

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Thursday September 18, 2014**

Attendees

Members Present: Ken Bickler, Raoul Brandt, Chris Brostuen, Ellis Haake, Ward Koeser, Mark Owan, Gary Rust, Gene Veeder and Denton Zubke.

Members Absent: Richard Liesener

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Jacob Monson (WAWSA), Tami Norgard (Vogel Law(Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Steve Burian (AE2S), Taylor Amiot (AE2S), Eric Hager (AWS), Gary Black (AWS), Jake Stokke (WRWD), Ryan Norrell (NDMRS), Dave Tuan (City of Williston), Suhail Kanwar (McKenzie Cty) and Jeff Shaffer (MCWRD).

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. **Brostuen moved to approve the agenda, Rust seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the August 20, 2014 board meeting were presented for approval. **Koeser moved to approve the minutes, Brostuen seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan

NAY: 0

CARRIED: 8-0

Financial Report

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

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan

NAY: 0

CARRIED: 8-0

BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 02-091814 in the amount of \$2,206,381.52 and SWC Grant request 02-091814 in the amount of \$2,197,973.37 for a total request \$4,404,354.88 were presented to the board for their approval. **Zubke moved to approve the pay requests in the amount of \$4,404,354.88, Koeser seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan

NAY: 0

CARRIED: 8-0

Executive Director's Report

ND Missouri River Stakeholders

Ryan Norrell, Executive Director of the ND Missouri River Stakeholders gave a presentation on the goals and need for the NDMRS.

Industrial Sales Report

Wirtz reported on the industrial sales. July industrial sales were \$2,988,073.00.

State Water Commission

Wirtz reported that at the SWC gave WAWSA the approval to contract up to \$229 million in projects and also gave approval to relocate the Crosby Fill Station.

NDIC Meeting Update

The NDIC approved \$1.1 million to build the Crosby Fill Station. It will be a 2 port depot utilizing Crosby's ground water permit and WAWSA water. Construction is slated for next spring.

The NDIC approved the design, engineering and bidding of and additional 2MG reservoir at the current Indian Hills Reservoir and Pump Station site. Once the bids are received they will need to be reviewed and approved by NDIC. The funds for this project will come from industrial water sales. **Koeser made a motion to move forward with the 2MG reservoir at Indian Hills pending NDIC approval, Rust seconded**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan

NAY: 0

CARRIED: 8-0

With the completion of the line to Keene, WAWSA will have additional water from Ft. Berthold Rural Water to utilize. Wirtz proposed WAWSA sell the water through a temporary direct connection near the Ft. Berthold Reservation line. Wirtz presented the proposal to the NDIC. The NDIC approved WAWSA to move forward and to bring the cost and a plan to the NDIC. A landowner will create a site that WAWSA would lease. **Zubke moved to move forward with the temporary direct connection near Ft. Berthold, Koeser seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan

NAY: 0

CARRIED: 8-0

Wirtz let the board know that a fourth pump is need at Indian Hill pump station. There is a spot for the pump and the cost would be approximately \$250,000.00. The extra pump would give an extra 800-1000 GPM. Wirtz would like the board's approval to present this to the NDIC at their next meeting. **Zubke moved to request funding for the fourth pump from the NDIC, Brostuen seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan

NAY: 0

CARRIED: 8-0

Dakota Oil Processing Refinery – Trenton

Dakota Oil Processing Refinery in Trenton is requesting a letter to service them water. They would be serviced by Williams Rural Water. Dakota Oil Processing will pay the cost to get the water to their site. **Zubke moved to send a letter notifying them that WAWSA will service them through their member entity Williams Rural Water, Koeser seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan

NAY: 0

CARRIED: 8-0

Flow Point Contract

The Flow Point contract was presented to the board for the new billing services that WAWSA will be utilizing. Wirtz asked that any comments and recommendation be made to him or Tami and that the Executive Committee have the ability to approve the amended contract. **Koeser moved to approve the contract in concept and to allow the Executive Committee to act on the matter, Bickler seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan
NAY: 0
CARRIED: 8-0

Personal Use of Company Vehicles

Wirtz advised the board of the percentage of vehicle use by himself and the Operations Manager that he considers personal use for the Executive Director and Operations Manager for tax purposes. Wirtz asked the board to approve his recommendation of 5% personal use for each. **Rust made a motion that 5% of the annual mileage be considered personal use and taxed accordingly, Haake seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan
NAY: 0
CARRIED: 8-0

Gene Veeder joined the board meeting at 1:55pm.

Watford City Gun Club

Wirtz explained that WAWSA has been approached to join a lawsuit to shut down the Watford City Gun Club, due to its proximity to the WAWSA Watford City Depot and the Taylor Ag building that is located near the depot. The Taylor Ag building has been hit by stray bullets. **Zubke made a motion for Wirtz to provide an affidavit of support for the relocation of the Watford City Gun Club if requested to do so by Taylor Ag, but not to join the lawsuit to shut down the Watford City Gun Club at this time. In addition WAWSA will send a letter with its concerns about the safety of their customers to the Watford City Gun Club, Koeser seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Owan, Veeder
NAY: 0
CARRIED: 9-0

Williston Shop Lease

A lease for a 60x75 foot heated shop was presented to the board for their approval. The building is located at 5035 143rd St NW. The monthly lease amount is \$2,750.00 per month. **Rust moved to approve the Williston shop lease, Veeder seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan
NAY: 0
CARRIED: 9-0

McKenzie County LiDAR Project Participation

Suhail Kanwar with McKenzie County request WAWSA's participation in their 2014 Imagery Project. McKenzie County is looking for \$75,000 to help complete the financing for the project. The LiDAR will be beneficiary to WAWSA. **Rust made a motion to contribute \$22,500.00 to the project in exchange for the receipt of LiDAR data from McKenzie County as needed at no cost to WAWSA, Koeser seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan
NAY: 0
CARRIED: 9-0

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

McKenzie County WRD System IV

Merryman Change Order #9 for the cost of NDDOT HWY 85 relocates in the amount of \$28,462.78 was presented for approval. **Rust moved to approve Change Order #9 in the amount of \$28,462.78, Brostuen seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

Phase II Pump Stations & Meter Vaults

John's Refrigeration & Electric Change Order #7 for the cost of work at the meter vaults in the amount of \$12,750.00 was presented for approval. **Koeser moved to approve Change Order #7 in the amount of \$12,750.00, Zubke seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

Williams Rural Water West Expansion

Mcguire Iron has asked for a three week extension due to weather hampering construction. Substantial completion date for the project was August 31, 2014. Chorne recommended that WAWSA give the three week extension and give Mcguire notice that after the three week extension liquidated damages would become effective. **Zubke moved to give Mcguire Iron the three week extension and send a letter of notice that liquidated damages will apply after the three weeks, Brostuen seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

McKenzie County WRD System II (Keene Loop)

The routing of a portion of the transmission line has to be relocated due to a utility conflict. This change affects five landowners. If the changes are not accepted by the landowners, WAWSA will need to condemn. **Zubke made a motion that if the landowners do not agree to the proposed changes, that WAWSA proceed with condemnation with a deposit equal to \$250/acre for land encumbered by a permanent easement, Koeser seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan

NAY: 0

CARRIED: 9-0

McKenzie County RWD System IV Part 3a

Merryman Change Order #2 for the cost of upsizing pipe in the amount of \$75,776.00 was presented for approval. **Brostuen moved to approve Change Order #2 in the amount of \$75,776.00, Veeder seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan

NAY: 0
CARRIED: 9-0

R & T Regional Service to Crosby/BDW

A balancing change order for Wagner Construction in the amount of a deduction of \$223,116.00 was presented for board approval. **Zubke moved to approve Wagner Change Order #12 for a deduction of \$223,116.00, Bickler seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan
NAY: 0
CARRIED: 9-0

Chorne presented the Final Inspection and Acceptance of the Wagner Construction Inc. contract for the board approval. **Rust moved to accept the Final Inspection and Acceptance of the Wagner Construction Contract, Koeser seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan
NAY: 0
CARRIED: 9-0

Engineering Task Orders

Chorne presented Engineering Task Order amendment #3 for TO#7, amendment #1 for TO#17, amendment #2 for TO#24b, amendment #1 to TO#31c, and Task Order #33 and Task Order #34 for the board to approve. **Brostuen moved to approve Task Order Amendments to Task Orders 7, 17, 24b, 31c and Task Orders 33 and 34, Veeder seconded.**

AYES: Bickler, Koeser, Haake, Zubke, Brandt, Rust, Brostuen, Veeder, Owan
NAY: 0
CARRIED: 9-0

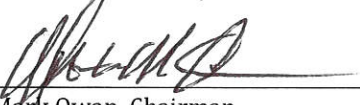
Zubke left meeting at 3:30pm.

R & T Water Supply

The board was updated on the R & T Lime Sludge Drying Beds project. The board was presented with an amendment to engineering bidding services of \$15,000.00. The R & T Lime Sludge Drying Beds project is slated for the next phase of construction. **Koeser made a motion to approve the \$15,000 engineering amendment with the understanding that the project will be delayed until the next phase of construction, Brostuen seconded.**

AYES: Bickler, Koeser, Haake, Brandt, Rust, Brostuen, Veeder, Owan
NAY: 0
CARRIED: 8-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary