

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Tuesday August 23, 2016**

Attendees

Members Present: Chris Brostuen, Ward Koeser, Jake Stokke (Alternate for Mark Owan), Gary Rust and Denton Zubke

Members Absent: Bert Anderson, Raoul Brandt, Ellis Haake, Richard Liesener, Mark Owan and Gene Veeder

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Jason Slater (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Dennis Boyd (AE2S), Jeff Shaffer (MCWRD, Nathan Blackledge(CCI), Daryl Heizelman (Brady Martz), Tyson Schatz (Brady Martz), Patrick McGarry (BAM) and Rory Nelson (Governor's Office).

Meeting Called to Order

Vice-Chairman Chris Brostuen 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 July 26, 2016 board meeting were presented for approval. **Koeser moved to approve the minutes as presented, Rust seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

Financial Report

The July financial report was presented for consideration and discussion. **Zubke moved to accept the financial report as presented, Rust seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

The July Industrial financial report was presented for consideration and discussion. **Zubke moved to accept the industrial financial report as presented, Koeser seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

SWC Grant Requests

The SWC \$39.5M Grant request 25-82316 in the amount of \$2,625.00 and the SWC \$60M Grant request 9-82316 in the amount of \$4,420,157.98 were presented to the board for their approval. **Zubke moved to approve the SWC grant requests, Stokke seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

NDIC Capital Reimbursement Request

Wirtz presented the board with the industrial capital improvements pay request in the amount of \$3,996.50. **Zubke moved to approve the reimbursement request to NDIC, Koeser seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

1st Dakota Enterprises Payment Request

Wirtz presented the board with 1st Dakota Enterprises payment request #2 in the amount of \$268,110.00 for the office/shop renovations. **Koeser moved to approve the payment to 1st Dakota Enterprises, Rust seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update.

The industrial sales for July were \$1,121,797.00.

McKenzie Electric Cooperative Capital Credits

McKenzie Electric Cooperative is offering to pay 23% of the current value of the unretired Cooperative patronage capital. **Zubke made a motion to not retire the WAWSA capital credits with McKenzie Electric, Rust seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

\$10 Million Loan

Wirtz reported that the R&T has submitted the loan application for the \$5 Million Drinking Water Revolving Loan Fund. The Member Joint Power Agreements are at R&T's and WRWD's attorney for review.

WAWSA has applied for a \$10M Line of Credit with BND which will be used until the loans from the Revolving Loan Fund have been approved.

2015 Audit

Tyson Schatz and Daryl Heizelman with Brady, Martz & Associates presented WAWSA's 2015 Audit to the board. **Rust moved to accept the audit as presented, Koeser seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

ND Water Topics Overview Committee Meeting

The ND Water Topics Overview Committee will meet in Watford City on August 24th and 25th. Items on the agenda include Southwest Water Authority, WAWSA and Quick Take. Wirtz and Owan will be making a presentation about WAWSA.

2017-2019 Biennium Funding

Wirtz reviewed the handout with the Statewide Water Funding needs and where WAWSA projects fit into the state needs. Wirtz will be attending the Water Coalition meeting on Friday August 26th where project priorities will be discussed.

Tioga Stand Tank Purchase

WAWSA's bid for the Tioga Stand Tank was accepted, however the request for insurance proceeds was rejected. WAWSA's attorney will be contacting the City of Tioga's attorney concerning the bid and when the contractors can begin construction.

Project Updates

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

Schultz presented the board with project updates.

MCWRD System 1 Tobacco Gardens Base

Schultz presented Murphy Pipe & Civil LLC Change Order #4 in the amount of a \$2,016.87 for a bore for CR12 road realignment to the board for their approval. **Zubke moved to approve Change Order #4, Rust seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

Blacktail Dam and BDW Facilities

Schultz presented American General Change Order #4 in the amount of a \$2,278.50 for the installation of a dehumidifier at Blacktail Reservoir to the board for their approval. **Koeser moved to approve Change Order #4, Zubke seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

Schultz presented Muth Electric Change Order #4 in the amount of a \$11,185.57 for the cost incurred from the delay of the project due to frozen ground to the board for their approval. **Zubke moved to approve Change Order #4, Stokke seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

Schultz presented the Final Inspection and Acceptance for American General Contractors, Inc. for the Blacktail Dam and BDW Facilities. **Koeser moved to accept the Final Inspection and Acceptance for American General Contractors, Rust seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

R & T Stanley Rural Distribution Part 1

Schultz presented Carstensen Change Order #1 in the amount of a \$77,665.50 for the NDDOT requirement of changing the case size for Hwy crossings to the board for their approval. **Zubke moved to approve Change Order #1, Stokke seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

R & T West White Earth Distribution

Schultz presented Carstensen Change Order #1 in the amount of a decrease of (\$172,417.00) pipe that was previously purchased and Change Order #2 in the amount of \$167,039.00 for the installation of 4" HDPE pipe in lieu of 3" PVC pipe to the board for their approval. **Zubke moved to approve Change Order #1 and Change Order #2, Koeser seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

R & T Tioga High Point to Tioga Transmission Main

Schultz presented Utilities Services of America Change Order #1 in the amount of a \$12,200.00 for changes required by the ND Dept. of Health to the board for their approval. **Koeser moved to approve Change Order #1, Rust seconded.**


AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

WRWD East Hwy 1804 Distribution


NDDOT is requiring WRWD to move their pipeline out of the HWY 1804 right of way. The cost of the project would be between \$1.5M and \$2M. Wirtz recommended that the board approve the project. **Zubke made a motion to move forward with the project, Rust seconded.**

AYE: Rust (also voting for Anderson), Stokke (also voting for Haake), Koeser, Zubke (also voting for Veeder), Brostuen
NAY: 0
CARRIED: 8-0

Vice Chairman Brostuen adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary