

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office  
Wednesday July 23, 2014**

**Attendees**

Members Present: Bert Anderson, Raoul Brandt, Kent Bickler (alternate), Chris Brostuen, Ben Clarys, Mark Owan, Gary Rust, Gene Veeder and Denton Zubke.

Members Absent: Ward Koeser, Richard Liesener

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Jacob Monson (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Eric Hager (Armstrong), Gary Black (Armstrong), Matt Dautle (Armstrong), Jessica McDonald (Westwood PS), Chris deCathelineau (SJ Louis), Byron Kleven (City of Stanley), Pat Merryman (Merryman Excavation) Rob Gravatt (Engineering America) and Aaron Mitchell (City of Watford City).

**Meeting Called to Order**

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

**Approval of Agenda**

The Agenda was presented for approval. **Rust moved to approve the agenda, Veeder seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the June 18, 2014 board meeting was presented for approval. **Brostuen moved to approve the minutes, Veeder seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

Minutes of the July 3, 2014 special board meeting was presented for approval. **Rust moved to approve the minutes, Brostuen seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

**Financial Report**

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

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

**Payment Voucher**

The Bank of North Dakota Payment Voucher 10-02314 for \$9,722,171.26 was presented for approval. The amount of the invoices to Juniper LLC were increase by 5% and will be payable to AE2S since Juniper is a subcontractor of AE2S. Wirtz asked to hold the payments on Merryman Excavation System 4 Part 2 and Part 3A until Merryman has

completed landowner cleanup and restoration. Zubke asked that a letter be sent to Merryman explaining why WAWS is withholding payment at this time. **Rust moved to approve the BND Pay Voucher 10-02314 request in the adjusted amount of \$9,731,108.38 and to withhold payment to Merryman until the restoration work is complete, Zubke seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

## Executive Director's Report

### Industrial Sales Report

Wirtz reported on the industrial sales. June industrial sales were \$3,178,479.

### State Water Commission

Wirtz requested that the Executive Committee be given the authority to approve the \$20 Million Grant Agreement with the SWC. **Zubke made a motion to grant the Executive Committee the authority to approve the \$20 Million Grant Agreement with SWC, Bickler seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

### WAWSA By-Law Amendments

Proposed WAWSA By-Law amendments to the appointed director requirement and the re-allocation of voting rights were presented to the board for their review.

### Property Damage

Wirtz presented a claim for property damage to a landowner for damage to a dike and the loss of water from the dike. The landowner has a claim in for the loss of water sales. The dike has been repaired and we will pay for hay loss. Wirtz will bring back payment option to the August board meeting.

### Bulk Fill Stations

Wirtz gave a report on the bulk fill stations. States Electric was hired by Lexon to complete the work not finished by LTC. WAWSA is still looking for land for the R & T Fill Station. The new billing system pin pads and buildings to enclose the fill spouts are being installed at the fill stations.

### Easement Procurement Policy

Wirtz presented an Easement Procurement Policy for the board to review.

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

### Staffing

Wirtz reported that WAWSA hired Allan Westby for the North Operator position and Nathan Kleyer for Easement Coordinator.

## IDT Satellite Read Replacement

IDT satellite meter reads are being installed for the rural customers and WAWSA are putting them on all new systems. Owan asked for a 50% cost share with member entities on existing systems. **Clarys made a motion for WAWSA to cost share 50% with the member entities for IDT Satellite Read Units on existing systems for users currently on those systems who have operating meters as of July 23, 2014, and reimburse MCWRD 50% of the cost of installing the IDT Satellite Read Units for current customers on their rural systems who have operating meters as of July 23, 2014. WRWD and MCWRD will provide a list of user names and address in connection with request for reimbursement or cost share. Bickler seconded.**

AYES: Bickler, Rust, Anderson, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: Zubke

CARRIED: 8-1

## 6 Month Analysis of Water Use

MCWRD pays a higher rate for their water than the other member entities. Wirtz suggested that a possible solution would be to adjust everyone's rate to be the same with the exception of the City of Williston. Wirtz presented a worksheet reflecting the effect of raising the water rate for WRWD, R & T, City of Williston and BDW and lowering the rate for MCWRD for the board to review.

## Project Updates

### Capital Accounting

Chorne presented the Capital Accounting Report.

### Williston Regional WTP

PKG Change Order #16 for the cost to furnish two new VFD's and two new motor starters in the amount of \$76,263.00 was presented for approval. **Veeder moved to approve Change Order #16 in the amount of \$76,263.00, Anderson seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

### Transmission Mains

The Final Completion and Acceptance for Merryman Excavation, Inc. on the Phase II Transmission Mains Task Order #11 was presented for board approval. **Brostuen moved to approve the Final Completion and Acceptance for Merryman Excavation, Inc. Task Order #11, Bickler seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

### Williams Rural Water West Expansion

Northern Improvement Co. Change Order #1 for a seven day time extension was presented for approval. **Anderson moved to approve Change Order #1 for the seven day time extension, Brostuen seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

### Williams Rural Water Blacktail Dam Area



Wirtz requested that the Executive Committee be given the authority to approve the bid recommendation for the Williams RWD Blacktail Dam Area bid. **Rust moved to give the Executive Committee the authority to approve the bid recommendation for the Williams RWD Blacktail Dam Area bid, Clarys seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

### Engineering Task Orders

Amendment #4 for the NDDOT Highway 85 Expansion – Pipeline Relocates Task Order #23 in the amount of \$35,000.00 was presented for board approval. **Veeder moved to approve Amendment #4 to Task Order #23 in the amount of \$35,000.00, Anderson seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

### Board Entered Executive Session

The purpose of the Executive Session is to discuss the SJ Louis Demand Letter. **Rust moved to move into Executive Session, Brostuen seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

The board entered executive session at 3:15 pm.

**A motion was made by Zubke to move out of executive session, Brostuen seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

The board moved out of executive session at 3:25 pm.

### Employee Compensation

Second quarter employee bonus evaluations have taken place. Chairman Owan recommended an 8% 2<sup>nd</sup> quarter bonus for Executive Director Jaret Wirtz. **Zubke moved to give Wirtz an 8% 2<sup>nd</sup> quarter bonus based on Chairman Owan's recommendation, Brostuen seconded.**

AYES: Bickler, Rust, Anderson, Zubke, Brandt, Clarys, Brostuen, Veeder, Owan

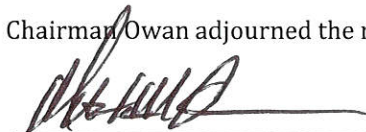
NAY: 0

CARRIED: 9-0

### SJ Louis Demand Letter

The board took no action.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary