MEMORANDUM

To: Southwest Water Authority Board of Directors

From: Jen Murray, Manager/CEO, SWA

Subject: November 2, 2026, SWA Board of Directors Meeting

Date: October 28, 2026

The next Southwest Water Authority (SWA) Board of Directors meeting will be on Monday, November 2, 2026, at 9:00 a.m. MST at the Southwest Water Authority O&M Center Office in Dickinson.

The annual fall ritual of turning back the clocks by one hour happens on Sunday, November 1, 2026. On July 14, 2026, the US House of Representatives passed the Sunshine Protection Act of 2025 by a 308-117 vote, which would make daylight savings time permanent. The Resolution was referred to the Senate Committee on Commerce, Science, and Transportation on July 15, 2026, where it remains stalled without a scheduled floor vote. Representative Gregory Steube (R-Fla) also introduced the Daylight Act of 2026 in February 2026, which proposes a 0.5-hour standard time adjustment and repeals the Uniform Time Act. No action on this resolution has taken place.

This month, we welcome special guest Jay Volk. Jay represents the Lower Missouri River Basin on the State Water Commission and is also the Director of Health, Safety and Environmental at Summit Carbon Solutions. We look forward to hearing his presentation on the Roughrider Energy Project, which is under construction near Glen Ullin.

There are two policies for the Board to review and monitor this month: Policy IV. A. Board-Manager/CEO Relationship - Delegation to the Manager/CEO and Policy IV. D. Board-Manager/CEO Relationship-Monitoring Organizational Performance. These policies are included in the Board packet for your review.

Ledeanna O'Shields will be presenting options for the 2027 Annual Budget for your approval. The preliminary budget options were reviewed at the October 5, 2026, Board meeting. The environmental scan and budget options are included for your review. If you have any questions, please let us know.

One decision-making policy and a report to the Board are included. It is Policy II.B. Executive Limitations – Budgeting/Forecasting. The Board policy and Manager/CEO Internal Report are included in the Board packet. Let me know if you have any questions.

The Board meeting schedule for 2027 is included for your discussion and approval. The Board will meet on Tuesday in July and September.

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

Odney and The Creative Team have completed the rough cut of the SWA Informational and Promotional Video, which we will share with the Board at the meeting.

The State Water Commission met on October 8, 2026. The agenda included two SWPP items. The Ray Christensen Pump Station Upgrades Preliminary Design Report Decision was approved. The Commission also approved Contract 2-2I Raw Water Main Transmission Pipeline Replacement Funding Authorization to award the contract to BEK Consulting, LLC.

Tyson Decker will provide an SWPP update on current construction and various projects. The Board packet also includes SWPP funding to date.

The Board packet includes the SWPP options Deloitte recommended under the Regional Water Systems Governance and Finance Study. In September, the Board moved to support Option 2, with the expectation that other financing mechanisms would be evaluated alongside bonding.

Decker will provide an update on SWA Construction. The SWA Management team will provide an operations and maintenance (O&M) update for October. This report includes Distribution, Treatment, and Staff activities.

Misti Conzemius will give an update on subsequent customers, customer complaints and easement acquisition. The waiting list currently has 845 requests for service system-wide, and an additional 949 have signed up in the Hebron and Burt Service Areas for a total of 1,794 requests system-wide.

Misti Conzemius attended the Vision West Energy and Natural Resources Public Workshop on October 27, 2026. The Board packet includes the meeting agenda, and Misti will give a verbal report at the Board meeting.

Perry Grammond and Sparkle Sawyer attended the North Dakota Water & Pollution Control Conference in Bismarck on October 26-28, 2026. The agenda is included in the Board Packet.

The 63rd Annual Joint ND Water Convention and Irrigation Workshop will be held on December 8-10, 2026, at the Bismarck Hotel and Conference Center. The agenda is included with the Board packet. If you are interested in attending, please let Wendy know so arrangements can be made.

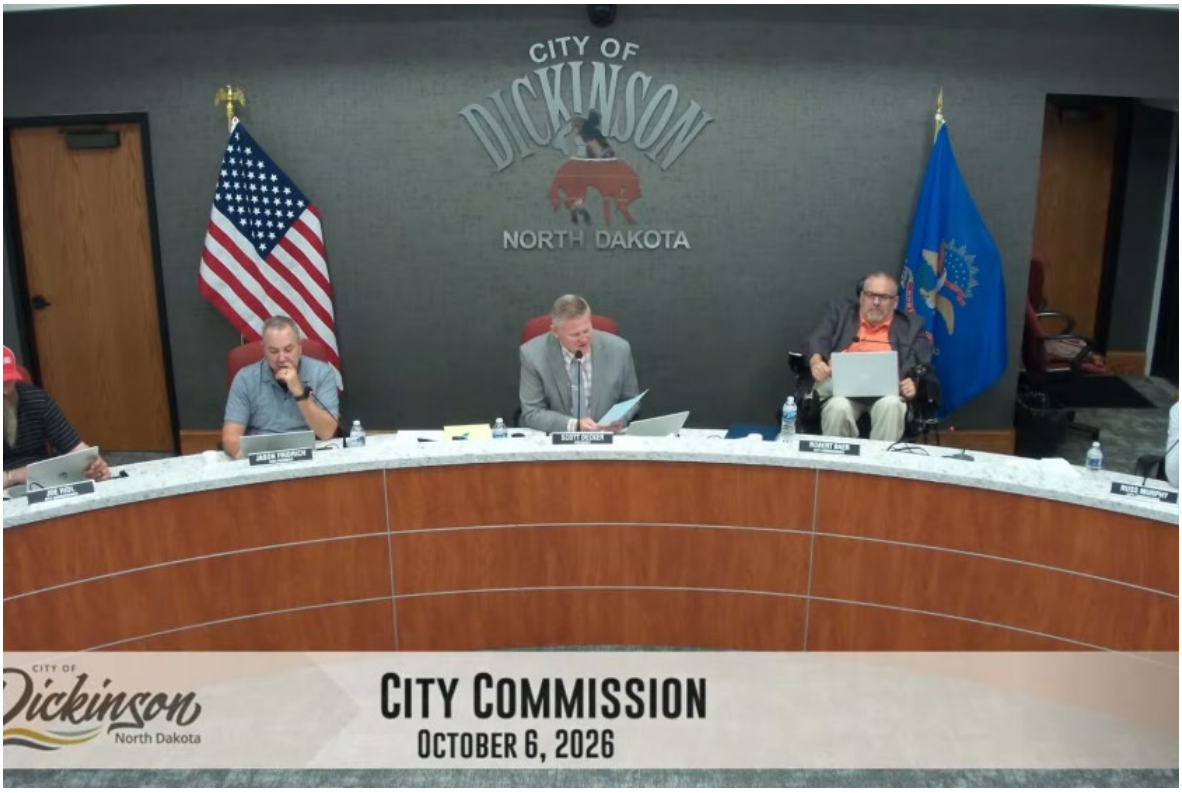
NDPERS Open Enrollment will close on November 6, 2026. Please contact Ledeanna if you need assistance making any changes.

I look forward to seeing you on Monday, November 2, 2026, at 9:00 a.m. MST at the SWA O&M Center Office in Dickinson, ND.



Dickinson City Commission introduces new Public Works director, approves Stark County purchase agreement

During the regular meeting, the commission formally met Public Works Director Robert Clemow, approved a $2.21 million purchase from Stark County and proclaimed Manufacturing Day.



Mayor Scott Decker proclaims Oct. 7 as Manufacturing Day during the Dickinson City Commission's regular meeting on Oct. 6.
City of Dickinson - City Hall YouTube / City of Dickinson

By Dorvall Bedford
October 08, 2026 at 1:01 PM

DICKINSON — The Dickinson City Commission convened on Tuesday, Oct. 6, for a regular meeting. During the meeting, City Administrator Dustin Dassinger introduced Dickinson's new Public Works director, approved a purchase agreement with Stark County and proclaimed Oct. 7 as Manufacturing Day.

Dassinger introduced Robert Clemow as the City of Dickinson's new public works director. According to Dassinger, Clemow was in his second week of being in the position. Clemow told the commissioners that he comes from Wisdom, Montana, which is in the southwestern part of the state. He said he hopes the name of his hometown will benefit him during his time in Dickinson.

Clemow noted to the commission that he found his team in the Public Works department to be great and said, "In the seven days I've been here, I found that our team is exemplary, and we can just build on that to help the City of Dickinson be better."

A resolution for the Stark County purchase of the Law Enforcement Center and Armory was the next topic the commission addressed. Dassinger previously mentioned during a meeting on July 7 that the county had agreed to purchase the properties earlier in the year and that the City of Dickinson proposed a price of $2.5 million. An independent appraisal determined that the combined value of the two properties was about $2.2 million. In June, the county requested the City of Dickinson to reduce it to about $1.6 million.

During a meeting on Aug. 4, the City of Dickinson approved an amendment to the purchase agreement that established the purchasing price of the properties to be $2.21 million. The commissioners voted to formally authorize the sale during the Oct. 6 meeting. They also voted to approve another amendment to the purchase agreement that established Thursday, Oct. 8, as the closing date.

Baker Boy Safety Manager Zach Jahner approached the commission to speak about Manufacturing Day in Dickinson. He explained that Baker Boy along with Fisher Industries, Steffes, Killdeer Mountain Manufacturing and TMI Systems were going to have an annual event on Wednesday, Oct. 7, where about 350 high school students can

"As you guys know, in Dickinson and nationwide, we have an aging workforce, and that aging workforce is… entering retirement," Jahner

said. “We’re trying to fulfill some of those jobs as we go forward, and we want to obviously promote that to the youth.”

Mayor Scott Decker presented a proclamation of Manufacturing Day, during which he said, “The City of Dickinson has a strong history as a community supporting manufacturing.”

“Many opportunities exist for Dickinson area residents to utilize their skills and talents in manufacturing in order to improve their lives and those of their loved ones,” Decker added.

The commission approved the proclamation. A second reading of the proposed budget for 2027 followed. The commission voted on Sept. 17 to change the budget to have a 2% increase to the cost of living adjustment. According to Deputy Finance Director Katie Greenwood, that increased the general fund expenditure by 5.8% to about $31.43 million. The commission approved the budget.

During the meeting, the commission also reviewed changes to the 2027 fee schedule for water utilities that were proposed on Sept. 17, held an oath of office for the Dickinson Youth Commission and addressed community development requests.

Save the Date

New Horizons in Rural Living

NORTH DAKOTA
Rural Water
SYSTEMS ASSOCIATION

41st Annual Water EXPO and Conference

NORTH DAKOTA CITY EXPO RURAL WATER SYSTEMS

Feb. 2-4, 2027 • Bismarck Event Center

UPPER MISSOURI WATER ASSOCIATION

P.O. Box 2599
Bismarck, ND 58502
701-223-4232 • 701-223-4645 (fax)

Dedicated to protect, manage and develop Upper Missouri water

October 16, 2026

Jen Murray
Southwest Water Authority
4665 2nd St. SW
Dickinson, ND 58601

Dear Jen:

Thank you for your membership in the Upper Missouri Water Association (UMWA). Enclosed you will find your 2027 membership renewal information. Your continued support is greatly appreciated.

The UMWA remains a lean but highly effective organization representing water leaders and advocates throughout the Upper Missouri Basin. As increasingly complex water issues emerge, it is essential that we work together to protect, manage, and develop Upper Missouri water.

In 2026, the UMWA played a leading role in building a coalition to oppose harmful language included in the House version of the Water Resources Development Act. This language would inhibit the ability of Missouri River basin states to put Missouri River water to beneficial use without the unanimous approval of every other state in the basin. This gives any one state veto power over projects in any other state in the basin and sets a troubling precedent for future water development efforts. Thanks to the work of the UMWA there is a strong coalition of Senators opposing the inclusion of this language in the final version of the bill.

By working together through the UMWA, our collective voice becomes significantly stronger. Rather than acting as four separate states represented by five members of Congress and eight senators, we are able to advocate as a united region with common interests and shared goals. This unity increases our effectiveness in protecting and advancing the water priorities that are critical to the Upper Missouri Basin.

Your past support has been invaluable, and I hope you will renew your membership for 2027. Together, we can ensure the UMWA remains a strong and unified advocate for the responsible development and management of our region's water resources.

RECEIVED
OCT 21 2026
SOUTHWEST WATER AUTHORITY

Sincerely,

Danielle Quissell

Dani Quissell
Executive Director

NORTH DAKOTA WATER USERS ASSOCIATION

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

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

RECEIVED
OCT 23 2026
SOUTHWEST WATER AUTHORITY

October 19, 2026

Jen Murray
Southwest Water Authority
4665 2nd St. SW
Dickinson, ND 58601

Dear Jen:

Thank you for your membership in the North Dakota Water Users Association (Water Users). For more than 65 years, Water Users has worked to protect, develop, and manage North Dakota's water resources for the benefit of communities, agriculture, industry, and future generations.

As you know, effective water policy doesn't happen by accident. Your membership directly supports our efforts to advocate for sound water policy and adequate water funding at both the state and federal levels. In 2026, the Water Users was vocal in support of a state cost share policy for water projects that adequately funds investment in critical water infrastructure projects across North Dakota. The Water Users also chaired a working group focused on preventing the spread of aquatic nuisance species, including zebra mussels, into North Dakota waters. That group is developing legislation for consideration during the upcoming legislative session that would provide additional resources to help prevent the introduction and spread of these harmful species.

Water is likely to be a hot topic during the 2027 legislative session. During the 2025 legislative session, there was a serious effort to reduce the amount of water funding available through the Resources Trust Fund, and similar proposals are expected to return. Additionally, there will be several legislative proposals concerning both the finance and governance of major water systems in the state and cost share for all state projects.

In addition to renewing your membership, we encourage you to register for the 63rd annual Joint Water Convention, December 8-10 at the Bismarck Hotel and Conference Center. This year's convention will feature discussions on federal wetland easements, aquatic nuisance species, industrial water use, and other important water policy issues. All Water Users members are also eligible to participate in the Resolutions Committee, which helps establish the organization's legislative and policy priorities.

Thank you for your continued support of the North Dakota Water Users Association. Your membership ensures that we can continue providing a strong, unified voice for water interests across the state. Together, we can protect, develop, and manage North Dakota's water resources for generations to come. If you have any questions, please reach out to Dani Quissell at dquissell@ndwater.net or 701-223-4615.

Sincerely,

Mary Massad

Mary Massad
President
North Dakota Water Users Association

North Dakota
WATER
COALITION

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

October 19, 2026

RECEIVED
OCT 21 2026
SOUTHWEST WATER AUTHORITY

Jen Murray
Southwest Water Authority
4665 2nd St. SW
Dickinson, ND 58601

Dear Jen:

Thank you for your continued investment in the North Dakota Water Coalition. An invoice for Water Coalition 2027 annual dues is enclosed.

Your participation and support are greatly appreciated. The Water Coalition's mission is to complete North Dakota's water infrastructure for economic growth and quality of life. State policymakers look to Water Coalition members to help identify the critical needs for water supply, flood control, and water management project investments.

The efforts of the Water Coalition to achieve consensus on water projects have highlighted the need for strong state investment in water. During the 2025 Legislative Session, some legislators considered reducing the percentage of oil extraction tax dollars into the Resources Trust Fund (RTF). This was a significant threat to the future of water infrastructure funding, and the Water Coalition played a key role in asking legislators to maintain the investment into the RTF. Budgets are tightening, and the Water Coalition expects this threat to surface again.

The Water Coalition will continue to advocate for strong water support during the 2027 legislative session. It is poised to play a key role in both identifying funding for small and large projects and preserving the funding for water projects. North Dakotans were visionary when they dedicated dollars in the RTF for water infrastructure, and the Water Coalition is determined to honor the legacy of those who came before us and protect the ones who will come after us by advocating for this support to continue.

The need for water champions continues to be important. Please renew your Water Coalition membership.

If you have any questions regarding the Water Coalition, please contact Executive Director Annika Plummer at 701-223-4330 or aplummer@ndwater.net.

Sincerely,

Loren DeWitz
Chairman

Zebra Mussels Discovered in the Eastern End of Lake Sakakawea



Tue, 10/27/2026

After detecting zebra mussel larvae in routine sampling, the North Dakota Game and Fish Department has confirmed the presence of invasive zebra mussels on the extreme eastern portion of Lake Sakakawea.

Ben Holen, department aquatic nuisance species coordinator said, “Follow-up sampling found two adult mussels along the northern shoreline near the Highway 83 Embankment.”

While current findings suggest the infestation is isolated to the far eastern stretch of the reservoir, Game and Fish personnel, working with the U.S. Army Corps of Engineers, will conduct expanded surveys in the coming days to delineate the infested area.

Officials note that falling water temperatures this fall greatly reduce the immediate risk of zebra mussel spread. The department will work with stakeholders over the winter to refine appropriate rules and implement best management practices to mitigate the spread of mussels before next year’s boating season.

For more information on aquatic nuisance species, or to report a suspected sighting, visit gf.nd.gov/ans.

SOUTHWEST WATER AUTHORITY
Board of Directors Meeting Agenda
Monday, November 2, 2026, 9:00 a.m. MST
Southwest Water Authority O&M Center Office, Dickinson, ND
Click here to join the meeting **or call: 1-321-558-6608 ID: 190145978#**

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

9:00 a.m.	1.	Call to Order – Pledge of Allegiance - Introductions	Chairperson Odermann
9:02 a.m.	2.	Agenda	
		A. Review Agenda	Chairperson Odermann
		B. ***Consent Agenda****	Board of Directors
		Official Minutes of October 5, 2026, Board of Directors Meeting, Accounts Payable & Financial Reports and Return on Investment*	
9:05 a.m.	3.	Roughrider Energy Project	Jay Volk
	4.	Public Comments	Board of Directors
9:35 a.m.	5.	Board Policy Review and Monitoring	
		A. Policy IV.A. Board-Manager/CEO Relationship-Delegation to Manager/CEO	Board of Directors
		B. Policy IV.D. Board-Manager Relationship-Monitoring Organizational Performance	Board of Directors
			Board of Directors
9:40 a.m.	6.	Decision Making	
		A. ***2027 Annual Budget****	Ledeanna O'Shields
		B. ***Policy II.B. Executive Limitations – Budgeting/Forecasting (Operating Budget) and Manager/CEO Internal Report****	Board of Directors
		C. ***2027 Board of Directors Meeting Schedule****	Jen Murray
10:15 a.m.		BREAK	
10:30 a.m.	7.	Board Member Reports	
		A. Board Action Plan	Board of Directors/Jen Murray
		B. SWA Informational Video	Board of Directors/Jen Murray
		C. Garrison Diversion Conservancy District	Director Begger
10:45 a.m.	8.	Incidental Information	
		A. SWC Meeting	Chairperson Odermann
		B. SWPP Update and Funding	Tyson Decker/Jen Murray
		1. Regional Water Systems Governance and Finance Study	Board of Directors/Jen Murray
11:15 a.m.		C. Update from Manager/CEO/SWA Staff	
		1. SWA Construction and O&M Update	Decker/SWA Management
		2. Easement/Signup Update	Misti Conzemius
		3. Energy & Natural Resources Public Workshop	Misti Conzemius
		4. North Dakota Water & Pollution Control Conference	Jen Murray
		5. 63rd Annual Joint ND Water Convention and Irrigation Workshop	Jen Murray
11:25 a.m.		D. Perkins County Rural Water System Update	Ledeanna O'Shields
11:27 a.m.	9.	Review issues pending/Parking lot/Plan next agenda	
11:30 a.m.		Adjourn for Lunch	

Items require Board action.

Minutes of Meeting
Southwest Water Authority
Board of Directors
October 5, 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, October 5, 2026, at Southwest Water Authority O&M Center Office, in Dickinson, ND. Chairperson Odermann called the meeting to order at 9:01 a.m. MDT, followed by the Pledge of Allegiance and roll call.

Present at the meeting were: Directors James Odermann, Ryan Baumgartner, Kaylene Berg, Jonathon Eaton, Bruce Engelhardt, Larry Froelich, Harold Gaugler, Curtis Glasoe, Bob Ingold, Mike Tietz and Scott Tschetter. Also present were: Justin Froseth, DWR, Tyson Decker, Bartlett & West, Jack Dwyer, Dwyer Law Office, Grady Blewett, Odney, Inc., Wade Bachmeier, Missouri River Joint Water Board, Jim Schmidt, Morton County Water Resource District, Jen Murray, SWA Manager/CEO, Andy Erickson, SWA Water Distribution Manager, Ledeanna O'Shields, SWA CFO/Office Administrator, Misti Conzemius, SWA Marketing Manager, Perry Grammond, SWA Water Treatment Manager, Wendy Serhienko, SWA Executive Assistant, and members from the public that joined online.

Directors Begger and Schaible were excused. Directors Braaten and Burke were absent.

2. Agenda

2.A. Review Agenda

Chairperson Odermann asked if there were any changes or additions to the agenda. Murray requested to add the Missouri River Joint Water Board presentation as 7.1.A.

*2.B. Consent Agenda**

Motion by Director Glasoe, seconded by Director Baumgartner, to approve item 2.B. Minutes September 8, 2026, Meeting, Accounts Payable, and Financial Reports and Return on Investment. Motion carried by voice vote without dissent.

3. Public Comments

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

4. Board Policy Review and Monitoring

4.A. Policy III.A. Board Governance Process – Governing Style

Director Baumgartner reviewed the policy. Chairperson Odermann asked if there were any comments, questions or changes to Policy III.A. Board Governance Process – Governing Style. There were none.

5. Decision Making

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

Director Tschetter reviewed the policy. Murray reviewed financial points from the report, noting that there are currently 10.57 months in reserves. Chairperson Odermann asked if there were any comments, questions or changes to Policy II.C. Executive Limitations-Financial Condition and Manager/CEO Internal Report. There were none.

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

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

Director Gaugler reviewed the policy. Murray reviewed the report and stated property is insured at 90% replacement value and SWA has annual, preventative, and routine maintenance contracts. Chairperson Odermann asked if there were any comments or questions to Policy II.E. Executive Limitations – Asset Protection and Manager/CEO Internal Report. There were none.

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

5.C. ***Contract 2-2I Recommendation and REM Contribution to the Project****

Murray noted at the August 2022 SWC meeting, the Commission approved guidance for SWPP's Replacement and Extraordinary Maintenance (REM) fund, noting that the REM fund will provide a portion of the replacement costs for Capital Projects, which includes metallic pipeline replacement projects. It is understood that the portion to be funded by the REM fund is the local cost-share expected for similar projects under the SWC's cost-share policy, which currently for regional water systems like SWPP is 25%.

Murray stated at the August 18, 2026, State Water Commission (SWC) meeting, the Commission authorized the Secretary to award Contract 2-2I, to the lowest bidder.

Decker stated bids for this project were opened on August 25, 2026. Two bid packages were received. The low bid was submitted by PWS from Brooklyn Park, MN and the other bidder was BEK Consulting, from Dickinson, ND. Based on the evaluation of bids completed by Bartlett & West/AECOM, the low bidder, PWS, is not considered a bidder due to the lack of relevant experience in large metallic pipeline installation. The other bid was $1,289,479.08 higher than PWS's low bid. After discussing the bid evaluation with the Department of Water Resources (DWR) legal counsel, DWR staff agreed not to award the contract to PWS. The contract will be awarded to BEK Consulting in the amount of $6,673,490, along with the Bid Alternate.

Decker noted this contract includes replacement of the 1,964 linear feet of existing 30-inch ductile iron pipe with 42-inch ductile iron pipe. The upsizing of the pipeline is for long-term hydraulic capacity improvements and would be funded 100% by the SWC.

Motion by Director Glasoe, seconded by Director Froelich, to concur with the recommendation to award Contract 2-2I Raw Water Main Transmission Pipeline to BEK Consulting and authorize the 25% cost-share of the eligible cost from the Replacement and Extraordinary Maintenance Fund. Motion carried unanimously by a roll call vote.

6. Board Member Reports

6.A. Board Action Plan

Murray stated SWA is moving forward with the priorities of the Board Action Plan.

6.B. National Rural Water Association Water Pro Conference

Gaugler, Odermann, and Murray attended the NRWA Water Pro Conference in Phoenix, AZ on September 14-16, 2026. Odermann noted North Dakota Rural Water Systems Association won the Outstanding Member Services Award.

6.C. Upper Missouri Water Association Conference

The Upper Missouri Water Association (UMWA) meeting was held September 20-22, 2026, in Pierre, SD. Chairperson Odermann and Murray attended the conference. Odermann stated an update was provided from the Bureau of Reclamation regarding Lake Tschida.

6.D. Roosevelt Custer Regional Council Region 8 Water Supply Meeting

Murray stated she and Director Schaible met with the Roosevelt Custer Regional Council on Tuesday, September 29, 2026. The meeting focused on Region 8's water needs and developing legislative strategies.

7. Incidental Information

7.A. Preliminary 2027 Budget

O'Shields presented the environmental scan for the preliminary 2027 budget and three options for proposed 2027 rates. All three options would increase the rate for the Replacement and Extraordinary Maintenance (REM) Fund by 8.5% and the Capital Repayment by 3.39%.

Option one proposes to pass on all increases to the customer. Option two proposes to pass on the Capital Repayment rate increases to the customer. Half of the REM increases would be absorbed by SWA by reducing the Transmission O&M portion of the rates. Option three is offered as a balanced budget as required by Board policy. The balanced budget reduces expenses as well as raises rates. The Board will vote on the budget at the November meeting.

The Board was encouraged to reach out to O'Shields with any additional questions.

7.A.1. Missouri River Joint Water Board Presentation

Bachmeier gave an update of the Missouri River Joint Water Board's (MRJWB) efforts on protecting the water rights of the Missouri River in North Dakota.

Schmidt stated a motion was passed at the Upper Missouri Water Association (UMWA) conference for the UMWA to form a task force to develop a strategy for a Missouri River basin wide association. The UMWA will seek stakeholder involvement from two member of each basin state.

Bachmeier noted the MRJWB has proposed Schmidt and Bachmeier will be the ND Representative on this planning effort. This effort will have additional costs to accommodate forming this task force.

Motion by Director Ingold, seconded by Director Gaugler, to increase the financial contribution to $15,000 in 2027 for the Missouri River Joint Water Board efforts to protect the water rights of the Missouri River in North Dakota. Motion carried unanimously by a roll call vote.

7.B. SWC Meeting

Murray stated the SWC pre-commission meeting was held September 16, 2026, in Bismarck, ND. The Ray Christensen Pump Station upgrade preliminary design decision was presented. Action on this item will be taken at the next SWC meeting.

The next SWC meeting will be on October 8, 2026, in Bismarck, ND.

7.C. SWPP Update and Funding

Decker stated after the amendment to the Preliminary Design Report (PDR) for the Supplementary Raw Water Intake the focus has shifted to evaluating whether the existing caisson can be utilized. This design effort is underway and a 50% design deliverable was distributed on September 29, 2026. The structural review of the existing caisson is in development. This effort

will evaluate the structural modifications of the existing caisson for the Horizontal Directional Drilling alignments provided in the original PDR dated August 2025.

Decker noted award notices for the existing intake improvements were issued in July. The contract documents are executed and a pre-construction conference is being scheduled.

Decker stated the pipeline installation for the North New England Strategic Hydraulic Improvements have been substantially completed. The three-inch pipeline has passed two successive bacteria tests to date and will be able to go into service. The contractor is experiencing delays with the delivery of the boosters. There is a high probability this contract will not meet the substantial completion date.

Decker stated Carstensen has begun construction activities north and east of Richardton for the Hebron Rural Service Area.

Decker stated the precast walls have been installed at the Southwest Water Treatment Plant.

Decker stated a meeting was held with Gevo on August 20, 2026, to review the alternative #2 analysis, which evaluates an additional 1,400 GPM increase in flow. The analysis was distributed on September 21, 2026. The alternative #3 analysis would add additional capacity from the Supplementary Intake and would include secondary pumps stations at Dodge and Richardton.

7.C.1. Regional Water Systems Governance and Finance Study

Murray stated in September, the Board moved to support Option 2, with the expectation that it would evaluate other financing mechanisms alongside bonding.

The Board questioned how the new funding options will affect previous biennium funding. More discussion is needed at the DWR and Legislative levels and more conversations are expected to continue into the legislative session.

Chairperson Odermann noted that Director Schaible will address the Board about possible funding options and follow-up on meetings at a future Board meeting.

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

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

Decker updated the Board on ongoing SWA construction and REM items.

Decker stated Maguire Iron has applied an exterior coat of paint and a primer coat of interior paint. Upon performing the interior blasting and assessing the structural integrity of the roof, it has been observed that all of the roof beams have significant corrosion and the entire structural roof is planned to be replaced. The roof steel has impregnated soluble salts present in the steel that required removal. The contractor changed their blast media, and the steel was retested and was within acceptable limits as required by the coating manufacturer. The substantial completion date on this project is October 31, 2026.

Decker stated Herzog, the contractor for the OMND roof responded to the warranty claim from the damage caused by summer storms. They responded on September 24, 2026, that they will be doing this under warranty and are waiting for final approval to get this scheduled.

Decker stated the Close Interval Survey will evaluate the cathodic protection on both the raw and potable ductile and steel main transmission lines which may indicate areas affected by MIC. The report was completed on September 23, 2026. B&W and SWA will work with HDR and Jeffry Giddings to analyze the results and develop a course of action.

Murray stated the City of Center has been in conversation with SWA regarding a new water tank outside of town.

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 837 requests for service system-wide plus 947 Burt Hebron Service Area Signups for a total of 1,784 requests system wide. Six subsequent customers signed up in September. The department is focused on acquiring the remaining easements for the Hebron Rural Service Area.

7.D.3. NDPERS Open Enrollment

O'Shields reported this year's NDPERS Annual Open Enrollment period has not been announced as of the Board meeting. There are two options for health insurance plans; single or family. Employees and Board members have the opportunity to enroll in health and life insurance coverage plans, add dependents or increase life insurance coverage levels. Board members should contact O'Shields by November 2, 2026, if they are interested in these plans. And all changes to coverage will be effective January 1, 2027.

O'Shields noted the open enrollment information will be forwarded to all Board members once the open enrollment period is announced from NDPERS.

7.D.4. Proposed Board of Directors' Meeting Schedule for 2027

Murray reviewed the proposed Board meeting schedule for 2027 and noted the Board meeting is proposed for a Tuesday in two months. A final schedule will be approved at the November Board meeting.

7.D.5. NDDEQ Sanitary Survey

Murray stated the North Dakota Department of Environmental Quality Sanitary Survey has been completed for the SWA Public Water System and the OMND Water Treatment Plant. Both facilities have satisfactorily passed with no defects or corrective actions. Murray thanked the Water Treatment Plant and Distribution management and staff for all the work done to keep the facilities in compliance and the drinking water safe and reliable for residents of southwest North Dakota.

7.D.6. Water Topics Overview Committee

Murray stated the Water Topics Overview Committee met on Thursday, September 17, 2026, and SWA provided two separate presentations virtually. The first covered the Regional Water Systems Governance and Finance Study, and the second covered the SWPP's funding needs for the upcoming biennium.

7.D.7. Imagine a Day Without Water

Murray noted Imagine a Day Without Water is a national education campaign that brings together diverse stakeholders to highlight how water is essential, invaluable, and in need of investment. This is the 12th year, and the day of action will take place on October 15. SWA will be participating online using social media and has prepared a press release.

7.D.8. Cybersecurity Month

Murray stated October is cybersecurity awareness month. This year the theme is "Securing the Next 250". SWA remains diligent at keeping cybersecurity at the forefront and works with the North Dakota Information Technology department to ensure we have access to the latest software for protection.

7.E. Perkins County Rural Water System Update

O'Shields reported the Perkins County Rural Water System (PCRWS) provided minutes from their August 13, 2026, meeting, along with a copy of the agenda for the September 10, 2026. The next meeting will be held on October 8, 2026.

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

There being no further business, Chairperson Odermann adjourned the meeting at 11:50 a.m. MDT.

Jim Odermann, Chairperson

Mike Tietz, Secretary/Treasurer

MEMORANDUM

To: Jen Murray, Manager/CEO

From: Ledeanna O'Shields, CFO/Office Administrator

Subject: Financial, Administration and Customer Service – Incidental Information

Date: October 27, 2026

The financial statements included for your review are for September 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 September 2025 to September 2026. Also included is a detailed statement of board expenses for the month of September.

The accounts receivable listing for rural customers is for September 2026 and the transmission accounts receivable listing is for September 2026. The checks written for the month are from September 22, 2026 to October 16, 2026.

Total rural usage for September 2026 was 48,962,400 gallons. By comparison, in September 2025 rural water sales were 43,019,400 gallons. This is a decrease of 13.81%. During the month of September, there were 11 hookups with five hookups in 7-1B, two hookups in 7-9E, and one hookup each in 7-4, 7-8A, 7-8E, 7-9D.

There are 2,449 customers using our Automatic Payment Plan, 422 paid online with a credit option and 369 paid online with a checking account. We had 25 spot checks (two months without a reading or the same reading). Currently there are 633 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 September. SWA sold a total of 260,510,080 gallons of water in the month of September. The projection for the year 2026 is 2,430,122,000 gallons. A comparison of total usage through September 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 September were more than last year's sales through September by SWA had 7,925 active accounts with 3,135 subsequent users in September. As of September 30, 2026, SWA has 325 tenants.

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

Comparisons Through September	Listed in thousand gallons
2017	254,432,180
2018	237,397,490
2019	183,912,850
2020	233,188,650
2021	223,812,560
2022	282,652,640
2023	236,701,140
2024	246,203,060
2025	232,658,990
2026	260,510,080
Difference	27,851,090

August 2026	340,942,390
September 2026	260,510,080
Difference	80,432,310

As of September 30, 2026	**Amount**	**Percent**
O&M Income	15,531,449	
Return on Investment Expense	(5,258,940)	34%
REM Expense	(2,021,972)	13%
Balance	$8,250,537	53%

Water depot usage information is included with this memo.

A listing of Accounts Payables (aged trial balance) is included. In addition to the regular accounts payable, included in the listing are Bartlett& West Engineers, Inc for $48,821.89 which includes $27,764.48 for the New England recoat, $2,095.20 for Hwy 85, $10,834.65 for hydraulics, & $6,095.20 for the monthly meeting; BEK Consulting, LLC, for $16,926.59 for the Hwy 22 & 42nd Street repairs; Border States for $40,627.17 which includes $38,408.58 for Intake MP 3000; Cummins for $5,796.73 for intake generator maintenance; Dakota Supply Group for $29,546.07 which includes $27,352.25 for customer materials for inventory and $2,193.82 for a repair sleeve for OMND WTP; Ingersoll Rand for $6,068.89 for a module & parts for SWTP; Maintain X for $7,938.00 for the annual premium for 3 WTP's & RHF; Midco Diving for $3,876.00 for cleaning the Burt Reservoir.

Southwest Water Authority
Statement of Income & Expenses
For 1/1/2026 To 9/30/2026

	Current Period	Current YTD	YTD 2026 Budget	YTD % of Budget	Budget total 2026
Sales					
Sales of Water	$1,967,522	$15,213,754	$14,448,836	76.99%	$19,759,956
Sales of Equipment	$24,902	$294,372	$190,594	115.84%	$254,125
Sales of Services	$559	$23,324	$20,550	85.12%	$27,400
Gross Sales	$1,992,983	$15,531,450	$14,659,980	77.50%	$20,041,481
O&M Expense --Transmission	$821,910	$6,529,578	$6,761,544	71.41%	$9,143,392
O&M Expense --Distribution	$528,455	$4,707,817	$4,950,268	70.89%	$6,640,757
O&M Expense -- Treatment	$289,123	$2,431,310	$2,754,825	64.83%	$3,750,100
Customer Service Expense	$21,221	$165,303	$219,975	55.51%	$297,800
Total Expenses	$1,660,709	$13,834,008	$14,686,612	69.76%	$19,832,049
Gross Profit On Sales	$332,274	$1,697,442	($26,632)	810.50%	$209,432
Other Income					
Mill Levy Income	$1,017	$11,520	$0	0.00%	$0
Other Income	$37,714	$513,487	$464,344	82.94%	$619,125
Grant Income	$0	$305,058	$46,500	492.03%	$62,000
Total Other Income	$38,731	$830,065	$510,844	121.87%	$681,125
Board of Directors Expense	$20,078	$183,760	$232,481	59.28%	$309,975
Administrative Expense	$88,458	$901,904	$1,040,025	64.27%	$1,403,300
Signup & Easement Expense	$53,900	$452,935	$488,212	67.41%	$671,950
Depreciation Expense	$46,532	$383,204	$496,549	57.88%	$662,066
Gain/Loss on Asset Disposal	($63,036)	($252,145)	$0	0.00%	$0
Net Income/Expenses	$99,003	$353,558	($1,773,056)	(16.39)%	($2,156,734)
Replacement & EM Fund Expense	$238,467	$646,227	$3,335,614	14.53%	$4,447,485
Net Income w/ Replacement & EM	($139,464)	($292,669)	($5,108,670)	4.43%	($6,604,219)

Board of Directors Expenses
For 1/1/2026 to 9/30/2026

	Current Period	Current YTD	2026 BUDGET YTD	2026 BUDGET Budget
Board of Directors Expenses				
Per Diem -- Board of Directors	$3,397	$37,083	$56,895	$75,860
Group Life Insurance -- Board of Directors	1	15	11	15
Workers Compensation Expense -- Board of D	5	30	150	200
FICA - Social Security -- Board of Directors	264	2,779	4,650	6,200
FICA - Medicare -- Board of Directors	62	650	1,125	1,500
Professional Services -- Board of Directors	8,811	54,781	47,250	63,000
Office Supplies -- Board of Directors	0	75	150	200
Copies & Duplication -- Board of Directors	0	20	75	100
Public Relations & Development -- Board of D	1,606	22,566	25,500	34,000
Development & Education -- Board of Director	0	2,767	4,200	5,600
Mileage Reimbursement -- Board of Directors	1,101	11,500	17,175	22,900
Lodging & Meals -- Board of Directors	0	6,308	18,075	24,100
Travel Expenses -- Board of Directors	0	799	6,000	8,000
Telephone/Internet -- Board of Directors	322	2,799	3,750	5,000
Postage -- Board of Directors	18	802	750	1,000
Dues & Subscriptions -- Board of Directors	2,814	25,694	26,250	35,000
Insurance - Liability -- Board of Directors	1,677	15,093	20,475	27,300
Total Board of Director Expense	$20,078	$183,761	$232,481	$309,975
Total Expenses	$20,078	$183,761	$232,481	$309,975
	$20,078	$183,761	$232,481	$309,975

Southwest Water Authority

Comparative Balance Sheet

9/30/2026

	Through 9/30/2026	Through 9/30/2025
Assets		
Current Assets		
Cash		
Cash in Checking - O&M - Bravera	$1,373,096	$809,849
Cash in Checking - Payroll - Bravera	461,602	465,538
DDM - Reserve - O&M - Bravera	1,372,834	882,457
Cash in Checking - First Citizens Bank	94,712	79,716
Petty Cash	200	198
Total Cash	$3,302,444	$2,237,758
Short-Term Investments		
Short-Term Investment - O&M Fund	$1,190,609	$705,403
Short-Term Investment - General Fund	119,628	81,461
Short-Term Investment - Reserve Fund	1,071,023	1,095,394
Short-Term Investment - Escrow Fund	127,200	41,099
Short-Term Investment - Replacement	8,858,070	8,246,045
Cash Management Account - General Fund	24,553	23,447
Cash Management Account - O&M	1,308,128	1,253,960
Certificate of Deposit #18112	4,593,258	4,412,352
Certificate of Deposit #24572	1,119,173	1,074,577
Certificate of Deposit #56640	1,500,000	0
Total Short-Term Investments	$19,911,642	$16,933,738
Accounts Receivable		
Accounts Receivable -- Distribution Prepayments	($52,649)	($30,367)
Accounts Receivable -- Transmission	1,210,074	1,093,695
Accounts Receivable -- Distribution	824,197	707,616
Accounts Receivable -- MWWS	14,859	13,580
Accounts Receivable -- Other	(250)	25,097
Grant Receivable	117,172	0
Allowance For Doubtful Accounts	(5,425)	(11,358)
Allowance For Doubtful Accounts -- MWWS	(497)	(2,168)
Total Accounts Receivable	$2,107,481	$1,796,095
Interest Receivable		
Total Interest Receivables	$0	$0
Inventory		
Inventory Contributed Capital	$99,797	$99,797

Comparative Balance Sheet

	Through 9/30/2026	Through 9/30/2025
Inventory -- User Spare Parts	668,937	741,711
Inventory -- WTP	108,384	166,970
Inventory -- SWTP	185,754	163,877
Inventory -- OMND WTP	129,228	148,678
Total Inventory	$1,192,100	$1,321,033
Prepaid Expenses		
Prepaid Expenses	$47,560	$57,724
Prepaid Deposit	66,956	54,295
Prepaid Insurance	50,611	107,789
Prepaid Workers Compensation	14,104	5,434
SUSPENSE	250	0
Total Prepaid Expenses	$179,481	$225,242
Total Current Assets	$26,693,148	$22,513,866
Long-Term Investments		
Long-Term Investment - O&M Fund	$2,789,205	$3,230,513
Long-Term Investment - General Fund	1,055,513	1,149,855
Long-Term Investment - Reserve Fund	423,566	367,371
Long-Term Investment - Escrow Fund	632,542	737,075
Long-Term Investment - Replacement	21,367,475	20,402,151
Total Long-Term Investments	$26,268,301	$25,886,965
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	1,415,000	1,190,022
Contributed Vehicles	0	46,093
Other Fixed Assets	25,301	4,011
Computer Equipment	99,565	99,565
Machinery & Equipment	3,010,227	3,010,227
Contributed Equipment	60,530	60,530
Computer Software	178,590	178,590
Total Property, Plant and Equipment	$9,245,059	$8,952,158
Accumulated Depreciation		
Accum Depr -- Buildings & Improvements	$1,459,365	$1,342,736
Accum Depr -- Office Furn & Fixt	284,509	280,105
Accum Depr -- Vehicle	733,224	636,789

Comparative Balance Sheet

	Through 9/30/2026	Through 9/30/2025
Accum Depr -- Contributed Vehicles	0	46,093
Accum Depr -- Other Fixed Assets	5,788	4,011
Accum Depr -- Computer Equipment	94,836	91,800
Accum Depr -- Machinery & Equipment	2,341,653	2,153,840
Accum Depr -- Contributed Equipment	60,530	60,530
Accumulated Amortization	178,590	178,590
Total Accumulated Depreciation	$5,158,495	$4,794,494
Other Assets		
Deferred Pension Outflows	$1,179,947	$1,628,277
Deferred OPEB Outflows	41,104	43,485
Total Other Assets	$1,221,051	$1,671,762
Total Assets	$58,269,064	$54,230,257

Comparative Balance Sheet

	Through 9/30/2026	Through 9/30/2025
Liabilities and Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable	$1,717,433	$1,518,369
Deferred Compensation Payable	675	0
Employee Benefits Payable	134,997	143,154
Deductions Payable	0	(1,667)
Total Accounts Payable	$1,853,105	$1,659,856
Taxes Payable		
ND State Withholding Payable	$4,072	$4,410
Employer Matching FICA - Social Security	18,694	19,655
Employer Matching FICA - Medicare	4,372	4,597
Total Taxes Payable	$27,138	$28,662
Other Current Liabilities		
Accrued Annual Leave Payable	$245,106	$200,247
Accrued Sick Leave Payable	232,062	183,067
Flex -- Medical Spending Payable	133	0
Flex -- Life Insurance Payable	4	0
Non-Flex -- Life Insurance Payable	62	0
Accrued Salaries Payable	306,389	321,467
Total Other Current Liabilities	$783,756	$704,781
Total Current Liabilities	$2,663,999	$2,393,299
Long-Term Liabilities		
Deferred Revenue	$1,039,825	$968,725
Tenant Rental Deposits	24,000	22,200
Tenant Rental Deposits -- MWWS	375	375
Customer Escrow Deposit	40,000	40,000
Deferred Pension Inflows	1,828,404	2,630,067
Deferred OPEB Inflows	57,117	50,389
Net Pension Liability	3,776,854	4,131,317
Net OPEB Liability	131,093	152,208
Total Long-Term Liabilities	$6,897,668	$7,995,281
Total Liabilities	$9,561,667	$10,388,580

Comparative Balance Sheet

	Through 9/30/2026	Through 9/30/2025
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
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	19,072,500	18,690,287
Reserve Account-Replace & EM -- Distribution	1,588,416	960,497
Interest Income -- Replace & EM	9,280,360	8,679,327
Dividend Income -- Replace & EM	498,720	461,016
Interest Income -- O&M Reserve	1,250	0
Total Reserve Funds	$34,526,050	$32,677,632
Unappropriated Funds	$13,897,101	$12,395,677
Contributed Capital	566,665	566,665
Net Profit/(loss)	(282,415)	(1,798,297)
Total Equity	$14,181,351	$11,164,045
Total Liabilities and Equity	$58,269,068	$54,230,257

AGED TRIAL BALANCE

Southwest Water Authority
Payables Management

Ranges:

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

Print Option: SUMMARY
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	Name	Voucher(s)	Aged Totals:	Due
AM1956	AMAZON CAPITAL SERVICES	10		$1,872.29
AT4171	ATLAS COPCO COMPRESSORS, LLC	2		$818.11
BA1154	BANKERS EQUIPMENT SERVICE	2		$743.58
BA6742	BARTLETT & WEST ENGINEERS, INC.	5		$48,821.89
BE4155	BEK CONSULTING, LLC	1		$16,926.59
BI3772	BIERSCHBACH EQUIPMENT & SUPPLY	2		$568.00
BL1141	BLACKBURN MFG CO	1		$1,267.03
BO6225	BORDER STATES ELECTRIC SUPPLY	6		$40,627.17
BR1826	BRAVERA BANK VISA	20		$5,624.78
BR2557	BRENNTAG PACIFIC	1		$1,820.00
CA6612	CARQUEST	2		$221.71
CM2776	CM2 SUPPLY	1		$3,676.68
CU5535	CUMMINS SALES & SERVICE	1		$5,796.73
DA4963	DAKOTA SUPPLY GROUP	6		$29,546.07
DE4782	DELUXE	1		$1,724.53
DI1435	CITY OF DICKINSON			

AGED TRIAL BALANCE

Southwest Water Authority

			Due
Voucher(s):	1	**Aged Totals:**	$122.10

Vendor ID: DI1436 **Name:** DICKINSON HARDWARE

			Due
Voucher(s):	3	**Aged Totals:**	$83.55

Vendor ID: DI1439 **Name:** DICKINSON AREA CHAMBER OF COMM.

			Due
Voucher(s):	1	**Aged Totals:**	$640.00

Vendor ID: DO8576 **Name:** DOWNTOWN GAS & AUTO REPAIR

			Due
Voucher(s):	2	**Aged Totals:**	$275.84

Vendor ID: DW9264 **Name:** DWYER LAW OFFICE, PLLC

			Due
Voucher(s):	1	**Aged Totals:**	$2,108.93

Vendor ID: FE2200 **Name:** FEDERAL EXPRESS

			Due
Voucher(s):	4	**Aged Totals:**	$154.13

Vendor ID: FE6377 **Name:** FERGUSON ENTERPRISES INC

			Due
Voucher(s):	5	**Aged Totals:**	$1,201.87

Vendor ID: FI6293 **Name:** FIRE & ICE REFRIGERATION, HEATING &

			Due
Voucher(s):	1	**Aged Totals:**	$574.86

Vendor ID: GA7321 **Name:** GAS & GEARS, LLC

			Due
Voucher(s):	1	**Aged Totals:**	$1,487.45

Vendor ID: GR1353 **Name:** GRAINGER

			Due
Voucher(s):	2	**Aged Totals:**	$1,130.01

Vendor ID: GR1955 **Name:** GRAYMONT (WI) LLC

			Due
Voucher(s):	4	**Aged Totals:**	$20,607.03

Vendor ID: HA1315 **Name:** HACH COMPANY

			Due
Voucher(s):	1	**Aged Totals:**	$781.85

Vendor ID: HA8435 **Name:** HAWKINS INC

			Due
Voucher(s):	9	**Aged Totals:**	$39,370.00

Vendor ID: HA9251 **Name:** HAZEN ACE HARDWARE

			Due
Voucher(s):	2	**Aged Totals:**	$73.98

Vendor ID: IN3267 **Name:** INGERSOLL RAND COMPANY INDUSTRIAL

			Due
Voucher(s):	2	**Aged Totals:**	$6,068.89

Vendor ID: KO3426 **Name:** KOHLER COMMUNICATIONS INC

			Due
Voucher(s):	1	**Aged Totals:**	$691.99

Vendor ID: LE7268 **Name:** LEE SERVICES, LLC dba NAKOTA CLEAN

			Due
Voucher(s):	1	**Aged Totals:**	$1,082.62

Vendor ID: LO2243 **Name:** LOFFLER COMPANIES, INC

			Due
Voucher(s):	1	**Aged Totals:**	$1,007.81

Vendor ID: LO3551 **Name:** LOGO MAGIC, INC

AGED TRIAL BALANCE

Southwest Water Authority

			Due
Voucher(s):	1	**Aged Totals:**	$293.72

Vendor ID: MA3571 **Name:** MAINTAIN X, INC

			Due
Voucher(s):	1	**Aged Totals:**	$7,938.00

Vendor ID: ME2125 **Name:** SANFORD HEALTH OCCUPATIONAL MEDI

			Due
Voucher(s):	1	**Aged Totals:**	$61.00

Vendor ID: ME4152 **Name:** MERCER COUNTY TREASURER

			Due
Voucher(s):	1	**Aged Totals:**	$10.00

Vendor ID: MI2153 **Name:** MIDCO DIVING & MARINE SERVICES, INC

			Due
Voucher(s):	1	**Aged Totals:**	$3,876.00

Vendor ID: MI7137 **Name:** MITCH'S RADIO

			Due
Voucher(s):	1	**Aged Totals:**	$3,524.49

Vendor ID: MO7355 **Name:** MOTION INDUSTRIES, INC

			Due
Voucher(s):	3	**Aged Totals:**	$1,445.42

Vendor ID: NO6275 **Name:** ND DIVISION OF MICROBIOLOGY

			Due
Voucher(s):	4	**Aged Totals:**	$189.00

Vendor ID: NO6301 **Name:** ND DEPT OF ENVIRONMENTAL - CHEMIST

			Due
Voucher(s):	2	**Aged Totals:**	$1,727.05

Vendor ID: NO7122 **Name:** NORTH DAKOTA SAFETY COUNCIL

			Due
Voucher(s):	1	**Aged Totals:**	$1,365.00

Vendor ID: OD5299 **Name:** ODNEY

			Due
Voucher(s):	2	**Aged Totals:**	$4,290.60

Vendor ID: OL7558 **Name:** OLSON'S SERVICE

			Due
Voucher(s):	8	**Aged Totals:**	$842.00

Vendor ID: ON2114 **Name:** ONE CALL CONCEPTS

			Due
Voucher(s):	1	**Aged Totals:**	$1,298.40

Vendor ID: PL7542 **Name:** PLUNKETT'S PEST CONTROL

			Due
Voucher(s):	2	**Aged Totals:**	$199.43

Vendor ID: PO8266 **Name:** POWERFLEET, INC

			Due
Voucher(s):	1	**Aged Totals:**	$487.62

Vendor ID: PR1351 **Name:** PRAIRIE AUTO PARTS INC

			Due
Voucher(s):	1	**Aged Totals:**	$38.90

Vendor ID: PR1635 **Name:** PRAIRIE MTN. ELECTRIC MOTOR, INC

			Due
Voucher(s):	1	**Aged Totals:**	$344.00

Vendor ID: PR2756 **Name:** PRESORT PLUS, LLC

			Due
Voucher(s):	3	**Aged Totals:**	$10,720.39

Vendor ID: PU5679 **Name:** PUMP SYSTEMS, LLC

AGED TRIAL BALANCE

Southwest Water Authority

			Due
Voucher(s):	2	**Aged Totals:**	$316.95

Vendor ID: QU1437 **Name:** QUALITY QUICK PRINT, INC.

			Due
Voucher(s):	1	**Aged Totals:**	$269.00

Vendor ID: RR1775 **Name:** R & R AUTO, FARM & ELECTRIC, INC.

			Due
Voucher(s):	6	**Aged Totals:**	$612.04

Vendor ID: RU5535 **Name:** RUNNINGS SUPPLY, INC

			Due
Voucher(s):	15	**Aged Totals:**	$1,405.02

Vendor ID: SC3532 **Name:** SCHMIDT REPAIR, INC.

			Due
Voucher(s):	1	**Aged Totals:**	$375.00

Vendor ID: SO7739 **Name:** SOUTHWEST LIME, LLC

			Due
Voucher(s):	2	**Aged Totals:**	$15,250.00

Vendor ID: SO8901 **Name:** SOUTHWESTERN DISTRICT HEALTH UNIT

			Due
Voucher(s):	1	**Aged Totals:**	$450.00

Vendor ID: ST5526 **Name:** STONERIDGE SOFTWARE, LLC

			Due
Voucher(s):	1	**Aged Totals:**	$245.00

Vendor ID: TR5200 **Name:** TRMF

			Due
Voucher(s):	1	**Aged Totals:**	$2,000.00

Vendor ID: TR7281 **Name:** TRUE VALUE HARDWARE/ELGIN

			Due
Voucher(s):	1	**Aged Totals:**	$8.37

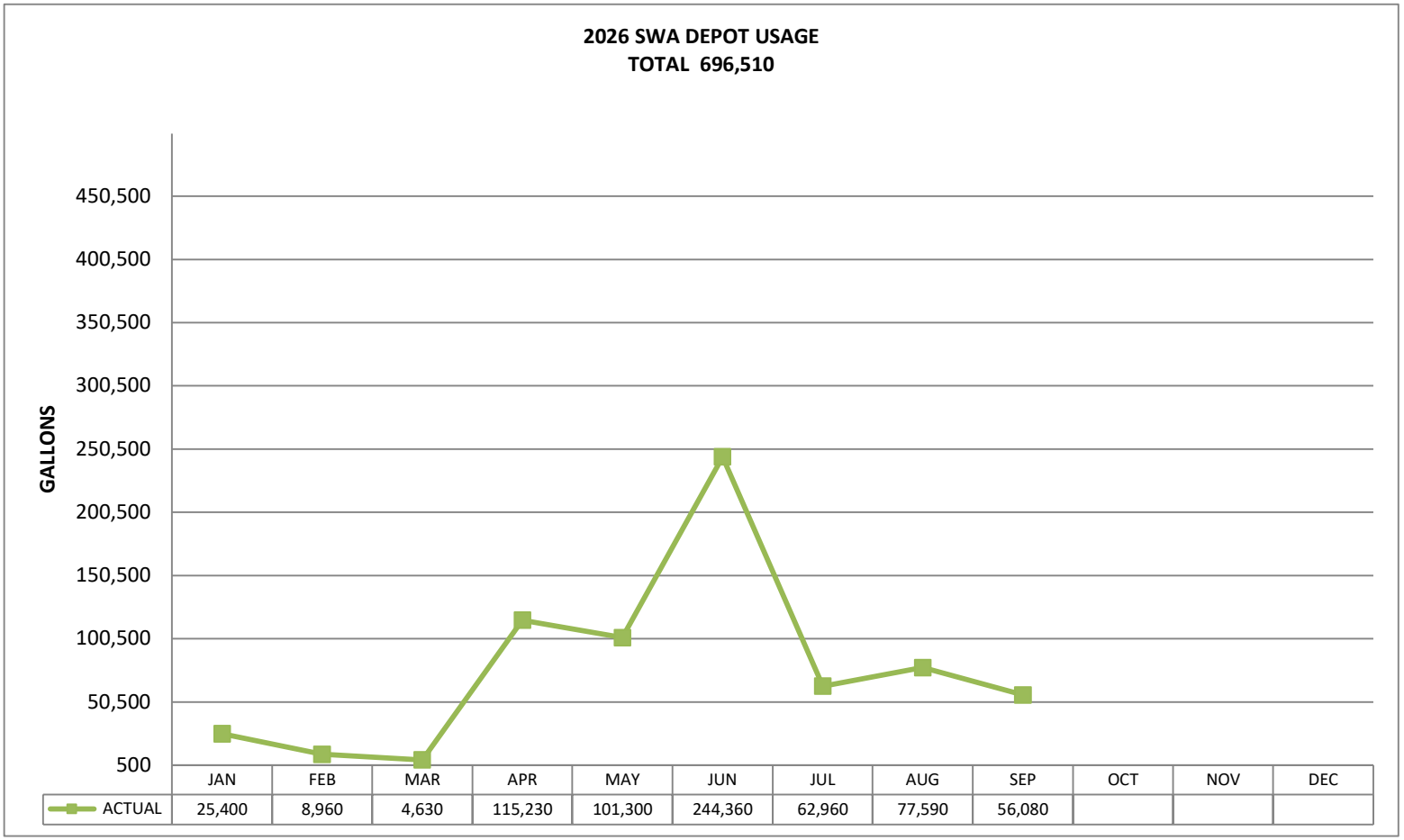
Vendor ID: VE7715 **Name:** VESSCO, INC.

			Due
Voucher(s):	2	**Aged Totals:**	$1,670.22

Vendor ID: VI4413 **Name:** THE VILLAGE FAMILY SERV CNTR

			Due
Voucher(s):	1	**Aged Totals:**	$740.50

	Vendor(s)	Due
Vendor Totals:	63	$299,511.19


2026 SWA DEPOT USAGE
TOTAL 696,510
GALLONS
450,500
400,500
350,500
300,500
250,500
200,500
150,500
100,500
50,500
500
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
ACTUAL 25,400 8,960 4,630 115,230 101,300 244,360 62,960 77,590 56,080

2026 INDUSTRIAL SALES

CITY	*COMMENTS	*RATE/KGAL FOR INDUSTRIAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	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	92,200	57,800	34,500	35,100	334,400	**1.03**
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	264,800	211,140	160,680	136,550	1,207,630	**3.71**
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	89,100	29,500	14,600	57,600	234,000	**0.72**
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	178,000	128,000	136,000	122,000	1,102,000	**3.38**
HETTINGER	CHARGES THE SAME FOR ALL USERS 6/24	$10.00	0	0	0	0	0	10,300	10,825	0	58,550	79,675	**0.24**
KILLDEER	CHARGES THE SAME FOR ALL USERS 10/18	$35.71	116,800	105,490	97,920	91,600	107,600	107,900	47,670	218,100	47,510	940,590	**2.89**
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	98,556	39,480	10,023	30,358	279,899	**0.86**
NEW ENGLAND	CHARGES THE SAME FOR ALL USERS 10/18	$20.00											**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											**0.00**
SENTINEL BUTTE	INDUSTRIAL SALES ONLY 8/15	$22.47											**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	840,856	524,415	573,903	487,668	4,178,194	**12.82**
TOTAL ACRE FEET			**0.83**	**0.84**	**0.86**	**1.03**	**1.81**	**2.58**	**1.61**	**1.76**	**1.50**	**12.82**	
CONTRACT													
BAKER BOY			682,700	789,300	509,700	873,100	732,000	928,000	892,200	969,000	949,800	7,325,800	**22.48**
BILLINGS COUNTY DIST 3			0	0	21,300	0	204,200	231,400	495,900	417,600	167,000	1,537,400	**4.72**
SWA WATER DEPOT - RAW			25,700	8,900	4,600	115,300	101,300	244,360	62,960	77,590	56,080	696,790	**2.14**
DAKOTA PRAIRIE REFINING			849,600	982,400	486,100	992,100	636,200	714,600	1,083,400	1,019,300	686,100	7,449,800	**22.86**
ND ENERGY SERVICES			42,800	0	0	28,700	19,100	19,600	9,400	6,100	23,500	149,200	**0.46**
NET-ZERO RICHARDTON, LLC			16,288,000	17,356,000	14,960,000	14,384,000	17,093,000	24,053,000	20,404,000	24,319,000	21,635,000	170,492,000	**523.22**
STEFFES CORPORATION			95,900	160,600	149,100	162,100	113,400	130,000	114,100	104,000	109,400	1,138,600	**3.49**
TOTAL GALLONS			17,984,700	19,297,200	16,130,800	16,555,300	18,899,200	26,320,960	23,061,960	26,912,590	23,626,880	188,789,590	**579.37**
TOTAL ACRE FEET			**55.19**	**59.22**	**49.50**	**50.81**	**58.00**	**80.78**	**70.77**	**82.59**	**72.51**	**579.37**	
TOTAL GALLONS COMBINED			18,254,800	19,570,920	16,410,090	16,892,510	19,490,232	27,161,816	23,586,375	27,486,493	24,114,548	**192,967,784**	
TOTAL ACRE FEET COMBINED			**56.02**	**60.06**	**50.36**	**51.84**	**59.81**	**83.36**	**72.38**	**84.35**	**74.00**	**592.20**	**592.20**

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	$ 2,721,577.47		$ 2,721,577.47
	$ 87,583,990.70	**$ 19,251,645.29**	**$ 106,835,635.99**
Perkins County	$ 5,459,000.00		$ 5,459,000.00
	$ 93,042,990.70	**$ 19,251,645.29**	**$ 112,294,635.99**
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	$ 494,570.62		$ 2,042,068.60
June	$ 544,464.68		$ 2,091,962.66
July	$ 694,010.09		$ 2,241,508.07
August	$ 687,189.52		$ 2,721,577.47
September	$ 749,420.72		$ 2,791,489.32

IV. POLICY TYPE: BOARD-MANAGER/CHIEF EXECUTIVE OFFICER RELATIONSHIP

A. POLICY TITLE: *DELEGATION TO THE MANAGER/CHIEF EXECUTIVE OFFICER*

Adopted 10/4/99 - Amended 5/3/04; 8/6/07

All Board authority delegated to staff is delegated through the manager/Chief Executive Officer, so that all authority and accountability of staff, including consultants—as far as the Board is concerned—is considered to be the authority and accountability of the manager/Chief Executive Officer.

1. The Board will direct the manager/Chief Executive Officer to achieve certain results, for certain recipients, at a certain cost through the establishment of *Aims/Ends* policies. The Board will limit the latitude the manager/Chief Executive Officer may exercise in practices, methods, conduct and other "means" to the ends through establishment of *Executive Limitations* policies.

2. As long as the manager/Chief Executive Officer uses any reasonable interpretation of the Board's *Aims/Ends* and *Executive Limitations* policies, the manager/Chief Executive Officer is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.

3. The Board may change its *Aims/Ends* and *Executive Limitations* policies, thereby shifting the boundary between Board and manager/Chief Executive Officer domains. By so doing, the Board changes the latitude of choice given to the manager/Chief Executive Officer. But so long as any particular delegation is in place, the Board and its members will respect and support the manager/Chief Executive Officer's choices. This does not prevent the Board from obtaining information in the delegated areas.

4. Only decisions of the Board acting as a body are binding upon the manager/Chief Executive Officer.

   A. Decisions or instructions of individual Board members, officers, or committees are not binding on the manager/Chief Executive Officer except in rare instances when the Board has specifically authorized such exercise of authority.

   B. In the case of Board members or committees requesting information or assistance without Board authorization, the manager/Chief Executive Officer can refuse such requests that require—in the manager/Chief Executive Officer's judgment—a material amount of staff time or funds or is disruptive.

   C. In the case of a Board authorized committee, the Board will request an estimate of staff time and costs if staff members are requested to serve.

MONITORING:

Method: *Board of Directors Internal Report*
Frequency: *Annually*
Month: *November*

IV. POLICY TYPE: BOARD-MANAGER/CHIEF EXECUTIVE OFFICER RELATIONSHIP

D. POLICY TITLE: *MONITORING ORGANIZATIONAL PERFORMANCE*

Adopted 10/4/99 - Amended 8/6/07; **10/4/10; 3/5/12; 4/7/14**

Monitoring executive performance is synonymous with monitoring organizational performance against Board policies on *Aims/Ends* and on *Executive Limitations*. Any formal or informal evaluation of manager/Chief Executive Officer/organizational performance may be derived only from these monitoring data.

1. The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Information which does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past.

2. A given policy may be monitored in one or more of three ways:

   A. Internal report: Documentation of compliance information to the Board from the manager/Chief Executive Officer.

   B. External report: Documentation of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Board.
   Such reports must assess performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.

   C. Direct Board inspection: Documentation of compliance information by a Board member, a committee or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a "prudent person" test of policy compliance.

3. Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each *Aims/Ends* and *Executive Limitations* policy will be classified by the Board according to frequency and method.

Board Policy Monitoring, Method and Schedule

Policy #	Policy Type / Title	Monitoring Frequency	Monitoring Method
1.A.	Aims/Ends - Mission Statement	Annually - May	Mgr/CEO Internal Report
II.	Executive Limitations - General Executive Constraint	Annually - August	Mgr/CEO Internal Report
II.A.	Executive Limitations - Staff Treatment	Annually - March	Mgr/CEO Internal Report
II.B.	Executive Limitations - Budgeting/Forecasting	Administrative & Operating Budget - Annually - November	Mgr/CEO Internal Report
II.C.	Executive Limitations - Financial Condition	Quarterly - January, April, July, October Annually - April	Mgr/CEO Internal Report External Audit Report
II.D.	Executive Limitations - Emergency Executive Succession	Annually - December	Mgr/CEO Internal Report
II.E.	Executive Limitations - Asset Protection	Quarterly - January, April, July, October	Mgr/CEO Internal Report
II.F.	Executive Limitations - Compensation and Benefits	Annually - August	Mgr/CEO Internal Report
II.G.	Executive Limitations - Communication and Counsel to the Board	Annually - September	Mgr/CEO Internal Report
II. H.	Executive Limitations- Compensation for Annexation	Annually-May	Mgr/CEO Internal Report

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MONITORING OF BOARD'S PROCESS:

Method: *Board of Directors Internal Report*
Frequency: *Annually*
Month: *November*

MEMORANDUM

To: Jen Murray, Manager/CEO

From: Ledeanna O'Shields, CFO/Office Administrator

Subject: **Environmental Scan for 2027 Budget – Decision Making**

Date: October 27, 2026

Attached are the 2027 Replacement and Extraordinary Maintenance Fund budget, Capital Repayment information, a budget summary and the three proposed 2027 budget options. The budget spreadsheets show an overall comparison between the 2026 budget and the proposed 2027 budgets, and projections for the next five years.

Environmental issues considered for the budget include the following:

1. Water sales for 2027 are estimated to be 2,471,212,000 gallons. This includes 480,500,000 gallons for rural usage. This is based on average past usage as well as estimates for new customers. Contract usage was conservatively increased in areas of growth.

2. The total sales projection is a 1.7% increase from projections for 2026 or a total of 40,590,000 gallons.

3. Raw water sales are projected at 259,250,000 gallons. This includes Net Zero-Richardton/GEVO at 250,000,000 gallons.

4. The usage projected for oil industry sales is ND Energy Services for 1,200,000 gallons.

5. The CPI for September 1, 2026, is 334.98. This is an increase of 3.39% for 2027. The 2026 increase was 2.92%.

6. The Capital Repayment for contract customers will be $1.61. This is an increase of $.05 from 2026. Last year was an increase of $.05.

7. The 2022 REM Analysis concluded the need to increase the REM rate. An 8.5% increase, or $.08 for Transmission REM and $.01 for Distribution REM, is proposed in all options.

8. Budget option 1 would increase the customers rates by the REM and Capital Repayment increases to the customer. Budget option 2 would pass along Capital Repayment rate increases and absorb half of REM by reducing the Transmission O&M Reserve portion of the rate. Option 3 presents a balanced budget, which includes the REM and Capital Repayment increases plus a rate increase of $0.15 for Treatment, $0.20 for Transmission O&M, $0.32 Transmission Reserve, $0.15 Distribution O&M for Contract customers including Raw and Demand customers.

9. All of the budget options propose to increase the Capital Repayment portion of the rural minimum by $1.61, based on the CPI, last year the increase was $1.35. The monthly minimum rate would increase to $58.28 for all options, with $49.12 as Capital Repayment to the state and $9.16 for distribution O&M and O&M fees. The Capital Repayment for SWA customers that tie into the MWWS will be $38.91. This is an increase of $1.28 from 2026.

10. For the rural rate, Option 1 proposes to pass along the increase of $0.08 for Transmission REM and $0.01 for Distribution REM, for a total increase of $0.09, bringing the rate to $6.56. Option 2 absorbs half the REM increase by reducing the transmission O&M portions of the rate. Option 3 passes on a total increase of $0.91 to the customer, for a rate of $7.38. This includes the $0.09 increase for REM, $0.15 for Treatment, $0.20 Transmission O&M, $0.32 Transmission Reserve, $$0.15 Distribution O&M to achieve a balanced budget.

11. For the contract rate, Option 1 would pass along the $0.08 Transmission REM and $0.05 Capital Repayment increases to the customer. Option 2 proposes to absorb half of the REM increases, establishing a new rate of $6.51. Option 3 would increase the rate by a total of $0.80 to $6.72, passing along the Capital Repayment and REM increases to the customer, plus $0.15 for Treatment, $0.20 Transmission O&M, and $0.32 Transmission Reserve. In addition, expenses for option 3 were reduced by $317,000.00 which include out of state travel for the BOD and the Manager/CEO, two replacement vehicles, garage door replacement for the OMND WTP, Water Depot Controller, employee education to certifications only, employee relations reduced, computer expenses, one administration position and two part time O&M positions and 250 Quad AMR’s.

12. The EPA guidelines on water affordability suggest that consumer water usage expenses for the year do not exceed 2.5% of Median Household Income (MHI). The average MHI for the twelve counties that SWA serves is $74,402, meaning the annual cost of water should not exceed $1,860 annually (minimums plus 6,000 gallons of usage per month) for the average customer. For 2027, the average

customer will pay between $1,172 to $1,233, depending on the budget option. The threshold for the lowest MHI, Grant County, is $1,427.

13. The oil industry rate remains at $12.00. All account allocations will remain the same as well.

14. The 2027 budget includes income from hookup fees and hydraulic studies for the addition of 100 subsequent customers, 89 new intents to become a subsequent customer, 25 final signups, 15 construction signups and $2,000 grant for the water festival. The cost of hydraulic studies is $150 each. Signup fees will remain the same.

15. Also included in other income is interest and dividends of $490,000 from all five investment accounts (Escrow, Reserve, General, O&M, and Cash Management Account) and Certificates of Deposit. This amount is based on the estimated yield of the average balance for the year.

16. Current balances (as of September 30) are $18,035,298 in cash and investments. The estimated year-end balance is $15,732,467. With this year-end balance, the number of months in reserve to meet operating expenses are: 11.74 months for transmission, 6.41 months for distribution, 4.25 months for treatment, or 8.50 months overall for year-end 2026. The number of months overall at year-end 2025 was 9.23 months.

17. Salaries for 2027 include an increase for COLA (cost of living) at 3.39% and merit increases, up to 2.5% based on performance. This follows Board Policy II.B. Budgeting/Forecasting and Policy II.F. Compensation and Benefits and their intent. The history of the Board's approach has been to be at or above market and to attract and retain employees.

18. The cost of health insurance is calculated at $2,353.58 per month per employee. It should be noted the American Care Act (ACA) specifies an employer will lose grandfathered status if the employer contribution rate is reduced by more than 5% of the contribution rate that was in effect on March 23, 2010, and the employer will lose eligibility to participate in the NDPERS health insurance.

19. Retirement is calculated at 16.26% for 2026 Defined Benefit Retirement Plan, and 15.26% for Defined Contribution Retirement Plan. Other employee benefits are expected to stay the same.

20. The 2027 Budget includes 13 administrative positions. This includes 1 new position for administration. O&M with 20 positions and 16 treatment positions, for a total of 49 full-time employees. Two part-time summer hire is also budgeted for O&M grounds maintenance for options 1 and 2.

21. Options 1 and 2 include 3 vehicles scheduled for replacement in 2027 with trade-ins, service body transfers, and antenna boosters. The policy is three years or 100,000 miles. The equipment budget includes the new ERP system for $300,000, Kurita WonderWare Software Upgrade $50,000 and update firewalls for $16,800 for O&M Center office and SWTP.

22. Per diems for directors will be paid at $226.00 per day thereafter NDCC 54-03-20.1, bringing the budget to $85,000. This amount includes the monthly board meetings, executive committee and agenda meetings, as well as meetings with Garrison Diversion, State Water Commission, Upper Missouri, Water Coalition, and legislation. Also included are the Water Expo, and Water Convention. Out-of-state travel expenses include the National Rural Water Rally and the Water Pro Conference. The total amount budgeted for this travel is $8,000 for the board. Option 3 removed all out of state travel.

23. The rate for meals is $45.00 per day, and rooms are calculated at $110.00. SWA reimburses rooms at actual rates. The total board budget for lodging, meals, and mileage is $27,000.

24. Professional services, including legal counsel and engineering services from Bartlett & West are budgeted at $80,000.

25. Dues and subscriptions for the board include dues for the ND Water Coalition, ND Water Users Association, ND Rural Water System Association, American Water Works Association, Upper Missouri Water Association, Week in Water, ND Water Directory, Friends of Lake Sakakawea, Theodore Roosevelt Medora Foundation and Chamber of Commerce for Dickinson. The administration budget includes thirteen county and city newspaper subscriptions.

26. The total budget for public relations and development is $35,000, which includes $10,000 for the Water Magazine (an annual $8,000 sponsorship and digital flat rate of $2,000) Water Tours, Water Day at the State Fair, a $15,000 sponsorship for Missouri River Joint Water Board's program "Educate, Advocate, Engage", and $1,000 for the MRRIC program. Marketing costs for Odney are also included in this amount.

27. The Replacement & Extraordinary Maintenance Fund includes the following:

    1. Income from contracts of $2,096,263 and rural of $636,499.

    2. Interest income of $834,770 which is calculated at an estimated yield of 2.72% of the average balance.

3. Trust management fees of $107,445 which are calculated at 0.35%.

4. Anticipated beginning balance of $30,805,782 is the current balance plus expected income for remainder of the year less expected disbursements.

5. Budgeted expenses totaling $5,219,000 as attached:

SOUTHWEST PIPELINE PROJECT
CAPITAL REPAYMENT
2027

Adjustment for Inflation

CONTRACT RATES

August 2026 CPI:		$334.98
Adjustment to Base:	0.3338279	1,003.5
Change from 448.4:		2.2
Adjustment:		$ 0.89
Base Capital Repayment Rate:		$ 0.72
Adjusted Capital Repayment Rate (2027 rate)		$ 1.61
2026 Rate:		$ 1.56
Change from 2026 Rate		$ 0.05

RURAL RATES

Base Capital Repayment Rate:	$21.95
Adjustment:	$27.17
2026 Inflation (January -August)	3.39%
2027 Rate:	$49.12
2026 Rate:	$47.51
Change from 2026 Rate	$1.61

Rural Minimum for 2026	$56.67
Change from 2026 Rate	$1.61
2027 minimum	$58.28

Capital Repayment for customers who tie into MWWS - 2026	$37.63
Change from 2026 Rate	$1.28
2027 Rate	$38.91

2027 Replacement Fund Budget

Income		
$	2,096,263	From contracts
$	636,499	From rural
$	834,770	Interest
$	3,567,532	Available for 2027
Expenses		
$	22,000	RHF Cloths
$	30,000	Ozone Quad Locks
$	50,000	Pipeline Relocations in the ROW
$	100,000	Tank/Reservoir Repairs
$	100,000	Ductile Iron Investigations & MIC Leak Repair
$	100,000	Pumps/Motors/VFD's/Electrical/Repairs and Replacement
$	160,000	RO Membranes (301)
$	125,000	CP Close Interval Survey Metallic Line
$	382,000	WTP 2023-1 OMND Treatment Roof Replacement
$	450,000	PP-2024-1 Highway 85 Relocation (non-Reimbursement Portion)
$	700,000	New England Reservoir Recoat
$	1,000,000	Ductile Iron Replacement Lefor PRV
$	2,000,000	PP-2025-3 (SWPP 2-2I) Ductile Iron MIC Replacement (Local Share)
$	**5,219,000**	**Total Expenses Reimbursed to SWA O&M Fund**
$	30,225,546	Current Balance (9/30/2026)
$	580,236	Anticipated Income for remainder of year 2026
$	-	Anticipated Disbursements to SWA for remainder of 2026
$	30,805,782	Balance as of January 1, 2027
$	3,567,532	Income for 2027
$	(107,445)	Trust Management Fees
$	(5,219,000)	Expenses
$	**29,046,869**	**2027 Ending Balance**

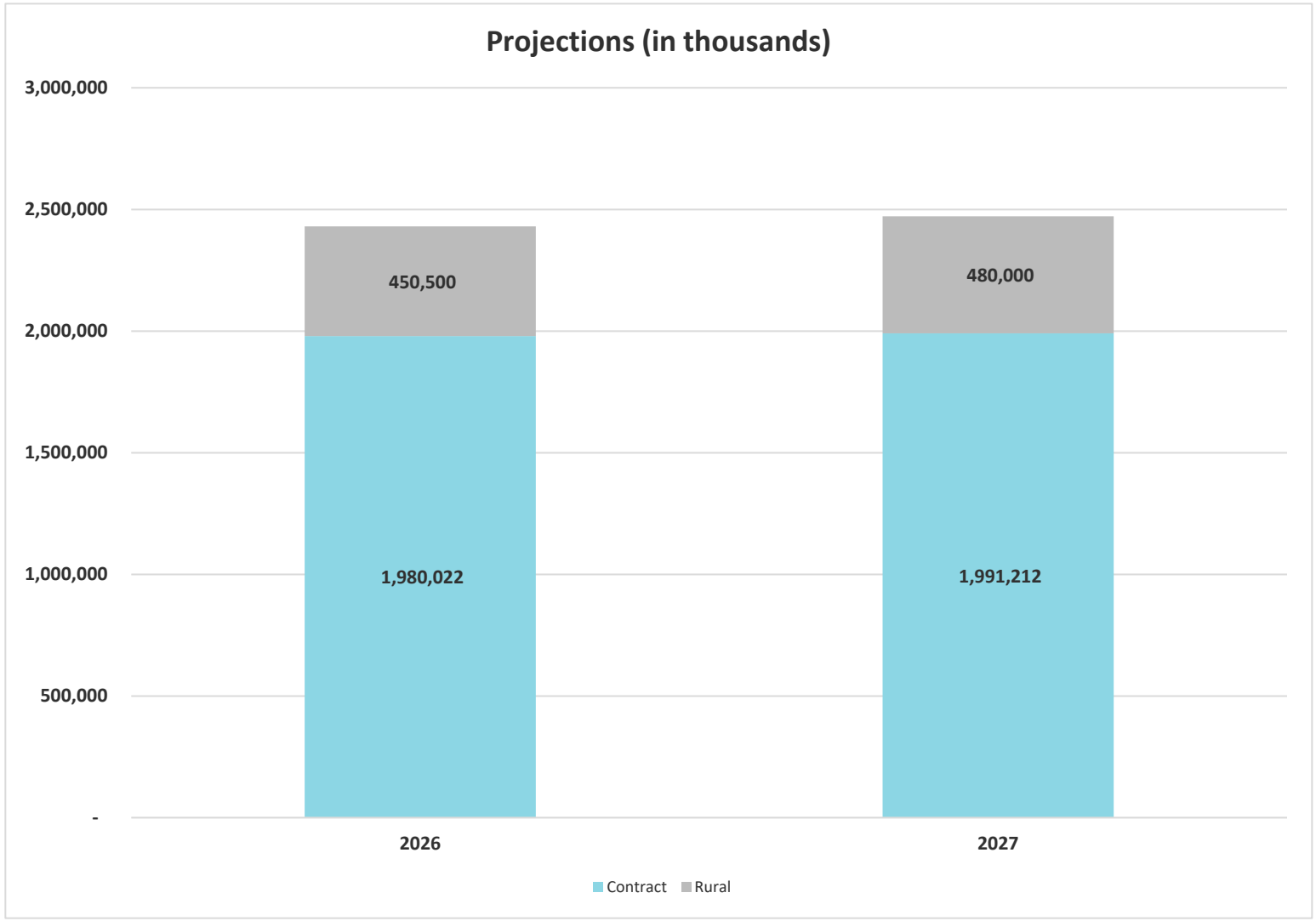


2027 Budget Options

Water Use Projections

2,471,212,000

1.7% increase overall
6.5% rural increase



Capital Repayment

Transfer Agreement

Consumer Price Index

Capital Payment to Resources Trust Fund

- The Authority (SWA) shall pay to the Commission (SWC) a water rate for capital cost for the Project (SWPP). The water rate for repayment of capital cost shall be established as follows:
  - Adjustment of water rate for capital cost. The mission shall have the authority to adjust the base water rate for capital cost annually for each category of user in accordance with the increase or the decrease in the Consumer Price Index (CPI). The formula for determining the adjust to the water rate for capital costs for each year is as follows: The CPI for January 1 of each year shall be divided by the base CPI of January 1, 1995 which is 448.4. The result of this calculation shall be reduced by one(1), and then multiplied by the base water rate for capital cost. The product of this formula is the adjustment to the water rate for capital costs, and shall be used to add to the base water rate for capital costs forth next year.
  - Base water rate for capital cost for contract users. The base water rate for capital cost shall be the January 1, 1995, frate of $0.72 per each one thousand (1,000) gallons of water

Base rate for Capital cost was also established at this time

Consumer Price Index

SOUTHWEST PIPELINE PROJECT		
CAPITAL REPAYMENT		
2027		
Adjustment for Inflation		
CONTRACT RATES		
August 2026 CPI:		$334.98
Adjustment to Base:	0.3338279	1,003.5
Change from 448.4:		2.2
Adjustment:		$ 0.89
Base Capital Repayment Rate:		$ 0.72
Adjusted Capital Repayment Rate (2027 rate)		$ 1.61
2026 Rate:		$ 1.56
Change from 2026 Rate		$ 0.05
RURAL RATES		
Base Capital Repayment Rate:		$21.95
Adjustment:		$27.17
2026 Inflation (January -August)		3.39%
2027 Rate:		$49.12
2026 Rate:		$47.51
Change from 2026 Rate		$1.61
Rural Minimum for 2026		$56.67
Change from 2026 Rate		$1.61
2027 minimum		$58.28
Capital Repayment for customers who tie into MWWS - 2026		$37.63
Change from 2026 Rate		$1.28
2027 Rate		$38.91

REM

Transfer Agreement

2022 Study Recommended to increase 8.5% annually

REM per Transfer Agreement

- Reserve Fund for Replacement and Extraordinary Maintenance. The Authority (SWA) shall include in the budget for each year an amount to be accumulated and maintained in a reserve fund for the purpose of replacement and for extraordinary maintenance for Project works. This reserve fund shall be accumulated with interest and maintained in an amount to be determined by the Commission (SWC). This reserve fund shall be deposited and maintained in a separate account in accordance with NDCC 66-24-5-21. The base water rate for the replacement and extraordinary maintenance reserve fund shall be the January 1, 1995 rate of $0.30 per each one thousand (1,000) gallons of water for transmission replacement and the January 1, 1995 rage of $0.10 per each one thousand (1,000) gallons of water for distribution replacement.
- 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.

2022 REM Study

- SWPP Funding Model is Unique
- Capital Replacement and Replacement and Extraordinary Maintenance Fund
- If a widespread problem persists, continuing to pay for large scale Main Transmission Line replacements will deplete the REM fund quickly.
- Determined the REM Fund could sustain ALL Extraordinary Maintenance Needs and 25-35% of Capital Project Replacement with REM Rate Increase
- Recommend by DWR to increase annually 8.5%, and approved by SWA Budget Subcommittee September 6, 2022.

Option 1

Raise rates by:

8.50% REM
3.39% Cap Rep

Contract

- Rate = $6.05
- $0.08 increase for REM
- $0.05 increase for Cap Rep

Rural

- Rate = $6.56
- $0.08 increase for REM
- $0.01 increase for Dist REM

- Minimum = $58.28
- $1.61 increase for Cap Rep

Option 2

Raise rates by:

8.5% REM
3.39% Cap Rep

Absorb half of REM increases by reducing Transmission O&M portions of rate

Contract

- Rate = $6.00
- $0.08 increase for REM
- $0.05 increase for Cap Rep
- $0.05 reduction to Trans O&M

Rural

- Rate = $6.51
- $0.08 increase for REM
- $0.01 increase for Distribution REM
- $0.05 reduction to Transmission O&M

- Minimum = $58.28
- $1.61 increase for Cap Rep

Option 3

Raise rates by:

8.5% REM
3.39% Cap Rep
$0.15 Treatment
$0.20 Transmission O&M
$0.32 Transmission Reserve
$0.15 Distribution O&M

Minimum
$0.16 Distribution O&M

Balanced budget
Reduced Expenses by $415,284
Pass on increases to customer

Contract

- Rate = $6.72
- $0.08 increase for REM
- $0.05 increase for Cap Rep
- $0.15 increase to Treatment
- $0.20 increase to Transmission O&M
- $0.32 increase to Transmission Reserve
- Pass on $0.80 increase to customer

Rural

- Rate = $7.38
- $0.08 increase for REM
- $0.01 increase for Dist REM
- $0.15 increase to Treatment
- $0.20 increase Transmission O&M
- $0.32 increase Transmission Reserve
- $0.15 increase Distribution O&M
- Pass on $0.91 increase to customer

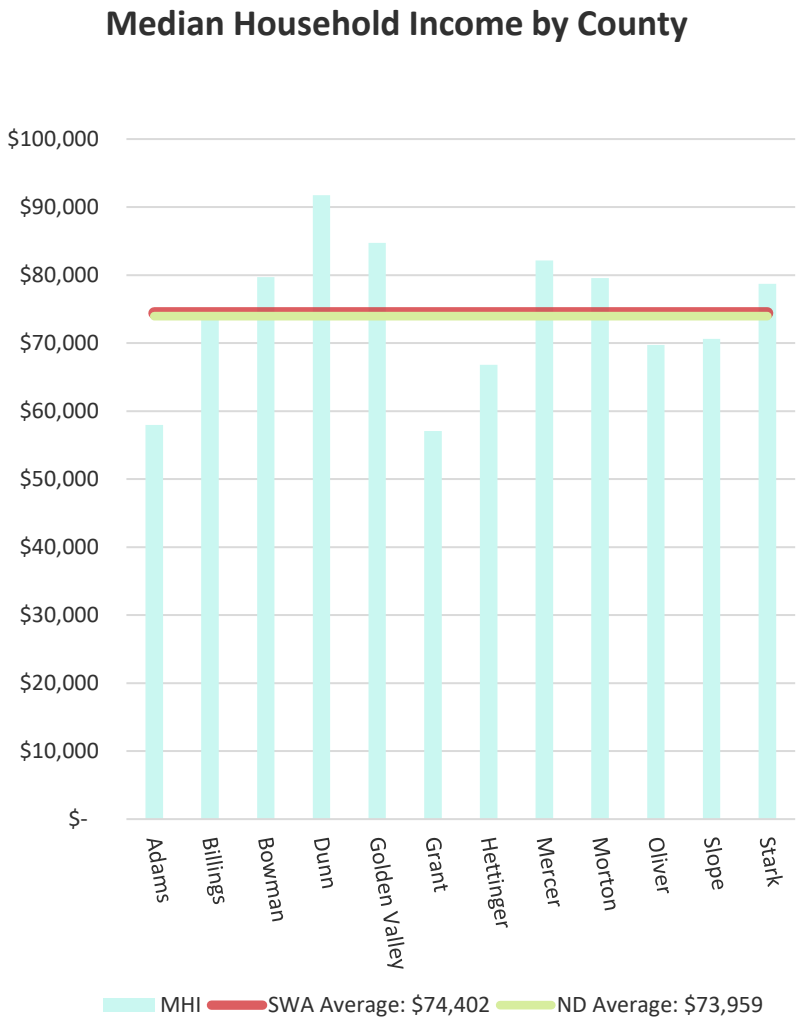
- Minimum = $58.44
- $1.61 increase for Cap Rep
- $0.16 increase Distribution O&M
- Pass on $1.77 increase to customer

Water Affordability

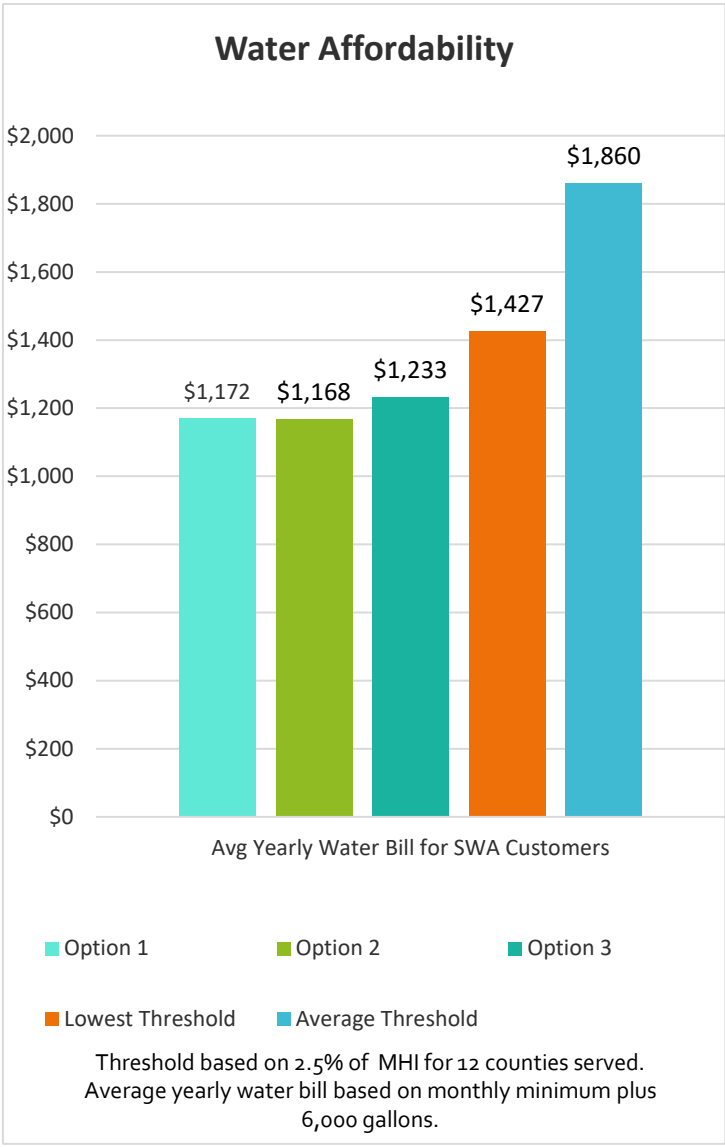
Based on EPA guideline
Annual water expense should not exceed 2.5% of Median Household Income

Annual water expense includes monthly minimums plus 6,000 gallons of usage per month

Based on 2020 Census data from www.census.gov/quickfacts/ND



Based on 2020 Census data from www.census.gov/quickfacts/ND



Threshold based on 2.5% of MHI for 12 counties served. Average yearly water bill based on monthly minimum plus 6,000 gallons.

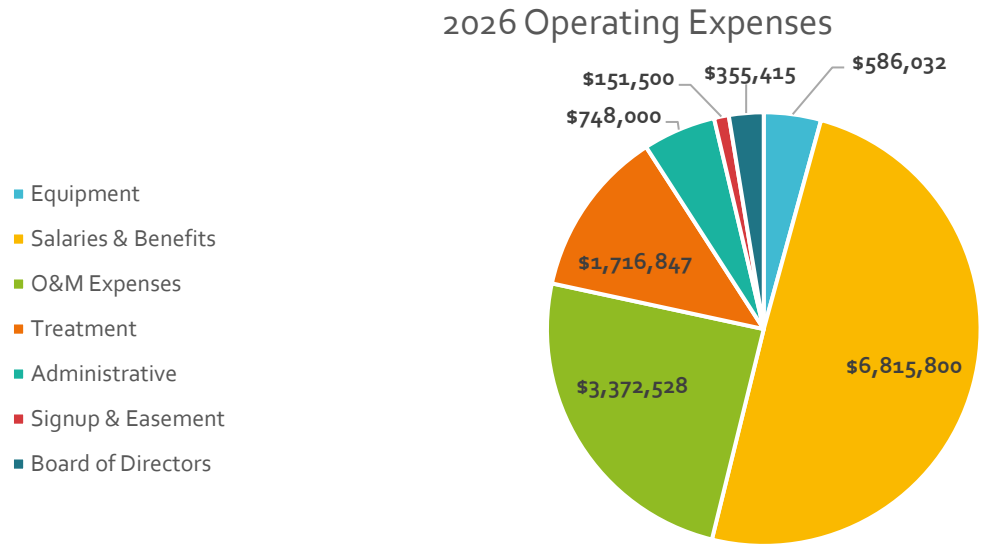
Budget Options Summary

Option 1: Increase REM & Cap Rep
Option 2: Increase Cap Rep, REM, absorb half REM
Option 3: Balanced budget, pass on all increases

Total Expenses: $23,996,042
4.68% increase

Current reserves: 9.74months

	2026 Budget	Option 1	Option 2	Option 3
Contract Rate	$5.92	$6.05	$6.00	$6.72
Rural Rate	$6.47	$6.56	$6.51	$7.38
Monthly minimum	$56.67	$58.28	$58.28	$58.44
Net Income	($2,150,734)	($2,194,565)	($2,314,649)	$416
Year End Balance	$16,732,250	$13,467,671	$13,347,587	$15,841,151
Months in Reserve	10.11	6.88	6.82	8.24



*Graph does not include depreciation, Capital Repayment, or REM

Expense Budget Highlights

Treatment

- Overall 0.62% increase
- Replacement Vehicle*
- Replacement of Garage door OMND*
- **Opt 3** is 0.96% decrease

O&M

- **Opt 1 & 2**
- Transmission:5.40% increase
- Distribution: 2.0% increase
- $500,000 Quad AMR's*
- 5% increase for WAPA
- A new Service Truck Replacement *
- 3% Increase in Insurance across all departments for NDIRF

***Opt 3**

Transmission: 0.26% decrease

Distribution: 2.19% decrease

- No service truck replacement
- $250,000 Quad AMR's

Expense Budget Highlights

Administration

- Overall 40.55% increase
- ERP system replacement
- Replacement Vehicle*
- **Opt 3**
- 8.77% decrease
- No replacement of Vehicle

Signup & Easement

- Overall 5.14% increase
- Ongoing Burt, Hebron project easement acquisitions and recording fees
- **Opt 3**
- Overall 1.38% decrease

Board of Directors

- Overall 14.66% increase
- Per Diem increase for out of state travel
- Two out-of-state trips*
  - Rural Water Rally
  - NRWA Water Pro
- **Opt 3**
- 9.28% decrease
- *No out of state trips

REM Budget

Total Expenses
$5,219,000

Amount	Project
$ 22,000	RHF Cloths
$ 30,000	Ozone Quad Locks
$ 50,000	Pipeline Relocations in the ROW
$ 100,000	Tank/Reservoir Repairs
$ 100,000	Ductile Iron Investigations & MIC Leak Repair
$ 100,000	Pumps/Motors/VFD's/Electrical/Repairs and Replacement
$ 160,000	RO Membranes (301)
$ 125,000	CP Close Interval Survey Metallic Line
$ 382,000	WTP 2023-1 OMND Treatment Roof Replacement
$ 450,000	PP-2024-1 Highway 85 Relocation (non-Reimbursement Portion)
$ 700,000	New England Reservoir Recoat
$ 1,000,000	Ductile Iron Replacement Lefor PRV
$ 2,000,000	PP-2025-3 (SWPP 2-2I) Ductile Iron MIC Replacement (Local Share)

2027 REM Fund Balance

Amount	Income & Expenses
$30,225,546	**Available Balance as of September 30, 2026**
($0.00)	2026 REM Reimbursement
$580,236	Contribution Income remaining 2026
$30,805,782	**Project Beginning Balance2027**
$2,732,762	Contribution Income
$834,770	Interest Income
($107,445)	Trust Management Fees
($5,219,000)	Expense Reimbursements
$29,046,869	**Ending 2027 Balance**

2027 PROPOSED BUDGET OPTIONS

Option 1: Increase rates by 8.5% REM & 3.39% Cap Rep

Option 2: Increase rates by 8.5% REM & 3.39% Cap Rep, Absorbed half of REM Increase

Option 3: Balanced, increase rates by 8.5% REM, 3.39% Cap Rep,
$0.15 Pretreatment-Raw, $0.15 Treatment, $0.20 Transmission O&M, $0.32 Trans Res., and $0.15 Dist O&M

WATER USE PROJECTIONS	2026 Budget	2027 Budget
Total Projections in thousand gallons	2,430,522	**2,471,212**
% Increase	4.6%	1.7%
Rural Projections in thousand gallons	450,500	**480,000**
% Increase	0.3%	6.5%

RATE SUMMARY	2026 Budget	2027 Budget Option 1 Increase REM/Cap Rep	2027 Budget Option 2 REM/Cap Rep Absorb Half REM	2027 Budget Option 3 Balanced Increase Rates
Contract Rate				
Rate per 1,000 gallons	$5.92	**$6.05**	**$6.00**	**$6.72**
Increase from previous year	$0.05	$0.13	$0.08	$0.80
% Increase	0.0%	2.2%	1.4%	13.5%
Capital Repayment - Based on CPI	$1.35	**$1.61**	**$1.61**	**$1.61**
% Increase	2.92%	3.39%	3.39%	3.39%
Transmission REM	$0.97	$1.05	$1.05	$1.05
% Increase	8.5%	8.5%	8.5%	8.5%
Rural Rate				
Rate per 1,000 gallons	$6.47	**$6.56**	**$6.51**	**$7.38**
Increase from previous year	$0.00	$0.09	$0.04	$0.91
% Increase	0.0%	1.4%	0.6%	14.1%
Transmission REM	$0.97	$1.05	$1.05	$1.05
% Increase	8.5%	8.5%	8.5%	8.5%
Distribution REM	$0.14	$0.15	$0.15	$0.15
% Increase	8.5%	8.5%	8.5%	8.5%
Monthly Minimum	$56.67	**$58.28**	**$58.28**	**$58.44**
Capital Repayment - Based on CPI	$47.51	$49.12	$49.12	$49.12
% Increase	2.92%	3.39%	3.39%	3.39%

INCOME STATEMENT SUMMARY	2026 Budget	2027 Budget Option 1	2027 Budget Option 2	2027 Budget Option 3
Revenue				
Total Income	$20,722,606	**$21,801,477**	**$21,681,393**	**$23,581,163**
% Increase	6.1%	5.2%	4.6%	13.8%
Expenses				
Total Expenses w/ Depreciation	$22,873,340	**$23,996,042**	**$23,996,042**	**$23,580,758**
% Increase	11.3%	4.9%	4.9%	3.1%
Net Income	-$2,150,734	-$2,194,565	-$2,314,649	$406
Months in Reserve	8.26	**6.88**	**6.82**	**8.24**

OPERATIONS SUMMARY	2026 Budget	2027 Budget Option 1	2027 Budget Option 2	2027 Budget Option 3
Income				
Income w/o Cap Rep, REM	$10,973,839	**$11,481,325**	**$11,361,241**	**$13,261,015**
Revenue per thousand gallons	$4.51	$4.65	$4.60	$5.37
Expenses				
Expenses w/o Cap Rep, REM, including Equipment	$12,809,796	**$13,320,475**	**$13,320,475**	**$12,935,355**
Cost per thousand gallons	$5.27	$9.28	$5.39	$5.23
Net Income before Depreciation	-$2,174,568	-$2,264,797	-$2,384,881	$108,684
Year Ending Balance	$12,912,232	$13,467,671	$13,347,587	$15,841,151

2027 Budget Summary			
	OPTION 1	OPTION 2	OPTION 3
Sales			
Sales of Water	$ 20,514,802	$ 20,394,718	$ 22,294,488
Sales of Equipment & Services	$ 284,800	$ 284,800	$ 284,800
Hookup Fees	$ 211,125	$ 211,125	$ 211,125
Gross Sales	$ 21,010,727	$ 20,890,643	$ 22,790,413
Expenses			
Transmission	$ 9,630,513	$ 9,630,513	$ 9,605,113
Distribution	$ 6,773,567	$ 6,773,567	$ 6,628,143
Treatment	$ 3,773,347	$ 3,773,347	$ 3,737,347
Customer Service	$ 268,600	$ 268,600	$ 264,000
Administrative	$ 1,972,300	$ 1,972,300	$ 1,813,200
Signup & Easement	$ 706,500	$ 706,500	$ 696,900
Board of Directors	$ 355,415	$ 355,415	$ 325,245
Depreciation	$ 515,800	$ 515,800	$ 510,800
Total Expense	$ 23,996,042	$ 23,996,042	$ 23,580,748
Other Income			
Interest & Dividends	$ 490,000	$ 490,000	$ 490,000
Other Income	$ 200	$ 200	$ 200
Grant Income	$ 2,000	$ 2,000	$ 2,000
Transfer from Escrow	$ 298,550	$ 298,550	$ 298,550
	$ 790,750	$ 790,750	$ 790,750
Net Income	$ (2,194,565)	$ (2,314,649)	$ 416
Net Income including Equip, w/o Depr	$ (2,264,797)	$ (2,384,881)	$ 108,684
Projected Year-End Balance	$ 13,467,671	$ 13,347,587	$ 15,841,151
No. of Months in Reserve w/o Equip & Depr	6.88	6.82	8.24
Replacement & EM Fund Expense	$ 5,326,445	$ 5,326,445	$ 5,326,445
Water Rates			
Contract	$ 6.05	$ 6.00	$ 6.72
Rural	$ 6.56	$ 6.51	$ 7.38
Minimum	$ 58.28	$ 58.28	$ 58.44

2027 Operations Budget • Option 1

	Budget	Actuals	Budget	Annualized August Actuals	Actual vs Budget	Budget	2026 vs 2025 Budget	Five Year Projections				
	2025		2026			2027		2028	2029	2030	2031	2032
Total gallons (in thousands)	2,324,607	2,465,779	2,430,522	1,727,142	(703,380)	2,593,522	163,000	2,619,500	2,645,800	2,672,300	2,699,100	2,726,100
Contract	1,875,660	2,045,885	1,980,022	1,416,105	(563,917)	2,113,522	133,500	2,134,700	2,156,100	2,177,700	2,199,500	2,221,500
Rural	448,947	419,894	450,500	311,037	(139,463)	480,000	29,500	484,800	489,700	494,600	499,600	504,600
Income												
Water Sales	$ 9,736,800	$ 10,009,623	$ 9,985,091	$ 10,296,600	$ 311,509	$ 10,171,499	$ 186,408	$ 10,476,700	$ 10,791,100	$ 11,114,900	$ 11,448,400	$ 11,791,900
Replacement	$ 2,167,100	$ 2,236,164	$ 2,469,685	$ 2,626,100	$ 156,415	$ 2,732,772	$ 263,087	$ 2,951,400	$ 3,187,600	$ 3,442,700	$ 3,718,200	$ 4,015,700
Capital Repayment	$ 6,696,600	$ 6,834,986	$ 7,283,884	$ 6,929,000	$ (354,884)	$ 7,587,380	$ 303,496	$ 7,739,200	$ 7,894,000	$ 8,051,900	$ 8,213,000	$ 8,377,300
Reserve	$ 45,100	$ 49,870	$ 21,596	$ 18,900	$ (2,696)	$ 23,151	$ 1,555	$ 23,400	$ 23,700	$ 24,000	$ 24,300	$ 24,600
Equipment & Services	$ 278,700	$ 435,619	$ 281,225	$ 435,300	$ 154,075	$ 284,800	$ 3,575	$ 277,900	$ 294,900	$ 229,100	$ 295,100	$ 223,100
Hook up fees	$ 182,900	$ 301,275	$ 200,925	$ 289,800	$ 88,875	$ 211,125	$ 10,200	$ 154,000	$ 121,500	$ 125,000	$ 128,600	$ 99,100
Transfer from Escrow	$ -	$ 650	$ -	$ 7,500	$ 7,500	$ 298,550	$ 298,550	$ -	$ 369,400	$ -	$ 369,400	$ -
Other Income	$ 420,200	$ 2,768,736	$ 480,200	$ 413,400	$ (66,800)	$ 492,200	$ 12,000	$ 320,300	$ 290,900	$ 211,600	$ 215,200	$ 216,100
Total Income	**$ 19,527,400**	**$ 22,636,923**	**$ 20,722,606**	**$ 21,016,600**	**$ 293,994**	$ 21,801,477	$ 1,078,871	**$ 21,942,900**	**$ 22,973,100**	**$ 23,199,200**	**$ 24,412,200**	**$ 24,747,800**
Expenses												
Replacement	$ 2,167,100	$ 2,281,874	$ 2,469,685	$ 2,600,900	$ 131,215	$ 2,732,772	$ 263,087	$ 2,951,400	$ 3,187,600	$ 3,442,700	$ 3,718,200	$ 4,015,700
Capital Repayment	$ 6,696,600	$ 6,843,710	$ 7,283,884	$ 6,959,100	$ (324,784)	$ 7,587,380	$ 303,496	$ 7,739,200	$ 7,894,000	$ 8,051,900	$ 8,213,000	$ 8,377,300
Equipment	$ 253,000	$ 105,100	$ 685,900	$ 117,357	$ (568,543)	$ 586,032	$ (99,868)	$ 597,800	$ 609,800	$ 622,000	$ 634,500	$ 647,200
Salaries & Benefits	$ 6,245,300	$ 4,903,620	$ 6,770,400	$ 5,730,700	$ (1,039,700)	$ 6,815,800	$ 45,400	$ 7,020,300	$ 7,231,000	$ 7,448,000	$ 7,671,500	$ 7,901,700
O&M Expenses	$ 2,443,700	$ 2,296,545	$ 2,932,280	$ 2,676,900	$ (255,380)	$ 2,951,528	$ 19,248	$ 3,040,100	$ 3,101,000	$ 3,163,100	$ 3,226,400	$ 3,291,000
Treatment Expenses	$ 802,300	$ 620,067	$ 939,100	$ 755,900	$ (183,200)	$ 956,847	$ 17,747	$ 976,000	$ 995,600	$ 1,015,600	$ 1,036,000	$ 1,056,800
Chemicals	$ 750,000	$ 648,198	$ 760,000	$ 784,500	$ 24,500	$ 760,000	$ -	$ 775,200	$ 790,800	$ 806,700	$ 822,900	$ 839,400
Customer Materials	$ 200,000	$ 256,379	$ 200,000	$ 249,800	$ 49,800	$ 270,000	$ 70,000	$ 190,000	$ 191,100	$ 185,600	$ 191,200	$ 110,000
Customer Service	$ 142,400	$ 117,069	$ 155,000	$ 114,300	$ (40,700)	$ 151,000	$ (4,000)	$ 152,600	$ 154,200	$ 155,800	$ 157,400	$ 159,000
Administrative	$ 168,900	$ 201,788	$ 251,800	$ 212,500	$ (39,300)	$ 748,000	$ 496,200	$ 763,000	$ 770,700	$ 778,500	$ 786,300	$ 794,200
Signup & Easement	$ 128,800	$ 75,894	$ 139,150	$ 118,200	$ (20,950)	$ 151,500	$ 12,350	$ 153,100	$ 154,700	$ 156,300	$ 157,900	$ 159,500
Board of Directors	$ 276,900	$ 250,914	$ 309,975	$ 245,500	$ (64,475)	$ 355,415	$ 45,440	$ 359,000	$ 362,600	$ 366,300	$ 370,000	$ 373,700
Total Expenses	**$ 20,275,000**	**$ 18,601,158**	**$ 22,897,174**	**$ 20,565,657**	**$ (2,331,517)**	$ 24,066,274	$ 1,169,100	**$ 24,717,700**	**$ 25,443,100**	**$ 26,192,500**	**$ 26,985,300**	**$ 27,725,500**
Cost/kgal	**$ 8.54**	**$ 7.58**	**$ 9.42**	**$ 11.98**	**$ 2.56**	$ 9.28	$ (0.14)	**$ 9.44**	**$ 9.62**	**$ 9.80**	**$ 10.00**	**$ 10.17**
Balance	**$ (747,600)**	**$ 4,035,765**	**$ (2,174,568)**	**$ 450,943**	**$ 2,625,511**	**$ (2,264,797)**	**$ (90,229)**	**$ (2,774,800)**	**$ (2,470,000)**	**$ (2,993,300)**	**$ (2,573,100)**	**$ (2,977,700)**
Available at beg of year	$ 15,285,600	$ 15,112,198	$ 19,327,542	$ 17,087,507	$ (2,240,035)	$ 15,732,467	$ (3,595,075)	$ 13,467,671	$ 10,692,871	$ 8,222,871	$ 5,229,571	$ 2,656,471
Year ending balance	**$ 14,538,000**	**$ 16,171,042**	**$ 17,152,974**	**$ 14,983,047**	**$ (2,169,927)**	$ 13,467,671	$ (3,685,304)	**$ 10,692,871**	**$ 8,222,871**	**$ 5,229,571**	**$ 2,656,471**	**$ (321,230)**
Reserve needed	$ 4,224,000	$ 3,875,200	$ 4,770,200	$ 4,284,500	$ (485,700)	$ 5,013,800	$ 243,600	$ 5,149,500	$ 5,300,600	$ 5,456,800	$ 5,621,900	$ 5,776,100
over/under	$ 10,314,000	$ 12,295,842	$ 12,382,774	$ 10,698,547	$ (1,684,227)	$ 8,453,871	$ (3,928,904)	$ 5,543,371	$ 2,922,271	$ (227,230)	$ (2,965,430)	$ (6,097,330)
over reserve $/1000 gallons	$ 4.44	$ 4.99	$ 5.09	$ 6.19	$ 1.10	$ 3.26	$ (1.84)	$ 2.12	$ 1.10	$ (0.09)	$ (1.10)	$ (2.24)
No. of months in reserve	**8.71**	**10.49**	**9.27**	**8.79**	**-0.47**	6.88	-2.38	**5.32**	**3.97**	**2.45**	**1.21**	**-0.14**

2027 Budget - Income Statement Summary • Option 1

	2026 BUDGET	2027 Budget	2028 BUDGET	2029 BUDGET	2030 BUDGET	2031 BUDGET	2032 BUDGET
Sales							
Sales of Water	$ 19,760,256	$ 20,514,802	$ 21,190,700	$ 21,896,400	$ 22,633,500	$ 23,403,900	$ 24,209,500
Sales of Equipment & Services	$ 281,225	$ 284,800	$ 277,900	$ 294,900	$ 229,100	$ 295,100	$ 223,100
Hookup Fees	$ 200,925	$ 211,125	$ 154,000	$ 121,500	$ 125,000	$ 128,600	$ 99,100
Gross Sales	$ 20,242,406	$ 21,010,727	$ 21,622,600	$ 22,312,800	$ 22,987,600	$ 23,827,600	$ 24,531,700
Expenses							
Transmission	$ 9,137,392	$ 9,630,513	$ 9,739,800	$ 10,093,900	$ 10,466,800	$ 10,859,800	$ 11,274,100
Distribution	$ 6,640,757	$ 6,773,567	$ 7,129,600	$ 7,316,900	$ 7,504,700	$ 7,711,200	$ 7,838,700
Treatment	$ 3,750,100	$ 3,773,347	$ 3,997,700	$ 4,100,400	$ 4,205,700	$ 4,313,800	$ 4,424,800
Customer Service	$ 297,800	$ 268,600	$ 293,100	$ 298,900	$ 304,800	$ 310,900	$ 317,100
Administrative	$ 1,403,300	$ 1,972,300	$ 1,886,300	$ 1,927,700	$ 1,970,200	$ 2,013,800	$ 2,058,500
Signup & Easement	$ 671,950	$ 706,500	$ 714,800	$ 733,200	$ 752,200	$ 771,700	$ 791,700
Board of Directors	$ 309,975	$ 355,415	$ 359,000	$ 362,600	$ 366,300	$ 370,000	$ 373,700
Depreciation	$ 662,066	$ 515,800	$ 518,400	$ 521,000	$ 523,700	$ 526,400	$ 529,100
Total Expense	$ 22,873,340	$ 23,996,042	$ 24,638,700	$ 25,354,600	$ 26,094,400	$ 26,877,600	$ 27,607,700
Other Income							
Interest & Dividends	$ 418,000	$ 490,000	$ 320,300	$ 290,900	$ 211,600	$ 215,200	$ 216,100
Other Income	$ 200	$ 200	$ 500	$ 500	$ 500	$ 500	$ 500
Grant Income	$ 62,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Transfer from Escrow	$ -	$ 298,550	$ -	$ 369,400	$ -	$ 369,400	$ -
	$ 480,200	$ 790,750	$ 322,800	$ 662,800	$ 214,100	$ 587,100	$ 218,600
Net Income	$ (2,150,734)	$ (2,194,565)	$ (2,693,300)	$ (2,379,000)	$ (2,892,700)	$ (2,462,900)	$ (2,857,400)
No. of Months in Reserve w/o Equip & Depr	9.27	6.88	5.32	3.97	2.45	1.21	(0.14)
Replacement & EM Fund Expense	$ 4,447,485	$ 5,326,445	$ 5,539,503	$ 5,761,083	$ 5,991,526	$ 6,231,187	$ 6,480,435
Water Rates							
Contract	$ 5.92	$ 6.05	$ 6.17	$ 6.29	$ 6.42	$ 6.55	$ 6.68
Rural	$ 6.47	$ 6.56	$ 6.63	$ 6.69	$ 6.76	$ 6.83	$ 6.89
Minimum	$ 56.67	$ 58.28	$ 59.45	$ 60.63	$ 61.85	$ 63.08	$ 64.35

Water Rates for 2027 - CPI (3.39%) - OPT 1
REM 8.5%

Rural Water Rate		Last Yr	Diff.
Treatment	$ 1.45	$ 1.45	$ 0.00
Transmission O&M	$ 2.11	$ 2.11	$ 0.00
Trans. Reserve	$ 0.00	$ 0.00	$ 0.00
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Distribution O&M	$ 1.76	$ 1.76	$ 0.00
Distribution REM	$ 0.15	$ 0.14	$ 0.01
Dist. Reserve	$ 0.04	$ 0.04	$ 0.00
Total	$ 6.56	$ 6.47	$ 0.09

Contract Rate			
Treatment	$ 1.45	$ 1.45	$ 0.00
Transmission O&M	$ 1.94	$ 1.94	$ 0.00
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.00	$ 0.00	$ 0.00
Total	$ 6.05	$ 5.92	$ 0.13

PCRWS			
	$4.45	$ 4.45	$ 0.00

Raw Water Rate			
Transmission O&M	$ 1.94	$ 1.94	$ 0.00
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.00	$ 0.00	$ 0.00
Pretreatment	$ 0.25	$ 0.25	$ 0.00
Total	$ 4.85	$ 4.72	$ 0.13

Demand Contract			
Treatment	$ 1.45	$ 1.45	$ 0.00
Transmission O&M	$ 1.85	$ 1.85	$ 0.00
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Demand charge	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.00	$ 0.00	$ 0.00
Total	$ 7.57	$ 7.39	$ 0.18

Minimum Payment		Last Yr	Diff.
Distribution O&M	$ 4.16	$ 4.16	$ 0.00
Capital repayment	$ 49.12	$ 47.51	$ 1.61
O&M fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 58.28	$ 56.67	$ 1.61

1 extra unit				
$ 71.60	Minimum	Last Yr	Diff.	
Distribution O&M	$ 5.20	$ 5.20	$ 0.00	
Capital repayment	$ 61.40	$ 59.39	$ 2.01	
O&M Fee	$ 5.00	$ 5.00	$ 0.00	
Total	$ 71.60	$ 69.59	$ 2.01	

2 extra units			
$ 84.92	Minimum		
Distribution O&M	$ 6.24	$ 6.24	$ 0.00
Capital repayment	$ 73.68	$ 71.27	$ 2.41
O&M Fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 84.92	$ 82.51	$ 2.41

3 extra units			
$ 98.24	Minimum		
Distribution O&M	$ 7.28	$ 7.28	$ 0.00
Capital repayment	$ 85.96	$ 83.14	$ 2.82
O&M Fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 98.24	$ 95.42	$ 2.82

Pasture taps:			
$ 349.68	Minimum		
Distribution O&M	$ 24.96	$ 24.96	$ 0.00
Capital repayment	$ 294.72	$ 285.06	$ 9.66
O&M Fee	$ 30.00	$ 30.00	$ 0.00
Total	$ 349.68	$ 340.02	$ 9.66

Seasonal Type 2			
Distribution O&M	$ 49.92	$ 49.92	$ 0.00
Capital repayment	$ 589.45	$ 570.12	$ 19.33
O&M Fee	$ 60.00	$ 60.00	$ 0.00
Service Charge	$ 100.00	$ 100.00	$ 0.00
	$ 799.37	$ 780.04	$ 19.33

Seasonal Type 3			
Distribution O&M	$ 76.63	$ 76.63	$ 0.00
Capital repayment	$ 294.72	$ 285.06	$ 9.66
O&M fee	$ 30.00	$ 30.00	$ 0.00
	$ 401.35	$ 391.69	$ 9.66

MWWS Water Rates for 2027 - CPI (3.39%) - OPT 1
REM 8.5%

Standard Customer		Last Yr	Diff.
MWWS Dist O&M	$ 9.76	$ 9.43	$ 0.33
cap repayment	$ 38.91	$ 37.63	$ 1.28
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 58.28	$ 56.67	$ 1.61
1 extra unit			
MWWS Dist O&M	$12.94	$ 12.94	$ 0.00
capital repayment	$ 48.64	$ 47.04	$ 1.60
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 71.19	$ 69.59	$ 1.60
2 extra units			
MWWS Dist O&M	$ 16.45	$ 16.45	$ 0.00
capital repayment	$ 58.37	$ 56.45	$ 1.91
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 84.43	$ 82.51	$ 1.91
Pasture taps:			
MWWS Dist O&M	$ 56.58	$ 56.58	$ 0.00
capital repayment	$ 244.97	$ 225.78	$ 19.19
MWWS capacity fee	$ 57.66	$ 57.66	$ 0.00
Total	$ 359.21	$ 340.02	$ 19.19

Standard Customer		Last Yr	Diff.
O&M Distribution	$ 6.20	$ 6.20	$ 0.00
Dist. REM	$ 0.15	$ 0.13	$ 0.02
Dist. Reserve	$ 0.14	$ 0.14	$ 0.00
Total	$ 6.49	$ 6.47	$ 0.02
MWWS Water Cost	$ 5.50		

Oil Industry Rate/SWA Depot			
Treatment	$ 1.00	$ 1.00	$ 0.00
Transmission O&M	$ 2.56	$ 2.56	$ 0.00
Transmission REM	$ 3.00	$ 3.00	$ 0.00
Capital repayment	$ 3.00	$ 3.00	$ 0.00
Transmission reserve	$ 0.07	$ 0.07	$ 0.00
Distribution O&M	$ 2.12	$ 2.12	$ 0.00
Distribution REM	$ 0.10	$ 0.10	$ 0.00
Dist. Reserve	$ 0.15	$ 0.15	$ 0.00
Total	$ 12.00	$ 12.00	$ 0.00
Oil Industry Rate/Oil Industry			
Treatment	$ 1.00	$ 1.00	$ 0.00
Transmission O&M	$ 2.53	$ 2.53	$ 0.00
Transmission REM	$ 4.00	$ 4.00	$ 0.00
Capital repayment	$ 4.00	$ 4.00	$ 0.00
Transmission reserve	$ 0.07	$ 0.07	$ 0.00
Distribution O&M	$ 0.40	$ 0.40	$ 0.00
Total	$ 12.00	$ 12.00	$ 0.00

2027 Budget - Income Statement Summary • Option 2

	2026 BUDGET	2027 BUDGET	2028 BUDGET	2029 BUDGET	2030 BUDGET	2031 BUDGET	2032 BUDGET
Sales							
Sales of Water	$ 19,760,256	$ 20,394,718	$ 21,067,000	$ 21,768,900	$ 22,502,200	$ 23,268,700	$ 24,070,200
Sales of Equipment & Services	$ 281,225	$ 284,800	$ 277,900	$ 294,900	$ 229,100	$ 295,100	$ 223,100
Hookup Fees	$ 200,925	$ 211,125	$ 154,000	$ 121,500	$ 125,000	$ 128,600	$ 99,100
Gross Sales	$ 20,242,406	$ 20,890,643	$ 21,498,900	$ 22,185,300	$ 22,856,300	$ 23,692,400	$ 24,392,400
Expenses							
Transmission	$ 9,137,392	$ 9,630,513	$ 9,739,800	$ 10,093,900	$ 10,466,800	$ 10,859,800	$ 11,274,100
Distribution	$ 6,640,757	$ 6,773,567	$ 7,129,600	$ 7,316,900	$ 7,504,700	$ 7,711,200	$ 7,838,700
Treatment	$ 3,750,100	$ 3,773,347	$ 3,997,700	$ 4,100,400	$ 4,205,700	$ 4,313,800	$ 4,424,800
Customer Service	$ 297,800	$ 268,600	$ 293,100	$ 298,900	$ 304,800	$ 310,900	$ 317,100
Administrative	$ 1,403,300	$ 1,972,300	$ 1,886,300	$ 1,927,700	$ 1,970,200	$ 2,013,800	$ 2,058,500
Signup & Easement	$ 671,950	$ 706,500	$ 714,800	$ 733,200	$ 752,200	$ 771,700	$ 791,700
Board of Directors	$ 309,975	$ 355,415	$ 359,000	$ 362,600	$ 366,300	$ 370,000	$ 373,700
Depreciation	$ 662,066	$ 515,800	$ 518,400	$ 521,000	$ 523,700	$ 526,400	$ 529,100
Total Expense	$ 22,873,340	$ 23,996,042	$ 24,638,700	$ 25,354,600	$ 26,094,400	$ 26,877,600	$ 27,607,700
Other Income							
Interest & Dividends	$ 418,000	$ 490,000	$ 320,300	$ 290,900	$ 211,600	$ 215,200	$ 216,100
Other Income	$ 200	$ 200	$ 500	$ 500	$ 500	$ 500	$ 500
Grant Income	$ 62,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Transfer from Escrow	$ -	$ 298,550	$ -	$ 369,400	$ -	$ 369,400	$ -
	$ 480,200	$ 790,750	$ 322,800	$ 662,800	$ 214,100	$ 587,100	$ 218,600
	$ -						
Net Income	$ (2,150,734)	$ (2,314,649)	$ (2,817,000)	$ (2,506,500)	$ (3,024,000)	$ (2,598,100)	$ (2,996,700)
No. of Months in Reserve w/o Equip & Depr	9.27	6.82	5.20	3.79	2.22	0.92	(0.49)
	$ -						
Replacement & EM Fund Expense	$ 4,447,485	$ 5,326,445	$ 5,539,503	$ 5,761,083	$ 5,991,526	$ 6,231,187	$ 6,480,435
Water Rates							
Contract	$ 5.92	$ 6.00	$ 6.12	$ 6.24	$ 6.37	$ 6.49	$ 6.62
Rural	$ 6.47	$ 6.51	$ 6.58	$ 6.64	$ 6.71	$ 6.77	$ 6.84
Minimum	$ 56.67	$ 58.28	$ 59.45	$ 60.63	$ 61.85	$ 63.08	$ 64.35

2027 Operations Budget • Option 2

	Budget	Actuals	Budget	Annualized August Actuals	Actual vs Budget	Budget	2026 vs 2025 Budget	Five Year Projections				
	2025		2026			2027		2028	2029	2030	2031	2032
Total gallons (in thousands)	2,317,750	2,264,540	2,430,522	1,727,142	(703,380)	2,593,522	163,000	2,619,500	2,645,800	2,672,300	2,699,100	2,726,100
Contract	1,891,250	1,827,606	1,980,022	1,416,105	(563,917)	2,113,522	133,500	2,134,700	2,156,100	2,177,700	2,199,500	2,221,500
Rural	426,500	436,934	450,500	311,037	(139,463)	480,000	29,500	484,800	489,700	494,600	499,600	504,600
Income												
Water Sales	$ 9,736,800	$ 10,009,623	$ 9,985,091	$ 10,296,600	$ 311,509	$ 10,051,410	$ 66,319	$ 10,353,000	$ 10,663,600	$ 10,983,600	$ 11,313,200	$ 11,652,600
Replacement	$ 2,167,100	$ 2,236,164	$ 2,469,685	$ 2,626,100	$ 156,415	$ 2,732,772	$ 263,087	$ 2,951,400	$ 3,187,600	$ 3,442,700	$ 3,718,200	$ 4,015,700
Capital Repayment	$ 6,696,600	$ 6,834,986	$ 7,283,884	$ 6,929,000	$ (354,884)	$ 7,587,380	$ 303,496	$ 7,739,200	$ 7,894,000	$ 8,051,900	$ 8,213,000	$ 8,377,300
Reserve	$ 45,100	$ 49,870	$ 21,596	$ 18,900	$ (2,696)	$ 23,156	$ 1,560	$ 23,400	$ 23,700	$ 24,000	$ 24,300	$ 24,600
Equipment & Services	$ 278,700	$ 435,619	$ 281,225	$ 435,300	$ 154,075	$ 284,800	$ 3,575	$ 277,900	$ 294,900	$ 229,100	$ 295,100	$ 223,100
Hook up fees	$ 182,900	$ 301,275	$ 200,925	$ 289,800	$ 88,875	$ 211,125	$ 10,200	$ 154,000	$ 121,500	$ 125,000	$ 128,600	$ 99,100
Transfer from Escrow	$ -	$ 650	$ -	$ 7,500	$ 7,500	$ 298,550	$ 298,550	$ -	$ 369,400	$ -	$ 369,400	$ -
Other Income	$ 420,200	$ 2,768,736	$ 480,200	$ 413,400	$ (66,800)	$ 492,200	$ 12,000	$ 320,300	$ 290,900	$ 211,600	$ 215,200	$ 216,100
Total Income	**$ 19,527,400**	**$ 22,636,923**	**$ 20,722,606**	**$ 21,016,600**	**$ 293,994**	$ 21,681,393	$ 958,787	**$ 21,819,200**	**$ 22,845,600**	**$ 23,067,900**	**$ 24,277,000**	**$ 24,608,500**
Expenses												
Replacement	$ 2,167,100	$ 2,281,874	$ 2,469,685	$ 2,600,900	$ 131,215	$ 2,732,772	$ 263,087	$ 2,951,400	$ 3,187,600	$ 3,442,700	$ 3,718,200	$ 4,015,700
Capital Repayment	$ 6,696,600	$ 6,843,710	$ 7,283,884	$ 6,959,100	$ (324,784)	$ 7,587,380	$ 303,496	$ 7,739,200	$ 7,894,000	$ 8,051,900	$ 8,213,000	$ 8,377,300
Equipment	$ 253,000	$ 225,701	$ 685,900	$ 117,357	$ (568,543)	$ 586,032	$ (99,868)	$ 597,800	$ 609,800	$ 622,000	$ 634,500	$ 647,200
Salaries & Benefits	$ 6,245,300	$ 4,903,620	$ 6,770,400	$ 5,730,700	$ (1,039,700)	$ 6,815,800	$ 45,400	$ 7,020,300	$ 7,231,000	$ 7,448,000	$ 7,671,500	$ 7,901,700
O&M Expenses	$ 2,443,700	$ 2,296,545	$ 2,932,280	$ 2,676,900	$ (255,380)	$ 2,951,528	$ 19,248	$ 3,040,100	$ 3,101,000	$ 3,163,100	$ 3,226,400	$ 3,291,000
Treatment Expenses	$ 802,300	$ 620,067	$ 939,100	$ 755,900	$ (183,200)	$ 956,847	$ 17,747	$ 976,000	$ 995,600	$ 1,015,600	$ 1,036,000	$ 1,056,800
Chemicals	$ 750,000	$ 648,198	$ 760,000	$ 784,500	$ 24,500	$ 760,000	$ -	$ 775,200	$ 790,800	$ 806,700	$ 822,900	$ 839,400
Customer Materials	$ 200,000	$ 256,379	$ 200,000	$ 249,800	$ 49,800	$ 270,000	$ 70,000	$ 190,000	$ 191,100	$ 185,600	$ 191,200	$ 110,000
Customer Service	$ 142,400	$ 117,069	$ 155,000	$ 114,300	$ (40,700)	$ 151,000	$ (4,000)	$ 152,600	$ 154,200	$ 155,800	$ 157,400	$ 159,000
Administrative	$ 168,900	$ 201,788	$ 251,800	$ 212,500	$ (39,300)	$ 748,000	$ 496,200	$ 763,000	$ 770,700	$ 778,500	$ 786,300	$ 794,200
Signup & Easement	$ 128,800	$ 75,894	$ 139,150	$ 118,200	$ (20,950)	$ 151,500	$ 12,350	$ 153,100	$ 154,700	$ 156,300	$ 157,900	$ 159,500
Board of Directors	$ 276,900	$ 250,914	$ 309,975	$ 245,500	$ (64,475)	$ 355,415	$ 45,440	$ 359,000	$ 362,600	$ 366,300	$ 370,000	$ 373,700
Total Expenses	**$ 20,275,000**	**$ 18,721,759**	**$ 22,897,174**	**$ 20,565,657**	**$ (2,331,517)**	$ 24,066,274	$ 1,169,100	**$ 24,717,700**	**$ 25,443,100**	**$ 26,192,500**	**$ 26,985,300**	**$ 27,725,500**
Cost/kgal	**$ 8.79**	**$ 8.31**	**$ 9.42**	**$ 11.98**	**$ 2.56**	$ 9.28	$ (0.14)	**$ 9.44**	**$ 9.62**	**$ 9.80**	**$ 10.00**	**$ 10.17**
Balance	**$ (747,600)**	**$ 3,915,164**	**$ (2,174,568)**	**$ 450,943**	**$ 2,625,511**	$ (2,384,881)	$ (210,313)	**$ (2,898,500)**	**$ (2,597,500)**	**$ (3,124,600)**	**$ (2,708,300)**	**$ (3,117,000)**
Available at beg of year	$ 15,285,600	$ 15,112,198	$ 19,327,542	$ 17,087,507	$ (2,240,035)	$ 15,732,467	$ (3,595,075)	$ 13,347,587	$ 10,449,087	$ 7,851,587	$ 4,726,987	$ 2,018,687
Year ending balance	**$ 14,538,000**	**$ 16,171,042**	**$ 17,152,974**	**$ 14,983,047**	**$ (2,169,927)**	$ 13,347,587	$ (3,805,388)	**$ 10,449,087**	**$ 7,851,587**	**$ 4,726,987**	**$ 2,018,687**	**$ (1,098,314)**
Reserve needed	$ 4,224,000	$ 3,900,400	$ 4,770,200	$ 4,284,500	$ (485,700)	$ 5,013,800	$ 243,600	$ 5,149,500	$ 5,300,600	$ 5,456,800	$ 5,621,900	$ 5,776,100
over/under	$ 10,314,000	$ 12,270,642	$ 12,382,774	$ 10,698,547	$ (1,684,227)	$ 8,333,787	$ (4,048,988)	$ 5,299,587	$ 2,550,987	$ (729,814)	$ (3,603,214)	$ (6,874,414)
over reserve $/1000 gallons	$ 4.45	$ 5.42	$ 5.09	$ 6.19	$ 1.10	$ 3.21	$ (1.88)	$ 2.02	$ 0.96	$ (0.27)	$ (1.33)	$ (2.52)
No. of months in reserve	**8.71**	**10.49**	**9.27**	**8.79**	**-0.47**	6.82	-2.45	**5.20**	**3.79**	**2.22**	**0.92**	**-0.49**

Water Rates for 2027 - CPI (3.39%) - OPT 2
REM 8.5% ABSORB HALF OF REM INCREASE

Rural Water Rate		Last Yr	Diff.
Treatment	$ 1.45	$ 1.45	$ 0.00
Transmission O&M	$ 2.06	$ 2.11	-$ 0.05
Trans. Reserve	$ 0.00	$ 0.00	$ 0.00
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Distribution O&M	$ 1.76	$ 1.76	$ 0.00
Distribution REM	$ 0.15	$ 0.14	$ 0.01
Dist. Reserve	$ 0.04	$ 0.04	$ 0.00
Total	$ 6.51	$ 6.47	$ 0.04

Contract Rate			
Treatment	$ 1.45	$ 1.45	$ 0.00
Transmission O&M	$ 1.89	$ 1.94	-$ 0.05
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.00	$ 0.00	$ 0.00
Total	$ 6.00	$ 5.92	$ 0.08

PCRWS			
	$ 4.45	$ 4.45	$ 0.00

Raw Water Rate			
Transmission O&M	$ 1.89	$ 1.94	-$ 0.05
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.00	$ 0.00	$ 0.00
Pretreatment	$ 0.25	$ 0.25	$ 0.00
Total	$ 4.80	$ 4.72	$ 0.08

Demand Contract			
Treatment	$ 1.45	$ 1.45	$ 0.00
Transmission O&M	$ 1.80	$ 1.85	-$ 0.05
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Demand charge	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.00	$ 0.00	$ 0.00
Total	$ 7.52	$ 7.39	$ 0.13

Minimum Payment		Last Yr	Diff.
Distribution O&M	$ 4.16	$ 4.16	$ 0.00
Capital repayment	$ 49.12	$ 47.51	$ 1.61
O&M fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 58.28	$ 56.67	$ 1.61

1 extra unit			
$ 71.60	Minimum	Last Yr	Diff.
Distribution O&M	$ 5.20	$ 5.20	$ 0.00
Capital repayment	$ 61.40	$ 59.39	$ 2.01
O&M Fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 71.60	$ 69.59	$ 2.01

2 extra units			
$ 84.92	Minimum		
Distribution O&M	$ 6.24	$ 6.24	$ 0.00
Capital repayment	$ 73.68	$ 71.27	$ 2.41
O&M Fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 84.92	$ 82.51	$ 2.41

3 extra units			
$ 98.24	Minimum		
Distribution O&M	$ 7.28	$ 7.28	$ 0.00
Capital repayment	$ 85.96	$ 83.14	$ 2.82
O&M Fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 98.24	$ 95.42	$ 2.82

Pasture taps:			
$ 349.68	Minimum		
Distribution O&M	$ 24.96	$ 24.96	$ 0.00
Capital repayment	$ 294.72	$ 285.06	$ 9.66
O&M Fee	$ 30.00	$ 30.00	$ 0.00
Total	$ 349.68	$ 340.02	$ 9.66

Seasonal Type 2			
Distribution O&M	$ 60.00	$ 49.92	$ 10.08
Capital repayment	$ 589.44	$ 570.12	$ 19.32
O&M Fee	$ 60.00	$ 60.00	$ 0.00
Service Charge	$ 100.00	$ 100.00	$ 0.00
	$ 809.44	$ 780.04	$ 29.40

Seasonal Type 3			
Distribution O&M	$ 78.24	$ 76.63	$ 1.61
Capital repayment	$ 294.72	$ 285.06	$ 9.66
O&M fee	$ 30.00	$ 30.00	$ 0.00
	$ 402.96	$ 391.69	$ 11.27

MWWS Water Rates for 2027 - CPI (3.39%) - OPT 2

Standard Customer		Last Yr	Diff.
MWWS Dist O&M	$ 9.43	$ 9.43	$ 0.00
cap repayment	$ 38.91	$ 37.63	$ 1.28
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 58.28	$ 56.67	$ 1.28

1 extra unit			
MWWS Dist O&M	$ 12.94	$ 12.94	$ 0.00
capital repayment	$ 48.64	$ 47.04	$ 1.60
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 71.60	$ 69.59	$ 1.60

2 extra units			
MWWS Dist O&M	$ 16.45	$ 16.45	$ 0.00
capital repayment	$ 58.37	$ 56.45	$ 1.91
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 84.43	$ 82.51	$ 1.91

Pasture taps:			
MWWS Dist O&M	$ 56.58	$ 56.58	$ 0.00
Cap Repay	$ 244.97	$ 225.78	$ 19.19
MWWS capacity fee	$ 57.66	$ 57.66	$ 0.00
Total	$ 359.21	$ 340.02	$ 19.19

Water Rate		Last Yr	Diff.
O&M Distribution	$ 6.20	$ 6.20	$ 0.00
Dist. REM	$ 0.15	$ 0.13	$ 0.02
Dist. Reserve	$ 0.14	$ 0.14	$ 0.00
Total	$ 6.49	$ 6.47	$ 0.02

MWWS Water Cost	$ 5.50

Oil Industry Rate/SWA Depot			
Treatment	$ 1.00	$ 1.00	$ 0.00
Transmission O&M	$ 2.56	$ 2.56	$ 0.00
Transmission REM	$ 3.00	$ 3.00	$ 0.00
Capital repayment	$ 3.00	$ 3.00	$ 0.00
Transmission reserve	$ 0.07	$ 0.07	$ 0.00
Distribution O&M	$ 2.12	$ 2.12	$ 0.00
Distribution REM	$ 0.10	$ 0.10	$ 0.00
Dist. Reserve	$ 0.15	$ 0.15	$ 0.00
Total	$ 12.00	$ 12.00	$ 0.00

Oil Industry Rate/Oil Industry			
Treatment	$ 1.00	$ 1.00	$ 0.00
Transmission O&M	$ 2.53	$ 2.53	$ 0.00
Transmission REM	$ 4.00	$ 4.00	$ 0.00
Capital repayment	$ 4.00	$ 4.00	$ 0.00
Transmission reserve	$ 0.07	$ 0.07	$ 0.00
Distribution O&M	$ 0.40	$ 0.40	$ 0.00
Total	$ 12.00	$ 12.00	$ 0.00

2027 Budget - Income Statement Summary • Option 3

	2026 BUDGET	2027 BUDGET	2028 BUDGET	2029 BUDGET	2030 BUDGET	2031 BUDGET	2032 BUDGET
Sales							
Sales of Water	$ 19,760,256	$ 22,294,488	$ 23,007,700	$ 23,751,500	$ 24,527,800	$ 25,338,400	$ 26,185,300
Sales of Equipment & Services	$ 281,225	$ 284,800	$ 277,900	$ 294,900	$ 229,100	$ 295,100	$ 223,100
Hookup Fees	$ 200,925	$ 211,125	$ 154,000	$ 121,500	$ 125,000	$ 128,600	$ 99,100
Gross Sales	$ 20,242,406	$ 22,790,413	$ 23,439,600	$ 24,167,900	$ 24,881,900	$ 25,762,100	$ 26,507,500
Expenses							
Transmission	$ 9,137,392	$ 9,605,113	$ 9,611,100	$ 9,962,400	$ 10,332,300	$ 10,722,300	$ 11,133,500
Distribution	$ 6,640,757	$ 6,628,143	$ 7,077,200	$ 7,263,400	$ 7,450,000	$ 7,655,200	$ 7,781,500
Treatment	$ 3,750,100	$ 3,737,347	$ 3,932,600	$ 4,033,600	$ 4,137,200	$ 4,243,600	$ 4,352,900
Customer Service	$ 297,800	$ 264,000	$ 286,600	$ 292,200	$ 298,000	$ 304,000	$ 310,200
Administrative	$ 1,403,300	$ 1,813,200	$ 1,786,300	$ 1,826,400	$ 1,867,500	$ 1,909,800	$ 1,953,200
Signup & Easement	$ 671,950	$ 696,900	$ 698,000	$ 716,100	$ 734,700	$ 753,900	$ 773,600
Board of Directors	$ 309,975	$ 325,245	$ 328,500	$ 331,800	$ 335,200	$ 338,600	$ 342,000
Depreciation	$ 662,066	$ 510,800	$ 513,400	$ 516,000	$ 518,600	$ 521,200	$ 523,900
Total Expense	$ 22,873,340	$ 23,580,748	$ 24,233,700	$ 24,941,900	$ 25,673,500	$ 26,448,600	$ 27,170,800
Other Income							
Interest & Dividends	$ 418,000	$ 490,000	$ 320,300	$ 290,900	$ 211,600	$ 215,200	$ 216,100
Other Income	$ 200	$ 200	$ 500	$ 500	$ 500	$ 500	$ 500
Grant Income	$ 62,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Transfer from Escrow	$ -	$ 298,550	$ -	$ 369,400	$ -	$ 369,400	$ -
	$ 480,200	$ 790,750	$ 322,800	$ 662,800	$ 214,100	$ 587,100	$ 218,600
Net Income	$ (2,150,734)	$ 416	$ (471,300)	$ (111,200)	$ (577,500)	$ (99,400)	$ (444,700)
No. of Months in Reserve w/o Equip & Depr	9.27	8.24	7.83	7.59	7.14	6.92	6.57
Replacement & EM Fund Expense	$ 4,447,485	$ 5,326,445	$ 5,539,503	$ 5,761,083	$ 5,991,526	$ 6,231,187	$ 6,480,435
Water Rates							
Contract	$ 5.92	$ 6.72	$ 6.85	$ 6.99	$ 7.13	$ 7.27	$ 7.42
Rural	$ 6.47	$ 7.38	$ 7.45	$ 7.53	$ 7.60	$ 7.68	$ 7.76
Minimum	$ 56.67	$ 58.44	$ 59.61	$ 60.80	$ 62.02	$ 63.26	$ 64.52

2027 Operations Budget • Option 3

	Budget	Actuals	Budget	Annualized August Actuals	Actual vs Budget	Budget	2026 vs 2025 Budget	Five Year Projections				
	2025		2026			2027		2028	2029	2030	2031	2032
Total gallons (in thousands)	2,324,607	2,264,540	2,430,522	1,727,142	(703,380)	2,593,522	163,000	2,619,500	2,645,800	2,672,300	2,699,100	2,726,100
Contract	1,875,660	1,827,606	1,980,022	1,416,105	(563,917)	2,113,522	133,500	2,134,700	2,156,100	2,177,700	2,199,500	2,221,500
Rural	448,947	436,934	450,500	311,037	(139,463)	480,000	29,500	484,800	489,700	494,600	499,600	504,600
Income												
Water Sales	$ 9,736,800	$ 10,009,623	$ 9,985,091	$ 10,296,600	$ 311,509	$ 11,145,483	$ 1,160,392	$ 11,479,900	$ 11,824,300	$ 12,179,100	$ 12,544,500	$ 12,920,900
Replacement	$ 2,167,100	$ 2,236,164	$ 2,469,685	$ 2,626,100	$ 156,415	$ 2,732,762	$ 263,077	$ 2,951,400	$ 3,187,600	$ 3,442,700	$ 3,718,200	$ 4,015,700
Capital Repayment	$ 6,696,600	$ 6,834,986	$ 7,283,884	$ 6,929,000	$ (354,884)	$ 7,587,386	$ 303,502	$ 7,739,200	$ 7,894,000	$ 8,051,900	$ 8,213,000	$ 8,377,300
Reserve	$ 45,100	$ 49,870	$ 21,596	$ 18,900	$ (2,696)	$ 828,857	$ 807,261	$ 837,200	$ 845,600	$ 854,100	$ 862,700	$ 871,400
Equipment & Services	$ 278,700	$ 435,619	$ 281,225	$ 435,300	$ 154,075	$ 284,800	$ 3,575	$ 277,900	$ 294,900	$ 229,100	$ 295,100	$ 223,100
Hook up fees	$ 182,900	$ 301,275	$ 200,925	$ 289,800	$ 88,875	$ 211,125	$ 10,200	$ 154,000	$ 121,500	$ 125,000	$ 128,600	$ 99,100
Transfer from Escrow	$ -	$ 650	$ -	$ 7,500	$ 7,500	$ 298,550	$ 298,550	$ -	$ 369,400	$ -	$ 369,400	$ -
Other Income	$ 420,200	$ 2,768,736	$ 480,200	$ 413,400	$ (66,800)	$ 492,200	$ 12,000	$ 320,300	$ 290,900	$ 211,600	$ 215,200	$ 216,100
Total Income	**$ 19,527,400**	**$ 22,636,923**	**$ 20,722,606**	**$ 21,016,600**	**$ 293,994**	$ 23,581,163	$ 2,858,557	**$ 23,759,900**	**$ 24,828,200**	**$ 25,093,500**	**$ 26,346,700**	**$ 26,723,600**
Expenses												
Replacement	$ 2,167,100	$ 2,281,874	$ 2,469,685	$ 2,600,900	$ 131,215	$ 2,732,762	$ 263,077	$ 2,951,400	$ 3,187,600	$ 3,442,700	$ 3,718,200	$ 4,015,700
Capital Repayment	$ 6,696,600	$ 6,843,710	$ 7,283,884	$ 6,959,100	$ (324,784)	$ 7,587,386	$ 303,502	$ 7,739,200	$ 7,894,000	$ 8,051,900	$ 8,213,000	$ 8,377,300
Equipment	$ 253,000	$ 225,701	$ 685,900	$ 117,357	$ (568,543)	$ 402,532	$ (283,368)	$ 410,600	$ 418,900	$ 427,300	$ 435,900	$ 444,700
Salaries & Benefits	$ 6,245,300	$ 4,903,620	$ 6,770,400	$ 5,730,700	$ (1,039,700)	$ 6,729,500	$ (40,900)	$ 6,931,400	$ 7,139,400	$ 7,353,600	$ 7,574,300	$ 7,801,600
O&M Expenses	$ 2,443,700	$ 2,296,545	$ 2,932,280	$ 2,676,900	$ (255,380)	$ 2,812,008	$ (120,273)	$ 2,896,400	$ 2,954,400	$ 3,013,500	$ 3,073,800	$ 3,135,300
Treatment Expenses	$ 802,300	$ 620,067	$ 939,100	$ 755,900	$ (183,200)	$ 920,847	$ (18,253)	$ 939,300	$ 958,100	$ 977,300	$ 996,900	$ 1,016,900
Chemicals	$ 750,000	$ 648,198	$ 760,000	$ 784,500	$ 24,500	$ 760,000	$ -	$ 775,200	$ 790,800	$ 806,700	$ 822,900	$ 839,400
Customer Materials	$ 200,000	$ 256,379	$ 200,000	$ 249,800	$ 49,800	$ 250,000	$ 50,000	$ 190,000	$ 191,100	$ 185,600	$ 191,200	$ 110,000
Customer Service	$ 142,400	$ 117,069	$ 155,000	$ 114,300	$ (40,700)	$ 146,400	$ (8,600)	$ 147,900	$ 149,400	$ 150,900	$ 152,500	$ 154,100
Administrative	$ 168,900	$ 201,788	$ 251,800	$ 212,500	$ (39,300)	$ 663,900	$ 412,100	$ 677,200	$ 684,000	$ 690,900	$ 697,900	$ 704,900
Signup & Easement	$ 128,800	$ 75,894	$ 139,150	$ 118,200	$ (20,950)	$ 141,900	$ 2,750	$ 143,400	$ 144,900	$ 146,400	$ 147,900	$ 149,400
Board of Directors	$ 276,900	$ 250,914	$ 309,975	$ 245,500	$ (64,475)	$ 325,245	$ 15,270	$ 328,500	$ 331,800	$ 335,200	$ 338,600	$ 342,000
Total Expenses	**$ 20,275,000**	**$ 18,721,759**	**$ 22,897,174**	**$ 20,565,657**	**$ (2,331,517)**	$ 23,472,480	$ 575,306	**$ 24,130,500**	**$ 24,844,400**	**$ 25,582,000**	**$ 26,363,100**	**$ 27,091,300**
Cost/kgal	**$ 8.76**	**$ 8.31**	**$ 9.42**	**$ 11.98**	**$ 2.56**	$ 9.05	$ (0.37)	**$ 9.21**	**$ 9.39**	**$ 9.57**	**$ 9.77**	**$ 9.94**
Balance	**$ (747,600)**	**$ 3,915,164**	**$ (2,174,568)**	**$ 450,943**	**$ 2,625,511**	**$ 108,684**	$ 2,283,252	**$ (370,600)**	**$ (16,200)**	**$ (488,500)**	**$ (16,400)**	**$ (367,700)**
Available at beg of year	$ 15,285,600	$ 15,112,198	$ 19,327,542	$ 17,087,507	$ (2,240,035)	$ 15,732,467	$ (3,595,075)	$ 15,841,151	$ 15,470,551	$ 15,454,351	$ 14,965,851	$ 14,949,451
Year ending balance	**$ 14,538,000**	**$ 16,171,042**	**$ 17,152,974**	**$ 14,983,047**	**$ (2,169,927)**	$ 15,841,151	$ (1,311,824)	**$ 15,470,551**	**$ 15,454,351**	**$ 14,965,851**	**$ 14,949,451**	**$ 14,581,751**
Reserve needed	$ 4,224,000	$ 3,900,400	$ 4,770,200	$ 4,284,500	$ (485,700)	$ 4,890,100	$ 119,900	$ 5,027,200	$ 5,175,900	$ 5,329,600	$ 5,492,300	$ 5,644,000
over/under	$ 10,314,000	$ 12,270,642	$ 12,382,774	$ 10,698,547	$ (1,684,227)	$ 10,951,051	$ (1,431,724)	$ 10,443,351	$ 10,278,451	$ 9,636,251	$ 9,457,151	$ 8,937,751
over reserve $/1000 gallons	$ 4.44	$ 5.42	$ 5.09	$ 6.19	$ 1.10	$ 4.22	$ (0.87)	$ 3.99	$ 3.88	$ 3.61	$ 3.50	$ 3.28
No. of months in reserve	**8.71**	**10.49**	**9.27**	**8.79**	**-0.47**	8.24	-1.03	**7.83**	**7.59**	**7.14**	**6.92**	**6.57**

Water Rates for 2027 - CPI (3.39%) - OPT 3
REM 8.5%, Treatment $0.15, Trans O&M $0.20, Trans Res $0.32, Dist O&M $0.15

Rural Water Rate		Last Yr	Diff.
Treatment	$ 1.60	$ 1.45	$ 0.15
Transmission O&M	$ 2.31	$ 2.11	$ 0.20
Trans. Reserve	$ 0.32	$ 0.00	$ 0.32
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Distribution O&M	$ 1.91	$ 1.76	$ 0.15
Distribution REM	$ 0.15	$ 0.14	$ 0.01
Dist. Reserve	$ 0.04	$ 0.04	$ 0.00
Total	$ 7.38	$ 6.47	$ 0.91

Contract Rate			
Treatment	$ 1.60	$ 1.45	$ 0.15
Transmission O&M	$ 2.14	$ 1.94	$ 0.20
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.32	$ 0.00	$ 0.32
Total	$ 6.72	$ 5.92	$ 0.80

PCRWS	$ 5.11	$ 4.45	$ 0.66

Raw Water Rate			
Transmission O&M	$ 2.14	$ 1.94	$ 0.20
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.32	$ 0.00	$ 0.32
Pretreatment	$ 0.40	$ 0.25	$ 0.15
Total	$ 5.52	$ 4.72	$ 0.65

Demand Contract			
Treatment	$ 1.60	$ 1.45	$ 0.15
Transmission O&M	$ 2.05	$ 1.85	$ 0.20
Transmission REM	$ 1.05	$ 0.97	$ 0.08
Capital repayment	$ 1.61	$ 1.56	$ 0.05
Demand charge	$ 1.61	$ 1.56	$ 0.05
Transmission reserve	$ 0.32	$ 0.00	$ 0.32
Total	$ 8.24	$ 7.39	$ 0.85

Minimum Payment		Last Yr	Diff.
Distribution O&M	$ 4.32	$ 4.16	$ 0.16
Capital repayment	$ 49.12	$ 47.51	$ 1.61
O&M fee	$ 5.00	$ 5.00	$ 0.00
Total	$ 58.44	$ 56.67	$ 1.77

1 extra unit				
$ 71.75	Minimum	Last Yr	Diff.	
Distribution O&M	$ 5.35	$ 5.20	$ 0.15	
Capital repayment	$ 61.40	$ 59.39	$ 2.01	
O&M Fee	$ 5.00	$ 5.00	$ 0.00	
Total	$ 71.75	$ 69.59	$ 2.16	

2 extra units				
$ 85.07	Minimum			
Distribution O&M	$ 6.39	$ 6.24	$ 0.15	
Capital repayment	$ 73.68	$ 71.27	$ 2.41	
O&M Fee	$ 5.00	$ 5.00	$ 0.00	
Total	$ 85.07	$ 82.51	$ 2.56	

3 extra units				
$ 98.40	Minimum			
Distribution O&M	$ 7.43	$ 7.28	$ 0.15	
Capital repayment	$ 85.97	$ 83.14	$ 2.83	
O&M Fee	$ 5.00	$ 5.00	$ 0.00	
Total	$ 98.40	$ 95.42	$ 2.98	

Pasture taps:			
$ 349.83	Minimum		
Distribution O&M	$ 25.11	$ 24.96	$ 0.15
Capital repayment	$ 294.72	$ 285.06	$ 9.66
O&M fee	$ 30.00	$ 30.00	$ 0.00
Total	$ 349.83	$ 340.02	$ 9.81

Seasonal Type 2			
Distribution O&M	$ 50.07	$ 49.92	$ 0.15
Capital repayment	$ 589.44	$ 570.12	$ 19.32
O&M fee	$ 60.00	$ 60.00	$ 0.00
Service Charge	$ 100.00	$ 100.00	$ 0.00
	$ 799.51	$ 780.04	$ 19.47

Seasonal Type 3			
Distribution O&M	$ 76.78	$ 76.63	$ 0.15
Capital repayment	$ 294.72	$ 285.06	$ 9.66
O&M fee	$ 30.00	$ 30.00	$ 0.00
	$ 401.50	$ 391.69	$ 9.81

MWWS Water Rates for 2027 - CPI (3.39%) - OPT 3

Standard Customer		Last Yr	Diff.
MWWS Dist O&M	$ 9.90	$ 9.43	$ 0.47
cap repayment	$ 38.91	$ 37.63	$ 1.28
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 58.42	$ 56.67	$ 1.75

1 extra unit			
MWWS Dist O&M	$ 13.48	$ 12.94	$ 0.54
capital repayment	$ 48.64	$ 47.04	$ 1.60
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 71.73	$ 69.59	$ 2.14

2 extra units			
MWWS Dist O&M	$ 17.07	$ 16.45	$ 0.62
capital repayment	$ 58.37	$ 56.45	$ 1.91
MWWS capacity fee	$ 9.61	$ 9.61	$ 0.00
Total	$ 85.05	$ 82.51	$ 2.53

Pasture taps:			
MWWS Dist O&M	$ 58.59	$ 56.58	$ 2.01
Cap Repay	$ 244.97	$ 225.78	$ 19.19
MWWS capacity fee	$ 57.66	$ 57.66	$ 0.00
Total	$ 361.22	$ 340.02	$ 21.20

Water Rate		Last Yr	Diff.
O&M Distribution	$ 6.35	$ 6.20	$ 0.15
Dist. REM	$ 0.15	$ 0.13	$ 0.02
Dist. Reserve	$ 0.14	$ 0.14	$ 0.00
Total	$ 6.64	$ 6.47	$ 0.17

MWWS Water Cost	$ 5.50

Oil Industry Rate/SWA Depot			
Treatment	$ 1.00	$ 1.00	$ 0.00
Transmission O&M	$ 2.56	$ 2.56	$ 0.00
Transmission REM	$ 3.00	$ 3.00	$ 0.00
Capital repayment	$ 3.00	$ 3.00	$ 0.00
Transmission reserve	$ 0.07	$ 0.07	$ 0.00
Distribution O&M	$ 2.12	$ 2.12	$ 0.00
Distribution REM	$ 0.10	$ 0.10	$ 0.00
Dist. Reserve	$ 0.15	$ 0.15	$ 0.00
Total	$ 12.00	$ 12.00	$ 0.00

Oil Industry Rate/Oil Industry			
Treatment	$ 1.00	$ 1.00	$ 0.00
Transmission O&M	$ 2.53	$ 2.53	$ 0.00
Transmission REM	$ 4.00	$ 4.00	$ 0.00
Capital repayment	$ 4.00	$ 4.00	$ 0.00
Transmission reserve	$ 0.07	$ 0.07	$ 0.00
Distribution O&M	$ 0.40	$ 0.40	$ 0.00
Total	$ 12.00	$ 12.00	$ 0.00

II. POLICY TYPE: EXECUTIVE LIMITATIONS

B. POLICY TITLE: *BUDGETING/FORECASTING*

Adopted 10/4/99 - Amended 3/5/01; 10/3/11; 3/5/12; 4/7/14; 11/5/18; 7/3/23

Budgeting any fiscal year or the remaining part of any fiscal year shall not deviate materially from Board *Aims/Ends* priorities, risk fiscal jeopardy, nor fail to show a generally acceptable level of foresight.

Accordingly, the manager/Chief Executive Officer may not cause or allow budgeting which:

1. Contains too little information to enable:
   A. Reasonable projection of revenues and expenses; separation of capital and operational items; and cash flow.
   B. Disclosure of planning assumptions including environmental scan.

2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.

3. Allows cash to drop below a safety reserve of less than two and one-half (2 1/2) months operating expenses.

4. Allows the Replacement and Extraordinary Maintenance Fund to drop below a safety reserve of less than one percent (1%) of the construction costs of the Southwest Pipeline Project at any time.

5. Provides less than $60,000 per annum for Board prerogatives, such as costs of Board development, Board and committee meetings, legislative and Congressional meetings, and Board legal fees.

6. Fails to meet generally accepted accounting standards for government entities.

7. Sets rate structure.

MONITORING: Administrative & Operating Budget

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

II. Policy Type: Executive Limitations

B. Policy Title: Budgeting/Forecasting

Budgeting / Forecasting Annual Report
November 2026

Budgeting any fiscal year or the remaining part of any fiscal year shall not deviate materially from Board *Aims/Ends* priorities, risk fiscal jeopardy, nor fail to show a generally acceptable level of foresight.

Accordingly, the Manager/Chief Executive Officer may not cause or allow budgeting which:

1. Contains too little information to enable:
   - Accurate projection of revenues and expenses; separation of capital and operational items; and cash flow.

Revenues and Expenses
Proposed 2027 Budget

Revenue	***Option 1*** *Increase rates by 9¢ Rural, 13¢ Contract*	***Option 2*** *Increase rates by 4¢ Rural, 8¢ Contract*	***Option 3*** *Increase rates by 91¢ Rural, 80¢ Contract*
Sales of Water	*$20,514,802*	*$20,394,718*	*$22,294,488*
Other	*1,286,675*	*1,286,675*	*1,286,675*
Total	*21,801,477*	*21,681,393*	*23,581,163*

Expenses	
Capital Repayment	*$ 7,587,380*
REM	*2,732,772*
Salaries and Benefits	*6,815,800*
Utilities	*1,691,155*
Other	*5,239,167*
Total	*$24,066,274*

The proposed rural minimum is increased by $1.61 for Options 1 and 2, and increase by $1.77 for Option 3.

If water sales are less than budgeted, expenditures will be reduced accordingly.

Capital Items

Included in equipment expense of $573,100:

- *$ 600 – Hazen Land Assessment*
- *$ 6,500 – Water Depot Controller*
- *$17,000 – Firewall update WTP & O&M Center Office*
- *$35,000 – Office Furniture for SWTP expansion*
- *$37,000 – Replace Garage Door*
- *$50,000 – Kurita WonderWare Software Update*
- *$127,000 – Vehicle Replacements*
- *$300,000 – ERP System*

Operational items

Expenses by Department	***Options 1 & 2***	***Option 3***
Board of Directors	*355,415*	*325,245*
Administration	*1,972,300*	*1,813,200*
Signup & Easement	*706,500*	*696,900*
Transmission	*10,001,889*	*9,972,889*
Distribution	*6,917,991*	*6,771,167*
Customer Service	*268,600*	*264,000*
Treatment	*3,773,347*	*3,737,347*
Total	*$23,996,042*	*$23,580,748*

Proposed 2027 Budget

Operating Reserves	***Option 1***	***Option 2***	***Option 3***
Beginning balance	*$15,732,467*	*$15,732,467*	*$15,732,467*
Year ending balance	*13,467,671*	*13,347,587*	*15,841,151*
Number of months in reserve	*6.88*	*6.82*	*8.24*

- Disclosure of planning assumptions including environmental scan.

Planning assumptions include the following:

- *Water sales: 2,471,212,000 gallons*
- *CPI for September 1, 2026, is 334.98 or increase of 3.39%*
- *Capital repayment for contract customers: $1.61, up 5¢*
- *Capital repayment for standard rural customers: $49.12, up $1.61*
- *Capital repayment for MWWS standard rural customers: $38.91, up $1.28*
- *Increase rural minimum $1.61 for Options 1 and 2, and $1.77 for Option 3*
- *Increases of 13¢ for contract and 9¢ for rural in Option One, increase of 4¢ for contract and 8¢ increase for rural in Option Two, and 80¢ for contract and 91¢ for rural in Option Three*
- *100 new subsequent customers and 89 new intents to become customers*

- *The accounting allocations for revenue for the oil industry water rate at all locations other than SWA's water depot is proposed as follows:*

	2026 Oil Industry	*Proposed 2027 Oil Industry*
Treatment	*$ 1.00*	*$ 1.00*
Transmission O&M	*$ 2.53*	*$ 2.53*
Transmission REM	*$ 4.00*	*$ 4.00*
Capital Repayment	*$ 4.00*	*$ 4.00*
Transmission Reserve	*$ .07*	*$ .07*
Distribution O&M	*$ .40*	*$ .40*
Total	*$12.00*	*$12.00*

- *2027 oil industry rate assumed the same as 2026 oil industry rate.*
- *1,000,000 gallons is budgeted for the SWA Depot.*
- *Total oil industry income, including the Depot, is $26,400.*
- *Salaries: COLA (cost of living adjustment based on CPI) and merit increases up to 3% based on performance.*
- *Number of employees: 48*
- *Other specifics for 2026 O&M Budget are included with the environmental scan in the November Board packet.*

2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.

The expenditure in the proposed 2027 O&M Budget Option 1 is more than the funds received by $2,264,797 with 6.88 months in reserve and a projected balance of $13,467,671 at year-end.

The expenditure in the proposed Budget Option 2 is more than the funds received by $2,384,881 with 6.82 months in reserve and a projected balance of $13,347,587 at year-end.

The expenditure in the proposed Budget Option 3 is less than the funds received by $108,684 with 8.24 months in reserve and a projected balance of $15,841,151 at year-end.

All options include the following expense considerations:

- *To keep costs down, MISO and WAPA are used instead of local utility power at the water treatment plants and major pump stations.*
- *Cost comparisons are done on maintenance agreements and large purchases.*
- *Computers are budgeted every three years due to warranty periods.*
- *Trust management fees are 0.35% for the Escrow, General, Reserve, and REM Fund accounts, and remain at 0.25% for the O&M and Cash Management Funds.*

3. Allows cash to drop below a safety reserve of less than two and one-half (2 ½) months operating expenses.

The 2026 Budget Option 1, increasing rates by Capital Repayment and Replacement, is 6.88 months in reserve. Budget Option 2, increases rates by Capital Repayment and absorb Replacement, is 6.82 months in reserves. Budget Option 3, increasing rates by 80¢ for contract and 91¢ for rural, is 8.24 months in reserves.

The total reserves are at 9.74 months, as of September 30, 2026.

4. Allows the Replacement and Extraordinary Maintenance Fund to drop below safety reserve of less than one percent (1%) of the construction costs of the Southwest Pipeline Project at any time.

The September 30, 2026, balance in the fund is $30,225,546. Construction costs through the end of August 2026 were $504.80 million. A reserve of 1% is $5,048,000.

The 2026 year-end balance for the REM Fund is projected at $30,805,782. Year-end for 2027 is projected at $29,046,869 for all options.

5. Provides less than $60,000 per annum for Board prerogatives, such as costs of Board development, Board and committee meetings, legislative and Congressional meetings, and Board legal fees.

The total 2027 budget for the Board is $355,415 for options 1 & 2, which includes attending 12 meetings and outside travel. Option 3 omits out-of-state travel to help achieve a balanced budget, totaling expenses of $325,245.

6. Fails to meet generally accepted accounting standards for government entities.

Brady Martz & Associates, P.C. conducts yearly audits of Southwest Water Authority in accordance with auditing standards generally accepted in the United States of America and "Government Auditing Standards," issued by the Comptroller General of the United States. We adhere to the policies in the Southwest Water Authority Accounting Manual.

SWA adheres to and follows Government Accounting Standards.

7. Sets rate structure.

The Board of Directors sets the water rates and their structure. Being considered by the Board are the following:

Proposed Rate Increases

Rate Type	***2027 Current***	***Option 1 Increase rates by 9¢ Rural, 13¢ Contract***	***Option 2 Increase rates by 4¢ Rural, 8¢ Contract***	***Option 3 Balanced Budget Increase rates by 91¢ Rural, 80¢ Contract***
Contract	*$5.92*	*$6.05*	*$6.00*	*$6.72*
Demand Contract	*7.39*	*7.57*	*7.52*	*8.24*
Raw	*4.72*	*4.85*	*4.80*	*5.52*
Rural	*6.47*	*6.56*	*6.51*	*7.38*
Standard Minimum	*56.67*	*58.28*	*58.28*	*58.44*
Oil Industry	*12.00*	*12.00*	*12.00*	*12.00*

Jen Murray, Manager/CEO

October 27, 2026
Date

This information is current as of October 27, 2026.

Schedule of Board of Directors Meetings

2027

DATE	TIME	MEETING LOCATION
Monday, January 4	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, February 1	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, March 1	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, April 5	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, May 3	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, June 7	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Tuesday, July 6	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, August 2	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Tuesday, September 7	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, October 4	9:00 a.m. MT	To Be Determined – Board Retreat
Monday, November 1	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND
Monday, December 6	9:00 a.m. MT	SWA O&M Center Office, Dickinson, ND

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.

GARRISON DIVERSION CONSERVANCY DISTRICT
BOARD OF DIRECTORS
Carrington, North Dakota

October 15 & 16, 2026

A G E N D A

October 15

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

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

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

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

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

- A. **>Board of Directors – July 16 & 17**
- B. **>Special Board Meeting – August 19**
- C. **>Special Board Meeting – September 10**

1:50 p.m. VI. Financial Reports – Merri Mooridian

- A. **>*GDCD Financial Statements**
- B. >Budget Timeline

2:00 p.m. VII. Officer and Committee Reports

- A. Officer Reports
  1. Chairman – Jay Anderson
  2. Vice Chairman – Greg Bischoff
  3. Second Vice Chairman – Jeff LeDoux
- B. Committee Reports
  1. Executive Committee – Jay Anderson
  2. Public Relations Committee – Nikki Boote
     a. **>*Task Order 1.53 – 2027 Strategic Communication Services** – Kim Cook
  3. MR&I Committee – Larry Kassian
     a. **>*Fiscal Year 2026 MR&I Funding** – Merri Mooridian
     b. >Water Supply Assistance Grant Program – Larry Kassian
     c. >Construction Report – Duane DeKrey
  4. Red River Valley Committee – Jason Siegert

2:30 p.m. VIII. >Bureau of Reclamation Report – Tara Kinsey/Scott Hettinger/Darrin Goetzfried

2:50 p.m. IX. ND Water Users/Irrigation Assoc. Report – Dani Quissell

- A. >Policy Update
- B. Joint Water Convention

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

3:20 p.m. X. Red River Valley Water Supply Project Update

- A. Construction Update – Kip Kovar

1. **>*Task Order 3310 – ENDAWS BWTP Contract 3** – Kurt Ronnekamp
2. **Plans & Specifications** – Kip Kovar ***(In Dropbox)***
   a. ***>ENDAWS Transmission Pipeline Contract 3**

B. Engineering Update – Kurt Ronnekamp

C. Biota Water Treatment Plant Update

1. Construction Manager at Risk (CMAR) – Paul Boersma
   a. >Request for Proposals
2. Power Supply – Kip Kovar/Kurt Ronnekamp
   a. ***Breaker-and-a-Half-Configuration**

D. Program Costs – Paul Boersma

1. **Value Engineering Study** – Kip Kovar/Paul Boersma

E. User Outreach

1. **Task Order 9610 – 2025-27 User Outreach & Financial Modeling** – Duane DeKrey
   a. **>*Amendment No. 1**

F. Biennium Work Plan/Budget Updates – Kip Kovar

1. >2023-2025 Biennium Work Plan
2. **>*Revised 2025-2027 Expanded Biennium Work Plan**

G. >Program Schedule – Kurt Ronnekamp

H. Financial Update – Merri Mooridian

4:40 p.m. XI. LAWA Update – Spencer Halvorson, Exec. Director

4:50 p.m. ***RECESS***

5:00 p.m. ***Social at the Garden Gate – Carstensen Contracting***

October 16

8:30 a.m. XII. O&M Update – Ryan Anderson

A. Slide Repair

B. **>Funding for Extraordinary Maintenance**

C. Snake Creek Pumping Plant

8:45 a.m. XIII. >Irrigation Update – Ryan Anderson

A. >2026 Map

B. ***Mile Marker 10 – Notice to Award**

1. >Bid Evaluation

8:55 a.m. XIV. Department of Water Resources – Reice Haase

A. Governance & Finance

B. Implementation Plan

9:10 a.m. XV. Dakota Dynamics Report – Tanya Wieler

A. >GDCD Employee Handbook ***(In Dropbox)***

1. **>*Employee Handbook Revisions**

B. ***General Manager's Evaluation** ***(Handout)***

9:40 a.m. XVI. Trip Reports

A. >Groundwater Management District Assoc. Conference

B. >NWRA Conference

C. NRWA WaterPro Conference

D. >Upper Missouri Water Association Conference

10:00 a.m. XVII. General Manager's Report – Duane DeKrey

A. Burleigh County Update

B. >Executive Committee Elections

10:05 a.m. XVIII. Upcoming Events – Jay Anderson

A. Garrison Diversion Meetings

1. >2026 Meeting Dates

2. >2027 Meeting Dates

B. >Family Farm Alliance Conference – October 28 & 29, Reno, NV

C. >NWRA Annual Conference – November 2-5, Coronado, CA

D. State Water Commission Pre-Commission Meeting – November 19, Bismarck

E. GDCD/HDR Joint Social – December 8, Bismarck

F. >63rd Annual Joint Water Convention & Irrigation Workshop – Dec. 8-10, Bismarck

G. State Water Commission Meeting – December 11, Bismarck

H. Red River Basin Commission Conference – January 19-21, Grand Forks

I. 41st Annual Water EXPO & Conference – February 2-4, Bismarck

10:10 a.m. XIX. Other – Jay Anderson

10:20 a.m. XX. Adjourn

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

State Water Commission Meeting
#238 Lewis and Clark Room, Bank of North Dakota
1200 Memorial Hwy., Bismarck, ND
Thursday, October 8, 2026 – 1:00 p.m. CT

Microsoft Teams
Join the meeting now
Meeting ID: 266 032 890 531 3
Passcode: 99DT2759
Dial in by phone
+1 701-328-0950,,607093784# United States, Bismarck
Phone conference ID: 607 093 784#
Join on a video conferencing device
Tenant key: teams@join.nd.gov
Video ID: 113 572 252 6

AGENDA

1:00 – 1:02 A. Roll Call
1. Pledge of Allegiance
2. Conflicts of Interest

1:02 – 1:03 B**. Consideration of Agenda**

1:03 – 1:05 C. Consideration of Minutes
1. **Draft Minutes for the August 18, 2026, SWC Meeting**
2. **Draft Minutes for the August 26, 2026, Special SWC Meeting**
3. **Draft Minutes for the September 16, 2026, Pre SWC Meeting**

1:05 – 1:15 D. SWC Secretary Update (Reice Haase) – No Attachment

1:15 – 1:20 E. **Final Navigability Determinations** (Aaron Carranza)

1:20 – 1:25 F. Financials (Chris Kadrmas)

1:25 – 1:30 G. Southwest Pipeline Project (SWPP) (Sindhuja S.Pillai-Grinolds)
1. **Ray Christiansen Pump Station Upgrades Prelim Design Report—Design Decision**
2. **Contract 2-2I Raw Water Main Transmission Pipeline Replacement—Funding Auth**

1:35 – 1:40 H. Drought Disaster Livestock Water Supply Assistance Program (Cory Drevecky)

1:40 – 1:45 I. Cost-Share Project Funding Availability Update (Duane Pool)

1:45 – 2:00 J. **Four-Year Progress Reports** (Abigail Franklund)

City of Neche	**Neche Levee FEMA Certification Project**
Red River Joint WRD	**Lower Red Basin Regional Detention Study**
Pembina County WRD	**Crystal Flood Risk Reduction Project**
Pembina County WRD	**Cavalier Flood Risk Reduction Projects**

City of Killdeer **HWBL Water Expansion**
All Seasons WUD **Rolla Area Booster**
North Prairie RWD **Mountrail County Water Supply Phase 2**

CONSENT AGENDA

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

2:00 – 2:05 K. Water Supply – Rural (Julie Prescott)

1.	**SEWUD**	**West WTP Phase 2**	**$514,100**	**PC**

L. Water Supply – Municipal (Julie Prescott)

1.	**Grenora**	**WTP Improvement**	**$30,000**	**PC**
2.	**Steele**	**Water Main Replacement**	**$124,200**	**PC**
3.	**Almont**	**Drinking Water and Sanitary Sewer**	**$47,540**	**C**

AGENDA

2:05 – 2:10 M. Water Supply Municipal (Julie Prescott)

1.	**McVille**	**McVille WTP Rehabilitation**	**$1,022,580**	**C**

2:10 – 2:15 N. General Water (Abigail Franklund)

Projects Deferred Pending Available Funding

1.	GDCD	LA 10 Irrigation Project	$1,052,642	C

O. Water Supply (Municipal) (Julie Prescott)

Projects Deferred Pending Available Funding

1.	Casselton	Downtown Improvements Project	$525,218	C
2.	Harwood	North Main Water Loop	$491,129	C
3.	Grafton	Water System Replacement Phase I	$2,556,064	C
4.	Regent	Main Avenue Reconstruction	$644,705	C
5.	Watford City	2026 Water Main Replacement	$2,130,923	C
6.	West Fargo	1st Avenue E Reconstruction	$1,136,346	C
7.	West Fargo	Meadow Ridge Reconstruction Phase I	$1,120,118	C
8.	Rolla	WTP Improvements	$15,000	O
9.	Binford	Water & Wastewater System Improvements	$300,000	PC
10.	Mandan	Intake Phase III Study	$135,000	O
11.	Stanley	Capital Improvements Project IV	$95,460	PC

2:15 – 2:20 P. Red River Valley Water Supply Project Update – Duane Dekrey

2:20 – 2:25 Q. Mouse River Enhanced Flood Protection Project Update – Ryan Ackerman/Dave Ashley

2:25 – 3:00 (5 min each) R. Project Updates (Presentations if time allows)

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 (Sindhuja S.Pillai-Grinolds)

3:00 – 3:05 S. Legal Updates (Matt Sagsveen)

3:05 – 3:10 T. **Federal MR&I Program – ENDAWS FY2026 Funding** (Julie Prescott)

U. Adjourn

BOLD ITEMS REQUIRE SWC ACTION

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

NORTH Dakota | Water Resources
Be Legendary.

MEMORANDUM

TO: Lieutenant Governor Michelle Strinden
Members of the State Water Commission
FROM: Reice Haase, Secretary
SUBJECT: SWPP – Ray Christensen Pump Station Upgrades Preliminary Design Report – Design Decision
DATE: September 23, 2026

The Ray Christensen Pump Station (RCPS) houses pumps for the West, South, North and East Zones. 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 for the West Zone Transmission Improvements. West Zone Transmission improvements include improvements to the RCPS. Long term upgrades to the RCPS include improvements to the pumps for the South Zone and North and East Zones as well. Specific Authorization 242 authorized BW/AECOM to complete the Preliminary Design Report 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.

Based on information provided by SWA, BW/AECOM has completed the future water-needs analysis for the South, North, and East Zones.

For the North and East Zones, the current allocation is 1,229 gallons per minute (gpm). The future water needs analysis shows an additional 383 gpm in identified needs. Adding an additional 50% for "blue sky" capacity to the identified needs, results in a future design allocation of 1,804 gpm.

For the South Zone, the current allocation is 2,118 gpm. The analysis identifies an additional 550 gpm in future needs. Applying the 50% "blue sky" factor to the identified need results in a projected allocation of 2,943 gpm. However, BW/AECOM recommends a future design allocation of 3,118 gpm, which includes:

- 2,118 gpm (current allocation),
- 550 gpm (identified additional needs), and
- 450 gpm to account for the City of Bowman (300 gpm) and Perkins County, South Dakota (150 gpm).

The 450 gpm noted above is not dedicated to the City of Bowman or Perkins County, but is used to aid in developing a conservative future allocation estimation.

Recommendation:

I recommend the State Water Commission approve the future design capacity allocation in the Ray Christensen Pump Station's Preliminary Design Report to be 1,804 gallons per minute for the North and East Zones and 3,118 gallons per minute for the South Zone.

RH:SSP:/1736-99

NORTH Dakota | Water Resources
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MEMORANDUM

TO: Lieutenant Governor Michelle Strinden
Members of the State Water Commission
FROM: Reice Haase, Secretary
SUBJECT: SWPP – Contract 2-2I Raw Water Main Transmission Pipeline Replacement — Funding Authorization
DATE: September 22, 2026

Background/Discussion:

Southwest Pipeline Project, Contract 2-2I, Raw Water Main Transmission Pipeline Replacement, Dodge to Richardton generally consists of furnishing and installing 1,964 linear feet of 42-inch Class 250 ductile iron pipe (DIP) with a bonded coating system; and removing and replacing 540 linear feet of 30-inch Class 250 DIP with a bonded coating system. It also includes furnishing 200 linear feet of additional 30-inch Class 250 DIP with bonded coating; furnishing 40 linear feet of additional 42-inch Class 250 DIP with bonded coating system; furnishing and installing reinforced concrete pipe weights; furnishing and installing 4 concrete manholes with appurtenant items; 4 owner-coordinated tie-ins to existing 30-inch DIP with restrained fittings and concrete thrust blocks; furnishing and installing restraining harnesses on the existing pipeline near tie-in locations; furnishing and installing all cathodic protection items, including joint bonds, test stations, and insulating couplers; furnishing and installing joint closures as shown on the drawings; and furnishing and installing all other related appurtenances as required by the Project Drawings, Specifications, and Contract Documents. This project requires the contractor to provide and install a stamped dewatering plan, prepared by a North Dakota registered professional engineer, for the creek crossing as shown in the Contract Documents. The documents include a Bid Alternate to furnish and install 1,960 linear feet of controlled low strength material for abandoning the existing 30-inch pipeline. The project is located in Dunn County, North Dakota, approximately 7 miles southwest of Dodge, and east of 8680 12th Street SW.

Contract Award:

At the August 18, 2026, State Water Commission (SWC) meeting, the SWC authorized the Secretary to award Contract 2-2I to the lowest responsible bidder.

Bids for this project were opened on August 25, 2026. Two bid packages were received. The low bid was submitted by PWS from Brooklyn Park, MN, and the other bidder was BEK Consulting, from Dickinson, ND. Based on the evaluation of bids completed by the SWPP's consulting engineer Bartlett & West/AECOM, the low bidder PWS is not considered a responsible bidder due to the lack of relevant experience in large metallic pipeline installation. The other bid received was $1,289,479.08 higher than the low bid from PWS. After discussing the attached evaluation of bids with the Department of Water Resources' (DWR) legal counsel, staff agrees with not awarding the contract to PWS. The contract will be awarded to BEK Consulting, in the amount of $6,673,490 along with the Bid Alternate.

Funding:

At the August 2022 SWC meeting, the Commission approved guidance for SWPP's Replacement and Extraordinary Maintenance (REM) fund, noting that the REM fund will provide a portion of the replacement costs for Capital Projects, which includes metallic pipeline replacement projects. It is understood that the portion to be funded by the REM fund is the local cost-share expected for similar projects under the SWC's cost-share policy, which currently for regional water systems like SWPP is 25%.

At the February 2025 SWC meeting, SWC approved a policy whereby the DWR would be the lead agency for managing replacement of Capital Projects with SWA reimbursing DWR, the REM fund's share for the replacement project.

SWPP Contract 2-2I includes replacement of the 1,964 linear feet of existing 30-inch ductile iron pipe with 42-inch ductile iron pipe. The upsizing of the pipeline is for long-term hydraulic capacity improvements and would be funded 100% by the SWC as the Owner of SWPP.

SWPP Contract 2-2I includes furnishing and installation costs for both 30-inch and 42-in ductile iron pipeline. Based on the bid costs submitted by BEK Consulting, the cost for upsizing the pipeline from 30-inch to 42-inch is $600 per linear foot, resulting in a total upsizing cost of $1,178,400 which will be 100% funded by SWC. The remaining contract cost of $5,495,090 will be split 75% from SWC and 25% from the REM funds. REM

reimbursement will be requested from SWA based on incurred construction costs for the contract and construction management costs.

The table shows the estimated funding allocation breakdown between SWC and REM funds.

Description	Cost	Contigency	Estimated SWC Funding	Estimated SWA REM Cost
Contract 2-2I Contract Cost	$6,673,490.00	-	-	-
Contract cost for upzing the pipe from 30-inch to 42-inch	$1,178,400.00	5%	$1,237,320.00	0
Remaining Contract Cost	$5,495,090.00	5%	$4,327,383.38	$1,442,461.13
Construction Administration Cost (15% of total Contract Cost)	$1,001,023.50	0	$750,767.63	$250,255.88
		Total	**$6,315,471.00**	**$1,692,717.00**

Recommendation:

I recommend the State Water Commission approve replacement costs included in SWPP Contract 2-2I as an eligible Replacement and Extraordinary Maintenance project with cost-share of 25% from the SWPP's REM funds and allocate $6.32 million to the Southwest Pipeline project from the funds appropriated in the 2025-2027 biennium for the SWPP Contract 2-2I, Raw Water Main Transmission Pipeline Replacement, Dodge to Richardton.

RH:SSP/1736-99
Attachment

Bartlett&West | AECOM

September 21, 2026

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

SUBJECT: SWPP Contract 2-2I Raw Water Main Transmission Pipeline Replacement Dodge to Richardton
Evaluation of Received Bids
W.O. 3033.A47

Justin:

On Tuesday, August 25, 2026, bids were opened for Southwest Pipeline Project (SWPP) Contract 2-2I, Raw Water Main Transmission Pipeline Replacement Dodge to Richardton. The scope of work generally consists of furnishing and installing 1,964 linear feet of 42-inch Class 250 ductile iron pipe (DIP) with a bonded coating system; removing and replacing 540 linear feet of 30-inch Class 250 DIP with a bonded coating system; furnishing 200 linear feet of additional 30-inch Class 250 DIP with bonded coating; furnishing 40 linear feet of additional 42-inch Class 250 DIP with bonded coating system, furnishing and installing reinforced concrete pipe weights; furnishing and installing 4 concrete manholes with appurtenant items, 4 owner-coordinated tie-ins to existing 30-inch DIP with restrained fittings and concrete thrust blocks; furnishing and installing restraining harnesses on the existing pipeline near tie-in locations; furnishing and installing all Cathodic Protection items, including joint bonds, test stations, and insulating couplers; furnishing and installing joint closures as shown on the drawings; and furnishing and installing all other related appurtenances as required by the Project Drawings, Specifications, and Contract Documents. This project requires the contractor to provide and install a stamped dewatering plan, prepared by a North Dakota registered professional engineer, for the creek crossing as shown in the Contract Documents. The documents include a Bid Alternate to furnish and install 1,960 linear feet of controlled low strength material for abandoning the existing 30-inch pipeline. The project is located in Dunn County, North Dakota, approximately 7 miles southwest of Dodge, ND, and east of 8680 12th Street SW.

Two bid packages were received for SWPP Contract 2-2I. Both bids appear to be in accordance with the Invitation for Construction Bids and the Bid Documents. These two bids are considered responsive bids. 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 2-2I
RAW WATER MAIN TRANSMISSION PIPELINE REPLACEMENT DODGE TO RICHARDTON

Bidder	Base Bid	Amount Higher Than Low Bid
PWS Brooklyn Park, MN	$5,286,853.72	-
BEK Consulting Dickinson, ND	$6,469,650.00	+ $1,182,796.28 22.4%
Engineer's Estimate	$6,618,325.00	+ $1,331,471.28 25.2%

SOUTHWEST PIPELINE PROJECT CONTRACT 2-2I RAW WATER MAIN TRANSMISSION PIPELINE REPLACEMENT DODGE TO RICHARDTON		
Bidder	**Alternate Bid**	**Amount Higher Than Low Bid**
PWS Brooklyn Park, MN	$5,384,010.92	-
BEK Consulting Dickinson, ND	$6,673,490.00	+ $1,289,479.08 24.0%
Engineer's Estimate	$6,745,725.00	+ $1,361,714.08 25.3%

Based on our review of the apparent low bid received from PWS, Inc., the cost difference between the Engineers Estimate and the PWS bid is predominately in the cost to furnish and install the 42" Ductile Iron pipe. This bid item includes the ductile iron material and Pritec Coating along with the excavation, installation, and backfill requirements of the Contract. Comparing the bid item for furnishing and installing 42" ductile iron pipe with bid pricing for furnishing 42" ductile iron pipe, the difference in material pricing equates to $410,768 while the installation cost difference is $762,997.00. The PWS bid was supplied by Core and Main versus the second low bid was received from BEK and it was supplied by Ferguson. Both of the received bids are in accordance with the Invitation for Construction Bids and the Bid Documents.

Article 18.04 of the Instruction to Bidders states "If Owner awards the Contract for the Work, such award will be to the responsible Bidder submitting the lowest responsive Bid determined to be in the best interest of Owner, including any or no Bid Alternates."

BW/AECOM utilizes the EJCDC C-451 Qualifications Statement which is required to be included with the Bid as it plays a significant role in the evaluation of Bids along with Bidder's prior history with DWR and BW/AECOM to determine if a Bidder is considered responsible. This Qualification Statement provided with the Bid includes information such as licensing, safety, surety, and insurance information as well as construction experience information and a list of proposed key individuals for this project along with their resumes.

This project includes some unique characteristics that add layers of complexity. The project includes the installation of approximately 400 feet of 42" Ductile Iron Pipe to be installed with open excavation methods in an area that will be challenging with high water environmental conditions that requires dewatering. This project requires all pipe to be installed via open excavation methods due to the need to install cathodic protection and joint closures after each segment of pipe is installed in place. Another unique aspect is the requirement that the existing raw water pipeline shutdowns are limited to 12 hours or less and need to occur outside the peak operation season of May 15th to September 15th. These limitations apply to the 42" tie-ins as well as the installation of 540 feet of 30" pipeline. The 30" pipeline is to be removed and installed in place of the existing pipeline and if the Contractor is not able to remove and install the entire segment in a 12-hour duration, the contract allows the construction work to be sequenced and planned such that this work can be installed in multiple shutdowns.

Looking beyond the unique aspects of this project, BW/AECOM believes past experience with large diameter ductile iron projects is vital to the success of this project. This project requires line and grade installation with unrestrained sections of ductile iron pipe that necessitates careful planning and inherently has a low tolerance for error due to the use of joint deflections to maintain a planned pipeline profile. This project is not conducive to the allowance of installing additional fittings to account for field misalignment as the addition of fittings would also require joint restraints to be installed on either side of each fitting. This presents potential concerns with delays, especially for the portions of work that occur during pipeline outages. Due to these requirements, it is BW/AECOM's opinion that Bidder's must have experience with these more common aspects of this project.

Based on a review of the Qualification Statement submitted in the PWS, Inc Bid, PWS has worked with Bartlett & West, Inc. on numerous projects for Fort Berthold Rural Water (FBRW). On these FBRW projects, PWS has demonstrated experience with earthwork and site-development projects, with limited utility work. None of the FBRW projects completed by PWS involved the installation of ductile iron pipe. PWS's Qualifications Statement included references to three current projects and three references for similar projects. The references provided for similar projects included site development and utility work for an apartment building, site work and utility work for a commercial building, and utility relocations associated with the Southwest Light Rail project in Minneapolis, MN. BW/AECOM reached out to seven of the references provided and was able to contact five of them on four of the listed projects. Two of the references were for the Southwest Light Rail project. Based on discussions with these references, the work on this project consisted of water main relocations, sanitary sewer relocations, and storm sewer relocations. The listed reference in PWS's Qualification Statement, Mr. Dale Evans with Lunda Construction, stated he was not involved in the construction administration of the underground work on this project but was able to provide a contact for Mr. Aric Antil, who was the Underground Superintendent for CS McCrossan. BW/AECOM contacted Mr. Antil and he stated the work PWS performed on the light rail project had a limited ductile iron scope that related to the water main relocations. Further discussion indicated that this work was typical to smaller ductile iron relocations that are typical of municipal installations. Mr. Antil was familiar with line and grade installations of larger ductile iron pipe and stated the project with PWS did not have anything on the project that would be similar to our type of project. PWS was subsequently contacted to obtain more information regarding their ductile iron pipe experience. PWS indicated most of their ductile iron pipe experience has been associated with water main relocation work for the City of Minneapolis, such as the Southwest Light Project, and consisted primarily of 8"-12" ductile iron pipe relocations that involve concrete encasement. PWS indicated they have some experience with larger ductile iron pipe 18-24" although PWS stated this experience is not recent. Following this conversation, BW/AECOM obtained the standardized specifications and details published by the City of Minneapolis which indicated these projects utilized ductile iron with mechanical joint fittings with concrete encasement in sizes 6"-24". This is notable as this type of project with mechanical joint fittings and concrete encasement allows for fittings to be added as needed in the field without extensive planning and is vastly different from the scope of this SWPP project.

PWS also indicated in discussion that they have four PWS employees that have ductile iron experience. Of these individuals, two individuals had related ductile iron experience from the light rail project and two individuals have related experience from prior employments. A review of the key individuals listed in the provided PWS Qualifications Statement included a Project Manager with 7 years total experience with no notable ductile iron pipeline experience and a superintendent with less than 1 year of experience as a superintendent and 5 years of experience as an equipment operator. The Safety Manager listed in the PWS Qualification Statement is one of the individuals with prior employment experience on a ductile iron project completed in 2010. The other notable project experience came from an individual not listed in the Bid documents. This individual is the General Superintendent for PWS and has been employed at PWS since March 2025. This individual has experience from prior employment on three larger ductile iron pipe projects that were completed between 1993 and 2023.

Based on the qualification information submitted by PWS, the reference checks conducted by BW/AECOM, and the additional information provided by PWS regarding its ductile iron experience, BW/AECOM's assessment is that PWS has not demonstrated the experience that is considered to be similar in nature to the to the requirements for this project. Therefore, BW/AECOM is not able to consider PWS, Inc a responsible bidder for this project. It is thus BW/AECOM's opinion that an award to PWS, Inc for this project is not in the best interest of the Owner.

BW/AECOM has evaluated the second low Bidder, BEK Consulting, and BEK has provided a list of 16 projects currently under construction and provided a substantial list of similar project references dating back to 2014. This list includes several projects completed for Southwest Water Authority including Dry Creek Crossing Pipeline Replacement (Contract PP-2016-2), Decker Subdivision Pipeline Replacement (Contract PP-2020-1), and SWA 2-3A Pipeline Replacement (Contract PP-2022-1), and SWA 2-3F Pipeline Replacement-Goose Creek (Contract PP-2025-1). BEK has also completed the NAWS 2-4C Transmission project for the SWC. These projects are similar in nature to this project and BW/AECOM has firsthand knowledge that BEK has experience with these types of projects and is considered a responsible bidder. Subject to approval by your

legal counsel that the bid documents are in order from a legal standpoint, BW/AECOM has no reservations with recommending award of Contract 2-2I to BEK, other than the significant difference in bid amounts.

Acknowledging that this evaluation does not recommend award to PWS, the SWC may elect to award this project to the lowest responsible bidder, BEK Consulting, in the amount of $6,673,490.00 for the Base Bid plus Bid Alternate 1 or could consider rebidding this project. Rebidding this Contract will require an adjustment of the Contract timelines which currently require substantial completion by May 31, 2027. This was identified as a project goal considering the significant corrosion observed in these areas with the exploratory excavations that occurred in 2023 and 2024. Rebidding would require the substantial completion date to be pushed back to the end of 2027 or the spring of 2028.

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 October 23, 2026.

Sincerely,

BARTLETT & WEST/AECOM



Tyson Decker, PE
Project Manager

Copy: SWA – Jen Murray
DWR- Sindhuja S. Pillai-Grinolds, P.E.
File: SWPP Contract 2-2I: 9.0

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PROJECT: SOUTHWEST PIPELINE PROJECT
RAW WATER MAINLINE TRANSMISSION PIPELINE REPLACEMENT (DODGE TO RICHARDTON)
CONTRACT 2-2I

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

DATE: AUGUST 25, 2026 **W.O. 3033.A47**
LOCATION: ND DEPARTMENT OF WATER RESOURCES
CCI: 14,350.29

Item No.	Description			Engineer's Estimate		PWS, INC. BROOKLYN PARK, MN		BEK CONSULTING DICKINSON, ND			
		Unit	Estimated Quantity	Unit Price	Bid Amount	Unit Price	Bid Amount	Unit Price	Bid Amount	Unit Price	Bid Amount
1	Mobilization, Demobilization, Bonding, Insurance, and Permits (no more than 5 percent of Contract Price)	EA	1	$ 260,000.00	$ 260,000.00	$ 260,252.99	$ 260,252.99	$ 214,000.00	$ 214,000.00		
2	Furnish and Install 42"Class 250 Ductile Iron Pipe with Bonded Coating System	LF	1,964	$ 1,950.00	$ 3,829,800.00	$ 1,302.36	$ 2,557,835.04	$ 1,900.00	$ 3,731,600.00		
3	Removal of Existing 30" DIP and Replacement of 540 feet of 30" Class 250 Ductile Iron Pipe with Bonded Coating System	LF	540	$ 1,300.00	$ 702,000.00	$ 769.90	$ 415,746.00	$ 1,300.00	$ 702,000.00		
4	Furnish and Installation of Dewatering System	EA	1	$ 350,000.00	$ 350,000.00	$ 205,646.32	$ 205,646.32	$ 25,000.00	$ 25,000.00		
5	Furnish and Installation of Tie Ins (Stations 511+83.60 and 491+80)	EA	2	$ 150,000.00	$ 300,000.00	$ 232,909.67	$ 465,819.34	$ 272,000.00	$ 544,000.00		
6	Furnish and Installation of Blowoff at Station 510+15	EA	1	$ 80,000.00	$ 75,000.00	$ 139,985.76	$ 139,985.76	$ 119,000.00	$ 119,000.00		
7	Furnish and Installation of CAV at Sta 502+15 and routing and final connection of Private water line from existing CAV	EA	1	$ 40,000.00	$ 40,000.00	$ 56,604.46	$ 56,604.46	$ 97,000.00	$ 97,000.00		
8	Furnish and Installation at Blowoff at 499+14	EA	1	$ 80,000.00	$ 80,000.00	$ 138,628.84	$ 138,628.84	$ 119,000.00	$ 119,000.00		
9	Removal and Disposal of Existing CAV and three (3) existing Blowoffs. Internal components are to be salvaged and provided to SWA and manhole removal.	EA	1	$ 25,000.00	$ 25,000.00	$ 12,223.74	$ 12,223.74	$ 25,000.00	$ 25,000.00		
10	Furnish and Installation of Tie-ins (Stations 464+80 and 469+80)	EA	2	$ 30,000.00	$ 60,000.00	$ 10,530.79	$ 21,061.58	$ 31,000.00	$ 62,000.00		
11	Furnish and Installation of Blowoff at Sta 467+74	EA	1	$ 80,000.00	$ 80,000.00	$ 98,923.91	$ 98,923.91	$ 119,000.00	$ 119,000.00		
12	Installation of Cathodic Protection Test Stations	EA	5	$ 13,000.00	$ 65,000.00	$ 7,047.38	$ 35,236.90	$ 3,500.00	$ 17,500.00		
13	Install Restrained Joint Harnesses on Existing pipe	EA	16	$ 12,900.00	$ 206,400.00	$ 6,953.99	$ 111,263.84	$ 19,500.00	$ 312,000.00		
14	Install Pipe Weights Sta 496+00 to 499+00	LF	425	$ 765.00	$ 325,125.00	$ 1,532.52	$ 651,321.00	$ 550.00	$ 233,750.00		
15	Furnish 30" Class 250 Ductile Iron Pipe with Bonded Coating System and Deliver to Owner	LF	200	$ 850.00	$ 170,000.00	$ 409.65	$ 81,930.00	$ 530.00	$ 106,000.00		
16	Furnish 42" Class 250 Ductile Iron Pipe with Bonded Coating System and Deliver to Owner	LF	40	$ 1,250.00	$ 50,000.00	$ 859.35	$ 34,374.00	$ 1,070.00	$ 42,800.00		
	Subtotal Base Bid (Items 1-16)				**$ 6,618,325.00**		**$ 5,286,853.72**		**$ 6,469,650.00**		

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PROJECT: SOUTHWEST PIPELINE PROJECT
RAW WATER MAINLINE TRANSMISSION PIPELINE REPLACEMENT (DODGE TO RICHARDTON)
CONTRACT 2-2I

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

DATE: AUGUST 25, 2026 **W.O. 3033.A47**
LOCATION: ND DEPARTMENT OF WATER RESOURCES
CCI: 14,350.29

Item No.	Description			Engineer's Estimate		PWS, INC. BROOKLYN PARK, MN		BEK CONSULTING DICKINSON, ND			
A1	Furnishing and Installing Controlled Low Strength Material in existing 30" pipeline	LF	1,960	$ 65.00	$ 127,400.00	$ 49.57	$ 97,157.20	$ 104.00	$ 203,840.00		
	Subtotal Base Bid and Alternate A1 Combined Bid				**$ 6,745,725.00**		**$ 5,384,010.92**		**$ 6,673,490.00**		
	SUBCONTRACTORS										
	EARTHWORK										
	SEEDING					701 GREENER DICKINSON, ND		MIDWEST EROSION CONTROL DICKINSON, ND			
	CATHODIC PROTECTION										
	DEWATERING					GENERAL IRRIGATION & DEWATERING OAKES, ND					
	SUPPLIERS										
	PIPE, FITTINGS, ETC.					CORE & MAIN MINOT, ND		FERGUSON WATERWORKS BISMARCK, ND			
	MANHOLES AND PIPE WEIGHTS					RINKER MATERIALS MENOKEN, ND ENGINEERED CONCRETE PRODUCTS RAPID CITY, SD		ENGINEERED CONCRETE PRODUCTS RAPID CITY, SD			
	CATHODIC PROTECTION					CORE & MAIN MINOT, ND		FERGUSON WATERWORKS BISMARCK, ND			

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MEMORANDUM

TO: Lieutenant Governor Michelle Strinden
Members of the State Water Commission
FROM: Reice Haase, Secretary
SUBJECT: SWPP – Project Update
DATE: September 23, 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 was executed. The amendment added the following scope of works: discussion of the different contract 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. ***BW/AECOM delivered 30% progress design for the northern alignment the end of August and it is under review.***

Department of Water Resources (DWR) staff had meetings with US Army Corp of Engineers (USACE) and US Bureau of Reclamation (USBR) in December and January discussing the different alternatives under consideration in the PDR. Neither agency 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. ***Another meeting with the federal agencies to discuss progress will be scheduled soon.***

Contracts 1-1B & 1-1C 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. Two of the three Contract 1-1B, Intake Pump Modifications Equipment contracts have been executed. At the June State Water Commission (SWC) meeting, award of the contracts on Contract 1-1C, Modifications to Existing Intake was approved. ***Contract documents have been executed for all three contracts on Contract 1-1C.***

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 has submitted SA 250 for developing the bid ready contract documents for the hybrid main transmission pipeline upgrades in the West Zone and SA 251 developing the bid ready contract documents for the Golva tank. SA 250 and 251 are under review.***

<u>Ray Christensen Pump Station (RCPS) Preliminary Design Report (PDR):</u>
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. ***Future design decisions for the South Zone and North and East Zone's flows for the RCPS's PDR are included as a separate agenda item.***

<u>Contract 5-19 Buffalo Gap Reservoir:</u>
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.

Contract Value	Substantial Completion Date	Approved Change Orders	Cost of Approved Change Orders
$ 2,111,000	June 15, 2026	None	0

The tank has been operational since December 2025. Final punch list items and administrative items remain before the contract can be closed out.

Prong 2 -Strategic Hydraulic Improvements:

Contract 7-2B 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 (PRVs), 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.

Installation of the pipeline and the six pressure reducing valve vaults included in the contract are complete. Delivery of the two boosters is now anticipated to be early November with installation expected soon after delivery.

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 serve 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, meetings have been held with DWR staff to review the report's findings and address questions from the County. The County is working with SWA staff to contact all of the waitlisted users to help with their decision making.

South Fairfield Hydraulic Improvements:

Following the prioritization matrix update, the South Fairfield service area ranked the highest. DWR staff has directed BW/AECOM to move forward with completing preliminary engineering design of strategic hydraulic improvements necessary to serve the waitlisted users in the South Fairfield Service Area. The preliminary engineering design details and commitment from the waitlist users will be brought before the SWC before proceeding with bid ready documents.

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 August 2026, in the Burt-Hebron service area there are 943 signups with 299 around Lake Tschida and 644 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. 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 meet 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 Hebron Rural Expansion:
At the June 2026 SWC meeting, award of Contract 7-5C, Bid Schedule 1A and 1B was to Carstensen Contracting; and Contract 7-5C, Bid Schedule 2 to Abbot, Arne, and Schwindt Inc. was approved. Contract documents with Carstensen Contracting has been executed. DWR is awaiting contract documents for Contract 7-5C Bid Schedule 2. ***The preconstruction conference for Contract 7-5C, Bid Schedule 1A and 1B was held August 19. Carstensen Contracting mobilized to the site in mid-September and has***

begun pipeline installation.

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.

Bids for SWPP Contract 2-2I, Raw Water Main Transmission Pipeline Replacement, Dodge to Richardton were opened August 18, 2026. Bid results and funding authorization are discussed under a separate agenda item

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.

The grade level precast walls have now been installed. Current ongoing activities include installation of structural steel including the roof joists, basement piping, clarifier equipment, electrical conduit, and HVAC ductwork installation.

The 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	*4*	*$642,302.33*	*$87,024,802.33*	*0.74%*



SWTP project picture taken September 9, 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. 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 Implementation Plan Update report as part of the study has been finalized. Since then, the study has progressed into evaluating the alternatives. Alternative #1, which examines the improvements and costs associated with increasing the water supply to Gevo's Net Zero Richardton facility by 500 gallons per minute (gpm) for a total allocation of 1,100 gpm, has been completed in draft form and is under DWR and Gevo review. Gevo has inquired the availability of additional capacity from the project before infrastructure improvements are completed. DWR staff analyzed the historic water demand and projected water demand for the project and has noted that no additional capacity is available at this time while some additional capacity may be available after the existing intake improvement project and the raw water pipeline replacement project are completed.

Alternative #2, which examines the improvements and costs associated with increasing the water supply to Gevo's Net Zero Richardton facility by 1,400 gpm for a total allocation of 2,000 gpm has been completed in draft form by BW/AECOM. The draft report was delivered to DWR and Gevo September 21, 2026, and is under review.

RH:SSP:/1736-99

M E M O R A N D U M

To: Southwest Water Authority Board of Directors, Staff
From: Sindhuja S.Pillai-Grinolds, Water Development Division Director
Subject: SWPP Project Update
Date: October 27, 2026

Contract 1-2A Supplementary Raw Water Intake:

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

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

The 50% design deliverable was received on September 29, 2026 and is under review. BW/AECOM is making progress towards the 90% deliverable, assembling CMAR documents for discussion, and coordinating contractor outreach to gain contractor perspective on the PDR options. The structural review of the existing caisson is also in development. This effort will evaluate the structural modifications needed on the existing caisson for the Horizontal Directional Drilling alignments provided in the original PDR dated August 2025.

Existing Intake Improvements:

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

Award notices were issued in July to the apparent low bidders for the General, Mechanical, and Electrical contracts. The contract documents are now executed and a pre-construction was held on October 21, 2026. Some site work is anticipated this fall. An official schedule from the contractor is pending.

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 West Zone Main Transmission expansion with a pipe size greater than the pipe size needed to meet the identified needs and 25% blue sky capacity. The estimated cost for achieving this capacity is $40.4 million.

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 Specific Authorizations with BW/AECOM to accomplish the phase I projects. Specific Authorization 250 for developing the bid ready documents the West Zone main transmission line Expansion and Specific Authorization 251 for developing the bid ready documents for the Golva Tank are with DWR for execution.

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

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

Upgrades at the RCPS are needed to meet the West Zone Transmission expansion and the future needs for the South and North and East Zones. Following delivery of BW/AECOM's draft needs analysis for the South and North and East Zones, DWR and SWA staff completed their review of the report. DWR staff has identified the design flows to be carried forward into the preliminary engineering phase. DWR presented the study findings and recommended design flows as an informational item at the August SWC meeting. The SWC , at its October 8, 2026 meeting, approved the future design capacity for the North and East Zone at 1,804 gallons per minute and 3,118 gallons per minute for the South Zone BW/AECOM efforts are now in development with the selection of the pumps for the three pump zones. BW/AECOM is preparing the PDR, which will identify the components needed to implement the capacity upgrades identified for the West, South, and North and East zones.

Prong 2 Strategic Improvements

North New England Strategic Hydraulic Improvements
At the last SWA Board update only the bacteria testing for the 3" pipeline remained. The 3" pipeline passed bacteria testing on September 29, 2026 and is ready for service The contractor has installed the six pressure reducing valve (PRV) vaults included in the contract. The two booster stations have been delayed by the manufacturer and are tenatively expected to arrive in late November/ early December ,with installation planned shortly thereafter. The Substantial Completion Date for this Contract is November 1, 2026.

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 meeting. Following that presentation, the results were brought before the June SWC meeting, where the Commission approved authorization to award the project and associated funding.

The contract has been executed with Carstensen Contracting for Schedules 1A and 1B. A preconstruction meeting for these schedules was held on August 19, 2026 and Carstensen mobilized on September 14, 2026 with one crew and started construction activities north and east of Richardton. A boring crew mobilized on Sepetember 22, 2026 and they are installing bores in the same area. The first users from this contract were turned over to SWA on October 22, 2026. The contract as bid had 164 customer connections. To date 21 users have been added via Work Change Directives 1-3 and 2 users have been turned over to SWA. Through WCD the contract cost has increased by 3 %. DWR staff is planning on requesting additional funding authorization to the contract fron the State Water Commission as the SWC only allocated 5% contingency funding for this project.

The project team continues to work with Abbott, Arne, and Schwindt to finalize the contract documents for the Schedule 2 contract.

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

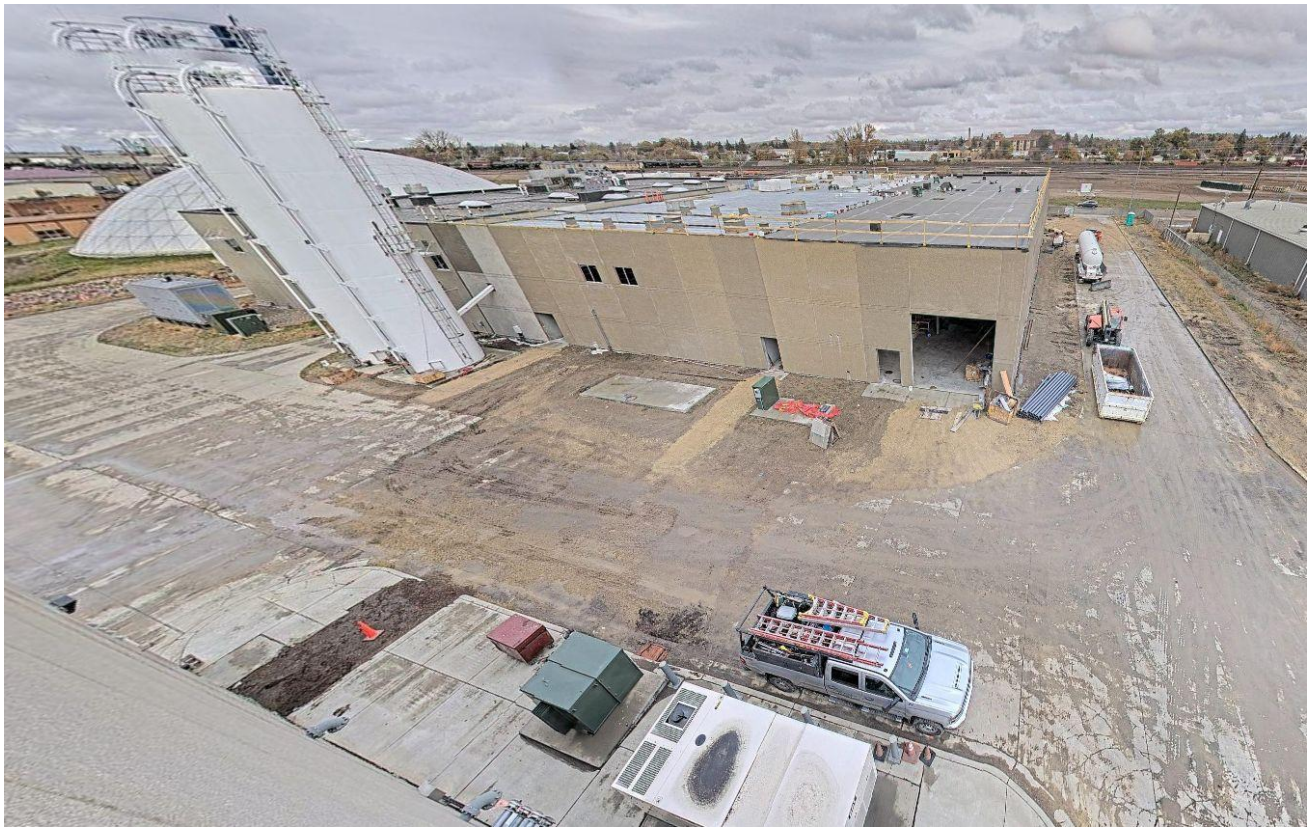
Sent: 861
Obtained: 826 (96%)
Refused: 23 (2%)
Remaining: 12 (1%)

Easement acquisition remains a key focus for SWA easement staff. The focus on obtaining the remaining easements now will be to stay ahead of Carstensen Contracting. Depending on the Contractor's progress this fall, it is possible that one or two of the remaining easements will be needed this fall. The remainder will need to be obtained prior to spring construction.

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

The grade level precast walls have now been installed, giving the project the appearance of a completed building footprint. Major ongoing activities include the installation of the roof, basement piping, site work, electrical conduit installation, and HVAC ductwork installation.

SWTP project picture below taken on October 27, 2026



Metallic Pipeline Replacement:

The project was advertised on August 4, 2026 and a pre-bid meeting was held on August 13, 2026. A bid opening was held on August 25, 2026 where two bids were received and read aloud. A notice of intent to award to the lowest responsible bidder, BEK Consulting was distribued on September 29, 2026. This project was awarded to BEK Consulting in the amount of $6,673,490.00 which includes the Bid Alternate A1 thatinstalls CLSM in the existing 30” pipe to be abandoned. Notice of Award has been issued to the contractor and contract documents from the contractor is pending.

Raw Water Implementation Study:

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

The update to the implementation plan is now finalized. The draft Alternative #1 analysis report, which evaluates increasing raw water delivery to Gevo's Net-Zero Richardton facility by 500 gallons per minute (gpm), and Alternative #2 analysis, which evaluates an additional 1,400 gpm increase in flow to the Net-Zero Richardton facility have completed and provided to DWR and Gevo staff for review. Under the cost-sharing agreement with Gevo, the parent company of the Net-Zero facility, monthly coordination meetings continue between DWR, BW/AECOM, and Gevo to maintain alignment throughout the study. The most recent meeting was held on August 20. . The development of Alternative #3, which evalutes the improvements in adding 6,000 gpm to the Raw Water Implementation Plan design flowrates, is ongoing.

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.

Dunn County officials met with SWA staff to request that all waitlisters within the county be contacted. SWA staff has completed the remaining calls and will assist the county in determining the next steps based on the information gathered.

Project Funding

Southwest Water Authority

Quality Water for Southwest North Dakota

Southwest Pipeline Project (SWPP) Funding Sources

State Funding (in millions of dollars)

Resources Trust Fund $349.97
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 $382.88

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: $504.80
(As of August 31, 2026)



Capital Replacement Funding

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

REGIONAL GOVERNANCE & FINANCE STUDY

HB 1020 SECTION 21



*“SWC Shall…Study The **Long-Term Governance & Finance Models** Of Select Regional Water Systems In The State…Include The **Operational & Organizational Aspects** Of SWPP, NAWS, & RRVWSP.”*

RESULTS: GOVERNANCE & FINANCE

SWPP

Option 1

Keep Current Model With Improvements

OPTION 2

Keep Current Governance; Leverage Capital Repayment

Option 3

Transfer Ownership To SWA; Leverage Capital Repayment

NAWS

OPTION 1

Keep Current Model With Improvements

Option 2

Build Capacity For NAWS Authority To Take Over O&M

Option 3

Engage NAWS Authority; Outsource O&M

RRVWSP

Option 1

Keep Current Model With Improvements

Option 2

SWC Provides Oversight & Leadership To Project

OPTION 3

Transfer Ownership & O&M To SWC

SWPP OPTION #2

KEEP CURRENT GOVERNANCE; LEVERAGE CAPITAL REPAYMENT

Sept. 2026 To Dec. 2026	Jan. 2027 To April 2027	2027 To 2039 (Rotating Cycle)
DWR, SWA: Coalition Building & Stakeholder Engagement	Legis.: Legislative Session	DWR, SWA, SWC: Collaborate On Budgeting & Future Needs
DWR, SWA, SWC: Explore Financing Options		SWC: Secure Financing Using SWPP Capital Repayment
DWR: Submit Budget Request		DWR: Manage Construction & Related Contracts
		SWA: Project Operations

MEMORANDUM

To: Southwest Water Authority Board of Directors
From: Jen Murray, Manager/CEO
Subject: SWA Construction and O&M Update – Incidental Information
Date: October 28, 2026

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

SWA Construction:

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. Upon performing the interior blasting and assessing the structural integrity of the roof, it has been observed that all of the roof beams have significant corrosion and the entire structural roof is planned to be replaced. The roof steel has impregnated soluble salts present in the steel that required removal. The work for this is ongoing with the exterior coatings nearly completed and the roof installation is approximately fifty percent complete.

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 responded that the claim has been closed out and a net payment of $323,712 was issued to the SWC. SWA is working on an REM request for the remaining portion.

On June 7, 2026, storms damaged the metal flashing and a small section of the OMND roof adjacent to the metal flashing at the southwest corner of the facility. Windspeed reports recorded wind gusts of 82 mph, and the new roof is rated as 90 mph under warranty. The contractor, Herzog, responded on September 24, 2026, that they will be fixing this under warranty and are waiting for final approval to get this scheduled.

WBI conducted the Close Interval Survey in August 2026. They evaluated and the cathodic protection on both the raw and potable ductile and steel main transmission lines. The report was completed on September 23, 2026. SWA has amended our agreement with HDR to continue to review and analyze cathodic protection data. B&W continues to review areas of low and no conductivity to determine a remedy.

The hydraulic boundary between the Dunn Center and New Hradec Service Areas was relocated to a location just south of Manning. Dunn County paid for the valve needed for this change.

Dunn County approached SWA to begin to review what actions are needed to dissolve their public water system and have SWA take over the residents in New Hradec as individual customers. More information on their system was requested, and a meeting will be scheduled in the coming weeks. This is similar to the actions and consideration of taking over Manning, which is also in Dunn County.

The City of Center is constructing a new water tower at the Applied Digital Data Center location. This is nearly four miles to the west of the city. SWA is involved with the design and operation considerations to ensure that this construction does not negatively affect current or future capacities.

Treatment:

During the weeks of October 12 – 23, 2026, all four facilities were prepared for winter, to include building and vehicle checks, shovels, ice melt, and started the boiler at DWTP.

On October 19, 2026, an OMND Programmable Logic Controller card shorted out, rendering the second air compressor inoperable in automatic mode. A new card has been ordered from Wigen Water Technologies. Once it is programed, they will ship it out for SWA to install. The facility has been able to maintain operations until the issue is resolved.

On October 20, 2026, an OMND RO #3 blew an 8-inch gasket on the inlet side. Operators are replacing the gaskets as needed from rubber to paper which hold up better under pressure.

On October 23, 2026, SWTP operators removed a 3 phase 3HP electric motor from Sludge pump #2 due to erroneous starting. It was sent to Prairie Mountain Electric Motor Inc. in Bowan, ND for rewinding.

The Water Treatment Manager is pleased with the work being completed by engineers and contractors on the SWTP expansion.

Distribution Operations:

On October 1, 2026, staff assisted Carstensen Contracting Inc (CCI) to complete 4" tie ins north of the Richardton BPS in Contract 7-5C.

On October 6, 2026, staff climbed the Taylor Reservoir and collected a Bac-t sample after warranty repairs were completed by Maguire Iron's subcontractor Color Dynamics. Once the bac-t sample passed the valves were returned to their normal operating positions and the tank was placed back into service.

On October 6, 2026, staff assisted CCI to complete 2" tie in northwest of Richardton, ND, in Contract 7-5C.

On October 7, 2026, staff cleaned and disinfected the 1st Belfield Reservoir. Once the reservoir was clean, it was filled back up so that a bac-t sample could be collected. Once the bac-t sample passed, valves were opened and the tank was placed back into service.

On October 7, 2026, staff assisted CCI to repair a 2 ½" CL 200 line that CCI struck while boring in a waterline for Contract 7-5C north of Richardton. The GIS mapping of the SCS PL566 line was off at least 25' in this area and Google Earth imagery from 1995 did not clearly show the construction scar. CCI repaired the leak and air was flushed from the line.

On October 15, 2026, staff responded to a report from Total Boring Solutions (TBS) of Oklahoma City, Oklahoma, that they had been looking for a 4" CL 200 waterline in Contract 7-9E for two days and could not find the waterline. Staff immediately assisted TBS with the search but remained unsuccessful in finding the waterline. SWA granted TBS permission to move forward with directional drilling as long as the bore machine was parked on the same side of County Road 140 as the waterline and that drilling activities did not go any deeper than 5 feet. TBS agreed to this and then drilled 9 feet deep and struck the waterline. Kelly Heinsen of Dirt Pro Services repaired the waterline. TBS is taking responsibility for the pipeline strike.

On October 20, 2026, staff responded to water flowing from the inlet side of a subsequent customers pasture tap meter pit that was installed by Todd Kollman of Hazen, ND, in Contract 7-9D. Staff shut the service line valve and assisted Kelly Heinson of Dirt Pro Services to replace the inlet 1" pack joint that Kollman had overtightened to the point that the 1" poly insert was crushed and leaked. Replacing the pack joint, insert, and a segment of 1" Poly pipe allowed water to flow as intended. Heinsen will be billing the customer for the leak repair.

On October 20, 2026, staff drained the New Hradec Reservoir to the half full level and filled it back up due to taste and odor complaints.

On October 22, 2026, staff assisted Wagner Construction to complete 3" tie-ins near Shefield, ND, in Contract 7-2B.

On October 26, 2026, staff extended the 6" CL 200 riser pipe on a pasture tap service valve in Contract 7-9G B. S. 2 to accommodate a fill area to improve 7th Street SW, south of Dunn Center, ND. Once Baranko Brothers is done improving 7th Street SW, the riser pipe will be cut down to the proper height.

On October 27, staff assisted CCI to complete 3" tie in north of the Richardton BPS in Contract 7-5C.

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 5,762 accounts, or 72.7% of all connections. The survey link remains active on the SWA website, and O&M staff continue to collect the information during routine operations and new connections.

Staff

In October Kali Mackey, Connie O'Brien, and Ledeanna O'Shields attended the Women in the Arena event at the Theodore Roosevelt Presidential Library.

Perry Grammond and Sparkle Sawyer attended the North Dakota Water Pollution Control Conference on October 27-29, 2026.

SOUTHWEST WATER AUTHORITY

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

MEMORANDUM

TO: Jen Murray, Manager/CEO, Southwest Water Authority

FROM: Misti Conzemius, Marketing Manager, Southwest Water Authority

SUBJECT: Report for October, 2026

RE: Marketing Manager's Incidental Information

DATE: October 22, 2026

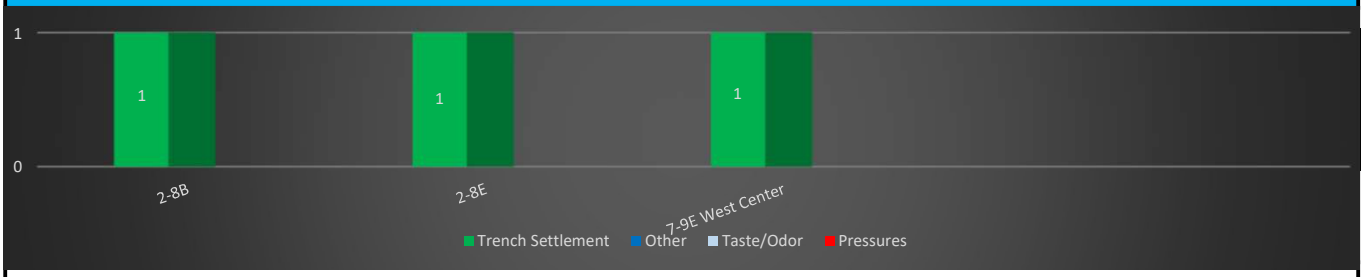
OCTOBER 2026 SIGN-UP REPORT

SUBSEQUENT CUSTOMERS

NAME	TYPE OF CUSTOMER	SERVICE AREA	SERVICE DESCRIPTION
Sandra Bohrer	Pasture Tap	7-9D Zap	145-85-9
Phil Wallender	Standard	7-9D Zap	147-85-30
Badlands Ministries	Standard	7-8A Fryburg	139-102-15
Paxton Miller	Standard	7-2 New England	139-96-35
Kolter Karges	High Consumption 1	7-9E Center	143-86-5
Nathan Henke	Pasture Tap	7-9F Center	143-84-27
Skip Rapp	Standard	7-1B Davis Buttes	140-97-25
Skip Rapp	Standard	7-1B Davis Buttes	140-97-24
Bruce Krank	Standard	7-2 New England	138-96-34
Bruce Krank	Standard	7-2 New England	138-96-34
Bruce Krank	Standard	7-2 New England	138-96-34
Justin & Melissa Anderson	Standard	7-2 New England	138-96-34

Twelve (12) subsequent customer signed up in October and 132 subsequent customers have been added year-to-date. A total of 181 customer quotes have been given year-to-date.
SWA had a total of 3135 active subsequent users in October.

2026 COMPLAINTS



One (1) complaint was called in during the month of October.
Zero (0) complaints were closed during the month of October.
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

Eight (8) water requests have been added to the waiting list during the month of October
There are currently 845 requests system wide.

BURT, HEBRON SERVICE AREA

Two (2) services were signed up in October for a total of 949 services signed up to date. Of the 949 signups, 649 or 68% are Rural and 300 or 32% are Lake Tschida.
One (1) signup was received in the month of October in Hebron Rural including North Lake Tschida for a total of 500, and
One (1) signup was received in October in Burt Rural including South Lake Tschida for a total of 449.

SYSTEM WIDE SERVICE REQUESTS

There are currently 845 waiting list requests and 949 Burt Hebron Campaign Signups for a total of 1,794 requests system wide.
Waiting list will decrease by 94 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 774 easements sent for the Hebron Rural Area. A total of 709 easements or 95% obtained. 36 easements for 26 parcels remain.

To date a total of 117 easements sent for the Main Transmission Line. A total of 117 easements or 100% obtained.

WAITING LIST REQUESTS BY CLASSIFICATION						
SERVICE AREA	**WAITING LIST START DATE**	**STD**	**PT**	**HC**	**OTHER**	**TOTAL**
7-1B DAVIS BUTTES	10/3/2022	16	4	0	0	20
7-1B NEW HRADEC		0	0	0	0	0
7-2 NEW ENGLAND*	3/6/2012	147	39	6	0	192
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	80	33	8	0	121
7-8 BEACH	10/5/2011	34	36	2	0	72
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	34	3	0	80
7-8 FAIRFIELD/GRASSY BUTTE POCKET	10/17/2016	19	43	2	1	65
7-9B KILLDEER MOUNTAIN		0	0	0	0	0
7-9E WEST CENTER	7/24/2019	17	20	0	0	37
7-9G DUNN CENTER	10/20/2017	32	40	1	3	76
7-9G HALLIDAY	1/3/2021	7	19	0	0	26
TOTALS		493	314	28	10	845

***Intent forms signed for hydraulic improvement project in this area will decrease waiting list numbers by a total of 94.**

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

Updated through October 22, 2026

County	Waiting List Locations	Standard Service	Pasture Tap Service	High Consumption	Other
Adams	25 locations	12	12	1	0
Billings	77 locations	21	52	2	2
Bowman	84 locations	53	26	4	1
Dunn	107 locations	54	49	1	3
Golden Valley	73 locations	34	35	2	2
Grant	62 locations	46	12	2	2
Hettinger	54 locations	34	17	3	0
Mercer	32 locations	13	19	0	0
Morton	108 locations	57	48	3	0
Oliver	1 location	1	0	0	0
Slope	61 locations	37	18	6	0
Stark	161 locations	131	26	4	0
Grassy Butte (McKenzie County)	0 locations	0	0	0	0
Total Waiting List	**845**	**493**	**314**	**28**	**10**

Other: Subdivisions, Additional Capacity, or Higher Usage

Updated through October 22, 2026

ENERGY & NATURAL RESOURCES PUBLIC WORKSHOP

October 27, 2026

High Plains Community Center |100 5th Ave. SW, Killdeer, ND

Dunn County LEGENDARY

Agenda

All times Mountain Time

CITY OF Killdeer

8:30 am	Registration
9:00 am	Welcome
9:10 am	Weed-Free Gravel Program
	• Dave Abel, Sundre Sand & Gravel
	• Jim Hennessy, Mountrail County Ag Agency
9:30 am	Ordinances Affecting Agriculture
	• Amber Wood, ND Livestock Alliance
10:15 am	Break
10:30 am	Potential Legislation & Nuclear Power
	• Senator Dale Patten
	• Representative Anna Novak
	• Representative Dave Richter
11:15 am	Produced Water: The Key to Lower Fertilizer Prices
	• Steve Kemp, HydroBIND
12:00 pm	Lunch
1:00 pm	CTE Successes/Partnerships
	• Aaron Anderson, SWCTE
1:30 pm	AI & Data Centers
	• Don Flaherty, Mayor of Ellendale
	• Martin Vega, Applied Digital
2:15 pm	Right of Way
	• Ariston Johnson, Johnson & Sundeen
2:45 pm	Final Q&A; Closeout
	• MC & presenters

SCAN HERE to register for the Workshop

MOUNTRAIL COUNTY ND

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2026 ND WATER AND POLLUTION CONTROL CONFERENCE MEETING SCHEDULE

Monday

7:00 p.m.	**Preconference Meeting** North Dakota Section of the American Water Works Association (NDAWWA) NECE Room 432

Tuesday

7:30 a.m.	**Officers Meeting** NDAWWA NECE 432
8:00 a.m.	**Officers Meeting** North Dakota Water Environment Association (NDWEA) NECE 436
9:00 a.m. – 11:00 a.m.	**pH Certification** East Flex Lab in the ATC Building
9:30 a.m.	**Officers Meeting** Joint Board of Directors of the North Dakota Water and Pollution Control Conference (NDWPC), NDCAPWA, NDWEA, NDAWWA, NASECA-ND NECE Room 431
10:30 a.m.	**Officers Meeting** North Dakota Chapter of the American Public Works Association (NDCAPWA) NECE Room 443
10:30 a.m.	**AWWA Committee Meetings** NDAWWA NECE Room 432
12:15 p.m.	**Business Meeting** City Welcome and NDAWWA Bavendick Stateroom
1:30 p.m. – 4:30 p.m.	**Concurrent Sessions** NECE Room 304(Auditorium), NECE Rooms 431, and ATC Room 301

Wednesday

9:00 a.m.	**North Dakota Operator Certification Advisory Committee Meeting** NECE Room 432
9:00 a.m.	**Annual Meeting** North Dakota Chapter of the North American Stormwater and Erosion Control Association (NASECA-ND) NECE Room 436

(Over)

12:15 p.m.	**Business Meeting** NDCAPWA and NDWEA Bavendick Stateroom
1:30 p.m.	**Annual Public Works Directors and City Engineers Meeting** Room 443
1:30 p.m. – 5:00 p.m.	**Concurrent Sessions** NECE Room 304(Auditorium), NECE Rooms 431, and ATC Room 301

Thursday

8:00 a.m. - 11:30 a.m.	**Concurrent Sessions** NECE Room 304(Auditorium), NECE Rooms 431, and ATC Room 301
11:30 a.m.	**Grab and Go Lunch** Bavendick Stateroom

FUTURE CONFERENCES

2027 Alerus, Grand Forks
2028 Holiday Inn, Fargo

October 8, 2026

Dear Water Leader:

We are excited to host the 63rd Annual Joint North Dakota Water Convention and Irrigation Workshop on December 8-10 in Bismarck, ND. This year's theme, **"H2O 2 Go,"** reflects the critical importance of water issues in our region as well as recognizes our country's 250th anniversary. Enclosed, you will find a registration form and a tentative convention agenda. This year's convention will feature discussions on water and economic development, wetland easements, and the upcoming legislative session.

As always, the convention will include meetings of the **Resolutions Committee**, where members will vote on policy resolutions that provide staff the direction needed to effectively advocate on your behalf during the legislative session. Any Water Users Association, Irrigation Association or Water Resource Districts Association (WRDA) member in good standing for 2026 or 2027 is eligible to participate in the Resolutions Committee process. Anyone planning to participate should complete the enclosed **Voting Delegate Form** and turn it in prior to the first meeting of the Resolutions Committee.

Please note that members of the WRDA are the districts themselves. Therefore, staff recommend that each board appoint an individual to represent the district during Resolutions Committee meetings. Similarly, businesses that are members of the Water Users and/or Irrigation Associations should appoint a single representative to vote on their behalf. Individuals who are chosen to represent boards or businesses who are also individual members in an association will be entitled to cast two votes: one on behalf of the board or business and one on behalf of themselves.

All proposed policy resolutions must be submitted in writing prior to the Resolutions Committee meeting. Staff ask that members submit proposed policy resolutions by November 30 to allow members adequate time to review proposed resolutions prior to the meeting. Proposed resolutions may be submitted via email to me at dquissell@ndwater.net.

As always, Water Wheel, Commodore and Hall of Fame awards will be presented at the awards banquet on the evening of December 10. Please consider and nominate individuals who deserve recognition for their demonstrated commitment to protect, develop and manage North Dakota's water resources. The deadline for award nominations for water leaders is Wednesday, October 21.

All information for convention, including resolutions, awards and room blocks, can be found on the ND Water website: ndwater.org/events. We look forward to welcoming you to this year's convention. The presentations and networking opportunities promise to deliver valuable insights, meaningful connections and important discussions for all attendees.

Sincerely,

Danielle Quissell

Dani Quissell
Executive Vice President
North Dakota Water Users Association

Enclosures



63rd Annual Joint North Dakota Water Convention AND Irrigation Workshop

Bismarck Hotel & Conference Center

December 8-10

TUESDAY, DECEMBER 8

2:30-4:30 pm	Upper Sheyenne River Joint Water Resource Board Meeting – *Governor's Room*
3:00-4:00 pm	N.D. Water Coalition Meeting – *Cannonball Room*
4:30-6:00 pm	ND Water Resource Districts Association Board Meeting - *Room 2130*
6:00-8:00 pm	All Water Social – *Heart Room* Co-Hosted by HDR and the Garrison Diversion Conservancy District

WEDNESDAY, DECEMBER 9

7:30 am	Registration – *Coat Room*
8:00-11:00 am	Water Managers Seminar – *Missouri Ballroom*
9:00-11:30 am	ND Rural Water Systems Association Managers Meeting (Rural Water Managers Only) – *Governor's Room*
9:00 am-Noon	Commercial Exhibit Set-up

FOLLOWING EVENTS IN PATTERSON/LAMBORN ROOM

11:30 am	ND Water Education Foundation Silent Auction Benefit Opens
11:30 am	Opening Lunch
12:10 pm	Rural Mental Health: Challenges, Resources, and Opportunities • *Sarah Bedgar, INVITED*
1:00 pm	Commercial Exhibits Open
1:00-1:45 pm	State of Water • *Reice Haase, Department of Water Resources*
1:45-2:15 pm	Northwest Area Water Supply and Southwest Pipeline Project Updates
2:15-3:00 pm	Aquatic Nuisance Species Program Status Update • *Ben Holen, Game and Fish Department*
3:00-3:30 pm	Break

3:30-4:45 pm	Water and Prosperity: Navigating Growth in Emerging Industries
5:00-6:00 pm	Resolutions Meeting – *Missouri Ballroom* *Water Users/Water Resource Districts/Irrigation Associations*
6:00-7:00 pm	Social – *Courtyard*

THURSDAY, DECEMBER 10

8:00 am	Commercial Exhibits Open – *Courtyard*
8:00-9:00 am	Prayer Breakfast: Man in Motion – *Missouri Ballroom* • *Jeff Frith, Devils Lake Joint Water Board*

FOLLOWING EVENTS IN PATTERSON/LAMBORN ROOM

9:00-9:10 am	Welcome – *Lt. Governor Michelle Strinden*, INVITED
9:10-9:50 am	U.S. Fish and Wildlife Service Wetlands Update • *Director Brian Nesvik, U.S. Fish and Wildlife Service, INVITED*
9:50-10:30 am	Forecasting the Future: Short- and Long-Term Weather Outlooks • *Allen Schlag, National Weather Service Forecast Office*
10:30-11:00 am	Break
11:00-11:30 am	Western Area Water Supply and Red River Valley Water Supply Updates
11:30-11:45 am	Water Users Update • *Mary Massad and Dani Quissell*
11:45 am	ND Water Users Association Elections
Noon	Buffet Luncheon
Noon-2:00 pm	Concurrent Joint Board and Annual Meetings • Devils Lake Basin Joint Water Resource Board – *Sheyenne Room* • Missouri River Joint Water Board – *Heart Room* • ND Irrigation Association Membership Meeting – *Grand Pacific Room* • Souris River Joint Board – *Governor's Room* • Red River Joint Water Resource District – *Cannonball Room*
1:00-2:00 pm	ND Irrigation Association Board Meeting – *Grand Pacific Room*

FOLLOWING EVENTS IN PATTERSON/LAMBORN ROOM

2:00-2:30 pm	Mouse River Flood Control and FM Diversion Updates
2:30-3:00 pm	Envirothon Excellence: A North Dakota Success Story • *Bismarck High School Envirothon Team*
3:00-3:30 pm	Rural Water and Municipal Water Updates
3:30 pm	Commercial Exhibits Close
3:40-4:00 pm	Resolutions: Final Adoption – *Missouri Ballroom* *Water Users/Water Resource Districts/Irrigation Associations*
4:10-5:30 pm	ND Water Users Association Board Meeting – *Governor's Room*
5:30-6:30 pm	Social – *Courtyard*
6:30 pm	Awards Banquet – Entertainment: Strolling Strings of Bismarck – *Patterson/Lamborn Room* ND Water Education Foundation Silent Auction Benefit Ends

IRRIGATION WORKSHOP | Thursday, December 10 • 9:00 am – 3:30 pm

SPONSORED BY: North Dakota Water Users Association and North Dakota Irrigation Association

TOPICS INCLUDE: • *FWS Wetland Easements • Long- and Short-Term Weather Forecasting • Incorporating Irrigation Technology • Economic Impact of Irrigation and Drainage in North Dakota • State Permitting for Irrigation*

AGENDA

Perkins County Rural Water System Board Meeting

Date: October 8th, 2026 Time: 4:30 PM

PCRWS Office, Bison, SD

1. Call to Order.....President

   A) Additions and Approval of Agenda**.....Board
   B) Minutes of September 10th, 2026**.....Board

2. Financial Report.....

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

3. Delegations

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

5. Managers Report.....Staff

6. Directors Reports.....Board

7. All Other Matters.....Board

Adjournment

Next Meeting – Annual Meeting

Date: November 11th, 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

September 10th, 2026

The regular monthly meeting was called to order by President Don Melling at **4:36** PM MT at the Perkins County Rural Water Sys. Inc. boardroom in Bison, SD. Other directors present were Brian Morris, Lynn Frey, and Luke Clements. Board members absent were Pat Dalzell. Also in attendance were Shiloh Baysinger and Brandi Baysinger, staff.

Agenda

Motion to approve with additions – Annual meeting date, director election, rate change

Motion by **Luke Clements**, seconded by **Lynn Frey**, to approve agenda, motion passed.

Minutes

Motion by **Lynn Frey**, seconded by **Don Melling**, to approve the August 13th, 2026, minutes, motion passed.

Financial Report

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

Motion by **Brian Morris**, seconded by **Don Melling**, to approve financial reports, motion passed.

Delegations

None.

Bartlett & West

Shiloh Baysinger reported that the preliminary ARC study has been completed and we are waiting on the final report.

Managers' Report

Shiloh Baysinger reported on partner system leak and what was done to assist; Chevy water pump was replaced and fixed; Rushmore Radio helped with radio license; tank site survey crew will be here soon; when the ARC study is done and submitted we should be able to move forward with project; new meter was applied for and approved; discussion was held about what information we are giving to realtors and potentially charging a fee; mystery large pull water usage has started again.

Motion by Luke Clements, seconded by Don Melling to approved a map fee for realtors of $500, motion passed.

Director's Report

Lynn Frey reported on the quarterly SDARWS meeting in Madison; systems all reporting high water usage this summer and what the systems are working on; the apprentice program is going well; still working on the new leak detection trailer; main office repairs; Coffee at the Capital is scheduled for February during legislative session; review of the Government Relations committee meeting; fishing tournament raffle, golf tournament raffle and trap shot raffle monies went to SD WARN; SD WARN received donations for CoBank and two systems; a study is being worked on regarding lift stations and the Rural Water Center will help facilitate.

All Other Matters

Annual Meeting Date – November 12th, 2026, 4;30 pm with regular meeting to follow with meal.

Director Election – Lemmon District up for election, Lynn Frey will take out a petition

Annual to Monthly Rate Change – discussion was held regarding moving to all monthly bills. Consensus was to move to all monthly bills for 2027. Continued discussion will be held as we budget this fall.

Meeting adjourned at **5:42** pm MT

Next meeting October 8th, 2026, at 4:30 pm MT.

Southwest Water Authority
Board of Directors

Parking Lot
November 2, 2026

Item	Date put on Parking Lot	Agenda Date

Planning Agenda

DATE: Monday, December 7, 2026 TIME: 9:00 A.M. MST LOCATION: SWA O&M Center Office

ASSIGNMENTS

☐ Director Eaton — Scribe/Flip Chart

☐ Wendy Serhienko — Minutes

☐ _____ — Reporter

☐ _____

☐ _____ — Timekeeper

☐ Director Engelhardt — Process Observer

☐ _____ — Warm-up

MEETING OBJECTIVE _____

PLAN		ACTUAL CLOCK	AGENDA ITEMS	WHO	METHOD	DESIRED OUTCOMES
TIME	CLOCK START					
			Call to Order – Pledge of Allegiance			Meeting readiness
			Review Agenda			Additions, focus meeting
			Consent Agenda		Voice Vote	Meet legal requirements
			Policy IV.B. Board Monitoring-Manager/CEO Job Description		Monitoring	
			Policy II.D. Executive Limitations-Emergency Executive Succession		Roll Call	
			Review issues pending / Parking Lot / Plan next agenda			
			Monitoring			
			Adjourn			

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