

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday November 18, 2015**

Attendees

Members Present: Bert Anderson, Raoul Brandt, Chris Brostuen, Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan, Gary Rust, and Denton Zubke

Members Absent: Gene Veeder

Others Present: Jaret Wirtz (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Steve Burian (AE2S) via phone, Jeff Shaffer (MCWRD), Jeff Viniard (MCWRD), Kent Bickler (R & T Water), Eric Hager (Armstrong), Ben Clarys (WRWD), Rick Olson (WRWD), John Ward (Zugo Kirmd & Smith) and Nate Mitchell (NW Construction).

Meeting Called to Order

Chairman Mark Owan called the meeting to order at 1:00 pm.

Approval of Agenda

The Agenda was presented for approval. **Brostuen moved to approve the agenda, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the October 21, 2015 board meeting were presented for approval. **Zubke moved to approve the minutes as presented, Rust seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Financial Report

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

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

2016 Budget

Wirtz presented a draft of the 2016 WAWSA budget. After reviewing the budget, the board discussed an annual inflationary water rate increase. **Koeser made a motion to apply an inflationary water rates increase of 2% effective January 1, 2016, Haake seconded.** The adjusted budget will be presented at next month's meeting,

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 08-111815 in the amount of \$2,203,059.80 and SWC Grant request 16-111815 in the amount of \$2,898,415.56 for a total request of \$5,101,475.36 were presented to the board for their approval. **Zubke moved to approve the pay requests in the amount of \$5,101,475.36, Anderson seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the industrial sales; October industrial sales were \$1,199,526.00.

NDIC

Wirtz reported on the NDIC meeting. The NDIC approved an industrial water rate reimbursement for WRWD industrial water sold of 28¢ per 1000 gallons retroactive to August 1, 2015. The next NDIC meeting is December 16th.

Domestic Loan Repayment Analysis

Shawn Gaddie (AE2S) presented the Domestic Debt Allocation Analysis. The analysis proposed methodology allocations by Member Entities for repaying the anticipated \$20M loans that must be repaid with domestic dollars.

Vehicle Purchase

Wirtz presented the board with a request to purchase two new pickups. **Rust made a motion to approve the purchase of two pickups sending up to \$65,000, Anderson seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Project Updates

Chorne presented a current water demand report and the Capital Accounting Report.

Chorne presented the board with project updates.

Williston WTP Phase 4

PKG Change Order #16 in the amount of a \$474,109.00 for relocating two raw water lines was presented to the board for their approval. **Brostuen moved to approve Change Order #16 in the amount of \$474,109.00, Koeser seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

PKG Change Order #17 in the amount of a \$19,524.00 to cover the cost of installing a flush system for the #3 sludge collection basin was presented to the board for their approval. **Haake moved to approve Change Order #17 in the amount of a decrease of \$19,524.00, Koeser seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Williston By-Pass Transmission Main

Merryman Change Order #10 in the amount of a decrease of \$35,819.40 for accepting an improperly functioning 36" Gate Valve on the WTP site was presented to the board for their approval. **Koeser moved to approve Change Order #10 in the amount of a decrease of \$35,819.40, Haake seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Chorne presented a Final Inspection and Acceptance for Merryman Excavation, Inc. on the Williston By-Pass Transmission Main. **Rust moved to approve the Final Inspection and Acceptance for Merryman Excavation, Inc., Brostuen seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Cherry Creek Pumping Station

Chorne presented a Final Inspection and Acceptance for John's Refrigeration on the Cherry Creek Pumping Station. **Brostuen moved to approve the Final Inspection and Acceptance for John's Refrigeration, Zubke seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

WRWD Blacktail Dam Rural Distribution

Carstensen Contracting Inc. Change Order #5 in the amount of \$5,600.00 for the installation of 4" drain tile on the Mike Smith property at Blacktail Dam was presented to the board for their approval. **Brandt moved to approve Change Order #5 in the amount of \$5,600.00, Zubke seconded**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

WRWD BWD Distribution

Carstensen Contracting Inc. Change Order #3 in the amount of \$168,352.80 to cover the cost of upsizing a line from 3" to 6" was presented to the board for their approval. **Rust moved to approve Change Order #3 in the amount of \$168,352.80, Haake seconded**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Carstensen Contracting Inc. Change Order #4 in the amount of \$63,047.50 to cover the cost incurred to Carstensen for the inadequate amount of easements necessary for the flow on construction was presented to the board for their approval. **Brostuen moved to approve Change Order #4 in the amount of \$63,047.50, Anderson seconded**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

WRWD Wheelock/Epping Distribution

Chorne presented a Certificate of Substantial Completion for Maguire Iron, Inc. on the 250K Elevated Tank Part 1B. **Liesener moved to approve the Certificate of Substantial Completion for Maguire Iron, Inc., Anderson seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Chorne gave a recommendation to award the WRWD Epping Distribution Part 1 Alternate 1 and Alternate 2 to low bidder NW Construction, Inc. with a low bid of \$3,088,578.00 for Alternate 1 and \$1,176,990.00 for Alternate 2. **Zubke made a motion to award the WRWD Epping Distribution Part 1 Alternate 1 and Alternate 2 to the low bidder NW Construction, Inc., in the amount of \$3,088,578.00 for Alternate 1 and \$1,176,990.00 for Alternate 2, Haake seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

NW Construction Inc. Change Order #3 in the amount of \$165,773.05 to cover the cost incurred to NW Construction for the lack of easements and permits needed to complete pipeline construction was presented to the board for their approval. **Zubke moved to approve Change Order #3 in the amount of \$165,773.05, Anderson seconded**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

MCWRD Tobacco Gardens Alternates 1, 2, & 3

Chorne gave a recommendation to award the MCWRD Tobacco Gardens Alternates 1, 2, & 3 to low bidder Duffield Construction Inc. dba Murphy Pipe & Civil, Inc. with a low bid of \$1,788,643.33 for Alternate 1, \$1,878,298.02 for Alternate 2 and \$1,817,554.54 for Alternate 3. **Zubke made a motion to award the MCWRD Tobacco Gardens Alternates 1, 2, & 3 to low bidder Murphy Pipe & Civil, Inc. with a low bid of \$1,788,643.33 for Alternate 1, \$1,878,298.02 for Alternate 2 and \$1,817,554.54 for Alternate 3, Haake seconded.**

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Task Orders and Amendments

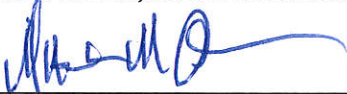
Chorne presented the following task orders and amendments for board approval.

TO 24C - Amendment No. 1 - NDDOT Hwy 85 Expansion	Delete \$450,000 replace with \$700,000.00
TO 44 - R & T Transmission Main – City of Ray	\$63,000.00
TO 45 – R & T 16" Transmission Main for Hwy 2 to Tioga	\$171,000.00
TO 46 – R & T 20" Transmission Main Stanley High Point to Stanley	\$500,000.00

Zubke moved to approve the Task Orders and Amendments presented, Anderson seconded.

AYES: Brostuen, Brandt, Liesener, Koeser, Anderson, Rust, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 10-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary