

Western Area Water Supply Authority

Board of Directors Meeting

Williston City Hall

Wednesday, July 18, 2012 1:30 pm

Attendees

Members Present: Bert Anderson, Brent Bogar, Ben Clarys, Ward Heidbreder, Ward Koeser, Michelle Klose, Mark Owan, Gary Rust, Gene Veeder, Jaret Wirtz and Denton Zubke.

Members Absent: Kent Bickler

Others Present: Kim Schilke(WAWSA), Tami Norgard (Vogel Law Firm), Jeffrey Romig (Armstrong), Mike Forman (IWP), Mike McBride (IWP), Maurice Foley (Water Commission), Larry Hanson (SWC), John Olson (WAWSA), Dennis Boyd (AE2S), David Johnson (AE2S), Steve Burian (AE2S), Cal Thelen (AE2S) and Cory Chorne(AE2S).

Meeting called to order

Chairman Denton Zubke called the meeting to order at 1:30pm.

Approval of the Agenda

The agenda was approved with the following changes: Under IWP Item #2 Record Request Invoice was moved to the 4:00pm Executive Session. Gene Rust moved to approve the changes to the agenda, Ward Koeser seconded. Motion carried unanimously.

Approval of the Minutes

Minutes for the June 20, 2012 meeting were presented for approval. Ward Heidbreder moved to approve the minutes, Ben Clarys seconded. Motion carried unanimously. Minutes for the July 5, 2012 conference call board meeting were presented for approval. Brent Bogar moved to approve the minutes, Bert Anderson seconded. Motion carried unanimously.

Financial Report

The financial report was presented for consideration and discussion. Mark Owan moved to approve the financial report, Ben Clarys seconded. Motion carried unanimously.

Payment Voucher

Payment voucher 2-71812 for \$6,824,554.43 and the June O & M Statement were presented for approval. Gene Veeder moved to approve the payment voucher and O & M statement, Gary Rust seconded. Motion carried unanimously.

Executive Director's Report

Jaret Wirtz gave a report on the progress of the new office space and staffing.

Jaret Wirtz presented the purposed Operational Policies handbook for the board to review. The approval of the Operational Policies will take place at the August board meeting.

A new turnout for Williams Rural Water on 60th Street was approved. The cost of the turnout will be paid by WAWSA and billed to the developer. Mark Owan made a motion to approve the turnout, Gary Rust seconded. Motion carried unanimously.

Jaret Wirtz presented a spreadsheet comparing purchasing a vehicle for WAWSA opposed to paying mileage reimbursement. Chairman Denton Zubke recommended the purchase of a vehicle for WAWSA. Ward Heidbreder moved to purchase a vehicle, Gene Veeder seconded. Motion carried unanimously.

Jaret Wirtz discussed payment for matching retirement funds that were not received from Dec 1, 2011 until May 31, 2012 because WAWSA enrollment in NDPERS was not effective until June 1, 2012 for himself and Kim Schilke. Jaret had been told at the time of being hired that he would be able to contribute to a retirement plan effective Dec 1, 2011. Ward Koeser made a motion to reimburse Jaret \$2500.00 and Kim \$600 for the matching retirement funds that did not qualify for deposit into NDPERS because of the enrollment date. Gary Rust seconded. Motion carried unanimously.

Jaret reported on the Notice of Proposal to Heat WAWSA Water for the Ray, Watford City or Alexander depots. The Notice was advertised for three weeks and Armstrong International was the only proposal received by WAWSA.

Membership agreements

Jaret gave an update on the status of the member and sub-member agreements.

IWP

The 10:00am morning meeting held with the IWP will be discussed in the Executive Session.

Bulk Fill Stations

Jaret Wirtz gave an update on the status of the bulk fill stations. Indian Hill, Alex and 13 Mile fill stations are out for bids. The bids openings will be on August 3, 2012. The Watford City fill stations location has been determined; however the road needs to be built up. Ward Koeser made a motion to purchase the land and if needed put additional asphalt on the road as directed by ND DOT. Bert Anderson seconded. Motion carried unanimously.

Project Updates

Steve Burian (AE2S) gave the capital accounting report.

Cory Chorne (AE2S) presented project updates. Cory presented Change Order #2 for McKenzie County System IV in the amount of \$178,900.00. Gene Veeder moved to approve Change Order #2. Brent Bogar seconded. Motion carried unanimously.

3:55pm Brent Bogar left the meeting.

The Williston Water Treatment Plant Expansion was discussed extensively. Four options were presented by AE2S for the board's consideration. Ward Heidbreder made a motion to authorize AE2S to proceed with option #1. Ward Koeser seconded. Motion carried unanimously. The board will address the other options 2, 3, and 4 at the August 3, 2012 board meeting via conference call.

4:15pm Ward Koeser left the meeting.

Cory Chorne (AE2S) presented Change Order #1 for Pump Stations and Meter Vault Enclosures in the amount of \$6,601.00. Ward Heidbreder moved to approve Change Order #1. Bert Anderson seconded. Motion carried unanimously.

Board Entered Executive Session

The purpose of executive session is to discuss any additional negotiation as a result of the morning meeting with IWP and discussion of issues to be addressed in Armstrong definitive agreements.

Gary Rust moved to enter into Executive Session, Ward Heidbreder seconded. Motion carried unanimously. The board entered executive session at 4:30pm.

Gene Veeder moved to exit out of Executive Session, Ward Heidbreder seconded. Motion carried unanimously. The board left executive session at 5:05pm.

Ward Heidbreder made a motion to reduce the IWP record request invoice to \$983.25, Bert Anderson seconded. Motion carried unanimously.

Bert Anderson made a motion to allow the Executive Committee to continue to negotiate and approve the Armstrong Lease Agreements for Ray, Alex and Watford City Depots, Gary Rust seconded. Motion carried unanimously.

Discussion was held on whether WAWSA should publish notice that it intends to pre-purchase some metering equipment for the bulk fill stations. Ward Heidbreder made a motion to approve pre-purchase of equipment for the bulk fill stations. Gary Rust seconded. Motion carried unanimously.

Motion to adjourn was made by Gary Rust at 5:15pm, seconded by Bert Anderson. Motion carried unanimously.

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Denton Zubke
Chairman

A handwritten signature in blue ink, appearing to read 'K Schilke', written over a horizontal line.

Kim Schilke
Secretary