

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday October 15, 2014**

Attendees

Members Present: Bert Anderson, Raoul Brandt, Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan, Gary Rust, Gene Veeder and Denton Zubke.

Members Absent: Chris Brostuen

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law (Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Eric Hager (AWS), 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. Item #10 under the Executive Director report Approval to Cost Share at Watford City Depot for Heating Cost was added. **Rust moved to approve the agenda with the addition of item #10, Liesener seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the September 18, 2014 board meeting were presented for approval. **Zubke moved to approve the minutes, Anderson seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Owan

NAY: 0

CARRIED: 8-0

Financial Report

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

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Owan

NAY: 0

CARRIED: 8-0

BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 03-101514 in the amount of \$2,310,339.43 and SWC Grant request 03-101514 in the amount of \$2,020,244.82 for a total request \$4,330,584.25 were presented to the board for their approval. **Zubke moved to approve the pay requests in the amount of \$4,330,584.25, Liesener seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Owan

NAY: 0

CARRIED: 8-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the industrial sales. September industrial sales were \$3,435,112.00.

1:20pm Gene Veeder joined the meeting.

NDIC Meeting Update

Wirtz presented the board with capital improvements that WAWSA has paid in the amount of \$186,297.89. The ND Industrial Commission will be asked to reimburse WAWSA the \$186,297.89. **Koeser moved to approve the reimbursement request to NDIC, Liesener seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Veeder, Owan

NAY: 0

CARRIED: 9-0

Wirtz presented the Addendum for a second 2MG Indian Hills Reservoir. NDIC approved paying up to \$2 Million for the reservoir. The addendum would be to pay an incentive to the company if the reservoir is completed by June 30, 2014. There was board discussion concerning the incentive. **Zubke made a motion to advertise for a concrete tank with a substantial completion date of August 31, 2015 and an incentive of \$4,000.00 per day for everyday the tank is completed before June 30, 2015; not to exceed \$250,000.00 and to delegate the executive committee to approve the bids. Koeser seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Veeder, Owan

NAY: 0

CARRIED: 9-0

Easement Acquisition Procedure Policy

Wirtz presented the Easement Acquisition Procedure policy for the board's approval. **Zubke moved to approve the policy, Anderson seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Veeder, Owan

NAY: 0

CARRIED: 9-0

Approved 2015-2017 Projects

Wirtz presented the board with the proposed 2015-2017 projects. WAWSA has requested an additional \$120 million for the proposed projects.

WAWSA 2015 Budget

A proposed 2014 Budget was given to the board to review.

Policy for Late Additions to Rural Projects

Wirtz will present the board with a policy for Late Additions to Rural Projects at next month's board meeting.

Employee Compensation

Third quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 3rd quarter bonus for Executive Director Jaret Wirtz. **Veeder moved to give Wirtz a 10% 3rd quarter bonus based on Chairman Owan's recommendation, Liesener seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Brandt, Rust, Veeder, Owan

ABSENT: Zubke
NAY: 0
CARRIED: 8-0

Cost Share with Armstrong for Heating Cost at Watford City Fill Station

MDU is moving a gas line and Armstrong will be without gas for 14 days. Eric Hager with Armstrong Water Solutions asked if the WAWSA board would consider cost sharing the propane cost for hot water at the Watford City Fill Station until MDU has replaced the natural gas line. The WAWSA board chose not to cost share with Armstrong on the heating cost.

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

Williston Water Treatment Plant

Colestrip Change Order #12 in the amount of \$5,200.00 was presented for approval. **Liesener moved to approve Change Order #12 in the amount of \$5,200.00, Zubke seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Veeder, Owan
NAY: 0
CARRIED: 9-0

PKG Contracting Change Order #7 for the costs for the pretreatment building in the amount of \$1,109,500.00 was presented for approval. **Koeser moved to approve PKG Contracting Change Order #7 in the amount of \$1,109,500.00, Rust seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Veeder, Owan
NAY: 0
CARRIED: 9-0

Phase II Pump Stations & Meter Vaults

John's Refrigeration & Electric Change Order #8 for the cost of work at the meter vaults in the amount of \$17,500.00 was presented for approval. **Veeder moved to approve Change Order #8 in the amount of \$17,500.00, Rust seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Zubke, Brandt, Rust, Veeder, Owan
NAY: 0
CARRIED: 9-0

3:25 pm Denton Zubke left the meeting.

Engineering Task Orders

Chorne presented Engineering Task Order #4, a task order between AE2S and the City of Williston, for a Water System Storage Analysis in the amount of \$60,860.00. The City of Williston is asking WAWSA to cost share on the task order. **Rust moved to cost share on Task Order #4 with the City of Williston up to 40% of the \$60,860.00, Koeser seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Brandt, Rust, Veeder, Owan
NAY: 0
CARRIED: 8-0

Chorne presented Engineering Task Order Amendment #5 to Task Order #23, for the NDDOT Highway 85 Expansion – Pipeline Relocates in the amount of \$32,000.00. **Veeder moved to approve amendment #5 to Task Order #23 in the amount of \$32,000.00, Anderson seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Brandt, Rust, Veeder, Owan

NAY: 0

CARRIED: 8-0

Williams RWD Blacktail Dam and BDW Facilities Part 1

Chorne gave a recommendation to award the Williams RWD Blacktail Dam and BDW Facilities Part 1 project General Construction to low bidder American General Contractors, Inc. with a bid of \$2,118,000.00. Chorne recommended awarding the Electrical Construction to low bidder Muth Electric, Inc. in the amount of \$569,373.00

Koeser made a motion to award the General Construction for the Williams RWD Blacktail Dam and BDW Facilities Part 1 to American General Contractors, Inc. in the amount of \$2,118,000.00 and the Electrical Construction to Muth Electric, Inc. in the amount of \$569,373.00, Rust seconded.

AYES: Liesener, Haake, Koeser, Anderson, Brandt, Rust, Veeder, Owan

NAY: 0

CARRIED: 8-0

BDW Rural Distribution Part 1

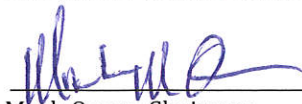
Chorne gave a recommendation to award to the low bidder Carstensen Contracting with a bid of \$5,114,907.30 the BDW Rural Distribution Part 1 project. **Koeser made a motion to award the BDW Rural Distribution Part 1 project bid to Carstensen Contracting in the amount of \$5,114,907.30, Anderson seconded.**

AYES: Liesener, Haake, Koeser, Anderson, Brandt, Rust, Veeder, Owan

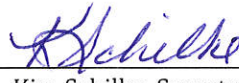
NAY: 0

CARRIED: 8-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary