

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

**Attendees**

Members Present: Raoul Brandt, Christ Brostuen, Ellis Haake, Mark Owan, Gary Rust

Members Absent: Bert Anderson, Ward Koeser, Richard Liesener, Gene Veeder and Denton Zubke

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Shawn Gaddie (AE2S Nexus), Steve Burian (AE2S), Dave Tuan (City of Williston), Eric Hager (AWS), Jeff Shaffer (MCWRD), Jeff Viniard (MCWRD), Rory Nelson (Governor's Office), Kevin Ploof (CDM Smith), Patrick McGarry (McGarry Consulting, Inc.) and Gregory Larson (R & T Water).

**Meeting Called to Order**

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

**Board Re-Organization**

Wirtz called for nominations for Chairman. **Brostuen moved and Brandt seconded to nominate Mark Owan for Chairman.**

AYES: Brostuen, Brandt, Haake, Rust (also voting for Anderson), Owan

NAY: 0

CARRIED: 6-0

Owan called for nominations for Vice-Chairman. **Rust moved and Haake seconded to nominate Chris Brostuen for Vice-Chairman.**

AYES: Brostuen, Brandt, Haake, Rust (also voting for Anderson), Owan

NAY: 0

CARRIED: 6-0

Owan called for nominations for Secretary-Treasurer. **Brostuen moved and Rust seconded to nominate Kim Schilke for Secretary-Treasurer.**

AYES: Brostuen, Brandt, Haake, Rust (also voting for Anderson), Owan

NAY: 0

CARRIED: 6-0

**Approval of Agenda**

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the December 17, 2014 board meeting were presented for approval. **Brostuen moved to approve the minutes as presented, Rust seconded.**

AYES: Brostuen, Brandt, Haake, Rust (also voting for Anderson), Owan

NAY: 0

CARRIED: 6-0

### Financial Report

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

AYES: Brostuen, Brandt, Haake, Rust (also voting for Anderson), Owan

NAY: 0

CARRIED: 6-0

### BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 06-012115 in the amount of \$3,225,517.15 and SWC Grant request 06-012115 in the amount of \$3,105,893.11 for a total request \$6,331,410.26 were presented to the board for their approval. **Rust moved to approve the pay requests in the amount of \$6,331,410.26, Brostuen seconded.**

AYES: Brostuen, Brandt, Haake, Rust (also voting for Anderson), Owan

NAY: 0

CARRIED: 6-0

### Executive Director's Report

#### System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the industrial sales. December industrial sales were \$3,006,519.00.

#### ND Industrial Commission Meeting Update

Wirtz reported that at the ND Industrial Commission meeting on January 9, 2015 the proposed industrial reimbursement rate increase were approved by the NDIC.

Wirtz presented the board with capital improvements that WAWSA has paid in the amount of \$20,104.20. The ND Industrial Commission will be asked to reimburse WAWSA \$20,104.20. **Haake moved to approve the reimbursement request to NDIC, Brostuen seconded.**

AYES: Brostuen, Brandt, Haake, Rust (also voting for Anderson), Owan

NAY: 0

CARRIED: 6-0

#### Indian Hills Reservoir #2

Wirtz presented AE2S's recommendation to award the Indian Hills Reservoir #2 General Construction contract to the one bidder Engineering America, Inc. with a bid of \$1,979,888.00. **Rust made a motion to award the General Construction Contract for the Indian Hills Reservoir #2 to Engineering America, Inc. in the amount of \$1,979,888.00 contingent on the NDIC approval and that WAWSA cover any cost over the \$2,000,000.00 NDIC cap associated with the construction of the reservoir, Haake seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan

NAY: 0

CARRIED: 6-0

#### Capital Improvement Budget

Wirtz asked for board approval on a proposed plan for a Capital Improvement budget of \$1,000,000.00 for smaller localized projects that would be reimbursed by industrial funds and with terms and structure to be decided by NDIC. **Brandt made a motion to approve the Capital Improvement budget plan, Brostuen seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan  
NAY: 0  
CARRIED: 6-0

### Legislative Update

Wirtz reported that he testified on Senate Bill 2020 which is the SWC funding bill. WAWSA has requested \$120 Million in funding.

### Domestic Revenue for Loan Repayment

Shawn Gaddie with AE2S Nexus presented a Domestic Debt Repayment Analysis concerning the use of domestic revenues to repay the debt on the project.

### Employee Policy Handbook

The WAWSA board was presented with an amended Employee Policy Handbook for approval. **Haake moved to approve the amendments to the Employee Policy Handbook, Brandt seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan  
NAY: 0  
CARRIED: 6-0

### Employee Compensation

Fourth quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 4th quarter bonus for Executive Director Jaret Wirtz. **Brandt moved to give Wirtz a 10% 4th quarter bonus based on Chairman Owan's recommendation, Haake seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan  
NAY: 0  
CARRIED: 6-0

### AE2S Rate Increase

The AE2S 2015 Hourly Fee and Expense Schedule were presented for board approval. **Rust moved to accept the rate increase, Brostuen seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan  
NAY: 0  
CARRIED: 6-0

### Project Updates

#### Capital Accounting

Chorne presented the Capital Accounting Report.

#### Williston Regional WTP

PKG Change Order #8 for a time extension of 179 days for substantial completion and 198 days for final completion was presented for approval. **Brostuen moved to approve Change Order #8 time extension request, Haake seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan  
NAY: 0  
CARRIED: 6-0



### Williams Rural Water Service Area Phase II 200K Pump Station

Chorne presented for approval a Certificate of Substantial Completion for American General Contractors, Inc. on the Williams Rural Water Service Area Phase II 200k Pump Station. **Brostuen moved to approve the Certificate of Completion, Haake seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan

NAY: 0

CARRIED: 6-0

### MCWRD East Transmission Expansion

Merryman Change Order #5 in the amount of a deduction of \$7,393.80 for fence restoration was presented for approval. **Rust moved to approve Change Order #5 in the amount of a deduction of \$7,393.80, Brandt seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan

NAY: 0

CARRIED: 6-0

### WRWD Blacktail Dam Rural Distribution Part 1

Wirtz reported that there are a number of landowners who have not signed easements for the Blacktail Dam Rural project. Wirtz suggested that WAWSA attorney, Tami Norgard with Vogel Law Firm, call the landowners to negotiate with landowners, or to proceed with condemnation if negotiations fail. **Rust moved that the completion of the Blacktail Dam Rural project is a project with a public purpose and of public necessity, and authorized Norgard to contact the remaining landowners to negotiate easements, and if unsuccessful, proceed with condemnation to obtain the easement, Haake seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan

NAY: 0

CARRIED: 6-0

### Engineering Task Orders

Chorne presented Engineering Task Order Amendment #2 to Task Order #25 for a 1,000,000 gallon elevated tank in the amount of \$390,000.00 and Task Order Amendment #4 to Task Order #7 for MCWRD System 4 Part 2 in the amount of \$30,000.00 for board approval. **Haake moved to approve the amendments to the task orders presented, Brostuen seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan

NAY: 0

CARRIED: 6-0

Chorne presented Engineering Task Order Amendment #4 to Task Order #9 for the Business Planning & Financial Management Assistance in the amount of \$156,400.00 for the board approval. **Brostuen moved to approve amendment #4 to Task Order #9, Rust seconded.**

AYES: Haake, Rust (also voting for Anderson), Brandt, Brostuen, Owan

NAY: 0

CARRIED: 6-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary