ethanol plant's 2024 water usage by minutes in the year, it used an average of 425.63 gallons per minute or about 71% of its 600 gallons per minute peak.

Assuming the same 71% rate remains the same, the plant expanding to a 1,100 gallons per minute peak would mean a use of around 410.5 million gallons in a year, and an expansion to a 2,000 gallons per minute peak would mean a use of around 746.3 million gallons in a year.

That higher number would bring the plant's total water demand close to that of what the utility's largest customer used last year -- the 26,000-person city of Dickinson. The city used 974.5 million gallons of water in 2024. Rural water users represented SWA's second-largest source of demand last year, using 489.6 million gallons of water.

An upgraded raw water report was something that Froseth's team was already considering, he said, but the Gevo request made it more of a priority.

"We do from time to time hear from (businesses) about the possibility of new facilities and we want to understand what it would take to increase capacity and be ready for that question when it comes in the future," Froseth said.

What the report would include

Per the agreement, the preliminary design report will include a planning and reporting portion as well as a Raw Water Implementation Plan update, which Gevo and the state will split the costs for.

Gevo will cover the funding for a section of the report on upping the ethanol plant's water usage to 1,100 gallons per minute and will have the option to participate in an additional report on increasing the ethanol plant's water usage to 2,000 gallons per minute.

The company will pay at least \$271,500 for the report and will owe the state an extra \$173,000 if it opts to seek the additional study.

The State Water Commission will fully cover the costs for a section of the report examining the potential to increase the Southwest Pipeline Project's capacity to 6,000 gallons of water per minute for unidentified industrial needs along the raw water line. That section will cost \$353,000.

In total, the state will pay at least \$513,000 for the report.

The overall scope of the preliminary design report is still being determined, Froseth said.

The last time a Raw Water Implementation Plan was conducted for the utility was 2014. According to Froseth, a new study will be useful both for addressing future growth and problems such as microbiologically influenced corrosion, which has caused failure in some spots along the line.

"It's something we didn't foresee when it went in in the late '80s -- most of this pipeline is (from) that era -- but these microbes are eating outside of the wall in certain conditions, mostly where the pipe is near lower-lying (and wetter) areas," he said.

Froseth said the report will also consider existing residential and commercial users, seeking to ensure that infrastructure expansions can happen without adversely impacting their rates or use of the utility's services.

"I think actually more water being sold to Gevo or anyone else would be a benefit to the network as we're increasing revenue by doing that, ultimately strengthening the whole system long-term," Froseth said.

Reach Joey Harris at 701-250-8252 or joseph.harris@bismarcktribune.com.

Project Funding

Southwest Pipeline Project (SWPP) Funding Sources

State Funding (in millions of dollars)

Resources Trust Fund \$297.24
Water Development Trust Fund \$8.55

Bonds

USDA – Rural Development \$15.81
Public Revenue Bonds \$7.05
ND Drinking Water Revolving Loan Fund \$1.50
Subtotal **\$330.15**

Federal Funding

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

Total Funding: \$452.07

(As of May 30, 2025)



Capital Replacement Funding

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

ADVERTISEMENT FOR BIDS
ND STATE WATER COMMISSION
BISMARCK, ND
HYDRAULIC UPGRADES IN THE NORTH NEW ENGLAND SERVICE AREA
SWPP CONTRACT 7-2B

ND State Water Commission (Owner) is requesting Bids for the construction of the following Project:

HYDRAULIC UPGRADES IN THE NORTH NEW ENGLAND SERVICE AREA
SWPP CONTRACT 7-2B

Bids for the construction of the Project will be received by mail or in-person at the **ND Department of Water Resources** located at **1200 Memorial Highway, Bismarck, ND**, until **July 22 at 1:30 p.m.** local time. At that time the Bids received will be publicly opened and read. Attendees of the bid opening must check in at the Bank of North Dakota lobby and receive a visitor's ID badge. Attendees will be escorted to the Bid opening room by Department of Water Resources staff.

Mailed Bids shall be addressed to Justin Froseth, P.E., North Dakota Department of Water Resources (NDDWR), with an internal envelope containing the bid clearly indicated to be a Sealed Bid for Hydraulic Upgrades in the North New England Service Area.

The Project includes the following Work:

Furnishing and installing approximately 4.8 miles of 3"-6" ASTM D2241 gasketed joint PVC pipe; road crossings; restrained joint areas; pipeline crossings; (2) below grade prefabricated booster stations; five (5) Type 2 Pressure Reducing Valve (PRV), one Type 3 PRV, connections to existing pipelines; and other related appurtenances in the North New England Service Area. A Bid Alternate is included to install 4.0 miles of 6" ASTM D2241 gasketed joint PVC pipe and associated appurtenances in lieu of 4.0 miles of 4" ASTM D2241 gasketed joint PVC pipe as shown in the base bid.

The Project has a Substantial Completion date of October 30, 2026.

Each Bid must be accompanied by a separate envelope containing a copy of a current and valid North Dakota Contractor's License issued at least ten (10) days prior to Bid opening, and a Bidder's Bond in a sum equal to five percent (5%) of the full amount of the Bid, executed by the Bidder as Principal and by a Surety, conditioned that if the Principal's Bid is accepted and the Contract awarded to Principal, the Principal, within ten (10) days after notice of award, shall execute a Contract in accordance with the terms of the Bid and a Contractor's Bond as required by law and regulations and determinations of the North Dakota State Water Commission. Bidders shall submit proof of qualification to perform the Work as described in the Instructions to Bidders.

The Issuing Office for paper copies of the Bidding Documents is:

Bartlett & West/AECOM
3456 E Century Avenue
Bismarck ND, 58503

Prospective Bidders may obtain or examine the Bidding Documents at the Issuing Office on Monday through Friday between the hours of 8 AM and 5 PM and may obtain copies of the Bidding Documents from the Issuing Office as described below.

Bidding Documents may be obtained from the Issuing Office during the hours indicated above. Bidding Documents are available online (as portable document format (PDF) files) for a non-refundable charge of

\$50 at www.questcdn.com by entering the following Quest project number **9761241**. Please contact Quest CDN.com at 952.233.1632 or info@questcdn.com for assistance. Alternatively, printed Bidding Documents may be obtained from the Issuing Office via in-person pick-up or via mail, upon Issuing Office's receipt of payment. The non-refundable cost of printed Bidding Documents is \$200 per set. Upon Issuing Office's receipt of payment, printed Bidding Documents will be sent via the prospective Bidder's delivery method of choice; the shipping charge will depend on the shipping method chosen. Partial sets of Bidding Documents will not be available from the Issuing Office. Neither Owner nor Engineer will be responsible for full or partial sets of Bidding Documents, including addenda, if any, obtained from sources other than the Issuing Office or designated website.

Prospective Bidders are urged to register with the designated website as a plan holder, even if Bidding Documents are obtained from a plan room or source other than the designated website in either electronic or paper format. The designated website will be updated periodically with addenda, lists of registered plan holders, reports, and other information relevant to submitting a Bid for the Project. All official notifications, addenda, and other Bidding Documents will be offered only through the designated website.

All Bids will be made on the basis of cash payment for such Work. The State of North Dakota, acting through the ND State Water Commission, reserves the right to award the Contract, if awarded, based on the lowest responsive Bid(s) that is in the best interest and most advantageous to the Owner, to reject any and all Bids, to consider other factors in selecting the Bid which is in the best interest of the Owner, and to waive any and all irregularities in any Bid. The Owner reserves the right to hold all Bids for a period of sixty (60) calendar days after the date of the Bid opening to complete financial arrangements.

This Advertisement is issued by:

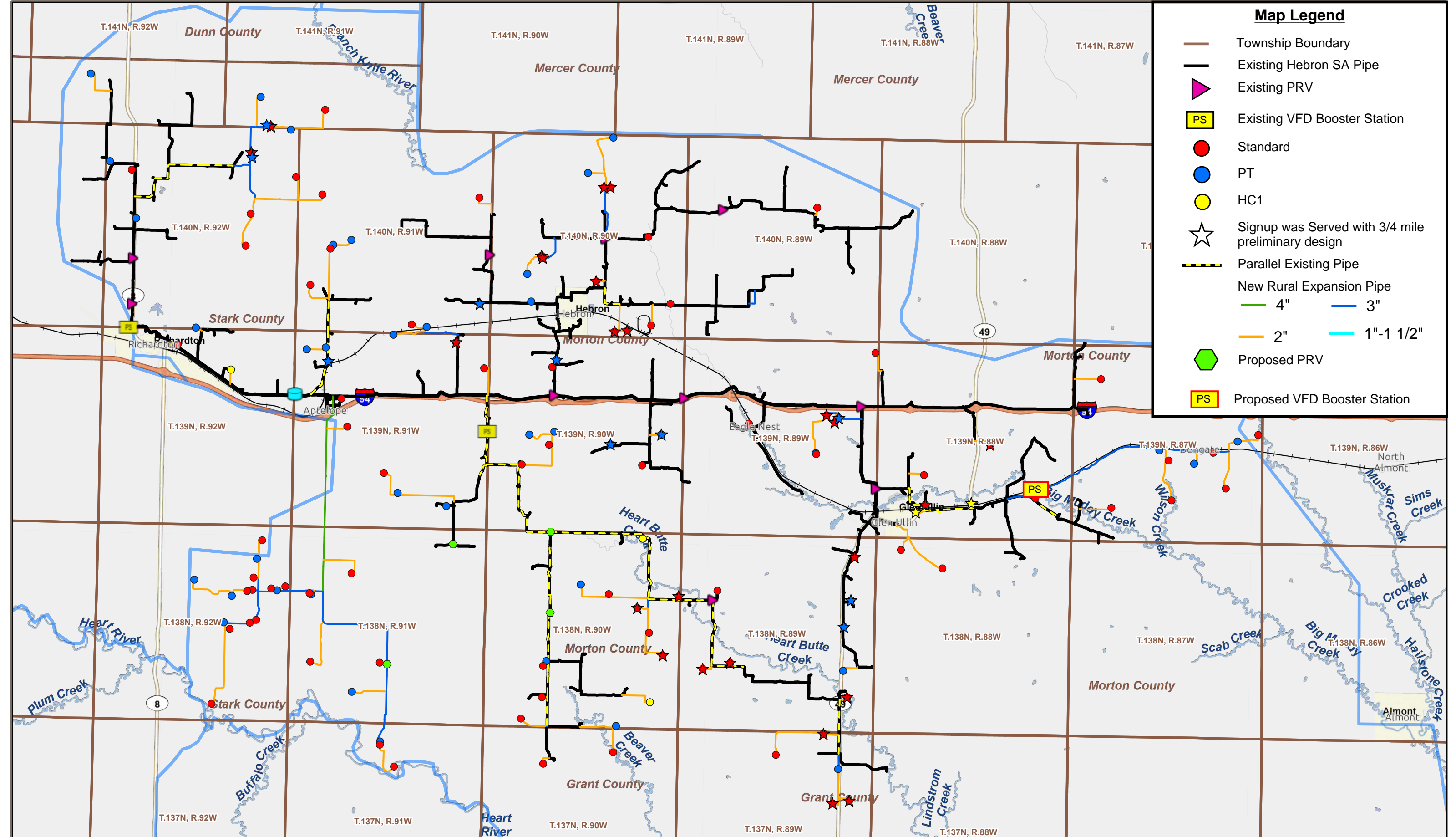
Owner: **North Dakota State Water Commission**

By: **Reice Haase**

Title: **Secretary**

Date: **7/1/2025**

Folder: F:\Proj\3000\3033\3033.010\ArcGIS\



Map Legend

- Township Boundary
- Existing Hebron SA Pipe
- Existing PRV
- Existing VFD Booster Station
- Standard
- PT
- HC1
- Signup was Served with 3/4 mile preliminary design
- Parallel Existing Pipe
- New Rural Expansion Pipe
 - 4"
 - 3"
 - 2"
 - 1"-1 1/2"
- Proposed PRV
- Proposed VFD Booster Station



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

MEMORANDUM

To: Southwest Water Authority Board of Directors

From: Jen Murray, Manager/CEO

Subject: SWA Construction and O&M Update – Incidental Information

Date: July 1, 2025

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

SWA Construction:

Wagner Construction, Inc., mobilized and construction started on June 9, 2025, for the relocation of the SWPP along US Highway 85 from the Junction of Highway 200 to Long X Bridge. The substantial completion date for this work is November 1, 2025.

Substantial completion for the relocation of SWPP near Chateau Road was June 13, 2025. Progress on this relocation was delayed slightly due to the rain and wet conditions over the last part of May. A work change directive was issued to add a 1 ½" manual air release valve (ARV). Reimbursement for this change is under review with the NDDOT.

Plans are in development for the replacement of DIP on Contract 2-2C, near Dodge.

Treatment:

The replacement Ingersoll-Rand compressor was delivered to the OMND WTP, but it arrived damaged. The Assistant WTP Manager is working with both Ingersoll-Rand and XPO, the freight company, on a claim. The claim process typically takes 60-90 days. June 30, 2025, was the 60-day mark. SWA has withheld the amount of the claim and is working with Ingersoll-Rand to schedule a site visit to repair the damage and install the compressor.

Operators were required to perform an unscheduled CIP on RO #2 at the OMND WTP on June 27, 2025. The inlet pressure steadily increased, and Stage 1 appeared to be fouled. Adjustments to the cleaning time were made due to the age of the membranes, until the Stage 1 membranes can be replaced. Stage 1 membrane replacement is included in the upcoming budget.

SWTP's operating computer had a hard drive failure in October 2024. The operating software was commissioned through Tonka Water, which is now Kurita. SWA has been informed that the software is no longer supported and requires an upgrade. SWA received a quote for the upgrade in June. SWA has authorized the programming for the CIPs to be the primary focus. The programming for the CIPs is complete, and SWA is scheduling a trial run with Kurita's programmer for the first part of July.

A leak was found on the fluoride bulk fill line at the Dickinson Water Treatment Plant. The leak was repaired on June 26, 2025.

Evoqua, the filter press supplier at the Residuals Handling Facility, completed a retrofit of the shifters in May 2024. Since that time, the operation of the filter presses has improved for a short period, but problems persist. The plate hangers were not changed in the retrofit. When the press closes, part of the hanger binds and eventually bends, causing the plates to be misaligned and spray lime sludge, known as a blowout. Evoqua is aware of this issue, and a redesign is approximately 75% complete.

Distribution Operations:

On June 3, 2025, staff installed the Bucyrus BPS P2 motor after Great Plains Technical Services reconditioned the stator and rotor, along with replacing bearings as identified by vibration testing. The motor was test-run and placed into service.

On June 4, 2025, the City Auditor from Center called, saying that she was receiving pressure complaints from residents on the east end of town. Staff found that the south reservoir in Center was going empty because the time delay relay switch was not allowing the control valve to open when the pressure switch called for water. Adjusting the time delay relay setting slightly enabled the relay to start working and fill the reservoir as intended. Additional information on the City of Center is included with newspaper articles from the Center Republican.

On June 5, 2025, Boyd Hartze from JACAM CATALYST, LLC reported water surfacing near their subsequent curb stop in Contract 7-1B. Staff contacted affected customers, shut valves, drained down piping, and assisted JK Excavation to repair the 6" saddle connection for the subsequent JACAM line.

On June 10, 2025, staff installed a 1 ½" temporary meter on a cleanout at the North Grassy Butte VFD, allowing Wagner Construction to fill tanks for directional drilling while they install the Contract PP-2024-1 Highway 85 SWPP Relocation.

In May 2025, staff responded to constant flow alarms on the Automatic Meter Reading website by making a phone call to Gene Harris in Contract 7-9B. Harris reported that he was watering a big herd of cattle on this account, and that is why it never shut off. After the system meter reading day at the end of May, the readings indicated a possible leak in this area. On June 12, 2025, staff found a metered leak on the Gene Harris pasture tap line in Contract 7-9B. The service was shut off until Harris could repair his leak.

On June 18, 2025, Dylan Fridrich contacted the on-call person stating that water was flowing from his meter pit. Staff assisted JK Excavation to repair the glued connection to the meter pit. Replacing the glue coupler with a push-on repair sleeve allowed water to flow as intended. Fridrich will be billed for repair.

On June 24, 2025, staff replaced the leaking mechanical seal on Intake PB3 and placed pump 3 back into service.

On June 26, 2025, staff shut valves and drained down the pipe to replace a defective 3" gate valve in the Beulah PRV in Contract 2-8A. The faulty valve was taken to the shop for repair.

Lead Service Line Inventory:

SWA staff continue to collect information for the Lead Service Line Inventory (LSLI) for the NDDEQ. SWA has collected inventories from 4,470 accounts, or 57.3% of all connections. The survey link remains active on the SWA website, and O&M staff continue to collect the information during routine operations and new connections.

Staff:

In June, SWA welcomed Connie O'Brien as our new Senior Accountant, Justin Aufforth as our Residuals Handling Facility Operator, and Wyatt Turner as part-time summer help.

Congratulations to Water Distribution Operator James Farrell and his wife, Sara, on the birth of their new baby boy, Owen Ray.

SWA has three job openings: Maintenance Electrician and Distribution Maintenance Workers in both Dickinson and Hazen.

Thursday, June 12, 2025

Center Republican

Vol. 120 | No. 1 • www.centralnordak.com • Center, ND 58530 • \$1

Serving Oliver County and surrounding areas

City to decide on use of south water tower this week

City water safe to use now but low water pressure issue still exists

BY RYAN SCHLEHUBER
CENTER REPUBLICAN EDITOR

The city of Center is expected to meet this week with its engineer and possibly Southwest Water Authority to determine whether the city's south water tank needs to be decommissioned after residents experienced low or no water pressure last week.

City Auditor RaShell Simenson began receiving calls early last week of low water pressure to several homes. After investigating, the city discovered a valve on a water line malfunctioned, leading to the city having to issue a boil water order in effect June 5, while a city crew made a water line repair on the east side of the city, temporarily shutting off water service for some residents.

After water samples came back negative from the North Dakota Department of Environmental Quality June 6, the city canceled the boil water order, however, low water

pressure is still an issue for many city residents.

The city has two 300,000-gallon water towers, one to the east of town, which has the name "Center" spelled on it, which is used by the city, and another one, southwest of town, which is under city ownership as well and was thought to have been leased out and used by Southwest Water Authority, until recently.

"Come to find out, which none of us knew, the city still uses the water tank on the south side of town," said Keith Ruether, the city's director of maintenance, during the June 9 regular city council meeting. "So in removing that faulty valve, the water flows through that without a restriction, and to begin with, that valve had a gate valve on each side of it to shut it off in case there were issues with the pressure release valve, so we're able to change it. Those two valves have been shut off for years. We found that out when we started working on it."

The city approved an \$80,000 cost-share grant with the North Dakota Department of Rural Water to improve the city's water storage system, which is expected to be completed in mid-July, however, Ruether explained to council the city must make a

decision to decommission the water tower or get it back online within the next 10 to 12 days, before bacteria begins to grow in the water that is in the tank now.

"The one thing that will have to be done will be either to completely discontinue the water tank or we'll have to put a gate valve back in the line that we just took out in order to keep the tank operational," Ruether said. "The water can't sit in that tank for more than 10 to 12 days before the water goes bad in the tank."

Ruether said if the city decides to keep using the south tower, it most likely will need to be drained and cleaned out before it goes back online. He said no water is being allowed to come out of the tank at the moment.

"We have a gate valve so nothing flows out of it. Right now, we're not allowing any water out of it, which, with that gate valve open and the water tower being higher, the head pressure pushes that tank full and overflows it. That's where, this morning, the water from the water tower had gone."

According to a letter to the city from A.J. Tuck, of Moore Engineering, the city's engineer, from his report on a water model project to



SUBMITTED PHOTOS | DREW ERHARDT

Several members of the Center-Stanton Wildcats girls basketball program volunteered to help the city of Center inform residents of a boil water order, which went into effect June 5 to June 6. Those who helped go door-to-door informing residents were, in front from left, Lennon Hanson and Natalie Erhardt; in back, Claire Erhardt, Brooklynn Aberle, Brooklynn Hoffman, Taylor Fleckenstein, Brooklynn Brown and Ava Erhardt.

improve the city's water pressure, he explained Center has two separate pressure zones, as the water surface elevation in the ground-level reservoir on the southwest portion of town is lower than the water tower in

the northeast part of town. He said there are also three pressure reducing valves located along ND Highway 48, and Klein and Wilcox streets.

See **WATER** on page 12



WATER..... continued from page 1

"To our knowledge, these have been isolated, as they were non-functional, meaning the pressure zones are acting as two separate systems," he stated in the letter.

Both Councilmen Eric Casson and Troy Hatzenbuehler agreed to invite Tuck and a Southwest Water Authority expert in to determine the best option for the city at this point.

"We need to get a more experienced call on this before we make any decisions to decommission that water tower or not," Hatzenbuehler said.

Ruether said if the city does indeed want to continue to use the south water tank, a valve will need to be installed back in "so we can close the line off."

"I'm not asking for any decision now," Ruether said. "I just wanted you to know what all happened."

Ruether said he is expecting experts to come to Center Thursday, June 12, which was after press time. A follow-up story will be expected next week.



SUBMITTED PHOTOS | DREW ERHARDT

Members of the Center-Stanton Wildcats girls basketball team go door-to-door to city residents' homes to inform them of a city-issued boil water order due to the city repairing a faulty valve on a city water line. The order lasted two days.

City repairs gate valve, temporarily shuts off water for some residents

COMPILED BY RYAN SCHLEHUBER
CENTER REPUBLICAN EDITOR

The city of Center continues to make repairs to its water system this week and has yet to decide whether to decommission one of its two water towers.

On Monday, June 16, the city reportedly repaired a gate valve to a water line near the streets of Wilcox and Lehmkuhl streets, according to City Auditor RaShell Simenson. During the repair, water service was temporarily shut off, affecting residents who lived along E. Main Street and Lehmkuhl Street for at least 3.5 hours.

The repair is linked to water pressure issues the city has been working on for the past few weeks. After investigating, the city discovered a valve on a water line malfunctioned, leading to the city having to issue a boil water order that took effect June 5, while a city crew made a water line repair on the east side of the city, temporarily shutting off water service for some residents.

After water samples came back negative from the North Dakota Department of Environmental Quality June 6, the city the canceled the boil water order, however, low water pressure is still

an issue for many city residents.

The city has two 300,000-gallon water towers, one to the east of town, which has the name "Center" spelled on it, which is used by the city, and another one, southwest of town, which is under city ownership as well and was thought to have been leased out and used by Southwest Water Authority, however, the city recently discovered SWA had never been using the tower, which had been tapped into the city water lines the entire time, which is thought to be causing the low water pressure issues residents have been experiencing.

Simenson believes the city will decide if it will decommission the south water tower soon, as the city is on a deadline if it wants to put the tower back online with water still in the tank, which could lead to bacteria build-up if it isn't circulated back into the system soon.

City Director of Maintenance Keith Ruether told council, at its June 9 regular meeting, it had 10 to 12 days before the tank would have to be drained and scrubbed clean to avoid any bacteria contamination. That would mean the city would have had to made a decision by Wednesday, June 18, which was after press time.



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

MEMORANDUM

TO: Jen Murray, Manager/CEO, Southwest Water Authority
FROM: Misti Conzemius, Marketing Manager, Southwest Water Authority
SUBJECT: Report for June, 2025
RE: Marketing Manager's Incidental Information
DATE: June 25, 2025

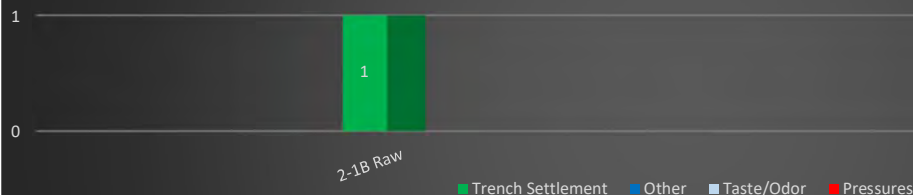
JUNE 2025 SIGN-UP REPORT

SUBSEQUENT CUSTOMERS

NAME	TYPE OF CUSTOMER	SERVICE AREA	SERVICE DESCRIPTION
Andy Schmidt	Standard	7-1B Davis Buttes	140-95-33
Sam & Bailey Stoveland	Standard	7-8B Golva	138-106-25
Jonathan & Lynn Betlaf	Pasture Tap	7-1B Davis Buttes	140-95-20
Kain Stroh	Standard	7-1B New Hradec	141-95-18
Allan & Shana Gerving	Standard	7-9D Zap	146-87-16

Five (5) subsequent customers signed up in June and 54 subsequent customers have been added year-to-date. A total of 80 customer quotes have been given year-to-date. SWA had a total of 2988 active subsequent users in June.

2025 COMPLAINTS



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

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

Open complaints are shown above by area and type.

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

WAITING LIST UPDATE

Fourteen (14) water requests have been added to the waiting list during the month of June.

There are currently 757 requests system wide.

BURT, HEBRON SERVICE AREA

To date 2912 sign up packets have been mailed. Of the 2912 packets, 2471 are Rural and 441 are Lake Tschida. 853 signups have been returned. Of the 853 signups, 555 or 65% are Rural and 298 or 35% are Lake Tschida. 431 are Hebron Rural including North Lake Tschida, and 422 are Burt Rural including South Lake Tschida. All efforts are focused on canvassing Hebron Rural Service Area, including North Lake Tschida.



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County	Waiting List Locations	Standard Service	Pasture Tap Service	High Consumption	Other
Adams	25 locations	12	12	1	0
Billings	78 locations	26	48	3	1
Bowman	76 locations	45	26	4	1
Dunn	83 locations	44	36	1	2
Golden Valley	64 locations	29	32	2	1
Grant	54 locations	43	11	0	0
Hettinger	44 locations	26	15	3	0
Mercer	24 locations	11	13	0	0
Morton	103 locations	54	46	3	0
Oliver	1 location	1	0	0	0
Slope	60 locations	36	19	5	0
Stark	128 locations	115	10	2	1
Grassy Butte (McKenzie County)	17 locations	8	9	0	0
Total Waiting List	757	450	277	24	6

Other: Subdivisions, Additional Capacity, or Higher Usage

Updated through June 25, 2025

WAITING LIST REQUESTS BY CLASSIFICATION						
SERVICE AREA	WAITING LIST START DATE	STD	PT	HC	OTHER	TOTAL
7-1B DAVIS BUTTES	10/3/2022	12	2	0	0	14
7-1B NEW HRADEC		0	0	0	0	0
7-2 NEW ENGLAND*	3/6/2012	123	22	4	0	149
7-2A BELFIELD	3/6/2013	1	0	0	1	2
7-3 JUNG LAKE	3/1/2016	25	7	2	0	34
7-4 BUCYRUS		0	0	0	0	0
7-5 HEBRON**	5/30/2017	3	1	0	0	4
7-6 BURT**	3/15/2012	58	30	1	0	89
7-7 BOWMAN	6/13/2012	72	37	7	1	117
7-8 BEACH	10/5/2011	29	32	2	0	63
7-8 FRYBURG	6/20/2016	7	6	1	2	16
7-8C TOWER HILL/JUNCTION INN/ NORTH CROWN BUTTE	TOWER HILL-7/29/2015 JUNCTION INN-12/1/2015 N. CROWN BUTTE-1/20/2021	40	33	3	0	76
7-8 FAIRFIELD/GRASSY BUTTE POCKET	10/17/2016	32	52	3	0	87
7-9B KILLDEER MOUNTAIN		0	0	0	0	0
7-9E WEST CENTER	7/24/2019	11	15	0	0	26
7-9G DUNN CENTER	10/20/2017	36	38	1	2	77
7-9G HALLIDAY	1/3/2021	1	2	0	0	3
TOTALS		450	277	24	6	757

*Intent forms signed for hydraulic improvement project in this area will decrease waiting list numbers by a total of 112.

**Current signups from Burt and Hebron service areas will decrease waiting list numbers by 93.

Updated through June 25, 2025

**Missouri River Joint Water Board
EAE Program**

Advisory Meeting June 18, 2025

1:30 PM central time

Missouri West Water System

2816 37th St NW

Mandan, ND

Agenda:

Opening Comments from Wade; Introductions

- 1. Status of EAE Program**
 - a. 2025 Work Plan**
 - b. 2025 Budget**
- 2. COE AOP Meetings**
- 3. Upper Missouri Water Association Involvement**
 - a. Possible public meetings/conferences in the Basin**
 - b. SD public meetings in the fall**
- 4. Out of Basin Meetings**
 - a. Nebraska Water Resources Nov. 2025 (Lincoln, NB)**
 - b. Lower Missouri Association (MOARC), Sept. 2025 (Kansas City, MO)**
- 5. Other Scheduled events**
 - a. ND State Fair, Minot, July 18-26 (water day July 24)**
 - b. MRJWB Summer Meeting, Mandan, June 26**
 - c. ND Water Resource Associations, Devils Lake (July 9-10)**
 - d. Possible Water Topic Committee attendance**
 - e. Possible Presentatin at 2025 ND water conference**
- 6. Water Magazine Updates**
 - a. Pending issues re: basin wide issues**
- 7. Presentation (Wade) to SWWA; contribution received.**
- 8. Involvement of ND Education system with EAE**
- 9. Management Issues for balance of 2025**
 - a. New EAE Coordinator**
 - b. Possible RFP for third party management**
- 10. Stark County Request to join Joint Board**
- 11. Other**

Missouri River Joint Water Board
NOTICE OF SUMMER MEETING

JUNE 26 1 PM CDT
MISSOURI WEST
[Missouri West Water System](#)
[2816 37th St NW, Mandan, ND 58554](#)

AGENDA

1. Call to Order/ Determine quorum / Introductions
2. Officer Reports
 - a. Secretary: **Approve** Minutes December 12, 2024, meeting
 - b. Treasurer: 1. **Approve** 2025 Financial report
2. Dues update
 - c. Chair:
3. Old Business
 - a. Amendments to our Joint Powers Agreement/Stark County request
 - b. EAE update – Wade Bachmeier and Ken Royse
 - c.
4. New Business

Legislative update – Clay Carufel/Jim Schmidt
5. Adjournment 2:30 pm

JOINT SUMMER WATER MEETING



July 9-10, 2025

**Spirit Lake Casino
& Resort**
Devils Lake, North Dakota

WEDNESDAY, JULY 9

8:00 a.m. – 4:00 p.m. Registration

9:00 a.m. – 10:30 a.m. N.D. Water Users Association Board Meeting

10:30 a.m. – Noon General Session

- *Successfully Managing Water Through the Assessment Process*
– Clifford Issendorf, Jennifer Malloy, Kale Van Bruggen, Bottineau County WRD
- *Legislative Update* – Dani Quissell, ND Water Users Association and Jack Dwyer, ND Water Resource Districts Association

Noon – 1:00 p.m. Lunch

- *Lonna J. Street, Spirit Lake Tribe Chairwoman*

1:00 p.m. – 4:00 p.m. General Session

- *Conflict Management in Water Governance: Navigating Disputes with Civility*
– Katie Tyler, NDSU

4:00 p.m. – 5:00 p.m. Social

DINNER ON YOUR OWN

THURSDAY, JULY 10

9:00 a.m. – 10:00 a.m. N.D. Water Resource Districts Association Board Meeting

10:00 a.m. Load for tour (Hotel front entrance)

10:00 a.m. – 4:30 p.m. Devils Lake Tour

2025 RURAL WATER LEADERSHIP RETREAT

July 16-17, 2025
Medora, ND
Rough Riders Hotel & Conference Center



Tentative Agenda

Wednesday, July 16 (all times MDT)

10:30 am: Manager's Meeting

12:30 pm: Executive Board Meeting

Afternoon Golf Outing at Bully Pulpit (for tee times, contact Dean at dhayes@ndrw.org)

Thursday, July 17

7:30 am: Breakfast (Rough Riders Hotel)

8:30 am: Retreat Begins

Michael Frizzell, MDF HR Consulting

- Human Resources Management for Non-HR Managers
- Succession Management
- Compensation & Benefit Tips and Trends
- Workforce Recruitment and Retention
- Performance Appraisals

11:30 am: Lunch

12:30 pm: Retreat Continues

- 2025 Legislative Session Recap - House Majority Leader Mike Lefor
- Everything Water - Reice Haase, Director, Dept. of Water Resources
- Rural Water System Bylaws, Elections and Policies - Roundtable & Group Discussions

3:30 pm: Social (Rough Riders Hotel)

5:30 pm: Pitchfork Fondue & Musical

AGENDA

Perkins County Rural Water System Board Meeting

Date: June 12th, 2025 Time: 4:30 PM

PCRWS Office, Bison, SD

- 1. Call to Order.....President**
 - A) Additions and Approval of Agenda**.....Board**
 - B) Minutes of May 8th, 2025**.....Board**
- 2. Financial Report.....**
 - A) Approve paid and unpaid bills**.....Board**
 - B) Financial Reports**.....Board**
- 3. Delegations**
- 4. Bartlett & West.....Nathan Danner**
- 5. Managers Report.....Staff**
- 6. Directors Reports.....Board**
- 7. All Other Matters.....Board**

Adjournment

Next Meeting

Date: July 10th, 2025 Time: 4:30 pm

****BOARD ACTION NECESSARY**

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

May 8, 2025

The public meeting was called to order by President Don Melling at 4:30 PM MT at the Perkins County Rural Water Sys. Inc. board room in Bison, SD. Other directors present were Pat Dalzell, Brian Morris, Luke Clements and Lynn Frey. Board members absent were none. Also in attendance were Roxie Seaman, Shiloh Baysinger and Brandi Baysinger, staff.

Comment

Discussion was had regarding the potential funding via USDA Rural Development for the storage tank and pipe replacement project.

Meeting adjourned at 4:41 pm MT.

The regular monthly meeting was called to order by President Don Melling at 4:41 PM MT at the Perkins County Rural Water Sys. Inc. board room in Bison, SD. Other directors present were Pat Dalzell, Brian Morris, Luke Clements and Lynn Frey. Board members absent were none. Also in attendance were Roxie Seaman, Shiloh Baysinger and Brandi Baysinger, staff.

Agenda

Motion by Pat Dalzell, seconded by Brian Morris, to approve agenda, motion passed.

Minutes

Motion by Lynn Frey, seconded by Luke Clements, to approve the April 10, 2025, minutes, motion passed.

Financial Report

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

Motion by Don Melling, seconded by Luke Clements, to approve financial reports, motion passed.

Delegations

None

Bartlett & West

No report

Managers' Report

Shiloh Baysinger reported on meeting with attorney Erin Melling regarding Cleary Buildings. Shiloh will be getting quotes to submit to the attorney and she will continue the discussion with them. RD is requesting updated information and MAP is working on those items for us. BOR has not dispersed the loan/grant funds from the October application. Staff has about 25 meter pits to clean out, SDARWS will help with this. The VFD on pump 2 quit and Shiloh will get one ordered and installed from MicroComm. There is still a lot of tin on hand and available for sale.

Director's Report

No report

All Other Matters

Motion by Lynn Frey, seconded by Brian Morris to set 2026 Preliminary Budget and Rates at 3% increase over 2025. Motion passed.

Meeting adjourned at 5:17 pm MT

Next meeting June 12th, 2025, at 4:30 pm MT.

**Southwest Water Authority
Board of Directors**

**Parking Lot
July 7, 2025**

Item

Date put on Parking Lot

Agenda Date

Planning Agenda

DATE: Monday, August 4, 2025 TIME: 9:00 A.M. MDT LOCATION: SWA O&M Center Office

ASSIGNMENTS

☐ Director Eaton

Scribe/Flipchart

☐ Wendy Serhienko

Minutes

☐

R

☐

☐

Ti

☐ Director Engelhardt

☐

W

☐

☐

mekeeper

☐

Process Observer

☐

arm-up

MEETING OBJECTIVE

PLAN		ACTUAL CLOCK	AGENDA ITEMS	WHO	METHOD	DESIRED OUTCOMES
TIME	CLOCK START					
			Call to Order – Pledge of Allegiance			Meeting readiness
			Review Agenda			Additions, focus meeting
			Consent Agenda		Voice Vote	Meet legal requirements
			Executive Limitations - General Executive Constraint		Roll Call	
			Executive Limitations – Policy II.F. Compensation and Benefits		Roll Call	
			Review issues pending / Parking Lot / Plan next agenda			
			Adjourn			