

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday February 26, 2014**

Attendees

Members Present: Kent Bickler, Chris Brostuen, Ben Clarys, Ward Koeser, Mark Owan, Gary Rust, Gene Veeder and Denton Zubke.

Members Absent: Bert Anderson, Richard Liesener.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), David Bauer (AE2S), Dustin Schultz (AE2S), Jeff Shaffer (McKenzie County Water Resource District), Eric Hagar (Armstrong Water Solutions), Nate Burkhard (Armstrong Water Solutions), Gary Black (Armstrong Water Solutions), Roy Nelson (State of North Dakota), Patrick Chambers (LTC), Aaron Mitchell (City of Watford City), Seth Sampson (City of Watford City) and David Johnson (Nuverra).

Meeting Called to Order

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

Approval of Agenda

There were no changes to the agenda. **Brostuen moved to approve the agenda, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the January 15, 2014 board meeting were presented for approval. **Zubke moved to approve the minutes, Brostuen 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, Clarys seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan

NAY: 0

CARRIED: 8-0

Payment Voucher

The Bank of North Dakota Payment Voucher 05-022614 for \$3,205,575.48 was presented for approval. **Zubke moved to approve the BND Pay Voucher 05-022614 request in the amount of \$3,205,575.48, Bickler seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan

NAY: 0

CARRIED: 8-0

Executive Director's Report

Industrial Sales Report

Wirtz reported on the Industrial Sales. January industrial sales were \$2,478,932.00.

Verizon Wireless Cell Phone Tower

Verizon Wireless sent a request to lease land near the Watford City Fill Station for a tower site. After board discussion the decision was made to decline the request because of possible future development on the requested site.

Operational Policy

Operational Policy 1.2 Non-Discrimination changes were presented for the board approval. **Veeder moved to approve the changes, Rust seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan

NAY: 0

CARRIED: 8-0

Pipeline Crossing Policy

A draft of the WAWSA Line Crossing Policies and Procedures was presented to the board for their comments. Tami Norgard will redraft the policy with the changes suggested by the board and present the Line Crossing Policies and Procedures at the March board meeting.

Operation Plan

A copy of the Operation Plan was given to the board for their view and will be presented at the March board meeting for their approval.

Office/Storage Building

Wirtz discussed with the board the need for a shop in Watford City. The building could be placed adjacent to the Watford City Fill Station. Wirtz will get bids to level the site and to construct a shop and present the bids to the board.

Armstrong Water Solutions

Wirtz noted that we are in the process of balancing Armstrong's water usage with their invoicing reports.

There was discussion on including an addendum between Continental and WAWSA. These changes would be reflected through a rider of the Water Supply Contract between Armstrong, and WAWSA. A contract addendum will be required adding new locations to the Continental contract with WAWSA as well as adding a 30 day notice of taking hot water from the depots. **A motion was made by Rust to allow the executive committee to approve the addendum to the Continental contract, Koeser seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan

NAY: 0

CARRIED: 8-0

Relocation of Fill Stations

The City of Williston decided at the city council meeting to ask WAWSA to move the industrial water sales from the 2nd street Fill Station to another location, possible west of town. The City of Crosby Fill Station is located in town and could be moved east of Crosby. Both requests will need to be presented to the ND State Water Commission.

Billing System

Wirtz expressed issues with the current billing program that is being used at the fill station. **Koeser moved to start the process of finding a new billing system, Veeder seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

Lakeshore TolTest Corp

Pat Chamber with Lakeshore TolTest Corp. addressed the board concerning the problems at Alexander and Indian Hills Fill Stations. Subcontractors have not been paid and WAWSA has incurred expenses to keep lanes at the depots operational. Chamber stated that LTC would like to complete the project. LTC asked for payments to pay their subcontractors. Checks would be made out to LTC and the subcontractors upon approval of their Bonding Company. Mr. Chambers agreed that the extra expenses that WAWSA incurred to winterize the site for continued use over the winter months would be credited against the amount due and owing to LTC for payment. **Zubke moved that upon receipt of a letter from LTC asking us to make payments to LTC and their subcontractors and with the bonding company's approval WAWSA issue two party checks to LTC to pay their subcontractors, Rust seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

Williston Regional WTP

Chorne presented Change Order #10 for Colstrip Electric, Inc. in the amount of \$17,608.00 for the cost to install heaters, exhaust fans junction boxes & modules. **Zubke moved to approve Change Order #10 for the amount of \$17,608.00, Brostuen seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

Regional Transmission Mains

Chorne presented the Final Inspection and Acceptance for Ryan Development, Inc. for the Indian Hills to Watford City Pipeline. Warranty started on Oct. 15, 2013. Zubke moved to approve the Final Inspection and Acceptance for Ryan Development, Inc., Koeser seconded.

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

Pump Station/Meter Vaults

Amendment 3 to Task Order No. 12 for additional hourly engineering services for Phase II Reservoirs and Pump Station because of contractor delays was presented for board approval. **Zubke moved to approve Amendment 3 to Task Order No. 12 in the amount of \$30,000.00 with the understanding that the amount would be deducted from the contractor's contract, Brostuen seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

Bulk Fill Stations

Amendment 14e to Task Order No. 14 for additional hourly engineering services for the R & T Fill Station was presented for the board approval. **Brostuen moved to approve Amendment 14e to Task Order No. 14 in the amount of \$75,000.00, Clarys seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

McKenzie Cty WRD System II

Amendment No. 2 to Task Order No. 19 for hourly engineering services associated with the construction and warranty phases of Phase II improvements including approximately 24 miles of 12 inch transmission line to provide service to MCWRD System II Keene Reservoir was presented for board approval. **Zubke moved to approve Amendment No. 2 to Task Order No. 19 in the amount of \$315,000.00, Veeder seconded.**

AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

Basin Electric

Basin Electric is building three more power peaking plants and has requested water for these sites. AE2S will bring a task order for the three peaking plants. There was discussion on cost sharing with Basin Electric.


NDDOT Hwy 85 Expansion - Pipeline Relocate

Amendment No. 2 to Task Order No. 23 for hourly engineering services for additional redesign of the pipeline services was presented for board approval. Brostuen moved to approve Amendment No. 2 to Task Order No. 23 in the amount of \$48,000.00, Koeser seconded.


AYES: Koeser, Brostuen, Clarys, Veeder, Rust, Bickler, Zubke, Owan
NAY: 0
CARRIED: 8-0

Chorne asked to board to approve a correction to a Notice of Award that was approved at the December 18, 2013 board meeting. A Notice of Award was approved for the purchase of two downward opening gates as part of the equipment for the 14 MGD pretreatment system for the Williston Regional WTP from Rodney Hunt-Fontaine in the amount of \$21,024.00. The Award should have been granted to Northwestern Power Equipment Co. Zubke moved to correct the Notice of Award to Northwestern Power Equipment Co., Rust seconded.

Chairman Owan adjourned the meeting



Mark Owan, Chairman



Kim Schilke, Secretary