

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office  
Wednesday October 21, 2015**

**Attendees**

Members Present: Chris Brostuen, Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan, Gary Rust, Gene Veeder, and Denton Zubke

Members Absent: Bert Anderson, Raoul Brandt

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Shawn Gaddie (AE2S), Jeff Shaffer (MCWRD), Liz Suhr (R & T Water), Eric Hager (Armstrong) and Rory Nelson (Governor Dalrymple's Office)

**Meeting Called to Order**

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

**Approval of Agenda**

The Agenda was presented for approval. Item #9, Armstrong Water Solutions, under Executive Report was added. **Zubke moved to approve the agenda with the change, Brostuen seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the September 16, 2015 board meeting were presented for approval. **Brostuen moved to approve the minutes as presented, Koeser seconded.**

AYES: Brostuen, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

**Financial Report**

The financial reports were presented for consideration and discussion. **Rust moved to accept the financial reports as presented, Haake seconded.**

AYES: Brostuen, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

**BND Loan/SWC Grant Payment Requests**

The Bank of North Dakota Payment Voucher 07-102115 in the amount of \$2,697,469.08 and SWC Grant request 15-102115 in the amount of \$2,509,407.68 for a total request of \$5,206,876.76 were presented to the board for their approval. **Zubke moved to approve the pay requests in the amount of \$5,206,876.76, Koeser seconded.**

AYES: Brostuen, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

## Executive Director's Report

1:20pm Gene Veeder joined the meeting.

### System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the leaks near the 13 mile corner on the 20" and 24" pipeline. Wirtz reported that WAWSA has hired another easement person, Jason Slater. Wirtz reported on the industrial sales; September industrial sales were \$942,958.00.

### NDIC

Wirtz reported on the September NDIC meeting. The NDIC will be meeting in Watford City Oct. 22<sup>nd</sup> and will be stopping by the Watford City Depot. Wirtz presented the board with the industrial capital improvements pay request in the amount of \$1,200.00. The ND Industrial Commission will be asked to reimburse WAWSA \$1,200.00. **Rust moved to approve the reimbursement request to NDIC, Koeser seconded.**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 9-0

### State Water Commission

Wirtz gave an update on the October 6<sup>th</sup> meeting. SWC did approve all \$80M projects that were requested. WAWSA received \$60M in grant and \$10M in loan from the SWC. WAWSA will need to obtain another \$10M loan.

### Hulsing and Associates Architects, P.C. Contract

The contract with Hulsing and Associates Architects has been reviewed by Vogel Law Firm and submitted to Hulsing for their comments. **Koeser made a motion to give the Executive Committee the authority to approve the contract with Hulsing and Associates Architects, Brostuen seconded.**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 9-0

### Employee Compensation

Third quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 3rd quarter bonus for Executive Director Jaret Wirtz. **Zubke moved to give Wirtz a 10% 3rd quarter bonus based on Chairman Owan's recommendation, Haake seconded**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 9-0

### Equipment Purchase

Wirtz notified the board of the need for a backhoe for reclamation and maintenance. He asked for approval to purchase a 2012 John Deere 410K Backhoe for \$68,000.00. The backhoe has a 2 year warranty. **Rust made a motion to approve the purchase of the backhoe for \$68,000.00, Brostuen seconded.**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 9-0

## Armstrong Water Solutions

Wirtz reported that Armstrong Water Solutions has requested WAWSA to allow them to heat water for another company within 30 miles of the WAWSA Watford City Depot. The Armstrong – WAWSA contract prohibits Armstrong from heating water within the 30 mile radius of its depots for other companies. There are two sites they are requesting to heat water; north of Watford City and near Tobacco Garden Creek. This would be a case by case request. After much discussion and the request for more information from Armstrong, the board deferred the final decision to the Executive Committee. **Koeser made a motion to defer the final decision on allowing Armstrong to heat water within 30 miles of the Watford City Depot for this one time to the Executive Committee, Haake seconded.**

AYES: Brostuen, Veeder, Liesener, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan  
NAY: 0  
CARRIED: 9-0

Liesener left the meeting.

## Project Updates

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

Chorne presented the board with project updates.

## Williston By-Pass Transmission Main

Merryman Change Order #9 in the amount of a decrease of \$367,455.37 for final quantity adjustment was presented to the board for their approval. **Koeser moved to approve Change Order #9 in the amount of a decrease of \$367,455.37, Haake seconded.**

AYES: Brostuen, Veeder, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

Chorne presented a Final Completion and Acceptance for Merryman Excavation, Inc. on the Williston By-Pass Transmission Main. **Brostuen moved to approve the Final Completion and Acceptance for Merryman Excavation, Inc., Koeser seconded.**

AYES: Brostuen, Veeder, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

## Indian Hill Reservoir #2

Chorne presented a Final Completion and Acceptance for Engineering America, Inc. for the Indian Hill Reservoir #2. **Haake moved to approve the Final Completion and Acceptance for Engineering America, Inc., Veeder seconded.**

AYES: Brostuen, Veeder, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

## Task Orders and Amendments

Chorne presented the following task orders and amendments for board approval.

TO 23 – Amendment No. 7 - NDDOT Hwy 85 Expansion \$22,000.00

TO 28 – Amendment No. 3 - MCWRD System 4 Expansion	\$100,000.00
TO 32 – Amendment No. 2 -Stanley Dist. Part 1 Base Part 1 Alternate 1	\$0.00
TO 32c - Stanley Dist. Part 1 Base Part 1 Alternate 1	\$75,000.00
TO 38 – WRWD/R&T Epping Part 1 Alternate 1 Rural Distribution	\$163,000.00
TO 39 – WRWD/R&T Epping Part 1 Alternate 2 Rural Distribution	\$75,000.00
TO 40 – BDW South Crosby Rural Distribution	\$245,000.00
TO 41 – MCWRD South Watford City By-Pass	\$316,000.00
TO 42 – MCWRD System I Part I Alternate 2 and Alternate 3	\$185,000.00
TO 43 – R&T – White Earth West Rural Distribution Part 1 Base	\$180,000.00

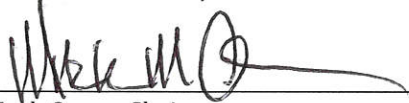
**Zubke moved to approve the Task Orders and Amendments presented, Haake seconded.**

AYES: Brostuen, Veeder, Koeser, Rust (also voting for Anderson), Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

Chairman Owan adjourned the meeting.

  
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 Mark Owan, Chairman

  
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 Kim Schilke, Secretary