

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Tuesday September 27, 2016**

Attendees

Members Present: Raoul Brandt, Chris Brostuen, Ellis Haake, Ward Koeser, Mark Owan, Gary Rust and Gene Veeder

Members Absent: Bert Anderson, Richard Liesener and Denton Zubke

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Nathan Kleyer (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Brett Morlock (AE2S), Nathan Blackledge(CCI), Liz Suhr (R & T), Kent Bickler (R & T), Eric Hager (ASI), Ben Clarys (WRWD) and Rory Nelson (Governor's Office).

Meeting Called to Order

Chairman 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, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the August 23, 2016 board meeting were presented for approval. **Haake moved to approve the minutes as presented, Veeder seconded.**

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

NAY: 0

CARRIED: 8-0

Financial Report

1:05pm Brostuen joined meeting.

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

1:07pm Koeser left meeting.

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

NAY: 0

CARRIED: 8-0

SWC Grant Requests

The SWC \$39.5M Grant request 26-92716 in the amount of \$2,500.00 and the SWC \$60M Grant request 9-92716 in the amount of \$6,656,735.93 were presented to the board for their approval. **Brostuen moved to approve the SWC grant requests, Veeder seconded.**

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

NAY: 0

CARRIED: 8-0

1:10pm Koeser rejoined meeting.

NDIC Capital Reimbursement Request

Wirtz presented the board with the industrial capital improvements pay request in the amount of \$6,185.50. **Rust moved to approve the reimbursement request to NDIC, Brostuen seconded.**

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

1st Dakota Enterprises Payment Request

Wirtz presented the board with 1st Dakota Enterprises payment request #3 in the amount of \$404,100.00 for the office/shop renovations. **Koeser moved to approve the payment to 1st Dakota Enterprises, Brostuen seconded.**

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

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update.

The industrial sales for August were \$1,477,141.00.

\$10 Million Loan

Wirtz reported that the \$10M Line of Credit with BND that WAWSA applied for was approved by the BND and NDIC. The line of credit will be used until the Drink Water Revolving Loan is approved.

Agreement Regarding Loan for Cost Share

Wirtz presented the board with a draft of the member agreement regarding the \$10M loan cost share. R & T and WRWD will be the "Loaning Members" and collectively all members will repay R & T and WRWD. **Veeder moved to approved the Agreement Regarding Loan for Cost Share, Brostuen seconded.**

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

The Agreement will be distributed to each member entity for their approval and signatures.

Armstrong Water Solutions

Wirtz reported that Armstrong's MDU Deficiency payment for this year was \$100,052.00. The deficiency was paid out of the Escrow Account per the MDU/ASI/WAWSA agreement.

The Executive Committee has been negotiating with Armstrong concerning the purchase price of the infrastructure needed to sell cold water at 2nd Street and North Williston Fill Stations. Once a price is agreed upon the Executive Committee will present that to the full WAWSA for their approval.

2017-2019 Biennium Funding

Wirtz reported that at this time WAWSA's request for funding has been cut from \$60M to \$29M due to reduced anticipated revenues into the Water Recourses Trust Fund.

Tioga Stand Tank

WAWSA purchased the Tioga Stand Tank from the City of Tioga. During the process of purchasing the stand tank; it was damaged in a storm. WAWSA was informed by the City of Tioga that there was no insurance coverage on the tank.

Reimbursement of City of Ray Costs

At the April 2016 WAWSA board meeting the WAWSA board approved the City of Ray's bid of \$203,427.90 for installing a WAWSA pipeline at the same time the City of Ray would be installing their water pipeline through the City of Ray's contract. WAWSA was presented with an invoice for the construction and engineering. Wirtz recommended paying the construction bid amount at this time. Wirtz would like to research the engineering fees.

City of Stanley Tower Agreement

The board was given a draft of a Tower Agreement between the City of Stanley and WAWSA for an antenna WAWSA will be installing on the City of Stanley water tower. **Koeser moved to approve the Tower Agreement, Haake seconded.**

AYE: Veeder (also voting for Zubke), Brandt, Brostuen, Koeser, Rust (also voting for Anderson), 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.

Williston Regional WTP

Schultz presented PKG Change Order #24 in the amount of \$197,231.00 for the completion of miscellaneous items of work at the WTP, among the item was a charge of \$52,354.00 for riprap to minimize erosion to the board for their approval. This item was not approved by the board. **Koeser moved to approve Change Order #24 without the cost of the riprap; for a total amount of \$144,877.00, Haake seconded.**

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

NAY: 0

CARRIED: 9-0

Schultz presented Colstrip Change Order #3 in the amount of \$38,445.00 for the installation of a breaker, wiring and conduit to the board for their approval. **Veeder moved to approve Change Order #3, Brostuen seconded.**

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

NAY: 0

CARRIED: 9-0

System 1 Tobacco Gardens Base

Schultz presented Murphy Pipe & Civil LLC Change Order #5 in the amount of a \$4,192.90 for a bore for CR12 road realignment to the board for their approval. **Brostuen moved to approve Change Order #5, Rust seconded.**

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

NAY: 0

CARRIED: 9-0

WRWD Blacktail Dam Rural Distribution

Schultz presented the Final Inspection and Acceptance for Muth Electric, Inc. for the Blacktail Dam Rural Distribution to the board for their approval. **Koeser moved to accept the Final Inspection and Acceptance for Muth Electric, Inc., Haake seconded.**

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

NAY: 0

CARRIED: 9-0

R & T North Tioga Rural Distribution

Schultz presented American General Contractors, Inc. Change Order #1 for a time extension of 60 days due to backordered materials to the board for their approval. **Rust moved to approve Change Order #1, Brostuen seconded.**

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

NAY: 0

CARRIED: 9-0

WRWD BDW Rural Distribution

Schultz presented the Certificate of Substantial Completion for Carstensen Contracting, Inc. for the BDW Rural Distribution to the board for their approval. **Rust moved to accept the Certificate of Substantial Completion for Carstensen Contracting, Inc., Koeser seconded.**

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

NAY: 0

CARRIED: 9-0

WRWD Epping Distribution Part 1 Alt 1

Schultz presented NW Construction, Inc. Change Order #6 in the amount of \$44,481.00 to add 8" pipeline to the board for their approval. **Veeder moved to approve Change Order #6, Haake seconded.**

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

NAY: 0

CARRIED: 9-0

WRWD Epping Distribution Part 1 Alt 2

Schultz presented the Certificate of Substantial Completion for NW Construction, Inc. for the WRWD Epping Distribution Part 1 Alt 2 to the board for their approval. **Koeser moved to accept the Certificate of Substantial Completion for NW Construction, Inc., Brostuen seconded.**

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

NAY: 0

CARRIED: 9-0

R & T West White Earth Distribution

Schultz presented American General Contractors, Inc. Change Order #1 for a time extension of 60 days due to backordered materials to the board for their approval. **Brostuen moved to approve Change Order #1, Haake seconded.**

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

NAY: 0

CARRIED: 9-0

R & T Stanley High Point to Stanley Transmission Main

Schultz presented Elk River Pipeline Services, LLC Change Order #1 in the amount of \$5,019.96 for additional excavation to the board for their approval. **Rust moved to approve Change Order #1, Koeser seconded.**

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

NAY: 0

CARRIED: 9-0

R & T Landfill

Brett Morlock with AE2S presented to the board recommendations for improvements to the R & T Landfill that was purchased from the City of Ray.

- 2016 Landfill in compliance with NDDOH asap.
Move, stack, and cover lime currently on landfill site. (\$100k)
- 2016 or 2017 Prepare landfill to receive lime sludge
Build perimeter berm (\$65K)
- 2016 or 2017 Haul lime
Move lime from drying beds to landfill site (\$200k)

Wirtz will confer with AE2S and Kent Bickler (R&T) on the timeline of the work that will be needed to be completed in 2017.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary