

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday April 16, 2014**

Attendees

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

Members Absent: Ward Koeser, Gary Rust, and Gene Veeder.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tana Baugh (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Jeff Shaffer (MCWRD), Suhail Kanwar (McKenzie County), Aaron Mitchell (City of Watford City), Seth Sampson (City of Watford City), Eric Hagar (Armstrong Water Solutions), Gary Black (Armstrong Water Solutions), John Kealy (Armstrong Water Solutions), Troy Bloss (Armstrong Water Solutions), Jack Matasosky (APPRO Developing), Larry Novak (Alexander First Responders) and John Bender (LTC).

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, Liesener seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the March 19, 2014 board meeting were presented for approval. **Clarys moved to approve the minutes, Bickler seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Financial Report

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

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Payment Voucher

The Bank of North Dakota Payment Voucher 06-041614 for \$4,087,828.45 was presented for approval. **Brostuen moved to approve the BND Pay Voucher 06-041614 request in the amount of \$4,087,828.45, Bickler seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Executive Director's Report

NDDOT Right of Way Request

NDDOT has asked for a Highway Right of Way request at the Alexander Reservoir for the City of Alexander By-Pass. The NDDOT is offering \$4,000.00 for the required property. **Zubke moved to authorize the sale of the portion of property, approximately a quarter of an acre, to NDDOT pending the NDIC approval, Liesener seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Alexander Emergency Response Tower

The board was presented with a Tower Lease Agreement with the City of Alexander and Alexander First Responders for the Response Tower being relocated on WAWSA land. **Zubke moved to approve the lease upon approval by the NDIC, Liesener seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Industrial Sales Report

Wirtz reported on the Industrial Sale. March industrial sales were \$3,520,381.00.

Water Treatment Plant Coordination

Wirtz reported that weekly meetings are being held with the Williston Water Treatment Plant Staff. The plant should be producing 14 mgd by the end of April.

Armstrong Water Solutions

John Kealy with Armstrong Water Solutions presented reconciliation for the North Williston and Watford City Fill Stations.

Bulk Fill Stations

Lakeshore Toltest Corp. representatives in person and those joining by conference call assured the board that LTC would follow through on the completion of work at Alexander and Indian Hills Fill Stations by the end of July.

R & T Fill Station

Wirtz asked the board for permission to advertise for bids on the project, with the understanding that before any bid is accepted West Bank started construction on the proposed site. **Zubke moved to begin advertising for bids on the project and allow the executive committee to have the authority to accept the bid if they so choose, Anderson seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Funding Priorities 2015-2017

Wirtz reported that WAWSA is asking for \$120 million for the 2015 – 2017 biennium. A list of future projects was given to the board for their review. Cory Chorne gave a report on population growth as population projections are changing.

Lobbyists

Wirtz led discussion on the need for lobbyists for governmental affairs. **Zubke moved to enter into a contract with John Olson P.C. as a governmental affairs attorney to represent WAWS, Liesener seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Staffing

Wirtz reported that WAWSA is looking to hire another operator for the north side of the project. If someone is hired Wirtz would like the authority to purchase a vehicle for the operator. **Liesener moved to approve the purchase of another vehicle contingent upon hiring an operator, Bickler seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Employee Compensation

First quarter employee bonus evaluations have taken place. Chairman Owan recommended a 7.5% first quarter bonus for Executive Director Jaret Wirtz. **Zubke moved to give Wirtz a 7.5% 1st quarter bonus based on Chairman Owan's recommendation, Liesener seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Vogel Law Firm Rate Increase

Vogel Law Firm rate has increased from \$210 to \$220 per hour. **Anderson moved to accept the rate increase, Brostuen seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Contribution - Donation Requests

Wirtz asked the board for their direction on requests for donation from organizations. As a government entity the board recommended not making donations.

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

Engineering Task Orders

Task Order #32 for the Stanley Distribution Part 1 in the amount of \$442,000.00 was presented for approval. **Zubke moved to approve Task Order #32 in the amount of \$442,000.00, Brostuen seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Amendment to the 5 million gallon reservoir Task Order #5 for the construction and post construction phase in the amount of a decrease from \$320,000.00 to \$207,946.00 was present for approval. **Zubke moved to accept the \$112,054.00 decrease in Task Order #5, Bickler seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan
NAY: 0
CARRIED: 7-0

Amendment to Task Order #15a-1 in the amount of a decrease from \$348,000.00 to \$347,622.35 was presented, Brostuen **moved to accept the \$377.65 decrease in Task Order #15a-1, Clarys seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan
NAY: 0
CARRIED: 7-0

Amendment to Task Order #20 the Operations Plan in the amount of a decrease from \$141,000.00 to \$138,660.15 was presented. **Clarys moved to accept the \$2,339.85 decrease in Task Order #20, Liesener seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan
NAY: 0
CARRIED: 7-0

Williston Regional WTP

PKG Change Order #11 in the amount of \$79,756.00 was presented for approval. **Clarys moved to approve Change Order #11 in the amount of \$79,756.00, Anderson seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan
NAY: 0
CARRIED: 7-0

PKG Change Order #12 in the amount of \$67,348.00 was presented for approval. **Brostuen moved to approve Change Order # 12 in the amount of \$67,348.00, Bickler seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan
NAY: 0
CARRIED: 7-0

Chorne recommended not approving PKG Change Order #1 for the pre-sedimentation basin as it is not needed at this time.

Regional Transmission Mains

S.J. Louis Construction's, Inc. Final Completion and Acceptance was presented to board. It was tabled until the final punch list is completed.

Williston By-Pass

Chorne asked the board for authorization to advertise for bids on the Williston By-Pass transmission line. **Liesener moved to advertise for bids on the Williston By-Pass transmission line, Zubke seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan
NAY: 0
CARRIED: 7-0

Board Entered Executive Session

**Western Area Water Supply Authority
Special Board of Directors Meeting
Conference Call
Wednesday May 7, 2014**

Attendees

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

Other Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S) and Chris Parrish (Lexon)

Meeting Called to Order

Chairman Owan called the meeting to order at 9:00 a.m.

Agenda

The purpose of the special board meeting is to discuss Lakeshore Toltest Corp, contract and to award the bid for the Wheelock/Epping transmission line.

Wheelock/Epping Transmission Line

Cory Chorne recommended awarding the Wheelock/Epping Transmission Line to low bidder Northern Improvement Co. in the amount of \$1,846,399.00. **Koeser moved to approve the award to Northern Improvement Co. in the amount of \$1,846,399.00, Rust seconded**

AYES: Zubke, Rust, Anderson, Brostuen, Koeser, Veeder, Bickler, Liesener, Clarys, Owan
NAY: 0
CARRIED: 10-0

Lakeshore Toltest Corp.

Due to Lakeshore Toltest's lack of action on completing their contract, their lack of responsiveness to WAWSA, non-payment and subsequent firing of their subcontractors, their petition for bankruptcy and indication to WAWSA that they did not intend to continue this contract, the WAWSA board decided to find Lakeshore Toltest in default of the contract and discussed a motion to disallow Lakeshore Toltest to continue to complete the contract. **Liesener moved to terminate the contract, Zubke seconded.**

AYES: Zubke, Rust, Anderson, Brostuen, Koeser, Veeder, Bickler, Liesener, Clarys, Owan
NAY: 0
CARRIED: 10-0

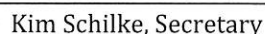
Anderson made a motion to adjourn, Bickler seconded.

MOTION CARRIED

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary

The purpose of the Executive Session is to discuss land acquisition and negotiations with Continental on repairs to a frozen meter pit. **Zubke moved to move into Executive Session, Liesener seconded.**

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

The board entered executive session at 3:25pm.

A motion was made by Liesener to move out of executive session, Clarys seconded.

The board moved out of executive session at 3:40pm.

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Rural Water Security Deposits

Zubke made a motion that WAWSA send the rural water security deposits to each member entity with the understanding the deposits are to be held in escrow in the event of future developments in North Dakota State water policy, Bickler seconded.

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Liesener made motion that if the purchase price is reduced by the amount of a rural water hookup fee; the hookup fee goes to the member entity, Clarys seconded.

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Continental

Zubke moved to credit Continental's account for the cost of parts and labor to repair the frozen meter pit, Anderson seconded.

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

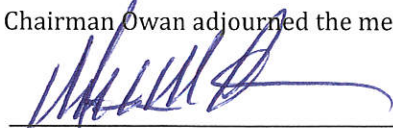
Liesener moved to amend the Bulk Industrial Water User Agreements to state that electrical power as well as heat must be provided to underground vaults. WAWSA may also require telemetry at the site, Brostuen seconded.

AYES: Clarys, Anderson, Bickler, Liesener, Brostuen, Zubke, Owan

NAY: 0

CARRIED: 7-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary