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# NORTHEAST REGIONAL WATER DISTRICT

## 2023 Annual Report

### NRWD Annual Meeting Agenda

Registration of Members	1:00 p.m. – 1:30 p.m.
Call Meeting to Order	President Rick Bigwood
Minutes of the 2023 Annual Meeting	Secretary Bruce Henschel
Financial Report	Brian Opsahl, CPA Brady, Martz & Associates, P.C.
Manager's Report	Jeremy Schuler
Presentation	
Akra Water Treatment Plant & Wellfield	AE2S
Report on Directors 2024 election	Secretary Bruce Henschel
Any Other Business	
Door Prize Drawings	
Adjournment	

Thursday, March 28, 2024

Langdon NDSU Research Center

## NOTICE OF ANNUAL MEETING

The annual meeting of Northeast Regional Water District (NRWD) is scheduled for Thursday, March 28, 2024, at the Langdon NDSU Research Center. Registration will be from 1:00 to 1:30 p.m. with the meeting called to order at 1:30 p.m.

Reports will be given by President Rick Bigwood, Brady, Martz & Associates, P.C., and Jeremy Schuler, Manager.

On March 28, 2024, the terms of Kevin Brown (District 1) and Winston Johnson (District 2) will expire. The two incumbents have petitioned to run again. The election is uncontested; therefore, no voting is required. They will be elected for another three-year term.

The District is divided into two voting districts, described as follows:

*District 1:* That part of Northeast Regional Water District originally established as North Valley Water District on January 1, 2000, now known as the North Valley Branch of Northeast Regional Water District.

*District 2:* That part of Northeast Regional Water District originally established as Langdon Rural Water District on July 1, 2000, now known as the Langdon Branch of Northeast Regional Water District.

All voting for directors and bylaw changes shall be by written ballot of all participating members. Any participating member who desires to have his/her name placed on a ballot for the Board of Directors shall present a petition containing 20 signatures of participating members from within his voting district. This requirement will also include incumbents. All signers must be participating members. All petitions must be submitted to the secretary prior to January 15<sup>th</sup> at 12 noon prior to the annual meeting. The secretary shall determine the authenticity of the signatures. The secretary's decision will be final. A nominating committee *may* also be appointed by the Board of Directors. Employees of the District and their immediate family members shall not be eligible for board membership. The candidate receiving the most votes shall be elected. Receipt of a majority of the votes cast will not be a requirement for election. In the event of a tie vote, the winner will be determined by the toss of a coin. Ballots containing the names of the candidates for each district and all bylaw changes shall be circulated by the secretary to all participating members prior to the date of the annual meeting. The results of the vote will be reported at the annual meeting by the secretary. All churches, schools, corporations, cooperatives, political subdivisions, and associations must designate in writing the name of the person authorized to vote on behalf of the entity for the purpose of electing directors, changing by-laws, or other matters to come before the annual meeting. That designated person may grant a proxy to someone else after being selected.

In the event an election for directors is uncontested, no ballots will be mailed because the results will be predetermined. A motion for unanimous consent may be requested at the Annual Meeting.

## 2023 INCOME STATEMENT

OPERATING REVENUES	
Water Sales	\$3,830,954
Sales of Supplies, Penalties and Other	<u>463,550</u>
Total	<u>\$4,294,504</u>
OPERATING EXPENSES	
Salaries and Wages	\$ 532,961
Water Purchases	353,194
Chemicals Purchased	85,806
Fuel or Power Purchased for Pumping	311,390
Supplies Expense	5,439
Depreciation Expense	2,200,165
Repairs and Maintenance	341,845
Transportation Expense	59,501
Accounting Supplies and Expense	30,651
Rent	7,631
Telephone	27,569
Professional Fees	24,665
Payroll Taxes	45,146
Pension Expense	35,931
Other General and Administrative Expenses	149,911
Employee Health Insurance	197,398
Insurance	65,159
Directors Fees and Annual Meeting	<u>26,277</u>
Total	<u>\$4,500,639</u>
OPERATING INCOME (LOSS)	<u>\$(206,135)</u>
NON-OPERATING INCOME (EXPENSE)	
Sign-up Fees	\$ 28,700
Insurance Proceeds	24,622
Interest Income	20,150
Interest Expense	(368,685)
Gain (Loss) on Disposal of Assets	<u>21,000</u>
Total	<u>\$(274,213)</u>
CHANGE IN NET POSITION	<u>\$(480,348)</u>
NET POSITION - BEGINNING OF YEAR	<u>\$53,945,947</u>
NET POSITION - END OF YEAR	<u>\$53,465,599</u>

