



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

MEMORANDUM

To: Southwest Water Authority Board of Directors

From: Jen Murray, Manager/CEO, SWA

Subject: October 5, 2026, SWA Board of Directors Meeting

Date: September 30, 2026

The next Southwest Water Authority (SWA) Board of Directors meeting will be on Monday, October 5, 2026, at 9:00 a.m. MDT at the Southwest Water Authority O&M Center Office in Dickinson.

There is one policy for the Board to review and monitor this month: Policy III. A. Board Governance Process-Governing Style. This policy is included in the Board packet for your review.

Decision-making includes two policies and their related reports to the Board. They are Policy II. C. Executive Limitations – Financial Condition and Policy II. E. Executive Limitations – Asset Protection. The Board packet includes the policies and their reports for your review. If you have any questions, please contact me.

Contract 2-2I Raw Water Transmission Line Replacement Recommendation and Replacement and Extraordinary Maintenance contribution is on the agenda under decision-making. B&W has provided a letter of recommendation to the DWR to award this contract to BEK Consulting. This is the first project of its kind in which the SWA REM fund will contribute a cost-share to the capital replacement.

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.

Board Member Reports are included for the National Rural Water Association Water Pro Conference and the Upper Missouri Water Association Conference.

Director Schaible and I 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.

Ledeanna O'Shields will be presenting the preliminary 2027 Budget. There are three options for consideration. The budget will return in November for decision-making. Please review it and contact her with any questions.

The State Water Commission pre-commission meeting was held on September 16, 2026. The agenda included two SWPP items. One SWPP item on the agenda related to the Ray Christensen Pump Station Upgrades Preliminary Design Report and Design Decision.

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 it would evaluate other financing mechanisms alongside bonding.

Decker will provide an update on SWA Construction. The SWA Management team will provide an operations and maintenance (O&M) update for September. 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 837 requests for service system-wide, and an additional 947 have signed up in the Hebron and Burt Service Areas for a total of 1,784 requests system-wide.

As of this memo, NDPERS has not announced Open Enrollment dates. Ledeanna will update the Board on those dates and provide any additional information.

A tentative 2027 Board meeting schedule is included for discussion. The Board meeting is proposed for a Tuesday in two months. This item will be brought back in November for decision-making.

The North Dakota Department of Environmental Quality has completed drinking water surveys for the SWA Public Water System and the OMND Water Treatment Plant. All facilities passed inspection with no defects or required corrective actions. Thank you, Water Treatment and Distribution team, for all the work you do to keep our facilities in compliance and ensure the drinking water remains safe and reliable for the residents of southwest North Dakota.

The Water Topics Overview Committee met on Thursday, September 17, 2026. I 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. The meeting agenda is in the Board packet, and the presentations are available via the links in the WTOC agenda.

Imagine a Day Without Water is a national education campaign that brings together diverse stakeholders to highlight how water is essential, invaluable, and needs investment. This is the 12th year, and the day of action will take place on October 15, 2026. SWA will participate online via social media and has prepared a press release.

October is cybersecurity awareness month. This year's theme is "Securing the Next 250." SWA remains diligent in keeping cybersecurity at the forefront and works with the North Dakota Information Technology Department to ensure we have access to the latest protective software. We also monitor Cyber and Information Security Association updates through Homeland Security to stay current on the latest threats and security concerns.

I look forward to seeing you on Monday, October 5, 2026, at 9:00 a.m. MDT at the SWA O&M Center Office in Dickinson, ND.

SOUTHWEST WATER AUTHORITY
Board of Directors Meeting Agenda
Monday, October 5, 2026, 9:00 a.m. MDT
Southwest Water Authority O&M Center Office, Dickinson, ND
[Click here to join the meeting](#) or call: 1-321-558-6608 ID: 190145978#

	Flip Chart Recorder: Director Eaton	Process Observer: Director Engelhardt	Minutes: Wendy Serhienko
9:00 a.m.	1. Call to Order – Pledge of Allegiance - Introductions		Chairperson Odermann
9:02 a.m.	2. Agenda		
	A. Review Agenda		Chairperson Odermann
	B. Consent Agenda*		Board of Directors
	<i>Official Minutes of September 8, 2026, Board of Directors Meeting, Accounts Payable & Financial Reports and Return on Investment*</i>		
	3. Public Comments		Board of Directors
9:05 a.m.	4. Board Policy Review and Monitoring		
	A. Policy III.A. Board Governance Process – Governing Style		Board of Directors
9:10 a.m.	5. Decision Making		
	A. Policy II.C Executive Limitations – Financial Condition and Manager/CEO Internal Report*		Board of Directors
	B. Policy II.E. Executive Limitations – Asset Protection and Manager/CEO Internal Report*		Board of Directors
	C. Contract 2-2I Recommendation and REM Contribution to the Project*		Board of Directors/Tyson Decker
9:20 a.m.	6. Board Member Reports		
	A. Board Action Plan		Board of Directors/Jen Murray
	B. National Rural Water Association Water Pro Conference		Director Gaugler/Odermann
	C. Upper Missouri Water Association Conference		Chairperson Odermann
	D. Roosevelt Custer Regional Council Region 8 Water Supply Meeting		Director Schaible/Jen Murray
9:30 a.m.	7. Incidental Information		
	A. Preliminary 2027 Budget		Ledeanna O’Shields
10:10 a.m.	BREAK		
10:25 a.m.	B. SWC Meeting		Chairperson Odermann
	C. SWPP Update and Funding		Tyson Decker/Jen Murray
	1. Regional Water Systems Governance and Finance Study		Board of Directors/Jen Murray
11:00 a.m.	D. Update from Manager/CEO/SWA Staff		
	1. SWA Construction and O&M Update		Decker/SWA Management
	2. Easement/Signup Update		Misti Conzemius
	3. NDPERS Open Enrollment		Ledeanna O’Shields
	4. Proposed Board of Directors’ Meeting Schedule for 2027		Wendy Serhienko
	5. NDDEQ Sanitary Survey		Jen Murray
	6. Water Topics Overview Committee		Jen Murray
	7. Imagine a Day Without Water		Jen Murray
	8. Cybersecurity Month		Jen Murray
11:30 a.m.	E. Perkins County Rural Water System Update		Ledeanna O’Shields
11:32 a.m.	8. Review issues pending/Parking lot/Plan next agenda		
11:35 a.m.	Adjourn for Lunch		

***Items require Board action.**

**Minutes of Meeting
Southwest Water Authority
Board of Directors
September 8, 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 Tuesday, September 8, 2026, at Southwest Water Authority O&M Center Office, in Dickinson, ND. Chairperson Odermann called the meeting to order at 9:00 a.m. MDT, followed by the Pledge of Allegiance and roll call.

Present at the meeting were: Directors James Odermann, Mark Begger, Kaylene Berg, Gerald Braaten, Dave Burke, Jonathon Eaton, Bruce Engelhardt, Larry Froelich, Harold Gaugler, Curtis Glasoe, Bob Ingold, Don Schaible, and Scott Tschetter. Also present were: Sindhu S.Pillai-Grinolds, DWR, Chris Kadrmass, DWR, Tyson Decker, Bartlett & West, Jack Dwyer, Dwyer Law Office, Grady Blewett, Odney, Inc., Jen Murray, SWA Manager/CEO, Andy Erickson, SWA Water Distribution Manager, Ledeanne O'Shields, SWA CFO/Office Administrator, Misti Conzemius, SWA Marketing Manager, Perry Grammond, SWA Water Treatment Manager, Wendy Serhienko, SWA Executive Assistant, and members from the public that joined online.

Directors Baumgartner and Tietz were excused.

2. Agenda

2.A. Review Agenda

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

2.B. Consent Agenda*

Motion by Director Glasoe, seconded by Director Ingold, to approve item 2.B. Minutes August 3, 2026, Meeting, Minutes of August 6, 2026, Executive Committee Meeting, Draft Minutes of August 27, 2026, Budget Subcommittee 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. General Governance Commitment

Tschetter reviewed the policy. Chairperson Odermann asked if there were any comments, questions or changes to Policy III. General Governance Commitment. There were none.

4.B. Policy III.F. Annual Board Planning Cycle

Ingold presented the policy and the agenda item schedules. Chairperson Odermann asked the Board if there are any agenda items that need to be added to the Policy III.F. Annual Board Planning Cycle schedule. There were none.

5. Decision Making

5.A. Policy II.G. Executive Limitations-Communication and Counsel to the Board and Manager/CEO Internal Report*

Director Gaugler reviewed the policy. Murray noted the Board has access to the employee policy manual, SWA remains engaged in the Regional Water Systems Governance and Finance Study, and a reevaluation of the REM Analysis first conducted in 2022 are included in the Manager/CEO 2027 work plan. Chairperson Odermann asked if there were any comments, questions or changes to Policy II.G Executive Limitations-Communication and Counsel to the Board and Manager/CEO Internal Report. There were none.

Motion by Director Gaugler, seconded by Director Braaten, to approve Policy II.G. Executive Limitations-Communication and Counsel to the Board and Manager/CEO Internal Report. Motion carried unanimously by a roll call vote.

6. Incidental Information

6.A. SWC Meeting

Murray stated the SWC meeting was held August 18, 2026, in Bismarck, ND. The Contract 1-1C - Modifications to Existing Intake Pump Stations Award and Funding Authorizations and Contract 2-2I-Raw Water Main Transmission Pipeline Replacement were approved.

The next SWC pre-commission meeting will be on September 16, 2026, in Bismarck, ND.

6.A.1. Drought Disaster Livestock Program

Murray stated the Governor reauthorized the Drought Disaster Livestock Water Supply Project Assistance Program at the SWC meeting on August 18, 2026. The program originally made \$2 million available to water supply projects. In response to the strong demand the funding was increased to \$4 million on August 26, 2026.

S.Pillai-Grinolds noted the program was open for two weeks and had over 400 applicants. All funds have been committed.

6.B. 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.

Decker noted Specific Authorizations (SA) for the West Zone are being reviewed and finalized for execution. SA 250 would increase capacity from Fryburg to the Beach booster. SA 251 would increase capacity from the Beach booster to Beach.

Decker stated the PDR for the Ray Christensen Pump Station has been reviewed by both the DWR and SWA. DWR presented the study finding and recommended design flows at the August SWC meeting. This will be brought back to the SWC at the October meeting for decision making.

Decker stated there was a preconstruction meeting for the Hebron Rural Service Area on August 19, 2026. The contractor is anticipated to mobilize in September 2026.

Decker noted bids were opened on August 25, 2026, for the Metallic Pipeline Replacement on Contract 2-2I near Dodge. Two bids were received. The low bid was \$5.2 million. Both bids were below BW/AECOM estimate of \$6.4 million. The bids are currently under review by BW/AECOM. This project was brought before SWC at its August 18, 2026, meeting and the pre-approval for the Secretary to execute the award was approved at this meeting. The preapproval is intended to help expedite the award process and the approval of shop drawings by eliminating the need to wait until the October SWC meeting for authorization. The construction efforts for this contract are anticipated to occur in the Spring of 2027.

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 draft is anticipated mid-September 2026. The alternative #3 analysis would add additional capacity from the Supplementary Intake and would include secondary pumps stations at Dodge and Richardton.

6.B.1. Cost Share Policy

S.Pillai-Grinolds stated the DWR continues to work on updates to the cost share policy. The SWC will take formal action on the cost share policy at the December meeting.

6.B.2. Regional Water Systems Governance and Finance Study

S.Pillai-Grinolds stated the Governor expressed his support of Option Two in the Regional Water Systems Governance and Finance Study and the August 18, 2026, SWC meeting.

Murray stated SWA recognizes the significance of that support and believes it is important to better understand how Option Two would function in practice and what it would mean for the future of the SWPP. A memo was provided to the DWR with questions from the Board regarding Option Two. The DWR provided a response memo answering the questions from the Board. Both memos were reviewed.

Murray requested guidance from the Board as she is scheduled to present on the results of the Study at the next Water Topics Overview Committee (WTOC) meeting on September 17, 2026.

S.Pillai-Grinolds noted Haase will have an implementation plan for Option Two at the next WTOC.

Motion by Director Schaible, seconded by Director Glasoe, to support Option Two in the Regional Water Systems Governance and Finance Study with the recommendation to leverage the financing capacity associated with capital repayments, which could include bonds, loans, or other financing mechanisms. Motion carried unanimously by a roll call vote.

7. Board Member Reports

7.A. Board Action Plan

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

7.B. Budget Subcommittee

Director Eaton stated the Budget Subcommittee met on August 27, 2026, and approved the staff's assumptions for the budget development.

7.C. ND Water Users Regional Meeting

Murray noted the ND Water Users hosted a Regional Meeting at the SWA office on Monday, August 17, 2026. This meeting was an opportunity for ND Water Users to provide information and education on their organization.

7.D. Fedorchak Congressional Meeting

Director Schaible stated local and state water leaders gathered at SWA on August 12, 2026, to share updates on projects underway across North Dakota and discuss ideas for how the federal government can support future projects and growth. The conversation covered the opportunities and challenges facing rural, municipal, industrial, agricultural, and tribal water supplies.

7.E. Bruce A. Fox Treatment Plant Dedication

Chairperson Odermann attended and provided a memo for the Bruce A. Fox Treatment Plant Dedication. The dedication was held on August 19, 2026, in Mandaree, ND.

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

7.F.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 WBI was on site the week of August 10, 2026, and wrapped up the Close Interval Survey on August 21, 2026. 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 final report is not yet available but there may be several actionable items, including excavations to assess segments and their conductivity.

Murray stated during August there were two leaks on Ductile Iron Pipe (DIP). One leak was near the Lefor PRV and the other leak was at Dry Creek where DIP was repaired in 2017. SWA is planning to do excavations to observe the pipe to determine if a replacement project is needed. Pipe at the Lefor PRV may be able to be replaced with PVC.

7.F.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 823 requests for service system-wide plus 943 Burt Hebron Service Area Signups for a total of 1,766 requests system wide. Of the 823 waiting list requests, 94 have committed for service via intent forms once the North New England Strategic Improvements have been completed. 17 subsequent customers signed up in August. The department is focused on acquiring the remaining easements for the Hebron Rural Service Area.

7.F.3. Process for Evaluating Requests for Water Service

Murray noted SWA receives requests for new or expanded water service from a variety of customers, including rural users, communities, commercial businesses, agricultural operations, and industrial customers. Industrial requests can vary significantly in both the volume of water requested and the timing and operational characteristics of that demand.

Murray reviewed a memo to give the Board an overview of the process SWA uses to evaluate requests for service, particularly those involving significant water demand.

7.F.4. Upper Missouri Water Association Conference

Murray noted the Upper Missouri Water Association Annual Conference will be held on September 21-22, 2026, in Pierre, SD.

7.F.5. Water Topics Overview Committee

Murray stated the Water Topics Overview Committee is scheduled to meet on Thursday, September 17, 2026. Murray will make two presentations to the WTOC. The first is a presentation on the Regional Water Systems Governance and Finance Study, and the second is a presentation on the funding needs for the SWPP for the upcoming biennium.

7.G. Perkins County Rural Water System Update

O'Shields reported the Perkins County Rural Water System (PCRWS) provided minutes from their July 9, 2026, meeting, along with a copy of the agenda for the August 13, 2026. The next meeting will be held on September 10, 2026.

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

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

Jim Odermann, Chairperson

Mike Tietz, Secretary/Treasurer



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

MEMORANDUM

To: Jen Murray, Manager/CEO

From: Ledeanne O'Shields, CFO/Office Administrator

Subject: Financial, Administration and Customer Service – Incidental Information

Date: September 21, 2026

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

The accounts receivable listing for rural customers is for August 2026 and the transmission accounts receivable listing is for August 2026. The checks written for the month are from August 24, 2026 to September 18, 2026.

Total rural usage for August 2026 was 57,316,800 gallons. By comparison, in August 2025 rural water sales were 35,247,100 gallons. This is an increase of 62.61%. During the month of August, there were 13 hookups with three hookups in 7-1B, two hookups each in 7-9B, and 7-9G Sch 2, one hookup each in 7-6A, 7-8, 7-8B, 7-8E, 7-9D, and 7-9E.

There are 2,440 customers using our Automatic Payment Plan, 398 paid online with a credit option and 355 paid online with a checking account. We had 16 spot checks (ten--two months without a reading or the same reading). Currently there are 623 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 August. SWA sold a total of 340,942,390 gallons of water in the month of August. The projection for the year 2026 is 2,430,122,000 gallons. A comparison of total usage through August 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 August were more than last year's sales through August by SWA had 7,913 active accounts with 3,124 subsequent users in August. As of August 31, 2026, SWA has 324 tenants.

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

Comparisons Through August	Listed in thousand gallons		
		July 2026	295,928,160
2017	267,064,030	August 2026	<u>340,942,390</u>
2018	279,158,850	Difference	45,014,230
2019	271,559,990		
2020	328,865,500		
2021	327,875,760		
2022	287,575,490		
2023	245,218,720		
2024	296,509,060		
2025	251,893,370		
2026	<u>340,942,390</u>		
Difference	89,049,020		

As of August 31, 2026	Amount	Percent
O&M Income	13,530,207	
Return on Investment Expense	(4,619,300)	34%
REM Expense	<u>(1,750,709)</u>	13%
Balance	<u>\$7,160,198</u>	53%

Water depot usage information is included with this memo.

A Certificate of Deposit was established with a 12-month term earning 4.10% interest with Bravera during the month of August with \$1,500,000.00 from the O&M account.

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 \$39,136.73 which includes \$26,494.04 for the New England recoat, & \$7,762.86 for the monthly meeting; BEK Consulting, LLC, for \$46,307.48 including \$28,287.55 for repairs and Dry Creek and \$18,019.93 for repairs at the Lefor PRV; Cleanova Us, Inc for \$21,256.80 for the RHF Press Cloths; DSG for \$19,218.17 which includes \$9,192.43 for inventory & \$7,524.25 for REM projects; Diana Kennedy (Lean Solutions) for \$24,860.84 for work on the new ERP program; Inland Potable Services, Inc for \$7,495.00 for tank cleaning; Ferguson Waterworks for \$12,941.10 to replace a defective valve; and USA Blue Book for \$5,689.48 for parts for repairs & maintenance for the WTP's.

Southwest Water Authority
Statement of Income & Expenses
For 1/1/2026 To 8/31/2026

	Current Period	Current YTD	YTD 2026 Budget	YTD % of Budget	Budget total 2026
Sales					
Sales of Water	\$2,473,016	\$13,246,232	\$12,556,936	67.04%	\$19,759,956
Sales of Equipment	\$42,287	\$269,470	\$169,417	106.04%	\$254,125
Sales of Services	\$3,393	\$22,764	\$18,267	83.08%	\$27,400
Gross Sales	\$2,518,696	\$13,538,466	\$12,744,620	67.55%	\$20,041,481
O&M Expense --Transmission	\$994,291	\$5,690,623	\$6,010,811	62.24%	\$9,143,392
O&M Expense --Distribution	\$559,772	\$4,179,362	\$4,400,238	62.94%	\$6,640,757
O&M Expense -- Treatment	\$277,675	\$2,138,821	\$2,448,733	57.03%	\$3,750,100
Customer Service Expense	\$14,517	\$144,082	\$195,533	48.38%	\$297,800
Total Expenses	\$1,846,255	\$12,152,888	\$13,055,315	61.28%	\$19,832,049
Gross Profit On Sales	\$672,441	\$1,385,578	(\$310,695)	661.59%	\$209,432
Other Income					
Mill Levy Income	\$1,240	\$10,502	\$0	0.00%	\$0
Other Income	\$43,492	\$475,773	\$412,750	76.85%	\$619,125
Grant Income	\$0	\$305,058	\$41,333	492.03%	\$62,000
Total Other Income	\$44,732	\$791,333	\$454,083	116.18%	\$681,125
Board of Directors Expense	\$20,486	\$158,957	\$206,650	51.28%	\$309,975
Administrative Expense	\$83,923	\$813,447	\$928,633	57.97%	\$1,403,300
Signup & Easement Expense	\$51,747	\$399,035	\$433,967	59.39%	\$671,950
Depreciation Expense	\$43,682	\$336,672	\$441,377	50.85%	\$662,066
Gain/Loss on Asset Disposal	\$13,992	(\$189,110)	\$0	0.00%	\$0
Net Income/Expenses	\$531,328	\$279,692	(\$1,867,240)	(12.97)%	(\$2,156,734)
Replacement & EM Fund Expense	\$124,154	\$407,760	\$2,973,614	9.17%	\$4,447,485
Net Income w/ Replacement & EM	\$407,174	(\$128,068)	(\$4,840,854)	1.94%	(\$6,604,219)

Board of Directors Expenses

For 1/1/2026 to 8/31/2026

	Current Period	Current YTD	2026 BUDGET YTD	2026 BUDGET Budget
Board of Directors Expenses				
Per Diem -- Board of Directors	\$5,325	\$33,686	\$50,573	\$75,860
Group Life Insurance -- Board of Directors	3	14	10	15
Workers Compensation Expense -- Board of Directors	5	25	133	200
FICA - Social Security -- Board of Directors	384	2,515	4,133	6,200
FICA - Medicare -- Board of Directors	90	588	1,000	1,500
Professional Services -- Board of Directors	5,607	45,970	42,000	63,000
Office Supplies -- Board of Directors	0	75	133	200
Copies & Duplication -- Board of Directors	0	20	67	100
Public Relations & Development -- Board of Directors	1,913	20,959	22,667	34,000
Development & Education -- Board of Directors	190	2,767	3,733	5,600
Mileage Reimbursement -- Board of Directors	1,881	10,399	15,267	22,900
Lodging & Meals -- Board of Directors	254	1,583	16,067	24,100
Travel Expenses -- Board of Directors	0	799	5,333	8,000
Telephone/Internet -- Board of Directors	322	2,477	3,333	5,000
Postage -- Board of Directors	21	784	667	1,000
Dues & Subscriptions -- Board of Directors	2,814	22,880	23,333	35,000
Insurance - Liability -- Board of Directors	1,677	13,416	18,200	27,300
Total Board of Director Expense	\$20,486	\$158,957	\$206,649	\$309,975
Total Expenses	\$20,486	\$158,957	\$206,649	\$309,975
	\$20,486	\$158,957	\$206,649	\$309,975

Comparative Balance Sheet

8/31/2026

	Through 8/31/2026	Through 8/31/2025
Assets		
Current Assets		
Cash		
Cash in Checking - O&M - Bravera	\$975,729	\$175,504
Cash in Checking - Payroll - Bravera	451,921	454,515
DDM - Reserve - O&M - Bravera	1,369,519	1,540,730
Cash in Checking - First Citizens Bank	93,694	78,481
Petty Cash	200	198
Total Cash	\$2,891,063	\$2,249,428
Short-Term Investments		
Short-Term Investment - O&M Fund	\$1,141,197	\$704,717
Short-Term Investment - General Fund	62,044	79,780
Short-Term Investment - Reserve Fund	1,057,963	1,082,157
Short-Term Investment - Escrow Fund	23,117	39,930
Short-Term Investment - Replacement	8,328,974	6,871,263
Cash Management Account - General Fund	24,496	23,401
Cash Management Account - O&M	1,305,347	1,251,710
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	\$19,155,569	\$15,539,887
Accounts Receivable		
Accounts Receivable -- Distribution Prepayments	(\$14,687)	(\$45,809)
Accounts Receivable -- Transmission	1,629,496	1,219,805
Accounts Receivable -- Distribution	898,116	650,139
Accounts Receivable -- MWWS	15,870	18,301
Accounts Receivable -- Other	837	1,900
Grant Receivable	117,172	0
Allowance For Doubtful Accounts	(5,425)	(11,358)
Allowance For Doubtful Accounts -- MWWS	(497)	(2,168)
Total Accounts Receivable	\$2,640,882	\$1,830,810
Interest Receivable		
Total Interest Receivables	\$0	\$0
Inventory		
Inventory Contributed Capital	\$99,797	\$99,797

Comparative Balance Sheet

	Through 8/31/2026	Through 8/31/2025
Inventory -- User Spare Parts	652,227	759,130
Inventory -- WTP	120,025	156,560
Inventory -- SWTP	198,103	161,101
Inventory -- OMND WTP	138,061	148,925
Total Inventory	\$1,208,213	\$1,325,513
Prepaid Expenses		
Prepaid Expenses	\$55,418	\$52,176
Prepaid Deposit	66,956	24,845
Prepaid Insurance	62,472	126,442
Prepaid Workers Compensation	15,671	6,037
Total Prepaid Expenses	\$200,517	\$209,500
Total Current Assets	\$26,096,244	\$21,155,138
Long-Term Investments		
Long-Term Investment - O&M Fund	\$2,838,737	\$3,228,924
Long-Term Investment - General Fund	1,135,524	1,148,197
Long-Term Investment - Reserve Fund	423,566	367,024
Long-Term Investment - Escrow Fund	758,483	736,412
Long-Term Investment - Replacement	21,445,811	21,491,793
Total Long-Term Investments	\$26,602,121	\$26,972,350
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	1,415,250	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	\$9,245,309	\$8,952,158
Accumulated Depreciation		
Accum Depr -- Buildings & Improvements	\$1,448,797	\$1,334,765
Accum Depr -- Office Furn & Fixt	284,113	279,708
Accum Depr -- Vehicle	713,665	621,257
Accum Depr -- Contributed Vehicles	0	46,093

Comparative Balance Sheet

	Through 8/31/2026	Through 8/31/2025
Accum Depr -- Other Fixed Assets	5,610	4,011
Accum Depr -- Computer Equipment	94,631	91,404
Accum Depr -- Machinery & Equipment	2,326,026	2,138,057
Accum Depr -- Contributed Equipment	60,530	60,530
Accumulated Amortization	178,590	178,590
Total Accumulated Depreciation	\$5,111,962	\$4,754,415
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	\$58,052,763	\$53,996,993

Comparative Balance Sheet

	Through 8/31/2026	Through 8/31/2025
Liabilities and Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable	\$1,825,263	\$1,620,125
Deferred Compensation Payable	225	0
Employee Benefits Payable	133,453	140,135
Deductions Payable	(190)	(1,667)
Total Accounts Payable	\$1,958,751	\$1,758,593
Taxes Payable		
ND State Withholding Payable	\$2,652	\$2,901
Employer Matching FICA - Social Security	18,825	18,917
Employer Matching FICA - Medicare	4,403	4,424
Total Taxes Payable	\$25,880	\$26,242
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
Accrued Salaries Payable	307,478	308,272
Interfund Transfer	0	(451)
Total Other Current Liabilities	\$784,783	\$691,135
Total Current Liabilities	\$2,769,414	\$2,475,970
Long-Term Liabilities		
Deferred Revenue	\$1,028,325	\$955,025
Tenant Rental Deposits	23,925	22,125
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	\$6,886,093	\$7,981,506
Total Liabilities	\$9,655,507	\$10,457,476

Comparative Balance Sheet

	Through 8/31/2026	Through 8/31/2025
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	18,795,813	18,495,365
Reserve Account-Replace & EM -- Distribution	1,503,245	921,493
Interest Income -- Replace & EM	9,178,540	8,631,087
Dividend Income -- Replace & EM	497,906	456,984
Interest Income -- O&M Reserve	1,250	0
Total Reserve Funds	\$34,061,558	\$32,391,434
Unappropriated Funds	\$13,897,101	\$12,395,677
Contributed Capital	566,665	566,665
Net Profit/(loss)	(128,056)	(1,814,262)
Total Equity	\$14,335,710	\$11,148,080
Total Liabilities and Equity	\$58,052,775	\$53,996,990

Ranges:

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

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

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

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

Vendor ID:	AM1956	Name:	AMAZON CAPITAL SERVICES	
Voucher(s):	8	Aged Totals:		Due \$1,017.84
Vendor ID:	BA1491	Name:	BACKYARD MECHANICS	
Voucher(s):	1	Aged Totals:		Due \$160.00
Vendor ID:	BA6742	Name:	BARTLETT & WEST ENGINEERS, INC.	
Voucher(s):	4	Aged Totals:		Due \$39,136.73
Vendor ID:	BA7351	Name:	BASIN AUTO PARTS	
Voucher(s):	2	Aged Totals:		Due \$217.36
Vendor ID:	BE4155	Name:	BEK CONSULTING, LLC	
Voucher(s):	2	Aged Totals:		Due \$46,307.48
Vendor ID:	BE6326	Name:	BERGER ELECTRIC INC	
Voucher(s):	1	Aged Totals:		Due \$280.00
Vendor ID:	BI3772	Name:	BIERSCHBACH EQUIPMENT & SUPPLY	
Voucher(s):	1	Aged Totals:		Due \$194.00
Vendor ID:	BO6225	Name:	BORDER STATES ELECTRIC SUPPLY	
Voucher(s):	5	Aged Totals:		Due \$3,462.86
Vendor ID:	BR1295	Name:	BRADY MARTZ & ASSOCIATES	
Voucher(s):	1	Aged Totals:		Due \$285.00
Vendor ID:	BR2557	Name:	BRENNTAG PACIFIC	
Voucher(s):	1	Aged Totals:		Due \$7,420.00
Vendor ID:	CA8270	Name:	CAVES	
Voucher(s):	1	Aged Totals:		Due \$256.00
Vendor ID:	CL2155	Name:	CLEANOVA US, INC	
Voucher(s):	1	Aged Totals:		Due \$21,256.80
Vendor ID:	CM2776	Name:	CM2 SUPPLY	
Voucher(s):	4	Aged Totals:		Due \$9,209.51
Vendor ID:	CU5535	Name:	CUMMINS SALES & SERVICE	
Voucher(s):	1	Aged Totals:		Due \$4,530.50
Vendor ID:	DA4963	Name:	DAKOTA SUPPLY GROUP	
Voucher(s):	5	Aged Totals:		Due \$19,218.17
Vendor ID:	DI1435	Name:	CITY OF DICKINSON	

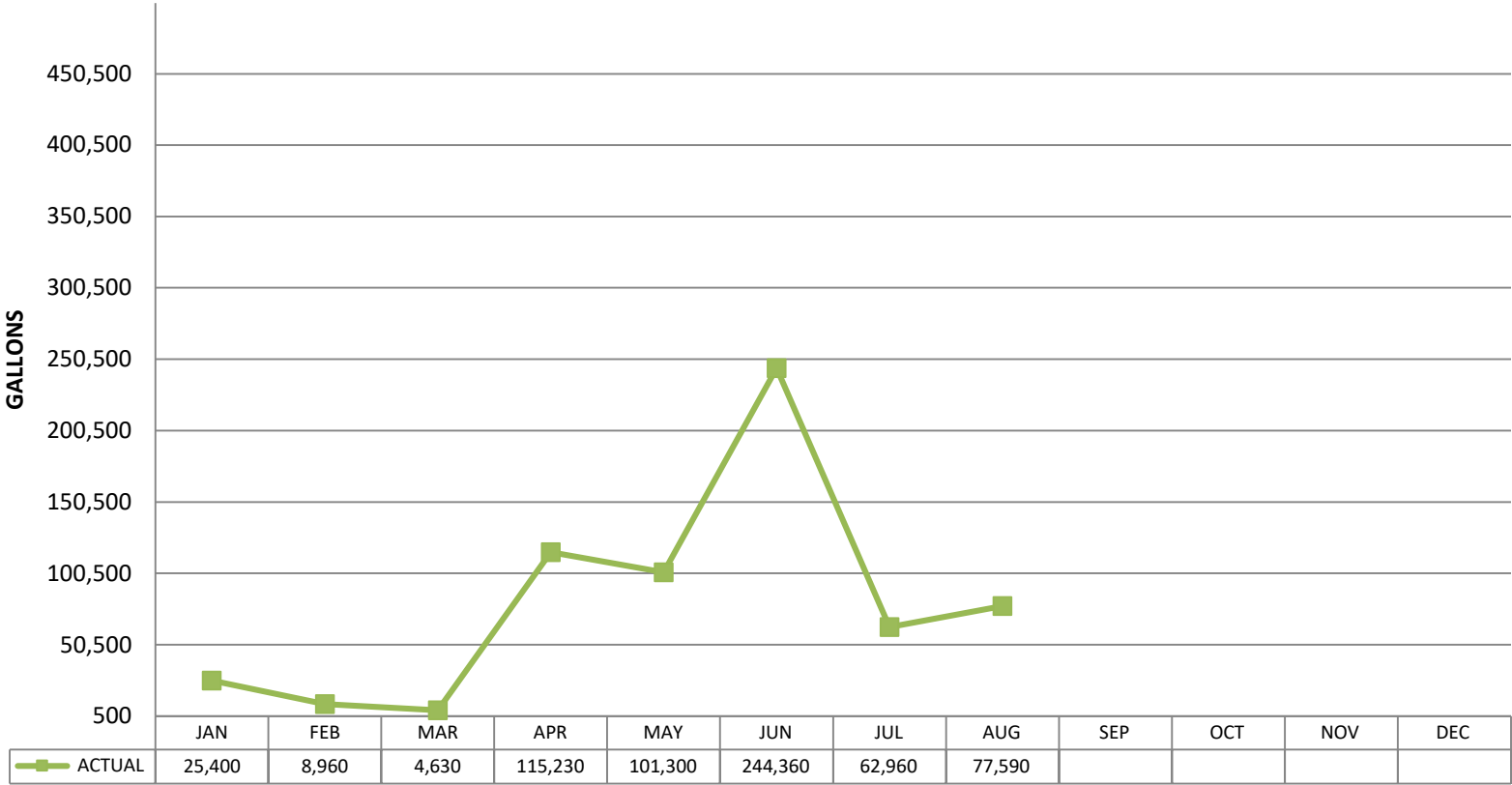
Voucher(s): 2		Aged Totals:	Due \$257.10
Vendor ID:	DI1514	Name:	DIANA KENNEDY
Voucher(s): 1		Aged Totals:	Due \$24,860.84
Vendor ID:	DW9264	Name:	DWYER LAW OFFICE, PLLC
Voucher(s): 1		Aged Totals:	Due \$2,108.93
Vendor ID:	EG3267	Name:	EGGERS ELECTRIC MOTOR COMPANY
Voucher(s): 1		Aged Totals:	Due \$500.00
Vendor ID:	FA3192	Name:	FARMERS UNION HAZEN
Voucher(s): 2		Aged Totals:	Due \$111.90
Vendor ID:	FE5387	Name:	FENIX USA LLC
Voucher(s): 1		Aged Totals:	Due \$6,504.30
Vendor ID:	FE6377	Name:	FERGUSON ENTERPRISES INC
Voucher(s): 1		Aged Totals:	Due \$251.86
Vendor ID:	FI6293	Name:	FIRE & ICE REFRIGERATION, HEATING & I
Voucher(s): 2		Aged Totals:	Due \$637.57
Vendor ID:	GO4816	Name:	GOLVA REPAIR
Voucher(s): 1		Aged Totals:	Due \$70.00
Vendor ID:	GR1955	Name:	GRAYMONT (WI) LLC
Voucher(s): 4		Aged Totals:	Due \$20,693.08
Vendor ID:	HA8435	Name:	HAWKINS INC
Voucher(s): 7		Aged Totals:	Due \$20,399.73
Vendor ID:	HA9251	Name:	HAZEN ACE HARDWARE
Voucher(s): 2		Aged Totals:	Due \$144.97
Vendor ID:	HA9253	Name:	HAZEN HARDWARE HANK
Voucher(s): 2		Aged Totals:	Due \$72.45
Vendor ID:	IN2566	Name:	INFORMATIONAL DATA TECHNOLOGIES L
Voucher(s): 1		Aged Totals:	Due \$3,420.00
Vendor ID:	IN3267	Name:	INGERSOLL RAND COMPANY INDUSTRIAL
Voucher(s): 2		Aged Totals:	Due \$3,071.20
Vendor ID:	IN4152	Name:	INLAND POTABLE SERVICES INC
Voucher(s): 1		Aged Totals:	Due \$7,495.00
Vendor ID:	JU7735	Name:	JUST-IN GLASS, LLC
Voucher(s): 2		Aged Totals:	Due \$1,440.95
Vendor ID:	LE7268	Name:	LEE SERVICES, LLC dba NAKOTA CLEAN
Voucher(s): 1		Aged Totals:	Due \$1,624.00
Vendor ID:	LO2243	Name:	LOFFLER COMPANIES, INC

Voucher(s): 1		Aged Totals:	Due \$949.98
Vendor ID:	LO3551	Name:	LOGO MAGIC, INC
Voucher(s): 1		Aged Totals:	Due \$94.79
Vendor ID:	ME4152	Name:	MERCER COUNTY TREASURER
Voucher(s): 1		Aged Totals:	Due \$85.50
Vendor ID:	MI2827	Name:	MIDWEST DOORS OF DICKINSON, INC.
Voucher(s): 1		Aged Totals:	Due \$1,244.85
Vendor ID:	MO7355	Name:	MOTION INDUSTRIES, INC
Voucher(s): 1		Aged Totals:	Due \$660.95
Vendor ID:	NO6275	Name:	ND DIVISION OF MICROBIOLOGY
Voucher(s): 4		Aged Totals:	Due \$162.00
Vendor ID:	NO6301	Name:	ND DEPT OF ENVIRONMENTAL - CHEMIST
Voucher(s): 1		Aged Totals:	Due \$1,150.66
Vendor ID:	NO6739	Name:	NORTHWESTERN POWER EQUIP CO INC
Voucher(s): 1		Aged Totals:	Due \$4,764.00
Vendor ID:	NO8172	Name:	FERGUSON WATERWORKS
Voucher(s): 1		Aged Totals:	Due \$12,941.10
Vendor ID:	OD5299	Name:	ODNEY
Voucher(s): 2		Aged Totals:	Due \$5,230.00
Vendor ID:	OL7558	Name:	OLSON'S SERVICE
Voucher(s): 5		Aged Totals:	Due \$676.00
Vendor ID:	ON2114	Name:	ONE CALL CONCEPTS
Voucher(s): 1		Aged Totals:	Due \$1,233.30
Vendor ID:	PO8266	Name:	POWERFLEET, INC
Voucher(s): 1		Aged Totals:	Due \$487.62
Vendor ID:	PR1351	Name:	PRAIRIE AUTO PARTS INC
Voucher(s): 1		Aged Totals:	Due \$38.90
Vendor ID:	PR1352	Name:	PRAIRIE EXCAVATION, LLC
Voucher(s): 1		Aged Totals:	Due \$480.00
Vendor ID:	PR2756	Name:	PRESORT PLUS, LLC
Voucher(s): 1		Aged Totals:	Due \$421.30
Vendor ID:	PU5679	Name:	PUMP SYSTEMS, LLC
Voucher(s): 2		Aged Totals:	Due \$572.10
Vendor ID:	QU1437	Name:	QUALITY QUICK PRINT, INC.
Voucher(s): 1		Aged Totals:	Due \$210.00
Vendor ID:	QU1438	Name:	QUALITY XTERMINATORS

AGED TRIAL BALANCE
Southwest Water Authority

Voucher(s): 3		Aged Totals:	Due \$240.00
Vendor ID: RE2651	Name: RED ROCK FORD		
Voucher(s): 1		Aged Totals:	Due \$288.75
Vendor ID: RR1775	Name: R & R AUTO, FARM & ELECTRIC, INC.		
Voucher(s): 5		Aged Totals:	Due \$919.45
Vendor ID: RU5535	Name: RUNNINGS SUPPLY, INC		
Voucher(s): 15		Aged Totals:	Due \$1,721.72
Vendor ID: SI5649	Name: SIMPLY FLOWERS & GIFTS		
Voucher(s): 1		Aged Totals:	Due \$60.50
Vendor ID: SO8901	Name: SOUTHWESTERN DISTRICT HEALTH UNIT		
Voucher(s): 1		Aged Totals:	Due \$480.00
Vendor ID: ST5526	Name: STONERIDGE SOFTWARE, LLC		
Voucher(s): 1		Aged Totals:	Due \$551.25
Vendor ID: US1147	Name: USA BLUE BOOK		
Voucher(s): 6		Aged Totals:	Due \$6,353.03
Vendor ID: VE7715	Name: VESSCO, INC.		
Voucher(s): 1		Aged Totals:	Due \$1,063.16
Vendor ID: VI7111	Name: VISA		
Voucher(s): 20		Aged Totals:	Due \$3,684.33
		<u>Vendor(s)</u>	<u>Due</u>
Vendor Totals:	61		\$293,381.37

2026 SWA DEPOT USAGE
TOTAL 640,430



2026 INDUSTRIAL SALES

CITY	*COMMENTS	*RATE/KGAL FOR INDUSTRIAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	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	299,300	0.92
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	1,071,080	3.29
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	176,400	0.54
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	980,000	3.01
HETTINGER	CHARGES THE SAME FOR ALL USERS 6/24	\$10.00	0	0	0	0	0	10,300	10,825	0	21,125	0.06
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	893,080	2.74
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	249,541	0.77
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	3,690,526	11.33
TOTAL ACRE FEET			0.83	0.84	0.86	1.03	1.81	2.58	1.61	1.76	11.33	
CONTRACT												
BAKER BOY			682,700	789,300	509,700	873,100	732,000	928,000	892,200	969,000	6,376,000	19.57
BILLINGS COUNTY DIST 3			0	0	21,300	0	204,200	231,400	495,900	417,600	1,370,400	4.21
SWA WATER DEPOT - RAW			25,700	8,900	4,600	115,300	101,300	244,360	62,960	77,590	640,710	1.97
DAKOTA PRAIRIE REFINING			849,600	982,400	486,100	992,100	636,200	714,600	1,083,400	1,019,300	6,763,700	20.76
ND ENERGY SERVICES			42,800	0	0	28,700	19,100	19,600	9,400	6,100	125,700	0.39
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	148,857,000	456.82
STEFFES CORPORATION			95,900	160,600	149,100	162,100	113,400	130,000	114,100	104,000	1,029,200	3.16
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	165,162,710	506.87
TOTAL ACRE FEET			55.19	59.22	49.50	50.81	58.00	80.78	70.77	82.59	506.87	
TOTAL GALLONS COMBINED												
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	168,853,236	
TOTAL ACRE FEET COMBINED			56.02	60.06	50.36	51.84	59.81	83.36	72.38	84.35	518.19	518.19

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

III. POLICY TYPE: BOARD GOVERNANCE PROCESS

A. POLICY TITLE: *GOVERNING STYLE*

Adopted 10/4/99 - Amended 8/6/07; 4/7/14; 10/3/22

The Board will govern with a style that emphasizes outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of Board and manager/Chief Executive Officer roles, collective rather than individual decisions, future rather than past or present, and being proactive rather than reactive.

More specifically, the Board will:

1. Operate in all ways mindful of its trustee obligation to the people of North Dakota and the Southwest Water Authority service area. It will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling this commitment.
2. Enforce upon itself whatever commitment is needed to govern with excellence. This commitment will apply to matters such as attendance, policy making principles, respect of roles, speaking with one voice, and ensuring the continual improvement of Board processes and capabilities. Continual redevelopment will include orientation of new members in the Board's governance process and periodic Board discussion of process improvement.

This commitment includes:

- A. Good ideas that come up during the meetings, not on the agenda, will be placed on a list for future agendas.
 - B. Directors will stick to the agenda and have pertinent discussion.
 - C. Directors will come prepared, having read materials before the meeting.
 - D. Directors will not have side conversations during the meeting. The Chair and all directors will control this.
 - E. Directors will accept options, not recommendations for consideration.
 - F. The meeting will start and end on time.
 - G. The Chair may place time limits on discussions. The Board as a whole may over rule.
 - H. Directors will speak loud enough so that all can hear.
 - I. The agenda will have time allotments and clarification.
 - J. Directors will ask extraneous questions outside of the meeting.
 - K. The Directors carry individual responsibility to keep current. This is especially true if the director misses a meeting.
 - L. The Directors will have sufficient information and discussion for policy making before a decision is made.
 - M. The Chair may call more breaks as needed.
3. Direct, control, and inspire the organization with thoughtful establishment of the broadest organizational policies reflecting the Board's values and perspectives. The Board's major focus will be on the intended long-term impacts outside the operating organization (***Aims/Ends***), not on the administrative means of attaining those effects.

4. Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be an initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the knowledge and ability of the Board as a body, rather than to substitute their individual judgments for the Board's values.
5. Monitor the Board's process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-manager/Chief Executive Officer Relationship categories.

MONITORING:

Method:	<i>Board of Directors Internal Report</i>
Frequency:	<i>Annually</i>
Month:	<i>October</i>

II. POLICY TYPE: EXECUTIVE LIMITATIONS

C. POLICY TITLE: *FINANCIAL CONDITION*

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

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

Accordingly the manager/Chief Executive Officer may not:

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

MONITORING:

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

II. POLICY TYPE: EXECUTIVE LIMITATIONS

C. POLICY TITLE: *FINANCIAL CONDITION*

MONITORING: JUNE 2026 THROUGH AUGUST 2026

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

Accordingly, the manager/Chief Executive Officer may not:

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

Income thru 08/31/26 - \$14,329,799

Expenses thru 08/31/26 - \$14,050,109

Net Income/Loss thru 08/31/26 – \$279,692

Total Operating Reserves thru 08/31/26 – 10.57 months

2. Use any Long-Term Reserves.

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

3. Use any Replacement and Extraordinary Maintenance Fund Reserves.

A disbursement from the Replacement and Extraordinary Maintenance Fund occurred on June 23, 2026 for a total of \$649,315.22. This amount includes \$567,165.24 for the Cathodic Protection Improvements, \$60,690.00 for the OMND RO Membranes, and \$21,249.98 Coffin Butte VFD pumps and motor replacement. As of August 31, 2026, the balance in the Fund was \$29,774,784.36.

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

No inter-fund transactions occurred during this period.

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

All payroll debts were settled without penalties or late fees.

Attached list shows sufficient funds for payroll and debt payments.

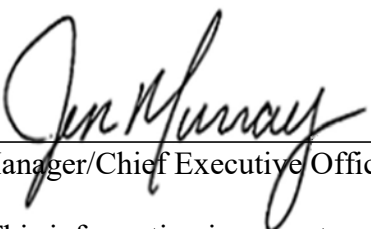
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

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

Office. According to IRS tax code, the due date for filing is three business days after the date of payroll.

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

Three budget options for 2027 will be presented at the October 5, 2026, Board of Directors meeting. The proposed options include two deficit budgets with 7.36 and 7.30 months in reserve and a balanced budget with 8.74 months in reserve.



Manager/Chief Executive Officer

September 22, 2026
Date

This information is current as of September 22, 2026 .

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

Item #2 Use any Long Term Reserves**Monitoring Period: July 2026 through August 2026**

Bonds Called or Sold

Date	Amount	Cost	Account
6/15/2026	\$ 8.43	\$ 8.68	Bond Called Reservse Fund for Replacement (REM)
6/25/2026	\$ 78,678.28	\$ 79,458.04	Bond Called Reservse Fund for Replacement (REM)
7/15/2026	\$ 7.30	\$ 7.51	Bond Called Reservse Fund for Replacement (REM)
7/16/2026	\$ 400,000.00	\$ 437,078.68	Sold Reservse Fund for Replacement (REM)
7/16/2026	\$ 300,000.00	\$ 339,053.95	Sold Reservse Fund for Replacement (REM)
7/16/2026	\$ 40,000.00	\$ 46,393.93	Sold Reserve Fund
7/16/2026	\$ 10,000.00	\$ 113,543.97	Sold O&M Fund
7/16/2026	\$ 10,000.00	\$ 120,217.49	Sold O&M Fund
7/16/2026	\$ 100,000.00	\$ 115,463.39	Sold General Fund
7/16/2026	\$ 100,000.00	\$ 120,253.46	Sold General Fund
7/16/2026	\$ 25,000.00	\$ 28,577.42	Sold Escrow Fund
7/16/2026	\$ 25,000.00	\$ 29,957.09	Sold Escrow Fund
7/27/2026	\$ 10,108.34	\$ 10,208.52	Bond Called Reservse Fund for Replacement (REM)
7/31/2026	\$ 286,438.33	\$ 327,985.04	Sold Reservse Fund for Replacement (REM)
7/31/2026	\$ 71,194.49	\$ 79,147.52	Sold Reserve Fund
7/31/2026	\$ 133,606.68	\$ 146,868.26	Sold O&M Fund
7/31/2026	\$ 155,894.40	\$ 172,579.84	Sold General Fund
8/6/2026	\$ 571.42	\$ 568.35	Sold O&M Fund
8/10/2026	\$ 283.77	\$ 282.55	Sold Reserve Fund
8/10/2026	\$ 1,508.68	\$ 1,502.20	Sold Reservse Fund for Replacement (REM)
8/10/2026	\$ 2,244.90	\$ 2,388.04	Sold Reservse Fund for Replacement (REM)
8/10/2026	\$ 640.40	\$ 637.66	Sold General Fund
8/10/2026	\$ 49,227.81	\$ 50,075.04	Sold General Fund
8/17/2026	\$ 1,299.00	\$ 13.37	Bond Called Reservse Fund for Replacement (REM)
8/26/2026	\$ 7,771.07	\$ 7,848.09	Bond Called Reservse Fund for Replacement (REM)

\$ 1,809,483.30

\$ 2,230,118.09

CASH MANAGEMENT FOR MONITORING PERIOD: June 2026 - Aug 2026

PAYROLL			
Date		Payment	Balance after payment
6/1/2026	\$	272,975.12	\$ 163,283.44
6/2/2026	\$	152,738.10	\$ 10,545.34
6/10/2026	\$	24,956.81	\$ 10,806.34
6/11/2026	\$	3,333.08	\$ 10,963.70
7/1/2026	\$	275,662.68	\$ 167,206.75
7/1/2026	\$	7,879.32	\$ 159,327.43
7/7/2026	\$	146,407.72	\$ 12,919.71
7/10/2026	\$	26,467.99	\$ 13,144.71
7/14/2026	\$	4,315.47	\$ 13,752.07
7/23/2026	\$	3,882.00	\$ 9,870.07
8/3/2026	\$	289,535.49	\$ 161,585.72
8/4/2026	\$	7,935.08	\$ 153,650.64
8/10/2026	\$	147,163.05	\$ 6,487.59
8/14/2026	\$	5,961.91	\$ 15,419.33

Total Payments \$ 1,369,213.82

O&M			Balance after
Date	Payment		payment
6/1/2026	\$ 456,259.98	\$	2,074,726.48
6/5/2026	\$ 106,523.99	\$	1,947,516.48
6/9/2026	\$ 13,740.61	\$	1,065,685.28
6/12/2026	\$ 14,961.80	\$	1,205,911.37
6/18/2026	\$ 748,507.70	\$	748,043.19
6/24/2026	\$ 431,905.73	\$	695,866.77
6/26/2026	\$ 41,212.25	\$	668,154.39
7/1/2026	\$ 37,706.60	\$	1,351,324.98
7/6/2026	\$ 350,758.88	\$	567,439.80
7/8/2026	\$ 126,465.99	\$	590,038.05
7/10/2026	\$ 107,828.37	\$	607,965.49
7/13/2026	\$ 1,488.00	\$	606,477.49
7/14/2026	\$ 4,922.83	\$	601,554.66
7/17/2026	\$ 1,036,720.94	\$	928,253.33
7/23/2026	\$ 13,878.68	\$	1,501,591.57

8/3/2026	\$	259,383.66	\$	1,052,539.12
8/6/2026	\$	121,613.26	\$	983,065.07
8/12/2026	\$	7,976.08	\$	1,690,970.91
8/13/2026	\$	14,046.69	\$	1,683,375.31
8/19/2026	\$	995,418.94	\$	1,171,023.85
8/27/2026	\$	463,610.85	\$	933,716.31

Total Payments	\$	5,354,931.83
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GENERAL FUND			
Date	Payment	Balance after payment	
6/1/2026		\$	90,512.46
8/31/2026		\$	93,694.27
Total Payments	\$	-	

Total Payments \$ -

GOVERNMENT PAYMENTS/FILING 3Q2026

<u>Initiation Date</u>	<u>Payment</u>	<u>FILING</u>	<u>SETTLEMENT DATE</u>
6/24/2026	\$66,757.44	FTD FOR JULY 1 PAYROLL	7/1/2026
7/8/2026	\$6,820.81	FTD FOR JULY 10 PAYROLL	7/10/2026
7/14/2026	\$735.16	FTD FOR BOD PAYROLL	7/15/2026
7/29/2026	\$68,263.13	FTD FOR AUGUST 3 PAYROLL	8/3/2026
8/7/2026	\$7,221.16	FTD FOR AUGUST 10 PAYROLL	8/10/2026
8/12/2026	\$990.84	FTD FOR BOD PAYROLL	8/13/2026
8/27/2026	\$68,959.87	FTD FOR SETPEMBER 1 PAYROLL	9/1/2026
9/4/2026	\$7,258.37	FTD FOR SETPEMBER 10 PAYROLL	9/4/2026
9/15/2026	\$693.58	FTD FOR BOD PAYROLL	9/16/2026

QUARTERLY STATE WITHHOLDING ONLINE TO BE UPLOADED BY 10/31/2026

QUARTERLY SUTA ONLINE TO BE UPOLOAD BY 10/31/2026

II. POLICY TYPE: EXECUTIVE LIMITATIONS

E. POLICY TITLE: ASSET PROTECTION

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

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

Accordingly, the manager/Chief Executive Officer may not:

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

MONITORING:

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

II. POLICY TYPE: EXECUTIVE LIMITATIONS

E. POLICY TITLE: ASSET PROTECTION

MONITORING: JUNE 2026 THROUGH AUGUST 2026

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

Accordingly, the manager/Chief Executive Officer may not:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SWA obtained three quotes for three replacement vehicles and awarded the purchase to the lowest-priced bidder.

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

Follow accounting manual approved by auditors.

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

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

9. Acquire, encumber or dispose of real property.

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

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

SWA has long-term relationships with many suppliers including Brenntag Pacific, Dakota Supply Group, Ferguson Waterworks, Graymont Capital, Inc., Hach Company and Hawkins Inc. SWA has service relationships in the form of service agreements with Central Square for billing, Power Fleet for the vehicle tracking system and Presort Plus for printing and

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



Manager/Chief Executive Officer

September 22, 2026
Date

This information is current as of September 22, 2026.

MONITORING:

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



Southwest Water Authority - Escrow Fund

Account #: 8050

Account Detail On: 08/31/2026

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
Money Market % of Portfolio: 1.17%						
Bravera Deposit Fund	8,330.84	1.00	8,330.84	8,330.84	302.41	0.00
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 74.18%						
Farmer Mac (2/27) 1.27% Due 08/19/30	50,000.00	87.49	50,000.00	43,746.75	635.00	19.40
Federal Farm Credit Bank (10/26) 1.26% Due 10/15/30	50,000.00	86.78	50,000.00	43,390.73	630.00	237.54
Federal Farm Credit Bank (9/26) 1.29% Due 12/22/26	150,000.00	99.13	150,000.00	148,699.10	1,935.00	365.50
Federal Farm Credit Bank (9/26) 4.37% Due 05/17/32	22,000.00	96.88	21,918.43	21,314.13	961.40	275.07
Federal Home Loan Bank (1/30) 5.55% Due 01/23/45	50,000.00	99.61	50,448.54	49,804.95	2,775.00	285.21
Federal Home Loan Bank (11/26) 1.50% Due 02/25/31	25,000.00	86.48	25,000.00	21,620.73	375.00	5.21
Federal Home Loan Bank (2/28) 4.45% Due 02/23/35	15,000.00	94.07	15,010.63	14,111.17	667.50	12.98
Federal Home Loan Bank (9/26) 1.28% Due 12/02/30	50,000.00	86.34	50,000.00	43,169.39	640.00	156.44
Federal Home Loan Bank (9/26) 1.34% Due 03/03/28	60,000.00	95.24	60,000.00	57,144.01	804.00	395.30
Federal Home Loan Bank STEP (9/26) 1.25% Due 9/29/31	100,000.00	87.73	100,000.00	87,730.67	1,250.00	524.31
Bond - US Govt (State Tax Exempt) Total	572,000.00		572,377.60	530,731.63	10,672.90	2,276.96
Bond - US Govt (State Taxable) % of Portfolio: 3.05%						
Freddie Mac (11/26) 1.15% Due 08/26/30	25,000.00	87.40	24,982.66	21,850.80	287.50	3.19
Mutual Funds - Fixed Income % of Portfolio: 21.60%						
PIMCO GNMA & Government Securities Instl	8,327.74	9.29	90,118.31	77,364.17	3,530.86	0.00
Vanguard GNMA Adm	8,307.99	9.29	85,790.21	77,181.11	2,218.91	0.00
Mutual Funds - Fixed Income Total	16,635.73		175,908.52	154,545.28	5,749.77	0.00
Fixed Total	613,635.73		773,268.78	707,127.71	16,710.17	2,280.15
Grand Total	621,966.57		781,599.62	715,458.55	17,012.58	2,280.15



Southwest Water Authority - General Fund

Account #: 8051

Account Detail On: 08/31/2026

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
Money Market % of Portfolio: 1.54%						
Bravera Deposit Fund	16,846.48	1.00	16,846.48	16,846.48	611.53	0.00
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 58.71%						
Farmer Mac (2/27) 1.27% Due 08/19/30	60,000.00	87.49	60,000.00	52,496.10	762.00	23.28
Federal Farm Credit Bank (10/26) 1.26% Due 10/15/30	50,000.00	86.78	50,000.00	43,390.73	630.00	237.54
Federal Farm Credit Bank (9/26) 4.37% Due 05/17/32	60,000.00	96.88	59,777.50	58,129.45	2,622.00	750.18
Federal Home Loan Bank (11/26) 1.50% Due 02/25/31	50,000.00	86.48	50,000.00	43,241.46	750.00	10.42
Federal Home Loan Bank (12/29) 5.45% Due 12/27/44	100,000.00	95.89	100,280.00	95,892.95	5,450.00	953.75
Federal Home Loan Bank (2/28) 4.45% Due 02/23/35	15,000.00	94.07	15,010.63	14,111.17	667.50	12.98
Federal Home Loan Bank (7/28) 5.75% Due 07/20/46	50,000.00	99.20	50,025.00	49,599.21	2,875.00	319.44
Federal Home Loan Bank (9/26) 1.28% Due 12/02/30	100,000.00	86.34	100,000.00	86,338.78	1,280.00	312.89
Federal Home Loan Bank (9/26) 1.34% Due 03/03/28	70,000.00	95.24	70,000.00	66,668.01	938.00	461.18
Federal Home Loan Bank (9/26) 2.50% Due 06/30/31	50,000.00	89.71	50,000.00	44,856.90	1,250.00	208.33
Federal Home Loan Bank STEP (9/26) 1.25% Due 9/29/31	100,000.00	87.73	100,000.00	87,730.67	1,250.00	524.31
Bond - US Govt (State Tax Exempt) Total	705,000.00		705,093.13	642,455.43	18,474.50	3,814.30
Bond - US Govt (State Taxable) % of Portfolio: 7.84%						
Freddie Mac (11/26) 1.15% Due 08/26/30	50,000.00	87.40	49,965.32	43,701.60	575.00	6.39
Freddie Mac (9/26) 1.24% Due 09/30/31	50,000.00	84.31	50,000.00	42,157.14	620.00	258.33
Bond - US Govt (State Taxable) Total	100,000.00		99,965.32	85,858.74	1,195.00	264.72
Bond - US Treasury Note % of Portfolio: 22.15%						
U.S. Treasury Note 5.00% Due 05/15/46	250,000.00	96.93	245,758.48	242,327.88	12,500.00	3,668.48
Mutual Funds - Fixed Income % of Portfolio: 9.76%						
PIMCO GNMA & Government Securities Instl	11,487.10	9.29	129,903.37	106,715.18	4,870.40	0.00
Vanguard GNMA Adm	0.07	9.29	0.60	0.60	0.02	0.00
Mutual Funds - Fixed Income Total	11,487.17		129,903.97	106,715.78	4,870.42	0.00
Fixed Total	1,066,487.17		1,180,720.90	1,077,357.83	37,039.92	7,747.50
Grand Total	1,083,333.65		1,197,567.38	1,094,204.31	37,651.45	7,747.50



Southwest Water Authority - Reserve Fund

Account #: 8052

Account Detail On: 08/31/2026

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
CD - Other % of Portfolio: 68.68%						
Affinity Bank CD 4.15% Due 09/14/27	247,000.00	1.00	247,000.00	247,000.00	10,250.50	477.42
Goldman Sachs Bank CD 4.25% Due 03/13/28	250,000.00	1.00	250,000.00	250,000.00	10,625.00	5,035.96
Northwest Bank CD 4.25% Due 03/15/27	250,000.00	1.00	250,000.00	250,000.00	10,625.00	4,948.63
Somerset Trust Company CD 4.05% Due 05/15/28	250,000.00	1.00	250,000.00	250,000.00	10,125.00	499.32
CD - Other Total	997,000.00		997,000.00	997,000.00	41,625.50	10,961.33
Money Market % of Portfolio: 2.83%						
Bravera Deposit Fund	41,005.24	1.00	41,005.24	41,005.24	1,488.50	0.00
Cash Equivalents Total	1,038,005.24		1,038,005.24	1,038,005.24	43,114.00	10,961.33
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 20.80%						
Farmer Mac (2/27) 1.27% Due 08/19/30	50,000.00	87.49	50,000.00	43,746.75	635.00	19.40
Federal Farm Credit Bank (9/26) 4.37% Due 05/17/32	60,000.00	96.88	59,777.50	58,129.45	2,622.00	750.18
Federal Home Loan Bank (1/30) 5.55% Due 01/23/45	50,000.00	99.61	50,448.54	49,804.95	2,775.00	285.21
Federal Home Loan Bank (11/26) 1.50% Due 02/25/31	25,000.00	86.48	25,000.00	21,620.73	375.00	5.21
Federal Home Loan Bank (2/28) 4.45% Due 02/23/35	20,000.00	94.07	20,014.17	18,814.89	890.00	17.31
Federal Home Loan Bank (9/26) 1.28% Due 12/02/30	50,000.00	86.34	50,000.00	43,169.39	640.00	156.44
Federal Home Loan Bank (9/26) 1.34% Due 03/03/28	70,000.00	95.24	70,000.00	66,668.01	938.00	461.18
Bond - US Govt (State Tax Exempt) Total	325,000.00		325,240.21	301,954.17	8,875.00	1,694.93
Bond - US Govt (State Taxable) % of Portfolio: 3.01%						
Freddie Mac (11/26) 1.15% Due 08/26/30	50,000.00	87.40	49,965.32	43,701.60	575.00	6.39
Bond - US Treasury Note % of Portfolio: 4.68%						
U.S. Treasury Note 5.00% Due 05/15/46	70,000.00	96.93	68,318.36	67,851.81	3,500.00	1,027.17
Mutual Funds - Fixed Income						
Vanguard GNMA Adm	0.03	9.29	0.27	0.27	0.01	0.00
Fixed Total	445,000.03		443,524.16	413,507.85	12,950.01	2,728.49
Grand Total	1,483,005.27		1,481,529.40	1,451,513.09	56,064.01	13,689.82



Southwest Water Authority Reserve Fund For Replacement

Account #: 8053

Account Detail On: 08/31/2026

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
CD - Other % of Portfolio: 5.40%						
Cadence Bank CD 3.90% Due 12/11/26	250,000.00	1.00	250,000.00	250,000.00	9,750.00	4,621.23
California Credit Union CD 4.00% Due 09/18/26	250,000.00	1.00	250,000.00	250,000.00	10,000.00	9,479.45
Connexus Credit Union CD 4.00% Due 08/19/27	250,000.00	1.00	250,000.00	250,000.00	10,000.00	328.77
Cross River Bank CD (3/26) 3.90% Due 03/15/27	250,000.00	1.00	250,000.00	250,000.00	9,750.00	4,514.38
Horizon Bank CD (3/26) 3.95% Due 09/24/27	250,000.00	1.00	250,000.00	250,000.00	9,875.00	189.38
Lighthouse Credit Union CD (12/26) 4.40% Due 06/18/29	250,000.00	1.00	250,000.00	250,000.00	11,000.00	693.15
CD - Other Total	1,500,000.00		1,500,000.00	1,500,000.00	60,375.00	19,826.36
Money Market % of Portfolio: 12.17%						
Bravera Deposit Fund	848,542.51	1.00	848,542.51	848,542.51	30,802.39	0.00
Meridian Bank Deposit Fund	2,522,822.59	1.00	2,522,822.59	2,522,822.59	96,372.25	0.00
Money Market Total	3,371,365.10		3,371,365.10	3,371,365.10	127,174.64	0.00
Cash Equivalents Total	4,871,365.10		4,871,365.10	4,871,365.10	187,549.64	19,826.36
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 70.99%						
Farmer Mac (11/26) 2.00% Due 02/10/27	900,000.00	99.00	900,000.00	890,966.79	18,000.00	1,000.00
Farmer Mac (2/27) 1.27% Due 08/19/30	1,000,000.00	87.49	1,000,000.00	874,934.90	12,700.00	388.06
Farmer Mac (2/27) 1.78% Due 08/12/31	1,000,000.00	86.73	1,000,000.00	867,331.70	17,800.00	890.00
Federal Farm Credit Bank (10/26) 1.26% Due 10/15/30	1,550,000.00	86.78	1,550,000.00	1,345,112.63	19,530.00	7,363.77
Federal Farm Credit Bank (4/29) 5.30% Due 04/24/46	500,000.00	98.21	493,250.00	491,060.90	26,500.00	9,275.00
Federal Farm Credit Bank (9/26) 0.94% Due 06/08/27	400,000.00	97.43	399,914.10	389,731.16	3,760.00	862.95
Federal Farm Credit Bank (9/26) 1.29% Due 12/22/26	600,000.00	99.13	600,000.00	594,796.38	7,740.00	1,462.00
Federal Farm Credit Bank (9/26) 1.40% Due 04/26/29	2,500,000.00	92.01	2,500,000.00	2,300,145.75	35,000.00	12,055.56
Federal Farm Credit Bank (9/26) 1.40% Due 04/28/28	600,000.00	95.05	600,000.00	570,290.88	8,400.00	2,846.67
Federal Farm Credit Bank (9/26) 2.08% Due 02/19/30	900,000.00	91.58	900,000.00	824,198.04	18,720.00	572.00
Federal Farm Credit Bank (9/26) 4.82% Due 09/18/34	1,000,000.00	97.39	997,160.02	973,943.80	48,200.00	21,690.00
Federal Home Loan Bank (1/30) 5.55% Due 01/23/45	500,000.00	99.61	504,485.36	498,049.45	27,750.00	2,852.08
Federal Home Loan Bank (11/26) 1.50% Due 02/25/31	1,000,000.00	86.48	1,000,000.00	864,829.20	15,000.00	208.33
Federal Home Loan Bank (11/26) 4.49% Due 11/12/32	500,000.00	97.36	500,696.44	486,781.15	22,450.00	6,735.00
Federal Home Loan Bank (2/28) 4.45% Due 02/23/35	250,000.00	94.07	250,177.09	235,186.18	11,125.00	216.32
Federal Home Loan Bank (5/27) 5.75% Due 05/21/46	250,000.00	99.21	250,000.00	248,014.33	14,375.00	3,953.13
Federal Home Loan Bank (7/28) 5.75% Due 07/20/46	250,000.00	99.20	250,125.00	247,996.05	14,375.00	1,597.22



Southwest Water Authority Reserve Fund For Replacement

Account #: 8053

Account Detail On: 08/31/2026

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 70.99%						
Federal Home Loan Bank (9/26) 1.07% Due 06/04/27	1,000,000.00	97.45	1,000,000.00	974,483.80	10,700.00	2,556.11
Federal Home Loan Bank (9/26) 1.27% Due 12/02/30	1,000,000.00	86.30	999,323.43	863,006.90	12,700.00	3,104.44
Federal Home Loan Bank (9/26) 1.28% Due 12/02/30	1,000,000.00	86.34	1,000,000.00	863,387.80	12,800.00	3,128.89
Federal Home Loan Bank (9/26) 1.34% Due 03/03/28	650,000.00	95.24	650,000.00	619,060.07	8,710.00	4,282.42
Federal Home Loan Bank (9/26) 2.35% Due 10/18/29	485,000.00	93.14	485,000.00	451,734.04	11,397.50	4,179.08
Federal Home Loan Bank (9/26) 2.50% Due 06/30/31	1,200,000.00	89.71	1,200,000.00	1,076,565.60	30,000.00	5,000.00
Federal Home Loan Bank (9/26) 2.69% Due 09/26/34	500,000.00	83.07	500,000.00	415,325.50	13,450.00	5,753.61
Federal Home Loan Bank (9/26) 3.47% Due 04/12/32	250,000.00	92.82	241,196.36	232,039.40	8,675.00	3,325.42
Federal Home Loan Bank (9/27) 4.54% Due 09/24/35	1,000,000.00	93.88	999,523.74	938,768.70	45,400.00	19,673.33
Federal Home Loan Bank STEP (9/26) 1.25% Due 9/29/31	600,000.00	87.73	600,000.00	526,384.02	7,500.00	3,145.83
Bond - US Govt (State Tax Exempt) Total	21,385,000.00		21,370,851.54	19,664,125.12	482,757.50	128,117.22
Bond - US Govt (State Taxable) % of Portfolio: 7.70%						
FNMA Remic 2.559% Due 12/25/26	419,509.12	99.41	423,666.79	417,013.42	10,689.93	175.72
Freddie Mac (11/26) 1.15% Due 08/26/30	1,000,000.00	87.40	999,304.24	874,032.00	11,500.00	127.78
Freddie Mac (9/26) 1.24% Due 09/30/31	1,000,000.00	84.31	1,000,000.00	843,142.70	12,400.00	5,166.67
Bond - US Govt (State Taxable) Total	2,419,509.12		2,422,971.03	2,134,188.12	34,589.93	5,470.17
Bond - US Treasury Note % of Portfolio: 2.80%						
U.S. Treasury Note 5.00% Due 05/15/46	800,000.00	96.93	789,602.97	775,449.20	40,000.00	11,739.13
Mortgage Backed Security						
Government National Mortgage Association 7.00% Due 12/15/29	191.44	101.63	197.07	194.57	13.40	0.59
Mutual Funds - Fixed Income % of Portfolio: 0.94%						
PIMCO GNMA & Government Securities Instl	28,122.23	9.29	319,795.24	261,255.47	11,923.52	0.00
Vanguard GNMA Adm	0.15	9.29	1.41	1.41	0.04	0.00
Mutual Funds - Fixed Income Total	28,122.38		319,796.65	261,256.88	11,923.56	0.00
Fixed Total	24,632,822.94		24,903,419.26	22,835,213.89	569,284.39	145,327.11
Grand Total	29,504,188.04		29,774,784.36	27,706,578.99	756,834.03	165,153.47



Southwest Water Authority Operation & Maintenance Fund

Account #: 8054

Account Detail On: 08/31/2026

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
CD - Other % of Portfolio: 17.42%						
Citibank CD (6/27) 4.50% Due 06/18/31	250,000.00	1.00	250,000.00	250,000.00	11,250.00	2,280.82
Connexus Credit Union CD 4.00% Due 08/19/27	200,000.00	1.00	200,000.00	200,000.00	8,000.00	263.01
Lighthouse Credit Union CD (9/27) 4.50% Due 08/18/28	200,000.00	1.00	200,000.00	200,000.00	9,000.00	295.89
CD - Other Total	650,000.00		650,000.00	650,000.00	28,250.00	2,839.72
Money Market % of Portfolio: 3.60%						
Bravera Deposit Fund	134,116.36	1.00	134,116.36	134,116.36	4,868.47	0.00
Cash Equivalents Total	784,116.36		784,116.36	784,116.36	33,118.47	2,839.72
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 66.49%						
Farmer Mac (2/27) 1.27% Due 08/19/30	90,000.00	87.49	90,000.00	78,744.14	1,143.00	34.93
Federal Farm Credit Bank (10/26) 1.26% Due 10/15/30	250,000.00	86.78	250,000.00	216,953.65	3,150.00	1,187.70
Federal Farm Credit Bank (9/26) 1.29% Due 12/22/26	250,000.00	99.13	250,000.00	247,831.83	3,225.00	609.17
Federal Farm Credit Bank (9/26) 1.40% Due 04/28/28	200,000.00	95.05	200,000.00	190,096.96	2,800.00	948.89
Federal Farm Credit Bank (9/26) 2.25% Due 12/18/29	200,000.00	92.55	200,000.00	185,107.46	4,500.00	900.00
Federal Home Loan Bank (11/26) 1.50% Due 02/25/31	500,000.00	86.48	500,000.00	432,414.60	7,500.00	104.17
Federal Home Loan Bank (5/27) 4.50% Due 11/14/29	500,000.00	99.28	500,000.00	496,405.30	22,500.00	6,625.00
Federal Home Loan Bank (7/28) 5.75% Due 07/20/46	100,000.00	99.20	100,150.00	99,198.42	5,750.00	638.89
Federal Home Loan Bank (9/26) 1.28% Due 12/02/30	250,000.00	86.34	250,000.00	215,846.95	3,200.00	782.22
Federal Home Loan Bank (9/26) 2.35% Due 10/18/29	100,000.00	93.14	100,000.00	93,141.04	2,350.00	861.67
Federal Home Loan Bank (9/26) 2.50% Due 06/30/31	250,000.00	89.71	250,000.00	224,284.50	6,250.00	1,041.67
Bond - US Govt (State Tax Exempt) Total	2,690,000.00		2,690,150.00	2,480,024.85	62,368.00	13,734.31
Bond - US Govt (State Taxable) % of Portfolio: 2.34%						
Freddie Mac (11/26) 1.15% Due 08/26/30	100,000.00	87.40	99,930.52	87,403.20	1,150.00	12.78
Bond - US Treasury Note % of Portfolio: 5.98%						
U.S. Treasury Note 5.00% Due 05/15/46	230,000.00	96.93	226,238.95	222,941.65	11,500.00	3,375.00
Mutual Funds - Fixed Income % of Portfolio: 4.17%						
PIMCO GNMA & Government Securities Instl	16,812.36	9.29	179,498.35	156,186.53	7,128.25	0.00
Vanguard GNMA Adm	0.03	9.29	0.29	0.29	0.01	0.00
Mutual Funds - Fixed Income Total	16,812.39		179,498.64	156,186.82	7,128.26	0.00
Fixed Total	3,036,812.39		3,195,818.11	2,946,556.52	82,146.26	17,122.09
Grand Total	3,820,928.75		3,979,934.47	3,730,672.88	115,264.73	19,961.81



SWWA - CMA
Account #: 8058

Account Detail On: 08/31/2026

	Shares	Unit Price	Cost	Market Value	Estimated Annual Income	Accrual
Cash						
Cash			0.00	0.00		
Cash Equivalents						
CD - Other % of Portfolio: 68.03%						
Citibank CD (6/27) 4.50% Due 06/18/31	150,000.00	1.00	150,000.00	150,000.00	6,750.00	1,368.49
Connexus Credit Union CD 4.00% Due 08/19/27	250,000.00	1.00	250,000.00	250,000.00	10,000.00	328.77
Lighthouse Credit Union CD (9/27) 4.50% Due 08/18/28	250,000.00	1.00	250,000.00	250,000.00	11,250.00	369.86
United Community Bank CD (9/27) 3.90% Due 03/27/31	250,000.00	1.00	250,000.00	250,000.00	9,750.00	106.85
CD - Other Total	900,000.00		900,000.00	900,000.00	37,750.00	2,173.97
Money Market % of Portfolio: 13.57%						
Bravera Deposit Fund	179,494.98	1.00	179,494.98	179,494.98	6,515.73	0.00
Cash Equivalents Total	1,079,494.98		1,079,494.98	1,079,494.98	44,265.73	2,173.97
Fixed						
Bond - US Govt (State Tax Exempt) % of Portfolio: 18.40%						
Federal Home Loan Bank (11/26) 4.49% Due 11/12/32	250,000.00	97.36	250,348.22	243,390.58	11,225.00	3,367.50
Grand Total	1,329,494.98		1,329,843.20	1,322,885.56	55,490.73	5,541.47



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

MEMORANDUM

To: Southwest Water Authority Board of Directors
From: Jen Murray, Manager/CEO
Subject: **Contract 2-2I Recommendation and REM Contribution to the Project – Decision Making**
Date: September 29, 2026

At the August 18, 2026, State Water Commission (SWC) meeting, the Commission 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 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.

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-inch ductile iron pipeline. Based on the bid costs submitted by BEK Consulting, upsizing the pipeline from 30-inch to 42-inch costs \$600 per linear foot, for a total upsizing cost of \$1,178,400, which SWC will

fund 100%. 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	Contingency	Estimated SWC Funding	Estimated SWA REM Cost
Contract 2-2I Contract Cost	\$6,673,490.00	-	-	-
Contract cost for upsizing 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

I recommend the SWA Board of Directors 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.



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 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

A handwritten signature in blue ink that reads "Tyson Decker". The signature is written in a cursive style with a large, stylized 'T' at the beginning.

Tyson Decker, PE
Project Manager

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



September 29, 2026

BEK Consulting, LLC
Attn. Robert Bartz
3180 Highway 22
Dickinson, ND 58602

**SUBJECT: SWPP Contract 2-2I Raw Water Main Transmission Pipeline Replacement
Dodge to Richardton Notification of Intent to Award
W.O. 3033.A47**

Mr. Bartz:

Congratulations on your bid being the lowest responsible bid submitted for Southwest Pipeline Project (SWPP) Contract 2-2I Raw Water Main Transmission Pipeline Replacement Dodge to Richardton.

Based upon our review, the bid received from BEK Consulting, LLC appears to be in accordance with the Advertisement for Construction Bids and the Bid Documents. We have recommended to the North Dakota State Water Commission (Commission) that Contract 2-2I be awarded to BEK based on its bid for Bid Schedule 1 with Alternate A1, in the amount of \$6,673,490.00. The Contract Documents stipulate that the SWC has up to 60 days to award this Contract from the date of the bid opening as stipulated in the Advertisement for Construction Bids and on the Bid Form. That date would be October 24, 2026.

To expedite the process of preparing the front-end contract documents, you may now proceed with executing the enclosed contract documents. We have not dated the Agreement and other applicable documents as concurrence in the award has not been received, although it is expected. We will forward the signed Notice of Award once executed. The date on the Notice of Award will be the effective date of the Agreement. That date will also apply to the Performance and Payment Bonds. An "unsigned" Notice of Award is included with the front-end contract documents at this time.

Enclosed with this letter are the following contract documents for your execution. If you elect to proceed with preparation of the documents, please complete and return an original set of the following documents.

- EJCDC C-520 Agreement between Owner and Contractor for Construction Contract.
- EJCDC C-610 Performance Bond
- EJCDC C-615A Payment Bond
- Acknowledgement of Principal – one for each of the Agreement and one for each of the Performance and Payment Bonds
- Acknowledgement of Surety
- Certificate of Insurance

The Contract requires that these contract documents be fully completed and returned to us within ten calendar days from the date of receipt of the official Notice of Award. Upon execution of these documents, please return one original fully executed Contract Document packets directly to BW/AECOM to my attention.

Refer to the EJCDC supplemental conditions in the contract documents for liability insurance requirements. As a reminder, limits of liability shall not be less than \$5,000,000 as stipulated in the Supplemental Conditions. The insurance forms provided in the contract documents are attached. The insurance certificate(s) shall name the Owner, the Engineer/Architect, the Owner's Representative, and the Southwest Water Authority as "additional insureds." The insurance afforded to these individual entities shall be Primary Insurance and shall include a "Waiver of Subrogation." If this is not indicated on the Certificate of Insurance forms, such forms will not be accepted and will be returned to you for correction. Please coordinate with your insurance company to ensure that the primary coverage and waiver of subrogation for the additional insureds is properly indicated on the Certificates of Insurance forms. In addition, please note the requirements stated in 6.03.K of the Supplementary Conditions if an Umbrella Policy is used.

Please provide the following forms and information as noted below:

- Statement of Income, Sales, and Use Tax Clearance from the N.D. Tax Department in accordance with Section 43-07-11.1 of the N.D. Century Code, as amended.
- Power of Attorney, original and sealed, one for each copy of the Performance Bond and one for each copy of the Payment Bond. Thus, eight (8) original Power-of-Attorneys shall be provided.
- Copy of current Worker's Compensation Certificate of premium paid.

Following the Notice of Award, and upon your completion and submission of the applicable front-end Contract Documents, we will review them for conformance to the contract requirements. If the documents are satisfactory based on our review, we will then forward them to the Commission for their attorney's review. Upon receiving approval from the Commission, an official Notice to Proceed will then be issued to BEK with an electronic of the Contract front end documents.

The Contract stipulates that the Contract Times will commence to run on the thirtieth day after the Effective Date of the Contract or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Contract. The Substantial Completion Date is May 31, 2027. The final completion date is August 31, 2027. We anticipate scheduling a pre-construction conference following issuance of the Notice to Proceed and before you commence construction. Please inform us of several dates that would fit your schedule.

You may commence submitting shop drawings. We caution you that any action taken by BEK to purchase materials is at your risk until the Commission officially awards the Contract by signing the Notice of Award. We recognize that submitting the shop drawings early will provide a better time frame to adequately review the submittals prior to commencing work. We also remind you that copies of ND Contractor's Licenses are required for any subcontractors. Those licenses must be provided before the subcontractors mobilize.

We look forward to working with you on this project. If you have any questions or comments, please call.

BARTLETT & WEST/AECOM



Tyson Decker, P.E.
Project Manager

Cc: DWR – S. Pillai-Grinolds
DWR – Justin Froseth
SWA – Jen Murray
PWS- Manny Walk
File: SWPP Contract 2-2I: 7.0

Southwest Water Authority

Board of Directors Action Plan

2025-2027

Intake and Raw Water Infrastructure

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

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

Rules and Regulations and Outside Funding Sources

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

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

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

Three-Pronged Approach

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

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

Ownership and Governance

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

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

Operational and Organizational

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



Scan the code to visit our website





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



North Dakota Rural Water Association leaders receiving the Outstanding Member Services Award at the 50th annual National Rural Water Association WaterPro Conference are shown receiving the award: Back row: Danial Overmoe, Jeremy Aasen, Keith Hegney, Eric Volk, James Farrell, NDRWSA President Bruce Henschel, and Ward Heidbreder; Front row: Elizabeth Heinz, Rachel Takala, Sienna Houle, Kevin Corey, and National Director Michele Schommer

September 23, 2026, -- Phoenix, AZ

To: Southwest Water Authority Board of Directors

RE: 2026 Water Pro Conference, Phoenix, AZ

History was marked at the 50th annual at the National Rural Water Association Water Pro Conference in Phoenix, AZ, September 14-16, 2026. The Southwest Water Authority was

represented by three individuals: manager/CEO Jen Murray, Grant County director Harold Gaugler and Billings County director James Odermann.

Over 2,000 water managers, operators, board members and water professional supporters from across the United States gathered for the milestone meeting. A multitude of topics were presented and discussed, ranging from cybersecurity to board management to collaboration to system operation and safety. Professional speakers and presenters provided real-life situations which water professionals face daily.

The 50th Water Pro Conference opening session Monday morning featured a welcome to Arizona from Robert "Chuck" Fickett, president of the San Simon Water Improvement District, San Simon AZ. Tom Goulet, treasurer of the NRWA, introduced the color guard, the National Anthem and the opening prayer.

Attendees were treated to a celebration of 50 years of the NRWA, highlighting changes to water, funding and delivery, changing needs and challenges! A video on the importance of the rural operators, the Safe Drinking Water Act and the USDA involvement in the Circuit Rider Program. This video highlighted work North Dakota had done in 1976.

(North Dakota Rural Water Association celebrated its 50th anniversary of service to rural communities on July 16, 2024. North Dakota Rural Water Association was a key participant in the formation of the National Rural Water Association.)

Jessica Kramer from Environmental Protection Office of water followed with a virtual presentation, announcing Workforce 2.0, cybersecurity funding and work to identify vulnerabilities. She also provided state by state oversight and technical assistance information.

Because of this presentation, Harold attended the Rural Water Technical Assistance Program by members of EPA. This panel discussion was an accumulation of stories regarding accomplishments of collaboration by operators (many who were circuit riders) with similar challenges.



Mother-daughter pair at left, Rose Maier and Jen Murray; Jodie and Harold Gaugler at right. Below, James Odermann with Jeff Breker, Alan Walter and Jay Anderson at the WaterPro Conference exhibit hall. Breker and Anderson are on the Southeast Water Users District board; Walter and Anderson are on the Garrison Diversion Conservancy District board of directors. Breker is a former GDCD board member.



There were two sessions on board leadership track. First, Ethics and Integrity in the Boardroom reviewed elements of what constitutes a meeting, open meeting law, fiduciary duties and the importance of having a policy on conflict of interest, real or perceived. The second session, Effective and Efficient Board Organization, gave basic operating principles of a board meeting. The SWA appears to be operating very well!

Former NDRWA president Matt Odermann, who is cybersecurity director at Minnkota Power, provided a synopsis of issues facing water entities. He noted most organizations are “attacked” because they are “visible, vulnerable and valuable.” He noted strong passwords are especially necessary to thwart attacks.

James attended a presentation on PFAS (pronounced P-Fas), a short name for a class of human-made chemicals known as per- and polyfluoroalkyl substances. They are everywhere and there is some discussion about the EPA becoming involved in regulating the amount of PFAs in water. Testing costs are extremely high. The conclusion: more to come on this issue, which could directly affect SWA.

Harold reported the Tuesday morning (September 15) event highlighted awards. The keynote speaker, Glen Smith, an Iowa farmer appointed to USDA Rural Development put it bluntly: “A community cannot grow without water.” He noted 80% of USDA funding goes to communities under 5,000 people. Michele Schommer, North Dakota director on the NRWA board, announced the achievement awards. North Dakota won the “Outstanding in Member Services Award.”



Above, these SWA representatives attended the WaterPro Conference Gala: Harold and Jodie Gaugler, Rose Maier, Jen Murray, Leona and James Odermann. Below, Tyson Decker of Bartlett and West is shown with artists Leona Odermann, Jodie Gaugler and Rose Maier.



There was a presentation on “Biological Corrosion in Drinking Water Systems: Implementing an Effective Treatment” that detailed how we can continue to deliver quality water. Another presentation on “Governing Boards and Utility Staff- Why Can’t We All Just Get Along” highlighted ways to continue communication and reach positive outcomes.

Harold also attended a session on “Importance of Emergency Response Training and Exercises for Operators.” This session pointed out many of the problems and challenges ranging from funding to cyber security to physical contamination to public confidence and detection.

A presentation on strategic planning was presented by Lara Zent, Texas Rural Water CEO. She went through the steps which Texas has used to grow its association. Many of the comments she provided were parallel to actions taken by the SWA. One concept she noted was the formation of a 501 3C non-profit foundation for the Texas Rural Water Association. Is this something the SWA could initiate?

“Funding the Future of Water: Investing Strategically in Rural Infrastructure”, presented by Kristina Gillespie-Jacques, was an entertaining and informative presentation on various funding sources.

The last session was “Keeping your Cool Diffusing Difficult Customers”. Harold remarked, “For some reason I thought about both Curt (Glasoe) and Andy (Erickson) while sitting in on this one.”

This presentation prompted two thoughts as follows: 1, the goal is not to prove who is right or wrong but to move forward; 2, give staff, especially those answering the phone, the tools they need, which may include basic understanding of what operators do and timing involved.

The conference provided an opportunity to network with many leaders from across the country and share ideas on water issues. We (Jen and her mother Rose Maier, Harold and his wife Jodie, James and his wife Leona) also had an opportunity to attend the NRWA Gala on Tuesday evening. Jen also participated in the Women in Rural Water Luncheon.

Bartlett and West/Boyle Engineering sponsored a supper on Monday evening for the SWA and other water systems to which the company provides services. Tyson Decker and Jared Huibregtse were hosts for the evening.

Throughout this conference there was an emphasis on the water operators and all they do to make water systems work. A special thank you to all water professions and special thanks to the SWA board for allowing us to attend.

As Paul Harvey would say “And now for the rest of the story”.

Respectfully submitted,

Harold Gaugler, director, Grant County
James Odermann, director, Billings County



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

September 24, 2026, -- Pierre, SD

To: Southwest Water Authority Board of Directors

RE: 2026 Upper Missouri Water Association Annual Meeting, Pierre, SD

Representatives of water entities throughout the Missouri River watershed gathered September 20-22, 2026 in Pierre, SD, at the annual meeting of the Upper Missouri River Association. The association includes the states of Montana, North Dakota, South Dakota and Wyoming.

Joining water leaders from the four states that make up the UMWA, however, were representatives from the lower Missouri River basin: Iowa, Nebraska, Kansas and Missouri.

A common theme of the annual meeting was the need for the eight-state region through which the Missouri River flows to initiate communication so decisions regarding the use of the Missouri River water are made by the people within the eight-state area.

Annual updates from the Bureau of Reclamation offices were provided to the attendees. Dani Fettig, representing the Rural Water Division Manager of the Dakotas Area Office; Ryan Newman, Manager of the Montana Area Office; and Lyle Myler, Manager of the Wyoming Area Office gave updates on reservoirs.

Fettig detailed upcoming work on Lake Tschida. She said in January of 2013 a sediment leak was discovered. The BOR has instituted a timeline for repair. Five of her power point presentation slides are included in this report detailing expected lake level drawdown in the summers of 2028 and 2029.

Fettig provided maps showing the drawdown levels during the approximate years. She said limited site space for major work components creating challenges as follows:

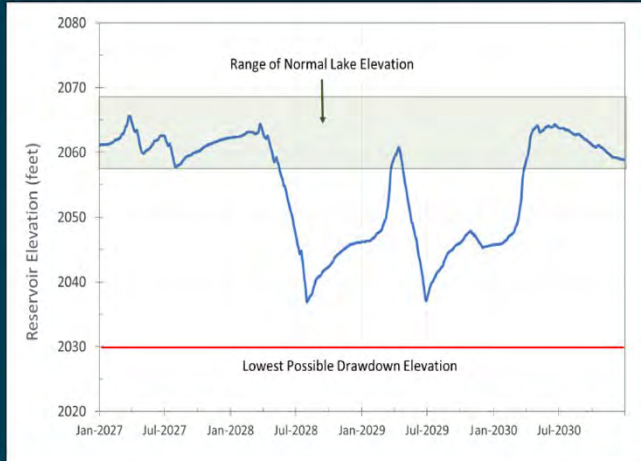
- o Duration of confined space work inside the conduit
- o Need for foundation treatment below conduit



North Dakota Rural Water Association leaders receiving the Outstanding Member Services Award at the 50th annual National Rural Water Association WaterPro Conference are shown above.

- o Highly variable inflow conditions and deep dewatering
- o Unique combined outlet works conduit limits project flexibility

Lake Tschida Drawdown Projection



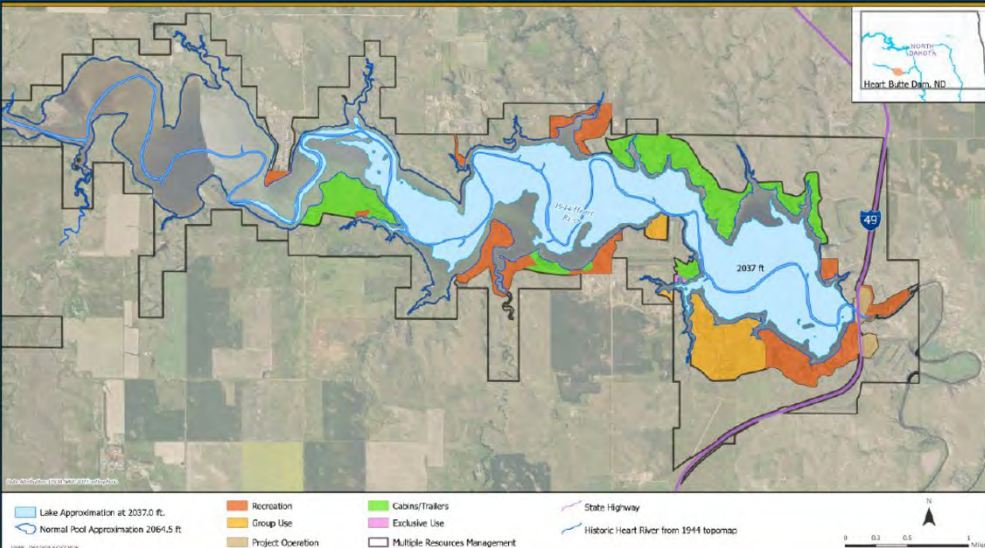
- Two summers of reservoir drawdown are required
- Planned for 2028 and 2029
- Projection shown is estimated based on average inflow



The graph at left shows the projected drawdown from Lake Tschida beginning in 2028 when repairs to the Heart Butte Dam are planned by the US Bureau of Reclamation..

Graphics courtesy of Dani Fettig, US Bureau of Reclamation, Dakotas Area Office.

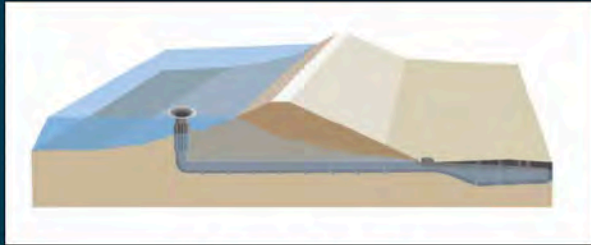
Lake Tschida During Drawdown



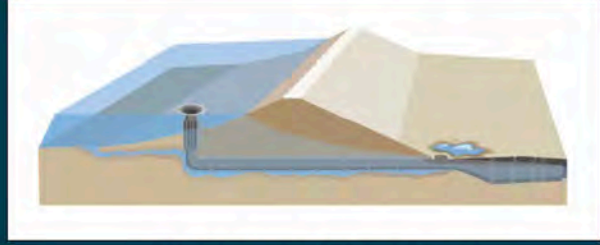
This graphic shows the Lake Tschida pool and surrounding properties that presently are part of the Heart Butte Dam.

Lake Tschida is the reservoir impounded by Heart Butte Dam and provides irrigation, flood control, recreation, and fish and wildlife benefits. Heart Butte Dam is located on the Heart River in Grant County in southwestern North Dakota. It forms the principal feature of the Heart Butte Unit of the Pick-Sloan Missouri Basin Program.

Internal Erosion Potential Failure Mode



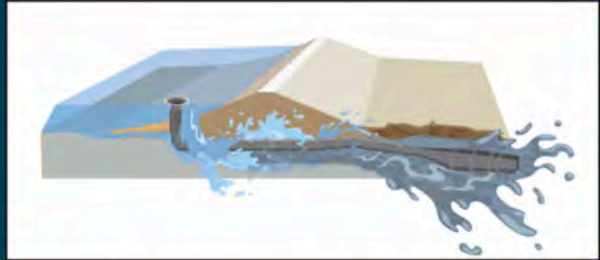
1. Normal Conditions



2. Initiation of Internal Erosion



3. Development of Seepage Path and Piping



4. Uncontrolled Enlargement Results in Dam Failure

The graphic above, provided at the Upper Missouri River Water Association annual meeting by the Bureau of Reclamation, shows how the dam could be adversely impacted if the repairs to the sediment issue were not properly addressed.

Below, this graphic illustrates the expected plan for repairing the issue caused by the sediment issue. Planning for the repairs are already underway with water level drawdowns expected to begin in 2028.

Earthwork



Planned excavation for filter installation



View of planned seepage berm

Heart Butte Dam is a zoned, earth-filled embankment with a structural height of 142 feet and was constructed from 1948-1949. Approximately 7,766 acres of irrigable land downstream are served by releases from Heart Butte Dam.

Procurement for the Safety of Dams (SOD) Modification Project is occurring in 2026, with the construction contract expected to be awarded later this year. Construction is currently planned for 2027 through 2030. Lake Tschida will remain at normal elevations in 2026 and 2027, with drawdown scheduled for 2028 and 2029 to support safe construction conditions.

Additional public notification will be provided regarding reservoir operations as the project approaches.

More information is available at the following website:

https://www.usbr.gov/gp/nepa/Heart_Butte_Dam/Final_EA_docs/HB_FONSI_Final_Jan_2025.pdf.

Tuesday's main activity included a panel of the following persons:

- a. Wade Bachmeier, Missouri River Joint Water Board
- b. Dana Berwick, Montana Irrigator
- c. Larry Buss, Iowa Corn Growers Association
- d. Frank Huseman, NEW Cooperative
- e. Kurt Pfeifle, Dakota Mainstem
- f. Greg Totze, WaterOne

All speakers provided perspectives on their area of interest. Bachmeier talked about the Educate, Advocate and Engage program, detailing the commitment from the three major upper states of Montana, North Dakota and South Dakota. Burwick discussed irrigation challenges he faces on the Missouri River in Montana.

Buss summarized issues that the Missouri River has created over the years. Huseman gave a detailed report on how NEW Cooperative is creating shipping opportunities for agriculture using barges.

Pfeifle noted there needs to be meaningful compensation for what states have given up. He said the Missouri River needs to be utilized to its maximum potential for now and the future. "Good water policy should set the groundwork for future generations to make decisions," he told the audience.

Totzke provided an insight into the WaterOne business model, which is a non-profit public utility that provides water to nearly 500,000 customers in urban areas in Johnson County in Kansas. The business is headquartered in Lenexa, KS, mostly serving residents of 17 cities.

One major policy discussion that emanated from the meeting was a motion by the UMWA board of directors to establish a task force for all states within the Missouri River watershed to meet and formulate policy relative to river management. Jim Schmidt spoke to the group about becoming engaged to show "political strength for self-determination." The UMWA board will name the task force.

During the gathering, the Upper Missouri Water Association Distinguished Service Award winner for 2026 was awarded to Gene Veeder of Watford City. He has been served residents of McKenzie County in multiple capacities throughout his life. Veeder is a member of the North Dakota Water Commission, representing the upper Missouri River watershed in North Dakota.

North Dakota board members on the UMWA board include Mary Massad, past manager/CEO of the Southwest Water Authority, Duane DeKrey of Carrington, Dennis Reep of Bismarck, and Jim Schmidt of Mandan. Darrell Raschke of Huron, SD, is the president of the board.

Respectfully submitted,

James Odermann, director, Billings County

Region 8 Water Supply Roundtable Agenda

Date: 9/29/26 Location: Farm Credit Services, Dickinson, ND Proposed meeting time: 8:30–10:30 a.m.

Meeting purpose

Discuss current water supply and delivery capacity, agree on the Region’s future goals, and identify steps toward those goals and possible legislative priorities.

Agenda

Roundtable discussion
Welcome, introductions and meeting purpose
1. What is the current state of water supply and delivery capacity in Region 8, and how does it limit housing, agriculture, tourism and business growth?
2. What are the goals and priorities for future water supply and delivery capacity in Region 8?
3. What steps do we need to take to reach the Region’s goals?
Confirm key takeaways, assign next steps and set a follow-up date



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

MEMORANDUM

To: Jen Murray, Manager/CEO

From: Ledeanne O'Shields, CFO/Office Administrator

Subject: Environmental Scan for 2027 Budget – Incidental Information

Date: September 28, 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 2,471,222,000 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 and expected tourism along with two new contracts that will utilize water in 2027.
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 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, 2027, is 334.98. This is an increase of 3.39% for the year. 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 \$.15 for Treatment, \$.20 for Transmission O&M, \$.32 Transmission Reserve, \$.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 \$.08 for Transmission REM and \$.01 for Distribution REM, for a total increase of \$.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 \$.091 to the customer, for a rate of \$7.38. This includes the \$.09 increase for REM, \$.15 for Treatment, \$.20 Transmission O&M, \$.32 Transmission Reserve, \$.15 Distribution O&M to achieve a balanced budget.
11. For the contract rate, Option 1 would pass along the \$.08 Transmission REM and \$.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 \$.80 to \$6.72, passing along the Capital Repayment and REM increases to the customer, plus \$.15 for Treatment, \$.20 Transmission O&M, and \$.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 is proposed increase \$0.37 for Option 1 for a total of \$12.37, \$0.24 for Option 2 for a total of \$12.24, and \$1.17 for Option 3 for a total of \$13.17. All options include the REM and CPI increases.
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 August 31) are \$17,640,247 in cash and investments. The estimated year-end balance is \$14,026,784. With this year-end balance, the number of months in reserve to meet operating expenses are: 11.72 months for transmission, 6.68 months for distribution, 3.27 months for treatment, or 8.41 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 five vehicles are 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, and \$4,000 for the manager/CEO. 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 \$10,000 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 \$2,096,631 and rural of \$636,508.

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 \$30,374,478 is the current balance plus expected income for remainder of the year less expected disbursements.
5. Budgeted expenses totaling \$6,190,000 as attached:

2027 Replacement Fund Budget

Income		
\$	2,078,541	From contracts
\$	594,483	From rural
\$	753,959	Interest
\$	3,426,983	Available for 2026
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)
\$	450,000	PP-2024-1 Highway 85 Relocation (non-Reimbursement Portion)
\$	700,000	New England Reservoir Recoat
\$	1,000,000	WTP 2023-1 OMND Treatment Roof Replacement
\$	1,000,000	Ductile Iron Replacement Dry Creek
\$	2,000,000	PP-2025-3 (SWPP 2-2I) Ductile Iron MIC Replacement (Local Share)
\$	5,712,000	Total Expenses Reimbursed to SWA O&M Fund
\$	29,774,784	Current Balance (8/31/2026)
\$	712,972	Anticipated Income for remainder of year 2026
		Anticipated Disbursements to SWA for remainder of 2026
\$	30,487,756	Balance as of January 1, 2027
\$	3,012,549	Income for 2027
\$	(107,445)	Trust Management Fees
\$	(5,712,000)	Expenses
\$	27,680,860	2027 Ending Balance

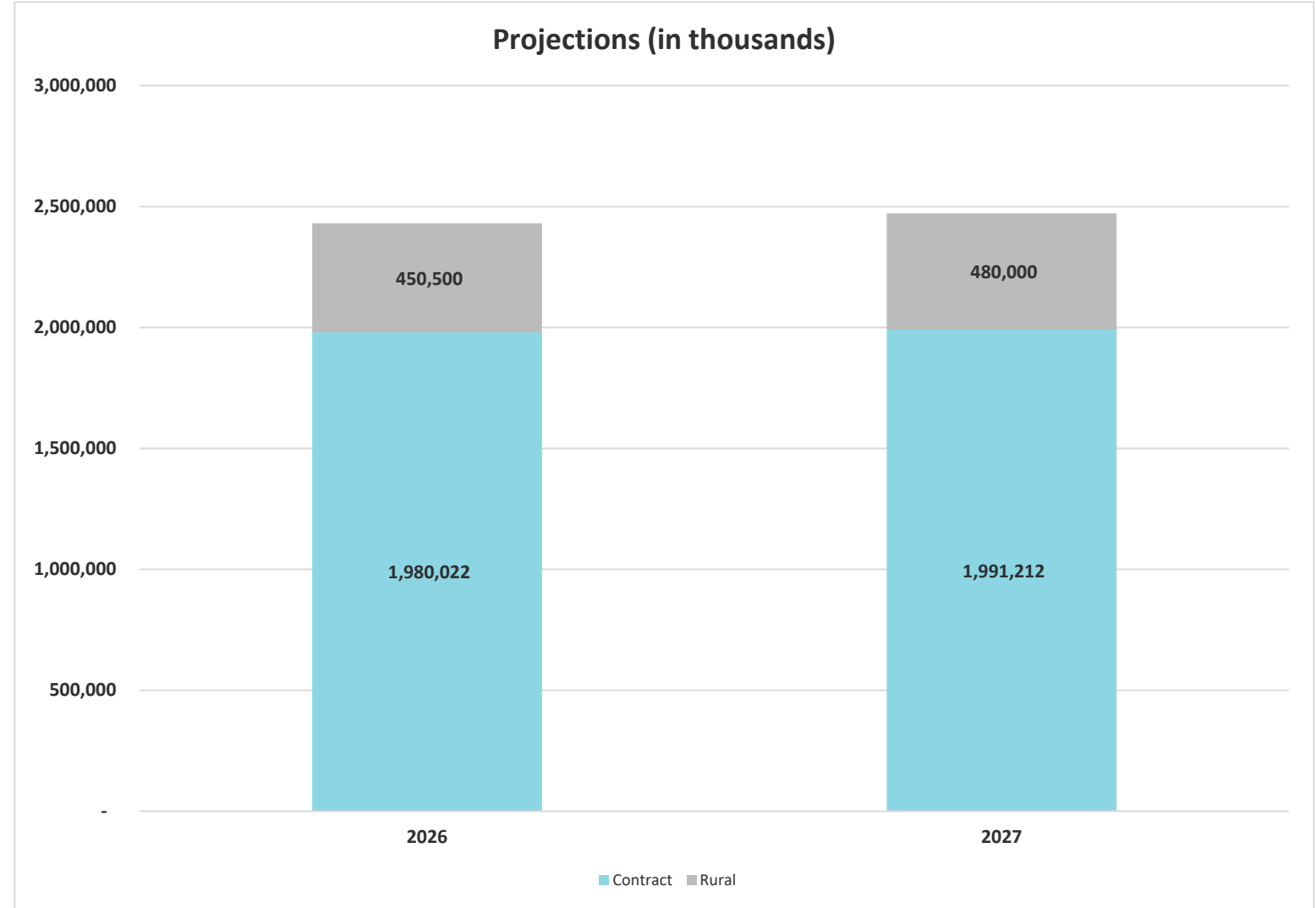


2027 Budget Options

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		
Change from 2026 Rate		\$1.61
2027 minimum		\$58.28
Capital Repayment for customers who tie into MWWS - 2026		
Change from 2026 Rate		\$37.63
2027 Rate		\$1.28
		\$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 rate 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
- REM has increased \$.40/1,000 over past 30 years
- 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 \$400,296

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

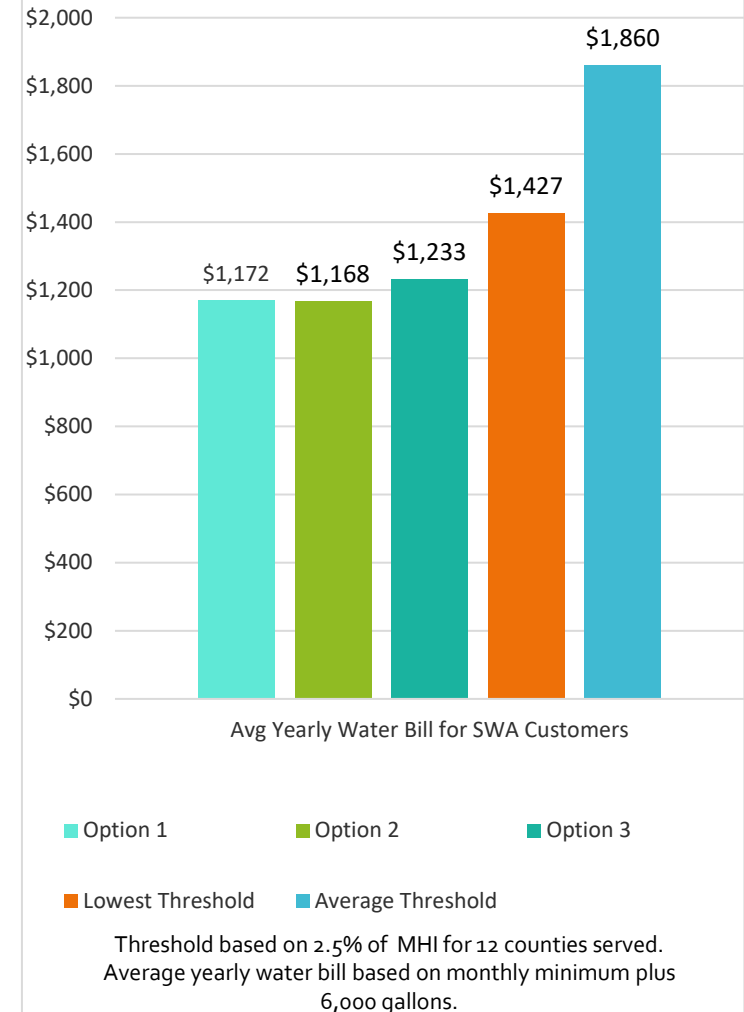
Based on 2020 Census data from
www.census.gov/quickfacts/ND

Median Household Income by County



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

Water Affordability



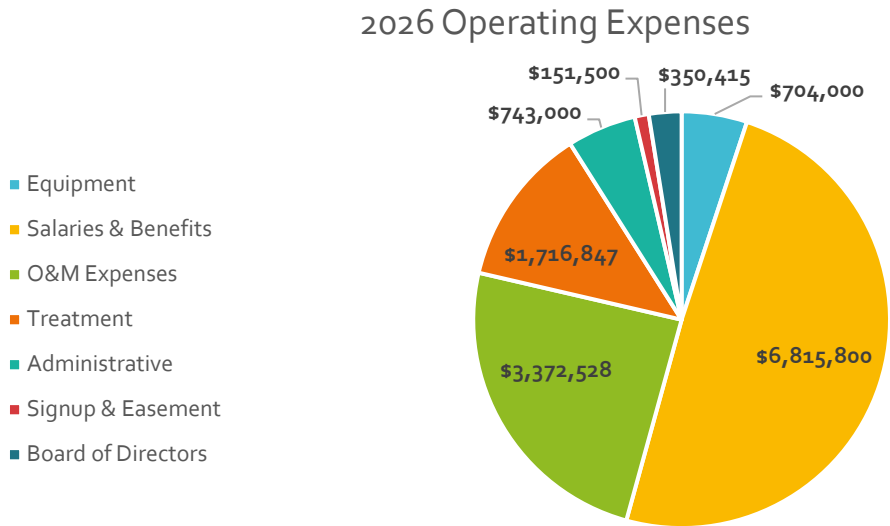
Budget Options Summary

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: \$23,991,978
4.89% increase

Current reserves: 10.57 months

	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)	(\$2,375,792)	(\$2,498,183)	\$211,949
Year End Balance	\$16,732,250	\$11,648,993	\$11,528,602	\$14,238,733
Months in Reserve	10.11	5.95	5.89	7.40



*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 0.34% increase

O&M

- Opt 1 & 2
- Transmission: 5.41% increase
- Distribution: 2.0% increase
- \$500,000 Quad AMR's*
- 5% increase for WAPA
- Three new Service Truck Replacements *
- 3% Increase in Insurance across all departments for NDIRF

*Opt 3

Transmission: 4.88% decrease

Distribution: 0.19% increase

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

* Removed from Opt 3

Expense Budget Highlights

Administration

- Opt 1&2
- Overall 40.19% increase
- ERP system replacement
- Replacement Manager/CEO Vehicle*
- Opt 3
- 23.03% decrease

Signup & Easement

- Overall 5.14% increase
- Ongoing Burt, Hebron project easement acquisitions and recording fees
- Opt 3
- Overall 3.58% decrease

Board of Directors

- Opt 1-2
- Overall 13.05% increase
- Per Diem increase for out of state travel
- Two out-of-state trips
 - Rural Water Rally*
 - NRW Water Pro*
- Opt 3
- 3.21% decrease
- *No out of state trips

* Removed from Opt 3

REM Budget

Total Expenses
\$5,712,000

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)
\$ 450,000	PP-2024-1 Highway 85 Relocation (non-Reimbursement Portion)
\$ 700,000	New England Reservoir Recoat
\$ 1,000,000	WTP 2023-1 OMND Treatment Roof Replacement
\$ 1,000,000	Ductile Iron Replacement Dry Creek
\$ 2,000,000	PP-2025-3 (SWPP 2-2I) Ductile Iron MIC Replacement (Local Share)
\$ 5,712,000	

2027 REM Fund Balance

Amount	Income & Expenses
\$29,774,784	Available Balance as of August 30, 2025
(\$0.00)	2026 REM Reimbursement
\$712,972	Contribution Income remaining 2026
\$30,487,478	Project Beginning Balance2027
\$2,177,779	Contribution Income
\$834,770	Interest Income
(\$107,445)	Trust Management Fees
(\$5,712,000)	Expense Reimbursements
\$27,680,860	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., \$0.15 Dist O&M, and \$0.37 Tran Res for Depot/Oil Industry

	2026 Budget	2027 Budget
WATER USE PROJECTIONS		
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%

	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
RATE SUMMARY				
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%

	2026 Budget	2027 Budget Option 1	2027 Budget Option 2	2027 Budget Option 3
INCOME STATEMENT SUMMARY				
Revenue				
Total Income	\$20,722,606	\$21,802,386	\$21,681,995	\$23,583,830
% Increase	6.1%	5.2%	4.6%	13.8%
Expenses				
Total Expenses w/ Depreciation	\$22,873,340	\$23,991,978	\$23,991,978	\$23,591,682
% Increase	11.3%	4.9%	4.9%	3.1%
Net Income	-\$2,150,734	-\$2,189,592	-\$2,309,983	-\$7,852
Months in Reserve	8.26	7.36	7.30	8.68

	2026 Budget	2027 Budget Option 1	2027 Budget Option 2	2027 Budget Option 3
OPERATIONS SUMMARY				
Income				
Income w/o Cap Rep, REM	\$10,969,037	\$11,481,298	\$11,360,907	\$13,262,748
Revenue per thousand gallons	\$4.51	\$4.65	\$4.60	\$5.37
Expenses				
Expenses w/o Cap Rep, REM, including Equipment	\$12,809,796	\$13,859,090	\$13,859,090	\$13,050,800
Cost per thousand gallons	\$5.27	\$5.61	\$5.61	\$5.28
Net Income before Depreciation	-\$2,174,268	-\$2,372,792	-\$2,493,183	\$216,949
Year Ending Balance	\$12,912,232	\$14,359,459	\$14,239,068	\$16,949,199

2027 Budget Summary

	OPTION 1	OPTION 2	OPTION 3
Sales			
Sales of Water	\$ 20,515,711	\$ 20,395,320	\$ 22,297,155
Sales of Equipment & Services	\$ 284,800	\$ 284,800	\$ 284,800
Hookup Fees	\$ 211,125	\$ 211,125	\$ 211,125
Gross Sales	\$ 21,011,636	\$ 20,891,245	\$ 22,793,080
Expenses			
Transmission	\$ 9,631,449	\$ 9,631,449	\$ 9,606,037
Distribution	\$ 6,773,567	\$ 6,773,567	\$ 6,628,153
Treatment	\$ 3,773,347	\$ 3,773,347	\$ 3,737,347
Customer Service	\$ 268,600	\$ 268,600	\$ 264,000
Administrative	\$ 1,967,300	\$ 1,967,300	\$ 1,823,200
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	\$ 23,991,978	\$ 23,991,978	\$ 23,591,682
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	\$ (2,189,592)	\$ (2,309,983)	\$ (7,852)
Net Income including Equip, w/o Depr	\$ (2,377,792)	\$ (2,498,183)	\$ 211,949
Projected Year-End Balance	\$ 11,648,993	\$ 11,528,602	\$ 14,238,733
No. of Months in Reserve w/o Equip & Depr	5.95	5.89	7.40
Replacement & EM Fund Expense	\$ 5,819,445	\$ 5,819,445	\$ 5,819,445
Water Rates			
Contract	\$ 6.05	\$ 6.00	\$ 6.72
Rural	\$ 6.56	\$ 6.51	\$ 7.38
Minimum	\$ 58.28	\$ 58.28	\$ 58.44

2027 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	\$ 20,515,711	\$ 21,191,700	\$ 21,897,400	\$ 22,634,500	\$ 23,404,900	\$ 24,210,500
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	\$ 21,011,636	\$ 21,623,600	\$ 22,313,800	\$ 22,988,600	\$ 23,828,600	\$ 24,532,700
Expenses							
Transmission	\$ 9,137,392	\$ 9,631,449	\$ 9,740,300	\$ 10,094,400	\$ 10,467,400	\$ 10,860,300	\$ 11,274,600
Distribution	\$ 6,640,757	\$ 6,773,567	\$ 7,130,000	\$ 7,317,400	\$ 7,505,200	\$ 7,711,600	\$ 7,839,200
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	\$ 1,967,300	\$ 1,881,200	\$ 1,922,500	\$ 1,964,900	\$ 2,008,500	\$ 2,053,200
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	\$ 23,991,978	\$ 24,634,500	\$ 25,350,400	\$ 26,090,200	\$ 26,873,200	\$ 27,603,400
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)	\$ (2,189,592)	\$ (2,688,100)	\$ (2,373,800)	\$ (2,887,500)	\$ (2,457,500)	\$ (2,852,100)
No. of Months in Reserve w/o Equip & Depr	9.27	5.95	4.36	2.98	1.44	0.17	(1.21)
Replacement & EM Fund Expense	\$ 4,447,485	\$ 5,819,445	\$ 6,052,223	\$ 6,294,312	\$ 6,546,084	\$ 6,807,928	\$ 7,080,245
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

2027 Operations Budget • Option 1												
	Budget	Actuals	Budget	Annualized July 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	\$ 9,437,800	\$ (547,291)	\$ 10,171,472	\$ 186,381	\$ 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	\$ 2,380,900	\$ (88,785)	\$ 2,733,040	\$ 263,355	\$ 2,951,700	\$ 3,187,900	\$ 3,443,000	\$ 3,718,500	\$ 4,016,000
Capital Repayment	\$ 6,696,600	\$ 6,834,986	\$ 7,283,884	\$ 6,634,100	\$ (649,784)	\$ 7,588,048	\$ 304,164	\$ 7,739,900	\$ 7,894,700	\$ 8,052,600	\$ 8,213,700	\$ 8,378,000
Reserve	\$ 45,100	\$ 49,870	\$ 21,596	\$ 16,700	\$ (4,896)	\$ 23,151	\$ 1,555	\$ 23,400	\$ 23,700	\$ 24,000	\$ 24,300	\$ 24,600
Equipment & Services	\$ 278,700	\$ 435,619	\$ 281,225	\$ 418,900	\$ 137,675	\$ 284,800	\$ 3,575	\$ 277,900	\$ 294,900	\$ 229,100	\$ 295,100	\$ 223,100
Hook up fees	\$ 182,900	\$ 301,275	\$ 200,925	\$ 287,800	\$ 86,875	\$ 211,125	\$ 10,200	\$ 154,000	\$ 121,500	\$ 125,000	\$ 128,600	\$ 99,100
Transfer from Escrow	\$ -	\$ 650	\$ -	\$ 3,200	\$ 3,200	\$ 298,550	\$ 298,550	\$ -	\$ 369,400	\$ -	\$ 369,400	\$ -
Other Income	\$ 420,200	\$ 2,768,736	\$ 480,200	\$ 438,300	\$ (41,900)	\$ 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	\$ 19,617,700	\$ (1,104,906)	\$ 21,802,386	\$ 1,079,780	\$ 21,943,900	\$ 22,974,100	\$ 23,200,200	\$ 24,413,200	\$ 24,748,800
Expenses												
Replacement	\$ 2,167,100	\$ 2,281,874	\$ 2,469,685	\$ 2,352,200	\$ (117,485)	\$ 2,733,040	\$ 263,355	\$ 2,951,700	\$ 3,187,900	\$ 3,443,000	\$ 3,718,500	\$ 4,016,000
Capital Repayment	\$ 6,696,600	\$ 6,843,710	\$ 7,283,884	\$ 6,668,500	\$ (615,384)	\$ 7,588,048	\$ 304,164	\$ 7,739,900	\$ 7,894,700	\$ 8,052,600	\$ 8,213,700	\$ 8,378,000
Equipment	\$ 253,000	\$ 105,100	\$ 685,900	\$ 117,357	\$ (568,543)	\$ 704,000	\$ 18,100	\$ 718,100	\$ 732,500	\$ 747,200	\$ 762,200	\$ 777,500
Salaries & Benefits	\$ 6,245,300	\$ 4,903,620	\$ 6,770,400	\$ 5,726,200	\$ (1,044,200)	\$ 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	\$ 2,680,400	\$ (251,880)	\$ 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	\$ 778,200	\$ (160,900)	\$ 956,847	\$ 17,747	\$ 976,000	\$ 995,600	\$ 1,015,600	\$ 1,036,000	\$ 1,056,800
Chemicals	\$ 750,000	\$ 648,198	\$ 760,000	\$ 733,700	\$ (26,300)	\$ 760,000	\$ -	\$ 775,200	\$ 790,800	\$ 806,700	\$ 822,900	\$ 839,400
Customer Materials	\$ 200,000	\$ 256,379	\$ 200,000	\$ 218,900	\$ 18,900	\$ 270,000	\$ 70,000	\$ 190,000	\$ 191,100	\$ 185,600	\$ 191,200	\$ 110,000
Customer Service	\$ 142,400	\$ 117,069	\$ 155,000	\$ 120,600	\$ (34,400)	\$ 151,000	\$ (4,000)	\$ 152,600	\$ 154,200	\$ 155,800	\$ 157,400	\$ 159,000
Administrative	\$ 168,900	\$ 201,788	\$ 251,800	\$ 223,000	\$ (28,800)	\$ 743,000	\$ 491,200	\$ 757,900	\$ 765,500	\$ 773,200	\$ 781,000	\$ 788,900
Signup & Easement	\$ 128,800	\$ 75,894	\$ 139,150	\$ 116,500	\$ (22,650)	\$ 151,500	\$ 12,350	\$ 153,100	\$ 154,700	\$ 156,300	\$ 157,900	\$ 159,500
Board of Directors	\$ 276,900	\$ 250,914	\$ 309,975	\$ 237,400	\$ (72,575)	\$ 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	\$ 19,972,957	\$ (2,924,217)	\$ 24,180,178	\$ 1,283,004	\$ 24,833,900	\$ 25,561,600	\$ 26,313,400	\$ 27,108,700	\$ 27,851,500
Cost/kgal	\$ 8.54	\$ 7.58	\$ 9.42	\$ 11.64	\$ 2.22	\$ 9.32	\$ (0.10)	\$ 9.48	\$ 9.66	\$ 9.85	\$ 10.04	\$ 10.22
Balance	\$ (747,600)	\$ 4,035,765	\$ (2,174,568)	\$ (355,257)	\$ 1,819,311	\$ (2,377,792)	\$ (203,224)	\$ (2,890,000)	\$ (2,587,500)	\$ (3,113,200)	\$ (2,695,500)	\$ (3,102,700)
Available at beg of year	\$ 15,285,600	\$ 15,112,198	\$ 19,327,542	\$ 17,087,507	\$ (2,240,035)	\$ 14,026,784	\$ (5,300,758)	\$ 11,648,993	\$ 8,758,993	\$ 6,171,493	\$ 3,058,293	\$ 362,793
Year ending balance	\$ 14,538,000	\$ 16,171,042	\$ 17,152,974	\$ 16,732,250	\$ (420,724)	\$ 11,648,993	\$ (5,503,982)	\$ 8,758,993	\$ 6,171,493	\$ 3,058,293	\$ 362,793	\$ (2,739,908)
Reserve needed	\$ 4,224,000	\$ 3,875,200	\$ 4,770,200	\$ 4,161,000	\$ (609,200)	\$ 5,037,500	\$ 267,300	\$ 5,173,700	\$ 5,325,300	\$ 5,482,000	\$ 5,647,600	\$ 5,802,400
over/under	\$ 10,314,000	\$ 12,295,842	\$ 12,382,774	\$ 12,571,250	\$ 188,476	\$ 6,611,493	\$ (5,771,282)	\$ 3,585,293	\$ 846,193	\$ (2,423,708)	\$ (5,284,808)	\$ (8,542,308)
over reserve \$/1000 gallons	\$ 4.44	\$ 4.99	\$ 5.09	\$ 7.28	\$ 2.18	\$ 2.55	\$ (2.55)	\$ 1.37	\$ 0.32	\$ (0.91)	\$ (1.96)	\$ (3.13)
No. of months in reserve	8.71	10.49	9.27	10.11	0.85	5.95	-3.31	4.36	2.98	1.44	0.17	-1.21
	Based on actual projections for 2026											

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

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

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	\$ 20,395,320	\$ 21,067,800	\$ 21,769,700	\$ 22,502,900	\$ 23,269,300	\$ 24,070,900
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	\$ 20,891,245	\$ 21,499,700	\$ 22,186,100	\$ 22,857,000	\$ 23,693,000	\$ 24,393,100
Expenses							
Transmission	\$ 9,137,392	\$ 9,631,449	\$ 9,740,500	\$ 10,094,700	\$ 10,467,600	\$ 10,860,500	\$ 11,274,900
Distribution	\$ 6,640,757	\$ 6,773,567	\$ 7,129,900	\$ 7,317,200	\$ 7,505,100	\$ 7,711,500	\$ 7,839,100
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	\$ 1,967,300	\$ 1,881,200	\$ 1,922,500	\$ 1,964,900	\$ 2,008,500	\$ 2,053,200
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	\$ 23,991,978	\$ 24,634,600	\$ 25,350,500	\$ 26,090,300	\$ 26,873,300	\$ 27,603,600
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)	\$ (2,309,983)	\$ (2,812,100)	\$ (2,501,600)	\$ (3,019,200)	\$ (2,593,200)	\$ (2,991,900)
No. of Months in Reserve w/o Equip & Depr	9.27	5.89	4.24	2.80	1.20	(0.13)	(1.56)
Replacement & EM Fund Expense	\$ 4,447,485	\$ 5,819,445	\$ 6,052,223	\$ 6,294,312	\$ 6,546,084	\$ 6,807,928	\$ 7,080,245
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 July 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	\$ 9,437,800	\$ (547,291)	\$ 10,051,076	\$ 65,985	\$ 10,352,700	\$ 10,663,300	\$ 10,983,200	\$ 11,312,700	\$ 11,652,100
Replacement	\$ 2,167,100	\$ 2,236,164	\$ 2,469,685	\$ 2,380,900	\$ (88,785)	\$ 2,733,440	\$ 263,755	\$ 2,952,200	\$ 3,188,400	\$ 3,443,500	\$ 3,719,000	\$ 4,016,600
Capital Repayment	\$ 6,696,600	\$ 6,834,986	\$ 7,283,884	\$ 6,634,100	\$ (649,784)	\$ 7,587,648	\$ 303,764	\$ 7,739,500	\$ 7,894,300	\$ 8,052,200	\$ 8,213,300	\$ 8,377,600
Reserve	\$ 45,100	\$ 49,870	\$ 21,596	\$ 16,700	\$ (4,896)	\$ 23,156	\$ 1,560	\$ 23,400	\$ 23,700	\$ 24,000	\$ 24,300	\$ 24,600
Equipment & Services	\$ 278,700	\$ 435,619	\$ 281,225	\$ 418,900	\$ 137,675	\$ 284,800	\$ 3,575	\$ 277,900	\$ 294,900	\$ 229,100	\$ 295,100	\$ 223,100
Hook up fees	\$ 182,900	\$ 301,275	\$ 200,925	\$ 287,800	\$ 86,875	\$ 211,125	\$ 10,200	\$ 154,000	\$ 121,500	\$ 125,000	\$ 128,600	\$ 99,100
Transfer from Escrow	\$ -	\$ 650	\$ -	\$ 3,200	\$ 3,200	\$ 298,550	\$ 298,550	\$ -	\$ 369,400	\$ -	\$ 369,400	\$ -
Other Income	\$ 420,200	\$ 2,768,736	\$ 480,200	\$ 438,300	\$ (41,900)	\$ 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	\$ 19,617,700	\$ (1,104,906)	\$ 21,681,995	\$ 959,389	\$ 21,820,000	\$ 22,846,400	\$ 23,068,600	\$ 24,277,600	\$ 24,609,200
Expenses												
Replacement	\$ 2,167,100	\$ 2,281,874	\$ 2,469,685	\$ 2,352,200	\$ (117,485)	\$ 2,733,440	\$ 263,755	\$ 2,952,200	\$ 3,188,400	\$ 3,443,500	\$ 3,719,000	\$ 4,016,600
Capital Repayment	\$ 6,696,600	\$ 6,843,710	\$ 7,283,884	\$ 6,668,500	\$ (615,384)	\$ 7,587,648	\$ 303,764	\$ 7,739,500	\$ 7,894,300	\$ 8,052,200	\$ 8,213,300	\$ 8,377,600
Equipment	\$ 253,000	\$ 225,701	\$ 685,900	\$ 117,357	\$ (568,543)	\$ 704,000	\$ 18,100	\$ 718,100	\$ 732,500	\$ 747,200	\$ 762,200	\$ 777,500
Salaries & Benefits	\$ 6,245,300	\$ 4,903,620	\$ 6,770,400	\$ 5,726,200	\$ (1,044,200)	\$ 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	\$ 2,680,400	\$ (251,880)	\$ 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	\$ 778,200	\$ (160,900)	\$ 956,847	\$ 17,747	\$ 976,000	\$ 995,600	\$ 1,015,600	\$ 1,036,000	\$ 1,056,800
Chemicals	\$ 750,000	\$ 648,198	\$ 760,000	\$ 733,700	\$ (26,300)	\$ 760,000	\$ -	\$ 775,200	\$ 790,800	\$ 806,700	\$ 822,900	\$ 839,400
Customer Materials	\$ 200,000	\$ 256,379	\$ 200,000	\$ 218,900	\$ 18,900	\$ 270,000	\$ 70,000	\$ 190,000	\$ 191,100	\$ 185,600	\$ 191,200	\$ 110,000
Customer Service	\$ 142,400	\$ 117,069	\$ 155,000	\$ 120,600	\$ (34,400)	\$ 151,000	\$ (4,000)	\$ 152,600	\$ 154,200	\$ 155,800	\$ 157,400	\$ 159,000
Administrative	\$ 168,900	\$ 201,788	\$ 251,800	\$ 223,000	\$ (28,800)	\$ 743,000	\$ 491,200	\$ 757,900	\$ 765,500	\$ 773,200	\$ 781,000	\$ 788,900
Signup & Easement	\$ 128,800	\$ 75,894	\$ 139,150	\$ 116,500	\$ (22,650)	\$ 151,500	\$ 12,350	\$ 153,100	\$ 154,700	\$ 156,300	\$ 157,900	\$ 159,500
Board of Directors	\$ 276,900	\$ 250,914	\$ 309,975	\$ 237,400	\$ (72,575)	\$ 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	\$ 19,972,957	\$ (2,924,217)	\$ 24,180,178	\$ 1,283,004	\$ 24,834,000	\$ 25,561,700	\$ 26,313,500	\$ 27,108,800	\$ 27,851,700
Cost/kgal	\$ 8.79	\$ 8.31	\$ 9.42	\$ 11.64	\$ 2.22	\$ 9.32	\$ (0.10)	\$ 9.48	\$ 9.66	\$ 9.85	\$ 10.04	\$ 10.22
Balance	\$ (747,600)	\$ 3,915,164	\$ (2,174,568)	\$ (355,257)	\$ 1,819,311	\$ (2,498,183)	\$ (323,615)	\$ (3,014,000)	\$ (2,715,300)	\$ (3,244,900)	\$ (2,831,200)	\$ (3,242,500)
Available at beg of year	\$ 15,285,600	\$ 15,112,198	\$ 19,327,542	\$ 17,087,507	\$ (2,240,035)	\$ 14,026,784	\$ (5,300,758)	\$ 11,528,602	\$ 8,514,602	\$ 5,799,302	\$ 2,554,402	\$ (276,799)
Year ending balance	\$ 14,538,000	\$ 16,171,042	\$ 17,152,974	\$ 16,732,250	\$ (420,724)	\$ 11,528,602	\$ (5,624,373)	\$ 8,514,602	\$ 5,799,302	\$ 2,554,402	\$ (276,799)	\$ (3,519,299)
Reserve needed	\$ 4,224,000	\$ 3,900,400	\$ 4,770,200	\$ 4,161,000	\$ (609,200)	\$ 5,037,500	\$ 267,300	\$ 5,173,800	\$ 5,325,400	\$ 5,482,000	\$ 5,647,700	\$ 5,802,400
over/under	\$ 10,314,000	\$ 12,270,642	\$ 12,382,774	\$ 12,571,250	\$ 188,476	\$ 6,491,102	\$ (5,891,673)	\$ 3,340,802	\$ 473,902	\$ (2,927,599)	\$ (5,924,499)	\$ (9,321,699)
over reserve \$/1000 gallons	\$ 4.45	\$ 5.42	\$ 5.09	\$ 7.28	\$ 2.18	\$ 2.50	\$ (2.59)	\$ 1.28	\$ 0.18	\$ (1.10)	\$ (2.19)	\$ (3.42)
No. of months in reserve	8.71	10.49	9.27	10.11	0.85	5.89	-3.37	4.24	2.80	1.20	-0.13	-1.56
	Based on actual projections for 2026											

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

[illegible]

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

[illegible]

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	\$ 22,297,155	\$ 23,010,500	\$ 23,754,400	\$ 24,530,700	\$ 25,341,400	\$ 26,188,400
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	\$ 22,793,080	\$ 23,442,400	\$ 24,170,800	\$ 24,884,800	\$ 25,765,100	\$ 26,510,600
Expenses							
Transmission	\$ 9,137,392	\$ 9,606,037	\$ 9,611,800	\$ 9,963,100	\$ 10,333,000	\$ 10,723,000	\$ 11,134,300
Distribution	\$ 6,640,757	\$ 6,628,153	\$ 7,077,500	\$ 7,263,700	\$ 7,450,300	\$ 7,655,500	\$ 7,781,900
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	\$ 1,823,200	\$ 1,796,500	\$ 1,836,700	\$ 1,877,900	\$ 1,920,300	\$ 1,963,800
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	\$ 23,591,682	\$ 24,244,900	\$ 24,953,200	\$ 25,684,900	\$ 26,460,100	\$ 27,182,600
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)	\$ (7,852)	\$ (479,700)	\$ (119,600)	\$ (586,000)	\$ (107,900)	\$ (453,400)
No. of Months in Reserve w/o Equip & Depr	9.27	7.40	7.07	6.91	6.53	6.38	6.09
Replacement & EM Fund Expense	\$ 4,447,485	\$ 5,819,445	\$ 6,052,223	\$ 6,294,312	\$ 6,546,084	\$ 6,807,928	\$ 7,080,245
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 July 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	\$ 9,437,800	\$ (547,291)	\$ 11,146,556	\$ 1,161,465	\$ 11,481,000	\$ 11,825,500	\$ 12,180,300	\$ 12,545,800	\$ 12,922,200
Replacement	\$ 2,167,100	\$ 2,236,164	\$ 2,469,685	\$ 2,380,900	\$ (88,785)	\$ 2,733,440	\$ 263,755	\$ 2,952,200	\$ 3,188,400	\$ 3,443,500	\$ 3,719,000	\$ 4,016,600
Capital Repayment	\$ 6,696,600	\$ 6,834,986	\$ 7,283,884	\$ 6,634,100	\$ (649,784)	\$ 7,587,642	\$ 303,758	\$ 7,739,400	\$ 7,894,200	\$ 8,052,100	\$ 8,213,200	\$ 8,377,500
Reserve	\$ 45,100	\$ 49,870	\$ 21,596	\$ 16,700	\$ (4,896)	\$ 829,517	\$ 807,921	\$ 837,900	\$ 846,300	\$ 854,800	\$ 863,400	\$ 872,100
Equipment & Services	\$ 278,700	\$ 435,619	\$ 281,225	\$ 418,900	\$ 137,675	\$ 284,800	\$ 3,575	\$ 277,900	\$ 294,900	\$ 229,100	\$ 295,100	\$ 223,100
Hook up fees	\$ 182,900	\$ 301,275	\$ 200,925	\$ 287,800	\$ 86,875	\$ 211,125	\$ 10,200	\$ 154,000	\$ 121,500	\$ 125,000	\$ 128,600	\$ 99,100
Transfer from Escrow	\$ -	\$ 650	\$ -	\$ 3,200	\$ 3,200	\$ 298,550	\$ 298,550	\$ -	\$ 369,400	\$ -	\$ 369,400	\$ -
Other Income	\$ 420,200	\$ 2,768,736	\$ 480,200	\$ 438,300	\$ (41,900)	\$ 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	\$ 19,617,700	\$ (1,104,906)	\$ 23,583,830	\$ 2,861,224	\$ 23,762,700	\$ 24,831,100	\$ 25,096,400	\$ 26,349,700	\$ 26,726,700
Expenses												
Replacement	\$ 2,167,100	\$ 2,281,874	\$ 2,469,685	\$ 2,352,200	\$ (117,485)	\$ 2,733,440	\$ 263,755	\$ 2,952,200	\$ 3,188,400	\$ 3,443,500	\$ 3,719,000	\$ 4,016,600
Capital Repayment	\$ 6,696,600	\$ 6,843,710	\$ 7,283,884	\$ 6,668,500	\$ (615,384)	\$ 7,587,642	\$ 303,758	\$ 7,739,400	\$ 7,894,200	\$ 8,052,100	\$ 8,213,200	\$ 8,377,500
Equipment	\$ 253,000	\$ 225,701	\$ 685,900	\$ 117,357	\$ (568,543)	\$ 291,000	\$ (394,900)	\$ 296,900	\$ 302,900	\$ 309,000	\$ 315,200	\$ 321,600
Salaries & Benefits	\$ 6,245,300	\$ 4,903,620	\$ 6,770,400	\$ 5,726,200	\$ (1,044,200)	\$ 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	\$ 2,680,400	\$ (251,880)	\$ 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	\$ 778,200	\$ (160,900)	\$ 920,847	\$ (18,253)	\$ 939,300	\$ 958,100	\$ 977,300	\$ 996,900	\$ 1,016,900
Chemicals	\$ 750,000	\$ 648,198	\$ 760,000	\$ 733,700	\$ (26,300)	\$ 760,000	\$ -	\$ 775,200	\$ 790,800	\$ 806,700	\$ 822,900	\$ 839,400
Customer Materials	\$ 200,000	\$ 256,379	\$ 200,000	\$ 218,900	\$ 18,900	\$ 250,000	\$ 50,000	\$ 190,000	\$ 191,100	\$ 185,600	\$ 191,200	\$ 110,000
Customer Service	\$ 142,400	\$ 117,069	\$ 155,000	\$ 120,600	\$ (34,400)	\$ 146,400	\$ (8,600)	\$ 147,900	\$ 149,400	\$ 150,900	\$ 152,500	\$ 154,100
Administrative	\$ 168,900	\$ 201,788	\$ 251,800	\$ 223,000	\$ (28,800)	\$ 673,900	\$ 422,100	\$ 687,400	\$ 694,300	\$ 701,300	\$ 708,400	\$ 715,500
Signup & Easement	\$ 128,800	\$ 75,894	\$ 139,150	\$ 116,500	\$ (22,650)	\$ 141,900	\$ 2,750	\$ 143,400	\$ 144,900	\$ 146,400	\$ 147,900	\$ 149,400
Board of Directors	\$ 276,900	\$ 250,914	\$ 309,975	\$ 237,400	\$ (72,575)	\$ 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	\$ 19,972,957	\$ (2,924,217)	\$ 23,371,882	\$ 474,708	\$ 24,028,000	\$ 24,739,700	\$ 25,475,100	\$ 26,253,900	\$ 26,979,900
Cost/kgal	\$ 8.76	\$ 8.31	\$ 9.42	\$ 11.64	\$ 2.22	\$ 9.01	\$ (0.41)	\$ 9.17	\$ 9.35	\$ 9.53	\$ 9.73	\$ 9.90
Balance	\$ (747,600)	\$ 3,915,164	\$ (2,174,568)	\$ (355,257)	\$ 1,819,311	\$ 211,949	\$ 2,386,517	\$ (265,300)	\$ 91,400	\$ (378,700)	\$ 95,800	\$ (253,200)
Available at beg of year	\$ 15,285,600	\$ 15,112,198	\$ 19,327,542	\$ 17,087,507	\$ (2,240,035)	\$ 14,026,784	\$ (5,300,758)	\$ 14,238,733	\$ 13,973,433	\$ 14,064,833	\$ 13,686,133	\$ 13,781,933
Year ending balance	\$ 14,538,000	\$ 16,171,042	\$ 17,152,974	\$ 16,732,250	\$ (420,724)	\$ 14,238,733	\$ (2,914,242)	\$ 13,973,433	\$ 14,064,833	\$ 13,686,133	\$ 13,781,933	\$ 13,528,733
Reserve needed	\$ 4,224,000	\$ 3,900,400	\$ 4,770,200	\$ 4,161,000	\$ (609,200)	\$ 4,869,100	\$ 98,900	\$ 5,005,800	\$ 5,154,100	\$ 5,307,300	\$ 5,469,600	\$ 5,620,800
over/under	\$ 10,314,000	\$ 12,270,642	\$ 12,382,774	\$ 12,571,250	\$ 188,476	\$ 9,369,633	\$ (3,013,142)	\$ 8,967,633	\$ 8,910,733	\$ 8,378,833	\$ 8,312,333	\$ 7,907,933
over reserve \$/1000 gallons	\$ 4.44	\$ 5.42	\$ 5.09	\$ 7.28	\$ 2.18	\$ 3.61	\$ (1.48)	\$ 3.42	\$ 3.37	\$ 3.14	\$ 3.08	\$ 2.90
No. of months in reserve	8.71	10.49	9.27	10.11	0.85	7.40	-1.86	7.07	6.91	6.53	6.38	6.09
	Based on actual projections for 2026											

MWWS Water Rates for 2027 - CPI (3.06%) - OPT 3

[illegible]

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

[illegible]

State Water Commission Pre-Commission Meeting
#201 Hardmeyer Hall, Bank of North Dakota
1200 Memorial Highway, Bismarck, ND 58504
Wednesday, September 16, 2026 – 1:00 PM CT
A QUORUM OF THE COMMISSION MAY BE PRESENT

Microsoft Teams [Need help?](#)

[Join the meeting now](#)

Meeting ID: 260 502 482 850 4

Passcode: 8Ye6TY36

Dial in by phone

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Join on a video conferencing device

Tenant key: [teams@join.nd.gov](#)

Video ID: 112 374 939 4

AGENDA

- 1:00 – 1:03 A. Roll Call/Pledge of Allegiance
- 1:03 – 1:15 B. SWC Secretary Update (no attachment)
- 1:15 – 1:20 C. Final Navigability Determinations (**Aaron Carranza**)
- 1:20 – 1:25 D. Southwest Pipeline Project (SWPP) (**Sindhuja S.Pillai-Grinolds**)
1. Ray Christensen Pump Station Upgrades Preliminary Design Report—Design Decision
- 1:25– 1:30 E. Northwest Area Water Supply (NAWS) (**Brandon Hicks**)
1. SCADA and Cybersecurity Information
- 1:30 – 1:35 F. Drought Disaster Livestock Water Supply Assistance Program (**Cory Drevecky**)
- 1:35 – 2:00 G. 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 |
- 2:00 – 2:05 H. Cost-Share Project Funding Availability Update (**Duane Pool**)
- 2:05 – 2:10 I. General Water (**Abigail Franklund**)
- | | | | |
|----------|--------------------------|-------------|---|
| 1. GD CD | LA 10 Irrigation Project | \$1,052,642 | C |
|----------|--------------------------|-------------|---|
- 2:10 – 2:15 J. Water Supply (Rural) (**Julie Prescott**)
- Projects Considered Based on Cost-Share Prioritization Framework and Available Funding*
- | | | | |
|----------|------------------|-----------|----|
| 1. SEWUD | West WTP Phase 2 | \$514,100 | PC |
|----------|------------------|-----------|----|

- 2:15 – 2:30 K. Water Supply (Municipal) (Julie Prescott)
Projects Considered Based on Cost-Share Prioritization Framework and Available Funding
- | | | | |
|------------|-----------------------------------|-----------|----|
| 1. Grenora | WTP Improvement | \$30,000 | PC |
| 2. Steele | Watermain Replacement | \$124,200 | PC |
| 3. Almont | Drinking Water and Sanitary Sewer | \$47,540 | C |
- 2:30 – 2:35 L. Water Supply (Municipal) (Julie Prescott)—No Attachment
Projects Deferred Pending Available Funding
- | | | | |
|-----------------|---|-------------|----|
| 1. McVile | McVile WTP Rehabilitation | \$1,022,580 | C |
| 2. Casselton | Downtown Improvements Project | \$525,218 | C |
| 3. Harwood | North Main Water Loop | \$491,129 | C |
| 4. Grafton | Water System Replacement Phase I | \$2,556,064 | C |
| 5. Regent | Main Avenue Reconstruction | \$644,705 | C |
| 6. Watford City | 2026 Water Main Replacement | \$2,130,923 | C |
| 7. West Fargo | 1 st Avenue E Reconstruction | \$1,136,346 | C |
| 8. West Fargo | Meadow Ridge Reconstruction Phase I | \$1,120,118 | C |
| 9. Rolla | WTP Improvements | \$15,000 | O |
| 10. Binford | Water & Wastewater System Improvements | \$300,000 | PC |
| 11. Mandan | Intake Phase III Study | \$135,000 | O |
| 12. Stanley | Capital Improvements Project IV | \$95,460 | PC |
- 2:35 – 3:05 M. Governance and Finance Study Discussion (Reice Haase) (no attachment)
- 3:05 – 4:05 N. SWC Cost-Share Study Discussion (Pat Fridgen)
- O. Adjourn

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

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 9, 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 includes improvements to the RCPS. Long term upgrades to the RCPS include improvements to the pumps for the South zone and North and East zone as well. Specific Authorization 242 authorized BW/AECOM to complete 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 (150 gpm).

The 450 gpm noted above is not dedicated to the City of Bowman or Perkins County,

SWPP – Ray Christensen Pump Station Upgrades Preliminary Design Report – Design
Decision
Page 2 of 2
September 9, 2026
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 Zone and 3,118 gallons per minute for the South Zone.

RH:SSP:/1736-99

DRAFT

MEMORANDUM

To: Southwest Water Authority Board of Directors, Staff
From: Justin Frosth, SWPP Manager
Subject: SWPP Project Update
Date: September 30, 2026

Contract 1-2A Supplementary Raw Water Intake:

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

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

This design effort is underway and a 50% design deliverable was distributed on September 29, 2026 and is under review. The structural review of the existing caisson is also 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.

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 conference is being scheduled.

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 the West Zone MTL Expansion and Specific Authorization 251 for Golva Tank have been finalized 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):

BW/AECOM is preparing the PDR, which will identify the primary components needed to implement the capacity upgrades identified in the West Zone PDR. Concurrently, projected future demands for the North, East, and South Zones are being evaluated to ensure that long-term planning needs for these areas are coordinated with near-term improvements to increase West Zone capacity.

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

Prong 2 Strategic Improvements

North New England Strategic Hydraulic Improvements

Resuming work in April 2026, Wagner Construction has substantially completed pipeline installation for the project, with only the bacteria testing remaining on the 3" pipeline. The 3" pipeline is now being chlorinated for a fourth time as this segment has not been able to obtain two successive bacteria tests to date. 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 tentatively expected to arrive in early November, with installation planned shortly thereafter to support project completion this fall. 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 September 22, 2026 and they are installing bores in the same area.. The project team continues to work with Abbott, Arne, and Schwindt to finalize execution of the Schedule 2 contract.

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

Sent: 850

Obtained: 812 (95%)

Refused: 23 (3%)

Remaining: 15 (2%)

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

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

SWTP project picture below taken on September 30, 2026



Metallic Pipeline Replacement:

The project will utilize 30-inch and 42-inch Ductile Iron Pipe (DIP) with a two-layer bonded coating system known as Pritec. The bid documents require the contractor to submit an engineered dewatering plan following project award.

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. The bids have been reviewed and BW/AECOM was not able to consider the low bidder, PWS inc., a responsible bidder. A notice of intent to award to the lowest responsible bidder, BEK Consulting was distributed on September 29, 2026. This project was brought before SWC at its August 18, 2026 meeting and the pre-approval for the Secretary to execute the award was approved at this meeting. The preapproval was intended to help expedite the award process and the approval of shop drawings by eliminating the need to wait until the October SWC meeting for contract award. Funding authorization for this contract will be brought forward at the October SWC meeting. The construction efforts for this contract are anticipated to occur in the Spring of 2027.

Raw Water Implementation Study:

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

The implementation plan portion of the study has been finalized. The draft Alternative #1 analysis report, which evaluates increasing raw water delivery to Gevo's Net-Zero Richardton facility by 500 gallons per minute (gpm), has been completed and provided to DWR and Gevo staff for review. Under the cost-sharing agreement with Gevo, the parent company of the Net-Zero facility, monthly coordination meetings continue between DWR, BW/AECOM, and Gevo to maintain alignment throughout the study. The most recent meeting was held on August 20. The Alternative #2 analysis, which evaluates an additional 1,400 gpm increase in flow to the Net-Zero Richardton facility, was distributed on September 21, 2026.

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 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	Coalition Building & Stakeholder Engagement	Legis.	Legislative Session	DWR	Collaborate On Budgeting & Future Needs
SWA				SWA	
				SWC	
DWR	Explore Financing Options				Secure Financing Using SWPP Capital Repayment
SWA					
SWC				SWC	
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: September 30, 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 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.

The contract for relocating SWPP infrastructure along US Hwy 85 from the junction of Hwy 200 to the Long X Bridge is nearing close out. SWA received reimbursement from the NDDOT in May in the amount of \$1,814,059, and \$94,423.49 in July. There will be at least one more reimbursement disbursement. SWA was notified about a section of this relocation that is not at the proper depth needed to be lowered. The pipeline was lowered and placed into service the week of August 10, 2026.

The OMND WTP Roof was damaged in summer storms in 2022 and required complete replacement. The OMND WTP Roof Replacement is complete, and the final pay application was approved on Friday, June 26, 2026. NDIRF has not yet responded to the coverage amount. On June 7, 2026, storms damaged the metal flashing and a small section of the roof adjacent to the metal flashing at the southwest corner of the facility. repaired roof. Windspeed reports recorded wind gusts of 82 mph, and the new roof is rated as 90 mph under warranty. We did reach out to the contractor to begin the warranty claim. The contractor, Herzog, responded on September 24, 2026, that they will be doing this under warranty and are waiting for final approval to get this scheduled.

SWA, B&W and WBI had a meeting on July 31, 2026, to outline the details of the Close Interval Survey (CIS) on the metallic line in the SWPP system. The CIS will evaluate and the cathodic protection on both the raw and potable ductile and steel main transmission lines which may indicate areas affected by MIC. The report was completed on September 23, 2026.

Treatment:

On Sept 11, 2026, OMND started clearing overgrown cattails from the sludge ponds with the skid steer and brush mower. This will continue through November.

On Sept 17, 2026, A DWTP operator noticed a gas smell coming from an outside regulator leading to the boiler. MDU determined several minor leaks inside and out of the building. They shut the gas off until the leaks are repaired. Fire & Ice was called for repairs. Parts are expected to arrive Oct 1, 2026, and repaired immediately. It has only affected the dehumidifier operations. The boiler has not yet been put into service for the winter.

On September 23, 2026, Operators continue to work with Atlas technicians to diagnose a problem with the GA11 and G11 air compressors at SWTP. We have found the rubber drive belts detached/damaged on three occasions. The first was October 2025, second March 2026, third was September 2026.

During the month of September at OMND, the SWA Electrician has replaced the High-Intensity Discharge light fixtures with cost saving LED fixtures. Many were burnt out and needed upgrading.

Distribution Operations:

On September 2, 2026, staff replaced the defective 8” check valve for P1 at the Dunn Center BPS allowing water to flow as intended.

On September 14, 2026, staff responded to power fail at the Golva VFD by overriding telemetry and manually filling the water lines after power was restored. Once the lines were packed full of water telemetry was able to take over and operations returned to normal.

On September 14, 2026, staff shut valves and began using up the water in the 2nd Zap Potable Reservoir.

On September 16, 2026, staff cleaned inspected, and disinfected the 2nd Zap Potable Reservoir. The reservoir was in good shape. After the reservoir was disinfected, it remained isolated until the Bac-t sample passed allowing the reservoir to be placed back into service.

On September 16, 2026, staff adjusted Beach BPS start/stop levels to keep the Beach Reservoir full while the Inland Potable divers were in the tank. Staff contacted the City of Dickinson to adjust the start/stop levels within the City of Dickinson so that the divers had a full tank of water to work with.

On September 17, 2026, staff provided access to the Beach Reservoir and Finish Water Pump Station so that Inland Potable divers could clean and inspect the reservoirs.

On September 17, 2026, staff adjusted the North Fairfield BPS start/stop levels to keep the Fairfield reservoir full so the divers could clean the tank.

On September 18, 2026, staff provided access to the Fairfield Reservoir so that Inland Potable divers could clean and inspect it.

On September 23, 2026, staff used the water down to 7½ feet, shut valves, drained, and cleaned the Taylor Reservoir, so it would be ready for Maguire Iron’s subcontractor Color Dynamics to perform warranty repairs.

On September 28, 2026, staff adjusted Burt BPS start/stop levels to keep the Burt Reservoir full while Midco Divers were in the tank.

On September 29, 2026, staff provided access to the Burt Reservoir so the Midco Diving and Marine could clean and inspect it.

On September 29, 2026, staff assisted JK Excavation to install a 1½” cleanout and a 3” gate valve as a system isolation point allowing the subsequent Dunn County PSC building water service from the New Hradec Service Area in Contract 7-1B.

On September 29, 2026, staff assisted Sletten Excavation to tie-in the relocated 4” Yelomine to accommodate a haul road for BNI Coal, south of Center, ND.

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 5,662 accounts, or 72% 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.



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MEMORANDUM

TO: Jen Murray, Manager/CEO, Southwest Water Authority
FROM: Misti Conzemius, Marketing Manager, Southwest Water Authority
SUBJECT: Report for September, 2026
RE: Marketing Manager's Incidental Information
DATE: September 24, 2026

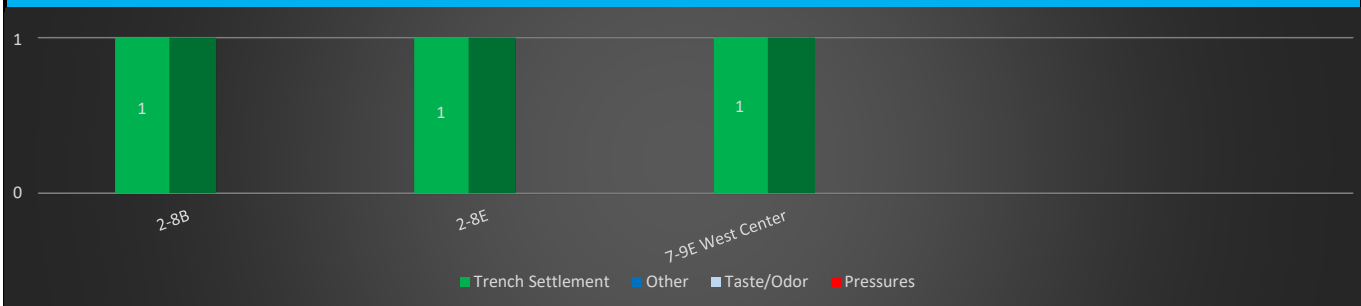
SEPTEMBER 2026 SIGN-UP REPORT

SUBSEQUENT CUSTOMERS

NAME	TYPE OF CUSTOMER	SERVICE AREA	SERVICE DESCRIPTION
Cole Dukart	Standard	7-9B Killdeer Mountain	144-97-12
Kyle Krebs	Pasture Tap	7-1B Davis Buttes	140-94-33
Tracy & Debbie Rixen	Pasture Tap	7-1B Taylor	139-92-35
Terry Miller	Pasture Tap	7-4 Bucyrus	129-94-7
Wayne Scheeler & Tamara Johnson	Standard	7-9D Zap	146-87-9
Duane Freisz	Pasture Tap	7-9F Center	141-83-28

Six (6) subsequent customer signed up in September and 120 subsequent customers have been added year-to-date. A total of 166 customer quotes have been given year-to-date. SWA had a total of 3124 active subsequent users in September.

2026 COMPLAINTS



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

Three (3) complaints were closed during the month of September.

Open complaints are shown above by area and type.

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

WAITING LIST UPDATE

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

There are currently 837 requests system wide.

BURT, HEBRON SERVICE AREA

Four (4) services were signed up in September for a total of 947 services signed up to date. Of the 947 signups, 648 or 68% are Rural and 299 or 32% are Lake Tschida.

Four (4) signup was received in the month of September in Hebron Rural including North Lake Tschida for a total of 499, and Zero (0) signups were received in September in Burt Rural including South Lake Tschida for a total of 448.

SYSTEM WIDE SERVICE REQUESTS

There are currently 837 waiting list requests and 947 Burt Hebron Campaign Signups for a total of 1,784 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 116 easements or 99% 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	37	6	0	190
7-2A BELFIELD	3/6/2013	1	0	0	1	2
7-3 JUNG LAKE	3/1/2016	26	7	2	0	35
7-4 BUCYRUS		0	0	0	0	0
7-5 HEBRON**	5/30/2017	3	1	0	0	4
7-6 BURT**	3/15/2012	61	32	3	2	98
7-7 BOWMAN	6/13/2012	79	33	8	0	120
7-8 BEACH	10/5/2011	34	35	2	0	71
7-8 FRYBURG	6/20/2016	7	6	1	3	17
7-8C TOWER HILL/JUNCTION INN/ NORTH CROWN BUTTE	TOWER HILL-7/29/2015 JUNCTION INN-12/1/2015 N. CROWN BUTTE-1/20/2021	43	33	3	0	79
7-8 FAIRFIELD/GRASSY BUTTE POCKET	10/17/2016	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	30	40	1	3	74
7-9G HALLIDAY	1/3/2021	7	18	0	0	25
TOTALS		490	309	28	10	837

*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 September 24, 2026



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

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	83 locations	52	26	4	1
Dunn	104 locations	52	48	1	3
Golden Valley	72 locations	34	34	2	2
Grant	62 locations	46	12	2	2
Hettinger	54 locations	34	17	3	0
Mercer	32 locations	13	19	0	0
Morton	107 locations	57	47	3	0
Oliver	1 location	1	0	0	0
Slope	61 locations	37	18	6	0
Stark	159 locations	131	24	4	0
Grassy Butte (McKenzie County)	0 locations	0	0	0	0
Total Waiting List	837	490	309	28	10

Other: Subdivisions, Additional Capacity, or Higher Usage

Updated through September 24, 2026



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

M E M O R A N D U M

To: Jen Murray, Manager/CEO, SWA

From: Ledeanna O'Shields, CFO/Office Administrator, SWA

Subject: NDPERS Annual Open Enrollment - Incidental Information

Date: September 30, 2026

As of this memo, the dates for this year's NDPERS Annual Enrollment Season have not yet been released. Open enrollment is typically from the middle of October through the first week of November. Annual enrollment gives employees and board members the opportunity to enroll in health and life insurance coverage plans, add dependents or increase coverage levels.

There are two options for health insurance plans: single or family. The cost of a single health plan is \$973.64 per month and the cost of a family health plan is \$2,353.58 per month. The current health insurance company is Sanford Health Plan.

The Basic Life insurance coverage is \$12,000. The monthly premium is \$0.28. The supplemental Life insurance increments are \$5,000 up to a maximum of \$200,000. The first increment is \$15,000 (\$3,000 + basic of \$12,000 = \$15,000). The monthly premium is based on the employee/board member's age. An Evidence of Insurability form will need to be completed for coverage and increases greater than \$5,000. The life insurance company is Voya Financial. NDPERS will update materials as they become available.

Changes to insurance coverage will be effective January 1, 2027. Board members should contact me if they are interested in these plans prior to November 2, 2026.



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Proposed 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

NORTH
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September 02, 2026

SOUTHWEST WATER AUTHORITY
c/o Murray, Jen
4665 2ND ST SW
DICKINSON, ND 58601

PWS ID: ND4501434

Dear Ladies and Gentlemen:

On August 18, 2026, a representative of the Department of Environmental Quality conducted a routine inspection/sanitary survey of the following as required by the Safe Drinking Water Act and/or the Clean Water Act:

Critical Inspection Areas

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

4201 Normandy Street | Bismarck, ND 58503-1324 | deq.nd.gov

Director's Office
701-328-5150

Division of
Air Quality
701-328-5188

Division of
Municipal Facilities
701-328-5211

Division of
Waste Management
701-328-5166

Division of
Water Quality
701-328-5210

Division of Chemistry
701-328-6140
2635 East Main Ave
Bismarck ND 58501

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

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

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

Please contact Jacob Schafer, the department representative who conducted the inspection at 701.328.6375 or me at (701) 328-6627 if you have any questions regarding the inspection or the enclosed report.

Sincerely,



Shawn Heinle
Environmental Scientist
North Dakota Department of Environmental Quality

SH:/JRS

Enc.

CC: Southwestern District Health Unit Grace Rixen-Handford, Plant Manager, Andrew Erickson Water Distribution Manager

NORTH DAKOTA DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF MUNICIPAL FACILITIES
BISMARCK, NORTH DAKOTA

DATE OF REPORT: September 02, 2026
DATE OF SURVEY: August 18, 2026
PLACE: SOUTHWEST WATER AUTHORITY
OBJECTIVE: Drinking Water Survey
ACCOMPANIED BY: Perry Grammond, Sparkle Sawyer, and Kurt Glines

DEFECTS, CORRECTIVE ACTIONS, TIME LINES, AND REFERENCES:

Drinking Water

DEFECT: No defects noted at this time.

CORRECTIVE ACTION:

TIME LINE:

REFERENCE:

COMMENT:

I appreciate the time and cooperation shown to me by Perry Grammond, Sparkle Sawyer, and Kurt Glines, during the recent inspection. If you have any questions or concerns, please contact me at 701.328.6375.

Respectfully Submitted,



Jacob Schafer
Environmental Scientist
Division of Municipal Facilities

September 02, 2026

OMND Water Treatment Plant
c/o MURRAY, JEN
4665 2 ST SW
DICKINSON, ND 58601

PWS ID: ND2901491

Dear Ladies and Gentlemen:

On August 18, 2026, a representative of the Department of Environmental Quality conducted a routine inspection/sanitary survey of the following as required by the Safe Drinking Water Act and/or the Clean Water Act:

Critical Inspection Areas

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

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Director's Office
701-328-5150

Division of
Air Quality
701-328-5188

Division of
Municipal Facilities
701-328-5211

Division of
Waste Management
701-328-5166

Division of
Water Quality
701-328-5210

Division of Chemistry
701-328-6140
2635 East Main Ave
Bismarck ND 58501

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

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

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

Please contact Jacob Schafer, the department representative who conducted the inspection at 701.328.6375 or me at (701) 328-6627 if you have any questions regarding the inspection or the enclosed report.

Sincerely,



Shawn Heinle
Environmental Scientist
North Dakota Department of Environmental Quality

SH/:JRS

Enc.

CC: Custer District Health Unit

NORTH DAKOTA DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF MUNICIPAL FACILITIES
BISMARCK, NORTH DAKOTA

DATE OF REPORT: September 02, 2026
DATE OF SURVEY: August 18, 2026
PLACE: OMND Water Treatment Plant
OBJECTIVE: Drinking Water Survey
ACCOMPANIED BY: Dylan Schutt

DEFECTS, CORRECTIVE ACTIONS, TIME LINES, AND REFERENCES:

Drinking Water

DEFECT: No defects noted at this time.

CORRECTIVE ACTION:

TIME LINE:

REFERENCE:

COMMENT:

Raw storage tanks cleaned and inspected this year (2026)

I appreciate the time and cooperation shown to me by Dylan Schutt, during the recent inspection. If you have any questions or concerns, please contact me at 701.328.6375.

Respectfully Submitted,



Jacob Schafer
Environmental Scientist
Division of Municipal Facilities



WATER TOPICS OVERVIEW COMMITTEE

Thursday, September 17, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

9:00 a.m. Call to order
Roll call
Consideration of the [minutes of the June 10, 2026, meeting](#)
Comments by the Chairman

REQUIRED REPORTS AND UPDATES

9:05 a.m. [Presentation](#) by Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, regarding the Tax Reform and Relief Advisory Committee's study of the stripper well oil extraction tax exemption

9:15 a.m. [Presentation](#) by Mr. Reice Haase, Director, Department of Water Resources, regarding:

- The projects the State Water Commission has designated as a project receiving carryover funding, the total amount obligated to a project receiving carryover funding, the total amount of funds not yet obligated to a project receiving carryover funding, and the prioritization of each project seeking cost-share funding
- The plans to implement the recommendations of the department's studies relating to the state's cost-share policies and governance and finance of regional water systems
- An update on Missouri River water usage by stakeholders within and outside the Missouri River Basin
- Recent activities of the department
- Other statewide matters concerning water-related topics

10:30 a.m. Break

10:40 a.m. [Presentation](#) by representatives from the Lake Agassiz Water Authority regarding the results of the Department of Water Resources' study of the governance and finance of regional water systems

11:00 a.m. [Presentation](#) by Mr. Duane DeKrey, General Manager, Garrison Diversion Conservancy District, regarding the results of the Department of Water Resources' study of the governance and finance of regional water systems

11:20 a.m. [Presentation](#) by Mr. Brandon Hicks, Northwest Area Water Supply Project Manager, Department of Water Resources, regarding the results of the Department of Water Resources' study of the governance and finance of regional water systems

11:40 a.m. [Presentation](#) by Ms. Jen Murray, Manager and Chief Executive Officer, Southwest Water Authority, regarding the results of the Department of Water Resources' study of the governance and finance of regional water systems

12:00 noon Public comment and committee discussion

12:15 p.m. Recess

- 1:00 p.m. [Presentation](#) by Mr. Marty Haroldson, Director, Division of Water Quality, Department of Environmental Quality, of a report regarding the use of one-time funding for regulation of onsite wastewater treatment systems
- 1:20 p.m. Presentation by Mr. Darin Hanson, Director, Homeland Security and Emergency Management Division, Department of Emergency Services, regarding the cybersecurity of critical water infrastructure within the state
- 1:40 p.m. [Presentation](#) by Mr. John Rodenbiker, Director of Cyber Operations, Information Security Division, Information Technology Department, regarding the cybersecurity of critical water infrastructure within the state
- 2:00 p.m. [Presentation](#) by Mr. Haase regarding an update on the Northwest Area Water Supply Project
- 2:20 p.m. [Presentation](#) by Ms. Murray regarding an anticipated request for which the state cost-share is estimated to be \$10 million or more for the authority's water supply infrastructure
- 2:40 p.m. Presentation by the Legislative Council staff of a [memorandum](#) summarizing the requests submitted to the committee for which the state cost-share is estimated to be \$10 million or more during the 2027-29 biennium
- 2:50 p.m. Committee discussion regarding the prioritization of each project submitted to the committee pursuant to North Dakota Century Code Section 54-35-02.7(2)

ADMINISTRATIVE MATTERS

- 3:30 p.m. Comments by interested persons
- 3:45 p.m. Staff directives and final motions
- 4:00 p.m. Adjourn

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

Committee Members

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

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

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



 **Imagine *a* Day
Without Water**

**Water:
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Essential.**



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MEMORANDUM

To: Jen Murray, Manager/CEO

From: Corey Pavlicek, IT Specialist

Subject: Cybersecurity Awareness Month 2026

Date: September 28, 2026

This year's theme is **Securing the Next 250**, recognizing the nation's 250th anniversary and focuses on building a secure digital future for America's next era.

Everyone should take these 4 core steps:

- Avoid and report phishing scams.
- Use strong passwords.
- Use multifactor authentication when possible and consider a password manager.
- Update Software.

For critical infrastructure CISA promotes practicing the 3Rs of Cybersecurity.

- Reduce vulnerabilities
- Replace end-of-support devices
- Recover quickly to sustain operations

SWA does a thorough job of reducing vulnerabilities and replacing old end-of-support devices but continues to check for any areas left unsecure. This leads to hopefully never having to the recover from a cyber-attack. If such an even happened we would work hard to recover as quickly as possible.

NEXT STEP: LEVEL UP YOUR DEFENSES

USE LOGGING ON YOUR SYSTEMS



Log system activity so your team can monitor signs of threat actors trying to access your systems.

BACK UP DATA



Incidents happen, but when you back up critical information, recovery is faster and less stressful. Put a backup plan in place to protect your systems and keep things running smoothly.

ENCRYPT DATA



Encrypting your data and devices strengthens your defense against attacks. Even if criminals gain access to your files, information stays locked and unreadable. Make encryption part of your security strategy.

TWO NEW ACTIONS FOR 2026

CPG 2.0 1.C

HAVE A INCIDENT RESPONSE PLAN AND USE IT!

Organizations should develop, maintain, update, and regularly exercise IR plans for common threat scenarios such as ransomware attacks. Ensure drills are realistic and include all relevant stakeholders, such as organizational leadership and legal counsel, in addition to technical personnel. IR plans should be reviewed and drilled on an annual basis at a minimum.



CPG 2.0 6.A

BE PREPARED FOR SYSTEM DISRUPTIONS

Organizations should develop and execute plans to recover and restore service to critical assets or systems that might be impacted by a cybersecurity incident. Consider including the ability to execute mission essential functions without access to critical assets or even internet access

(e.g., shift to paper-based operations, radio communications, etc.).



MORE WAYS TO
**STAY
SECURE**

GET A **.GOV DOMAIN** IF ELIGIBLE
Learn more at get.gov.

REPORT CYBER INCIDENTS TO CISA
Report incidents to CISA at cisa.gov/report.



**CYBERSECURITY
AWARENESS
MONTH**
OCTOBER 2026

AGENDA

Perkins County Rural Water System Board Meeting

Date: September 10th, 2026 Time: 4:30 PM

PCRWS Office, Bison, SD

1. Call to Order.....President
 - A) Additions and Approval of Agenda**Board
 - B) Minutes of August 13th, 2026**Board
2. Financial Report.....
 - A) Approve paid and unpaid bills**Board
 - B) Financial Reports**Board
3. Delegations
4. Bartlett & West.....Nathan Danner
5. Managers Report.....Staff
6. Directors Reports.....Board
7. All Other Matters.....Board

Adjournment

Next Meeting

Date: October 8th, 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

August 13, 2026

The regular monthly meeting was called to order by President Don Melling at **4:32 PM MT** at the Perkins County Rural Water Sys. Inc. boardroom in Bison, SD. Other directors present were Brian Morris, Lynn Frey, Pat Dalzell and Luke Clements. Board members absent were none. Also in attendance were Shiloh Baysinger and Brandi Baysinger, staff.

Agenda

Motion by Luke Clements to add Audit review under all other matters, seconded by Pat Dalzell, motion carried.

Motion by **Luke Clements**, seconded by **Pat Dalzell**, to approve agenda, motion passed.

Minutes

Motion by **Lynn Frey**, seconded by **Don Melling**, to approve the July 13th, 2026, minutes, with correction, *SDARWS came in June for a site visit and lunch*, motion passed.

Financial Report

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

Motion by **Luke Clements**, seconded by **Pat Dalzell**, to approve financial reports, motion passed.

Delegations

None.

Bartlett & West

Shiloh Baysinger reported that the preliminary ARC study was completed and the same items that were reviewed in the initial study were identified again and taken into account.

Managers' Report

Shiloh Baysinger reported on potential moratorium for additional services on the Lemmon line, radio license for the pickups expired and the information was sent to another person for help with renewing, Eric helped the Town of Bison for a day and we were reimbursed for his time, anodes for the meter pits are in need of replacement and Shiloh is working with a vendor on the best solution and a tester was sent to monitor the anodes. The Upper Missouri Water Association meeting is in Pierre September 21st and 22nd.

Director's Report

Lynn Frey reported on the next quarterly meeting in Madison. Discussion was held regarding the recent cyber attacks and the drought.

All Other Matters

2025 Audit – The 2025 audit was reviewed.

Meeting adjourned at **5:22 pm MT**

Next meeting September 10th, 2026, at 4:30 pm MT.

**Southwest Water Authority
Board of Directors**

**Parking Lot
October 5, 2026**

Item

Date put on Parking Lot

Agenda Date

Planning Agenda

DATE: Monday, November 2, 2026 TIME: 9:00 A.M. MST LOCATION: SWA O&M Center Office
 ASSIGNMENTS

☐ Director Eaton ☐ Wendy Serhienko ☐ _____ ☐ _____
 Scribe/Flip Chart Minutes Reporter
☐ _____ ☐ Director Engelhardt ☐ _____ ☐ _____
 Timekeeper Process Observer Warm-up

MEETING OBJECTIVE _____

PLAN		ACTUAL CLOCK	AGENDA ITEMS	WHO	METHOD	DESIRED OUTCOMES
TIME	CLOCK START					
			Call to Order – Pledge of Allegiance			Meeting readiness
			Review Agenda			Additions, focus meeting
			Consent Agenda		Voice Vote	Meet legal requirements
			Board Monitoring Policy IV.A. Relationship-Delegation to the Manager/CEO		Monitoring	
			Board Monitoring Policy IV.D. Relationship-Monitoring Organizational Performance		Monitoring	
			Policy II.B. Executive Limitations-Budgeting/Forecasting (Operating Budget) and Manager/CEO Internal Report		Roll Call	
			Review issues pending / Parking Lot / Plan next agenda			
			Monitoring			
			Adjourn			