

**Western Area Water Supply Authority
Board of Directors Meeting
Williston Community Library
Wednesday May 15, 2013**

Attendees

Members Present: Bert Anderson, Ben Clarys, Kent Bickler, Michelle Klose, Mark Owan, Gary Rust, Ward Koeser, Gene Veeder and Denton Zubke.

Members Absent: Brent Bogar and Ward Heidbreder.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Sherrie Pattern (WAWSA), Tina Oberzan (WAWSA), Tami Norgard (Vogel Law Firm), Steve Burian (AE2S), Cory Chorne (AE2S), Dustin Schultz (AE2S), Cal Thelen (AE2S), Dave Bauer (AE2S), Aaron Grivos, (AE2S), Rachel Wolff (AE2S), Pat Wheeler (IWP), Timothy E Slorby (Dakota Land Services), Jonathan C. Jorgenson (Dakota Land Services), Karlene Fine (ND Industrial Commission), Andrea Travnicek (Governor's Office), Jeffrey Mattern (NDSWC), Brad Thompson (BND), Todd Sando (NDSWC) and Ron Rauch (Nordak Properties).

Meeting Called to Order

Chairman Denton Zubke called the meeting to order at 1:00pm.

Approval of Agenda

Changes to the agenda included moving item #11 from Project Updates to Item #14 under the Executive Director's Report. Item #15 Project Prioritization and Item #16 Authorizations for Executive Director to Sign Easements were added to Executive Director's Report. Chairman Denton Zubke asked for some latitude in rearranging the agenda if needed as some people need to leave early.

Koeser moved to approve the changes to the agenda and allow the Chairman to rearrange the agenda as needed, Veeder seconded.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the April 17, 2013 board meeting were presented for approval. **Clarys moved to approve the minutes, Veeder seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Financial Report

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

AYES: Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, Klose and Zubke.

NAY: 0

CARRIED: 9-0

Payment Voucher

The Bank of North Dakota Payment Voucher 07-051513 for \$2,276,947.80 was presented for approval. **Owan moved to approve the BND Pay Voucher Request, Koeser seconded.**

AYES: Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, Klose and Zubke.

NAY: 0

CARRIED: 9-0

Executive Director's Report

Legislative Update

Jaret Wirtz gave an update on North Dakota SB 2233 & HB 1020. A discussion of how SB 2233 will be implemented was discussed. Representatives from the BND, NDSWC, ND Industrial Commission and WAWSA will meet to work out the details on implementing the requirements of SB 2233. At the next WAWSA board meeting a document will be presented detailing any need for restructuring and the process to implement SB 2233.

Denton Zubke advised each member entity to carefully consider SB2233 and how it impacts their respective entity. Tami Norgard underscored the importance of each stakeholder entity understanding that part of the SB2233 package requires WAWSA and its member entities to waive their franchise protection rights for industrial water sales if WAWSA accepts construction funding from the state in loans or grants. Board members were encouraged to educate their boards on SB2233 and make sure they understand the implications of it. The Board is anticipated to have a more lengthy discussion on member feedback at the next WAWSA Board meeting.

Operation Plan

Aaron Gravos presented an Operational Plan for WAWSA which laid out roles and responsibilities for WAWSA.

R & T Well Field

Discussion was held on the land purchase for the R & T Well Field. The NDSWC must approve the land purchase for the 2 acres needed to construct additional wells. A memo requesting the well field project will be presented to the NDSWC at the June 19th meeting, if it is approved, the WAWSA Executive Committee will meet on the land purchase.

Telemetry Status - SCADA

A presentation on the SCADA was given by Cory Chorne. The SCADA system will automatically collect and store system operational data. Presently 95% of the system is operational and the remaining portion should be completed by next week.

Pro-Rated Water Supply Contract Summary

Cory Chorne gave information to the Board summarizing the water supply contracts that WAWSA has with each of its member entities. The board discussed water projections for 2013 and how it relates to the Williston Water Treatment Plant and the future expansions of the treatment plant.

It was suggested to start a public education process through each member entity concerning responsible water conservation practices since we anticipate some periodic domestic water shortages on peak days prior to the expansion of the Williston Water Treatment Plant.

Project Prioritization

Jaret Wirtz asked for some latitude concerning the timing when a project in each area is completed. Projects that will be presented to the NDSWC for approval are the Williston Treatment Plant, Williston By-Pass, Williams West Expansion, Keene Loop and the R & T Well Field Expansion with the understanding that there is only \$40,000,000.00 available through the BND and the rest of the projects funding will be dependent on how the money comes from the SWC.

Klose left the meeting at 3:00pm

Resolution Authorizing \$10,000,000.00 Loan

Rust made a motion to approve the Resolution Approving Issuance of a \$10,000,000.00 Utility System Revenue Notes, Series 2013. Koeser seconded.

AYES: Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 8-0

Bogar joined meeting at 3:10pm

MCWRD Request for Tap

MCWRD requested a tap 2 miles east of Arnegard to be paid by the developer. **Motion was made by Veeder to approve the tap upon MCWRD final approval, Anderson seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Granite Peak

A letter from Granite Peak requesting \$154,679.00 for improvements made to the North Williston Fill Station site was presented for payment. **Koeser moved to approve the payment of \$154,679.00 and the amount be added to this month's BND Payment Request, Veeder seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Authorization for Executive Director to Sign Easements

A motion was made by Rust to give authorization to the Executive Director to sign easements, subordination agreements, licensing and permits granting access to another party to cross a WAWSA easement.

AYES: Bogar, Bickler, Veeder, Owan, Rust, Anderson, Koeser, and Zubke.

NAY: 0

ABSENT: Clarys

CARRIED: 8-0

Capital Accounting

Steve Burian presented the Capital Accounting Report.

Project Updates

Williston Treatment Plant

Cory Chorne presented Change Order #4 for Colstrip Electric in the amount of \$1,979.75 for the removal of abandoned conduit. **Clarys moved to approve Change Order #4 in the amount of \$1,979.75, Bickler seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Cory Chorne presented Change Order #5 for Colstrip Electric in the amount of \$41,955.00 to increase breaker size. **Koeser moved to approve Change Order #5 in the amount of \$41,955.00, Rust seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Cory Chorne presented Change Order #1 for Williams Plumbing and Heating in the amount of \$2,854.00, for the relocation of lines. **Anderson moved to approve Change Order #1 in the amount of \$2,854.00, Veeder seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

The Williston Water Treatment Plant Expansion has been advertised, under the approval of Todd Sando (NDSWC). The bid opening will be on June 14, 2013. It was noted that approval from the NDSWC on June 19th was necessary to before awarding bids.

Transmission Main

Cory Chorne presented Change Order #6 for SJ Louis in the amount of \$10,720.00, for the relocation of lines. **Anderson moved to approve Change Order #6 in the amount of \$10,720.00, Bickler seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Pump Stations/Meter Vaults

Cory Chorne presented Change Order #9 for John T Jones Construction in the amount of -\$98.00. **Koeser moved to approve Change Orders #9 in the amount of -\$98.00, Rust seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Bulk Fill Stations

Concrete pads are needed for fill stations. The estimated cost for concrete pads for 13 Mile, Alexander, Indian Hills, R & T and Watford City Fill Stations is \$240,000 per pad for a total of approximately \$1,200,000.00. These are items that were initially included in the approved plans, but were removed due to WAWSA's funding limitations prior to this session. Tami Norgard suggested that she review the competitive bidding requirements. **A motion was made by Veeder to the install concrete pads at the fill stations as long as the cost is at or under the \$1,200,000.00, anything over this amount would need approval from the Executive Committee, subject to legal counsel review of competitive bidding laws. Anderson seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Williston Water Treatment Plant Conventional Intake

Task Order No. 21, the study phase of the Williston WTP Intake replacement was presented to the board for approval. **Veeder moved to approve Task Order No. 21 in the amount of \$195,000.00, Owan seconded.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

Pat Wheeler representing the Independent Water Providers addressed the board asking for the number of residents receiving rural water off of the WAWSA. At this time there are approximately 2300 rural users receiving water. He also asked if there should be shortage of water what is the protocol concerning industrial water. Chairman Zubke stated that domestic water always takes precedence over industrial water.

Board Entered Executive Session

The purpose of the Executive Session is to discuss right of way acquisition negotiations. **A motion was made by Rust and seconded by Veeder to move into executive session.**

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0

CARRIED: 9-0

The board entered executive session at 4:15pm.

A motion was made by Veeder and seconded by Rust to move out of executive session at 4:30pm.

AYES: Bogar, Bickler, Veeder, Owan, Clarys, Rust, Anderson, Koeser, and Zubke.

NAY: 0


CARRIED: 9-0

Motion to adjourn was made by Veeder, seconded by Bogar.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

 6-20-13

Denton Zubke, Chairman

 6-20-13

Kim Schilke, Secretary