## 2023 BALANCE SHEET

## ANNUAL MEETING MINUTES

March 30, 2023

ASSETS	
CURRENT	
Cash and Cash Equivalents	\$3,311,211
Accounts Receivable - Members (Net of Allowance for Doubtful Accounts of \$6,000)	344,499
Unbilled Revenue	294,151
Interest Receivable	848
Materials and Supplies	<u>331,676</u>
Total	<u>\$4,282,385</u>
PROPERTY AND EQUIPMENT	
Land	\$ 763,989
Construction In Progress	4,030
Water Plant in Service	93,297,907
Water Rights	525,000
Equipment, Vehicles and Office Furniture	<u>672,868</u>
Total	<u>\$95,263,794</u>
Accumulated Depreciation	<u>(32,520,676)</u>
Total	<u>\$62,743,118</u>
OTHER	
Cash and Cash Equivalents - Reserve	\$ 1,207,870
Cooperative Equity	<u>187,705</u>
Total	<u>\$ 1,395,575</u>
<b>TOTAL</b>	<b><u>\$68,421,078</u></b>
LIABILITIES AND NET POSITION	
CURRENT	
Accounts Payable	\$ 108,116
Accrued Payroll and Taxes Payable	20,941
Accrued Interest	104,293
Customer Prepayments	87,400
Compensated Absences Payable	3,820
Current Portion Bonds Payable	<u>846,658</u>
Total	<u>\$1,171,228</u>
LONG-TERM LIABILITIES	
Bonds Payable	\$14,630,909
Current Portion	<u>(846,658)</u>
Total	<u>\$13,784,251</u>
NET POSITION	
Net Investment in Capital Assets	\$48,112,209
Restricted for:	
Reserve for Projects	1,207,870
Unrestricted	<u>4,145,520</u>
Total	<u>\$53,465,599</u>
<b>TOTAL</b>	<b><u>\$68,421,078</u></b>

The meeting was called to order by President Rick Bigwood at 1:30 PM. On behalf of NRWD, he welcomed everyone to the meeting and thanked them for their attendance today. Rick then introduced the staff and board members of NRWD along with the engineer from AE2S, Geoff Slick. He then acknowledged past board members that were in attendance. They included Jack Ottem and Glen Ohma along with Wes Argue, former attorney for NRWD. The minutes of the 2022 Annual Meeting were then read by, Bruce Henschel. After the minutes were read, President Bigwood asked for any corrections or additions to the minutes. Being none, Michele Schommer made a motion to approve the minutes as read. Second by Kevin Brown, minutes approved.

Brian Opsahl, CPA from Brady, Martz & Associates of Grand Forks was in attendance to go over the 2022 Annual Audit of NRWD. He went over the 2022 Balance Sheet and Income Statement for NRWD. These reports reviewed our current assets and liabilities and he focused on our income, stating how this varies when grant dollars are involved. Overall NRWD had another successful year and the financial statement disclosures are neutral, consistent, and clear. Brian asked the members if they had any questions on the report. Being none, President Bigwood asked for a motion to approve the 2022 Audit. Jack Ottem made the motion with a second by Cindy Henschel. Motion carried.

Jeremy Schuler then gave the manager's report. First, he thanked the employees of NRWD for all their hard work in 2022. He then reported that 2022 was the 9<sup>th</sup> year of operation as NRWD and it was another busy construction year. The Devils Lake Water Supply Project was completed with an overall cost of \$12,525,000.00. The expansion project to the City of Adams and Walsh Rural Water District was also completed this year. With these projects complete, we currently have 2,682 accounts and 2,512 miles of pipe in the ground. Water sales last year were \$3.68 million dollars with 421.2 million gallons of water sold. Last year we had 18 water line breaks and 9 frozen lines in the Langdon area. Jeremy noted that our system is approaching 50 years old. Some major concerns are the wellfield/water treatment plant along with the many miles of glued joint PVC pipe installed in the mid 70's. Currently, we are working on presenting a project to submit for funding with grant dollars to start working on the wellfields and the water treatment plant. Some of these could be funded with a 75% grant which would help us to keep our rates affordable. Jeremy noted that customers can check out our website for more information and updates.

Geoff Slick, from AE2S, then gave a presentation on Planning for the Future. He reviewed maps that showed our original system and compared them to today's maps, showing how much the system has expanded. Now we are coming into the stage of working on replacing some components of the system as they are at or reaching their expected useful life. To replace our current system would be in the \$180 million dollar range, which is just not feasible, so we need to start planning to start replacing the most needed items first. Otherwise, operating expenses will increase as repairs increase. Geoff noted that the state is requiring each district to put together a 20-year estimate on their upcoming needs, OEM cost, rates and to compare them to the cost 10 - 20 years out from now. He then showed what water rates would be compared to receiving grant dollars and having to pay for it all ourselves. Even if grant dollars are available, it

is time to start planning to gain revenue for future projects. Next, a slide was shown comparing our rates to other systems across the state and how our water rates compare to our monthly cell phone, tv, and internet expenses. Geoff and Jeremy then took questions from the floor. Questions from Doug Olason on our wellfield levels, glued pipe and if adding the Langdon Branch caused increase in rates. Our wellfields are maintaining a good level, even after the previous dry year, and are continuously monitored. Explained how the glued pipe, after all these years, is coming apart as the glue wears out and causes it to leak. The rates on the Langdon Branch are separate and are set in conjunction with the expansion there. Also, being it is a new system, the operating/repair cost is lower. Each system benefitted from the expansion as we can now transfer water between the two, which has helped lower the cost of pumping.

Jack Ottem asked President Bigwood for an update on the RRVWSP, as he is on the LAWA board. Rick explained that there are currently 18 miles of 72-inch pipe installed, with more in the works. The intake has been completed and more work will be done this year. Rick noted that NRWD is still committed to this project, and we pay an annual \$500 fee for this.

This year, there were 3 directors up for re-election. Rick Bigwood and Bruce Henschel, District 1 and Brian Kram, District 2. Rick Bigwood, Bruce Henschel & Dale Johnson submitted petitions to have their names placed on the ballot in District 1. Brian Kram was the only one who submitted a petition for District 2.

Angelo Mondragon, attorney for Stewart Law Office, was called on to present the results of the ballots in District 1. The ballots were sent to Olson & Associates, certified public accountants, to be opened and counted. Angelo reported a total of 459 valid ballots were received by noon on March 28<sup>th</sup>, 2023. The results of the valid ballots are as follows: 328 for Rick Bigwood, 353 for Bruce Henschel and 185 for Dale Johnson. The by-laws state the candidate receiving the most votes shall be elected. Rick Bigwood and Bruce Henschel will be elected to 3-year terms. Angelo then reported on the motion from last year's annual meeting to have a separate committee to count the ballots for a contested election. He reported to make a change to the by-laws, it must be a written request and go out to all members. The group at the meeting had no authority to do this, so it was an invalid motion.

Darrell Cox then asked if the minutes of the monthly meeting could be put on the website. Jeremy will check with other districts to see what they do, and the board will discuss this at our next monthly meeting.

Drawings were then held for the door prizes. President Bigwood asked if there was any other business. Being none, he thanked everyone for attending and asked for a motion to adjourn. Larry Ohma made a motion to adjourn, second by Doug Olason, meeting adjourned.

***Bruce Henschel, Secretary/Treasurer***

## Fun Water Facts

Water is the most important resource in the world.

7% of the fresh water on Earth is trapped in glaciers.

To create one pint of beer it takes 20 gallons of water.

A jellyfish and a cucumber are each 95% water.

70% of the human brain is water.

A person can live about a month without food, but only about a week without water.

300 tons of water are required to manufacture 1 ton of steel.

Water regulates the Earth's temperature.

Water makes up about 66 percent of the human body.

There is more fresh water in the atmosphere than in all of the rivers on the planet combined.

A leaky tap that drips at the rate of one drip per second can waste more than 3,000 gallons per year.

The first water pipes in the U.S. were made from hollowed logs.

A bath uses up to 70 gallons of water; a five-minute shower uses 10 to 25 gallons.

Domestic water wells have been used for centuries as a source of clean, drinkable water. Of course, back then they didn't have the modernized drilling equipment available today, so these wells were usually dug by hand.





## BILLING POLICY ~ MARCH 1, 2021

Each NORTHEAST REGIONAL WATER DISTRICT member receives a billing card in the mail by the 1st of each month. The member is then required to fill in their meter reading and send with payment in an envelope postmarked no later than the 10th of the same month to avoid penalties. (NORTHEAST REGIONAL WATER DISTRICT is not responsible for mail delivery! It is the responsibility of the member to inform the Northeast office before the 10th if their billing card is not received in the mail.)

IF THE MEMBER DOES NOT remit by the 10th, there will be an automatic 10% penalty for late payment. On the first month that the member neglects to send a meter reading with their billing card by the 15th, their reading will be estimated based on the past usage, and a \$5.00 ESTIMATION FEE charged against their account. **NO ADJUSTMENTS WILL BE MADE ON ESTIMATED READINGS!**

If an employee of NORTHEAST REGIONAL WATER DISTRICT is sent to read a member's meter, a SERVICE CHARGE OF \$25 will be charged to the member's account.

Whenever a delinquent account is getting close to the amount of \$250.00, or is 90 days past due, the curb stop will be shut off by NORTHEAST REGIONAL WATER DISTRICT personnel.

To have service reinstated, payment must be received in FULL, plus a \$100.00 RECONNECT FEE, which will also be applied to the bill. Owners of rental property are responsible for any amount of the water bill not paid by their renter. NORTHEAST REGIONAL WATER DISTRICT has the water service contract with the owner, not the renter.



**Like us on Facebook** for all news, outages, voting results and any updates on happenings throughout the system, or visit our website at [www.northeastregionalwater.com](http://www.northeastregionalwater.com)

## President's Report ~ Rick Bigwood



The responsibility of the Northeast Regional Water District Board is to examine our water system as to how we can improve it to make it reliable, efficient, and sustainable going into the future. As our systems and facilities have a predetermined life expectancy, we strive to look at all options that would be beneficial in both the short- and long-term future.

The rural water managers in the Northeast part of the state have had meetings with the Garrison Diversion Conservancy District on the needs of rural water systems in our part of the state. Discussion was held on how we can operate and manage our water systems and the possibility of interconnection between the systems for future demands.

Another project we have been looking at for some time is the wellfield and Akra Water Treatment Plant. The wellfield has the original control panels that power the wells and send communication as to the status of the wells. The communication system is outdated technology that is not reliable and costly to repair. Also, the media that is in each water filter that is used for the filtering of raw water, is past its life expectancy and in need of replacement.

For this reason, the board has decided to move forward with improvements to the wellfield and water treatment plant. There will be new panels and disconnects for each well. Each panel will also have a data communication system that will communicate to operators using optic cable. There will be improvements to the Water Treatment Plant that will include a new isolated electrical control room to eliminate problems associated with exposure to humidity and gases from the plant. There will be new filtering media in all ten treatment filters. The design also included a 250,000-gallon raw water/transfer station to add water storage to make for a more efficient treatment when processing finished water.

The total cost for the entire project is \$14.3 million dollars. We have qualified for a grant from EPA that would cover 90% of the project. The project is anticipated to start in the spring of 2024 and finish in the fall of 2025, or spring of 2026. This is an exciting project that will add to the longevity of our water treatment plant and system for our present and future needs.

## Manager's Report ~ Jeremy Schuler



2023 was the tenth year of operating as Northeast Regional Water District (NRWD); this was the first year in many that we did not have a construction project underway. Many of the duties performed every year by our water operators, besides construction, they maintain approximately 2,512 miles of pipe, water treatment plant, 50 wells, 17 - reservoir/pumping stations and 14-meter stations/vaults, they also take care of the customer service calls, attend training sessions, and certification testing, just to mention a few. Also, a big thank you goes out to the ladies at the office that keep everything

organized and in motion every day.

In late 2023 we saw increased shipments of the new water meters and automatic meter reading equipment that are being installed in every customer's home. The operators have been installing as many meters as possible and we appreciate everyone's cooperation and support to get into your homes to install the new meter equipment.

Financially in 2023, revenue sales were \$3.83 million dollars and gallons sold were 427.8 million gallons.

NRWD is currently in the design phase of an expansion project of the Akra Water Treatment Plant (WTP) and wellfield. The last time a project was done on the WTP/wellfield was in 2008 during the 2007 - '08 System Improvements Project. This new project would consist of an updated wellfield communications system, wellfield control panels, raw water transfer station, high service pumps, update of the filtration process in the WTP, update electrical control panels, equipment and valves that are past their useful life. This project is estimated to cost approximately \$14,300,000.00. Bidding on this project is projected to take place this spring with a final completion date of the spring of 2026. We are excited to announce that NRWD has received 90% federal grant funding for this project and the 10% local share of the loan would be through the Bank of North Dakota at a rate of 2% for a maximum of 30 years. At this year's annual meeting we will have a presentation on the expansion of the Akra Water Treatment plant and wellfield.

NRWD continues moving in a sustainable direction to preserve the quality and quantity of water delivered to each of you.

I hope to see you at this year's annual meeting on Thursday, March 28<sup>th</sup> at the NDSU Research Center located east of Langdon. Registration will begin at 1:00 p.m. and meeting to begin at 1:30 p.m. There will be a review of 2023 operations, financial reports, and the opportunity to ask any questions you may have.

VISIT OUR WEBSITE; [www.northeastregionalwater.com](http://www.northeastregionalwater.com) to find the

most up to date reports that include:

1. *Consumer Confidence Report*
2. *Annual Report*
3. *Billing Policy*
4. *Water Chemical Analysis*

Also, you will find on our website the option to pay your bill. To do this, you will need your 10-digit account number and amount due. There is a 3.5% fee to use this service. There is also an option to submit your meter reading.

When paying your bill on-line, you MUST visit our website. If you just search us, it may take you to a third-party site that will also allow you to pay on-line through their site, but that does not get the payment to us immediately, they will take your card information, charge you a fee and send us a paper check. **It is very important that you pay through our website.** Payments made through a third-party site may not be accepted as timely and late fees may be assessed to your account.

## Board of Directors

		Term <u>Expires</u>
Rick Bigwood, President	St. Thomas	2026
Michele Schommer, Vice President	Munich	2025
Bruce Henschel, Secretary	Hamilton	2026
Arnie Peterson, Director	Cavalier	2025
Brian Kram, Director	Munich	2026
Kevin Brown, Director	Bathgate	2024
Winston Johnson, Jr., Director	Edmore	2024