

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office  
Tuesday - December 20, 2016**

**Attendees**

Members Present: Chris Brostuen, Ellis Haake, Richard Liesener (via phone), Mark Owan, and Denton Zubke

Members Absent: Bert Anderson, Raoul Brandt, Ward Koeser, Gary Rust and Gene Veeder

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S) and Steve Burian (AE2S).

**Meeting Called to Order**

Chairman Owan called the meeting to order at 1:00 pm.

**Approval of Agenda**

The Agenda was presented for approval. **Zubke moved to approve the agenda, Brostuen seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the November 22, 2016 board meeting were presented for approval. **Haake moved to approve the meeting minutes, Zubke seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

**Financial Report**

The November General financial report was presented for consideration and discussion. **Brostuen moved to accept the financial report as presented, Zubke seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

The November Industrial financial report was presented for consideration and discussion. **Zubke moved to accept the financial report as presented, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

**SWC Grant Requests**

The SWC \$60M Grant request #13-122016 and the SWC \$39.5M Grant request #28-122016 were presented to the board for their approval. **Brostuen moved to approve the SWC grant requests, Zubke seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

## **Executive Director's Report**

### **System Updates & Industrial Sales Report**

Wirtz gave a system update.

#### **Industrial Sales**

The industrial sales for November were \$682,344.00.

#### **NDIC**

Wirtz reported that ND Industrial Commission approved a 2017 water rate increase of 2% to the members and a 2% increase for the industrial water rate reimbursement. The industrial water rate of \$20.00 per 1000 gallons or \$.84 per barrel remains unchanged for 2017.

#### **2017-2019 Biennium Funding**

Wirtz reported that at this time the Governor's budget has \$20M for WAWSA. Wirtz reported that he had reached out to Jim Schmitz about repackaging the WAWSA loans and the reduction of the interest on the General Fund and Water Resources Funds loans.

BND will restructure the WAWSA loans with BND for a term of 20 years.

#### **Armstrong Agreement**

Armstrong's Omnibus Termination Agreement was presented to the board for their approval. Legal has reviewed the agreement. WAWSA will pay \$625,000 for the North Williston Fill Station and Assets. WAWSA will pay Armstrong 95% of the purchase price on or before January 16, 2017 and the remaining 5% upon the removal of Armstrong's stored items. **Brostuen moved to approve the agreement, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

#### **2017 WAWSA Board Meeting Day**

The board meeting day for 2017 will be the third Thursday of each month.

#### **2017 Executive Salary**

Chairman Owan recommended a 2017 salary increase of 4% for Executive Director Wirtz. **Brostuen moved to approve the 4% salary increase for 2017, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

#### **Project Updates**

Chorne presented a current water demand report and the Capital Accounting Report.

#### **MCWRD System 1 - Tobacco Gardens**

Schultz presented Murphy Pipe and Civil Change Order #6 for Task Order #24 base in the amount of \$19,795.23 for remobilization and line locating costs to the board for their approval.

Schultz presented the Certificate of Substantial Completions for Murphy Pipe and Civil Base, Alt. 1, Alt. 2, and Alt. 3 to the board for their approval.

Schultz presented Murphy Pipe and Civil Change Order #2 for Task Order #42 Alt. 2 in the amount of \$11,501.44 for pipe handling costs to the board for their approval.

Schultz presented Murphy Pipe and Civil Change Order #3 for Task Order #42 Alt. 3 in the amount of \$17,350.00 for line bore costs to the board for their approval.

**Zubke moved to approve the Base, Alt. 1, Alt. 2 and Alt.3 Certificate of Substantial Completions and Change Orders #6, #2 and #3 for Murphy Pipe and Civil, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

#### **WRWD East Transmission Main Part 2 Elevated Tank**

Schultz presented the Certificate of Substantial Completion for Muth Electric, Inc. to the board for their approval. **Brostuen moved to approve the Certificate of Substantial Completion, Zubke seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

#### **BDW Rural Distribution**

Schultz presented Carstensen Contracting Inc. balancing Change Order #8 in the amount of a decrease of (\$797,890.17) to the board for their approval. **Zubke moved to approve Change Order #8, Liesener seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

#### **WRWD Epping Distribution Part 1**

Schultz presented NW Construction balancing Change Order #6 in the amount of a decrease of (\$371,402.70) and Change Order #7 in the amount of \$157,153.44 for additional costs incurred due to easement acquisition to the board for their approval. **Zubke moved to approve Change Order #6 and #7, Brostuen seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0

#### **R & T Stanley Rural Distribution – Stanley Rural Pump Station**

Schultz presented the Certificate of Substantial Completion for Elk River Pipeline Services to the board for their approval. **Brostuen moved to approve the Certificate of Substantial Completion, Zubke seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan

NAY: 0

CARRIED: 6-0



### **WRWD Epping Distribution Part 1 – Alt 1 & Alt 2**

Schultz presented NW Construction Change Order #8 in the amount of a of \$76,374.05 for pipe and stored materials and balancing Change Order #1 in the amount of a decrease of \$(68,479.90) to the board for their approval. **Zubke moved to approve Change Order #8 and #1, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan  
NAY: 0  
CARRIED: 6-0

### **BDW South Crosby Rural Distribution**

Schultz presented Murphy Pipe and Civil Change Order #1 for in the amount of \$15,734.73 for prices tied to stored materials to the board for their approval. **Brostuen moved to approve Change Order #1, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan  
NAY: 0  
CARRIED: 6-0

### **R & T West White Earth Distribution- Tioga High Point Pumping Station**

Schultz presented American General Contractors, Inc. Change Order #3 for in the amount of \$2,584.49 for costs to tie-in to existing infrastructure and a 60 day time extension to the board for their approval. **Brostuen moved to approve Change Order #3, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan  
NAY: 0  
CARRIED: 6-0

### **City of Ray Transmission Main -**

Schultz presented Utility Systems of America, Inc. balancing Change Order #1 in the amount of a decrease of (\$34,529.92) to the board for their approval.

Schultz presented the Certificate of Substantial Completion for Utility Systems of America, Inc. to the board for their approval. **Board tabled this item until Bergstrom land has topsoil applied by USA.**

### **Tioga High Point to Tioga Transmission Main**

Schultz presented Utility Systems of America, Inc. balancing Change Order #2 in the amount of a decrease of (\$10,166.80) to the board for their approval.

Schultz presented the Certificate of Substantial Completion for Utility Systems of America, Inc. to the board for their approval. **Zubke moved to approve Change Order #1 and #2 and the Certificate of Substantial Completion for the Tioga High Point to Tioga Transmission Main for Utility Systems of America, Inc, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan  
NAY: 0  
CARRIED: 6-0

Schultz reported that in the 2016 construction season WAWSA brought potable water to over 668 users.

### **Stanley High Point Pump Station**

Schultz presented the Certificate of Substantial Completions for Elk River Pipeline Services, Inc. and John's Refrigeration and Electrical Inc. to the board for their approval. **Brostuen moved to approve the Certificate of Substantial Completions for Utility Systems of America, Inc. and John's Refrigeration and Electrical Inc., Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan  
NAY: 0  
CARRIED: 6-0

#### Engineering Task Orders

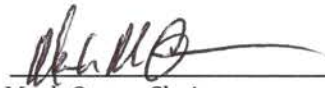
Chorne presented Engineering Task Order #49 for the Phase V 2017 Program Management in the amount of \$135,000.00 to the board for their approval. **Zubke moved to approve Task Order #49 for the Phase V 2017 Program Management, Brostuen seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan  
NAY: 0  
CARRIED: 6-0

Chorne presented the engineering design phase for Task Order #50 MCWRD System 1 Spring Creek and County Route 37 Expansion in the amount of \$150,000; Task Order # 51 RTWSCA - White Earth East Rural Distribution in the amount of \$204,000; Task Order #52 WRWD - North 200k Rural Distribution in the amount of \$208,000.00 to the board for their approval. **Brostuen moved to approve Task Orders #50, #51 and #52, Haake seconded.**

AYE: Zubke (also voting for Veeder), Haake, Brostuen, Liesener, Owan  
NAY: 0  
CARRIED: 6-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary