

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday April 27, 2016**

Attendees

Members Present: Bert Anderson, Raoul Brandt, Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan, Gary Rust, and Denton Zubke (also voting for Gene Veeder)

Members Absent: Chris Brostuen, Gene Veeder

Others Present: Todd Pokrzywinski (WAWSA), Lindsey Cameron (AE2S), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Liz Suhr (R & T Water), Jeff Shaffer (MCWRD), Jeff Romig (Armstrong), Rory D. Nelson (Governor's Office), Jason Slater (WAWSA), Nathan Kleyer (WAWSA), Jacob Monson (WAWSA), Kevin Stenerson (Elk River Pipeline), Andrea Boe (AE2S) and Heather Syverson (AE2S).

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, Zubke seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the March 16, 2016 board meeting were presented for approval. **Haake moved to approve the minutes as presented, Rust seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

Financial Report

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

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

BND Loan/SWC Grant Payment Requests

The SWC \$39.5M Grant request 21-42716 in the amount of \$145,625.00 and a SWC \$60M Grant request 5-42716 in the amount of \$2,324,836.40, were presented to the board for their approval. **Koeser moved to approve the pay requests for the SWC grants, Anderson seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

Executive Director's Report

System Updates & Industrial Sales Report

Pokrzywinski gave a system update.

The industrial sales for March were \$892,595.00.

\$10 Million Loan

Owan discussed various options available for the additional \$10M loan needed for the 2015-2017 biennium funding. One option is to have member entities take out loans; the other is to use available cash. If member entities were to take out the loans a Joint Power Agreements would be put in place. At this time, WRWD and R&T would be the member entities able to take out \$5 million loans each. WRWD has discussed and is willing to take out the loan; R & T's board has not had that discussion yet. Wirtz will have discussions with the R & T board.

2010 Baseline Sales Amendment

Owan reported that all the member entities have approved the baseline sales amendment.

Armstrong Water Solutions

Jeff Romig with Armstrong addressed the board concerning Armstrong's working relation with WAWSA. Romig informed the board that Armstrong is looking to terminate their water heating services due to the slowdown in hot water sales. WAWSA has the right to purchase the cold water infrastructure at the North Williston location and 2nd Street Depot.

Employee Compensation

First quarter employee bonus evaluations have taken place. Chairman Owan recommended an 8% 1st quarter bonus for Executive Director Jaret Wirtz. **Rust moved to give Wirtz an 8% 1st quarter bonus based on Chairman Owan's recommendation, Koeser seconded.**

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

NAY: 0

CARRIED: 9-0

Governmental Affairs Attorney

Owan informed the board that a new contract for the upcoming legislative session with WAWSA's governmental affairs attorney, John Olson P.C., needed to be signed. Terms are the same as previous years' contracts. **Zubke moved to approve Olson's contract for the upcoming legislative session, Rust seconded.**

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

NAY: 0

CARRIED: 9-0

NDIC Capital Reimbursement Request

Wirtz presented the board with the industrial capital improvements pay request in the amount of \$5,522.75. **Zubke moved to approve the reimbursement request to NDIC, Haake seconded.**

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

NAY: 0

CARRIED: 9-0

Project Updates

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

Schultz presented the board with project updates.

MCWRD East Transmission

Schultz presented Merryman Excavation Change Order #8 in the amount of \$20,555.80 for a 20" pipeline repair and locating existing sludge and decant lines near Williston to the board for their approval. **Koeser moved to approve Change Order #8, Zubke seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

MCWRD Tobacco Gardens - Base

Schultz presented Murphy Pipe & Civil Change Order #3 in the amount of a \$9,105.88 for materials and installation of the line south of HWY 23 to the board for their approval. **Koeser moved to approve Change Order #3, Anderson seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

Blacktail Dam Rural Distribution Part 1

Schultz presented Carstensen Contracting Change Order #1 in the amount of a \$10,876.25 for AMR installation in McKenzie County to the board for their approval. **Koeser moved to approve Change Order #1, Rust seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

City of Ray and Tioga Transmission Mains

Chorne gave a recommendation to award the City of Tioga to Tioga Transmission Main and the City of Ray Transmission Pipeline to low bidder Utility Systems of American, Inc. with a low bid of \$1,697,250.00. **Koeser made a motion to award the City of Tioga to Tioga Transmission Main and the City of Ray Transmission Pipeline to low bidder Utility Systems of American, Inc. with a low bid of \$1,697,250.00, Haake seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

Stanley Distribution Part 1 – Stanley Pump Station

Chorne recommended to table the bid award until he had time to gather further information on Elk River's experience with pump stations. **Zubke made motion to table the bid award and move the recommendation to award to the Executive Committee, Haake seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

BDW South Crosby Rural Distribution Base

Chorne gave a recommendation to award the BDW South Crosby Rural Distribution to low bidder Murphy Pipe Civil LLC with a low bid of \$3,374,054.86. **Zubke made a motion to award the BDW South Crosby Rural Distribution to low bidder Murphy Pipe Civil LLC with a low bid of \$3,374,054.86, Rust seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

R & T West White Earth Rural Distribution Base

Chorne gave a recommendation to award the R & T West White Earth Rural Distribution Base to low bidder Murphy Pipe Civil LLC with a low bid of \$1,462,283.11. **Zubke made a motion to award the R & T West White Earth Rural Distribution Base to low bidder Murphy Pipe Civil LLC with a low bid of \$1,462,283.11, Koeser seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

R & T Stanley High Point Pump Station

Chorne recommended to table the bid award until he had time to gather further information. **Rust made motion to table the bid award and move the recommendation to award to the Executive Committee, Haake seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

R & T Stanley High Point Reservoir

Chorne gave a recommendation to award the R & T Stanley High Point Reservoir to low bidder Engineering America, Inc. with a low bid of \$543,210.00. **Rust made a motion to award the R & T Stanley High Point Reservoir to low bidder Engineering America, Inc. with a low bid of \$543,210.00, Haake seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

AE2S

Chorne informed the board that AE2S has added an Engineering Technician 1A at a \$69.00 per hour to their billing rate.

Liberty Midstream Solutions

The R & T Water Supply Commerce Authority board has been approached by Liberty Midstream Solutions about getting water to their office north of Tioga. This project has already been awarded. WAWSA's policy is that once a project has been awarded it is up to the user to pay construction cost and obtain the necessary easements. Liberty has indicated they will pay the cost of construction for a 2" line. Liesener will contact Liberty and discuss with the R & T board.

City of Ray Transmission Main

Chorne reported that on the City of Ray Transmission project WAWSA is to build the supply line and the City of Ray will build the return line. The City of Ray bid both the supply and return line. Chorne recommended WAWSA cost share with the City of Ray for the supply portion of the transmission line in the amount of \$203,427.90. **Koeser moved to approve the cost share with the City of Ray in the amount of \$203,427.90, Rust seconded.**

AYE: Brandt, Anderson, Liesener, Rust, Koeser, Zubke (also voting for Veeder), Haake, Owan
NAY: 0
CARRIED: 9-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary