

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office  
Wednesday July 15, 2015**

**Attendees**

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

Members Absent: Bert Anderson and Gary Rust

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Jeff Shaffer (MCWRD), Jeff Viniard (MCWRD), Suhail Kanwar (McKenzie County), Liz Suhr (R & T Water), Eric Hager (AWS), Gary Black (AWS) and Terry Jones (Sand Creek Resources).

**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. **Veeder moved to approve the agenda, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the June 17, 2015 board meeting were presented for approval. **Haake moved to approve the minutes as presented, Brostuen seconded.**

AYES: Veeder, Brostuen, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

**Financial Report**

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

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

**BND Loan/SWC Grant Payment Requests**

The Bank of North Dakota Payment Voucher 04-071515 in the amount of \$2,947,444.87 and SWC Grant request 12-071515 in the amount of \$2,729,025.98 for a total request of \$5,676,470.85 were presented to the board for their approval. **Brostuen moved to approve the pay requests in the amount of \$5,676,470.85, Brandt seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

**Executive Director's Report**

## System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the industrial sales; June industrial sales were \$918,612.00.

### ND Industrial Commission

Wirtz presented the board with the industrial capital improvements pay request in the amount of \$386,456.35. The ND Industrial Commission will be asked to reimburse WAWSA \$386,456.35. **Veeder moved to approve the reimbursement request to NDIC, Zubke seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

### State Water Commission

Wirtz reported that WAWS has presented the SWC, NDIC, and BND with a funding plan. The plan is to get additional loan dollars to match towards our \$60m.

Chorne present an analysis on loan repayments with domestic dollars.

The State Water Commission wants an approved project list. Wirtz presented the board with an \$80 M Project Plan which consists of \$26.8 Transmission, \$51.7 Rural Distribution and \$1.5 Supply & Transmission. **Zubke moved to approve the \$80M project plan, Koeser seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

Wirtz made note that there will be a tour of the WAWSA project on September 9<sup>th</sup>, "Water in the Bakken" which is part of the ND Water Education Foundation Summer Water Tour. On August 13<sup>th</sup> there will be a retirement party of Gregory Larson, superintendent of the R & T Water Treatment Plant, from 3pm – 6pm at the R & T Water Treatment Office.

### Employee Policy Amendments

The board was presented with proposed employee policy changes concerning pay when an employee works on a holiday, quarterly bonus compensation and the modification of earned vacation for individual employees. **Zubke moved to approve the employee policy change on employees working on holidays and the quarterly bonus compensation, Haake seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

**Haake moved to approve the employee policy on modifying earned vacation with the added language that it must be approved by the Executive Committee, Liesener seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Zubke, Haake, Owan

NAY: Koeser

CARRIED: 7-1

Wirtz reminded the member entities that it is their responsibility to collect the balance of rural water hook-up fees.

Discussion was held concerning Tioga's request to give away their wastewater. **Koeser made a motion to approve Tioga's request to provide wastewater to a third party for disposal and/or commercial water sales so long as Tioga is not paid by the third party for the wastewater, Brostuen seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

### Office Building Lots

Wirtz asked for the board's guidance on what amount should be offered on lots for a new office/shop. **Zubke made a motion to offer \$3 per square foot for the 2.7 acres of land that is adjacent to our present building, Koeser seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

### Employee Compensation

Second quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 2nd quarter bonus for Executive Director Jaret Wirtz. **Veeder moved to give Wirtz a 10% 2nd quarter bonus based on Chairman Owan's recommendation, Zubke seconded.**

### Project Updates

Chorne presented a current water demand report

Chorne presented the Capital Accounting Report.

Chorne presented the board with project updates.

### Williston By-Pass Transmission Main

Merryman Change Order #7 in the amount of \$110,674.09 was presented to the board for their approval. **Zubke moved to approve Change Order #7 in the amount of \$110,674.09, Haake seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

### WRWD Blacktail/BDW

Carstensen Contracting Inc. Change Order #1 in the amount of \$76,539.60 for AMR installation in McKenzie County was presented to the board for their approval. **Brostuen moved to approve Change Order #1 in the amount of \$76,539.60, Koeser seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

### Indian Hills Reservoir #2

Engineering America Inc. Change Order #1 in the amount of \$15,958.80 for an access road was presented to the board for their approval. **Zubke moved to approve Change Order #1 in the amount of \$15,958.80 with work pending until tank has proved to not show any signs of leaking, Haake seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan  
NAY: 0  
CARRIED: 8-0

### BDW Rural Distribution Part 1 Alternate 1

Chorne gave a recommendation to award to low bidder Carstensen Contracting, Inc., with a low bid of \$4,255,484.45, BDW Rural Distribution Part 1 Alternate 1. **Koeser made a motion to award the BDW Rural Distribution Part 1 Alternate 1 bid to the low bidder Carstensen Contracting, Inc., in the amount of \$4,255,484.45, Zubke seconded.**

AYES: Brostuen, Veeder, Brandt, Koeser, Zubke, Haake, Owan

NAY: Liesener

CARRIED: 7-1

### Blacktail Dam Rural Distribution Part 1 Alternate 1

Chorne gave a recommendation to award to low bidder Carstensen Contracting, Inc., with a low bid of \$2,487,146.10, Blacktail Dam Rural Distribution Part 1 Alternate 1. **Veeder made a motion to award the Blacktail Dam Rural Distribution Part 1 Alternate 1 bid to the low bidder Carstensen Contracting, Inc., in the amount of \$2,487,146.10, Zubke seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

### Engineering Task Orders Amendments

Chorne presented Task Order #26a-1 for \$460,000.00 (Blacktail Dam Rural Distribution Part 1 Alternate 1)

Task Order #29a-1 for \$786,000.00 (BDW Rural Distribution Part 1 Alternate 1)

Amendment #1 to Task Order #26b for an increase of \$497,000.00

Amendment #1 to Task Order #29b for an increase of \$416,000.00

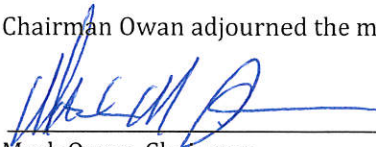
**Brostuen moved to approve the engineering task order and amendments in the amount of \$2,159,000.00, Haake seconded.**

AYES: Brostuen, Veeder, Brandt, Liesener, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 8-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary