

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Tuesday June 28, 2016**

Attendees

Members Present: Raoul Brandt, Ellis Haake, Richard Liesener, Mark Owan, Gary Rust, Gene Veeder and Denton Zubke

Members Absent: Bert Anderson, Chris Brostuen, and Ward Koeser

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Liz Suhr (R & T Water), Nathan Blackledge (Carstensen Contracting) and Rory Nelson (Governor's Office).

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the May 24, 2016 board meeting were presented for approval. **Haake moved to approve the minutes as presented, Rust seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Financial Report

The May financial reports were presented for consideration and discussion. **Zubke moved to accept the financial reports as presented, Brandt seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Wirtz requested the board's approval to write off the outstanding balance of accounts receivable for Windriver Trucking in the amount of \$1,648.16 and Pronghorn Services in the amount of \$3,349.29 as bad debt. These accounts are considered uncollectible. WAWSA has been approached by Argo Partners to purchase the bankruptcy claim against Cascade Integrated Services, LLC, for 20.46 cents on the dollar; which would translate to a payment of \$1,600.00. **Zubke moved to approve write off the accounts receivable balances of Windriver Trucking and Pronghorn Services and to approve the purchase of the Cascade Integrated Services, LLC. bankruptcy claim, Haake seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

BND Loan/SWC Grant Payment Requests

The SWC \$39.5M Grant request 23-62816 in the amount of \$58,450.00, SWC \$60M Grant request 7-62816 in the amount of \$4,921,034.32 and BND loan request 4-62816 in the amount of \$2,500,000.00 were presented to the board for their approval. **Veeder moved to approve the Grant and Loan requests for the SWC and BND, Liesener seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

NDIC Capital Reimbursement Request

Wirtz presented the board with the industrial capital improvements pay request in the amount of \$694.00. **Veeder moved to approve the reimbursement request to NDIC, Rust seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update.

The industrial sales for May were \$756,654.00.

\$10 Million Loan

Wirtz reported that new \$10M loan is proposed to come from the Drinking Water Revolving Loan Fund that both R & T Water Supply Commerce Authority and WRWD will be applying separately for \$5M each. Amendments to the member agreements are being drawn up with language guaranteeing members will be responsible for repayment of the loans. The R & T and WRWD boards will have to approve the amendments to the agreements. The plan is to have it to the member boards for their July meetings.

Armstrong

Armstrong is offering to sell their infrastructure. WAWSA may be interested in the infrastructure that would be needed to sell cold water at the 2nd Street Depot and North Williston Depot.

Office Building

Wirtz reported that the remodeling work on the new office building has started.

ND Water Topics Overview Committee Meeting

The ND Water Topics Overview Committee will meet in Watford City on August 24th and 25th.

2017-2019 Biennium Funding

Wirtz reported that at the Grassroots Funding Committee; he informed the committee that WAWSA would be requesting \$60M for the 2017-2019 biennium. Wirtz asked the board's guidance if WAWSA was asked for a lesser dollar amount for the 2017 - 2019 biennium. The board suggested \$44M be requested as a priority.

Tioga Stand Tank Purchase

Wirtz confirmed with the board the Tioga Stand Tank purchase money would be paid for with grant and loan dollars. He reported the Tioga Stand Tank was damaged by wind. An email will be sent to the City of Tioga concerning the damage and

prepare to negotiate the insurance proceeds as part of the purchase price. The City of Tioga will be asked to comply with their ordinances by publishing notice of intent to sell the property.

Project Updates

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

Schultz presented the board with project updates.

Williston WTP

Schultz presented PKG Change Order #23 in the amount of \$26,199.00 to relocate the natural gas piping as a result of MDU moving their service entrance to the board for their approval. **Zubke moved to approve Change Order #23, Haake seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

WRWD East Transmission Main Part 2 Tank & Pump Station

Schultz presented CB&I Constructors, Inc. Change Order #2 in the amount of a decrease of \$5,200.00 for reducing the size of the logo on the tower to the board for their approval. **Zubke moved to approve Change Order #2, Rust seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Blacktail Dam Rural Distribution Part 1

Schultz presented Carstensen Contracting Change Order #8 in the amount of a \$3,562.50 for additional work to install AMRs to the board for their approval. **Zubke moved to approve Change Order #8, Veeder seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

BDW Rural Distribution Part 1 Alternate 1

Schultz presented Muth Electric, Inc. Change Order #2 in the amount of a \$915.00 to cover the additional coverage needed for wiring the BDW Booster Station to the board for their approval. **Zubke moved to approve Change Order #2, Haake seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

WRWD Epping Distribution Part 1

Schultz presented the Final Inspection and Acceptance for NW Construction, Inc. for Change Order #1 – MCWRD Distribution Expansion to the board for their approval. **Haake move to approve the Final Inspection and Acceptance for NW Construction for Change Order #1, pending review of the reclamation by WAWSA staff, Zubke seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Stanley High Point to Stanley Transmission Main

Schultz presented Carstensen Contracting Change Order #1 in the amount of a decrease of \$12,500.00 for substituting poly pipe for PVC pipe to the board for their approval. **Zubke moved to approve Change Order #1, Veeder seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

R & T Tioga Stand Tank Modification

Wirtz gave a recommendation to award the R & T Tioga Stand Tank Modification to low bidder Great Plains Structures, LLC. with a low bid of \$94,930.00. **Zubke moved to approve the modification to low bidder Great Plains Structures, LLC pending the results of the insurance claim for the damages to the tank caused by a wind storm, Rust seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Watford City By-Pass Transmission Line

Chorne gave a recommendation to award the Watford City By-Pass Transmission Line to low bidder Wagner Construction with a low bid of \$5,584,490.00. **Zubke made a motion to award the Watford City By-Pass Transmission Line to low bidder Wagner Construction with a low bid of \$5,584,490.00, Haake seconded**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

West White Earth Base

Chorne reported the Murphy Pipe and Civil was awarded the bid for the West White Earth base, however they are not wanting to sign the contract after discovering there are several unknown pipeline crossings in the project area. Chorne gave a recommendation to award the West White Earth Base to Carstensen Contracting, Inc. in the amount of \$1,614,098.50. **Zubke moved to award the West White Earth Base in the amount of \$1,614,098.50 to Carstensen Contracting, Inc., Rust seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Zubke made a motion to enter into Executive Session for the purpose of negotiating an offer for settlement on condemnation matters, Veeder seconded.

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0
CARRIED: 7-0

Executive Session

At 3:05pm the board entered into executive session.

At 3:15pm **Veeder moved to leave executive session, Zubke seconded.**

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan
NAY: 0

CARRIED: 7-0

Veeder made a motion to provide authority to legal counsel to offer the appraised value of the condemned land to Sheldon Smith, Zubke seconded.

AYE: Brandt, Veeder, Rust, Liesener, Zubke, Haake, Owan

NAY: 0

CARRIED: 7-0

Veeder left meeting at 3:20pm.

Murphy Pipe and Civil

Zubke made a motion to return Murphy Pipe and Civil's bid bond for the West White Earth Base project because of unknown conditions in the project. Liesener seconded.

AYE: Brandt, Rust, Liesener, Zubke, (also voting for Veeder), Haake, Owan

NAY: 0

CARRIED: 7-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary