

**Western Area Water Supply Authority
Board of Directors Meeting
Williston Community Library
Thursday June 20, 2013**

Attendees

Members Present: Bert Anderson, Ben Clarys, Michelle Klose, Mark Owan, Gary Rust, Ward Koeser, Gene Veeder, Monte Meiers (Alternate for City of Williston), Richard Liesener, 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), Dustin Schultz (AE2S), Cal Thelen (AE2S), Deon Stockert (AE2S), Suhail Kanwar (McKenzie County), Bruce Johnson (IWP), Karlene Fine (ND Industrial Commission), Jeffrey Mattern (NDSWC), Sean Mikaelian (Armstrong Water Solutions), Jon R. Cameron (US Senator John Hoeven), Larry Hanson (NDSWC), Bill Brackett (CEJ) and Gary Dix (Nordak Properties).

Meeting Called to Order

Chairman Denton Zubke called the meeting to order at 2:00pm.

Approval of Agenda

Changes to the agenda included removing the Right of Way Acquisition from the Executive Session and under Projects Updates #2 McKenzie County System IV add item (B) Merryman Excavation Change Order #3.

Koeser moved to approve the changes to the agenda, Owan seconded.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the May 15, 2013 board meeting were presented for approval. Michelle Klose asked that the words "at length" be removed from the discussion of House Bill 2233. **Owan moved to approve the minutes with the correction, Rust seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Financial Report

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

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

NAY: 0

CARRIED: 10-0

Payment Voucher

The Bank of North Dakota Payment Voucher 08-062013 for \$4,186,413.53 was presented for approval. **Rust moved to approve the BND Pay Voucher Request, Liesener seconded.**

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

NAY: 0

CARRIED: 10-0

Executive Director's Report

Jaret Wirtz gave an update on the meeting with the BND and the ND Industrial Commission concerning the August 1, 2013 transitions and steps needed to move forward with this transition.

Denton Zubke stated that he had a meeting with McKenzie County Commission and the Water Resource District concerning the SB2233 requirements to waive franchise protection if WAWSA accepts construction funding. Denton will have a report at the next WAWSA Board meeting, regarding McKenzie County's position.

Telemetry is on the majority of infrastructure in the system. iPads and office computers were recently installed with the software and now allow us to monitor and change settings throughout the system.

Jaret Wirtz reported that the Williston Water Treatment Plant is back to full treatment capacity. It was noted that the turbidity peaked at 5,800 NTU in early June, which is the highest recorded in history at the Williston WTP.

Jaret Wirtz presented Industrial Sales Report for May. Michelle Klose commented that as of August 1st the State Water Commission approved allowing the Chief State Engineer to sign off on future industrial contracts rather than having a review by the whole commission.

Amendment to the Capitalization Policy

The amendment to the Capitalization Policy gives Jaret Wirtz the authority to purchase equipment up to \$25,000.00, from \$25,000.00-\$50,000.00 he will need Executive Committee approval and anything above \$50,000.00 will need full Board approval. **Koeser made a motion to approve the Amendment to the Capitalization Policy, Clarys seconded.**

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

NAY: 0

CARRIED: 10-0

Amendment to the Collection Policy

The Amendment to the Collection Policy adds and removes language on how WAWSA collects on outstanding accounts. WAWSA has the right to deactivate accounts if past due. At the discretion of the Executive Director without prior Board approval all delinquent accounts more than sixty (60) days past due may be subject to any and all lawful collection actions. **Motion was made by Veeder to approve the amendment to the Collection Policy, Anderson seconded.**

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

NAY: 0

CARRIED: 10-0

R & T Depot Land Purchase Agreement

Jaret Wirtz gave an update on an amendment to the R & T Depot Land Purchase Agreement. Tami Norgard added language to the Purchase Agreement that it can be signed and if the Cost Share Agreement is not in place within six months WAWSA will pay for the land, at \$50,000 per acre for the actual acreage needed. **A motion was made by Rust to approve the amendment to the purchase agreement, Veeder seconded.**

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

NAY: 0

CARRIED: 10-0

Contract for Right of Way Service

Jaret Wirtz presented a Contract for the Easement work on System IV project in McKenzie County from W&D Right of Way Services, LLP. **A motion was made by Veeder to approve the contract with W&D Right of Way Services, LLP, Koeser seconded.**

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

NAY: 0

CARRIED: 10-0

IWP Letter

A letter from the Independent Water Providers was addressed. It accused WAWSA of selling water from N. Williston depot and other WAWSA depots when the WAWSA system including the City of Williston was on water restrictions. WAWSA has reports showing that no water was sold during that time. WAWSA is asking for a retraction from IWP. WAWSA will send a letter, to all the people that received the IWP letter, indicating the information that was sent out was not correct. Denton clarified water depots in Stanley, Watford City, and Keene were able to continue operations throughout the period because they are able to access supplemental or different water supplies that are separate from the Williston Water Treatment Plant.

Project Updates

Capital Accounting

Steve Burian presented the Capital Accounting Report.

McKenzie County System IV

Dustin Schultz presented Change Order #2 for Merryman Excavation in the amount of \$5,713.75 for install 12"x 4" tapping saddle and valve on existing line with a valve box. **Owan moved to approve Change Orders #2 in the amount of \$5,713.75, Anderson seconded.**

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

NAY: 0

CARRIED: 10-0

Veeder left the meeting at 3:00pm

Dustin Schultz presented Change Order #3 for Merryman Excavation in the amount of \$560,000.00 for satellite meter readouts for MCWRD. The change order #3 for Merryman approve to include System 4 contract addition then 1 & 2 system approval will be at the discretion of the board at a later date. **Koeser moved to approve Change Orders #3 for the amount of \$560,000.00, Anderson seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

Regional Water Service to Crosby

Dustin Schultz presented Change Order #5 for Wagner Construction in the amount of \$3,585.00 to relocate a transformer in a new location. **Anderson moved to approve Change Order #5 for the amount of \$3,585.00, Koeser seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

Williston Water Treatment Plant

Dustin Schultz presented Change Order #4, #5, #6 for PKG Contracting totally \$13,828.00. **Koeser moved to approve Task Order #4, #5, #6 totally \$13,828.00, Clarys seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

Regional Water Service Phase II Transmission Main

Dustin Schultz presented Change Order #4 for Ryan Development Co. for time extension for the final completion date. **Rust moved to approve Change Order #4, Liesener seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

Regional Water Service Phase II Station/Meter Vault

Dustin Schultz presented Change Order #4 for John's Refrigeration & Electric Construction for the amount of \$97,100.00. It is for work required for the electrical, instrumentation and controls construction associated with work

at 13 Mile Meter Vault and the Ray meter vault. **Anderson moved to approve Change Order #4 for the amount of \$97,100.00, Meiers seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

Regional Water Service Phase II Reservoirs

Dustin Schultz gave an update on a leak at Wildrose Reservoir. Engineering America, Inc. was contacted to fix the leak.

Alexander, 13 Mile, Indian Hills, Watford City and R & T Bulk Fill Stations

Dustin Schultz presented punch list items with Task Order 14 Amendment #3 for the redesign of depot pads in the amount of \$27,500.00 and Public Relation Services in the amount of \$66,000.00 for AE2S to be billed at an hourly rate. **Anderson moved to approve Task Order 14 Amendment #3, Meiers seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

R&T Well Field Project

Deon Stockert gave an update on the design for R & T Well Field Project that has been completed. Advertisements for bids will start on July 3rd. R&T requested that WAWSA purchase key equipment needed to expedite the construction process. A total of \$145,700 is needed to purchase the equipment needed. **Rust moved to approve \$145,700 for equipment, Koeser seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

Pre-Treatment Task Order

Steve Burian presented Task Order #22 for the Williston Regional Treatment Plant Retreatment Options in the amount of \$217,000.00. **Meiers moved to approve \$217,000.00 for Task Order #22, Koeser seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.

NAY: 0

CARRIED: 9-0

WTP 21 MGD Expansions

Dustin Schultz presented the bids for the Williston Regional WTP Phase IV Improvements Project. AE2S's recommendation was to award the bid to the low bidder, PKG for Contract No. 4 (Combined General, Electrical and Mechanical Construction) in the amount of \$22,796,900.00. **Owan made a motion to award the bid on Contract #4 for the Williston Water Treatment Plant Expansion to PKG Contracting in the amount of \$22,796,900.00, Anderson seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.
NAY: 0
CARRIED: 9-0

Task Order #8 Amendment

Steve Burian presented Task Order #9 (formally Task Order #8) Operation Management Assistance In the amount of \$217,652.00. **Owan moved to approve the change to the Task Order #9 for the amount of \$217,652.00. Liesener seconded.**

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.
NAY: 0
CARRIED: 9-0

Board Entered Executive Session

The purpose of the Executive Session is to discuss SJ Louis and King Contracting mediation. **A motion was made by Owan and seconded by Liesener to move into executive session.**

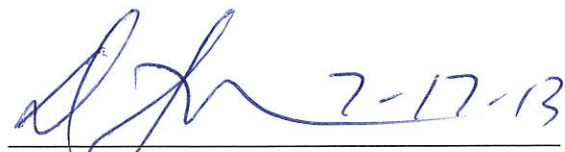
AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.
NAY: 0
CARRIED: 9-0

The board entered executive session at 4:45pm.

A motion was made by Rust and seconded by Liesener to move out of executive session at 4:55pm.

AYES: Meiers, Liesener, Clarys, Owan, Anderson, Koeser, Klose, Rust and Zubke.
NAY: 0
CARRIED: 9-0

Chairman Denton Zubke adjourned the meeting.


Denton Zubke, Chairman


Kim Schilke, Secretary