

Western Area Water Supply Authority

Board of Directors Meeting
Williston City Hall
Wednesday, May 16, 2012
1:30 pm

Attendees

Members Present: Bert Anderson, Kent Bickler, Karen Burau, Michelle Klose, Ward Koeser, Mark Owan, Gary Rust, Jaret Wirtz and Denton Zubke.

Members Absent: Brent Bogar, Gene Veeder

Others Present: Alternate Ben Clarys (WRWD), Alternate Jeffrey Mattern (SWC), Kim Schilke (WAWSA), Tami Norgard (Vogel Law Firm), Jeff Nelson (Vogel Law Firm), Jeffrey Romig (Armstrong Int'l), Cory Chorne (AE2S), David Johnson (AE2S), Cal Thelen (AE2S), Jason Whitesock (AE2S), and Pat Wheeler (IWP).

Meeting called to order

Meeting was called to order at 1:30 pm by Chairman Denton Zubke.

Approval of Agenda

Changes made to the agenda: Item #5 Merryman Excavation was added to Payment Voucher, and under the Executive Director's Report Item #8 Executive Director Signature Authority, Item #9 Communication Network and Item #10 Water Sales Rates were added. Gary Rust made a motion to approve the agenda with these changes. Ward Koeser seconded the motion, motion passed unanimously.

Approval of Minutes

Discussion was held on the April 18, 2012 minutes. Michelle Klose pointed out that on page 3 concerning the meeting with IWP that she and Jeffrey Mattern were also in attendance at the meeting with IWP. Mark Owan moved to approve the minutes with the correction; Gary Rust seconded the motion. Motion passed unanimously.

Mark Owan moved to approve minutes from the May 2, 2012 Executive meeting; Kent Bickler seconded the motion. Motion passed unanimously.

Karen Burau submitted her resignation from the WAWSA board.

Financial Report

The financial report was presented for consideration and was open for discussion. Gary Rust moved to approve the minutes; Karen Burau seconded the motion, motion passed unanimously.

Payment Voucher

An invoice from Merryman Excavation for \$97,200.00 was added to Payment Voucher 11-52012 making the total \$2,626,151.77. Mark Owan made a motion to approve Payment Voucher 11-52012 in the amount of \$2,626,151.77, Gary Rust seconded the motion. Motion passed unanimously.

Executive Director Report

Jaret Wirtz presented the board with Proposed WAWSA Policies 1-10. Kent Bickler moved to approve Policies 1 -10; Ward Koeser seconded, motion passed unanimously.

New rural water hookup request for McKenzie County System 4 was presented. Bert Anderson moved to approve the request, Ward Koeser seconded, motion passed unanimously.

Jaret Wirtz discussed mileage reimbursement for personal vehicle use, after discussion the board directed Jaret to look in the cost of a vehicle for WAWSA and report back to the board.

WAWSA board reviewed potential policy submitted by the State Water Commission. The board discussed their concerns with the policy. Michelle Klose will be providing additional language to the potential policy to the WAWSA board addressing the board's comments and concerns. Tami Norgard will draft formal comments to the SWC on the proposed policy.

A Bulk Industrial Water User Customer Agreement and Application for Water Depots was presented to the board for review. Ward Koeser moved to approve with corrections, Gary Rust seconded, motion passed unanimously. Michelle Klose abstained.

Jaret Wirtz requested signature authority to sign documents approved by the board, when the chairman is not available. Kent Bickler moved to approve, Bert Anderson seconded, motion passed unanimously.

AE2S informed the WAWSA board of a potential SCADA System for WAWSA.

Industrial Bulk Water Rates

Industrial Bulk Water User contract price and term were set at \$.84 per barrel and a contract term of 12 months. Gary Rust moved to approve the policy, Karen Burau seconded, motion passed unanimously.

Hess has a contract that will be up for renewal August 30, 2012. Motion was made by Ward Koeser to renew the contract at the rate of \$.84 per barrel upon expiration of the current contract. Kent Bickler seconded, motion passed unanimously.

Membership Agreements

The City of Crosby Membership Agreement was presented for board approval. Bert Anderson moved to approve the agreement with the changes discussed. Gary Rust seconded, motion passed unanimously.

The request from the City of Crosby to be reimbursed for a water pipe line in the amount of \$194,436.00 was discussed. Gary Rust moved to reimburse the City of Crosby by offsetting the cost of industrial water sales to the city until the \$194,436.00 is paid in full. Bert Anderson seconded, motion passed unanimously.

Project Updates

The Capital Accounting report was given by David Johnson (AE2S).

Cory Chorne (AE2S) gave the board project updates. Cory Chorne presented the following task orders for approval:

- Task Order #11 – engineer basic service on Phase II Transmission Pipeline Improvements amount reduced by \$342,000.00
- Task Order #11 - construction phase services on Phase II Transmission Pipeline Improvements hourly contract of \$2,876,000.00
- Task Order #12 - engineer basic service on Reservoirs and Pumps Stations reduced by \$112,000.00
- Task Order #12 – construction phase service on Reservoirs and Pumps Stations for hourly contract of \$1,121,000.00
- Task Order #14 – engineer services on fill depot Indian Hill proposed 2 ports to 6 ports of \$32,000.00
- Task Order #15a – WRWD pipeline engineer basic services of \$312,000.00

Bert Anderson made a motion to approve the changes to Task Orders #11, #12, #14, and #15a. Mark Owan seconded. Voting aye were Bert Anderson, Kent Bickler, Karen Burau, Ward Koeser, Mark Owan, Gary Rust, Jaret Wirtz, and Denton Zubke. Voting nay was Michelle Klose.

A letter from S.J. Louis was presented concerning their approved bid on the pipeline to Crosby. They made a mistake on their bid and therefor are backing out of the electrical contract. Kent Bickler made a motion to give the Executive Committee the authority to make a recommendation on an electrical contractor. Gary Rust seconded, motion carried. The Executive Board meeting will meet via conference call on May 23, 2012 at 3:00pm.

IWP

Denton Zubke reported on the Wednesday May 16, 2012 meeting with IWP. Present at the meeting were Steve Mortenson (IWP), Bob Harms (IWP), Michelle Klose (SWC), Jeffrey Mattern (SWC), Jaret Wirtz and Denton Zubke.

Board Entered Executive Session

At 4:45pm Ward Koeser made a motion to enter into executive session to discuss ongoing contract negotiations and potential condemnations. Gary Rust seconded, motion carried.

At 5:15pm Gary Rust made a motion to exit out of executive session. Ward Koeser seconded, motion carried.

Right of Way Acquisition

Bert Anderson made the motion to proceed with appraisals and condemnation if necessary on the following properties if signed easements are not received by the deadline for each of the following individuals.

- Dave Drovdal – Monday, May 21, 2012 - 5pm
- Mike Dwyer – Friday, May 18, 2012 - 5pm
- Tim Dwyer Farm Trust – Wednesday, May 23, 2012 - 5pm
- David Bergsten – Wednesday, May 23, 2012 – 5 pm
- DLD Properties – Friday, May 25, 2012 – 5pm

Karen Burau seconded, motion passed unanimously.

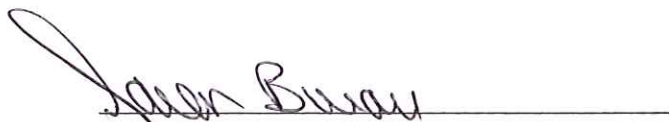
Ward Koeser moved to increase the amount on land for reservoirs to \$15,000.00 per acre for the parcels owned by Jackman, Roman Daniels Estate, and Magnuson. Mark Owan seconded, motion passed unanimously.

Karen Bureau moved to hire John Olson as our attorney specializing in governmental affairs – associated cost to come from O & M fund. Bert Anderson seconded, motion passed unanimously.

Ward Koeser moved to approve the industrial contract with CRI, Gary Rust seconded, motion carried.

Gary Rust made a motion to adjourn the meeting at 5:30pm. Bert Anderson seconded, motion carried.


Denton Zubke
Chairman
6-20-12


Karen Bureau
Secretary