

**Western Area Water Supply Authority
Board of Directors Meeting
Williston Community Library
Wednesday October 16, 2013**

Attendees

Members Present: Mark Owan, Richard Liesener, Gary Rust, Bert Anderson, Chris Brostuen, Ben Clarys and Denton Zubke.

Members Absent: Kent Bickler, Ward Koeser and Gene Veeder

Others Present: Jaret Wirtz (WAWSA), Tina Oberzan (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Rob Gravatt (EAI), Rory Nelson (Governor's Office), Jeff Romig (Armstrong) and Cal Thelen (AE2S).

At the request of Gene Veeder, due to his absence Chairman Denton Zubke is appointed to represent Veeder's voting rights at the October 16, 2013 WAWSA Board Meeting.

Meeting Called to Order

Chairman Denton Zubke called the meeting to order at 1:05 p.m.

Approval of Agenda

There were no changes to the agenda. **Anderson moved to approve the agenda, Clarys seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the September 18, 2013 board meeting were presented for approval. **Rust moved to approve the minutes, Owan seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Financial Report

Chris Brostuen joined the meeting at 1:10 p.m.

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

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Payment Voucher

The Bank of North Dakota Payment Voucher 01-101613 for \$1,013,279.72 and Voucher 04-101613 for \$2,516,687.98 was presented for approval. **Clarys moved to approve the BND Pay Voucher Requests, Brostuen seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Executive Director's Report

Appointed Executive Committee Member

Denton Zubke opened the floor for nominations for Executive Committee Member position that was held by Brent Bogar. Chris Brostuen volunteered himself and was approved by Denton Zubke.

Resolution Authorizing \$40 M Loan

Jaret Wirtz presented the resolution authorizing the \$40 million BND loan. **Owan moved to approve the BND loan in the amount of \$40 million, Liesener seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

NDIC Report

Jaret Wirtz gave a report that the rate reimbursement structure and industrial sales forecast that he presented at the North Dakota Industrial Commission Board Meeting was approved.

Industrial Sales Report

Jaret Wirtz reported on the Industrial Sales Report. Wirtz noted that there were road restrictions and a break on the line in McKenzie County in October.

NDSWC Meeting Report

Jaret Wirtz presented for approval the WAWSA memorandum of the prioritized list of project for the 2013-2015 biennium. **Anderson made a motion to approve moving forward on the final design and easement acquisitions or the selected projects, Clarys seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

2014 WAWSA Budget

Jaret Wirtz presented the 2014 projected budget to the Board for approval. **Owan made a motion to approve the 2014 Budget, Rust seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Employee Compensation Policy

Jaret Wirtz presented the Employee Compensation Policy to the Board for approval. **Owan made a motion to approve the Employee Compensation Policy, Anderson seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Office Building

Jaret Wirtz reported that the lower floor of the KLJ building is available. A motion was presented to delegate the authority to negotiate the lease and including consummating for the office building of KLJ. If there are some bartering terms Wirtz would go to the Executive Committee with those terms. **Anderson made a motion to approve Jaret Wirtz going to the Executive Committee with delegating the authority to negotiate the lease and including consummating for the office building of KLJ, Liesener seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Project Updates

Engineering America Reservoir Update

Rob Gravatt with Engineering America updated the board on the progress of the repairs at the reservoirs in the last month. He reported that Alexander, Wildrose and Ray Tank sites are completed.

Capital Accounting

Cory Chorne presented the Capital Accounting Report.

McKenzie County System IV

Cory Chorne presented Change Order #7 for Merryman Excavation in the amount of \$7,235.00 for McKenzie County System IV for extra time and materials as well as or moving spoil piles and additional benching of trench for installation on 4:1 ditch slopes. The cost will be passed on to the DOT. **Rust made motion to approve Change Order #5 in the amount of \$7,235.00, Liesener seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Williston Regional WTP

Cory Chorne presented Change Order #7 for Colstrip Electric, Inc. in the amount of \$2,390.00 for changing out junction boxes in high service pumps and adding parts to increase input and output to the control panel. **Owan moved to approve Change Order #7 for the amount of \$2,390.00, Clarys seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Cory Chorne presented Change Order #8 for PKG Contracting, Inc. in the amount of \$58,728.00 for additional costs for work at the intake wet well due to unforeseen site conditions and need for plant intake capacity. The delay at the Williston Water Treatment Plant caused additional work time, pump rentals and additional materials. **Anderson moved to approve Change Order #8 for the amount of \$58,728.00, Brostuen seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

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

Cory Chorne presented Change Order #7 for PKG Contracting, Inc. in the amount of \$32,755.00 for Watford City Depot on the construction of additional concrete on the east three lanes, additional earthwork and grading required for completing the entrance and exit approaches, the construction of additional concrete paving to the west three lanes and installation of an 8" PRV and repair of electrical items damaged over the winter. **Rust moved to approve Change Order #7 in the amount of \$32,755.00, Koeser seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Cory Chorne presented Change Order #2 for Glacier Construction in the amount of -\$929,127.95 for termination of their contract. **Brostuen made the motion to approve the Change Order #2 in the amount of -\$929,127.95, Owan seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Jaret Wirtz recommended revoking Lakeshore Toltest Change Order on the work that has not started in a timely manner at Alexander Depot. A motion was made that after a review from WAWSA Legal Counsel, WAWSA will strongly suggest encouraging Lakeshore Toltest to sub contract out the Change Order to PKG Contracting. **A motion was made by Liesener that WAWSA strongly encourage Lakeshore Toltest to sub-contract out the Change Order to PKG Contracting, Rust seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Williams Rural Water West Expansion

Cory Chorne presented the Final Inspection and Acceptance for Niebur Development in the amount of \$104,106.38 and giving Jaret Wirtz authorization to execute the final inspection and acceptance. **A motion was made by Anderson to approve the Final Inspection and Acceptance for Niebur Development in the amount of \$104,106.38, Owan seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Cory Chorne presented Amendment No.1 to Task Order #18 for Phase II Williams West Reservoir and Pump Stations for engineering services for the Construction, Resident Project Representative and Post-Construction Phase Services in the amount of \$536,650.00 and Instrumentations and Control Services in the amount of \$95,000.00 totaling in the amount of \$631,650.00. **A motion was made by Owan to approve the Amendment No.1 to Task Order #18 in the amount of \$631,650.00, Brostuen seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

McKenzie County System II

Cory Chorne presented Amendment No.1 to Task Order #19 for Keene Loop Pump Station and Reservoir for engineering services provided on the PKG Contracting contract for the Construction, Resident Project Representative and Post-Construction Phase Services in the amount of \$340,000.00 and Instrumentations and Control Services in the amount of \$60,000.00 totaling in the amount of \$400,000.00. **A motion was made by Owan to approve the Amendment No.1 to Task Order #19 in the amount of \$400,000.00, Rust seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

MCWRD East Transmission Line Expansion

Cory Chorne recommended that MCWRD East Transmission Line Expansion be awarded to Merryman Excavation, Inc. for general construction in the amount of \$3,956,133.00. **Brostuen made a motion to approve the award to Merryman Excavation in the amount of \$3,956,133.00, Clarys seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Pretreatment Water Treatment Plant Task Order #22

Cory Chorne recommended for the equipment on the 14 MGD pretreatment system for the Williston Regional Water Treatment Plant Task Order #22 be awarded to Jim Myers and Sons, Inc. for supplies and delivery to the site in the amount of \$518,081.00. **Anderson made a motion to approve the award to Jim Myers and Sons, Inc. in the amount of \$518,081.00, Clarys seconded.**

AYES: Owan, Liesener, Rust, Anderson, Brostuen, Clarys and Zubke.

NAY: 0

CARRIED: 7-0

Chairman adjourned the meeting

Handwritten signature of Denton Zubke, dated 11-20-13.

Denton Zubke, Chairman

Handwritten signature of Kim Schilke, dated 11-20-13.

Kim Schilke, Secretary