

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday March 25, 2015**

Attendees

Members Present: Christ Brostuen, Zach Gaaskjolen (R & T Alternate), Ellis Haake, Richard Liesener, Ward Koeser, Mark Owan, Gary Rust (via phone), and Gene Veeder

Members Absent: Bert Anderson, 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), Steve Burian (AE2S), Taylor Amiot (AE2S), Dave Tuan (City of Williston), Gary Black (AWS), Mathew Dantle (AWS), Jeff Shaffer (MCWRD), Kent Bickler (R & T), Eric McKinney (Hallowed Ground), Scott Kusy (Kusyco), Patrick McGarry (McGarry Consulting, Inc)

Meeting Called to Order

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

Approval of Agenda

The Agenda was presented for approval. Item #11, Waste Water Industrial Sales, was added to the Executive Directors report. **Ward moved to approve the agenda with the addition of item #11, Brostuen seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the February 18, 2015 board meeting were presented for approval. **Haake moved to approve the minutes as presented, Veeder seconded.**

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

NAY: 0

CARRIED: 10-0

Financial Report

The financial reports were presented for consideration and discussion. Kim Schilke presented the Amended December 2014 Financials that reflect the 2014 O & M true up with the WAWSA Member Entities. **Brostuen moved to accept the financial reports, Koeser seconded.**

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

NAY: 0

CARRIED: 10-0

Charge Off Accounts Receivable

The WAWSA board was presented with a list of accounts receivable to be charged off. A number of the accounts have been turned over to WAWSA lawyers for collections and WAWSA will continue to try collect on these accounts. **Brostuen moved to charge off the accounts, Haake seconded.**

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

NAY: 0
CARRIED: 10-0

BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 08-032515 in the amount of \$1,590,703.22 and SWC Grant request 08-032515 in the amount of \$1,486,431.81 for a total request \$3,077,135.03 were presented to the board for their approval. **Veeder moved to approve the pay requests in the amount of \$3,077,135.03, Brostuen seconded.**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. He reported on the watermain break south of Crosby and the rate analysis that AE2S has completed for the WAWSA Member Entities. Wirtz reported on the industrial sales; February industrial sales were \$4,015,673.00.

ND Industrial Commission Meeting Update

Wirtz reported on the ND Industrial Commission meeting held on March 24, 2015.

Wirtz presented the board with capital improvements that WAWSA has paid in the amount of \$49,430.14. The ND Industrial Commission will be asked to reimburse WAWSA \$49,430.14. **Koeser moved to approve the reimbursement request to NDIC, Liesener seconded.**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

Legislative Update

Wirtz gave a legislative update on SB2020.

Approval to Purchase

Wirtz presented the board with a recommendation to purchase equipment for landowner reclamation. After reviewing several options the board was presented with prices from Border Plains equipment for a 2012 Case IH Tractor and Loader in the amount of \$78,000.00 and a seeder from Acme Tools for \$8,999.00. **Veeder moved to approve the purchase of the tractor, loader and seeder in the amount of \$86,999.00, Haake seconded.**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

WAWSA Rate Schedule

Wirtz presented the Board with the proposed rate schedule changes reflecting equipment usage hourly rates. **Koeser moved to approve the rate schedule changes, Brostuen seconded.**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

Request for Service

The Cities of Westby and Power Lake have requested service from WAWSA. Funding will determine the time line for providing service to these communities. They would have to sign sub-member agreements and turn over their industrial water sales. Wirtz will report back to the board when he has more information.

Project Prioritization

The board received a list of project scenarios based on possible funding to review. Once the amount of future funding is established by the ND Legislature the WAWSA board will have to determine which projects to complete in the 2015-2017 Biennium.

R & T Water Supply Commerce

The City of Ray will sell their old landfill to R & T Water Supply Commerce for the cost of engineering, which is approximately \$125,000.00. The site will be developed for lime sludge disposal. AE2S will come back to the board with the approximate cost of developing the land fill and the lime sludge drying beds.

*Voting Rights

The member agreements state that the weighted voting based on volume of water is to be recalculated every three years, beginning with January 2015. However, since not all the members were receiving water for the full three years there is not enough data to recalculate the weighted voting fairly. Wirtz proposed amending the member agreements to recalculate the voting rights in January 2017. **Koeser made a motion to have WAWSA legal counsel staff create an amendment to the member agreements changing the date for recalculating the weighted voting to January 2017, Haake seconded.**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

**Note: The weighted voting is established in the WAWSA By-laws not Member Agreements. An amendment to the By-laws will be presented at the April board meeting.*

Waste Water Industrial Sales

Member entities are interested in selling their waste water as industrial water. Wirtz stated that WAWSA is supportive of selling the member entities waste water however all industrial sales need to be collected by WAWSA. Member entities will receive a rate reimbursement for the water sold. **Liesener made motion that WAWSA legal counsel draw up language for amending the member agreements to allow selling of waste water; the amendment is to be presented to the executive committee for their approval before it is given to the members and sub members for their approval. Veeder seconded.**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

Owan stepped out of meeting.

Williston Regional WTP

PKG Change Order #18 Phase 4 to replace a 24" gate valve in the amount of \$33,824.00 was presented for approval. **Liesener moved to approve Change Order #18 in the amount of \$33,824.00, Haake seconded.**

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

NAY: 0

CARRIED: 9-0

Williams Plumbing and Heating Change Order #8 in the amount of \$461.00 was presented for approval. **Koeser moved to approve Change Order #8 in the amount of \$461.00, Liesener seconded.**

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

NAY: 0

CARRIED: 9-0

Owan rejoined meeting.

MCWRD System IV Expansion Part 3a

Veeder stepped out of meeting.

Merryman Change Order #3 in the amount of a deduction of \$900.00 for a cut waterline repair was presented for approval. **Liesener moved to approve Change Order #3 in the amount of a deduction of \$900.00, Brostuen seconded.**

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

NAY: 0

CARRIED: 8-0

Williston By-Pass

Merryman Change Order #4 in the amount of \$278,500.00 for addition of a case bore was presented for approval. **Haake moved to approve Change Order #4 in the amount of \$278,500.00, Brostuen seconded.**

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

NAY: 0

CARRIED: 8-0

Veeder rejoined meeting.

WRWD East Transmission Main Part 2 Pump Station

Chorne gave a recommendation to award to the low bidder Rice Lake Construction Group, with a low bid of \$2,227,300.00, Contract 4 Combined General, Mechanical and Electrical for the construction of WRWD East Transmission Pump Station. **Koeser made a motion to award the WRWD East Transmission Pump Station bid to low bidders Rice Lake Construction Group in the amount of \$2,227,300, Brostuen seconded**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

Engineering Task Orders

Chorne presented Engineering Task Order #36 for Instrumentation & Controls in the amount of \$40,000.00 and Amendment #1 to Task Order #33 for the Indian Hills Reservoir #2 in the amount of \$165,000.00 for board approval. **Koeser moved to approve Task Order #36 and Amendment #1 to Task Order #33, Haake seconded.**

AYES: Brostuen, Liesener, Gaaskjolen, Koeser, Haake, Veeder (also voting for Zubke), Rust (also voting for Anderson), Owan
NAY: 0
CARRIED: 10-0

Pump Stations & Meter Vaults

John T Jones Construction Change Order #13 in the amount of a deduction of \$14,888.00 was presented for approval. **Brostuen moved to approve Change Order #13 in the amount of a deduction of \$14,888.00, Koeser seconded.**

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary