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# NORTHEAST REGIONAL WATER DISTRICT

## 2024 Annual Report



Thursday, March 27, 2025  
Mountain Community Center

## NOTICE OF ANNUAL MEETING

The annual meeting of Northeast Regional Water District (NRWD) is scheduled for Thursday, March 27, 2025, at the Mountain Community 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 27, 2025, the terms of Arnie Peterson (District 1) and Michele Schommer (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.

## 2024 INCOME STATEMENT

|   |                     |
|---|---------------------|
| OPERATING REVENUES                        |                     |
| Water Sales                               | \$4,164,186         |
| Sales of Supplies, Penalties and Other    | <u>590,191</u>      |
| Total                                     | <u>\$4,754,377</u>  |
| OPERATING EXPENSES                        |                     |
| Salaries and Wages                        | \$ 563,466          |
| Water Purchases                           | 310,051             |
| Chemicals Purchased                       | 104,676             |
| Crop Damages                              | 1,000               |
| Fuel or Power Purchased for Pumping       | 307,976             |
| Supplies Expense                          | 5,241               |
| Depreciation Expense                      | 2,175,606           |
| Repairs and Maintenance                   | 279,892             |
| Transportation Expense                    | 46,760              |
| Accounting Supplies and Expense           | 36,671              |
| Rent                                      | 7,870               |
| Telephone                                 | 32,730              |
| Professional Fees                         | 30,648              |
| Payroll Taxes                             | 44,648              |
| Pension Expense                           | 35,857              |
| Other General and Administrative Expenses | 322,464             |
| Employee Health Insurance                 | 214,316             |
| Insurance                                 | 80,516              |
| Directors Fees and Annual Meeting         | <u>24,689</u>       |
| Total                                     | <u>\$4,625,077</u>  |
| OPERATING INCOME (LOSS)                   | <u>\$129,300</u>    |
| NON-OPERATING INCOME (EXPENSE)            |                     |
| Sign-up Fees                              | \$ 43,500           |
| Federal Grant Income                      | 2,751,079           |
| Other Grant Income                        | 2,363,201           |
| Interest Income                           | 70,811              |
| Interest Expense                          | (349,549)           |
| Gain (Loss) on Disposal of Assets         | <u>144,094</u>      |
| Total                                     | <u>\$5,023,136</u>  |
| CHANGE IN NET POSITION                    | <u>\$5,152,436</u>  |
| NET POSITION - BEGINNING OF YEAR          | <u>\$53,465,599</u> |
| NET POSITION - END OF YEAR                | <u>\$58,618,035</u> |

## 2024 BALANCE SHEET

### ASSETS

|  |                             |
|--|-----------------------------|
| <b>CURRENT</b>   |                             |
| Cash and Cash Equivalents  | \$4,516,308                 |
| Accounts Receivable - Members (Net of Allowance for Doubtful Accounts of \$10,000) | 323,428                     |
| Unbilled Revenue   | 324,815                     |
| Interest Receivable  | 848                         |
| Grant Proceeds   | 107,060                     |
| Materials and Supplies   | <u>475,625</u>              |
| <b>Total</b>   | <b><u>\$5,748,084</u></b>   |
| <b>PROPERTY AND EQUIPMENT</b>  |                             |
| Land   | \$ 763,989                  |
| Construction In Progress   | 5,849,333                   |
| Water Plant in Service   | 93,304,355                  |
| Water Rights   | 525,000                     |
| Equipment, Vehicles and Office Furniture   | <u>691,123</u>              |
| <b>Total</b>   | <b><u>\$101,133,800</u></b> |
| Accumulated Depreciation   | <u>(34,478,337)</u>         |
| <b>Total</b>   | <b><u>\$66,655,463</u></b>  |
| <b>OTHER</b>   |                             |
| Cash and Cash Equivalents - Reserve  | \$ 1,020,004                |
| Cooperative Equity   | <u>191,149</u>              |
| <b>Total</b>   | <b><u>\$ 1,211,153</u></b>  |
| <b>TOTAL</b>   | <b><u>\$73,614,700</u></b>  |
| <b>LIABILITIES AND NET POSITION</b>  |                             |
| <b>CURRENT</b>   |                             |
| Accounts Payable   | \$ 69,715                   |
| Construction Contracts and Retainage Payable                                       | 368,728                     |
| Accrued Payroll and Taxes Payable  | 1,961                       |
| Accrued Interest   | 109,837                     |
| Customer Prepayments   | 95,571                      |
| Compensated Absences Payable   | 19,349                      |
| Current Portion Bonds Payable  | <u>865,938</u>              |
| <b>Total</b>   | <b><u>\$1,531,099</u></b>   |
| <b>LONG-TERM LIABILITIES</b>   |                             |
| Bonds Payable  | \$14,331,504                |
| Current Portion  | <u>(865,938)</u>            |
| <b>Total</b>   | <b><u>\$13,465,566</u></b>  |
| <b>NET POSITION</b>  |                             |
| Net Investment in Capital Assets   | \$51,955,231                |
| Restricted for:  |                             |
| Reserve for Projects   | 1,020,004                   |
| Unrestricted   | <u>5,642,800</u>            |
| <b>Total</b>   | <b><u>\$58,618,035</u></b>  |
| <b>TOTAL</b>   | <b><u>\$73,614,700</u></b>  |

## ANNUAL MEETING MINUTES

**March 28, 2024**

Registration for the meeting at the Langdon Research Center was from 1:00 to 1:30 PM.

The meeting was called to order by President Rick Bigwood at 1:33 PM. On behalf of NRWD, he welcomed everyone to the meeting and thanked them for their attendance. He then asked for the minutes of the 2023 Annual Meeting to be read.

The minutes of the 2023 Annual Meeting were then read by Secretary/Treasurer, Bruce Henschel. After the minutes were read, President Bigwood asked for any corrections or additions to the minutes. Being none, Ron Loraas made a motion to approve the minutes as read. Second by Garnet Furstenau, minutes approved.

Jeremy Schuler then gave the manager's report. He welcomed everyone and thanked them for attending the meeting. He then introduced the board members and employees of NRWD along with the following guests, Geoff Slick from AE2S, Brian Opsahl from Brady, Martz & Associates, Angelo Mondragon with Mondragon Law Office and Darin Kaercher from the Langdon City Commission. He then thanked the employees of NRWD for their commitment and hard work in keeping the system up and running. Jeremy then reported that the new water meters were coming in and being installed and that NRWD has completed design on an expansion project of the Akra plant. This project has an estimated cost of \$17 million and NRWD received a 90% grant for this project. He then reported on a project called the Beach Ridge Project, where managers in the NE part of ND are meeting to evaluate the existing and future needs for domestic and emergency water use for all of NE ND.

Brian Opsahl then gave the report on the Annual Audit of NRWD. He went over our current assets, liabilities, income, and expenses. He informed those in attendance that NRWD's audit was clear and consistent. He then asked if anyone had any questions. President Bigwood thanked Brian for giving the audit report and then asked for a motion to approve the 2023 Annual Audit. Kevin Brown made the motion with a second by Aaron Balsdon. Motion carried.

Geoff Slick, from AE2S, then gave a report on the expansion project. He talked about the pricing of the project, how it needs to be bid and the grant that will be received. He then reported on how our infrastructure is aging and reviewed the cost of replacing our original glued water lines with today's prices.

Bruce Henschel then gave the results of the election of directors. Incumbents Kevin Brown from District #1 and Winston Johnson from District #2 are up for re-election. These two were the only ones that filed petitions with the secretary to be re-elected. The election is uncontested; therefore, no voting will be required. They will each be elected for another three-year term.

Drawings were then held for the door prizes.

President Bigwood asked if there was any other business, there being none, he then asked for a motion to adjourn. Larry Ohma made a motion to adjourn, second by Aaron Balsdon, meeting adjourned.

**Bruce Henschel, Secretary/Treasurer**

## Manager's Report ~ Jeremy Schuler



As you read this, I hope this finds you healthy and warm. As for me, I am excited for spring and look forward to once again another productive construction season. 2024 was a successful year for the water district.

I would like to thank our water operators, besides construction, they maintain approximately 2,512 miles of pipe in six counties, water treatment plant, 50 wells, 17 - reservoir/pumping stations and 14-meter stations/vaults, they also take care of water

breaks, service calls, attend training sessions, certification testing just to mention a few. Also, a real big thank you to the office staff. They keep the day-to-day operations of the water district running smoothly.

Water operators continue to install the new water meters and automatic meter reading equipment that will be installed in every customer's home. We have appreciated everyone's cooperation and patience during this process of scheduling and allowing us into your homes to install the new meter equipment.

Financially in 2024, revenue sales were \$4.16 million dollars and gallons sold were 413.1 million gallons.

NRWD is currently in the construction phase of the AKRA Water Treatment Plant (WTP) and Wellfield Expansion project. This new project consists of an updated wellfield communications system, wellfield control panels, raw water transfer station, high service pumps, update of the filtration process in the WTP, updated electrical control panels, equipment and valves that are past their useful life. During the 2024 construction season fiber was installed to all fifty wells to allow the wells to communicate with the WTP. Contractors also installed the concrete portion of the 250,000-gallon raw water reservoir/transfer station located just south of the WTP. Right now, the project is 35% complete. Once the weather allows, contractors will begin installing pipes, motors, pumps, and electrical equipment in the raw water transfer station. Additional work will be performed in the existing water treatment plant to improve chemical feeding and filtration. These improvements will increase the quality of the water and help achieve a more consistent water quality as water passes through the treatment process.

## 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.

## **Northeast Regional Office Hours**

7:30 a.m. – 4:00 p.m.

Office Phone: (701) 265-8503

**EMERGENCY** numbers:

North Valley Branch (701) 265-4000

Langdon Branch (701) 256-5000

**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.



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[www.northeastregionalwater.com](http://www.northeastregionalwater.com)

The total project estimate is \$17,675,000.00 with a final completion date for the summer of 2026. NRWD has received 60% federal grant funding and 30% state grant funding for this project. The remaining 10% of the local share is a loan 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 also has a New User and Reservoir Expansion project submitted to the State Water Plan with North Dakota. This potential project would provide water for forty new customers and select reservoir expansions. I have met with local legislators on the importance of state funding to fund a project like this. We will learn more in the months to come on the certainty of moving forward.

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 27<sup>th</sup> at the Mountain Community Center. Registration will begin at 1:00 p.m. and meeting to begin at 1:30 p.m. There will be a review of 2024 operations, financial reports, and the opportunity to ask any questions you may have.

## 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 2024 Annual Meeting     | Secretary Bruce Henschel                             |
| Financial Report                       | Brian Opsahl, CPA<br>Brady, Martz & Associates, P.C. |
| Manager's Report                       | Jeremy Schuler                                       |
| Presentation                           |  |
| Akra Water Treatment Plant & Wellfield | Geoff Slick, AE2S                                    |
| Report on Directors 2025 election      | Secretary Bruce Henschel                             |
| Any Other Business                     |  |
| Door Prize Drawings                    |  |
| Adjournment                            |  |

## President's Report ~ Rick Bigwood



Northeast Regional Water District is serving 2693 rural customers and 13 bulk city users. The source of our water supply comes from two different locations. The western branch of our district uses water from the Spiritwood Aquifer located near the city of Devils Lake. The water is processed at the City of Devils Lake water plant and distributed by pipeline owned by us. The other source of water is the Icelandic Aquifer near Akra. This water source is located by the NRWD main office and Water Treatment plant and serves the Eastern half of our water district.

In 2024 the board of directors agreed to upgrade our Water treatment plant and wellfield control system at Akra. The project started in the spring of 2024 with the installation of fiber optic cable from the new control panels in each well, into the WTP. The new cable is currently being spliced and should be completed by the summer of 2025. Construction started in the summer of 2024 on the 250,000-gallon raw storage reservoir/transfer structure and was completed by fall. Work will continue when construction season arrives to install the components necessary to connect the reservoir to the water treatment plant. This added storage will greatly increase the efficiency and consistency in the treatment of the finished water. There will also be water filter remediation and other upgrades to make the plant more modern and efficient. Manager Jeremy Schuler will be giving a full report on the new project at the annual meeting.

I would also like to recognize two Northeast directors that serve on the state executive board of North Dakota Rural Water Systems Association. Bruce Henschel is the newly elected president of the board after serving as vice president. Michele Schommer continues serving as the national board representative to North Dakota Rural Water Systems Association (NDRWSA). She has held that position for 11 years. And Jeremy Shuler just finished a 4-year term as the manager representative on NDRWSA. Congratulations to these individuals for being willing to serve and represent rural water.

## Board of Directors

|                                  |            | <u>Term 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   | 2027                |
| Winston Johnson, Jr., Director   | Edmore     | 2027                |

## EMPLOYEES

Jeremy Schuler, Manager

Connie Halldorson, Office Manager

Miranda Scholler, Assistant Office Manager

Jeff Harildstad, Operations Manager, Cavalier Branch

Tyler Hannesson, Operator, Cavalier Branch

Jonathan Einarson, Operator, Cavalier Branch

Cody Schlittenhard, Operations Manager, Langdon Branch

Garrett Nelson, Operator, Langdon Branch