

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

Attendees

Members Present: Raoul Brandt, Chris Brostuen, Richard Liesener, Ward Koeser, Mark Owan, Gary Rust, and Gene Veeder

Members Absent: Bert Anderson, Ellis Haake and Denton Zubke

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorner (AE2S), Dustin Schultz (AE2S), Eric Hager (AWS), Gary Black (AWS) and Kent Bickler (R & T)

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the February 18, 2015 and March 25, 2014 board meeting were presented for approval. (February minutes were re-presented to the board for approval because an incorrect file was sent to the board in February.) **Koeser moved to approve the minutes as presented, Rust seconded.**

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

Financial Report

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

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

BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 09-041515 in the amount of \$16,672.70, Voucher 01-041515 in the amount of \$1,957,782.64 (new loan) and SWC Grant request 08-041515 in the amount of \$1,848,381.49 for a total request of \$3,822,836.83 were presented to the board for their approval. **Brostuen moved to approve the pay requests in the amount of \$3,822,836.83, Veeder seconded.**

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

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. The Williston WTP should be running at 21mgd by the end of the May. Wirtz reported on the industrial sales; March industrial sales were \$2,620,833.00.

ND Industrial Commission Meeting Update

Wirtz presented the board with capital improvements that WAWSA has paid in the amount of \$26,854.71. The ND Industrial Commission will be asked to reimburse WAWSA \$26,854.71. **Veeder moved to approve the reimbursement request to NDIC, Koeser seconded.**

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

Legislative Update

Wirtz reported that at this time the current version of the legislation being considered contemplates that WAWSA will be receiving \$40 Million in loan and \$20 Million in grant. The loan would be paid back with industrial sales.

Request for Service

The City of Powers Lake representatives met with WAWSA representatives about service for water. Powers Lake also has industrial sales. Powers Lake would be a sub-member of R&T Water Supply Commerce Authority . . . WAWSA encouraged Powers Lake to discuss details of an agreement and water rates with R & T Water Supply Commerce Authority.

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. This project has not been formally approved by WAWSA.

Voting Rights

The board was presented with proposed WAWSA Bylaw changes that would revise the first determination date for recalculating the members weighted voting since many members had not experienced three full years of water sales yet. The revisions also change the special meeting notice provision to from 3 days to 6 days to be consistent with the legislation. These proposed bylaw changes will be voted on at the next board meeting.

Employee Compensation

First quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 1st quarter bonus for Executive Director Jaret Wirtz. **Rust moved to give Wirtz a 10% 1st quarter bonus based on Chairman Owan's recommendation, Veeder seconded.**

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

Resolution for \$19,500,000 SWC Loan

Wirtz presented the "Resolution Approving Issuance" for the \$19,500,000.00 State Water Commission Loan. **Koeser made a motion to approve the Resolution Approving Issuance of \$19,500,000.00 State Water Commission Loan, Brostuen seconded.**

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

Office/Shop

Wirtz reported on the need of a combined office/shop and reported on some properties that are currently for sale.

Landowner Reclamation

Wirtz reported on the reclamation of Steve Perdue's land that had flooded when the Ray High Point reservoir leaked. The land has dried up, however he is asking for a long term solution. Telemetry has been updated and there is the possibility of putting in a ring dike to alleviate this problem.

Waste Water Industrial Sales

The board was presented with an amendment to the Member Agreements clarifying that waste water (recycled sewage effluent or gray water) sales constitute industrial water for the purpose of the Water Supply Agreements. Each member and sub member boards will need to approve the amendment. **Rust moved to approve the amendment to the Member Agreements, Koeser seconded.**

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

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

Williston Regional WTP

Chorne reported on the bid opening for the Williston WTP Pretreatment Part II that was held on April 14, 2015. The bids came in substantially higher than the engineer's estimate. AE2S recommends rejecting the bids and postponing the project until a time that a complete project including the construction of the pretreatment building can be afforded. **Veeder moved to reject all bids for the Williston WTP Pretreatment Part II, Koeser seconded.**

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

Williston By-Pass

Merryman Change Order #5 in the amount of \$402,489.70 for material changing ductile to HDPE was presented to the board for their approval. **Brostuen moved to approve Change Order #5 in the amount of \$402,489.70, Veeder seconded.**

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

WRWD West Phase IIB 500K Elevated Tank

Maguire Change Order #1 in the amount of \$2,960.00 was presented to the board for their approval. **Veeder moved to approve Change Order #1 in the amount of \$2,960.00, Rust seconded.**

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

Engineering Task Orders

Chorne presented Engineering Task Order Amendment #10f to Task Order #10 for Williston WTP Expansion in the amount of \$380,000.00. **Brostuen moved to approve Task Order Amendment #10f to Task Order #10, Rust seconded.**

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

Chorne presented Engineering Task Order Amendment #14g to Task Order #14 for Bulk Water Fill Stations in the amount of \$160,000.00. **Koeser moved to approve Task Order Amendment #14g to Task Order #14, Veeder seconded.**

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

Chorne presented Engineering Task Order Amendment #2 to Task Order #22 for Williston WTP Pretreatment Options in the amount of \$95,000.00. **Veeder moved to approve Task Order Amendment #2 to Task Order #22, Brostuen seconded.**

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

Chorne presented Engineering Task Order Amendment #6 to Task Order #23 for NDDOT Highway 85 Expansion-Pipeline Relocates in the amount of \$85,000.00. **Rust moved to approve Task Order Amendment #6 to Task Order #23, Liesener seconded.**

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

Chorne presented Engineering Task Order #37 for Operational Training and System Protocols in the amount of \$42,650.00. **Rust moved to approve Task Order #37, Koeser seconded.**

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

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary