

MEMORANDUM



To: Southwest Water Authority Board of Directors
From: Jen Murray, Manager/CEO, SWA
Subject: July 6, 2026, SWA Board of Directors Meeting
Date: June 30, 2026

The next Southwest Water Authority (SWA) Board of Directors meeting will be on July 6, 2026, at 9:00 a.m. MDT at the Southwest Water Authority O&M Center Office in Dickinson.

As we celebrate America's 250th anniversary, it is an especially exciting time to be situated in southwest North Dakota. This week, our state has the unique honor of welcoming the President of the United States for the opening of the Theodore Roosevelt Presidential Library, an event of national significance that celebrates one of our country's most influential leaders and his enduring connection to North Dakota. I look forward to witnessing this historic event firsthand and representing SWA. Happy Birthday, America!

I would like to welcome our new Board members: Gerald Braaten, representing Bowman County, and Larry Froelich, representing the City of Mandan. I would also like to congratulate our six Board members who were re-elected during the June primary. The newly elected and re-elected Board members will be sworn in with the Oath of Office. The Oath of Office must be notarized by SWA staff and forwarded to the Secretary of State. All Board members will be asked to sign the Board Members are the Soul and Spirit of the Southwest Water Authority form. The "Soul and Spirit" form is part of Board policy under the Code of Conduct. A Board Buddy will be assigned to the new directors.

The Nominations Subcommittee met on Monday, June 29, 2026. The subcommittee minutes are in the Board packet under the consent agenda for approval. Election of officers will take place after the Oath of Office. The Chairperson of the Nominations Subcommittee, Director Tschetter, will lead this portion of the meeting, followed by a transfer of the gavel to the elected Chairperson.

The Chairperson will appoint members to the Budget Subcommittee.

North Dakota's primary election was held on Tuesday, June 9, 2026. 125,225 residents cast ballots in the primary and local contests, accounting for 20.86% of eligible voters. A memo on the election results is included in the Board packet.

There are two policies for the Board to review and monitor this month: Policy IV. Manager/CEO Role and Policy III.G. Board Members' Code of Conduct. Part of the policy is that "Board Members are the Soul and Spirit of Southwest Water Authority." I ask that each Board member sign the "Soul and Spirit", 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 each of you.

Decision-making includes two policies and their related reports to the Board on Financial Condition and Asset Protection.

The Board of Directors awarded Contract R-2025-1, New England Reservoir Coating System Rehabilitation, in March 2026, for \$599,000. The scope of work for this contract stated that the roof beams would be inspected for corrosion and would be replaced based on the severity of the observed corrosion. Based on observed corrosion during the most recent tank rehabilitation, this contract estimated the need to replace 16. The contractor has inspected and evaluated the reservoir's current condition and has determined that all 34 beams require replacement. The additional work has resulted in a work-change directive to replace 17 additional beams. To avoid delays in the project schedule, I have authorized the work change directive and request the Board of Directors' approval of the associated increase in contract cost based on the unit price.

SWA has utilized Microsoft Dynamics as its accounting software since 1994. Microsoft announced the end of product support; updates will be available until December 31, 2029, and the final stage of the product lifecycle will be on April 30, 2031. SWA is requesting approval to hire an implementation consultant to assist with the switch to a new software platform while maintaining all historical data and related operational changes. This item is under decision-making on the agenda and is covered under a separate memo.

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

Two of the SWC Commissioner-Hosted Basin Meetings took place in June, with six more scheduled for July. I presented at the Lower Missouri River Basin and the Little Missouri, Upper Cannonball and Upper Heart Basin meetings. Each meeting was well attended. SWA's presentation is included in the Board packet.

The SWC Meeting was held on June 9, 2026. The agenda is included with the Board packet. SWPP items included Award of Contract 7-5C Rural Service Area Expansion in the Hebron Service Area, Contract 1-1C Modifications to the Existing Intake Pump Stations, and the REM Reimbursement Request. All items were approved.

Deloitte has submitted its final observations and considerations report for the ND SWC Regional Water Systems Governance and Finance Study. Included in the Board packet is the SWPP portion of the study. Three options are included in the report. The DWR Director has publicly stated a preference for option 2, which would maintain current governance and leverage the SWA capital repayment for bonding. Please review and come prepared for discussion.

House Bill 1020 also included a legislatively directed study of the SWC Cost-Share Policy. Based on the results of that study, which was also completed by Deloitte, the SWC has approved Cost-Share Program Modification Materials for Public Comment. The public comment period will be open through July 29, 2026. The proposed cost-share program modification options, draft policy definitions, and proposed revisions to the SWC's Project Prioritization Guidance are included in the Board packet for your information. Please note that the SWPP was not included as an eligible recipient within the Cost-Share Policy report provided by Deloitte.

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

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

Misti Conzemius will give an update on subsequent customers, customer complaints and easement acquisition. The waiting list currently has 801 requests for service system-wide, and an additional 936 have signed up in the Hebron and Burt Service Areas for a total of 1,737 requests system-wide. This number will be reduced by 111 if all intent customers complete their signups after the North New England Strategic Hydraulic Improvement is completed. Approximately 20 of these services have been turned over to SWA, and the Signup and Easement Department is completing these signups.

The Water Topics Overview Committee met on June 10, 2026, at the ND State Capitol. The agenda, with links to each presentation, is included in the Board packet.

A schedule of the ND Water Education Foundation's Summer Water Tours is available. SWA is a sponsor of the tours and will host a tour on July 30, 2026. The SWA tour will feature a stop at the Theodore Roosevelt Presidential Library, Dakota Prairie Refinery, Phat Fish Brewery, and the Southwest Water Treatment Plant. Please let us know if you would like to attend any of the tours.

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

SWA continues to be vigilant about the proposed development in and around Oliver and Mercer Counties. We have received inquiries about water availability for large quantities of water 'within a 10-mile radius' of the city of Center, but no specific locations have been provided.

The City of Dickinson Planning and Zoning is developing a zoning ordinance for data centers, solar facilities, and battery electric storage facilities. SWA has been invited to participate in the workshops that will guide the development of these ordinances. The first of these workshops will be held on July 2, 2026.

In the July/August edition of AWWA's OpFlow magazine, an article noted that the Lower Basin states of Arizona, California, and Nevada issued a [proposal for the 2026-2028 Colorado River operations](#), intended to stabilize the Colorado River through 2028. The proposal was submitted to Andrea Travnicek, assistant secretary of the US Department of the Interior, to address "declining reservoir levels, record low inflows to Lake Powell and increasing risk of reaching critical elevations on both Lake Powell and Lake Mead."

I look forward to seeing you on July 6, 2026, at 9:00 a.m. MDT at the SWA O&M Center Office in Dickinson, ND.

Missouri River is best source of water for nuclear energy in North Dakota, regulator says



Jacob Orledge / North Dakota Monitor

Reice Haase, director of the North Dakota Department of Water Resources, testifies to the interim Advanced Nuclear Energy Committee on Tuesday, June 16.

BY JACOB ORLEDGE - NORTH DAKOTA MONITOR

BISMARCK — A nuclear reactor in North Dakota could require as much water as a coal power plant, and the regulator responsible for managing the state's water resources says the Missouri River is the best available source.

Reice Haase, director of the North Dakota Department of Water Resources, said the state uses less than a spoonful of the gallon of water that is the Missouri River as a water resource. The river is a far better option as a water source than groundwater if a nuclear reactor is built in North Dakota, he said.

"By far, the Missouri River is our greatest resource for surface water in North Dakota," Haase said.

The Missouri River is not a resource available to North Dakota exclusively. It originates in Montana. Downstream of North Dakota, the river flows through or borders South Dakota, Nebraska, Iowa, Kansas and Missouri.

Haase said his department has had extensive discussions about Missouri River water use with the state's neighbors and the state of Missouri. Only the latter has disagreed with North Dakota's approach to water use, Haase said.

"I will say that the state of Missouri disagrees with us on our water use," Haase said. "Our message to the other states is, once again, our use of water in North Dakota is responsible."

The remarks were made during a presentation to the interim Advanced Nuclear Energy Committee, a hybrid legislative committee composed of legislators, executive branch officials and private sector representatives.

The committee is studying the feasibility of using nuclear energy to generate electricity in the state and what obstacles may exist. Its focus has been on small modular reactors, smaller than the nuclear power plants that have typically been built.

There are 98 SMRs under development around the world, said Will Bridge, chief operating officer of Nucleon Energy. Those reactors involve different designs based on various technologies and the industry has thus far not reached a consensus on which is preferred.

“It really is a race to commercialization, a race to affordability,” Bridge said.

While the economic feasibility of these nuclear reactors is still years away, legislators and regulators are working together to determine if North Dakota could handle such a project.

Sheri Haugen-Hoffart, representing the Public Service Commission on the committee, said her agency would have authority to oversee the siting process of a nuclear power plant, but only within certain boundaries defined by state law.

“The PSC’s authority under the act is regulatory in nature. It is focused on where and how facilities are sited, but it does not extend to prohibiting construction outright or determining whether a facility is economically needed,” Haugen-Hoffart said.

She said they would not have any jurisdiction over nuclear power co-located with an existing power plant or industrial site that has already received regulatory certification from the Public Service Commission.

Haugen-Hoffart was not advocating for or against nuclear power. But she told the committee concerns that need to be addressed before nuclear development begins include a process to ensure there is a way to decommission the facility and a long-term storage site established for nuclear waste that does not currently exist in the United States.

“Until this part of the problem is resolved, any nuclear facility risks unknown and uncapped costs for storing the spent fuel onsite, whether the plant is operational or not,” Haugen-Hoffart said.

Nuclear energy has caught the attention of at least one member of North Dakota’s next generation. Jayson Needham, a 12-year-old resident of Pembina, presented to committee members.

He explained how a nuclear reactor generates electricity by boiling water into steam, warned legislators of the risks associated with a nuclear power plant, and briefed the policy makers on what led to the nuclear disaster at Chernobyl, north of Kiev, Ukraine, in 1986.

He first began researching nuclear power a few years ago in fourth grade when he came across a YouTube video on Chernobyl. Needham has since been learning about other nuclear incidents, including the accident in Fukushima, Japan, in 2011 as a result of an earthquake and subsequent tsunami, as well as the 1979 partial meltdown at Three Mile Island in Pennsylvania.

“Chernobyl was actually what, like, caused me to go into everything nuclear,” Needham said. “Then it was Fukushima, and then Three Mile Island.”

This story was originally published on NorthDakotaMonitor.com.

North Dakota Supreme Court blocks term limits ballot measure

By [Devin Fry](#)

Published: Jun. 25, 2026 at 12:30 PM MDT

BISMARCK, N.D. (Valley News Live) - The North Dakota Supreme Court has blocked a legislative effort to weaken the state's term limits law, ruling Thursday that lawmakers exceeded their constitutional authority in proposing the measure.

The court's decision prevents Senate Concurrent Resolution 4008 from appearing on the November 2026 ballot. The measure would have changed legislative term limits from eight years to four complete four-year terms and repealed a constitutional provision that bars the legislature from proposing changes to term limits.

"The constitution itself reserves this power to the people and does not give the Legislative Assembly authority to propose this amendment," Chief Justice Fair McEvers wrote in the court's opinion.

Background on Term Limits

North Dakota voters approved a term limits initiative in November 2022 that took effect Jan. 1, 2023. The measure limits state representatives and senators to eight cumulative years of service in their respective chambers.

The 2022 initiative included a safeguard: Article XV, Section 4 of the state constitution explicitly prohibits the legislature from proposing amendments to alter or repeal the term limits. That authority is reserved exclusively to the people through the initiative process.

The Constitutional Conflict

The legislature's 2025 proposal sought to change the eight-year limit to four complete four-year terms—effectively doubling the time lawmakers could serve. It also would have repealed the provision preventing the legislature from proposing future changes to term limits.

Petitioners Terence B. Bjerke and Leverrett Oley Larsen, both members of the original 2022 term limits initiative committee, challenged the measure in court. They argued the legislature violated the state constitution by attempting to propose an amendment it was explicitly forbidden from proposing.

The court agreed, finding that Article XV, Section 4 uses the word "notwithstanding"—a legal term meaning "despite" or "in spite of"—to clearly establish that the legislature's general authority to propose constitutional amendments does not apply to term limits.

"The use of the term 'notwithstanding' in N.D. Const. art. XV, § 4 defines a plain limit to the Legislative Assembly's authority," the court wrote.

What's Next

The court's decision is final. The measure will not appear on the November 2026 ballot. The legislature would need to respect the constitutional restriction or seek to change the constitution through the initiative process—the same method voters used to establish term limits in 2022.

The court also denied the petitioners' request for attorney's fees, applying North Dakota's "American Rule," which generally requires each party to bear its own legal costs.

June 22, 2026

Dear Corey Pavlicek,

I am writing to confirm that Southwest Water Authority has met the necessary requirements under NDIRF and NDIT's "One State, One Cybersecurity" Initiative by implementing Cortex XDR and Nessus Tenable, and by completing the 2026 Cybersecurity Maturity Assessment (CMA).

I would like to extend my gratitude for the proactive approach Southwest Water Authority takes toward cybersecurity and for the continued partnership with NDIT.

Together, we are providing a world-class government experience, securing all government-held data, and delivering the most efficient services in the country.

Sincerely,



Christopher Gergen
Chief Information Security Officer
North Dakota Information Technology
State of North Dakota

Dushinske & Jamison Water Resources Scholarship

GOLF SCRAMBLE

Monday, August 10

Registration & Sack Lunch 11 AM

Shotgun Start Noon

Dinner and Awards 5 PM

CrossRoads Golf Course

Highway 281 N, Carrington, ND

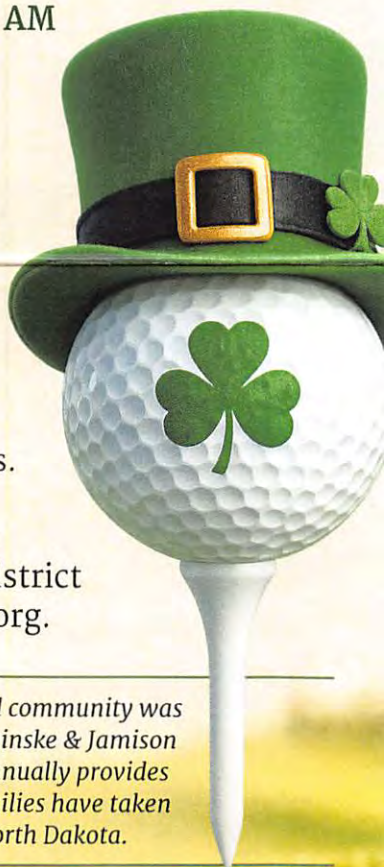
\$100/Person Entry Fee

18-hole four person scramble

Groups may be formed prior to registration or by tournament officials.

To Register, contact Stacey at Garrison Diversion Conservancy District at 701-652-3194 or staceyg@gdcd.org.

Russ and Warren's dedication to the youth and community was outstanding and will live on through the Dushinske & Jamison Scholarship Endowment. This endowment annually provides scholarships to deserving students whose families have taken an active role in water development in North Dakota.



Join Us For A Day Of Fun, Prizes & Giving Back!

Save the Date

New Horizons in Rural Living
NORTH DAKOTA
Rural Water
SYSTEMS ASSOCIATION

**41st Annual
Water EXPO
and Conference**



Feb. 2-4, 2027 • Bismarck Event Center



MEMORANDUM

To: Jen Murray, Manager/CEO

From: Wendy Serhienko, Executive Assistant

Subject: Results of the June Primary Election

Date: June 23, 2026

The following are the results of the Primary Election held on June 9, 2026, for the eight Southwest Water Authority Board of Directors' positions up for election/re-election:

1. Bowman County – Gerald Braaten was elected with 101 votes (100%) of 101 total votes.
2. City of Dickinson – Ryan Baumgartner was re-elected with 1,839 votes (99.51%) of 1,848 total votes.
3. City of Mandan – Larry Froelich was elected with 2,290 votes (99.65%) of 2,298 total votes.
4. Golden Valley County – Mark Begger was re-elected with 362 votes (90.27%) of 401 total votes.
5. Hettinger County – Don Schaible was re-elected with 670 votes (98.53%) of 680 total votes.
6. Mercer County – Kaylene Berg was re-elected with 1,064 votes (50.5%) of 2,107 total votes.
7. Morton County – Bruce Engelhardt was re-elected with 3,551 votes (99.8%) of 3,558 total votes.
8. Stark County – Curtis Glasoe was re-elected with 2,715 votes (99.63%) of 2,725 total votes.

These directors have been elected to a four-year term and will serve through June 2030. Election results have been certified by the County Auditor of each county and the Auditor of the city of Dickinson. Those received are included in the Board packet.

Certificate of Election

State of North Dakota County of Bowman

State of North Dakota, do hereby certify that at the
General Election held in said County and State on the
9th day of June, 2026

Gerald Braaten

was duly elected as **Director, Southwest Water
Authority, Bowman County** to the official returns now
on file in my office

Dated this 22nd day of June, 2026.



County Auditor



BOARD OF COMMISSIONERS
NEAL MESSER, CHAIRMAN
PAUL CLARYS, VICE-CHAIRMAN
BERNIE MARSH
DEAN FRANCHUK
CORY WHITE



AUDITOR
KAREN RICHARD

DEPUTY AUDITOR
LANA JAHNER

OFFICE OF THE AUDITOR

PO Box 130
Dickinson, ND 58602-0130
www.starkcountynd.gov

Phone: (701) 456-7630
Fax: (701) 456-7634

June 22, 2026

Linda Carlson
Deputy City Administrator
38 1st St W
Dickinson, ND 58601

City of Dickinson,

Please accept this as the official vote for the City of Dickinson for the June 9, 2026, Primary Election as Officially Certified by the Stark County Canvass Board:

Dickinson Commissioner (Vote for 2)

Jason Fridrich	1,638
Robert Baer	1,461
Scattered Write-ins	63

Municipal Judge (Vote for 1)

Robert Keogh	1,849
Scattered Write-ins	15

Dickinson Park Board (Vote for 3)

Nic Stevenson	1,355
Tim Daniel	1,218
Zachary Jahner	1,198
Daniel Duletski	913
Mathew Nicklos	549
Scattered Write-ins	13

Director, Southwest Water Authority Dickinson (Vote for 1)

Ryan Baumgartner	1,839
Scattered Write-ins	9

Dickinson City Measure No. 1 (Public Safety Tax)

No	1,345
Yes	845

BOARD OF COMMISSIONERS
NEAL MESSER, CHAIRMAN
PAUL CLARYS, VICE-CHAIRMAN
BERNIE MARSH
DEAN FRANCHUK
CORY WHITE



AUDITOR
KAREN RICHARD

DEPUTY AUDITOR
LANA JAHNER

OFFICE OF THE AUDITOR

PO Box 130
Dickinson, ND 58602-0130
www.starkcountynd.gov

Phone: (701) 456-7630
Fax: (701) 456-7634

Witness my hand and seal this 22nd day of June 2026.

S E A L

Karen Richard
Stark County Auditor





Morton County

STATE OF NORTH DAKOTA
OFFICE OF COUNTY AUDITOR

Dawn R Rhone, CPA
County Auditor

SOUTHWEST WATER AUTHORITY JUNE 9, 2026 Primary Election

I, Dawn Rhone, County Auditor within and for the County of Morton and the State of North Dakota, do hereby certify the highest number of vote's case for the following races.

Director, Southwest Water Authority Mandan

Vote for 1

Larry R Froelich 2,290

Write-in (Scattered) 8

Director, Southwest Water Authority Morton County

Vote for 1

Bruce Engelhardt 3,551

Write-in (Scattered) 7

Dawn Rhone, Auditor

CERTIFICATE OF ELECTION

STATE OF NORTH DAKOTA
COUNTY OF GOLDEN VALLEY

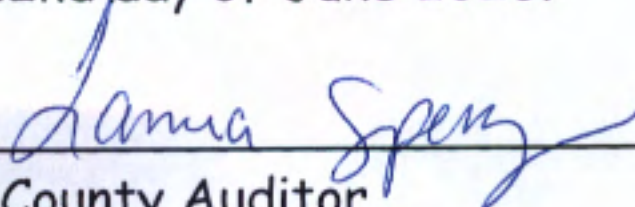
I, Tamra Sperry, County Auditor within and for the County of Golden Valley and State of North Dakota, do hereby certify that at a Primary Election held in said County and State on the 9th day of June 2026,

Mark Begger

Was duly elected to the office of
Southwest Water Authority

According to the official returns now on file in my office.

WITNESS my hand and official
seal at Beach, in said County,
this 22nd day of June 2026.


County Auditor



Certificate of Election

County of Hettinger, State of North Dakota

I, Cameo Frieze, County Auditor within and for the County of Hettinger and State of North Dakota, do hereby certify that at the Primary Election held in said County and State on the 9th day of June, 2026,

Donald Schaible

Received the Highest Number of Votes Cast for the Office of

Director, Southwest Water Authority

for the County of Hettinger, State of North Dakota and was therefore duly elected to said office as appears from the official returns and canvass now on file in my office.



WITNESS my hand and official seal at Mott, Hettinger County, North Dakota, this 22nd day of June, 2026.

Cameo Frieze

Cameo Frieze, Hettinger County Auditor

OFFICE OF THE COUNTY AUDITOR MERCER COUNTY, NORTH DAKOTA

Carmen Reed, Mercer County Auditor | careed@nd.gov

Mark Erhardt, Deputy Auditor
Kristy Schutt, Admin. Assistant

June 23, 2026

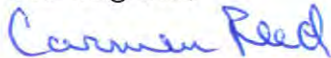
Wendy Serhienko, Executive Assistant
Southwest Water Authority
4665 2nd Street SW
Dickinson, ND 58601-7231

Dear Wendy:

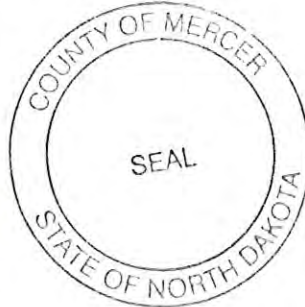
This letter is to certify the results of the elections held in conjunction with the Mercer County Primary Election on June 9th, 2026.

Director, Southwest Water Authority Mercer
Kaylene Berg 1,064 votes
Adam Bohrer 1,042 votes
Write-ins 1 vote

Best Regards,



Mercer County Auditor



CERTIFICATE OF ELECTION

Curtis W Glasoe

At the Primary Election held on June 9th, 2026, you were elected to the office of
Southwest Water Authority County Director

The four-year term of office begins July 6, 2026, and shall continue until a
successor is duly elected and qualified.

In witness whereof, I have hereunto set my hand at the Stark County Courthouse
on June 23, 2026, and affixed the Great Seal of Stark County.



Karen Richard

Stark County Auditor

Board Buddy Program



Vision Statement

People and business succeeding with quality water.

Mission Statement

Quality water for southwest North Dakota.

THE POWER OF A LEADER

"True leaders are not those who strive to be first, but those who are first to strive and who give their all for the success of the team. True leaders are first to see the need, envision the plan, and empower the team for action. By the strength of the leader's commitment, the power of the team is unleashed."

HOW DO WE MEASURE UP?

As you embark on the civic responsibility to your constituents, be mindful of how the SWA Board operates - individually and as a team. To evaluate our progress, keep in mind the following metrics.

1. All board members display strong personal commitment to the growth and development of the Southwest Pipeline Project.
2. Board members base their decisions on what is best for the customer and staff, not special interests or personal agendas.
3. Our board members understand that they act under the authority of the full board - not as an individual.
4. Board members support all majority decisions; however, not necessarily agree on every issue to be an effective team.
5. Our board supports a respectable code of ethics and fosters good business practices.
6. We understand that the management and staff are a vital part of our team.

Board Buddy Program



Basic Principles of Leadership Excellence



Believe in the Southwest Water Authority vision "people and business succeeding with quality water."



Basic principles of effective member service - commitment, teamwork and willingness to take the time to learn how to be a good board member.



Observe your experienced colleagues. They are knowledgeable of the Southwest Pipeline Project history and continued progress.



Unselfishly give your time and talents.



Ask questions. Always feel free to ask questions; that's the only way we learn.



Dare to be different! Your dreams and vision of the future matter!



Respect is a simple word, but profoundly essential in true leadership.



Disagree - real commitment means supporting your fellow board members even if you disagree with a decision.



Decisions must be made on what is best for the customers you serve, not personal interests or your own agenda.



You are important and will make a difference - bringing an adequate supply of quality water to those in need!

SOUTHWEST WATER AUTHORITY
Board of Directors Meeting Agenda
Monday, July 6, 2026, 9:00 a.m. MDT
Southwest Water Authority O&M Center Office, Dickinson, ND

[Click here to join the meeting](#) or call: 1-321-558-6608 ID: 190145978#

Flip Chart Recorder: Director Eaton

Process Observer: Director Engelhardt

Minutes: Wendy Serhienko

- | | | |
|------------|---|--|
| 9:00 a.m. | 1. Call to Order – Pledge of Allegiance - Introductions | Chairperson Odermann |
| 9:05 a.m. | 2. June 9, 2026, Primary Election Results
A. Oath of Office
B. Election of Officers* and Transfer of Gavel
C. Board Buddy
D. Budget Subcommittee Appointment | Jen Murray/Jack Dwyer
Committee Chairperson
Chairperson
Chairperson |
| 9:20 a.m. | 3. Agenda
A. Review Agenda
B. Consent Agenda*
Official Minutes of June 1, 2026, Board of Directors Meeting and Official Minutes of June 29, 2026, Nominations Subcommittee Meeting, Accounts Payable & Financial Reports and Return on Investment* | Chairperson
Board of Directors |
| | 4. Public Comments | Board of Directors |
| 9:25 a.m. | 5. Board Policy Review and Monitoring
A. Policy III.G. Board Governance Process – Board Members’ Code of Conduct-Board Members are the Soul and Spirit of SWA
B. Policy IV. Manager/CEO Role | Board of Directors
Board of Directors |
| 9:30 a.m. | 6. Decision Making
A. Policy II.C. Executive Limitations-Financial Condition Manager/CEO Internal Report*
B. Policy II.E. Executive Limitations-Asset Protection and Manager/CEO Internal Report*
C. SWA Contract R-2025-1 Coating System Rehab Work Change Directive*
D. Accounting Software Implementation Consultant Proposals* | Board of Directors
Board of Directors
Board of Directors
Board of Directors |
| 9:45 a.m. | 7. Board Member Reports
A. Board Action Plan
B. 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
C. State Water Commissioner-Hosted Basin Meetings | Board of Directors
Director Gaugler
Board of Directors
Director Tschetter
Director Burke
Director Odermann
Board of Directors
Director Ingold
Director Odermann/Jen Murray |
| 10:00 a.m. | BREAK | |
| 10:15 a.m. | 8. Incidental Information
A. SWC Meeting
1. Governance and Finance Study and Cost Share Study
B. SWPP Update and Funding | Justin Froseth
Director Odermann/Jen Murray
Froseth/Decker/Murray |
| 11:00 a.m. | C. Update from Manager/CEO/SWA Staff
1. SWA Construction and O&M Update
2. Easement/Signup Update
3. Water Topics Overview Committee
4. ND Water Education Foundation 2026 Summer Water Tours
5. ND Water 2026 Joint Summer Water Meetings | Decker/SWA Management
Misti Conzemius
Jen Murray
Jen Murray
Jen Murray |
| 11:30 a.m. | D. Perkins County Rural Water System Update | Ledeanna O’Shields |
| 11:32 a.m. | 9. Review issues pending/Parking lot/Plan next agenda | Board of Directors |
| 11:35 a.m. | Adjourn for Lunch | Board of Directors |

***Items require Board action.**

**Minutes of Meeting
Southwest Water Authority
Board of Directors
June 1, 2026
Southwest Water Authority O&M Center Office, Dickinson, ND**

1. Call to Order – Pledge of Allegiance - Introductions

The Southwest Water Authority Board of Directors met on Monday, June 1, 2026, at Southwest Water Authority O&M Center Office, in Dickinson, ND. Chairperson Odermann called the meeting to order at 9:03 a.m. MDT, followed by the Pledge of Allegiance and roll call.

Present at the meeting were: Directors James Odermann, Ryan Baumgartner, Mark Begger, Kaylene Berg, 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, Sindhu S.Pillai-Grinolds, DWR, Tyson Decker, Bartlett & West, Jack Dwyer, Dwyer Law Office, Chelsey Jacobson, Odney, Inc., Brian Dschaak, SWA Customer, Michael Miller, Dunn County, Jen Murray, SWA Manager/CEO, Andy Erickson, SWA Water Distribution Manager, Ledeanne O’Shields, SWA CFO/Office Administrator, Misti Conzemius, SWA Marketing Manager, Perry Grammond, SWA Water Treatment Manager, and Wendy Serhienko, SWA Executive Assistant.

2. Agenda

2.A. Review Agenda

Chairperson Odermann requested to add 2.C. Poly versus PVC.

Motion by Director Leingang, seconded by Director Glasoe, to approve the agenda with the addition of 2.C. Poly versus PVC. Motion carried by voice vote without dissent.

2.B. Consent Agenda*

Motion by Director Glasoe, seconded by Director Baumgartner, to approve item 2.B. Minutes May 4, 2026, Meeting, Draft Minutes of Executive Committee Meeting, May 4, 2026, Accounts Payable, and Financial Reports and Return on Investment. Motion carried by voice vote without dissent.

2.C. Poly versus PVC

Murray stated a liability waiver and standard operating procedure regarding the use of poly pipe on the SWPP is currently being finalized. The Board gave a “thumbs up” for staff to finalize the liability waiver and standard operating procedure and move forward with the Poly versus PVC recommendation from the Board at the April 6, 2026, meeting, with no further Board action regarding this matter.

3. Public Comments

Chairperson Odermann asked if there were any public comments not on the agenda. Dschaak stated he is eager to move forward with connecting to his installed poly pipe. Murray noted the process is being finalized but a hydraulic review will need to be completed and SWA will need to inspect the pipe he has installed.

4. Board Policy Review and Monitoring

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

Director Tschetter reviewed the policy. Chairperson Odermann asked if there were any comments, questions or changes to the Policy III.B. Board Governance Process-Board Job Description. There were none.

5. Decision Making

5.A. Resolution of Appreciation for Bob Leingang*

The Board of Directors presented a Resolution of Appreciation for Bob Leingang. Director Berg read the resolution and stated Bob served on the Board for 16 years. The board thanked Bob for his years of service and dedication to Southwest Water Authority.

Motion by Director Eaton, seconded by Director Ingold, to approve the Resolution of Appreciation for Bob Leingang. Motion carried unanimously by a roll call vote.

5.B. Resolution of Appreciation for Rick Seifert*

The Board of Directors presented a Resolution of Appreciation for Rick Seifert. Director Schaible read the resolution and stated Rick served on the Board for 16 years. The board thanked Rick for his years of service and dedication to Southwest Water Authority.

Motion by Director Leingang, seconded by Director Gaugler, to approve the Resolution of Appreciation for Rick Seifert. Motion carried unanimously by a roll call vote.

5.C. Rules and Regulations of the Southwest Water Authority for Water Service from the Southwest Pipeline Project*

Director Engelhardt stated the Rules and Regulations Subcommittee proposed amendments were reviewed at the May 4, 2026, Board of Directors meeting. No additional comments or revisions were requested by the Board.

Motion by Director Engelhardt, seconded by Director Glasoe, to approve the proposed amendments to the Rules and Regulations of the Southwest Water Authority for Water Service from the Southwest Pipeline Project, as recommended by the Rules and Regulations Subcommittee. Motion carried unanimously by a roll call vote.

Chairperson Odermann noted that the ad hoc Rules and Regulations Subcommittee had been disbanded since their scope of work has been completed.

6. Board Member Reports

6.A. Board Action Plan

Murray stated SWA is moving forward with the priorities of the Board Action Plan. Director Haase will present on the Strategic Governance and Finance Study and Odney is on location for the video shoot.

6.B. Western Dakota Energy Association

Chairperson Odermann stated he attended the Western Dakota Energy Association in Watford City, ND on May 7, 2026. Director Glasoe was also in attendance.

7. Incidental Information

7.A. Regional Water Systems Governing and Financing Study

Haase presented an overview of the Regional Water Systems Governing and Financing Study and the Cost-Share Study. The Cost-Share process timeline was reviewed. The dates were presented for the SWC Commissioner hosted meetings and Board members were encouraged to remain engaged in discussions regarding both studies.

7.B. SWC Meeting

Froseth stated the SWC pre-commission meeting was held May 21, 2026, in Bismarck, ND. SWPP items on the agenda included the Rural Service Area Expansion in the Hebron Service area, modifications to existing Intake pump stations, reimbursement from Reserve Fund for REM, and an updated process for reimbursement for REM projects.

The next SWC meeting will be on June 9, 2026, in Bismarck, ND.

7.C. SWPP Update and Funding

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

Froseth stated DWR is working with BW/AECOM to finalize an amendment to the Specific Authorization for the Supplementary Raw Water Intake that adds the following scope of works: discussion of the different contracting delivery methods for completing the construction of the supplementary raw water intake and the development of a plan for additional geotechnical exploration along the northern alignment.

Decker noted BW/AECOM is working on a Preliminary Design Report (PDR) for completing the Supplementary Intake. As part of the PDR effort, multiple intake alignments within Renner Bay are being evaluated to identify the option that carries the least risk while remaining cost-effective. Discussions are being held with the US Army Corp of Engineers, US Bureau of Reclamation, and ND Game and Fish during the PDR development for best understanding of permitting responsibilities. The PDR includes alternatives through the existing caisson as well as alignments to the north.

Froseth noted the Raw Water Implementation Study is now focused on evaluating alternative service options for the Net-Zero facility. Alternative #1 would increase flow to Gevo's Net Zero-Richardton facility by 500 gallons per minute while alternative #2 would increase the flow to facility by 1,400 gallons per minute.

Murray reviewed SWPP funding through April 30, 2026.

7.C.1. Hebron Rural Service Area

Froseth reported the bid opening for the Hebron Rural Service Area was on May 5, 2026, and the results of the bid opening were below estimate. Bid Schedule 2 area does not meet the maximum cost/ESU within the feasibility criteria. This is an area predominately east of Glen Ullin. It is anticipated Bid Schedules 1A and 1B will be awarded at the June SWC meeting and Bid Schedule 2 will be awarded on the condition of meeting the maximum cost/ESU.

Murray noted SWA staff are in the process of acquiring three more ESU's for Bid Schedule 2 in order to meet the maximum cost/ESU.

7.C.2. Dunn County Water Service

Froseth reported on the status of the Dunn County Hydraulic Improvements Preliminary Engineering Report (PER). The PER identifies seven hydraulic service areas within Dunn County, four of which serves the majority of the users. It estimates approximately \$9 million in system improvements would be required to serve the 105 rural users currently on the waitlist. Estimated cost per user varies significantly by service area. The cost estimates reflect only the hydraulic upgrades needed to enable future hookups, the individual service line costs to each property are not included. The PER was provided to the County in April. The County presented the findings during the regular county commission meeting on May 20, 2026. At that meeting, commissioners chose to delay action until a future session to allow more time for a thorough review.

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

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

Decker stated the final pay application from the OMND WTP roof replacements has been received.

Decker stated the preconstruction meeting for the New England Tank Recoat and Rehabilitation has been scheduled for June 10, 2026. The substantial completion date on this project is October 31, 2026.

Murray stated Kurita will be on site at the WTP around the third week in July to work on the replacement computer system and software program.

Murray noted there is an issue with a pump at the Intake and there have been discussions on whether to fix the pump now or wait for the scheduled upgrades.

Distribution, Treatment and Staff updates were provided.

7.D.2. Easement/Signup Update

Conzemius reviewed the sign-up and easement report. Subsequent cost quotes, customer complaints and waiting list numbers were reported. There are 790 requests for service system-wide plus 930 Burt Hebron Service Area Signups for a total of 1,720 requests system wide. Of the 785 waiting list requests, 111 have committed for service via intent forms once the North New England Strategic Improvements have been completed. 21 subsequent customers signed up in May. The department is focused on acquiring the remaining easements for the Hebron Rural Service Area.

7.D.3. 2025 Annual Operating Report

Murray stated the *2025 Annual Operating Reports* were handed out to Board members and will be distributed to all SWA partners and stakeholders. The 2025 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.4. Consumer Confidence Reports (Water Quality Reports)

O'Shields reported all five of the 2025 Consumer Confidence Reports (Water Quality Reports) for the SWPP have been completed and mailed to customers in the May billing. The Consumer Confidence Report (CCR) is the annual water quality report a public water system is required to provide to its customers under the Safe Water Drinking Act. 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. Copies of the CCR's are on file with the official minutes. They are also available on the website.

Murray noted that starting in 2027 the CCR's will need to be completed twice a year.

7.D.5. Water Topics Overview Committee

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

7.D.6. North Dakota Water Coalition

Murray stated the North Dakota Water Coalition met on May 11, 2026, with a primary focus on the Legislatively directed study of the SWC's Cost-Share Policy. The Cost-Share Policy will be a primary focus of the SWC Commissioner-Hosted Basin Meetings this summer.

7.D.7. ND Water Education Foundation 2026 Summer Water Tours

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

7.D.8. ND Water 2026 Joint Summer Water Meetings

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

7.D.9. NRWA WaterPro Conference – Phoenix, AZ

Murray noted the National Rural Water Association (NRWA) WaterPro Conference will be held in Phoenix, AZ, on September 14-16, 2026. SWA budgets for two directors to attend this conference each year. Chairperson Odermann, Director Gaugler, and Murray will be attending on behalf of SWA.

7.D.10. Partner's Annual Meetings

Murray stated Partner's Annual Meetings will be held throughout June and July. Director Odermann noted that SWA staff will assist in writing reports if needed.

7.E. Perkins County Rural Water System Update

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

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

5. Decision Making (Continued)

5.D. Manager/CEO Evaluation*

The Board discussed the Manager/CEO evaluation.

Motion by Director Glasoe, seconded by Director Schaible, to adjust the Manager/CEO salary to \$170,000 from July 1, 2026 to June 30, 2027. 10-Yes, 5-No. Directors Begger, Berg, Burke, Gaugler, Glasoe, Ingold, Odermann, Schaible, Seifert, and Tietz voted yes. Directors Baumgartner, Eaton, Engelhardt, Leingang and Tschetter voted no. Motion carried by a roll call vote.

There being no further business, Chairperson Odermann adjourned the meeting at 11:57 a.m. MDT.

Jim Odermann, Chairperson

Mike Tietz, Secretary/Treasurer

**Minutes of Meeting
Southwest Water Authority
Nominations Subcommittee Meeting
Monday, June 29, 2026
Microsoft Teams Videoconference, Initiated at SWA O&M Center Office**

A. Call to Order

The Southwest Water Authority Nominations Subcommittee met on Monday, June 29, 2026, via Microsoft Teams videoconferencing initiated at the SWA O&M Center Office. The meeting was called to order at 9:10 a.m.

Present at the meeting were: Directors Bob Ingold, Mike Tietz, and Scott Tschetter. Also present were Jen Murray, SWA Manager/CEO and Wendy Serhienko, Executive Assistant.

B. Appoint a Chairperson of the Nominations Subcommittee*

Director Tschetter volunteered to act as Chairperson of the Nominations Subcommittee. The Nominations Subcommittee approved his designation as Chairperson of the Nominations Subcommittee unanimously by a voice vote.

C. Review Election Procedures and Duties of Nominations Subcommittee

The subcommittee reviewed the election procedures and duties of the nominations subcommittee.

D. Order of Election and Potential Candidates for Office*

The subcommittee discussed the potential candidates for office. Director Odermann returned an interest form for the office of Chairperson.

Director Tschetter noted he will speak with Director Eaton to confirm his interest in seeking reelection for his position of Vice-Chairperson. Director Tietz stated he is interested in seeking reelection for his position of Secretary/Treasurer.

Motion by Director Ingold, seconded by Director Tietz to put forth Director Odermann for Chairperson, Director Eaton for Vice-Chairperson and Director Tietz for Secretary/Treasurer. Motion carried unanimously by a voice vote.

It was noted nominations for all available positions will be accepted from the floor at the time of elections. Members of the Nominations Subcommittee are not precluded from being nominated for any position. Ballots will be available at the Board of Directors meeting on July 6, 2026.

E. Adjournment

The meeting was adjourned at 9:17 a.m.

Scott Tschetter, Chairperson



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 23, 2026

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

The accounts receivable listing for rural customers is for May 2026 and the transmission accounts receivable listing is for May 2026. The checks written for the month are from May 19, 2026 to June 22, 2026.

Total rural usage for May 2026 was 28,068,900 gallons. By comparison, in May 2025 rural water sales were 37,889,800 gallons. This is a decrease of 25.92%. During the month of May, there were 17 hookups with nine hookups in 7-1B, two hookups each in 7-2, and 7-9F, one hookup each in 7-8B, 7-8G, 7-9B and 7-9D.

There are 2,428 customers using our Automatic Payment Plan, 376 paid online with a credit option and 345 paid online with a checking account. We had 17 spot checks (two months without a reading or the same reading). Currently there are 595 customers who are using the Customer Service Center to view their accounts.

Included with this memo are residual mill levy income and signup income for the month of May. SWA sold a total of 181,260,280 gallons of water in the month of May. The projection for the year 2026 is 2,430,122,000 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 (2025) and 2026. This shows a historical year-to-date comparison. Also listed are the usage and the difference for the last two months. Sales through May were less than last year's sales through May by 2.91%. SWA had 7,869 active accounts with 3,075 subsequent users in May. As of May 31, 2026, SWA has 321 tenants.

Also listed below is O&M Income minus Capital Repayment and REM, along with percentages, through May 31, 2026.

Comparisons Through May	Listed in thousand gallons		
		April 2026	141,693,280
2017	205,452,240	May 2026	<u>181,260,280</u>
2018	187,285,120	Difference	39,567,000
2019	155,409,940		
2020	220,245,190		
2021	211,575,340		
2022	150,706,410		
2023	198,191,500		
2024	173,476,970		
2025	186,687,820		
2026	<u>181,260,280</u>		
Difference	(5,427,540)		

As of May 31, 2026	Amount	Percent
O&M Income	6,481,042	
Return on Investment Expense	(2,488,689)	38%
REM Expense	<u>(762,514)</u>	12%
Balance	<u>\$3,229,838</u>	50%

Water depot usage information is included with this memo.

A listing of Accounts Payables (aged trial balance) is included. In addition to the regular accounts payable, included in the listing are: Amazon for \$2,221.85 which includes \$1,033.20 for toner and office supplies and \$1,188.65 for repairs & maintenance; Bankers Equipment Service for \$6,684.00 for annual alarm monitoring; Bartlett & West Engineers, Inc for \$11,828.37; which includes \$7,039.06 for hydraulic and capacity studies; \$687.21 for Hwy 85, \$209.72 for CP-2024, and \$117.92 for New England recoat; BEK Consulting, LLC for \$4,875.00 in Contract 7-4 leak at 132-98-36; Choice Insurance for \$4,785.00 to renew the property policy; Core & Main LP for \$25,874.57 for meter pits, lids, and regulators for inventory; Cummins Sales & Services for \$9,189.20 for generator maintenance at FWPS, Dunn Center BPS, and OMND WTP; Dakota Supply Group for \$15,945.56 which includes \$10,021.66 for inventory materials and \$5,923.90 for repairs and maintenance; Farmers Union for \$10,975.05 for intake generator fuel; Fenix for \$11,786.50 which includes 4,802 customers for April and 5,913 customers for May; Informational Data Technology for \$3,790.00 for 758 air minutes; Ingersoll Rand for \$2,631.29 for annual parts care at the WTP's; JK Excavation for \$5,600.00 which includes \$2,800.00 for the leak on Hwy 22 S and \$2,800.00 for a leak in Contract 7-8E; Lindtech Services for \$2,325.00 for maintenance at the OMND WTP; ND Rural Water Systems Association for \$16,205.00 for the 2026 membership; North Dakota Safety Council for \$1,703.25 for trenching and excavation safety training for O&M staff; Odney for \$9,490.00 which includes \$4,920.00 for the video shoot; Presort Plus for \$7,284.11 which includes \$6,785.89 for billing and CCR mailing; Pump Systems, LLC for \$2,306.39 which includes \$2,121.79 for repairs at the RHF; Quality Quick Print for \$4,790.00 which includes \$2,685.00 for printing 375 Annual Reports and \$1,595.00 for 1000 rules and regs; Sletten Excavating, Inc for \$29,340.00 for the leak in Contract 7-9G; and Stoneridge Software, LLC for \$10,039.60 for the annual license and enhancement.



June 18, 2026

SOUTHWEST WATER AUTHORITY
4665 2ND ST SW
DICKINSON ND 58601-7231

**Deposit account(s) for
your Public Funds entity**

As you may have heard, BMO has entered into an agreement with First Citizens Bank (FCB) for them to acquire some of our branches, including locations in your area. Since BMO will no longer operate any branches in your state, the BMO deposit account(s) for your Public Funds entity will be impacted.

What This Means for You

Your account will automatically transition to FCB in September of 2026. However, if you prefer to close the account, we can help you complete this request prior to September 4, 2026.

If your account is a Certificate of Deposit, these terms and timelines apply:

- **CD is scheduled to mature after August 2026:** If you close your CD prior to August 21, 2026, we will pay you the full amount of interest you would have earned on the CD through the full maturity date. The early withdrawal penalty would not apply.
- **CD is scheduled to mature on or before August 2026:** Your CD is eligible for renewal. However, if you prefer not to transition the account to FCB, we can help you close the account.

This information relates only to your accounts that fall under the Public Funds entity. This does not address other accounts you may have with BMO (non-public funds business accounts or personal accounts).

I will be in touch with you to discuss this account and how you would like to proceed.

Sincerely,

John Meade
720-361-5031

Accounts are subject to approval and are provided in the United States by BMO Bank N.A. Member FDIC



Southwest Water Authority
Statement of Income & Expenses
For 1/1/2026 To 5/31/2026

	Current Period	Current YTD	YTD 2026 Budget	YTD % of Budget	Budget total 2026
Sales					
Sales of Water	\$1,536,767	\$6,322,306	\$6,179,680	32.00%	\$19,759,956
Sales of Equipment	\$52,099	\$145,055	\$105,885	57.08%	\$254,125
Sales of Services	\$1,675	\$13,681	\$11,417	49.93%	\$27,400
Gross Sales	\$1,590,541	\$6,481,042	\$6,296,982	32.34%	\$20,041,481
O&M Expense --Transmission	\$669,873	\$2,820,823	\$3,756,963	30.85%	\$9,143,392
O&M Expense --Distribution	\$746,485	\$2,552,134	\$2,750,149	38.43%	\$6,640,757
O&M Expense -- Treatment	\$257,815	\$1,277,626	\$1,530,458	34.07%	\$3,750,100
Customer Service Expense	\$11,917	\$89,343	\$122,208	30.00%	\$297,800
Total Expenses	\$1,686,090	\$6,739,926	\$8,159,778	33.99%	\$19,832,049
Gross Profit On Sales	(\$95,549)	(\$258,884)	(\$1,862,796)	(123.61)%	\$209,432
Other Income					
Mill Levy Income	\$968	\$7,320	\$0	0.00%	\$0
Other Income	\$64,873	\$68,600	\$257,969	11.08%	\$619,125
Grant Income	\$2,000	\$112,038	\$25,833	180.71%	\$62,000
Total Other Income	\$67,841	\$187,958	\$283,802	27.60%	\$681,125
Board of Directors Expense	\$20,440	\$103,993	\$129,156	33.55%	\$309,975
Administrative Expense	\$105,620	\$542,359	\$591,958	38.65%	\$1,403,300
Signup & Easement Expense	\$48,894	\$243,610	\$271,229	36.25%	\$671,950
Depreciation Expense	\$42,443	\$209,745	\$275,861	31.68%	\$662,066
Gain/Loss on Asset Disposal	(\$1,939)	(\$3,729)	\$0	0.00%	\$0
Net Income/Expenses	(\$247,044)	(\$1,174,362)	(\$2,847,199)	54.45%	(\$2,156,734)
Replacement & EM Fund Expense	\$152,677	\$148,764	\$1,861,743	3.35%	\$4,447,485
Net Income w/ Replacement & EM	(\$399,721)	(\$1,323,126)	(\$4,708,942)	20.04%	(\$6,604,219)

Board of Directors Expenses

For 1/1/2026 to 5/31/2026

	Current Period	Current YTD	2026 BUDGET YTD	2026 BUDGET Budget
Board of Directors Expenses				
Per Diem -- Board of Directors	\$5,475	\$22,338	\$31,608	\$75,860
Group Life Insurance -- Board of Directors	2	8	6	15
Workers Compensation Expense -- Board of D	3	13	83	200
FICA - Social Security -- Board of Directors	408	1,654	2,583	6,200
FICA - Medicare -- Board of Directors	95	387	625	1,500
Professional Services -- Board of Directors	5,227	33,836	26,250	63,000
Office Supplies -- Board of Directors	0	60	83	200
Copies & Duplication -- Board of Directors	0	20	42	100
Public Relations & Development -- Board of Di	2,348	11,815	14,167	34,000
Development & Education -- Board of Director	92	1,147	2,333	5,600
Mileage Reimbursement -- Board of Directors	1,940	6,527	9,542	22,900
Lodging & Meals -- Board of Directors	0	1,324	10,042	24,100
Travel Expenses -- Board of Directors	0	16	3,333	8,000
Telephone/Internet -- Board of Directors	324	1,487	2,083	5,000
Postage -- Board of Directors	97	478	417	1,000
Dues & Subscriptions -- Board of Directors	2,752	14,500	14,583	35,000
Insurance - Liability -- Board of Directors	1,677	8,385	11,375	27,300
Total Board of Director Expense	\$20,440	\$103,995	\$129,155	\$309,975
Total Expenses	\$20,440	\$103,995	\$129,155	\$309,975

Comparative Balance Sheet

5/31/2026

	Through 5/31/2026	Through 5/31/2025
Assets		
Current Assets		
Cash		
Cash in Checking - O&M - Bravera	\$977,853	\$971,064
Cash in Checking - Payroll - Bravera	436,259	424,797
DDM - Reserve - O&M - Bravera	1,772,049	1,944,496
Cash in Checking - BMO Bank	90,512	75,355
Petty Cash	198	200
	<hr/>	<hr/>
Total Cash	\$3,276,871	\$3,415,912
Short-Term Investments		
Short-Term Investment - O&M Fund	\$747,070	\$667,795
Short-Term Investment - General Fund	55,021	76,227
Short-Term Investment - Reserve Fund	1,060,131	79,244
Short-Term Investment - Escrow Fund	21,801	38,171
Short-Term Investment - Replacement	8,512,499	5,495,228
Cash Management Account - General Fund	23,943	23,230
Cash Management Account - O&M	1,278,273	1,243,291
Certificate of Deposit #18112	4,412,352	4,201,040
Certificate of Deposit #24572	1,074,577	1,050,739
	<hr/>	<hr/>
Total Short-Term Investments	\$17,185,667	\$12,874,965
Accounts Receivable		
Accounts Receivable -- Distribution Prepayments	(\$58,908)	(\$58,435)
Accounts Receivable -- Transmission	878,239	858,226
Accounts Receivable -- Distribution	685,073	656,398
Accounts Receivable -- MWWS	17,485	19,393
Accounts Receivable -- Other	(929)	2,147
Grant Receivable	117,172	0
Allowance For Doubtful Accounts	(5,425)	(11,824)
Allowance For Doubtful Accounts -- MWWS	(497)	(2,168)
	<hr/>	<hr/>
Total Accounts Receivable	\$1,632,210	\$1,463,737
Interest Receivable		
	<hr/>	<hr/>
Total Interest Receivables	\$0	\$0
Inventory		
Inventory Contributed Capital	\$99,797	\$99,797
Inventory -- User Spare Parts	711,503	786,972

Comparative Balance Sheet

	Through 5/31/2026	Through 5/31/2025
Inventory -- WTP	121,652	149,300
Inventory -- SWTP	198,401	153,079
Inventory -- OMND WTP	151,995	122,707
	<hr/>	<hr/>
Total Inventory	\$1,283,348	\$1,311,855
Prepaid Expenses		
Prepaid Expenses	\$69,344	\$39,972
Prepaid Deposit	197,987	14,845
Prepaid Insurance	80,318	78,528
Prepaid Workers Compensation	604	991
	<hr/>	<hr/>
Total Prepaid Expenses	\$348,253	\$134,336
	<hr/>	<hr/>
Total Current Assets	\$23,726,349	\$19,200,805
Long-Term Investments		
Long-Term Investment - O&M Fund	\$3,244,202	\$3,250,957
Long-Term Investment - General Fund	1,193,715	1,144,887
Long-Term Investment - Reserve Fund	429,986	1,363,002
Long-Term Investment - Escrow Fund	764,771	734,430
Long-Term Investment - Replacement	21,095,966	22,034,554
	<hr/>	<hr/>
Total Long-Term Investments	\$26,728,640	\$28,527,830
Property, Plant and Equipment		
Land	\$113,318	\$112,817
Buildings & Improvements	4,045,943	3,959,597
Office Furniture & Fixtures	296,585	290,706
Vehicles	1,190,022	1,190,022
Contributed Vehicles	46,093	46,093
Other Fixed Assets	25,301	4,011
Computer Equipment	99,565	92,163
Machinery & Equipment	3,010,227	3,010,227
Contributed Equipment	60,530	60,530
Computer Software	178,590	178,590
	<hr/>	<hr/>
Total Property, Plant and Equipment	\$9,066,174	\$8,944,756
Accumulated Depreciation		
Accum Depr -- Buildings & Improvements	\$1,417,093	\$1,310,849
Accum Depr -- Office Furn & Fixt	282,926	278,518
Accum Depr -- Vehicle	760,856	574,663
Accum Depr -- Contributed Vehicles	46,093	46,093
Accum Depr -- Other Fixed Assets	5,078	4,011

Comparative Balance Sheet

	Through 5/31/2026	Through 5/31/2025
Accum Depr -- Computer Equipment	94,014	88,519
Accum Depr -- Machinery & Equipment	2,279,145	2,090,706
Accum Depr -- Contributed Equipment	60,530	60,530
Accumulated Amortization	178,590	178,590
	<hr/>	<hr/>
Total Accumulated Depreciation	\$5,124,325	\$4,632,479
Other Assets		
Deferred Pension Outflows	\$1,179,947	\$1,628,277
Deferred OPEB Outflows	41,104	43,485
	<hr/>	<hr/>
Total Other Assets	\$1,221,051	\$1,671,762
	<hr/>	<hr/>
Total Assets	\$55,617,889	\$53,712,674
	<hr/> <hr/>	<hr/> <hr/>

Comparative Balance Sheet

	Through 5/31/2026	Through 5/31/2025
Liabilities and Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable	\$1,577,500	\$1,217,689
Employee Benefits Payable	130,882	124,180
Deductions Payable	0	(60)
	<hr/>	<hr/>
Total Accounts Payable	\$1,708,382	\$1,341,809
Taxes Payable		
ND State Withholding Payable	\$2,558	\$2,981
Employer Matching FICA - Social Security	18,075	17,932
Employer Matching FICA - Medicare	4,227	4,194
	<hr/>	<hr/>
Total Taxes Payable	\$24,860	\$25,107
Other Current Liabilities		
Accrued Annual Leave Payable	\$245,106	\$200,247
Accrued Sick Leave Payable	232,062	183,067
Accrued Salaries Payable	296,172	292,888
	<hr/>	<hr/>
Total Other Current Liabilities	\$773,340	\$676,202
	<hr/>	<hr/>
Total Current Liabilities	\$2,506,582	\$2,043,118
Long-Term Liabilities		
Deferred Revenue	\$1,010,800	\$932,300
Tenant Rental Deposits	23,700	22,425
Tenant Rental Deposits -- MWWS	375	375
Customer Escrow Deposit	40,000	40,000
Deferred Pension Inflows	1,828,404	2,630,067
Deferred OPEB Inflows	57,117	50,389
Net Pension Liability	3,776,854	4,131,317
Net OPEB Liability	131,093	152,208
	<hr/>	<hr/>
Total Long-Term Liabilities	\$6,868,343	\$7,959,081
	<hr/>	<hr/>
Total Liabilities	\$9,374,925	\$10,002,199
Equity		
Reserve Funds		
Reserve Account -- O&M Transmission	\$3,686,712	\$3,557,605
Reserve Account -- O&M Distribution	2,142,158	2,115,551

Comparative Balance Sheet

	Through 5/31/2026	Through 5/31/2025
Reserve Account -- O&M Treatment	(2,168,685)	(2,177,681)
Reserve Account -- General Operating Fund	424,619	391,030
Reserve Account-Replace & EM -- Transmission	18,817,040	17,860,730
Reserve Account-Replace & EM -- Distribution	1,305,316	881,284
Interest Income -- Replace & EM	9,053,303	8,465,184
Dividend Income -- Replace & EM	489,929	439,506
Interest Income -- O&M Reserve	1,250	0
	<hr/>	<hr/>
Total Reserve Funds	\$33,751,642	\$31,533,209
Unappropriated Funds	\$13,247,786	\$12,395,677
Contributed Capital	566,665	566,665
Net Profit/(loss)	(1,323,118)	(785,078)
	<hr/>	<hr/>
Total Equity	\$12,491,333	\$12,177,264
	<hr/>	<hr/>
Total Liabilities and Equity	<u>\$55,617,900</u>	<u>\$53,712,672</u>

AGED TRIAL BALANCE
 Southwest Water Authority
 Payables Management

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

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

Print Option: SUMMARY
 Age By: Document Date
 Aging Date: 12/31/2026

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): 14		Aged Totals:	Due \$2,221.85
Vendor ID: AM3742	Name: AMERICAN BACKFLOW		
Voucher(s): 2		Aged Totals:	Due \$384.65
Vendor ID: AQ7167	Name: AQUA-PURE, INC		
Voucher(s): 1		Aged Totals:	Due \$8,550.00
Vendor ID: BA1154	Name: BANKERS EQUIPMENT SERVICE		
Voucher(s): 2		Aged Totals:	Due \$6,684.00
Vendor ID: BA6742	Name: BARTLETT & WEST ENGINEERS, INC.		
Voucher(s): 5		Aged Totals:	Due \$11,828.37
Vendor ID: BA7351	Name: BASIN AUTO PARTS		
Voucher(s): 3		Aged Totals:	Due \$416.72
Vendor ID: BE4155	Name: BEK CONSULTING, LLC		
Voucher(s): 1		Aged Totals:	Due \$4,875.00
Vendor ID: BO6225	Name: BORDER STATES ELECTRIC SUPPLY		
Voucher(s): 5		Aged Totals:	Due \$1,021.83
Vendor ID: BO8518	Name: BOWMAN ACE HARDWARE		
Voucher(s): 1		Aged Totals:	Due \$200.96
Vendor ID: BR2557	Name: BRENNTAG PACIFIC		
Voucher(s): 3		Aged Totals:	Due \$9,240.00
Vendor ID: CH5200	Name: CHOICE INSURANCE		
Voucher(s): 1		Aged Totals:	Due \$4,785.00
Vendor ID: CM2776	Name: CM2 SUPPLY		
Voucher(s): 4		Aged Totals:	Due \$13,158.03
Vendor ID: CO5755	Name: CONSOLIDATED TELCOM		
Voucher(s): 2		Aged Totals:	Due \$470.25
Vendor ID: CO5756	Name: CONSOLIDATED WATER SOLUTIONS		
Voucher(s): 1		Aged Totals:	Due \$2,880.00
Vendor ID: CO6251	Name: CORE & MAIN LP		
Voucher(s): 3		Aged Totals:	Due \$25,874.57
Vendor ID: CU5535	Name: CUMMINS SALES & SERVICE		

AGED TRIAL BALANCE
 Southwest Water Authority

Voucher(s):	3	Aged Totals:	Due \$9,189.20
Vendor ID:	DA4660	Name:	DAKOTA PUMP INC
Voucher(s):	1	Aged Totals:	Due \$1,362.46
Vendor ID:	DA4963	Name:	DAKOTA SUPPLY GROUP
Voucher(s):	11	Aged Totals:	Due \$15,945.56
Vendor ID:	DI1435	Name:	CITY OF DICKINSON
Voucher(s):	8	Aged Totals:	Due \$428.70
Vendor ID:	DI1436	Name:	DICKINSON HARDWARE
Voucher(s):	2	Aged Totals:	Due \$61.67
Vendor ID:	DI7135	Name:	DISA GLOBAL SOLUTIONS, INC
Voucher(s):	1	Aged Totals:	Due \$61.11
Vendor ID:	DI7763	Name:	DNOW L.P.
Voucher(s):	1	Aged Totals:	Due \$60.57
Vendor ID:	DO5723	Name:	DON'S FILTER & FURNACE INC
Voucher(s):	1	Aged Totals:	Due \$1,280.95
Vendor ID:	DO8576	Name:	DOWNTOWN GAS & AUTO REPAIR
Voucher(s):	1	Aged Totals:	Due \$138.01
Vendor ID:	DU4782	Name:	DUKE'S WELDING & FABRICATION, LLC
Voucher(s):	1	Aged Totals:	Due \$240.00
Vendor ID:	DU5115	Name:	DUNCAN COMPANY
Voucher(s):	1	Aged Totals:	Due \$457.76
Vendor ID:	DW9264	Name:	DWYER LAW OFFICE, PLLC
Voucher(s):	1	Aged Totals:	Due \$2,669.10
Vendor ID:	FA1274	Name:	FARMERS UNION-BEULAH
Voucher(s):	2	Aged Totals:	Due \$10,975.05
Vendor ID:	FA3192	Name:	FARMERS UNION HAZEN
Voucher(s):	3	Aged Totals:	Due \$943.37
Vendor ID:	FE2200	Name:	FEDERAL EXPRESS
Voucher(s):	1	Aged Totals:	Due \$45.37
Vendor ID:	FE5387	Name:	FENIX USA LLC
Voucher(s):	2	Aged Totals:	Due \$11,786.50
Vendor ID:	FE6377	Name:	FERGUSON ENTERPRISES INC
Voucher(s):	1	Aged Totals:	Due \$190.66
Vendor ID:	FO7672	Name:	FOUR SEASONS TROPHIES
Voucher(s):	1	Aged Totals:	Due \$29.00
Vendor ID:	GR1955	Name:	GRAYMONT (WI) LLC

AGED TRIAL BALANCE
 Southwest Water Authority

Voucher(s):	4	Aged Totals:	Due \$19,983.73
Vendor ID:	HA1315	Name:	HACH COMPANY
Voucher(s):	1	Aged Totals:	Due \$3,018.00
Vendor ID:	HA8435	Name:	HAWKINS INC
Voucher(s):	12	Aged Totals:	Due \$53,121.38
Vendor ID:	HA9251	Name:	HAZEN ACE HARDWARE
Voucher(s):	1	Aged Totals:	Due \$48.46
Vendor ID:	HA9253	Name:	HAZEN HARDWARE HANK
Voucher(s):	3	Aged Totals:	Due \$49.88
Vendor ID:	HE1566	Name:	THE HERALD
Voucher(s):	1	Aged Totals:	Due \$60.00
Vendor ID:	IN2566	Name:	INFORMATIONAL DATA TECHNOLOGIES L
Voucher(s):	1	Aged Totals:	Due \$3,790.00
Vendor ID:	IN3267	Name:	INGERSOLL RAND COMPANY INDUSTRIAL
Voucher(s):	1	Aged Totals:	Due \$2,631.29
Vendor ID:	JK2811	Name:	JK EXCAVATION & CONSTRUCTION, INC.
Voucher(s):	2	Aged Totals:	Due \$5,600.00
Vendor ID:	JU7735	Name:	JUST-IN GLASS, LLC
Voucher(s):	1	Aged Totals:	Due \$1,617.87
Vendor ID:	LB2698	Name:	LB DRYWALL, LLC
Voucher(s):	1	Aged Totals:	Due \$100.00
Vendor ID:	LE7268	Name:	LEE SERVICES, LLC dba NAKOTA CLEAN
Voucher(s):	1	Aged Totals:	Due \$1,624.00
Vendor ID:	LI5272	Name:	LINDTECH SERVICES, INC
Voucher(s):	1	Aged Totals:	Due \$2,325.00
Vendor ID:	LO2243	Name:	LOFFLER COMPANIES, INC
Voucher(s):	1	Aged Totals:	Due \$871.32
Vendor ID:	LO3551	Name:	LOGO MAGIC, INC
Voucher(s):	1	Aged Totals:	Due \$295.63
Vendor ID:	ME2125	Name:	SANFORD HEALTH OCCUPATIONAL MEDI
Voucher(s):	1	Aged Totals:	Due \$329.00
Vendor ID:	ME4152	Name:	MERCER COUNTY TREASURER
Voucher(s):	1	Aged Totals:	Due \$10.00
Vendor ID:	NO6275	Name:	ND DIVISION OF MICROBIOLOGY
Voucher(s):	3	Aged Totals:	Due \$135.00
Vendor ID:	NO6301	Name:	ND DEPT OF ENVIRONMENTAL - CHEMIST

AGED TRIAL BALANCE
 Southwest Water Authority

Voucher(s): 1	Aged Totals:	Due \$1,668.73
Vendor ID: NO6310	Name: ND RURAL WATER SYSTEMS ASSOC.	
Voucher(s): 2	Aged Totals:	Due \$16,205.00
Vendor ID: NO7122	Name: NORTH DAKOTA SAFETY COUNCIL	
Voucher(s): 1	Aged Totals:	Due \$1,703.25
Vendor ID: OD5299	Name: ODNEY	
Voucher(s): 3	Aged Totals:	Due \$9,490.00
Vendor ID: OK7362	Name: OK TIRE STORE	
Voucher(s): 1	Aged Totals:	Due \$35.00
Vendor ID: OL7558	Name: OLSON'S SERVICE	
Voucher(s): 8	Aged Totals:	Due \$647.15
Vendor ID: ON2114	Name: ONE CALL CONCEPTS	
Voucher(s): 1	Aged Totals:	Due \$1,178.70
Vendor ID: OU7111	Name: OUTBACK LUMBER SUPPLY, INC.	
Voucher(s): 1	Aged Totals:	Due \$324.35
Vendor ID: PO4416	Name: POLLARDWATER	
Voucher(s): 1	Aged Totals:	Due \$519.00
Vendor ID: PO8266	Name: POWERFLEET, INC	
Voucher(s): 1	Aged Totals:	Due \$474.81
Vendor ID: PR2756	Name: PRESORT PLUS, LLC	
Voucher(s): 3	Aged Totals:	Due \$7,284.11
Vendor ID: PU5679	Name: PUMP SYSTEMS, LLC	
Voucher(s): 4	Aged Totals:	Due \$2,306.39
Vendor ID: QU1437	Name: QUALITY QUICK PRINT, INC.	
Voucher(s): 4	Aged Totals:	Due \$4,790.00
Vendor ID: QU1438	Name: QUALITY XTERMINATORS	
Voucher(s): 3	Aged Totals:	Due \$240.00
Vendor ID: RA5297	Name: RANDYS WELDING, INC	
Voucher(s): 1	Aged Totals:	Due \$518.12
Vendor ID: RR1775	Name: R & R AUTO, FARM & ELECTRIC, INC.	
Voucher(s): 5	Aged Totals:	Due \$716.12
Vendor ID: RU5535	Name: RUNNINGS SUPPLY, INC	
Voucher(s): 17	Aged Totals:	Due \$802.97
Vendor ID: SL2772	Name: SLETTEN EXCAVATING, INC	
Voucher(s): 1	Aged Totals:	Due \$29,340.00
Vendor ID: SO7739	Name: SOUTHWEST LIME, LLC	

AGED TRIAL BALANCE
Southwest Water Authority

		Due
Voucher(s):	1	Aged Totals:
		\$7,500.00
Vendor ID:	SO8901	Name: SOUTHWESTERN DISTRICT HEALTH UNIT
Voucher(s):	1	Aged Totals:
		\$450.00
Vendor ID:	ST2472	Name: STELTER REPAIR INC
Voucher(s):	1	Aged Totals:
		\$857.45
Vendor ID:	ST5526	Name: STONERIDGE SOFTWARE, LLC
Voucher(s):	1	Aged Totals:
		\$10,039.60
Vendor ID:	TO7143	Name: TOTAL SAFETY US, INC
Voucher(s):	4	Aged Totals:
		\$1,267.77
Vendor ID:	US1147	Name: USA BLUE BOOK
Voucher(s):	3	Aged Totals:
		\$1,255.43
Vendor ID:	VI4325	Name: VIKING GLASS OF N.D., INC.
Voucher(s):	1	Aged Totals:
		\$225.00
Vendor ID:	VI7111	Name: VISA
Voucher(s):	18	Aged Totals:
		\$6,853.10
	<u>Vendor(s)</u>	<u>Due</u>
Vendor Totals:	77	\$350,758.88

2026 SWA DEPOT USAGE
TOTAL 255,520



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

2026 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 5/21	\$32.00	8,600	10,230	15,170	28,300	52,500	114,800	0.35
CARSON	DO NOT SELL								0.00
CENTER	CURRENTLY NOT SELLING								0.00
DICKINSON	\$19.00/1,000 GALLONS, AS OF 5/ 21	\$19.00	34,700	63,000	57,100	88,460	191,200	434,460	1.33
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, 12/25	\$15.00	900	1,000	1,100	6,000	34,200	43,200	0.13
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 12/25	\$10.35	99,000	94,000	108,000	112,000	125,000	538,000	1.65
HETTINGER	CHARGES THE SAME FOR ALL USERS 6/24	\$10.00	0	0	0	0	0	0	0.00
KILLDEER	CHARGES THE SAME FOR ALL USERS 10/18	\$35.71	116,800	105,490	97,920	91,600	107,600	519,410	1.59
MEDORA	DO NOT SELL								0.00
MOTT	SPRAYING/DOES NOT SELL TO OIL INDUSTRY 6/24	\$10.00	10,100	0	0	10,850	80,532	101,482	0.31
NEW ENGLAND	CHARGES THE SAME FOR ALL USERS 10/18	\$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 10/18	\$8.00	0	0	0	0	0	0	0.00
SENTINEL BUTTE	INDUSTRIAL SALES ONLY 8/15	\$22.47	0	0	0	0	0	0	0.00
SOUTH HEART	DO NOT SELL								0.00
TAYLOR	DO NOT SELL								0.00
ZAP	DO NOT SELL								0.00
TOTAL GALLONS			270,100	273,720	279,290	337,210	591,032	1,751,352	5.37
TOTAL ACRE FEET			0.83	0.84	0.86	1.03	1.81	5.37	
CONTRACT									
BAKER BOY			682,700	789,300	509,700	873,100	732,000	3,586,800	11.01
BILLINGS COUNTY DIST 3			0	0	21,300	0	204,200	225,500	0.69
SWA WATER DEPOT - RAW			25,700	8,900	4,600	115,300	57,820	212,320	0.65
DAKOTA PRAIRIE REFINING			849,600	982,400	486,100	992,100	636,200	3,946,400	12.11
ND ENERGY SERVICES			42,800	0	0	28,700	19,100	90,600	0.28
NET-ZERO RICHARDTON, LLC			16,288,000	17,356,000	14,960,000	14,384,000	17,093,000	80,081,000	245.76
STEFFES CORPORATION			95,900	160,600	149,100	162,100	113,400	681,100	2.09
TOTAL GALLONS			17,984,700	19,297,200	16,130,800	16,555,300	18,855,720	88,823,720	272.59
TOTAL ACRE FEET			55.19	59.22	49.50	50.81	57.87	272.59	
TOTAL GALLONS COMBINED			18,254,800	19,570,920	16,410,090	16,892,510	19,446,752	90,575,072	
TOTAL ACRE FEET COMBINED			56.02	60.06	50.36	51.84	59.68	277.96	277.96

Southwest Pipeline Project

Return on Investment

YEAR	RESOURCES TRUST FUND	BOND PAYMENTS	TOTAL
1991	\$ 11,166.00		\$ 11,166.00
1992	\$ 212,899.00		\$ 212,899.00
1993	\$ 195,973.00		\$ 195,973.00
1994	\$ 300,472.00		\$ 300,472.00
1995	\$ 504,179.00		\$ 504,179.00
1996	\$ 734,994.15		\$ 734,994.15
1997	\$ 389,111.41	\$ 468,801.59	\$ 857,913.00
1998	\$ 415,197.60	\$ 500,593.77	\$ 915,791.37
1999	\$ 349,574.05	\$ 676,423.19	\$ 1,025,997.24
2000	\$ 418,164.86	\$ 728,614.91	\$ 1,146,779.77
2001	\$ 475,021.15	\$ 833,246.78	\$ 1,308,267.93
2002	\$ 416,859.08	\$ 1,015,365.60	\$ 1,432,224.68
2003	\$ 458,780.10	\$ 1,122,504.11	\$ 1,581,284.21
2004	\$ 615,337.62	\$ 1,005,901.63	\$ 1,621,239.25
2005	\$ 661,099.95	\$ 1,045,858.38	\$ 1,706,958.33
2006	\$ 611,674.29	\$ 1,336,805.97	\$ 1,948,480.26
2007	\$ 856,597.12	\$ 1,451,468.74	\$ 2,308,065.86
2008	\$ 1,451,385.68	\$ 1,004,121.20	\$ 2,455,506.88
2009	\$ 1,504,429.59	\$ 1,114,558.52	\$ 2,618,988.11
2010	\$ 877,624.28	\$ 1,898,922.31	\$ 2,776,546.59
2011	\$ 1,793,563.59	\$ 1,282,852.85	\$ 3,076,416.44
2012	\$ 3,303,608.16	\$ 983,667.70	\$ 4,287,275.86
2013	\$ 3,080,405.43	\$ 1,441,235.41	\$ 4,521,640.84
2014	\$ 3,753,622.85	\$ 1,340,702.63	\$ 5,094,325.48
2015	\$ 4,776,377.17		\$ 4,776,377.17
2016	\$ 4,936,757.79		\$ 4,936,757.79
2017	\$ 5,258,182.90		\$ 5,258,182.90
2018	\$ 5,015,416.74		\$ 5,015,416.74
2019	\$ 5,079,128.39		\$ 5,079,128.39
2020	\$ 5,476,914.31		\$ 5,476,914.31
2021	\$ 5,566,425.98		\$ 5,566,425.98
2022	\$ 5,688,266.69		\$ 5,688,266.69
2023	\$ 6,227,003.19		\$ 6,227,003.19
2024	\$ 6,642,973.92		\$ 6,642,973.92
2025	\$ 6,803,226.19		\$ 6,803,226.19
2026	\$ 2,578,843.22		\$ 2,578,843.22
	\$ 87,441,256.45	\$ 19,251,645.29	\$ 106,692,901.74
Perkins County	\$ 5,459,000.00		\$ 5,459,000.00
	\$ 92,900,256.45	\$ 19,251,645.29	\$ 112,151,901.74
Jan	\$ 530,737.07		\$ 530,737.07
Feb	\$ 497,659.02		\$ 1,028,396.09
Mar	\$ 519,101.89		\$ 1,547,497.98
Apr	\$ 486,889.97		\$ 2,034,387.95
May	\$ 544,455.27		\$ 2,578,843.22

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 2026 THROUGH MAY 2026

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 05/31/26 - \$6,669,000

Expenses thru 05/22/26 - \$7,843,362

Net Income/Loss thru 05/31/26 – (1,74,362)

Total Operating Reserves thru 05/31/26 – 10.83 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 disbursements have been made.

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.

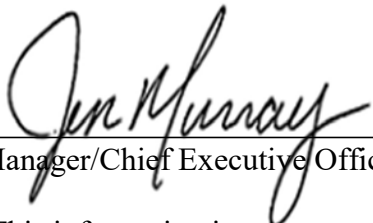
Attached list shows sufficient funds for payroll and debt payments.

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 2026 were presented with the November 2025 Board Packet. The proposed options included two deficit budgets with 7.50 and 5.80 months in reserve and a balanced budget with 6.82 months in reserve. Option Two with 5.80 months in reserve was approved.



Manager/Chief Executive Officer

June 26, 2026

Date

This information is current as of June 26, 2026.

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>

Item #2 Use any Long Term Reserves
Monitoring Period: March 2026 through May 2026

Bonds Called or Sold

Date	Amount	Cost	Account	
3/16/2026	\$ 7.31	\$ 7.52	Reserve Fund for Replacement	Called
3/20/2026	\$ 47,271.52	\$ 47,382.88	Reserve Fund for Replacement	Called
3/25/2026	\$ 1,020.06	\$ 1,037.76	Reserve Fund for Replacement	Called
3/27/2026	\$ 250,000.00	\$ 250,000.00	CMA	Purchased
4/15/2026	\$ 7.98	\$ 8.21	Reserve Fund for Replacement	Called
4/27/2026	\$ 49,107.76	\$ 49,594.46	Reserve Fund for Replacement	Called
5/15/2026	\$ 9.16	\$ 9.43	Reserve Fund for Replacement	Called
5/26/2026	\$ 2,470.03	\$ 2,494.51	Reserve Fund for Replacement	Called
5/20/2026	\$ 495,163.89	\$ 493,250.00	Reserve Fund for Replacement	Purchased
5/21/2026	\$ 250,000.00	\$ 250,000.00	Reserve Fund for Replacement	Purchased
<hr/>				
	\$ 1,095,057.71	\$ 1,093,784.77		

GOVERNMENT PAYMENTS/FILINGS 2Q2026

<u>INITIATION DATE</u>	<u>PAYMENT</u>	<u>FILING</u>	<u>SETTLEMENT DATE</u>
3/27/2026	\$69,865.36	FTD FOR APRIL 1 PAYROLL	4/1/2026
4/1/2026	\$2,737.66	FTD FOR APRIL 2 PAYROLL (Grace)	4/2/2026
4/8/2026	\$5,581.59	FTD FOR APRIL 10 PAYROLL	4/10/2026
4/14/2026	\$761.98	FTD FOR APRIL 15 PAYROLL (BOD)	4/15/2026
4/27/2026	\$65,573.72	FTD FOR MAY 1 PAYROLL	5/1/2026
5/8/2026	\$4,767.77	FTD FOR MAY 11 PAYROLL	5/11/2026
5/12/2026	\$1,098.36	FTD FOR MAY 13 PAYROLL (BOD)	5/13/2026
5/26/2026	\$65,506.10	FTD FOR JUNE 1 PAYROLL	6/1/2026
6/5/2026	\$6,814.67	FTD FOR JUN 10 PAYROLL	6/10/2026
6/9/2026	\$574.48	FTD FOR JUN 11 PAYROLL (BOD)	6/11/2026

QUARTERLY STATE WITHHOLDING ONLINE TO BE UPLOADED BY 7/31/2026

QUARTERLY SUTA ONLINE TO BE UPLOADED BY 7/31/2026

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:

Method: *Manager/CEO Internal Report*
Frequency: *Quarterly*
Month: *January, April, July, October*

II. POLICY TYPE: EXECUTIVE LIMITATIONS

E. POLICY TITLE: *ASSET PROTECTION*

MONITORING: MARCH 2026 THROUGH MAY 2026

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 related facilities. The water treatment facilities are utilizing the MaintainX software for preventative maintenance tracking. The Annual O&M Report was 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.

Purchases are within budget. Documentation is available at the SWA O&M Center Office.

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.

SWA obtained three quotes for the fence repairs around the sludge ponds and awarded the work to the lowest-priced bidder.

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, Power Fleet for the vehicle tracking system and Presort Plus for printing and

mailing the monthly invoices and CCR's to customers. A list of other frequent vendors and maintenance agreements is available at the SWA O&M Center Office.



Manager/Chief Executive Officer

June 25, 2026

Date

This information is current as of June 25, 2026.

MONITORING:

Method: Manager/CEO Internal Report

Frequency: Quarterly

Month: January, April, July, October



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 Contract R-2025-1 Coating System Rehabilitation Work Change Directive – Decision Making***

Date: June 29, 2026

The Board of Directors awarded Contract R-2025-1, New England Reservoir Coating System Rehabilitation, to Maguire Iron in March 2026, for \$599,000.

The scope of work for this contract stated that the roof beams would be inspected for corrosion and would be replaced based on the severity of the observed corrosion. Based on observed corrosion during the most recent tank rehabilitation, this contract estimated the need to replace 16. The contractor has inspected and evaluated the reservoir's current condition and has determined that all 34 beams require replacement. The additional work has resulted in a work-change directive to replace 17 additional beams.

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

To avoid delays in the project schedule, I have authorized the work change directive and request the Board of Directors' approval of the associated increase in contract cost based on the unit price.

The substantial completion date for this contract is October 31, 2026.

I request the Southwest Water Authority Board of Directors approve the associated increase in contract cost based on the unit price for additional beam replacement.

WORK CHANGE DIRECTIVE NO. 1

Owner: Southwest Water Authority Owner's Project No.: R-2025-1
Engineer: Bartlett & West Engineer's Project No.: 3055.032
Contractor: Maguire Iron, Inc. Contractor's Project No.: _____
Project: New England Reservoir Coating System Rehabilitation
Contract Name: SWA R-2025-1
Date Issued: 6/25/2026 Effective Date of Work Change Directive: _____

Contractor is directed to proceed promptly with the following change(s):

Description:

Additional I-Beam Replacements

Nine (9) additional W6X9 I-Beams replacements for a total of seventeen (17) W6X9 I-Beams and Nine (9) additional W12X14 I-Beams replacements for a total of seventeen (17) W12X14 I-Beams are to be replaced in lieu of the eight (8) W6X9 I-Beams and eight (8) W12X14 I-Beams estimated as directed by the engineer.

Attachments: **None**

Purpose for the Work Change Directive:

Directive to proceed promptly with the Work described herein, prior to agreeing to change in Contract Price and Contract Time, is issued due to:

Notes to User—Check one or both of the following

Non-agreement on pricing of proposed change. Necessity to proceed for schedule or other reasons.

Estimated Change in Contract Price and Contract Times (non-binding, preliminary):

Contract Price: \$ 94,500.00 [increase] [decrease] [not yet estimated].

Contract Time: _____ days [increase] [decrease] [not yet estimated].

Basis of estimated change in Contract Price:

Lump Sum Unit Price Cost of the Work Other

Recommended by Engineer

Authorized by Owner

By:

Title: BW Project Manager

Manager/CEO

Date: _____



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: Accounting Software Implementation Consultant Proposals

Date: June 24, 2026

Microsoft has formally announced the end of support and ongoing updates for Microsoft Dynamics GP (formerly Great Plains). SWA implemented the software on May 16, 1994. The system handles billing for rural and contract customers, manages payroll, processes accounts payable, tracks fixed assets, supports budgeting, and produces all core financial reporting for SWA. December 31, 2029, Microsoft will end all product support and updates for Dynamics GP, including featured enhancements, tax/regulatory updates, and technical support. On April 30, 2031, Microsoft will end all security patching for Dynamics GP, marking the final stage of the product lifecycle.

Upon review of the SWA Accounting Manual, Appendix C the choice of software should be directed by consultants retained to define needs, request proposals, tabulate and award the contract to implementation, testing, develop training documents and train staff. To ensure a new system is fully implemented before Microsoft Dynamics GP reaches end-of-life, SWA intends to begin the process during the 2026 calendar year.

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

SWA contacted several firms that provide implementation consulting services and received proposals from four qualified consultants. A summary of the proposals is provided in the table on the next page.

	Science Soft	Lean Solutions LLC	Panorama	Pemeco
Mapping of current/future needs	x	x	x	x
Prepare request for Bid	x	x	x	x
Align technologies	x	x	x	x
Contract drafting	n/a	x	x	x
Process readiness	limited	x	x	n/a
Historical data testing	limited	x	x	n/a
Organizational change	limited	x	x	n/a
Process readiness	n/a	x	x	n/a
Mapping outputs	n/a	x	x	n/a
Implementation	x	x	x	n/a
Training documentation	n/a	x	x	n/a
Training of staff	limited	x	x	n/a
Post-go-live support	x	x	x	n/a
Bid	\$ 165,742.00	\$ 280,640.00	\$ 390,255.00	\$ 80,700.00

Science Soft and Pemeco did not provide detailed information or do not provide the service required. Of the two responsive proposals Lean Solutions LLC, provided the lowest quote.

Based on SWA’s evaluation of the proposals, the submission from Lean Solutions LLC, is best aligned with the scope of services needed for this project. Lean Solutions LLC, based in Alexandria, MN is owned and operated by Diana Kennedy, who has more than 20 years of experience leading software and technology implementations for capital projects, facilities management, and project controls in both public and private sectors.

Lean Solutions LLC ’s, approach focuses not only on technology selection and implementation, but also on developing long-term strategies that support successful staff adaption and effective use of new systems. The firm has provided process improvement and technology. implementation services for numerous public organizations including the City of Houston, Minnesota State University, Xcel Energy and the Hampton Roads Sanitation District of Virginia.

Staff believes Lean Solutions LLC ’s experience, implementation methodology and emphasis on organizational change management make the firm well qualified to assist SWA in evaluating software solutions, validating that the selected platform meets SWA’s operational and business requirements and supporting a successful implementation.

SWA accounting department recommends utilizing Lean Solutions LLC at the cost of \$280,640.00.

SWA recommends selecting Lean Solutions LLC, which has provided pricing for the full scope of the project. **[Please, note that the cost for the consulting services does not include the pricing for consultants travel to SWA office or the actual software/hardware purchases.]

At this time, consulting services are not included in the current budget. Therefore, SWA requests that \$150,000 be added to the 2026 administration budget to cover phase one of consulting costs. Remaining consulting fees and software/hardware expenses will be incorporated into the standard budgeting process for 2027. All costs associated with software selection and implementation will be capitalized as SWA assets upon completion, with the exception of staff training.

Southwest Water Authority Board of Directors Action Plan 2025-2027

Intake and Raw Water Infrastructure

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

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

Rules and Regulations and Outside Funding Sources

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

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

3. Ad Hoc Committee to also consider outside funding as a criterion.
 - Outside funding score and weight, as well as the percentage of total project costs to be covered by such funding.
4. Draft a framework and pathway for customers that may contribute outside funding toward design or construction, taking prioritization into account.

Three-Pronged Approach

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

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

Ownership and Governance

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

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

Operational and Organizational

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



Scan the code to visit our website





June 10, 2026

To: Southwest Water Authority Board of Directors

RE: Grand Electric Annual Meeting

I attended the annual meeting for Roughrider Electric on June 4, 2026, in Bison, SD.

After the call to order, posting of colors, the National Anthem and an invocation based on the Declaration of Independence the business portion of the meeting started.

There were three new by-law amendments proposed. The first was to create three Geographic Representation districts, each representing 600-700 members. This proposal ensures representation of all areas in the Grand Electric service. The second amendment would allow entities, such as SWA, to be members but prevents an entity from having a place on the board of directors unless elected as an individual. The third amendment allows the board of directors to fill vacancies in the board whenever it occurs in the three-year elected period. All of these amendments were passed by paper ballots.

A dedication to service members video was played and a \$25 bill credit given to all service members. The meeting was also dedicated to individuals that were long time employees. Jerry Swartz retired after 34 years of service and remains in the Buffalo SD area. Juell Chapman began as an apprentice lineman in 1967 and was promoted to manager of electric operations in 1985. He retired in 1998. Juell passed away in April of 2026.

Three board of directors were up for reelection and all were re-elected by voice vote with no opposition.

The manager also reported that there are three proposed bills in Congress that they are following. The Speed Act would cut permit time delays; this bill has passed the House but awaited Senate action. The FEMA act requires FEMA to reimburse losses in months rather than years, including interest. This bill awaits to be heard. The Fix Our Forest Act would allow for removal of hazardous trees before problems come to pass. This bill also has passed the House and is waiting on Senate approval.

Following the Managers report a representative of Basin Electric gave a report which included comments on high load users, data centers, that I can comment on at our meeting.

I have included the Manager and Treasurer reports.

Treasurers Report

On page 13, you will find the Balance Sheet. The first section displays the assets of Grand Electric as of December 31, 2025:

The total assets listed are \$ 71,202,655

This amount includes:

• Depreciated Value of our System	\$ 55,745,175
• Cash in the Bank	\$ 1,864,873
• Restricted Cash	\$ 2,100,000
• Investments in Other Cooperatives	\$ 7,311,723
• Accounts & Notes Receivable	\$ 1,861,410
• Material & Supplies	\$ 1,807,835
• Prepaid Services & Supplies	\$ 245,751
• Interest Receivable on Investments	\$ 13,096
• Other Deferred Charges	\$ 13,500
• Other Accrued Assets	\$ 239,292

The second half of the balance sheet lists the Liabilities and Members' Equity as of December 31, 2025:

They are detailed as follows:

• Loans Due	\$ 41,864,831
• Current Accounts Payable	\$ 548,507
• Cash Deposits by Consumers	\$ 21,715
• Taxes Accrued	\$ 631,765
• Miscellaneous Deferred Debit	\$ 2,141,349
• Members' Equity	\$ 25,994,488

Liabilities and members' equity total \$ 71,202,655

Also, on page 13 is the Statement of Revenues and Expenses. Revenue for 2025 totaled \$13,981,385. Overall income increased by \$1,005,812, driven by higher sales and other electric revenue.

The operating expenses for 2025 were \$13,520,736. Over 40% of this amount, \$5,432,992, is the cost of power. The remaining expenses consist of operations and maintenance, depreciation, interest expense, customer service, consumer accounts, and taxes. We had a total margin of \$1,209,898 for the year. Of this amount, \$244,413 was allocated to the cooperative as G&T capital credits from Basin Electric, one of our power suppliers.

Respectfully submitted,

Harold Gaugler
Grant County Director

General Manager Eric Kahler

President John Long

It is our pleasure to report to the members on the 2025 operations of Grand Electric Cooperative. In 2025, the Cooperative's total revenues were \$13,981,385, \$1,005,812 over the previous year. Of the total revenues, Residential and Other Sales were \$7,594,095, and Oil Field/Small Commercial sales were \$6,387,290.

The Cooperative's 2025 revenue growth was driven by two factors: higher residential sales due to two significant cold weather events (January 7 to 17 and February 18 and 19), and upgraded transmission facilities that enabled additional capacity leasing and higher non-member-sourced revenue. These factors collectively contributed to higher-than-anticipated revenues, which allowed the Cooperative to absorb Basin and WAPA's 2025 power cost increases.

In 2025, the Cooperatives' expenses totaled \$13,520,736, \$1,144,453 more than the previous year. The increase was due to six main factors: higher wholesale power costs; slightly higher Consumer Accounts Expense; General and Administrative Expenses; higher Depreciation; Taxes; and Interest on Long-Term Debt. The Cooperative's year-end margin was \$1,209,898, which is \$223,008 less than in 2024. Regarding the balance sheet, the Cooperative's total assets at the end of 2025 were \$71,202,655. This is an increase of \$3,645,862 compared to 2024. The main driver was the completion of the substation upgrade project. The increase in plant was funded with existing cash previously reported on the balance sheet, and therefore, cash and cash equivalents decreased by \$3,564,725.

The system's book value in 2025 was \$55,745,175, up \$7,341,871 from 2024. Finally, the Cooperative's equity at year-end 2025 was \$25,994,488, an increase of \$341,369 from 2024. This resulted in an equity ratio of 36.54%, compared with 38% in 2024.

In April this year, the Board of Directors voted to allocate \$788,236 of the 2025 year-end margins to the members and approved the retirement of \$300,000 in capital credits. This retirement consists of the remaining 2009 Cooperative patronage of \$117,876 and part of the 2010 patronage of \$182,124. In conclusion, the Cooperative had a good year.



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

June 4, 2026

To: Southwest Water Authority Board of Directors

RE: Roughrider Electric Annual Meeting

I attended the annual meeting for Roughrider Electric on June 3, 2026, in Hazen, ND.

117 members were in attendance along with the Roughrider Board of Directors, Roughrider Management, and staff.

Roughrider had a solid year financially and they maintain a strong balance sheet and overall solid financial health.

Co-CEO's Travis Kupper and Jason Bentz delivered highlights from 2025 and some of the planning they are doing for the future. Reliability, affordability, and sustainability are key drivers in their decision-making process.

Kupper discussed the "hot topic" of data centers. Some of the bad and some of the benefits that their cooperative may see. Wholesale power costs, rising construction costs, and increasing material costs are main concerns. Bentz highlighted that safety is #1.

Roughrider installed over one million feet of underground cable in 2025. They were able to avoid significant weather events, and they had no lost time accidents in 2025.

Greg Steckler successfully won re-election in the only contested board race. The board gave a \$50 bill credit to all members in attendance. They also awarded 12 - \$1,000 scholarships to graduating seniors from local high schools in the area.

Respectfully submitted,

Scott Tschetter
City of Dickinson Director



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

June 10, 2026

To: Southwest Water Authority Board of Directors

RE: Slope Electric Annual Meeting

I attended the 81st annual meeting for Slope Electric on June 4, 2026, in Amidon, ND.

The financial reports were presented and then the Election of Directors was held. Angela Carson and Charlotte Meier were re-elected for District 1 and Steven Wagner was re-elected for District 2.

President Carson discussed many topics pertaining to issues the Cooperative is facing. One of the issues is rate increase are expected soon because the cost of buying power is increasing. Also, data centers are large loads of power and would need to be in their own class and would have to pay power costs up front.

The Directors discussed that \$15 million will be needed in the next four years for new power poles and substations upgrades to be controlled remotely.

Respectfully submitted,

Dave Burke
Slope County Director

June 2, 2026, -- Watford City, ND

To: Southwest Water Authority Board of Directors

RE: McKenzie Electric Cooperative Annual Meeting

A strong turnout approaching 300 members and interested individuals attended the 81st annual meeting of the McKenzie Electric Cooperative (MEC) June 2, 2026, at the McKenzie County Ag Expo just west of Watford City. McKenzie Electric Cooperative serves residents from five counties in North Dakota (McKenzie, Golden Valley, Billings, Dunn and Mercer) and two counties in Montana (Richland and Wibaux).

“Building for the Future” was the theme for the event. McKenzie Electric Cooperative CEO Matt Hanson, in his annual address, added “. . . with energy that fuels our way of life.” He provided statistics regarding MEC commitment to members as follows:

- Goal in 2025 of MEC was to inspect 20% of the distribution lines; accomplished
- Goal in 2025 of MEC was to inspect 50% of the transmission lines; accomplished
- Average MEC residential rates are below state and national average
 - Average MEC rate = 9.2¢/kWh
 - Average North Dakota rate = 11.6¢/kWh
 - Average United States rate = 17.3¢/kWh

Hanson stressed MEC is “focused on affordable rates”. He said MEC is the 4th largest REC distributor of over 800 electric cooperatives. He said MEC is true to its mission and vision to provide continued, reliable service to its members.

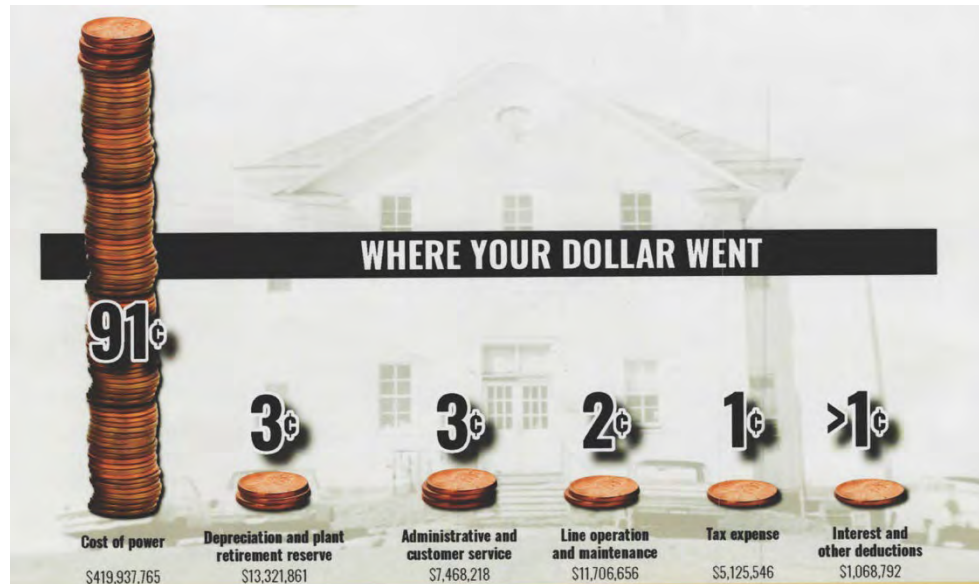
MEC president Chris Link said reliability continues to be at the forefront of the board and staff priority. Link said 440 miles of copper line was identified and all but about 40 miles has been replaced.

Link and Hanson referenced data center interest and potential requests. Both assured MEC members all requests would be thoroughly vetted with member protection a requirement.



Matt Hanson, CEO of McKenzie Electric Cooperative, right, and James Odermann, SWA representative at the MEC annual meeting.

Lance Rambousek from Brady Martz provided the audit report. He reported the MEC equity position was in excess of \$510 million. The net operating margin for 2025 was reported to be \$55,783,856. The MEC board authorized distribution of \$10.7 million in cash for retirement of capital credits to the members. Over 91% of expenses went to purchased power for customers.



This graphic shows where the money spent by the McKenzie Electric Cooperative in 2025.

Maureen Moe reported over \$300,000 in money had been distributed by MEC since the initiation of Operation Roundup was initiated in the 1990s. The money is distributed to individuals and organizations within the MEC service area.

Director election took place. Three incumbents were reelected as follows:

- Ray Tescher
- Clayton Munson
- Travis Thompson

The MEC announced scholarship winners as follows:

- Macy Tjelde, Farview High School, \$500 and \$2,500 scholarships
- Corben Sorenson, Watford City High School, \$1,000 scholarship
- Maxwell Hanson, University of North Dakota, \$1,000 scholarship
- Waylon Smith, Watford City High School, \$1,000 scholarship
- Amelia Wisness, Watford City High School, \$500 scholarship
- Tucker Bombach, Killdeer High School, \$500 scholarship
- Bailey Mattson, Watford City High School, \$500 scholarship
- Lauren Melland, Watford City High School, \$500 scholarship
- Ella Nelson, Dickinson High School, \$500 scholarship
- Kia Rohde, North Dakota Center for Distance Education, \$500 scholarship
- Corben Sorenson and Katie Olson each received “Luck of the Draw” scholarships of \$500

Respectfully submitted,

James Odermann, director
Billings County

The Mor-Gran-Sou Electrical Cooperative 79th Annual Meeting

Thursday, June 11, 2026

Chair: James Odermann

Meeting was called to order by Chair Steve Tomac at 5:00 p.m. C.D.T. Welcomed everyone and thanked them for attending.

Invocation and Pledge of Allegiance

Bob Leingang, Mandan District Director provided an invocation. After the invocation Mandan Boy Scout Troop #54 presented the colors and led the membership in the Pledge of Allegiance.

Ms. Geiger stated a quorum was present.

Mr. Chad Harrison, Vice Chair, introduced the 2026 Scholarship winners. One \$1,000 dollar scholarship sponsored by Basin Electric Power. Mr. Harrison then noted that Mor-Gran-Sou also awards ten (10) \$500 dollar scholarships to a graduating senior at each of the high schools in their service area.

General Managers, Travis Kupper and Jason Bentz presented an update on the cooperative to the members and guests.

Election Results –

- Seth Johnston, representing Grant County replaced Casey Wells.
- Tess Schmidt, representing the Mandan area, replaced Bob Leingang
- Katie Wirt, representing Sioux County replaced Rodney Froehlich

This is the first time in 18 years that three new directors have been elected. Otherwise, it is normally two new directors per year.

Casey Wells and Bob Leingang met their term limits of 18 years, and both were awarded a clock for their years of service. Rodney Froelich retired.

In closing, Mr. Tomac reminded those present that all members who stayed until adjournment would receive a \$15 dollar credit on their next billing.

Mr. Tomac entertained and received a motion to adjourn the meeting at 6:15 p.m. C.D.T. The motion was seconded. Motion carried.



June 18, 2026

To: Southwest Water Authority Board of Directors

RE: Consolidated Annual Meeting

I attended the annual meeting for Consolidated on June 18, 2026, in Dickinson, ND.

There were 84 members in attendance. Pre-registration was followed by a roast beef dinner with all the trimmings provided by Mulligan's of Dickinson. I talked to one director who told me that this number of members in attendance was the lowest he had ever seen in his time as a director. 50 members are needed for a quorum.

The annual report shows them in a good position financially in 2025. They continue to lose landline customers, but they have increased their numbers for internet service. They also now provide internet services to folks in Dickinson, but they are not considered members of the co-op.

One director from District 3 (Holly Volesky) and one director from District 4 (Scott Bachmeier) were elected by unanimous vote. District 3 director Brenda Volesky has retired after 30 years of service to the co-op.

10 scholarships were awarded to local senior high school graduates this year.

Respectfully submitted,

Bob Ingold
Dunn County Director



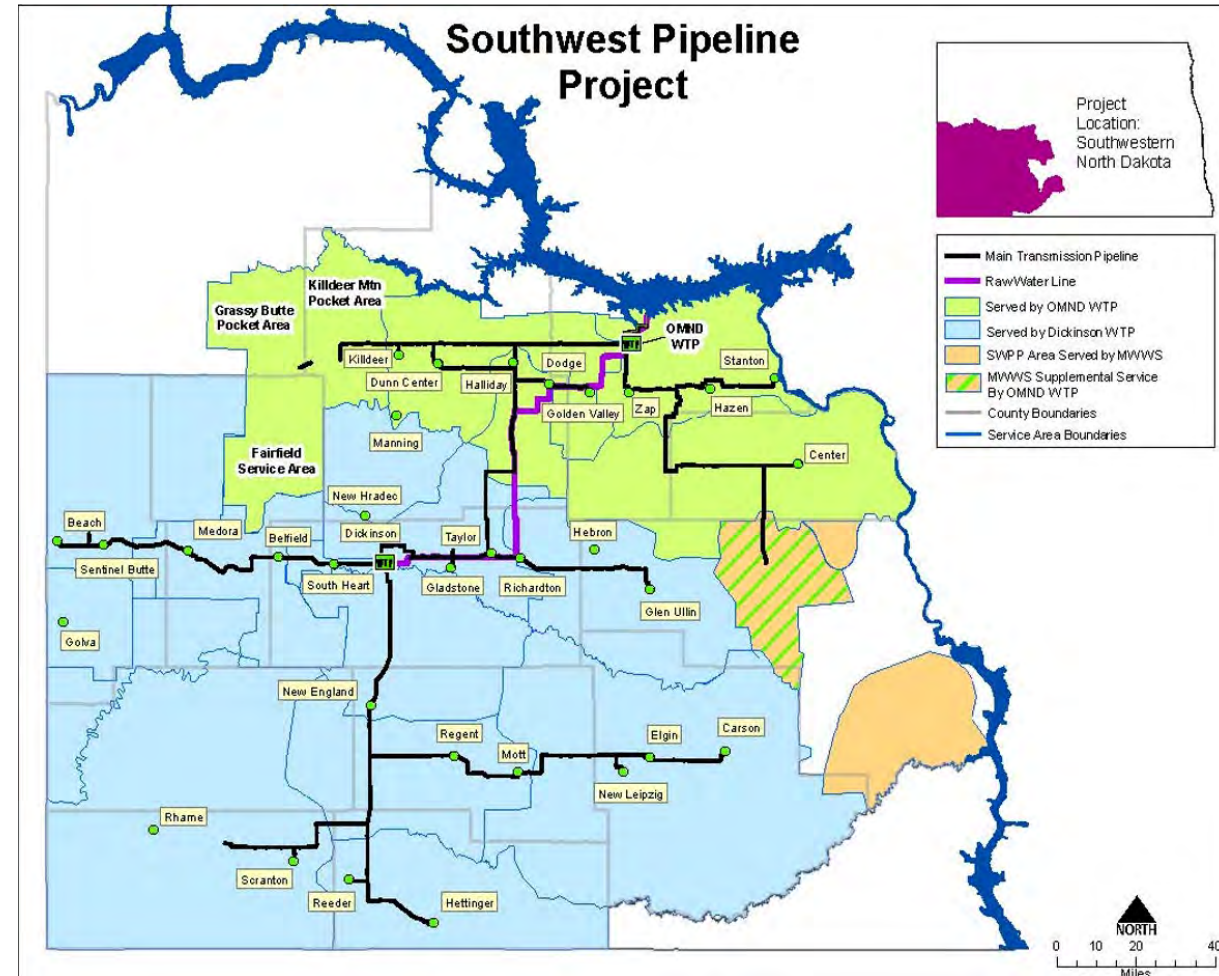
Southwest Pipeline Project and Southwest Water Authority

Commissioner-Hosted Basin Meetings 2026

Jen Murray, Manager/CEO, Southwest Water Authority

Regionalization

- 12 Counties
- 33 Communities
- More than 5,000 miles of pipeline
- 7,900+ Rural Customers
- Population of 58,000
- More than 15,000 Square Miles
~ 21% of North Dakota
- Two Additional Rural Water Systems

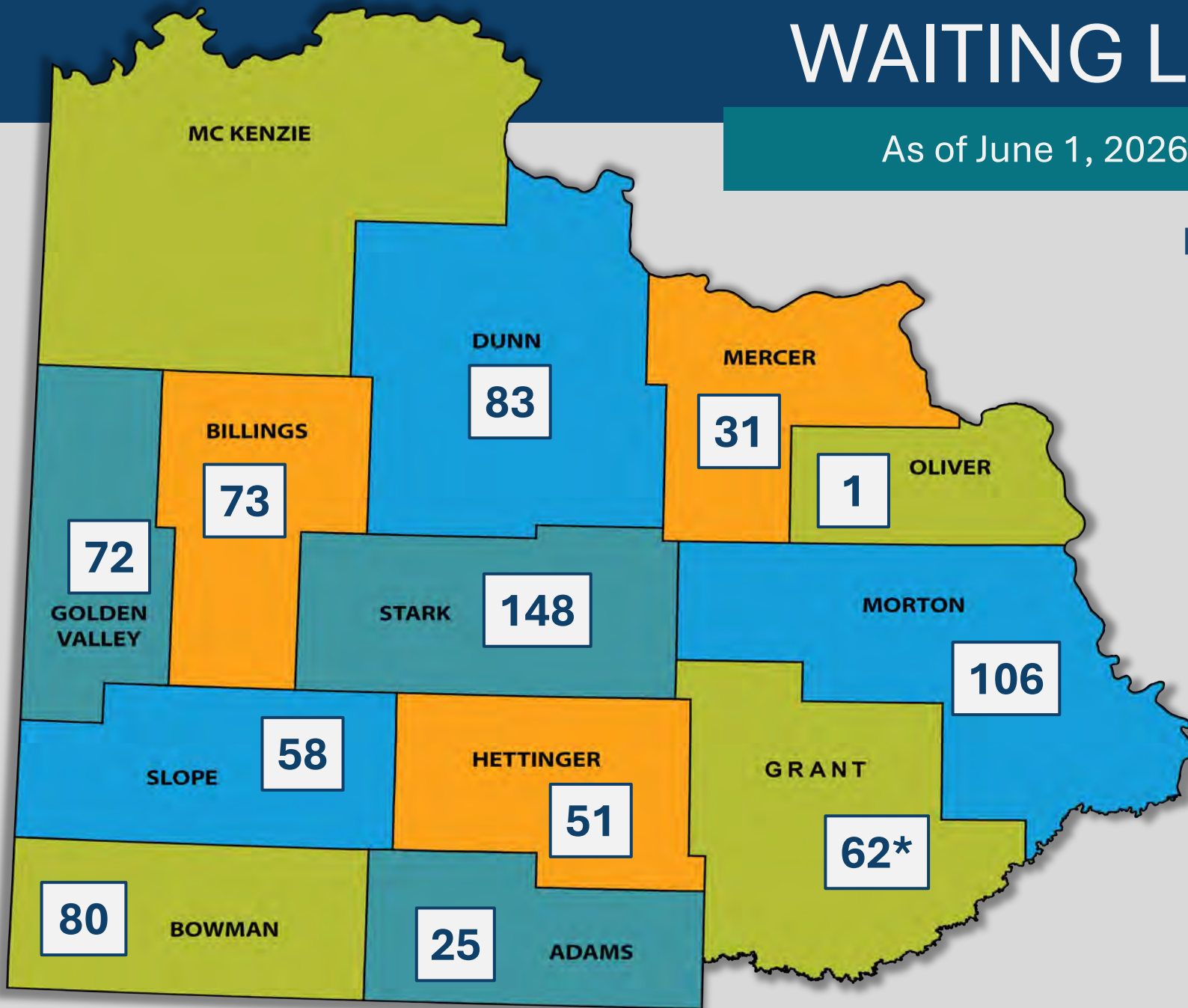


WAITING LIST

As of June 1, 2026

790*

Locations In SWA
Service Area
By County



* Does Not Include **930** Signups In
The Burt - Hebron Service Area

Three-Pronged Approach



- Raw Water and Main Transmission Line Facilities
- Strategic Hydraulic Improvements
- Rural Service Area Expansion to Underserved Areas

2027-2029 Water Development Plan

- Strategic Hydraulic Improvements – South Fairfield
- Rural Service Area Expansion - Burt/Hebron Service Area
- MTL Facility Upgrades for North and East Zone - Design
- Raw Water MTL Upgrades or Supplementary Intake

\$71.2 Million

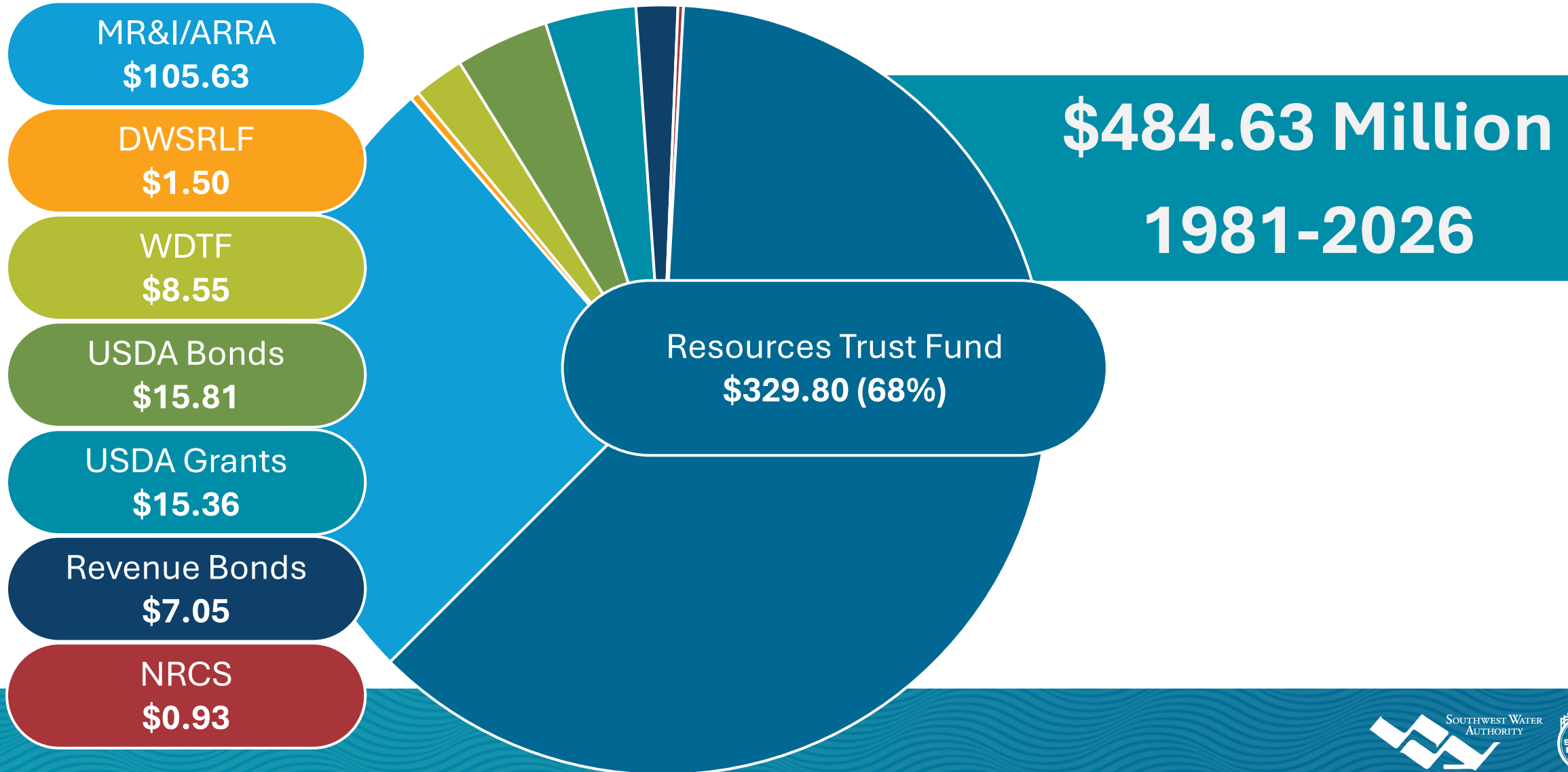
Regional Water Systems Governance and Finance Study

**Option 1:
Keep Current
Model with
Improvements**

**Option 2:
Keep Current
Governance and
Leverage Capital
Repayment**

**Option 3:
SWA Ownership
and Leverage
Capital
Repayment**

SOUTHWEST PIPELINE PROJECT FUNDING



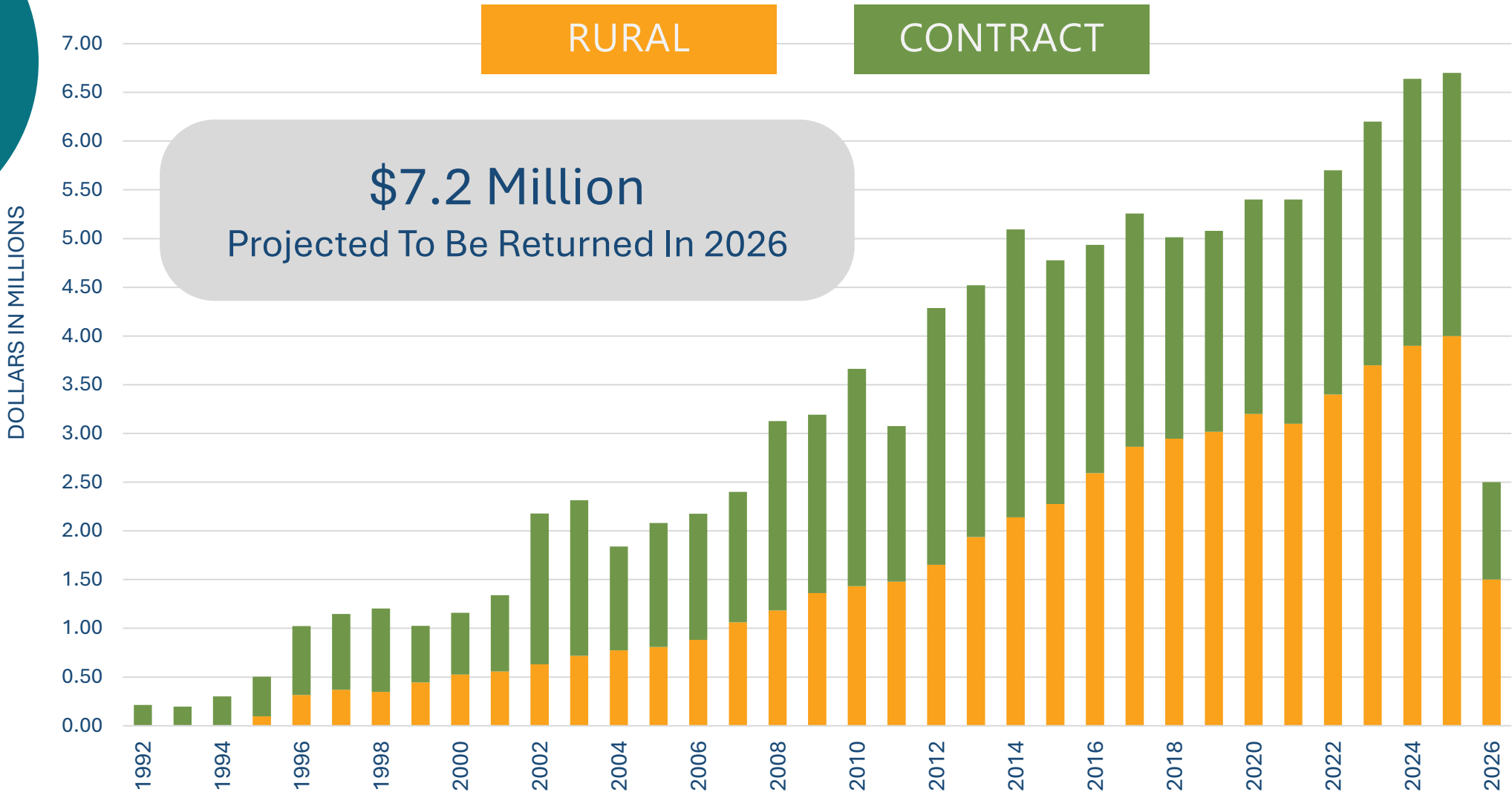
SOUTHWEST WATER AUTHORITY

CAPITAL REPAYMENT BY YEAR

**\$112
Million***
Through May 2026

***34%**
Of State
Funding
Returned

***23%**
Of Total
Funding
Returned



SWA Board of Directors



SOUTHWEST WATER



State Water Commission Meeting
#238 Lewis and Clark Room, Bank of North Dakota
1200 Memorial Hwy., Bismarck, ND
Tuesday, June 9, 2026 – 9:00 a.m. CT

Microsoft Teams [Need help?](#)

[Join the meeting now](#)

Meeting ID: 286 065 807 915 6

Passcode: KW9HN76g

Dial in by phone

[+1 701-328-0950,,528566732#](#) United States, Bismarck

[Find a local number](#)

Phone conference ID: 528 566 732#

Join on a video conferencing device

Tenant key: teams@join.nd.gov

Video ID: 116 588 159 8

AGENDA

- 9:00 – 9:02 A. Roll Call
1. Pledge of Allegiance
 2. Conflict of Interest
- 9:02 – 9:03 B. **Consideration of Agenda**
- 9:03 – 9:06 C. Consideration of Minutes
1. **Draft Minutes for the March 26, 2026, Special SWC Meeting**
 2. **Draft Minutes for the April 8, 2026, SWC Meeting**
 3. **Draft Minutes for the April 16, 2026, Special Pre SWC Meeting**
 4. **Draft Minutes for the May 21, 2026, Pre SWC Meeting**
- 9:06 – 9:15 D. SWC Secretary Update (**Reice Haase**) – No Attachment
- 9:15 – 9:20 E. Financials (**Chris Kadrmas**)
- 9:20 – 9:35 F. Southwest Pipeline Project (SWPP) (**Justin Froseth**)
1. **Contract 7-5C: Rural Service Area Expansion in the Hebron Service Area**
 2. **Contract 1-1C: Modifications to Existing Intake Pump Stations**
 3. **Replacement and Extraordinary Maintenance (REM) Fund Reimbursement**
- 9:35 – 9:40 G. State Owned Projects (**Justin Froseth**)
1. **REM Projects Reimbursement Process**
- 9:40 – 9:45 H. Northwest Area Water Supply (NAWS) (**Brandon Hicks**)
1. **Contract 1-1A: Intake & Snake Creek Pumping Plant Modification Funding Allocation**

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:

9:45 – 9:50	I. General Water (Abigail Franklund)			
	1. Dickinson	Manns Dam Final Design	\$253,245	PC
	2. DWR	USGS Cooperative Monitoring	\$538,390	O
	3. Grand Forks WRD	Grand Forks Co Dams EAP Updates	\$204,000	O
	J. Water Supply (Regional) (Julie Prescott)			
	1. WAWSA	Private Cellular Telemetry SCADA	\$74,250	C
	2. WAWSA	WTP Intake Phase II	\$386,250	CI
	K. Water Supply (Rural) (Julie Prescott)			
	1. Missouri West WS	Flasher Elevated Tank	\$89,888	PC
	L. Water Supply (Municipal) (Julie Prescott)			
	1. Enderlin	Water Supply Study	\$99,000	O
	2. Mohall	Northwest Water & Sewer Replacements	\$90,000	PC

AGENDA

9:50 – 9:55	M. Flood Control (Abigail Franklund)			
	1. Maple River WRD	Davenport Flood Project	\$102,237	CI
9:55 – 10:00	N. Presentation of Water Supply Buckets and Priorities (Duane Pool) – No Attachment			
10:00 – 10:15	O. Water Supply (Rural) (Julie Prescott)			
	1. ASWUD	Bottineau County Expansion Ph 1 & 2	\$1,901,250	PC
	2. Cass RWD	2026 System Improvements	\$1,684,177	C
	3. Garrison RWD	Pump Station #5 (6) and Reservoir	\$1,002,254	C
10:15 – 10:25	P. Water Supply (Municipal) (Julie Prescott)			
	<u>Projects Considered Based on Cost-Share Prioritization Framework and Available Funding</u>			
	1. City of Williston	2026 Williston Square Improvements	\$602,102	C
	2. City of Bowman	New Water Storage Reservoir	\$1,656,600	C
10:25 – 10:30	Q. Water Supply (Municipal) (Julie Prescott)			
	<u>Projects Deferred Pending Available Funding</u>			
	1. City of Underwood	Water System Improvements	\$555,466	C
	2. Bismarck	WU152 2026 Watermain Replacement	\$2,440,567	C
	3. Steele	Watermain Replacement	\$124,200	PC
	4. Casselton	Downtown Improvements Project	\$525,218	C
	5. Harwood	North Main Water Loop	\$491,129	C
	6. Grafton	Water System Replacement Phase I	\$2,556,064	C
	7. Regent	Main Avenue Reconstruction	\$644,705	C

8.	Watford City	2026 Water Main Replacement	\$2,130,923	C
9.	West Fargo	1 st Avenue E Reconstruction	\$1,136,346	C
10.	West Fargo	Meadow Ridge Reconstruction Phase I	\$1,120,118	C
11.	Williston	West Broadway Improvements	\$395,962	C
12.	Rolla	WTP Improvements	\$15,000	O
13.	Binford	Water & Wastewater System Improvements	\$300,000	PC
14.	Mandan	Intake Phase III Study	\$135,000	O
15.	Stanley	Capital Improvements Project IV	\$95,460	PC

10:30 – 10:45 R. **Cost-Share Program Modification Materials for Public Comment** (Pat Fridgen)

10:45 – 10:50 S. Mouse River Enhanced Flood Protection Project (MREFPP) Update – Ryan Ackerman

10:50 – 10:55 T. Red River Valley Water Supply Project (RRVWSP) Update – Duane DeKrey

10:55 – 11:00 U. Legal Updates (Matt Sagsveen)

11:00 – 11:35 V. Project Updates (Presentations if time allows)
(5 min each)

1. Devils Lake (Yaping Chi)
2. Red River Basin (Yaping Chi)
3. Mouse River (Laura Ackerman)
4. Missouri River (Clay Carufel)
5. NAWS (Brandon Hicks)
 - a. Lake Water Delivery to Minot Update (Houston Engineering)
6. SWPP (Justin Froseth)

W. 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 Contract 7-5C – Rural Service Area Expansion in the Hebron
Service Area Award

DATE: May 27, 2026

Background/Discussion:

Contract 7-5C, Rural Service Area Expansion in the Hebron Service Area, is a rural water expansion project that will provide new water service to approximately 180 rural users.

Key components of the project include installation of approximately 150 miles of pipeline ranging in diameter from 1.5 inches to 10 inches. The 8-inch and 10-inch transmission lines are designed to accommodate future system expansion beyond the immediate project area and support connection of hundreds of additional signups through future projects. Additional major project features include construction of a Variable Frequency Drive (VFD) booster station and numerous railroad and roadway pipeline crossings.

A public bid opening was held May 5, 2026. Four bids were received from the following contractors: Abbott, Arne, Schwindt, Inc. of Moorhead, Minnesota; BEK Consulting of Dickinson, North Dakota; Carstensen Contracting of Dell Rapids, South Dakota; and Wagner Construction of International Falls, Minnesota. The project was divided into three schedules: Schedule 1A, 1B, and 2. The project as bid, allowed award to only one single bidder for Schedules 1A and 1B. Documents allowed award of Schedule 2 to a different bidder if it was advantageous to the State. Bid results identified Carstensen Contracting as the low bidder for Schedules 1A and 1B and Abbott, Arne, Schwindt, Inc. as the low bidder for Schedule 2. Overall bid totals were approximately 20 percent below the engineer's estimate when considering all schedules.

The maximum cost per Equivalent Service Unit (ESU) approved for this project is \$75,980. Based on the bid prices received, the maximum cost/ESU is exceeded for Bid Schedule 2. The current signups in the area already include many high service unit signups as there were concerns with them meeting the maximum cost/ESU limit. However, there are signups in the Bid Schedule 2 area that have the potential to increase to high consumption three (HC3) users. If many of those signups increased to HC3, Bid Schedule 2 would meet the maximum cost/ESU limit. This information has been shared with Southwest Water Authority in order for them to work with the rural users to increase signup commitments to meet the maximum cost/ESU limit.

BW/AECOM's review of bids and recommendation to award the contract is attached. The recommendation letter includes a recommendation to award Schedules 1A and 1B to the lowest responsible bidder, Carstensen Contracting. For Bid Schedule 2, BW/AECOM's recommendation is to award to the lowest responsible bidder, Abbott, Arne, Schwindt, Inc. pending decision on Bid Schedule 2 meeting the maximum cost/ESU limit. DWR staff recommends awarding Bid Schedule 1A and 1B to Carstensen Contracting and since there is work to be done to meet the maximum cost/ESU for Bid Schedule 2, staff's recommendation is to authorize Secretary Haase to award if or when the maximum cost/ESU is met.

Funding:

Funding needed for Bid Schedules 1A and 1B is \$17,040,000 (rounded) when adding 5% for contingency and 15% for construction engineering services to the lowest responsible bids. Funding needed for Bid Schedule 2 is \$2,520,000 (rounded) when adding 5% for contingency and 15% for construction engineering services to the lowest responsible bid. Though Bid Schedule 2 maximum cost/ESU is not yet met currently, DWR staff believes it is appropriate to anticipate that it will be met so recommends including it in the funding authorization.

Recommendation:

I recommend the State Water Commission authorize the Secretary to award SWPP Contract 7-5C Bid Schedule 1A and Bid Schedule 1B to Carstensen Contracting. I recommend the State Water Commission authorize the Secretary to award SWPP Contract 7-5C Bid Schedule 2 to Abbot, Arne and Schwindt, Inc. contingent on Bid Schedule 2 meeting the maximum cost/Equivalent Service Unit limit. The award of all schedules of SWPP Contract 7-5C will be dependent upon legal review of the contract documents.

I recommend the State Water Commission allocate \$19.56 million (includes 5% for contingency and 15% for construction engineering) to the Southwest Pipeline Project from funds appropriated in the 2025-2027 biennium.

JF:/1736-99
Attachment

May 13, 2026

North Dakota State Water Commission
 Attn: Mr. Justin Froseth
 1200 Missouri Ave
 Bismarck, ND 58504

**SUBJECT: SWPP Contract 7-5C, Rural Service Area Expansion in the Hebron Service Area
 Review of Bids Received
 W.O. 3033.A44**

Justin:

On Tuesday, May 5, 2026, bids were opened for Southwest Pipeline Project (SWPP) Contract 7-5C, Rural Service Area Expansion in the Hebron Service Area. The scope of work under Contract 7-5C consists of three (3) Bid Schedules. Bid Schedule 1A and Bid Schedule 1B will be awarded, if awarded, to a single Contractor. Bid Schedule 2 could be awarded, if awarded, to the Bid Schedule 1 Contractor or a separate Contractor based on the Bids received. The project is located in Stark, Grant, and Morton Counties of North Dakota. Bid Schedule No. 1A includes furnishing and installing approximately 22 miles of 8” – 10” ASTM D2241 gasketed joint pipe, road crossings, railroad crossings, connections to existing pipelines, and other related appurtenances. Bid Schedule No. 1B includes furnishing and installing approximately 109 miles of 1.5” – 4” ASTM D2241 gasketed joint pipe, 164 services, road crossings, railroad crossings, connections to existing pipelines, and other related appurtenances. Bid Schedule No. 2 includes furnishing and installing approximately 20.6 miles of 1.5” – 4” ASTM D2241 gasketed joint pipe, 17 services, road crossings, railroad crossings, connections to existing pipelines, one (1) prefabricated below grade VFD booster station, and other related appurtenances. Bid Schedule No. 2 has a delayed start date of May 1st, 2027. The Substantial Completion Date for all Bid Schedules is October 31, 2027.

Four bid packages were received for SWPP Contract 7-5C. A tabulation of the bid results is attached. A copy of the bid tab has been provided to all bidders and other interested parties. All of the bids were considered responsive and read aloud at the bid opening. A summary of the bids received is shown on the table below.

SOUTHWEST PIPELINE PROJECT CONTRACT 7-5C RURAL SERVICE AREA EXPANSION IN THE HEBRON SERVICE AREA		
BID SCHEDULE 1A		
Bidder	Bid Amount Bid Schedule 1A	Amount Higher Than Low Bid
Carstensen Contracting Dell Rapids, SD	\$4,617,250.00	-
Abbott, Arne, Schwindt, Inc. Moorhead, MN	\$5,300,000.00	+ \$682,750.00 14.8%
BEK Consulting Dickinson, ND	\$4,948,100.00	+ \$330,850.00 7.2%
Wagner Construction International Falls, MN	\$5,397,858.50	+ \$780,608.50 16.9%
Engineer's Estimate	\$5,944,840.00	+ \$1,327,590.00 28.8%

SOUTHWEST PIPELINE PROJECT CONTRACT 7-5C RURAL SERVICE AREA EXPANSION IN THE HEBRON SERVICE AREA		
BID SCHEDULE 1B		
Bidder	Bid Amount Bid Schedule 1B	Amount Higher Than Low Bid
Carstensen Contracting Dell Rapids, SD	\$9,579,025.50	-
Abbott, Arne, Schwindt, Inc. Moorhead, MN	\$9,600,000.00	+ \$20,974.50 0.2%
BEK Consulting Dickinson, ND	\$13,024,800.00	+ \$3,445,774.50 36.0%
Wagner Construction International Falls, MN	\$17,085,212.00	+ \$7,506,186.50 78.4%
Engineer's Estimate	\$11,384,695.00	+ \$1,805,669.50 18.9%

SOUTHWEST PIPELINE PROJECT CONTRACT 7-5C RURAL SERVICE AREA EXPANSION IN THE HEBRON SERVICE AREA		
BID SCHEDULE 2		
Bidder	Bid Amount Bid Schedule 2	Amount Higher Than Low Bid
Carstensen Contracting Dell Rapids, SD	\$2,482,636.00	+ \$382,636.00 18.2%
Abbott, Arne, Schwindt, Inc. Moorhead, MN	\$2,100,000.00	-
BEK Consulting Dickinson, ND	\$3,478,600.00	+ \$1,378,600.00 65.6%
Wagner Construction International Falls, MN	\$3,763,699.00	+ \$1,663,699.00 79.2%
Engineer's Estimate	\$2,888,165.00	+ \$788,165.00 37.5%

Based on our review of the apparent low bid received for Bid Schedules 1A and 1B from Carstensen Contracting, Inc., the Bid appears to be in accordance with the Invitation for Construction Bids and the Bid Documents. It is thus considered to be a responsive bid.

Based on our review of the apparent low bid received for Bid Schedule 2 from Abbott, Arne, Schwindt, Inc., the Bid appears to be in accordance with the Invitation for Construction Bids and the Bid Documents. It is thus considered to be a responsive bid.

Carstensen Contracting, Inc. recently completed Contract HI-2021 for SWPP. Carstensen Contracting, Inc. has completed main transmission pipelines for SWPP such as Contracts 2-8E and 2-8F. Carstensen Contracting

has not completed a rural expansion project to date for SWPP but has completed similar projects on other rural water projects within the State of North Dakota and South Dakota. These projects are generally similar to the work associated with Bid Schedule 1A and Bid Schedule 1B. Carstensen Contracting, Inc. is thus considered a qualified contractor for the work associated with Bid Schedule 1A and Bid Schedule 1B.

Abbott, Arne, Schwindt, Inc., has completed past rural water projects for SWPP with the most recent projects being the OMND rural distribution contracts 7-9A and 7-9B. Additionally, Bartlett & West has years of experience with Abbott, Arne, Schwindt, Inc. on other rural water projects within the State of North Dakota and South Dakota. These projects are generally similar to the work associated with Bid Schedule 2. Abbott, Arne, Schwindt, Inc. is thus considered a qualified contractor for the work associated with Bid Schedule 2.

This project is intended to increase the hydraulic capacity in the Hebron Service Area which allows additional users to be connected to SWPP. This project includes 181 signups throughout the Hebron Service Area. A review of the received unit pricing for the low bidders indicates some variance between pricing for bid items such as the mobilization, PVC piping, crossings, valves, and tie-ins. This variance could be attributed to the extensive nature of this project. Overall, the comparison of the apparent low bids received is below Engineer's estimate and is considered fair market value for this type of Project.

The maximum cost per equivalent service unit (ESU) for this project was set at \$75,980 as authorized by the SWC in its October 10, 2024 SWC meeting. BW/AECOM is currently evaluating Bid Schedules 1B and Bid Schedule 2 to identify the high-cost users based on the provided bid prices. The preliminary analysis indicates that the inclusion of existing subsequent users may be necessary to meet the maximum cost per ESU for portions of Bid Schedule 1B and all of Bid Schedule 2. Based on the bid prices received for Bid Schedule 1B, Bid Schedule 1B has 170.5 ESU's and the average cost per ESU is \$64,609.26 with 15% added for project costs. Bid Schedule 2 provides service to 24 ESU's and the average cost per ESU is \$85,247.90 with the VFD booster cost removed from evaluation and adding 15% for project costs. Bid Schedule 2 does have 10.5 ESU's for currently served subsequent users in this area and when considering these subsequent users into the project feasibility, the average cost per ESU is \$59,302.89 with the VFD booster cost removed from evaluation and 15% added for estimated project costs.

The contract documents require that the SWC award the contract, if awarded, within 60 calendar days after the bid opening as stipulated on the Bid Form. That date would be July 4, 2026. Subject to approval by your legal counsel that the bid documents are in order from a legal standpoint, we recommend that the North Dakota State Water Commission award SWPP Contract 7-5C Bid Schedules 1A & 1B, to Carstensen Contracting, Inc. in the amount of \$14,196,275.50. BW/ACOM recommends SWPP Contract 7-5C Bid Schedule 2 to be awarded to Abbott, Arne Schwindt, Inc. in the amount of \$2,100,000.00 contingent on the SWC's decision to utilize existing subsequent users in the evaluation of the feasibility criteria.

Sincerely,

BARTLETT & WEST/AECOM

Keegan Richards, P.E.
Project Engineer

Copy: SWA – Jen Murray
File: SWPP Contract 7-5C: 9.0

3456 East Century Avenue
 BISMARCK, ND 58503
 (701) 258-1110

DATE: May 5, 2026
 LOCATION: ND DEPARTMENT OF WATER RESOURCES

3033.A44


CCI: 14158

Item No.	Description	Engineer's Estimate	CARSTENSEN CONTRACTING, INC. DELL RAPIDS, SD	ABBOTT, ARNE, SCHWINDT, INC. MOORHEAD, MN	BEK CONSULTING DICKINSON, ND	WAGNER CONSTRUCTION, INC. dba WAGNER PLACE INTERNATIONAL FALLS, MN
	Bid Schedule No. 1A – 7-5C MTL Pipe & Appurtenances	Value/Price	Value/Price	Value/Price	Value/Price	Value/Price
	Total Base Bid Price	\$ 5,944,840.00	\$ 4,617,250.00	\$ 5,300,000.00	\$ 4,948,100.00	\$ 5,397,858.50
	Bid Adjustment (Addition) or (Deduction)	\$ -	\$ -			
	TOTAL BID SCHEDULE 1A	\$ 5,944,840.00	\$ 4,617,250.00	\$ 5,300,000.00	\$ 4,948,100.00	\$ 5,397,858.50
	Bid Schedule No. 1B - 7-5C West Project Area Rural Pipe & Appurtenances	Value/Price	Value/Price	Value/Price	Value/Price	Value/Price
	Total Base Bid Price	\$ 11,384,695.00	\$ 9,579,025.50	\$ 9,600,000.00	\$ 13,024,800.00	\$ 17,085,212.00
	Bid Adjustment (Addition) or (Deduction)	\$ -	\$ -			
	TOTAL BID SCHEDULE 1B	\$ 11,384,695.00	\$ 9,579,025.50	\$ 9,600,000.00	\$ 13,024,800.00	\$ 17,085,212.00
	Bid Schedule No. 2 – 7-5C East Project Area Rural Pipe & Appurtenances	Value/Price	Value/Price	Value/Price	Value/Price	Value/Price
	Total Base Bid Price	\$ 2,888,165.00	\$ 2,482,636.00	\$ 2,100,000.00	\$ 3,478,600.00	\$ 3,763,699.00
	Bid Adjustment (Addition) or (Deduction)	\$ -	\$ -			
	TOTAL BID SCHEDULE 2	\$ 2,888,165.00	\$ 2,482,636.00	\$ 2,100,000.00	\$ 3,478,600.00	\$ 3,763,699.00
	TOTAL BID SCHEDULES 1A, 1B, & 2	\$ 20,217,700.00	\$ 16,678,911.50	\$ 17,000,000.00	\$ 21,451,500.00	\$ 26,246,769.50

	SUBCONTRACTORS					
	BORING				LAKE REGION DRILLING DEVILS LAKE, ND	LAKE REGION & EXTREME UNDERGROUND DEVILS LAKE, ND
	SEEDING & RECLAMATION				PREMIER LANDSCAPING MINOT, ND	PREMIER LANDSCAPING MINOT, ND
	ELECTRICAL		BURLINGTON ELECTRIC BURLINGTON, ND	BURLINGTON ELECTRIC BURLINGTON, ND	YES, LLC DICKINSON, ND	BURLINGTON ELECTRIC BURLINGTON, ND
	CONCRETE				WINN CONSTRUCTION DICKINSON, ND	WCI MINOT, ND
	FENCING				ABC FENCING BELFIELD, ND	PREMIER LANDSCAPING MINOT, ND
	SUPPLIERS					
	MANHOLES		RINKER BISMARCK, ND	RINKER MENOKEN, ND	ECP RAPID CITY, SD	RINKER MENOKEN, ND
	VALVES & APPURTENANCES		FERGUSON BISMARCK, ND	FERGUSON BISMARCK, ND	FERGUSON BISMARCK, ND	CORE & MAIN OR FERGUSON MINOT OR BISMARCK, ND
	PIPING		FERGUSON BISMARCK, ND	NORTHERN PIPE PRODUCTS FARGO, ND	FERGUSON BISMARCK, ND	CORE & MAIN OR FERGUSON MINOT OR BISMARCK, ND
	PREFABRICATED VAULTS		DPC WATERTOWN, SD	DAKOTA PUMP MITCHELL, SD	USEMCO WATERTOWN, SD	DPC OR DAKOTA PUMP FARGO, ND



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

FROM: Reice Haase, Secretary 

SUBJECT: SWPP Contract 1-1C – Modifications to Existing Intake Pump Stations Award

DATE: May 27, 2026

Background/Discussion:

Contract 1-1C – Modifications to Existing Intake Pump Stations, is a project to install equipment and complete necessary construction modifications to increase pumping capacity within the existing Southwest Pipeline Project's intake by 3,000 gallons per minute. The project will allow the SWPP to realize the capacity allocated to the system under Amendment #1 executed in October 2024 to the water supply agreement between State of North Dakota and Basin Electric Power Cooperative.

The project follows Contract 1-1B, which was the procurement of some of the critical equipment necessary to increase the existing intake's pumping capacity.

Key components of the project include the replacement of one existing 100 hp and one existing 300 hp pump with 200 hp and 600 hp pumps respectively, installing Variable Frequency Drives, electrical and mechanical work, and necessary piping improvements.

A public bid opening was held May 19, 2026. Four responsive bids were received for the three different contracts. One bid for the General Construction contract, two for the Mechanical Construction, and one for the Electrical Construction. The sum of low bids for the different contracts is approximately 17% below the Engineer's estimate. The low bidders are: CC Steel, LLC from Fargo, ND for the General Construction Contract; Peterson Sheet Metal from Bemidji, MN for the Mechanical Construction Contract; and Edling Electric from Bismarck, ND for the Electrical Construction Contract. The bids were reviewed by BW/AECOM to make sure that all bid conditions were met. Additionally, references were checked. CC Steel, LLC and Peterson Sheet Metal are not familiar contractors to the SWPP and BW/AECOM so an emphasis on past project performance and reference checks were made for these contractors.

BW/AECOM's review of bids and recommendation to award the Contracts is attached. The recommendation is to award to the lowest responsible bidders for all scopes of work. The DWR staff concurs with BW/AECOM's recommendation. The

project included three Bid Alternates: Bid Alternate G-1 on the General Construction for the removal and replacement of grooved pipe ends with grooved couplings, Bid Alternate G-2 for the coating of existing piping, and Bid Alternate E-1 for performing generator load bank testing. BW/AECOM and DWR staff recommend including Bid Alternate G-1 in the award. Bid Alternate G-2 is considered an eligible Replacement and Extraordinary Maintenance Project, and so Southwest Water Authority (SWA) staff was consulted. SWA staff does not want to pursue Bid Alternate G-2 due to the pricing and so it is not recommended to be included in the award.

BW/AECOM's review of Bid Alternate E-1 notes that the bid received is high and is not recommended for award. DWR staff concurs with the recommendation

Funding:

Funding needed for all scopes of work and Bid alternate G-1 is \$2,980,000 (rounded) when adding 5% for contingency and 15% for construction engineering services.

Recommendation:

I recommend the State Water Commission authorize the Secretary to award SWPP Contract 1-1C General Construction with Bid Alternate G-1 to CC Steel, LLC in the amount of \$727,750, Contract 1-1C Mechanical Construction to Peterson Sheet Metal in the amount of \$612,500, and Contract 1-1C Electrical Construction to Edling Electric in the amount of \$1,137,000.

I recommend the State Water Commission allocate \$2.98 million to the Southwest Pipeline Project from funds appropriated in the 2025-2027 biennium.

JF:/1736-99
Attachment

May 25, 2026

North Dakota State Water Commission
Attn: Mr. Justin Froseth, P.E., Project Manager
1200 Memorial Highway
Bismarck ND 58504

**SUBJECT: SWPP Contract 1-1C Modifications to Existing Intake Pump Station
Review of Bids Received
W.O. 3033.A41**

Justin:

On Tuesday, May 19, 2026, bids were opened for Southwest Pipeline Project (SWPP) Contract 1-1C, Modifications to Existing Intake. The scope of work generally consists of the replacement of one existing 100 hp and one existing 300 hp pump with 200 hp and 600 hp pumps respectively, installing Variable Frequency Drive (VFD)'s, electrical, and HVAC equipment and making piping improvements at the Southwest Pipeline Project's existing intake facilities on Renner Bay, Lake Sakakawea in Mercer County, ND.

The project is located at 6153 3rd St. NW about eighteen miles NW of Beulah, ND. Separate Bid Schedules and Scopes of Work are provided under this Project for the General, Mechanical, and Electrical Contracts. A Combined Single Bid is also provided under the Project to encompass all individual Scopes of Work.

The Work classifications are described below.

General Construction – includes but is not limited to removing one 100 hp vertical turbine pump with 101 foot column in the existing Basin Electric Pump Station (BEPC); removing one 300 hp vertical turbine can pump and appurtenant piping and valves, in the existing SWPP Intake Pump Station; removal of existing 26-inch piping; the installation of one Owner purchased 200 hp vertical turbine pump with 101 foot column in the existing BEPC Intake Pump Station; installation of one Owner purchased 600 hp vertical turbine pump in existing SWPP Intake Booster Pump Station; installation of two 8-inch, four 16-inch, and one 24-inch Owner purchased class 300 butterfly valves; installation of one 16-inch, and one 8-inch Owner purchased class 300 silent check valves; furnishing and installing 8-inch, 16-inch, and 26-inch steel piping; furnishing and installing one 24-inch magnetic flow meter; furnishing and installing appurtenant pressure gages, air release valves, concrete support pads for electrical transformers, housekeeping pad for external holding tank, interior housekeeping pads for VFDs and electrical switchboard, installation of bollards, removal and replacement of one pipeline Combination Air Release Valve, site restoration, gravel surfacing, and other items.

Mechanical Construction – includes but is not limited to removing two existing air handling units; furnishing and installing two water source heat pumps with associated plumbing, controls, and support systems; reposition one existing electric unit heater to new location; furnishing and installing a 2000-gallon external holding tank with anti-flotation pad, and associated sump discharge piping.

Electrical Construction – includes but is not limited to replacement of existing lighting systems fixtures; furnishing and installing all wiring and field connection to and for electrical items supplied under the General and Mechanical contracts, Owner purchased equipment, and utility transformer; installation of two) Owner purchased VFDs, installation of one Owner purchased 1000kVA pad mounted external transformer; installation of one Owner purchased 480V switchboard; performing short circuit and protective device coordination study and arc flash hazard analysis; perform field testing of Owner purchased equipment and existing 1500kW standby generator.

Five bid packages were received for SWPP Contract 1-1C. One bid was received and read aloud for Bid Schedule 1-General Construction Contract. Two bids were received and read aloud for Bid Schedule 2-Mechanical Construction Contract. Two bids were received and read aloud for Bid Schedule 3-Electrical Construction Contract. Based on BW/AECOM's review of the bids received, the bid received from CC Steel,

LLC (CC Steel), Central Mechanical, Inc., Precision Sheet Metal, and Edling Electric appear to be in accordance with the Invitation for Construction Bids and the Bid Documents. These four bids are considered responsive bids.

The bid for YES Electric, LLC is considered non-responsive due to being a qualified or conditioned bid. No bids were received for Bid Schedule 4-Combined Construction Contract. A tabulation of the bid results is attached. A copy of the bid tab has been provided to all bidders and other interested parties. A summary of the bids received is shown on the table below.

SOUTHWEST PIPELINE PROJECT CONTRACT 1-1C MODIFICATIONS TO EXISTING INTAKE		
Bidder	Bid Schedule 1 General	Amount Higher Than Low Bid
CC Steel, LLC Fargo, ND	\$755,750.00	-
Engineer's Estimate	\$1,475,000.00	+ \$719,250.00 95.2%

SOUTHWEST PIPELINE PROJECT CONTRACT 1-1C MODIFICATIONS TO EXISTING INTAKE		
Bidder	Bid Schedule 2 Mechanical	Amount Higher Than Low Bid
Peterson Sheet Metal Bemidji, MN	\$612,500.00	-
Central Mechanical, Inc. Mandan, ND	\$889,000.00	+ \$276,500.00 36.6%
Engineer's Estimate	\$478,750.00	- \$133,750.00 -17.7%

SOUTHWEST PIPELINE PROJECT CONTRACT 1-1C MODIFICATIONS TO EXISTING INTAKE		
Bidder	Bid Schedule 3 Electrical	Amount Higher Than Low Bid
Engineer's Estimate	\$1,030,000.00	
Edling Electric Bismarck, ND	\$1,137,000.00	+ \$107,000.00 14.2%

The General Construction bid was well below the engineer’s estimate. The engineer’s estimate was based on historical bid pricing for similar work however the labor and installation costs were adjusted to account for the removal and installation of the PA-1 pump which requires the use of a crane through a roof opening in the existing Basin Electric Intake building. In addition, the engineer’s estimate also included additional labor costs for the existing intake booster station work, due to the required coordination and the limitations on the allowable operation outages for this work. The bid from CC Steel is considered of value and it is likely that this project was value priced due to the bulk of the work planned to occur in the winter of 2026-2027. BW/AECOM does not have prior work experience with CC Steel. CC Steel provided references of numerous projects related to pump stations and treatment plants improvements for various water systems in North Dakota. CC Steel has performed three projects for the City of Fargo and is currently under contract on four projects with the City of Fargo, ND. BW/AECOM has called references for these City of Fargo, ND projects. Advanced Engineering and Environmental Services (AE2S) has indicated that CC Steel has experience with vertical turbine pump installation and projects that have coordinated shutdowns and operational outages. CC Steel is thus considered a qualified bidder.

Two Bid Alternates were included in the Bid Schedule for General Construction. The pricing for Bid Alternate G-1 was below the Engineer’s estimate. This bid alternate was intended to provide pricing should the grooved couplings at PA-2, PA-3, and PA-4 require replacement. This bid alternate is recommended to be awarded but the decision to replace these couplings will be deferred until these couplings can be inspected. Bid Alternate G-2 includes a new coating on the existing process piping as the base bid only includes coatings on the replaced equipment. The existing coatings do show some localized or spot corrosion that BW/AECOM recommends recoating to extend the service life of the existing process piping. This alternate is an Owner option and BW/AECOM considers it reasonably priced for current market conditions. . The Bid Alternate G-2 is understood to be considered part of operations and maintenance and is contingent on the approval of SWA.

SOUTHWEST PIPELINE PROJECT CONTRACT 1-1C MODIFICATIONS TO EXISTING INTAKE	
Bid Alternates - Bid Schedule 1 General	
Item	CC Steel
Bid Alternate G-1- Remove and Replace Grooved Pipe Ends for Grooved Couplings at Pumps PA-2, PA-3, and PA-4 in the BEPC Intake Pump Station. Enter Unit Price for Pipe Ends for One (1) Grooved Coupling.	\$8,500.00
Bid Alternate G-2- Coat Remaining Existing Steel Process Pipe, Fittings, Valves, Supports, Stands, and Pump Discharge Heads in BEPC Intake Pump Station and SWPP Intake Booster Pump Station Not Included in the Base Bid and Excluding Surge Air Chamber.	\$147,000.00

The apparent low bid received from Edling Electric for the Electrical Construction bid is 14.2% higher than the Engineer’s Estimate. BW/AECOM considers this bid reasonable, and it appears the difference in pricing between the Engineer’s estimate and is primarily due to the cost of the installation of the owner-furnished VFD’s. BW/AECOM has prior experience with Edling Electric on SWPP with the most recent project being the electrical sub-contractor to Rice Lake West on the SWPP SWTP Expansion Project, Contract 3-2H.

Bid Alternate E-1 was for the performing generator load bank testing on existing 1500kW generator. This test was included in the Contract Documents to present an option to prove that the existing generator can produce its rated output. This is one of the variables identified with an ongoing emergency power issue where only one large pump is able to operate under generator power. This alternate is significantly higher than the Engineers Estimate which was based on a supplier quote received during bidding. The Engineer’s estimate did not include local electrical work associated with this load bank test. This price at \$39,500 is considered high cost for this work and BW/AECOM recommends not awarding this alternate.

SOUTHWEST PIPELINE PROJECT CONTRACT 1-1C MODIFICATIONS TO EXISTING INTAKE	
Bid Alternates - Bid Schedule 3 Electrical	
Item	Edling Electric
Bid Alternate E-1- Perform Generator Load Bank Testing on existing 1500kW Generator.	\$39,500.00

The apparent low bid received from Precision Sheet Metal out of Bemidi, MN. This bid was 27% higher than the Engineer's Estimate. Upon review of the pricing received from Precision Sheet Metal (PSM), their bid accounted for a higher percentage of administrative costs including mobilization. These administrative costs will need to be redistributed if awarded. The scope of Bid Schedule 3 is relatively small and it is likely that the administrative costs are a higher percentage of total bid schedule as a result. BW/AECOM does consider this pricing to be fair value for this Contract. BW/AECOM does not have previous work experience with PSM. PSM provided project references that indicate PSM has performed similar HVAC and plumbing work for numerous water treatment projects in Minnesota and North Dakota. PSM was the mechanical contractor for a new water treatment facility for the City of Woodbury (Minnesota), and BW/AECOM did visit with the Construction Manager on that project, Market & Johnson, Inc, who recommended PSM for this type of work and is considered PSM qualified contractor for this work. BW/AECOM also contacted Southeast Water Users District as PSM is currently working on the Phase 1 Fullerton WTP Project. SEWUD indicated that project is just getting underway but is similar to the scope of work on this project. Precision Sheet Metal is thus considered a qualified Contractor for Bid Schedule 2- Mechanical Construction Contract.

The contract documents require that the SWC award the contract, if awarded, within 60 calendar days after the bid opening as stipulated on the Bid Form. That date would be July 18, 2026.

Subject to approval by your legal counsel that the bid documents are in order from a legal standpoint, we recommend that the North Dakota State Water Commission award SWPP Contract 1-1C, Modifications to Existing Intake for Bid Schedule 1-General Construction Contract to CC Steel, LLC in the amount of \$755,750; Bid Schedule 2 to Peterson Sheet Metal in the amount of \$612,250; and Bid Schedule 3 to Edling Electric in the amount of \$1,137,000. BW/AECOM also recommends the Award of Bid Alternate G-1 and G-2 to CC Steel. The award of Bid Alternate G-2 is contingent on the approval of SWA.

Sincerely,

BARTLETT & WEST/AECOM



Tyson Decker, PE
Project Manager

Copy: SWA – Jen Murray
DWR- Sindhuja S. Pillai-Grinolds, P.E.
File: SWPP Contract 1-1C: 9.0



PROJECT: SOUTHWEST PIPELINE PROJECT
 MODIFICATIONS TO EXISTING INTAKE
 PUMP STATIONS
 CONTRACT 1-1C

3456 East Century Avenue
 BISMARCK, ND 58503
 (701) 258-1110

DATE: MAY 19, 2026
 LOCATION: ND DEPARTMENT OF WATER RESOURCES

CCI: 14,176.18

Item No.	Description	Engineer's Estimate	CC STEEL, LLC FARGO, ND	PETERSON SHEET METAL, INC. BEMIDJI, MN	CENTRAL MECHANICAL, INC. MANDAN, ND	YES ELECTRIC SERVICE, LLC DICKINSON, ND	EDLING ELECTRIC, INC. BISMARCK, ND	
Bid Schedule No. 1 - General Construction								
Base Bid		Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	
	Lump Sum Base Bid Price	\$ 1,475,000.00	\$ 755,750.00	NO BID	NO BID	NO BID	NO BID	
Bid Schedule No. 1 Alternates								
General Construction		Value/Price	Value/Price	Value/Price	Value/Price	Value/Price	Value/Price	
	Bid Alternate G-1- Remove and Replace Grooved Pipe Ends for Grooved Couplings at Pumps PA-2, PA-3 and PA-4 in the BEPC Intake Pump Station. Enter Unit Price for Pipe Ends for One (1) Grooved Coupling.	\$ 20,000.00	\$ 8,500.00	NO BID	NO BID	NO BID	NO BID	
	Bid Alternate G-2- Coat Remaining Existing Steel Process Pipe, Fittings, Valves, Supports, Stands, and Pump Discharge Heads in BEPC Intake Pump Station and SWPP Intake Booster Pump Station Not Included in the Base Bid and Excluding Surge Air Chamber.	\$ 100,000.00	\$ 147,000.00					
Bid Schedule No. 2 - Mechanical Construction - Base Bid		Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	
	Lump Sum Base Bid Price	\$ 478,750.00	NO BID	\$ 612,500.00	\$ 889,000.00	NO BID	NO BID	
Bid Schedule No. 3 - Electrical Construction								
Base Bid		Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	
	Lump Sum Base Bid Price	\$ 1,030,000.00	NO BID	NO BID	NO BID	NON RESPONSIVE	\$ 1,137,000.00	
Bid Schedule No. 3 Alternates								
Electrical Construction		Value/Price	Value/Price	Value/Price	Value/Price		Value/Price	
	Bid Alternate E-1- Perform Generator Load Bank Testing on existing 1500kW Generator.	\$ 5,000.00	NO BID	NO BID	NO BID		\$ 39,500.00	



PROJECT: SOUTHWEST PIPELINE PROJECT
 MODIFICATIONS TO EXISTING INTAKE
 PUMP STATIONS
 CONTRACT 1-1C

3456 East Century Avenue
 BISMARCK, ND 58503
 (701) 258-1110

DATE: MAY 19, 2026
 LOCATION: ND DEPARTMENT OF WATER RESOURCES
 W.O. 3033.A41
 CCI: 14,176.18

Bid Schedule No. 4 - Combined Construction Base Bid	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price	Lump Sum Price
Lump Sum Base Bid Price	\$ 2,983,750.00	NO BID	NO BID	NO BID	NO BID	NO BID
Bid Schedule No. 4 Alternates	Value/Price	Value/Price	Value/Price	Value/Price	Value/Price	Value/Price
Bid Alternate G-1- Remove and Replace Grooved Pipe Ends for Grooved Couplings at Pumps PA-2, PA-3 and PA-4 in the BEPC Intake Pump Station. Enter Unit Price for Pipe Ends for One (1) Grooved Coupling.						
Bid Alternate G-2- Coat Remaining Existing Steel Process Pipe, Fittings, Valves, Supports, Stands, and Pump Discharge Heads in BEPC Intake Pump Station and SWPP Intake Booster Pump Station Not Included in the Base Bid and Excluding Surge Air Chamber.		NO BID	NO BID	NO BID	NO BID	NO BID
Bid Alternate E-1- Perform Generator Load Bank Testing on existing 1500kW Generator.						
SUBCONTRACTORS						
COATINGS						
HVAC CONTROLS			JOHNSON CONTROLS, INC. FARGO, ND	JOHNSON CONTROLS, INC. FARGO, ND		
ARC FLASH						L&S ELECTRIC BISMARCK, ND
SUPPLIERS						
VALVES & APPURTENANCES		CORE & MAIN FARGO, ND	FERGUSON FARGO, ND			
PIPING		CORE & MAIN FARGO, ND	FERGUSON FARGO, ND			
HVAC EQUIPMENT			SVL ROSEVILLE, MN	SVL ROSEVILLE, MN		
LIGHTING						CED BISMARCK, ND
GEAR						


**BID ANOMALIES
NORTH DAKOTA STATE WATER COMMISSION
SOUTHWEST PIPELINE PROJECT
MODIFICATIONS TO EXISTING INTAKE
CONTACT 1-1C**

The Bidder's Proposals for the contractor bidding on the North Dakota State Water Commission Contract 1-1C were checked electronically, and the following were noted:

YES ELECTRIC SERVICE, LLC – DICKINSON, ND

The bid was considered non-response due to being a qualified or conditioned bid.

MEMORANDUM

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

FROM: Reice Haase, Secretary

SUBJECT: SWPP – Reimbursement from Reserve Fund for Replacement
and Extraordinary Maintenance

DATE: May 27, 2026

The Southwest Water Authority (SWA) maintains a reserve fund for Replacement and Extraordinary Maintenance (REM), as required by authorizing legislation. The agreement transferring operation and maintenance responsibilities for the Southwest Pipeline Project (SWPP) from the State Water Commission (Commission) to SWA provides that expenditures from the REM fund must be authorized by the Commission. The agreement further states that the reserve fund is to be maintained, with accrued interest, at an amount determined by the Commission.

Known REM projects are included in SWA's annual budget, which is approved by the Commission during its December meeting. For projects arising after budget approval, SWA consults with Department of Water Resources (DWR) staff to determine whether the project qualifies for REM funding. SWA initially pays for REM project construction through its operations and maintenance fund and subsequently seeks reimbursement from the REM fund following completion of the work and approval by both the SWA Board and the Commission.

The Commission received the attached April 6, 2026, letter from SWA requesting reimbursement of \$649,315.22 from the REM fund. SWA also provided supporting documentation detailing the expenses associated with each request. The supporting documentation totals 86 pages and is available upon request.

Reimbursement is requested for the following items:

1. Work under SWA Contract CP-2024-1, Cathodic Protection Improvements, has been completed by WBI Energy Corrosion Services. The project included installation of three deep-well anode beds, one shallow anode bed, two rectifiers,

and associated electrical components. This project was included in the 2026 REM budget in the amount of \$650,000 and was previously approved through the budgeting process. The total project cost was \$567,165.24, which has been paid.

2. SWA purchased 119 reverse osmosis membranes for the Oliver Mercer North Dunn Water Treatment Plant from Consolidated Water Solutions. This purchase was included in the 2026 REM budget in the amount of \$65,000 and was previously approved through the budgeting process. The total expense was \$60,690.00, which has been paid.

3. Replacement of the Coffin Butte Variable Frequency Drive pumps and motor has been completed. A mechanical seal leak caused by pump shaft scarring necessitated full replacement of the pumps and motor. This work was included in the 2026 REM budget under pumps and motor replacements in the amount of \$175,000 and was previously approved through the budgeting process. The total expense was \$21,459.98, which has been paid.

The REM fund balance was \$28,989,217.38 as of February 28, 2026.

I recommend the State Water Commission approve the reimbursement from the Southwest Pipeline Project's reserve fund for Replacement and Extraordinary Maintenance (REM) in the amount of \$649,315.22.

RH:JF: /1736-99
Attachment



April 6, 2026

Mr. Reice Haase
Director of ND Department of Water Resources
1200 Memorial Highway
Bismarck, ND 58505

RE: Reimbursement from the Reserve Fund for Replacement and Extraordinary Maintenance

Mr. Haase:

Work on SWA Contract CP-2024-1 Cathodic Protection Improvements has been completed by WBI Energy Corrosion Services. The contract consists of three deep well anode beds, one shallow anode bed, two rectifiers and the electrical components. This is a budgeted item for the REM Fund for 2026. The amount in the budget is \$650,000.00 and was previously approved in the budgeting process. The total expense was \$567,165.24 and has been paid.

Material was purchased from Consolidated Water Solutions for 119 RO Membranes at the OMND WTP. This is a budgeted item for the REM Fund for 2026. The amount in the budget is \$65,000.00 and was previously approved in the budgeting process. The total expense was \$60,690.00 and has been paid.

The Coffin Butte VFD pumps and motor replacement is complete. A mechanical seal leak caused by pump shaft scarring required full replacement of the pumps and motor. This is a budgeted item for the REM Fund for 2026. The amount in the budget for pumps and motor replacements is \$175,000.00 and was previously approved in the budgeting process. The total expense was \$21,459.98 and has been paid.

The current balance in the Reserve Fund for Replacement and Extraordinary Maintenance is \$28,989,217.38 as of February 28, 2026.

I respectfully request the SWC for reimbursement for Contract CP-2024-1 Cathodic Protection Improvements, OMND WTP RO Membranes, and the Coffin Butte VFD pumps and motor replacement from the Reserve fund for Replacement and Extraordinary Maintenance, and release of \$649,315.22.

The SWA Board of Directors took similar action at its April 6, 2026, meeting.

If you should have any questions or require further information, please let me know.

Kind regards,



Ledeanna S. O'Shields
CFO/Office Administrator
Southwest Water Authority

Enclosures

CC: Jen Murray, Manager/CEO, SWA

Sindhuja S. Pillai-Grinolds, PE, Director of Water Development, DWR

Justin Froseth, PE, SWPP Manager, Water Development Division, DWR

MEMORANDUM

TO: Lt. Governor Michelle Strinden
Members of the State Water Commission
FROM: Reice Haase, Secretary
SUBJECT: Replacement and Extraordinary Maintenance Projects Reimbursement
Process
DATE: May 27, 2026



Background:

State owned projects, Southwest Pipeline Project (SWPP) and the Northwest Area Water Supply (NAWS), project collect and maintain a reserve fund for Replacement and Extraordinary Maintenance (REM) in accordance with the North Dakota Century Code. The REM eligibility criterion for SWPP was last approved at the March 29, 2017, State Water Commission (Commission) meeting. The approved eligibility criterion for use of REM funds is a single event which has a repair or replacement cost of \$20,000 or more. Annual maintenance items have not been eligible for REM funds.

The REM policy adopted for NAWS at the June 13, 2012, SWC meeting noted that items over \$15,000 are eligible for REM funds. Department of Water Resources (DWR) staff recommends increasing the REM eligibility criterion for NAWS to \$20,000 or more per project to have uniformity between the two state owned projects.

REM Approval Process For SWPP:

The agreement for the transfer of management, operations, and maintenance responsibilities of the SWPP from the Commission to the Southwest Water Authority, notes that the Commission shall determine whether or not a proposed project is replacement or extraordinary maintenance. If the Commission determines that the proposed project is replacement or extraordinary maintenance, the Commission shall authorize such expenditures. The agreement further states that the reserve fund is to be maintained, with accrued interest, at an amount determined by the Commission.

Known REM projects are included in SWA's annual budget, which is approved by the Commission during its December meeting. For projects arising after budget approval, SWA consults with DWR staff to determine whether the project qualifies for REM funding. SWA initially pays for REM project construction through its operations and maintenance fund and subsequently seeks reimbursement from the REM fund following completion of the work and approval by both the SWA Board and the Commission.

To streamline the approval process, DWR staff proposes that reimbursement of REM projects already included in the annual budget be approved by the Commission Secretary

May 27, 2026

after staff review and recommendation, which will eliminate an additional Commission approval.

Occasionally, projects that were not anticipated during the annual budget process and cannot be delayed may be eligible for REM funds. In those cases, DWR staff will seek Commission approval regarding REM fund eligibility.

REM Approval Process For NAWS:

Commission owns and operates the NAWS project. NAWS project has not typically presented an annual budget to the Commission. Instead, approval of the water rates are presented. DWR staff will present annual budgets which will include projects anticipated to use REM funds starting in 2027. On NAWS, currently there are three approved REM eligible projects, for which reimbursements have not been made: 1. Repair of the City high service pump #3 at the NAWS High Service Pump Station, 2. Repair or replacement of the NAWS high service pump #1 at the High Service Pump Station, and 3. Repair or replacement of Booster Pump Station #4's Variable Frequency Drive #2.

Similar to the proposal above for SWPP, DWR staff recommends that reimbursement requests for REM projects, already approved as eligible REM projects, be approved by the Secretary following staff review and recommendation, eliminating the need for an additional Commission approval. Beginning in 2027, REM-eligible projects will be incorporated into an annual budget submitted to the Commission for approval.

I recommend the eligibility criterion for Northwest Area Water Supply Project's Replacement and Extraordinary Maintenance funds as being a single project exceeding \$20,000.

I recommend the Commission authorize the Secretary to approve the reimbursement from the Southwest Pipeline and Northwest Area Water Supply project's Replacement and Extraordinary Maintenance funds for Commission approved eligible Replacement and Extraordinary Maintenance projects.

RH:SSP/1736-99; 237-4

TO: Lt. Governor, Michelle Strinden
Members of the State Water Commission
FROM: Reice Haase, Secretary
SUBJECT: SWPP – Project Update
DATE: May 27, 2026



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

Supplementary Raw Water Intake:

Bartlett & West/AECOM (BW/AECOM), the engineer for the Southwest Pipeline Project (SWPP) was authorized to develop a Preliminary Design Report (PDR) with analysis of alternatives for completing the supplementary raw water intake for the SWPP through Specific Authorization (SA) 239. Progress is being made on the development of the PDR. An amendment to the scope of SA 239 is under review by Department of Water Resources (DWR) staff. The amendment adds the following scope of works: discussion of the different contracting delivery methods for completing the construction of the supplementary raw water intake, and the development of a plan for additional geotechnical exploration along the northern alignment.

DWR staff has had meetings with US Army Corp of Engineerings (USACE) and US Bureau of Reclamation (USBR) in December and January discussing the different alternatives under consideration in the PDR. Neither agency has expressed any significant concerns with the alignments under development. DWR is also discussing with USBR the potential for them to continue being the lead federal agency for the project. Based on the preliminary information shared by USBR staff, the remaining federal Municipal, Rural, and Industrial funding must be allocated to the supplementary raw water intake project for them to continue being the lead federal agency for the project.

Existing Intake Capacity Expansion:

This project will replace pumps inside both Basin Electric Power Cooperative (Basin) and the SWPP pump stations to take advantage of the amended agreement with Basin that allocated increased capacity to the SWPP. ***The award and funding authorization for Contract 1-1B, Equipment Procurement for Modifications to the Existing Intake Project were completed with previous State Water Commission (SWC) actions. Contract documents are currently under review for Contract 1-1B.***

Contract 1-1C, Modifications to Existing Intake Pump Stations with General, Electrical, and Mechanical Bid Schedules were advertised for bids on April 24 for a May 19 bid opening. The bid results and recommendations are covered as a separate agenda item for this meeting.

Distribution Capacity Expansion:

Southwest Water Authority (SWA) and 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 were added to Prong 1 in 2022.
- Prong 2. Addressing the waiting list users by implementing hydraulic improvements like a 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 of a rural distribution system for those areas.

Prong 1 – West Zone Transmission Improvements:

The West Zone transmission improvements include 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 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.

The draft West Zone Preliminary Design Report includes the phasing analysis and designates improvements necessary to realize the incremental capacity achieved from the upgrades at the Ray Christensen Pump Station (RCPS) throughout the West Zone infrastructure as Phase 1. BW/AECOM is developing SAs that will create bid ready plans for infrastructure improvements included in Phase I of the West Zone Capacity Improvements project.

Ray Christensen Pump Station (RCPS) Preliminary Design Report (PDR):

The RCPS houses pumps for the West, South, North and East zones. Long term upgrades to the RCPS include improvements to the pumps for the South zone and North and East zone as well. SA 242 authorized BW/AECOM to complete PDR for the RCPS. SWA has reached out to communities and other users in the South and North and East zones to determine their projected future water needs.

Staff has been reviewing the projected future water needs report with SWA and BW/AECOM. Flow levels to both the North and East Zone as well as the South Zone are expected to be selected soon in order to move forward with the remainder of

the report which will identify improvements necessary based on the selected flow levels.

Contract 5-19 Buffalo Gap Reservoir:

This project is to construct a 500,000 gallon water storage tank located approximately 10 miles west of Medora to improve service capacity to the segment of the West Zone known as the Medora Service Area.

The contract included a Milestone Completion date of December 1, 2025, which was met by the Contractor. Milestone Completion date is defined in the contract documents as achievement of intended use of the facility. The tank has been in service without any operational issues since early December. Site restoration and correction of punch list items are expected to be completed in the spring before the contract's Substantial Completion date of June 15, 2026.

Prong 2 -Strategic Hydraulic Improvements:

North New England 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, SA for completing the bid ready documents for this project was executed with BW/AECOM.

The North New England Hydraulic Improvements project scope includes about five miles of rural pipeline, six pressure reducing vaults, and two pressure booster stations. The project will allow over 100 waitlist properties to connect to the system.

Contract Value	Substantial Completion Date	Approved Change Orders	Cost of Approved Change Orders
\$ 1,934,708.82	October 30, 2026	None	0

The project bid opening was July 2025 and the construction contract with Wagner Construction (Wagner) was signed in September 2025. The project has a completion date of fall 2026. The booster stations included in the contract are lengthy lead time items.

The contractor resumed construction in mid-April. As of the date of this report, approximately four of the five miles of pipeline has been installed. The contractor is currently active with installing the remaining pipeline. The six Pressure Reducing Vaults (PRV) are expected to be constructed soon with the two booster stations scheduled for installation in late summer or early fall, after the equipment is delivered.

Dunn County Hydraulic Improvements Preliminary Engineering Design:

In 2025, Dunn County (County) agreed to fund a Preliminary Engineering Design to identify the projects and associated costs required to serve all rural waitlist users in the county. The County committed to this study to determine whether any water system expansion projects could be pursued with County funding and incorporated into the SWPP.

The Preliminary Engineering Report (PER) identifies seven hydraulic service areas within the County, four of which serves the majority of the users. It estimates approximately \$9 million in system improvements would be required to serve the 105 rural users currently on the waitlist. Estimated cost per user varies significantly by service area. It should be noted that the cost estimates reflect only the hydraulic upgrades needed to enable future hookups, the individual service line costs to each property are not included.

The PER was provided to the County’s designated representative in April. Since then, two meetings have been held with DWR staff to review the report’s findings and address questions from the County. One of these discussions occurred during the regular county commission meeting on May 20, 2026. At that meeting, commissioners chose to delay action until a future session to allow more time for a thorough review.

Strategic Hydraulic Improvements Prioritization Matrix Review:

DWR staff has worked with SWA and BW/AECOM to update the hydraulic improvements prioritization matrix. After reviewing the scoring categories and weighting, the team confirmed that the categories and weights originally developed in 2023 remain the most appropriate. SWA staff then contacted the waitlist properties in the three highest-scoring service areas to ensure accurate scoring. The updated prioritization matrix is attached (Attachment 1) and identifies South Fairfield as the next hydraulic improvement area to begin preliminary design.

At the May 4 meeting, SWA moved to proceed with the highest-ranked project based on the prioritization matrix. The top-ranked area at that meeting was also South Fairfield. Therefore, DWR staff will begin preliminary engineering for the South Fairfield area as the next strategic hydraulic improvement project.

Prong 3 – Rural Distribution System Improvements

Burt and Hebron Service Area Expansion:

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

As of February 2026, in the Burt-Hebron service area there are 921 signups with 299 around Lake Tschida and 622 in rural areas. The preliminary design for the Burt-Hebron Service Area expansion is divided into seven sub areas: the Hebron Service area divided into Hebron Rural, North Tschida, and Curlew Butte pocket areas. The Burt Service area is divided into Burt Rural, South Tschida, Burt VFD pocket area, and service to Flasher. A map showing the different sub areas is attached (Attachment 2). The analysis for service to Flasher is not completed yet.

Following the February 2024 SWC action to increase the maximum cost per Equivalent Service Unit (ESU) limit to \$75,890 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 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.

Contract 7-5C, Rural Service Area Expansion in the Hebron Service Area, is a rural water expansion project that will provide new water service to approximately 180 rural users. The project was advertised for bids starting on April 7 for a May 5 bid opening. The bid results and recommendations are covered as a separate agenda item for this meeting.

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 in the fall of 2024. The excavation revealed MIC consistent with what has been observed before.

At the February 2025 SWC meeting, SWC approved a policy whereby the DWR would be the lead agency for managing replacement of Capital Projects. Based on the exploratory excavations, a metallic pipe replacement project near the City of Dodge is under development.

The final design for this project is progressing and it involves replacement of two segments measuring 2000 ft and 400 ft of 30" raw water pipeline. To address long delivery timelines, owner procurement of the pipe and other necessary appurtenances is planned following the similar approach used for the equipment procurement in the existing Intake Pump Station Improvement Project.

Southwest Water Treatment Plant (SWTP) Expansion:

This project is to construct a 12 Million Gallons per Day (MGD) expansion to the existing SWTP at Dickinson to get the SWTP to its ultimate design capacity of 18 MGD. This project will allow for the retirement of a nearly 70 year old Dickinson Water Treatment Plant currently used for SWPP.

Recent focus for the construction of the project has been the cast in place concrete work for the ground level floor. The last couple of months have included four major pours on the ground level floor. The next major construction focus will be on the installation of the concrete precast panels that will serve as the building walls. Those are expected to be installed starting in late June and through July.

Contract 3-2H Change Order Summary is noted below:

Bid Price	No. of Approved Change Orders (CO) s	Cost of Approved COs	Current Contract Cost	Approved COs as a % of Bid Price
\$ 86,382,500	2	\$ 141,223	\$ 86,523,723.16	0.2%

SWTP project picture below taken on May 21, 2026



Raw Water Implementation Study:

BW/AECOM is making progress on SA 246, which includes an update to the raw water upgrades implementation plan completed in 2014; an alternative service study to Net-Zero, the Richardton ethanol facility; and a study of the expansion of SWPP raw water conveyance infrastructure. ***The draft report of the implementation plan update has been reviewed by DWR staff and BW/AECOM is finalizing the update.*** Based on the cost sharing agreement with Gevo, the parent company for Net-Zero for SA 246, monthly update meetings are held between DWR, BW/AECOM, and Gevo.

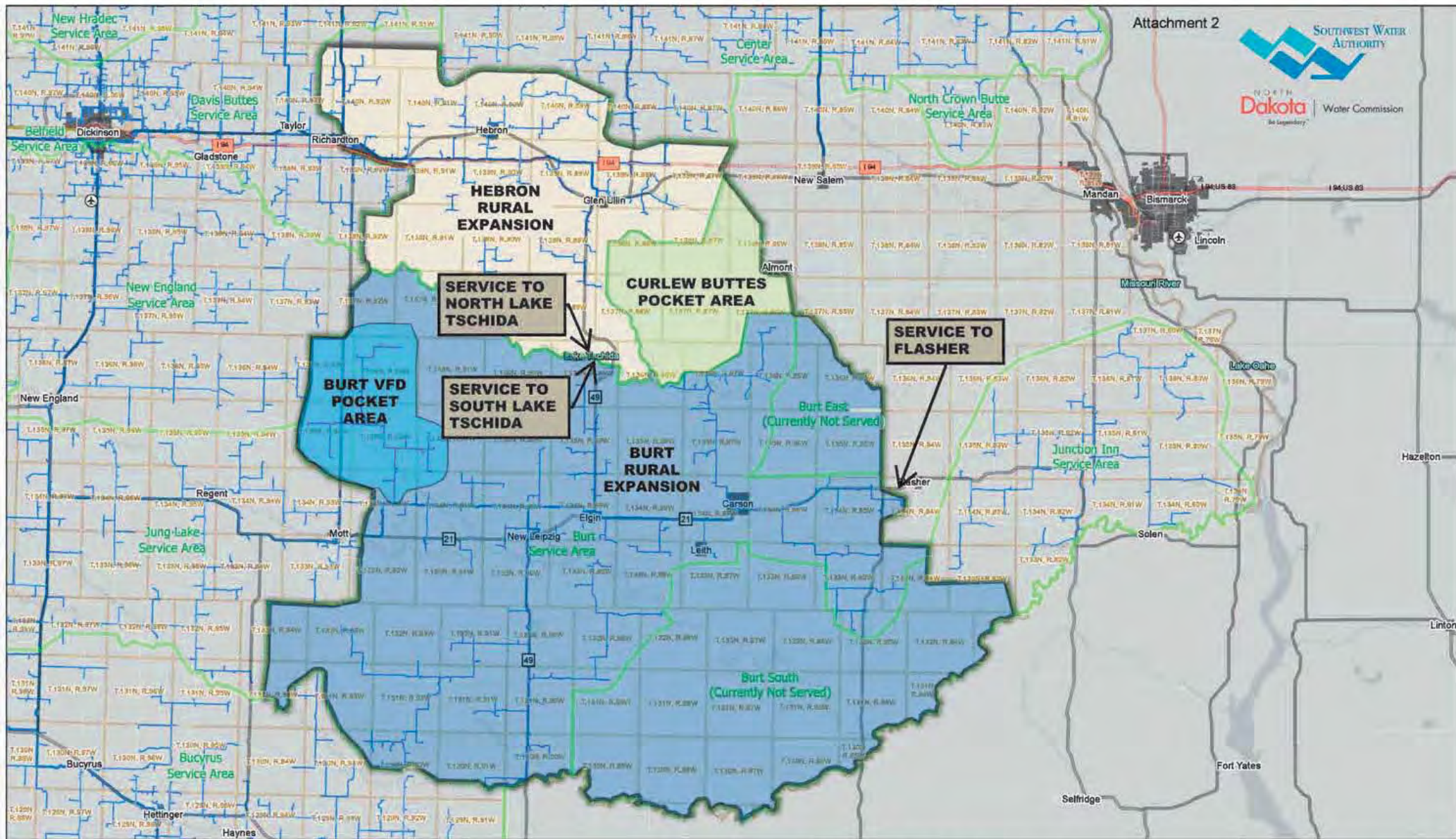
The study focus is now focused on evaluating alternative service options for the Net-Zero facility. Alternative #1 would increase flow to Gevo's Net Zero-Richardton facility by 500 gallons per minute while alternative #2 would increase flow to the facility by 1,400 gallons per minute.

RH:JF:/1736-99

Attachments

SWPP Strategic Improvement Areas Prioritization (Updated May 6, 2026)

CRITERIA DESCRIPTION	Criteria 1		Criteria 2		Criteria 3		Criteria 4		Criteria 5		Criteria 6		WEIGHTED SCORE
	CONCENTRATION OF USERS Wall list Density (users/sq mile)		OVERALL DEMAND Current Walllist Number		LONGEVITY OF WAITLIST Average age (years) of current walllist users in Area		WATER SERVICE GROWTH POTENTIAL OF AREA Number of unserved 911 dwellings in Area		AGE OF SERVICE AREA SINCE CONSTRUCTION Age in Years (1)		POTENTIAL DEVELOPMENTAL GROWTH OF AREA Ranking based on developmental growth plans in service area.		
WEIGHTED MAX VALUE	30		30		10		15		5		10		100
WEIGHT PERCENTAGE	30%		30%		10%		15%		5%		10%		100%
DESCRIPTION OF METRIC (sq.mile)	Criteria 1 SCORES		Criteria 2 SCORES		Criteria 3 SCORES		Criteria 4 SCORES		Criteria 5 SCORES		Criteria 6 SCORES		TOTAL SCORE
	Percentage of highest SA Density		Percentage of highest SA Walllist Number		Percentage of largest Average Age of Walllist users		Percentage of Highest Unserved Potential SA		Percentage of oldest SA		Based on SWA staff input		
	Users/sq.mile	Weighted Score	Number of walllist users	Weighted Score	Average Age of walllist users	Weighted Score	Number of Potential Unserved Dwellings	Weighted Score	Age of Service Area	Weighted Score	Weighted Score	Weighted Score	
South Fairfield	0.27	4.1	55	3.0	4.1	0.59	45	0.3	15	0.15	1	0.24	8.33
Dunn Center	0.12	1.8	80	4.3	3.2	0.46	127	0.9	8	0.08	3	0.73	8.26
Twin Buttes (West)	0.07	1.1	72	3.9	5	0.72	242	1.8	24	0.23	1	0.24	7.89
Beach/Golva	0.09	1.4	63	3.4	6.75	0.97	120	0.9	18	0.17	2	0.49	7.27
Junction Inn	0.16	2.4	55	3.0	5.3	0.77	91	0.7	20	0.19	1	0.24	7.17
South New England	0.19	2.8	38	2.0	5.4	0.78	59	0.4	30	0.29	1	0.24	6.57
Twin Buttes (East)	0.09	1.3	35	1.9	3.5	0.51	152	1.1	24	0.23	2	0.49	5.51
Tower Hill	0.19	2.9	16	0.9	5.6	0.81	17	0.1	21	0.20	1	0.24	5.10
Fryburg	0.05	0.8	24	1.3	6.2	0.90	13	0.1	21	0.20	1	0.24	3.53
South Jung Lake	0.10	1.5	25	1.3	5.7	0.82	42	0.3	28	0.27	1	0.24	4.48
Halliday	0.10	1.5	25	1.3	4.3	0.62	47	0.3	7	0.07	1	0.24	4.09
West Center	0.08	1.1	31	1.7	3.2	0.46	44	0.3	10	0.10	2	0.49	4.17
NE Davis Buttes	0.24	3.5	11	0.6	1.4	0.20	12	0.1	30	0.29	4	0.98	5.69
North Crown Butte	0.16	2.4	8	0.4	4	0.58	7	0.1	20	0.19	1	0.24	3.91
Buffalo Gap	0.08	1.3	9	0.5	0.5	0.07	45	0.3	21	0.20	3	0.73	3.09
North Jung Lake	0.02	0.3	11	0.6	5.1	0.74	81	0.6	28	0.27	1	0.24	2.73
Zap	0.00	0.0	0	0.0	0	0.00	250	1.8	13	0.13	2	0.49	2.43
East Center	0.00	0.0	0	0.0	0	0.00	187	1.4	10	0.10	2	0.49	1.94
Bucyrus	0.00	0.0	0	0.0	0	0.00	160	1.2	28	0.27	1	0.24	1.67
North Fairfield	0.00	0.0	0	0.0	0	0.00	112	0.8	17	0.16	1	0.24	1.22
New Hradec	0.00	0.0	0	0.0	0	0.00	98	0.7	31	0.30	1	0.24	1.25
Belfield	0.00	0.0	0	0.0	0	0.00	72	0.5	31	0.30	3	0.73	1.55
Taylor	0.00	0.0	0	0.0	0	0.00	30	0.2	31	0.30	2	0.49	1.01
NW Davis Buttes	0.00	0.0	0	0.0	0	0.00	17	0.1	30	0.29	3	0.73	1.15
North New England	Improvements project currently under construction											0.0	
Hebron	Improvements currently in development with service area expansion											0.0	
Burt	Improvements currently in development with service area expansion											0.0	



— Water Lines □ Signup Area ■ Service Area



Southwest Pipeline Project BURT, HEBRON EXPANSION

Regional Water Systems Detailed Analysis

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

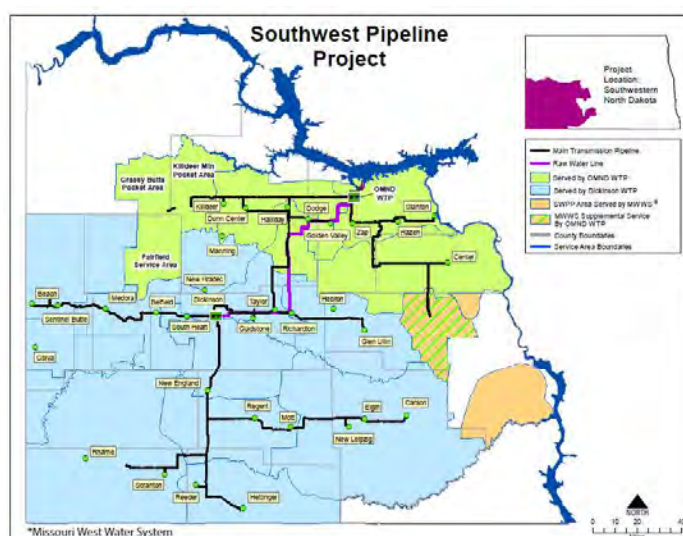
Southwest Pipeline Project

Project Development History and Current Status

SWPP is a regional water supply initiative intended to address chronic water supply constraints in southwestern North Dakota by developing a pipeline transmission and retail delivery system to supply water for domestic, rural, industrial, and municipal uses.

Construction of the system began in 1986, and the project's scope broadened in 1989 to integrate rural water distribution into the development approach. Today, SWPP is a State-owned system with over 5,200 miles of pipelines that serve more than 58,000 customers across 33 communities and approximately 7,700 rural service locations. The project provides over two billion gallons of treated water to its customers annually.

Figure 3: SWPP Map



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

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

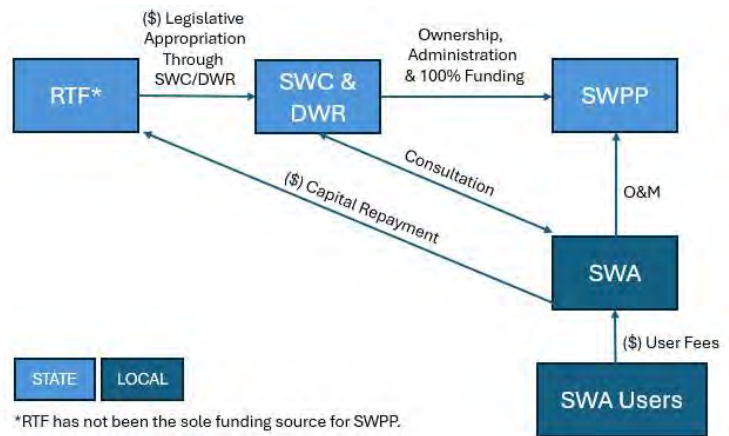
identification of additional segments due to constructability constraints and inflationary pressures.

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

Current Governance and Financing Structure

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

Figure 4: SWPP Current Structure



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

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

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

Key Governance and Financing Challenges

Several critical governance and financing challenges have emerged from the SWOC Analysis for SWPP, which is summarized in **Table 3**. SWPP’s primary governance challenge arises around decision-making related to the control and prioritization of system expansion and infrastructure improvements. With over 1,700 potential customers remaining on the waitlist there is significant need for continued capital investment, but the cost per new connection of these investments continues to escalate as the connections become more complex and remote.

While DWR staff consults with SWA regarding SWPP expansion and prioritization decisions, the State, as owner of SWPP and sole upfront funder of capital investments, has the ultimate decision-making authority for the execution of system expansion.

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

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

Figure 5: SWPP Current State

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

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

Table 3: SWPP SWOC Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Well-functioning system that is generating revenue and delivering water to the customer base in southwest North Dakota • Have been able to expand initial project scope and customer base over life of the project • Clear understanding of project scope and purpose • Have capital repayment stream built into rates, which has generated the equivalent of 32% of State funding and 23% of total project funding as of December 2025 • SWA has a sufficient CEO and staff structure to support operations • O&M Agreement in place 	<ul style="list-style-type: none"> • While DWR/SWA collaboration has been strong, limited formal local control over system buildout decisions • Potential incentive mismatch in buildout decisions due to no upfront local investment • Reserves for REM may not be sufficient • Indefinite capital repayment obligations of \$7M+ per year limits the ability to reinvest those funds directly back into project • Lack of a clear and strategic long-term buildout and financial plan • No clear KPIs or performance measurements for determining cost effectiveness of O&M
Opportunities	Challenges
<ul style="list-style-type: none"> • Exploring alternative operations and delivery models to address current challenges • Additional unmet demand for water supply (1,700+ potential customers on waiting list) • Potential to restructure perpetual capital repayment into something mutually beneficial for the State and SWPP • Create mutually beneficial partnerships with private industry to advance economic development 	<ul style="list-style-type: none"> • Significant investment still required to reach unmet customer demand and the cost per new connection is increasing • Declining expected oil extraction tax revenues invested in the RTF could make future funding less certain

Recommended Options to Improve Governance and Finance Models

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

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

Table 4: SWPP Peer Project Spotlight

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

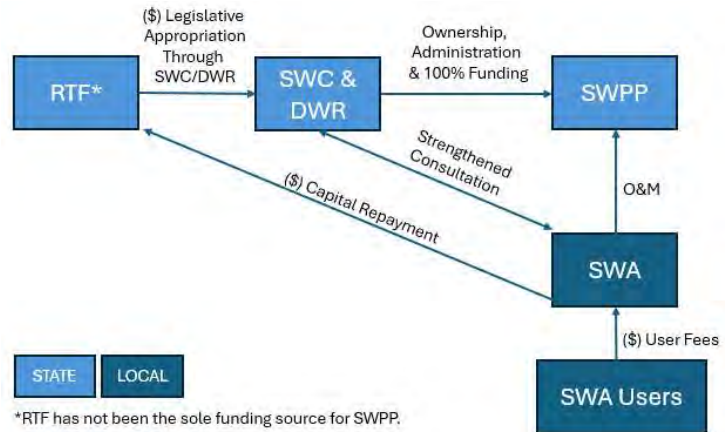
Option 1 — Keep State ownership and O&M by SWA, implement collaborative planning process to align on buildout decision-making, and deploy a performance monitoring program

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

expansion). The financial model should include detailed revenue, cost, and funding projections, and plans for revenue and rates management, REM, capital improvements, reserve funds, and financial monitoring.

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

Figure 6: SWPP Option 1 Proposed Structure



Summary of Benefits and Tradeoffs

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

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

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

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

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

SWPP Option 1 Implementation Roadmap and Responsibilities

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

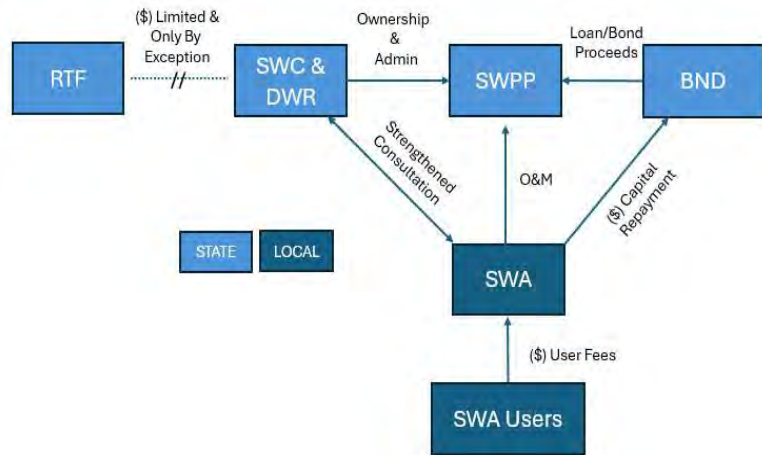
Implementation Components and Timeline	Responsible (R)	Accountable (A)	Consulted (C)	Informed (I)	Legislative/ Authority Implications
First 3 Months: Establish the joint SWC/DWR–SWA planning structure, including charter, roles, meeting cadence, and escalation protocols.	DWR, SWA Staff	SWC; SWA Board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

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

This option keeps the current governance structure with State ownership and SWA managing O&M but changes the financing model to address short-term RTF funding challenges while strengthening the longer-term financial footing of SWPP. Under this option, the capital repayment stream (or an applicable portion of it) would be rechanneled back into SWPP and pledged to secure a long-term (i.e., 30-40 year) bond or loan, funding a significant portion of

near-term buildout. Depending on debt structure, tenor and interest rate, the loan could reduce upfront investment required from the RTF by \$100-200M and cover a significant portion of the estimated SWPP funding requirements over the next 10 years. By explicitly using the capital repayment stream to support a long-term borrowing strategy, the system can accelerate capital investment and system expansion and mitigate funding risks for the project.

Figure 7: SWPP Option 2 Proposed Structure



Summary of Benefits and Tradeoffs

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

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

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

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

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

SWPP Option 2 Implementation Roadmap and Responsibilities

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

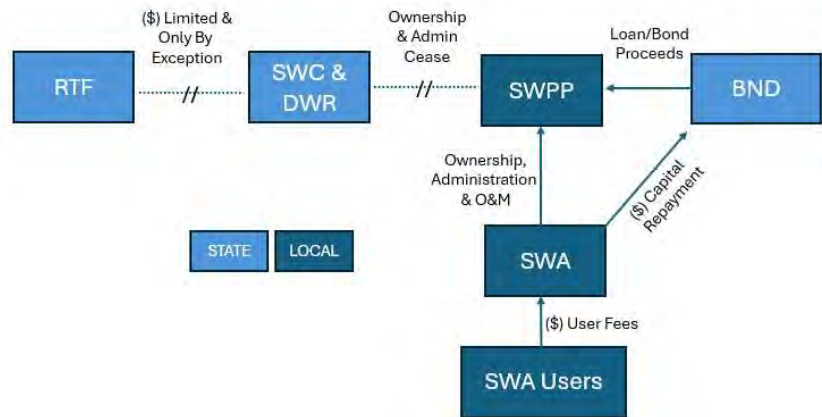
Implementation Components and Timeline	Responsible (R)	Accountable (A)	Consulted (C)	Informed (I)	Legislative/ Authority Implications
First 3 Months: Discussion with BND and PFA to determine financing options.	DWR	DWR	SWC; SWA Staff, SWA Board; Legal Counsel	SWPP Stakeholders	Likely can begin under existing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

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

This option presents the largest governance shift: SWA becomes the sole owner and operator of SWPP, assumes control of all investment and construction decisions, and uses the capital repayment stream to secure the long-term loan or bond. Following the transfer of ownership, the capital repayment fees collected by SWA would remain in SWPP and be reinvested by SWA into the development and

maintenance of the system rather than transferred to the State, subject to the determination by the State and SWA that sufficient local funding has been provided for the project after taking into account the proceeds of the long-term loan or bond. This will provide a long-term stream of funding that promotes SWA’s financial self-sufficiency in supporting future expansion of SWPP. By bundling ownership transfer with the updated approach to capital repayment, this option seeks to address one of the largest concerns expressed by SWA leadership - taking over ownership without long term financial certainty.

Figure 8: SWPP Option 3 Proposed Structure



Summary of Benefits and Tradeoffs

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

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

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

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

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

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

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

SWPP Option 3 Implementation Roadmap and Responsibilities

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

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

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

Potential Additional Opportunities to Strengthen SWPP Finances

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

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

Figure 9: SWPP Impact Analysis


































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

Table 5: Summary of Recommended Options for SWPP

	Option 1: Keep Current Model with Improvements	Option 2: Keep Current Governance and Leverage Capital Repayment	Option 3: SWA Ownership and Leverage Capital Repayment
Option Summary	<p>State retains ownership of the pipeline and SWA retains operational responsibility and authority with several improvements to the current approach, including:</p> <ul style="list-style-type: none"> • Establishing a collaborative short- and long-term planning process where SWC and SWA set forth a plan to address buildout and financing; • Co-developing a clear financial plan for remaining system buildout and REM, including setting limits/ thresholds for uneconomical system expansion; and • Implementing a performance monitoring program using targeted metrics to inform decision-making and track impact of State funding. 	<ul style="list-style-type: none"> • State retains ownership of the pipeline and SWA retains operational responsibility and authority while implementing many of the improvements from Option 1. • Capital repayment will be reinvested back into SWPP by servicing a loan or bond to fund a significant portion of the required investment in the near term. • Under this approach, the capital repayment stream (or a large % thereof) will no longer go to the RTF but will be pledged as collateral to backstop a 30- to 40-year loan to cover SWPP buildout and planned REM costs. • Depending on loan structure, tenor and interest rate, the loan could reduce upfront investment required from the State by \$100-200M, covering a significant portion of the buildout and planned REM over the next 10 years. • Additional investments beyond the projected amount of the loan proceeds would require RTF funding or alternative sources of capital. 	<ul style="list-style-type: none"> • State transfers ownership of the pipeline to SWA making SWA solely responsible for the ownership, construction, operation, and maintenance of SWPP. • The Capital Repayment will be fully reinvested back into SWPP and, following transfer of ownership, will no longer go to the State. • Additional investments beyond the projected amount of capital repayment-backed loan proceeds would require further SWA borrowing, RTF funding or other alternative sources of capital.
Benefits	<ul style="list-style-type: none"> • State retains capital repayment stream in perpetuity; provides clarity around financial requirements and responsibility for pipeline expansion and REM; relatively easy to implement; reduces risk of unfunded REM. 	<ul style="list-style-type: none"> • Upfront State investment in SWPP is lowered and reduces the short-term shortfall in the RTF; increased clarity; provides more certainty to SWA on availability of funding. 	<ul style="list-style-type: none"> • SWA is fully incentivized to make efficient pipeline expansion decisions; upfront State investment in SWPP is significantly lowered and reduces the shortfall in the RTF; increased clarity; provides more certainty to SWA on availability of funding.
Tradeoffs	<ul style="list-style-type: none"> • State remains responsible for full upfront cost of buildout and REM; doesn't address incentives for SWA on buildout positioning. 	<ul style="list-style-type: none"> • Capital repayment stream does not flow to RTF during loan repayment; still requires a capital outlay from the RTF (i.e., loan doesn't cover the full cost); relatively complex to implement with Bank of North Dakota (BND) or other lender involvement and a different loan structure; adds interest expense (amount dependent on terms of loan). 	<ul style="list-style-type: none"> • Will require further expansion of capacity and budget of SWA; capital repayment stream no longer flows to RTF; will still require additional financing to complete full buildout; relatively complex to implement with BND involvement and a different loan structure.

MEMORANDUM

TO: Lt. Governor, Michelle Strinden
Members of the State Water Commission 
FROM: Reice Haase, Secretary
SUBJECT: State Water Commission (SWC) Cost-Share Program Modification Materials for Public Comment
DATE: May 28, 2026

Section 22 of the Department of Water Resources (DWR) budget bill (House Bill 1020) says “During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified.”

In response, the SWC and DWR hired Deloitte as an impartial consultant to complete the Legislatively mandated study. The final draft of the report includes multiple recommendations related to the Cost-Share Program, policies, and Prioritization Guidance. Those recommendations, and others provided by Commissioners and staff, were then reviewed by the SWC for consideration during a public comment period. Attached to this memorandum are final draft materials being considered for discussion during Commissioner-hosted basin meetings and public comment. Those materials include:

- Proposed Cost-Share Program modification options;
- Draft policy definitions; and
- Proposed revisions to the SWC's Project Prioritization Guidance.

I recommend the attached materials be posted and released for a public comment period ending July 29, 2026, which is two weeks after the final Commissioner-hosted basin meeting.

RH:pf/1753

Reference #	Option & Description
REPLACEMENT PROJECT OPTIONS	
1A	<ul style="list-style-type: none"> Adjust replacement project cost-share percentage to 25%. (Eligibility would be limited only to systems and components past their useful life as defined in SWC’s Life Cycle Cost Analysis schedule.) All projects must first apply for loan assistance through the Water Infrastructure Revolving Loan Fund or Drinking Water State Revolving Fund (DWSRF) to demonstrate affordability challenges before applying for SWC grants. “Replacement” is proposed to be defined as <i>“installing parts, systems, or components similar to what currently exists with the intention of preserving or enhancing service levels.”</i>
1B	<ul style="list-style-type: none"> Deferred maintenance not eligible for cost-share. “Deferred maintenance” is proposed to be defined as <i>“maintenance and repairs that were not performed as scheduled and were put off or delayed for a future period.”</i> Extraordinary maintenance not eligible for cost-share. “Extraordinary maintenance” is proposed to be defined as <i>“non-routine maintenance and repair work performed to restore an existing facility, system, or component to an operating condition when needs arise beyond normal maintenance—including work prompted by unexpected failures, accelerated deterioration, accidents, or force majeure/acts of God (e.g., weather/climate related).”</i>
1C	<ul style="list-style-type: none"> Limit individual sponsors to \$2 million (M) for replacement projects through June 30, 2039.
1D	<ul style="list-style-type: none"> Replacements not eligible for cost-share through DWR. Or, water supply replacements not eligible for cost-share through DWR but rather are considered by ND Department of Environmental Quality (DEQ) for DWSRF financing and supplemental grants to address demonstrated affordability challenges (as determined by DEQ). Grant funding revenue at DEQ would likely have to come from a legislative transfer through DWR.
FUNDING CEILINGS FOR MREFPP & RRVWSP, & BONDING FOR REMAINING STATE COMMITMENTS	
2	<ul style="list-style-type: none"> Implement Legislative funding ceilings for MREFPP and RRVWSP as provided for in HB 1020 (2025 Legislative Assembly). Includes \$304M for the MREFPP and \$773M for the RRVWSP beginning with the 2025-2027 biennium.
3	<ul style="list-style-type: none"> Leverage Legacy Fund earnings to issue bonds to aid in funding remaining Legislative commitments to MREFPP (\$223M after 2025-2027 SWC approval of \$81.1M) and RRVWSP (\$568M after 2025-2027 SWC approval of \$205M) totaling \$791M.
REALIGNMENT OF COST-SHARE PERCENTAGES AS A FUNCTION OF PRIORITY	
4A	<ul style="list-style-type: none"> Adjust cost-share percentages to a function of SWC’s Prioritization Guidance rather than basing percentages on project type. Percentages would be adjusted accordingly: 50% for high priority projects, 45% for moderate priority projects, and 40% for low priority projects. (Replacement projects would remain at the recommended cap of 25%.) Exception projects per Legislative intent include NAW, SWPP, RRVWSP, WAWS, MREFPP, VCPFP, and BSFP.
4B	<ul style="list-style-type: none"> Implement a funding ceiling of \$5M per project each biennium through 2039.

BSFP (Bismarck South Flood Protection), MREFPP (Mouse River Enhanced Flood Protection Project), NAW (Northwest Area Water Supply), RRVWSP (Red River Valley Water Supply Project), SWPP (Southwest Pipeline Project), WAWS (Western Area Water Supply), VCPFP (Valley City Permanent Flood Protection)

	<ul style="list-style-type: none"> Exception projects per Legislative intent include NAWS, SWPP, RRVWSP, WAWS, MREFPP, VCPFP, and BSFP.
DELAY MODERATE & LOW PRIORITY PROJECTS	
5	<ul style="list-style-type: none"> Delay moderate priority projects until the 2029-2031 biennium. Delay low priority projects until the 2031-2033 biennium. This includes replacement projects.
OBLIGATION OF LINES OF CREDIT	
6	<ul style="list-style-type: none"> Fully obligate \$260M in lines of credit authorized by the 2025 Legislative Assembly. This includes \$50M for SWPP and \$210M for other projects.
DELAY WATER INFRASTRUCTURE REVOLVING LOAN FUND (WIRLF) REIMBURSEMENT FROM RESOURCES TRUST FUND (RTF)	
7A	<ul style="list-style-type: none"> Includes utilization of the entire \$100M available through the state's WIRLF by project sponsors by 2031.
7B	<ul style="list-style-type: none"> Includes delayed reimbursement of the \$100M in loans through the WIRLF from RTF revenues until 2031. This will allow \$100M in RTF revenues to be made available for project cost-share until 2031 – instead of being used to repay the WIRLF in the short-term.
OTHER PROGRAM OPTIONS	
8	<ul style="list-style-type: none"> Clarify definitions of deferred maintenance, extraordinary maintenance, and replacement. Also clarify that deferred maintenance and extraordinary maintenance projects are not eligible. Replacements are proposed for varying levels of eligibility as described in options 1A-1D.
9	<ul style="list-style-type: none"> For cost-share increase requests – implement dollar or percentage caps.
10	<ul style="list-style-type: none"> For engineering-related costs – implement dollar or percentage caps. Engineering fees associated with cost increases not eligible.
11	<ul style="list-style-type: none"> Implement per user maximum hook-up thresholds for rural and municipal expansion projects. Costs beyond the maximum established thresholds would be a local sponsor responsibility.
12	<ul style="list-style-type: none"> Establish a capital repayment structure back to the state for water supply projects that have received grants. The repayment would likely come from water use fees charged to system customers and would be for a portion of the grant received. The required percentage of repayment would need to be determined.
13	<ul style="list-style-type: none"> Require projects to be included/submitted during the Water Development Plan project inventory process to be eligible for cost-share assistance during each biennial budget cycle. Rare exceptions could be approved at the SWC's discretion.
14	<ul style="list-style-type: none"> Require cost-share applicants to have all easements and bids in hand before applying for construction cost-share assistance.
15	<ul style="list-style-type: none"> Eliminate the requirement of sponsors having to submit Basic Asset Inventory Assessments (BAIA) with water supply project construction cost-share requests. The SWC's BAIA management tool would continue to be made available to sponsors for inventory efforts as they choose to use it.
16	<ul style="list-style-type: none"> Cost-share sponsors that have not requested reimbursement or have shown no activity for two years after SWC approval would be required to: 1) report back to the SWC to continue with an active agreement; or 2) have funding deobligated.
17	<ul style="list-style-type: none"> Sponsors who are not in compliance with DWR permit requirements or have not completed necessary Emergency Action Plans for high or significant hazard dams would be considered ineligible to apply for cost-share assistance. (Exceptions would include eligible efforts related to achieving compliance.)

BSFP (Bismarck South Flood Protection), MREFPP (Mouse River Enhanced Flood Protection Project), NAWS (Northwest Area Water Supply), RRVWSP (Red River Valley Water Supply Project), SWPP (Southwest Pipeline Project), WAWS (Western Area Water Supply), VCPFP (Valley City Permanent Flood Protection)

DRAFT SWC Cost-Share Program Definitions: June 9, 2026

EXISTING		PROPOSED	
<i>Current Definition</i>	<i>Eligibility</i>	<i>Proposed Definition</i>	<i>Eligibility</i>
Deferred Maintenance: No Current Definition	Not Eligible	Deferred Maintenance: Maintenance and repairs that were not performed as scheduled and were put off or delayed for a future period. <i>Example(s): Replacing filters or membranes after 10 years when recommended after 5 years by a manufacturer.</i>	Not Eligible
Extraordinary Maintenance: Includes the repair or replacement of portions of facilities or components that are above and beyond regular or normal maintenance.	Limited Eligibility	Extraordinary Maintenance: Non-routine maintenance and repair work performed to restore an existing facility, system, or component to an operating condition when needs arise beyond normal maintenance—including work prompted by unexpected failures, accelerated deterioration, accidents, or force majeure/acts of God (e.g., weather/climate related). <i>Example(s): Winter watermain breaks or electronic component destruction from a lightning strike.</i>	Not Eligible
Improvements: Construction related projects that upgrade a facility or system to provide increased efficiency, capacity, or redundancy. Improvements do not include activities that are maintenance or replacements.	Eligible	Improvements: No Change. <i>Example(s): Adding an additional storage tank or booster station to a water system. (Installing new tanks or booster stations for aged out ones are replacements.)</i>	Eligible
Operation and Regular Maintenance: Include processes, inputs, repairs, and general upkeep of components and facilities to support proper operation and function. These items may occur on a regular or annual basis, but not in all cases. Regular maintenance activities simply help ensure the asset will remain serviceable throughout its originally predicted useful life.	Not Eligible	Operation and Regular Maintenance: Include processes, inputs, repairs, preventative measures, and general upkeep of components and facilities to support proper operation and function. These items occur on a regularly scheduled basis. Regular maintenance activities help ensure assets remain serviceable throughout their useful life. <i>Example(s): Replacing filters/membranes as recommended by a manufacturer, or routine calibration of chemical feed systems.</i>	Not Eligible
Regionalization: New water supply connections between communities and rural or regional water systems that result in reduced costs through economies of scale.	Eligible	Regionalization: No change. Move from Prioritization Guidance to policy definitions. <i>Example(s): Red River Valley Water Supply Project or connecting a rural community to a rural water system that allows them to stop operating their own treatment plant.</i>	Eligible
Replacements: Installing components similar to what currently exists with the intention of preserving existing service levels.	Eligible	Replacements: Installing parts, systems, or components similar to what currently exists with the intention of preserving or enhancing service levels. <i>Example(s): Decommissioning an old elevated storage tank and installing one of the same size or larger. Replacement of old 4-inch asbestos cement pipe with 4-inch PVC or 6-inch PVC.</i>	Limited Eligibility*

*Only allowed for replacement of components/systems that are past their useful life. The SWC's Life Cycle Cost Analysis tool useful life timetimeframes would be used as the basis for determination.

MEMORANDUM

To: Southwest Water Authority Board of Directors, Staff
From: Justin Froseth, PE, Southwest Pipeline Project Manager
Subject: SWPP Project Update
Date: June 30, 2026

Contract 1-2A Supplementary Raw Water Intake:

With the mediated settlement complete for Southwest Pipeline Project (SWPP) Contract 1-2A, the Department of Water Resources (DWR) team is fully focused on developing a project needed to complete the supplementary intake for the SWPP. BW/AECOM is working on a Preliminary Design Report (PDR) for completing the supplementary intake.

The DWR and BW/AECOM recently executed Amendment No. 1 to the Preliminary Design Report (PDR) agreement. This amendment shifts the focus toward evaluating a northern intake pipeline alignment while also expanding the scope to include a comprehensive assessment of alternative project delivery methods. Because North Dakota law authorizes the use of Construction Manager at Risk (CMAR) contracts, the amendment includes a detailed evaluation of the CMAR delivery model. As DWR has limited direct experience with CMAR, this effort will provide valuable insight into its advantages, challenges, and applicability compared to the traditional design-bid-build approach.

Existing Intake Improvements:

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

The bid opening for the installation contract was held on May 19, with the results presented at the June SWA Board meeting. Based on the favorable bid results, the SWC approved funding for the project and authorized award of the contract at its June 9 meeting.

Distribution Upgrades – Strategic Plan

Prong 1 Transmission Improvements

West Zone Main Transmission Expansion:

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

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

Buffalo Gap Tank:

The Buffalo Gap Tank was put into service in early December and has been performing as expected. Miscellaneous project completion activities, including grass seeding, fencing, and corrective work, continued throughout May and June. The final punch list identifying any remaining corrective items is currently being developed and is expected to be available soon. The Instrumentation and Controls work was also completed in June.

Ray Christensen Pump Station (RCPS) Preliminary Design Report (PDR):

BW/AECOM is working on the PDR that will identify the main components that will be needed for the capacity upgrades identified during the West Zone preliminary engineering. At the same time, projected future needs for the North and East Zone as well as the South Zone is determined in order to make sure that planning for future needs in those zones with near-term improvements to the West Zone capacity is accomplished.

Following BW/AECOM's delivery of the draft needs analysis for the South, North, and East Zones, DWR and SWA staff completed an initial review of the report. Discussions are ongoing to refine the projected demand assumptions and establish the final planning projections that will guide the remainder of the study.

Prong 2 Strategic Improvements

North New England Strategic Hydraulic Improvements

Resuming work in April of 2026, Wagner Construction has now installed approximately four of the five miles of pipeline. The contractor is currently installing the remaining pipeline, with completion expected soon. Construction of the six pressure reducing valve (PRV) vaults is anticipated to begin following completion of the pipeline installation. Installation of the two booster stations is expected to occur this fall after the equipment is delivered.

Prong 3– Expansion into Under-Served Areas

Burt-Hebron Service Area:

The Hebron Rural Service Area Distribution Project bid results were presented at the June SWA Board update. Following that presentation, results were brought to the June SWC

meeting where the commission approved authorization to award the project and funding. Notices of award have since been issued to the contractors.

At the June meeting, Schedule 2 did not fully meet the feasibility criteria, as the overall schedule exceeded the maximum cost per ESU. In response, SWA staff contacted participants to secure additional commitment levels and also obtained several new signups. The feasibility criteria have now been satisfied, allowing Schedule 2 to proceed alongside Schedules 1A and 1B.

SWA staff continue to work on acquiring the easements necessary for the project. The most recent update from SWA staff on easement progress for individuals is as follows:

Sent: 858

Obtained: 760(89%)

Refused: 50(6%)

Remaining: 48(5%)

The acquisition of easements continues to be a focus for SWA easement staff. In conjunction with SWA's work, the project team has been meeting as needed to discuss the specific landowner concerns. The effort will continue but with the level of easement that have been acquired, the contractor will be able to install a substantial amount of pipeline while the remaining easements are worked on.

Southwest Water Treatment Plant (SWTP) Expansion:

The project continues to make significant progress, with the building quickly taking shape as precast wall panels have been arriving since mid-June. Panels are being erected as they are delivered, and many are already in place, with additional panels being installed daily. Wall installation is expected to continue through most of July. Installation of the roof structure is also expected to begin soon, closely following the wall erection activities.

Within the basement, wall coating application and process piping installation remain ongoing. Outside the main building, the recycled water booster station foundation has been completed and is ready to receive the booster station assembly, which is scheduled for delivery in early July.

Change Order No. 3 was approved in June. This significant change order addressed the subsurface obstruction encountered last summer, adding \$538,207.68 to the contract amount and extending the project completion date by 43 days. In addition, approximately \$241,000 in Work Change Directives (WCDs) have been approved. This total includes WCDs incorporated into Change Order No. 2 as well as those included in the pending Change Order No. 4, which is currently under DWR review.

The number and scope of these WCDs remain within expectations for a project of this size and complexity. A 5% construction contingency, approximately \$4.3 million, was included

in the project budget to address unforeseen conditions and necessary work changes such as these.

SWTP project picture below taken on June 29, 2026



Metallic Pipeline Replacement:

BW/AECOM is proceeding with final design of the metallic pipeline replacement project. This effort has included significant study of the pipe and protective cover along with dewatering needs in a wet environment. The bid advertisement is planned for later this year with the pipeline replacement planned to be ahead of the 2027 year peak water usage, in the summer season. The segments prioritized for this final design are those most affected by Microbiologically Induced Corrosion near Dodge, ND. The pipeline needed for this project will be owner procured separately, ahead of the construction bid.

Raw Water Implementation Study:

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

The draft update to the implementation plan has been reviewed by DWR staff, and BW/AECOM is currently finalizing the revisions. Under the cost-sharing agreement with Gevo, the parent company of the Net-Zero facility, monthly coordination meetings are being held between DWR, BW/AECOM, and Gevo to maintain alignment throughout the study.

The current phase of the study is focused on evaluating alternative service options for the Net-Zero facility. Alternative #1 would increase flow to the Gevo Net-Zero Richardton facility by 500 gallons per minute, while Alternative #2 would increase flow by 1,400 gallons per minute. The draft deliverable for Alternative #1 is expected in early July. Study stakeholders, including Gevo, continue to meet at least monthly to ensure consistent coordination and agreement on study assumptions and direction.

Dunn County Hydraulic Improvements Preliminary Engineering Report (PER):

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

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

Following DWR's delivery of the report to the County in April, DWR reported to the SWA Board that DWR, BW/AECOM, and SWA staff jointly presented the findings at the May 20 County Commission meeting. Since that presentation, County officials have indicated they are taking additional time to review the information and determine next steps.

Project Funding

Southwest Pipeline Project (SWPP) Funding Sources

State Funding (in millions of dollars)

Resources Trust Fund	\$334.63
Water Development Trust Fund	\$8.55

Bonds

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

Subtotal \$367.54

Federal Funding

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

Subtotal \$121.92

Total Funding: \$489.46

(As of May 31, 2026)



Capital Replacement Funding

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

Subtotal \$6.64



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: June 29, 2026

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

SWA Construction:

The contract for relocating SWPP infrastructure along US Hwy 85 from the junction of Hwy 200 to the Long X Bridge was substantially completed on October 31, 2025. SWA received reimbursement from the NDDOT in May in the amount of \$1,814,059. The final invoices are being compiled for submission to NDDOT for the final reimbursement.

The OMND WTP Roof was damaged in summer storms in 2022 and required complete replacement. The OMND WTP Roof Replacement is complete, and the final pay application was approved on Friday, June 26, 2026. NDIRF has not yet responded to the coverage amount. On June 7, 2026, storms damaged the metal flashing and a small section of the roof adjacent to the metal flashing at the southwest corner of the facility. repaired roof. Windspeed reports recorded wind gusts of 82 mph, and the new roof is rated as 90 mph under warranty. We did reach out to the contractor to begin the warranty claim and there is disagreement with the recorded windspeeds and an initial declination in the work being covered by warranty. SWA and B&W will continue to update the Board as we work through the dispute.

Maguire Iron, Inc., was awarded the contract for the New England Tank Recoat and Rehabilitation. The Contractor mobilized to the site the week of June 8, 2026. Maguire has inspected the roof beams and has determined that all 34 beams will need to be replaced. As addressed under decision-making at the July meeting, this resulted in a work change directive and additional cost to the contract. The substantial completion date on this project is October 31, 2026.

Corrosion on a portion of the floor panels of the New Hradec Tank was observed. SWA plans to repair it in 2026. Proposals have been requested from two separate vendors. One proposal from Northern Steel, LLC was received and is under review.

B&W is drafting a Specific Authorization to begin work associated with conducting a Closed Interval Survey (CIS) on the metallic line in the SWPP system. The CIS will look for anomalies in the Ductile Iron Pipe, which may indicate areas affected by MIC. This work was budgeted for REM in 2026.

Treatment:

On June 19, 2026, operators received a replacement skylight for the Finished Water Pump Station. Upon arrival they discovered the June 7, 2026, storm had caused damage similar to the storm in April to the membrane and additional skylight. The temporary cover has been left in place over the opening until another skylight arrives. Operators installed the replacement skylight over the most critical opening and added additional securing screws to all of the existing skylights. Twin City roofing repaired the membrane back in April and are planned to return.

On June 24, 2026, the manager provided a tour for the Dickinson SWAT team, they became familiar with the facility as they would help provide security in an emergency scenario.

On June 24, 2026, around 8:00 p.m., a contractor working for the City of Dickinson, struck a natural gas line in the immediate area east of the Water Treatment Plant. The treatment plant operator was instructed to shut down the facility and evacuate to a safe area. He was shut down and safe by 9:30 pm. No incidents occurred on SWA property due to the event.

Starting Wednesday July 1, 2026, at 7:30 am. through Tuesday, July 7, 2026, at 11:59 p.m. the treatment plant will run 24-hour operations due to expected higher demand.

Distribution Operations:

On June 7, 2026, staff responded to power outage due to summer storms at the Intake by running a large pump under generator power until Roughrider Electric was able to restore power. Staff added 2,500 gallons of fuel to the generator as it ran for a total run time of 36 hours.

On June 8, 2026, staff began using up the water in the 1st New England Reservoir (Contract 5-3) in preparation for Maguire Iron to begin work on Contract R-2025-1 New England Recoat.

On June 9, 2026, staff responded to a no water complaint in Contract 7-8B by manually pumping up the lines at the Golva VFD after power was restored due to summer storms.

On June 10, 2026, staff cleaned the 1st New England Reservoir and removed a 5-gallon bucket full of paint chips prior to Maguire Iron beginning their work.

On June 11, 2026, staff shut valves, drained down the pipe, and assisted JK Excavation to repair a leak at a 2" x 1 1/2" Ductile Iron reducer in a service line in Contract 7-8E. The soil at this location is very corrosive and had eaten away at the Ductile Iron fitting. A 2" x 1 1/2" PVC reducer was installed in the place of the Ductile Iron fitting. Air was flushed from the line once the repair was complete and valves were returned to their normal operating position.

On June 11, 2026, staff assisted Randy's Welding to repair threadolet (branch pipe fitting) leaks in the Rhame VFD in Contract 7-7B.

On June 12, 2026, staff assisted Sletten Excavation to repair a 40' stick of 3" CL 160 that split due to pipe deflection in the 46th Ave SW Road bore in Contract 7-9D. Replacing 40' of pipe and getting them to line up better allowed water to flow as intended.

On June 14, 2026, staff responded to a low discharge pressure alarm at the Golva VFD by manually pumping up lines after power was restored due to summer storms.

On June 22, 2026, staff closed valves to use up the water in the 2nd Dickinson Reservoir and isolated the tank when it was down to 2 feet of water left in it.

On June 24, 2026, staff removed 3-5" of silt throughout the 2nd Dickinson Reservoir. The tank was found to be in excellent condition. Once the reservoir was clean it was placed back into service.

On June 24, 2026, staff responded to water leaking from a subsequent basement setter in Contract 7-7B by replacing a defective 3/4" meter adapter coupling. Once the coupling was replaced water flowed as intended.

On June 26, 2026, staff responded to report from Eric Steiner that he struck the Contract 7-1B 3" Yelomine that was relocated to accommodate improvements to 117th Ave SW. SWA staff located the original 7-1B line because the relocated 3" was never GIS surveyed. Once the leak was repaired and air was flushed from the line, it was placed back into service.

Lead Service Line Inventory:

SWA staff continue to collect information for the Lead Service Line Inventory (LSLI) for the NDDEQ. SWA has collected inventories from 5,177 accounts, or 65.8% of all connections. The survey link remains active on the SWA website, and O&M staff continue to collect the information during routine operations and new connections.

Staff

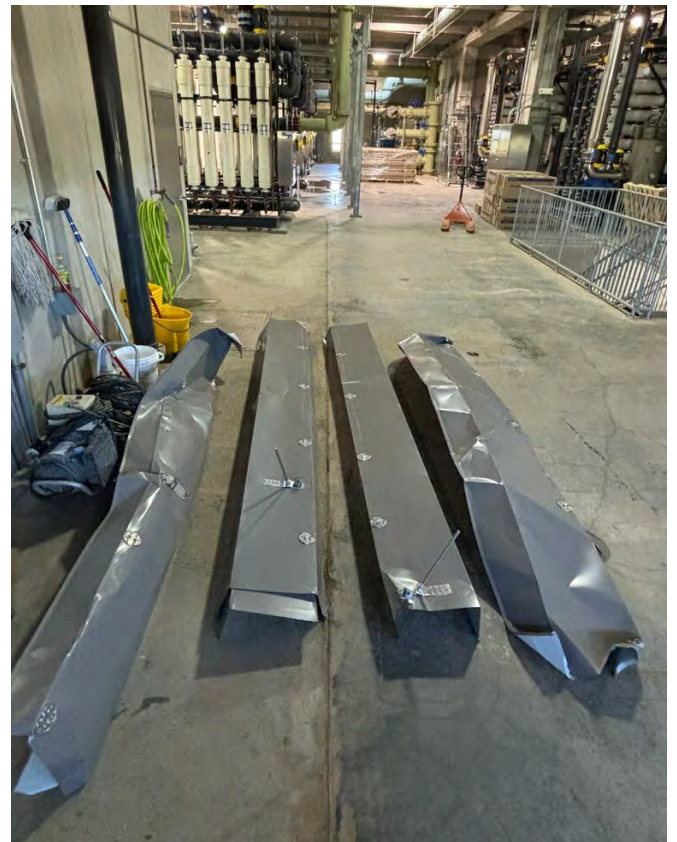
Wyatt Turner and Peyton Erickson have been hired for temporary summer work. Both are children of SWA employees!

SWA has hired Brent Erickson and Tyler Palmer as Water Distribution Operators.

New England Tank Photos:



OMND Roof Photos:





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MEMORANDUM

TO: Jen Murray, Manager/CEO, Southwest Water Authority
FROM: Misti Conzemius, Marketing Manager, Southwest Water Authority
SUBJECT: Report for June, 2026
RE: Marketing Manager's Incidental Information
DATE: June 23, 2026

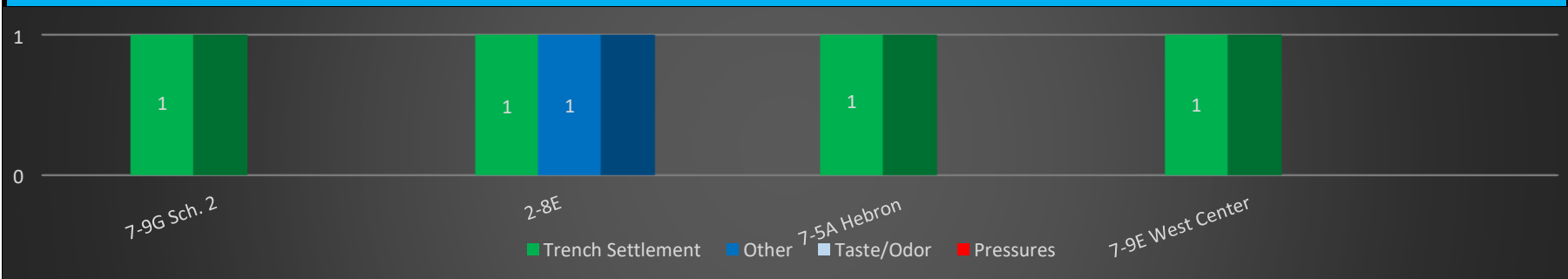
June 2026 SIGN-UP REPORT

SUBSEQUENT CUSTOMERS

NAME	TYPE OF CUSTOMER	SERVICE AREA	SERVICE DESCRIPTION
Jerry Herring	Standard	7-8A Fryburg	140-99-32
Darrell Kopponger	Standard	7-1B Davis Buttes	140-97-2
Wade Trotter	Pasture Tap	7-9D Zap	146-89-13
Russ Putnam	Standard	7-9C Zap	144-87-14
Lyle Winkler	Pasture Tap	7-9E Center	143-88-29
Jon & Lynn Betlaf	Pasture Tap	7-1B Davis Buttes	140-95-17
Venture Homes, LLC	Standard	7-1B Davis Buttes	140-96-20
Steve Tormaschy	Standard	7-1B Davis Buttes	140-96-7
Erik Aufdenkamp	Standard	7-4 Bucyrus	129-96-14
M.A. Mortenson Company	Standard	7-9F Center	142-83-35
M.A. Mortenson Company	Standard	7-9F Center	142-83-35
Chris & Leah Bowden	Standard	7-1B Davis Buttes	140-96-26

Twelve (12) subsequent customer signed up in June and 84 subsequent customers have been added year-to-date. A total of 106 customer quotes have been given year-to-date. SWA had a total of 3076 active subsequent users in June.

2026 COMPLAINTS



Three (3) complaints were called in during the month of June.

Zero (0) complaints were 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

Twelve (12) water requests have been added to the waiting list during the month of June.
There are currently 802 requests system wide.

BURT, HEBRON SERVICE AREA

To date 936 services have been signed up. Of the 936 signups, 637 or 68% are Rural and 299 or 32% are Lake Tschida. 491 are Hebron Rural including North Lake Tschida, and 445 are Burt Rural including South Lake Tschida. Hebron Rural Service Area Project 7-5C includes installation of 188 services.

SYSTEM WIDE SERVICE REQUESTS

There are currently 802 waiting list requests and 936 Burt Hebron Campaign Signups for a total of 1,738 requests system wide
Waiting list will decrease by 111 upon completion of the 7-2B North New England Strategic Improvement Project.
Waiting list will decrease by 102 upon completion of the Burt and Hebron Service Area Projects.

HEBRON RURAL & MAIN TRANSMISSION LINE EASEMENTS

To date a total of 730 easements have been mailed for the Hebron Rural Area. A total of 641 easements or 88% have been signed and returned.

To date a total of 126 easements have been mailed for the Main Transmission Line. A total of 116 easements or 92% have been signed and returned.



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County	Waiting List Locations	Standard Service	Pasture Tap Service	High Consumption	Other
Adams	25 locations	12	12	1	0
Billings	73 locations	20	49	2	2
Bowman	82 locations	51	26	4	1
Dunn	86 locations	44	39	1	2
Golden Valley	72 locations	34	34	2	2
Grant	62 locations	46	12	2	2
Hettinger	52 locations	33	16	3	0
Mercer	33 locations	16	17	0	0
Morton	107 locations	57	47	3	0
Oliver	1 location	1	0	0	0
Slope	60 locations	37	17	6	0
Stark	149 locations	129	16	3	1
Grassy Butte (McKenzie County)	0 locations	0	0	0	0
Total Waiting List	802	480	285	27	10

Other: Subdivisions, Additional Capacity, or Higher Usage

Updated through June 23, 2026

WAITING LIST REQUESTS BY CLASSIFICATION

SERVICE AREA	WAITING LIST START DATE	STD	PT	HC	OTHER	TOTAL
7-1B DAVIS BUTTES	10/3/2022	13	2	0	0	15
7-1B NEW HRADEC		0	0	0	0	0
7-2 NEW ENGLAND*	3/6/2012	144	29	5	0	178
7-2A BELFIELD	3/6/2013	1	0	0	1	2
7-3 JUNG LAKE	3/1/2016	26	7	2	0	35
7-4 BUCYRUS		0	0	0	0	0
7-5 HEBRON**	5/30/2017	3	1	0	0	4
7-6 BURT**	3/15/2012	61	32	3	2	98
7-7 BOWMAN	6/13/2012	78	34	8	0	120
7-8 BEACH	10/5/2011	34	34	2	0	70
7-8 FRYBURG	6/20/2016	7	6	1	3	17
7-8C TOWER HILL/JUNCTION INN/ NORTH CROWN BUTTE	TOWER HILL-7/29/2015 JUNCTION INN-12/1/2015 N. CROWN BUTTE-1/20/2021	43	33	3	0	79
7-8 FAIRFIELD/GRASSY BUTTE POCKET	10/17/2016	18	44	2	1	65
7-9B KILLDEER MOUNTAIN		0	0	0	0	0
7-9E WEST CENTER	7/24/2019	16	19	0	0	35
7-9G DUNN CENTER	10/20/2017	34	41	1	3	79
7-9G HALLIDAY	1/3/2021	2	3	0	0	5
TOTALS		480	285	27	10	802

*Intent forms signed for hydraulic improvement project in this area will decrease waiting list numbers by a total of 111.

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

Updated through June 23, 2026



WATER TOPICS OVERVIEW COMMITTEE

Wednesday, June 10, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

9:00 a.m. Call to order
Roll call
Consideration of the [minutes of the March 26, 2026, meeting](#)
Comments by the Chairman

WATERSHED MANAGEMENT STUDY

9:05 a.m. Presentation by the Legislative Council staff of a [memorandum](#) summarizing the testimony provided to the committee on the committee's study regarding 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

9:10 a.m. Committee discussion

STORMWATER AND WASTEWATER STUDIES

9:20 a.m. Presentation by the Legislative Council staff of a [memorandum](#) summarizing the testimony provided to the committee regarding the committee's studies of funding for stormwater projects and the feasibility and desirability of establishing a wastewater project fund

9:25 a.m. Committee discussion

REQUIRED REPORTS AND UPDATES

9:35 a.m. [Presentation](#) by Mr. Reice Haase, Director, Department of Water Resources, regarding the:

- Department's studies relating to the state's [cost-share policies](#) and [governance and finance of regional water systems](#)
- State Water Commission's project prioritization methodology
- Projects the State Water Commission has designated as a project receiving carry-over funding, the total amount obligated to a project receiving carry-over funding, and the total amount of funds not yet obligated to a project receiving carry-over funding
- Department's recent activities
- Committee's statutory duties

11:05 a.m. [Presentation](#) by Ms. Miranda Kleven, Senior Consultant, Advanced Engineering and Environmental Services, and Mr. Eric Volk, Executive Director, North Dakota Rural Water Systems Association, regarding municipal and water usage and user rates across the state

11:25 a.m. [Presentation](#) by Ms. Shannon Fisher, Program Manager, Division of Municipal Facilities, Department of Environmental Quality, and Ms. DeAnn Ament, Executive Director, Public Finance Authority, regarding the federal affordability index applied to water supply systems

- 11:45 a.m. Recess
- 12:30 p.m. Presentation by Mr. Gene Veeder, Commissioner, Upper Missouri River Basin, State Water Commission, regarding the recent activities of the State Water Commission and the feasibility and desirability of regionalizing water infrastructure around the state
- 12:50 p.m. [Presentation](#) by a representative from the Walsh County Water Resource District regarding an anticipated request for which the state cost-share is estimated to be \$10 million or more for the district's water supply project
- 1:10 p.m. [Presentation](#) by a representative from the Crystal Springs Watershed Initiative regarding an anticipated request for which the state cost-share is estimated to be \$10 million or more for watershed planning and management
- 1:30 p.m. [Presentation](#) by a representative from the Lower Heart River Water Resource District regarding an anticipated request for which the state cost-share is estimated to be \$10 million or more for a flood risk reduction project
- 1:50 p.m. Committee discussion and staff directives
- 2:00 p.m. Adjourn

A livestream of the meeting will be available to the public at: <https://video.ndlegis.gov>.

Committee Members

Representatives: Steve Swiontek (Chairman), Mike Beltz, Mike Berg, Jay Fisher, Karla Rose Hanson, Jon O. Nelson, Todd Porter, Dan Ruby, Matthew Ruby, Daniel R. Vollmer

Senators: Randy A. Burckhard, Michael Dwyer, Justin Gerhardt, Larry Luick, Ronald Sorvaag, Paul J. Thomas, Mark F. Weber

Staff Contacts: Dustin A. Richard, Counsel
Levi Kinnischtzke, Senior Fiscal Analyst

CELEBRATING
30
YEARS

2026 North Dakota Water Education Foundation **WATER TOURS**



1. Meeting Water Supply Needs in Central North Dakota and the Red River Valley – Tuesday, June 30

Learn how the Garrison Diversion Conservancy District is working to secure a stronger future by providing a reliable, high quality, and affordable water supply to benefit North Dakotans. Visit Cows & Co. Creamery, a family dairy where gelato, cheese, yogurt, and milk is made fresh from farm ingredients. Tour Dakota Growers Pasta Company, the third largest pasta manufacturer in North America, where wheat from North Dakota's farmers is transformed into premium quality dry pasta products in more than 150 shapes. Learn about a local collaborative water management project, Kittleson Crossing. This tour begins and ends in Carrington.



2. Industry Growth Fueled by Water – Thursday, July 16

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. Learn about the region's growth impacts from the Keene Fire Department. Visit Meadowlark Acres, a local farm-to-table produce farm. Find out how irrigation enhances agriculture in western North Dakota. This tour begins and ends in Watford City.

3. Bully! For a Sustainable Future – Thursday, July 30

Celebrate America's 250th year and be one of the first to visit the Theodore Roosevelt Presidential Library in Medora, which opens July 4, and learn about its commitment to sustainability. Enjoy a fresh brew and tour of Phat Fish Brewing in Dickinson. Visit the Dickinson Water Treatment Plant and learn about the Southwest Pipeline Project and its impressive 35-year impact on the region. Get an inside look at industry with a tour of Marathon Petroleum - Dickinson Renewable Diesel Facility. This tour begins and ends in Dickinson.



4. A Tribal View of Water – Monday, August 3

Nibi (water) is sacred and vital to all life within the environment. Learn how the Turtle Mountain Band of Chippewa views water and uses this vital natural resource for drinking, agriculture, and environmental health. Travel to the United States-Canada border and enjoy the International Peace Garden, a living monument to the ideals of friendship and cooperation among nations (passport or birth certificate and photo ID required). This tour begins and ends in Belcourt.

5. Protecting and Regenerating for a Positive Outlook – Wednesday, August 12

Learn how North Dakota's second biggest city is planning on protecting its citizens with its flood control project. Visit Lake Oahe and learn how sedimentation impacts the lake. Tour Menoken Farms and discover how it is leading the way in soil regeneration. Learn about innovative irrigation practices in the area. This tour begins and ends in Bismarck.



THANK YOU 2026 Water Tour Sponsors

- Bartlett & West
- AE2S
- Apex Engineering Group, Inc.
- Cavendish Farms
- Chevron Corporation
- Devils Lake Basin Joint Water Resource Board
- Garrison Diversion Conservancy District
- 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.
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- N.D. Rural Water Systems Association

**North Dakota
Water Resource
Districts Association**

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MEMO: April 8, 2026
TO: North Dakota Water Leaders
FROM: Harold Gaugler, President
RE: 2026 Joint Summer Water Meeting

The 2026 North Dakota Water Resource Districts Association and North Dakota Water Users Association Joint Summer Water Meeting is scheduled for **July 15-16 at the Rough Rider Center in Watford City.**

Please see the attached draft agenda for full details on what will be included during this year's conference. Highlights include a Department of Water Resources update, including an update on the proposal to adjust the State Water Commission's cost share policy; a presentation on the future of the oil industry, which directly ties to available state water funding; and a panel discussion on the connection between water and energy. The sessions fulfill water manager training requirements.

The Upper Missouri River Basin State Water Commission Commissioner-hosted meeting will be held in conjunction with the conference. The conference will conclude with a tour of the Watford City area.

Blocks of rooms have been reserved at MainStay Suites, Roosevelt Inn & Suites, Little Missouri Inn & Suites, and Teddy's Residential Suites. Room reservation deadlines are **June 12 or 14**, so book early! Complete hotel booking information is available at <https://ndwater.org/events/2026summermeeting/>.

If you have any questions, contact Julie Ellingson at 701-223-4615 or jellingson@ndwater.net.

We hope that you will make plans to attend this informative event.

Joint Summer Water Meeting

ND Water Resource Districts Association and ND Water Users Association

July 15-16, 2026

Rough Rider Center | Watford City, ND

WEDNESDAY, JULY 15

8:00 a.m. – 4:00 p.m.

Registration – *Corridor*

9:00 a.m. – 10:30 a.m.

Water Users Association Board Meeting – *Classroom*

10:30 a.m. – 11:15 a.m.

Updates from the Department of Water Resources
– *Diamond/Opal/Emerald Rooms*

- Reice Haase, Director, Department of Water Resources

11:15 a.m. – Noon

The Future of the Oil Industry – *Diamond/Opal/Emerald Rooms*

- Justin Kringstad, Director, Pipeline Authority

Noon – 1:00 p.m.

Lunch – Welcome from Watford City Mayor (invited) – *Silver/Gold Rooms*

1:00 p.m. – 2:30 p.m.

Water and Energy Nexus Panel – *Diamond/Opal/Emerald Rooms*

- Commissioner Gene Veeder, State Water Commission, Moderator
- Senator Dale Patten, District 26
- Joel Brown, McKenzie County Commissioner
- Kyle Hartel, Co-Founder and Owner, Elkan Water
- Chris Barke, Executive Director, Western Area Water Supply Authority

2:30 p.m. – 4:30 p.m.

State Water Commission's Commissioner Hosted Basin Meeting
– *Diamond/Opal/Emerald Rooms*

4:30 p.m. – 5:30 p.m.

Social – *Silver/Gold Rooms*

DINNER ON YOUR OWN

THURSDAY, JULY 16

8:00 a.m. – 9:00 a.m.

Missouri River Joint Water Board Meeting – *Diamond/Opal/Emerald Rooms*

8:00 a.m. – 9:00 a.m.

Souris River Joint Board Meeting – *Classroom*

9:00 a.m. – 10:00 a.m.

Water Resource Districts Association Board Meeting
– *Diamond/Opal/Emerald Rooms*

10:00 a.m.

Load Bus for Watford City Tour – *Front entrance of Rough Rider Center*

4:30 p.m.

Tour ends

AGENDA

Perkins County Rural Water System Board Meeting

Date: June 11th, 2026 Time: 4:30 PM

PCRWS Office, Bison, SD

1. Call to Order.....President

A) Additions and Approval of AgendaBoard**

B) Minutes of May 14th, 2026Board**

2. Financial Report.....

A) Approve paid and unpaid billsBoard**

B) Financial ReportsBoard**

3. Delegations

4. Bartlett & West.....Nathan Danner

5. Managers Report.....Staff

6. Directors Reports.....Board

7. All Other Matters.....Board

a. 2027 Preliminary Budget & Rates

Adjournment

Next Meeting

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

****BOARD ACTION NECESSARY**

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

May 14, 2026

The regular monthly meeting was called to order by President Don Melling at 4:30 PM MT at the Perkins County Rural Water Sys. Inc. boardroom in Bison, SD. Other directors present were Brian Morris, Pat Dalzell (telephone), Lynn Frey and Luke Clements (4:34 pm). Board members absent were none. Also in attendance were Nathan Danner, Bartlett & West, Shiloh Baysinger and Brandi Baysinger, staff.

Agenda

Motion by **Brian Morris**, seconded by **Lynn Frey**, to approve agenda, motion passed.

Minutes

Motion by **Pat Dalzell**, seconded by **Brian Morris**, to approve the April 9th, 2026, minutes, motion passed.

Financial Report

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

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

Delegations

None.

Bartlett & West

Nathan Danner was present to report on a proposal for Metcalf for the ARC survey which is needed to move forward with the project for approximately \$12,xxx. There is another agency that has not submitted a proposal yet.

Managers' Report

Shiloh Baysinger reported that the valve in the Bison Meter Pit started to have issues after a power outage. Staff tried to work on it and then additional issues accrued with a water hammer leak. Shiloh has been operating it manually for about two weeks until on-site help could arrive. We have been receiving tap requests for homes and pastures. B&C Plumbing hit our service line on Monday, staff went to assist and bill will be sent and SD811 was notified as the previous Locate was past due. Shiloh and team did not place at the SDARWS fishing tournament.

Director's Report

None

All Other Matters

2027 Budget – reviewed the projected budget and line items were discussed to bring to the next meeting.

Meeting adjourned at 5:09 pm MT

Next meeting June 11th, 2026, at 4:30 pm MT.

**Southwest Water Authority
Board of Directors**

**Parking Lot
July 6, 2026**

Item

Date put on Parking Lot

Agenda Date

Planning Agenda

DATE: Monday, August 3, 2026 TIME: 9:00 A.M. MDT LOCATION: SWA O&M Center Office
 ASSIGNMENTS

Director Eaton Scribe/Flipchart
 Wendy Serhienko Minutes
 _____ Reporter

 _____ Timekeeper
 Director Engelhardt Process Observer
 _____ Warm-up

MEETING OBJECTIVE _____

PLAN		ACTUAL CLOCK	AGENDA ITEMS	WHO	METHOD	DESIRED OUTCOMES
TIME	CLOCK START					
			Call to Order – Pledge of Allegiance			Meeting readiness
			Review Agenda			Additions, focus meeting
			Consent Agenda		Voice Vote	Meet legal requirements
			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			