

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday December 15, 2015**

Attendees

Members Present: Bert Anderson, Chris Brostuen, Ellis Haake, Ward Koeser, Mark Owan, Gene Veeder and Denton Zubke

Members Absent: Raoul Brandt, Richard Liesener, Gary Rust

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm) via phone, Cory Chorne (AE2S) via phone, Dustin Schultz (AE2S), Liz Suhr (R & T Water) via phone, Rick Olson (WRWD), Holden Russell (Ames Water), Linette Lim (Ames Water), Matt Carns (Ackerman Estvold) and Megan Awalt (Brady, Martz & Associates).

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. **Koeser moved to approve the agenda, Zubke seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the November 18, 2015 board meeting and the November 30, 2015 Executive Committee meeting were presented for approval. **Haake moved to approve the minutes for the November 18th and 30th meetings as presented, Brostuen seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Financial Report

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

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

2016 Budget

Wirtz presented the 2016 WAWSA budget. **Veeder made a motion to accept the 2016 WAWSA budget as presented, Koeser seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Zubke made a motion to increase all member entities water rates by 2% effective January 1, 2016, Haake seconded.

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Presentation of Audit

Megan Awalt with Brady, Martz & Associates presented the 2014 Audit to the Board. **Brostuen moved to accept the 2014 audit findings as presented, Koeser seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

BND Loan/SWC Grant Payment Requests

The SWC \$39.5M Grant request 17-121515 in the amount of \$363,700.00, the SWC \$60M Grant request 1-121515 in the amount of \$3,133,200.80 and the BND loan request of \$1,628,530.31 were presented to the board for their approval. **Veeder moved to approve the pay requests for the SWC grants and the BND loan, Haake seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. WBI is crossing our line near the Missouri River on the south edge of the river bank. They are paying the precautionary costs for locating the WAWSA line.

There is another leak on the north side near the Love's Truck Stop. It will be a two-day fix. WAWSA, WRWD and the City of Williston are working on how to back feed the water so no one would be without water.

Wirtz reported on the industrial sales; November industrial sales were \$853,051.00

NDIC

Wirtz reported he will be meeting with the NDIC tomorrow. Due to the slowdown in industrial sale, there will be discussion with the NDIC to suspend the principal payment on the \$50M loan, since WAWSA has prepaid the \$50M loan to July 2017. This is not a restructuring of the loan. A separate item is that Bank of North Dakota may suspend the required monthly interest payment on the \$25M General Fund loan and the \$10M Resources Trust Fund loan until July 2017.

Wirtz asked for the board to allow the Executive Committee to make the decision on the industrial water rate proposals to present to NDIC at their January meeting. **Veeder made a motion to allow the Executive Committee to make a decision on the industrial rate proposals, Anderson seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

2010 Baseline Sales

Wirtz discussed the possibility of lowering the 2010 baseline sales that are paid to qualifying member and sub-member entities each month. A plan will be presented to the board at the next board meeting. The preliminary plan is to pay month by month if the money is available or a percentage of the baseline sales. This will require an amendment to the member and sub-member agreements.

Domestic Loan Repayment Analysis

The Domestic Debt Allocation Analysis was presented to the board for their approval. The analysis proposed methodology allocations by Member Entities for repaying the anticipated \$20M loans that must be repaid with domestic dollars. **Anderson**

made a motion to approve the amounts for each member as presented and to begin billing each member for their share of the member contribution on the debt allocation beginning January 2016, Koeser seconded.

Brostuen asked for Wirtz to present the presentation to the City of Williston Commission at their January meeting. Wirtz will present to R & T at their December 28th meeting.

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Vehicle Purchase

Wirtz presented the board with a request to purchase two new pickups. A used utility pickup was purchased with part of the money that was approved at the last meeting instead of the two pickups requested. Wirtz is requesting an additional \$45,000.00 to purchase the two pickups for a total of \$110,000 for the three vehicles. **Veeder made a motion to ratify the November motion adding the \$45000.00 to the total requested for a total of \$110,000.00 the three vehicle purchases, Haake seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Executive Directors Salary

Chairman Mark Owan recommended to the board to increase Jaret Wirtz's annual salary by 6% for the 2016 fiscal year. **Veeder moved to increase Wirtz's annual base salary by 6% for 2016, Brostuen seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Tioga Reservoir

The Tioga Reservoir that City of Tioga cannot use would be of benefit to WAWSA; instead of buying land and constructing a new reservoir WAWSA could modify the tank and utilize it in our system. Wirtz asked for approval to have the Executive Committee negotiate a price for the land and reservoir with Tioga. This purchase could save WAWSA \$300,000.00 to \$400,00.00. **Koeser made a motion to authorize the Executive Committee to negotiate a price for the Tioga Reservoir, Haake seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Project Updates

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

Schultz presented the board with project updates.

MCWRD System IV Expansion

Schultz presented a Certificate of Substantial Completion for Merryman Excavation, Inc. on MCWRD System IV Expansion. **Brostuen moved to approve the Certificate of Substantial Completion for Merryman Excavation, Inc. on MCWRD System IV Expansion, Anderson seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Williston WTP Phase 3

Schultz presented a Final Inspection and Acceptance for PKG Contracting on the Williston Water Treatment Plant Phase 3 Improvements. **Koeser moved to approve the Final Inspection and Acceptance for PKG Contracting on the Williston Water Treatment Plant Phase 3 Improvements, Haake seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

MCWRD System 1 Tobacco Gardens

Murphy Pipe & Civil, LLC Change Order #1 in the amount of \$456,205.09 for the Arnegard Industrial Park was presented to the board for their approval. **Veeder moved to approve Change Order #1 in the amount of \$456,205.09, Brostuen seconded.** \$200,000.00 of this cost is covered by cost share from the users.

AYES: Veeder, Brostuen, Anderson, Koeser, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Zubke left meeting.

MCWRD System 4 Expansion

Merryman Excavation Inc. Change Order #3 in the amount of \$54,264.00 for the adding 48 users was presented to the board for their approval. **Veeder moved to approve Change Order #3 in the amount of \$54,264.00, Koeser seconded**

AYES: Veeder, Brostuen, Anderson, Koeser, Haake, Owan

NAY: 0

CARRIED: 6-0

WRWD BWD Distribution

Carstensen Contracting Inc. Change Order #5 in the amount of \$73,200.00 to cover the cost of upsizing a line to Alamo was presented to the board for their approval. **Koeser moved to approve Change Order #5 in the amount of \$73,200.00, Haake seconded**

AYES: Veeder, Brostuen, Anderson, Koeser, Haake, Owan

NAY: 0

CARRIED: 6-0

WRWD Wheelock/Epping Distribution

NW Construction Inc. Change Order #5 to adjust the contract times was presented to the board for their approval. **Brostuen moved to approve Change Order #5 contingent that all users are hooked up by April 30, 2016, Haake seconded**

AYES: Veeder, Brostuen, Anderson, Koeser, Haake, Owan

NAY: 0

CARRIED: 6-0

R & T North Tioga Rural Distribution

Schultz gave a recommendation to award the R & T North Tioga Rural Distribution to low bidder Carstensen Contracting, Inc. with a low bid of \$3,469,555.25. **Brostuen made a motion to award the R & T North Tioga Rural Distribution to low bidder Carstensen Contracting, Inc. with a low bid of \$3,469,555.25, Anderson seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Haake, Owan

NAY: 0

CARRIED: 6-0

R & T Stanley Rural Distribution Part 1

Schultz gave a recommendation to award the R & T Stanley Rural Distribution Part 1 base bid to low bidder Carstensen Contracting, Inc. with a low bid of \$6,233,560.00. **Haake made a motion to award the R & T Stanley Rural Distribution Part 1 base bid to low bidder Carstensen Contracting, Inc. with a low bid of \$6,273,560.00, Anderson seconded.**

AYES: Veeder, Brostuen, Anderson, Koeser, Haake, Owan

NAY: 0

CARRIED: 6-0

Task Orders and Amendments

Schultz presented the following task order and amendment for board approval.

TO 22a - Amendment No. 1 - Construction Services for Pretreatment Service deletes \$150,000 and replaces with \$255,000.00

TO 47 – Program Management in the amount of \$150,500.00

Veeder moved to approve the Task Order and Amendment presented, Brostuen seconded.

AYES: Veeder, Brostuen, Anderson, Koeser, Haake, Owan

NAY: 0

CARRIED: 6-0

Next month the board meeting will begin at 2pm.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary