

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday January 15, 2014**

Attendees

Members Present: Bert Anderson, Kent Bickler, Chris Brostuen, Ward Koeser, Mark Owan (also holding voting rights for Ben Clarys), Gary Rust, and Denton Zubke (also holding voting rights for Gene Veeder).

Members Absent: Gene Veeder, Richard Liesener, Ben Clarys.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Perry Johnson (AE2S), Jeff Shaffer (McKenzie County Water Resource District), Troy Bloss (Armstrong Water Solutions), Aaron Mitchell (City of Watford City), Seth Sampson (City of Watford City) and John Rivers (Nuverra E.S.)

Meeting Called to Order

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

Board Re-Organization

Zubke called for nominations for Chairman. **Brostuen moved and Anderson seconded to nominate Mark Owan for Chairman. Koeser moved and Rust seconded that nominations cease and a unanimous ballot be cast for Mark Owan for Chairman.**

AYES: Koeser, Owan (also voting for Clarys), Anderson, Rust, Bickler, Brostuen, Zubke (also voting for Veeder)

NAY: 0

CARRIED: 9-0

Owan called for nominations for Vice-Chairman. **Koeser moved and Zubke seconded to nominate Chris Brostuen for Vice-Chairman. Zubke moved and Anderson seconded that nominations cease and a unanimous ballot be cast for Chris Brostuen for Vice-Chairman**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)

NAY: 0

CARRIED: 9-0

Owan called for nominations for Secretary-Treasurer. **Rust moved and Brostuen seconded to nominate Kim Schilke for Secretary-Treasurer.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)

NAY: 0

CARRIED: 9-0

Approval of Agenda

There were no changes to the agenda. **Zubke moved to approve the agenda, Rust seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the December 18, 2013 board meeting were presented for approval. Zubke suggested a modification. **Brostuen moved to approve the minutes with the correction, Koeser 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, Bicker seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)

NAY: 0

CARRIED: 9-0

Payment Voucher

The Bank of North Dakota Payment Voucher 04-011514 for \$2,216,849.50 was presented for approval. **Zubke moved to approve the BND Pay Voucher 041-11514 request in the amount of \$2,216,849.50, Brostuen seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)

NAY: 0

CARRIED: 9-0

Executive Director's Report

ND State Water Commission Loan – Grant Terms

The \$79 million allocated from the SWC for the 2013- 2014 biennium will be a combination of grant and loan dollars. The funding will be split into two installments of \$40 million and \$39 million. Each installment will be 50% grant and 50% loan. The first installment of \$40,000,000 funding from the State Water Commission will be in the form of \$20,000,000 in loan and \$20,000,000 in grant money that will be drawn on equally. A commitment letter from the Bank of North Dakota was presented for a board approval. **Zubke moved to approve the new Commitment Letter for the Bank of North Dakota, Brostuen seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)

NAY: 0

CARRIED: 9-0

Industrial Sales Report

Wirtz reported on the Industrial Sales. December sales were down due to leaks and holiday slow down. 2013 Year-end industrial sales were \$24,043,600.00.

Staffing

Wirtz reported that Tana Baugh was hired to fill the Accounts Payable position in the office.

Authority to Purchase

A new vehicle is needed for the Operation Manager. Various options were discussed. **Rust moved to authorize Wirtz purchase a vehicle from the lowest reasonable bidder, Koeser seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)

NAY: 0

CARRIED: 9-0

First National Bank Pledge of Security

Wirtz presented a Pledge of Security from First National Bank & Trust in the amount of \$4 million to be ratified by the board. Zubke moved to ratify the pledge agreement, Anderson seconded.

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

City of Grenora

A letter to the board from the City of Grenora was presented notifying WAWSA that they are declining sign up for water at this time.

AE2S Rate Increase

The AE2S 2014 Hourly Fee and Expense Schedule were presented for board approval. **Rust moved to accept the rate increase, Anderson seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

Funding Priorities

The board identified approximately \$150 million in anticipated total project needs at this time. It was the decision of the board to request \$120 million for the upcoming biennium from the state

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

Williston Regional WTP

Chorne presented Change Order #9 for Colstrip Electric, Inc. in the amount of \$2,940.00 for the cost to install Halogen emergency shutoff actuators and control panel in bulk chlorine storage room. **Zubke moved to approve Change Order #9 for the amount of \$2,940.00, Anderson seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

Chorne presented Change Order #4 for Williams Plumbing and Heating in the amount of \$16,441.00 to furnish two new unit heaters; one exhaust fan and the installation in the existing reclaim room. **Koeser made the motion to approve Change Order #4 in the amount of \$16,441.00, Brostuen seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

Chorne presented Change Order #10 for PKG Contracting, Inc. in the amount of \$39,093.00 for labor and materials to modify footing and relocation of the UV transmitter monitor; install new injection quill in raw water piping and

fix lime bucket elevator belt. **Brostuen made a motion to approve Change Order #10 for PKG Contracting in the amount of \$39,093.00, Rust seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

Break

Perry Johnson (AE2S) gave a power point presentation on the Williston Regional Water Treatment Plant.

Williams RWD West Expansion

Chorne presented Change Order #3 for Western Municipal Construction of Wyoming, Inc. for a decrease in the amount of \$15,630.10 for damage claims from land owners and additional clean-up work performed by outside contractor. **Zubke moved to approve Change Order #3 for Western Municipal Construction of Wyoming in the amount of a reduction of \$15,630.10, Rust seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

A Final Inspection and Acceptance from Western Municipal Construction of Wyoming, Inc. dated December 18, 2013 for a final payment of \$9,369.90 was presented for board approval. **Zubke moved to accept the Final Inspection and Acceptance, Brostuen seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

R & T Expansion

Chorne presented Change Order #4 for John's Refrigeration & Electric, Inc. for a time extension of 105 days. **Zubke made the motion to approve Change Order #4 for the 105 day time extension, Koeser seconded.**

AYES: Koeser, Zubke (also voting for Veeder), Anderson, Rust, Bickler, Brostuen, Owan (also voting for Clarys)
NAY: 0
CARRIED: 9-0

February Board Meeting will be moved to February 26th due to the ND Rural Water Expo.

Denton Zubke was thanked by the board for all the time and work he has given as Chairman of WAWSA.

Chairman Owan adjourned the meeting



Mark Owan, Chairman



Kim Schilke, Secretary