

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office 9:00am  
Thursday – February 16, 2017**

**Attendees**

Members Present: Raoul Brandt, Ellis Haake, Richard Liesener, Ward Koeser, Mark Owan and Gene Veeder.

Members Absent: Bert Anderson, Chris Brostuen, Gary Rust, and Denton Zubke.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Jason Slater (WAWSA), Chris Barke (WAWSA), Jacob Monson (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Weston McGruder (AE2S), Tom Wheeler, Tim Mathews, Dennis Wagner and Kalen Wagner (Wagner Construction).

**Meeting Called to Order**

Chairman Owan called the meeting to order at 9:00am.

**Approval of Agenda**

The Agenda was presented for approval. Liesener asked that Tom Wheeler be add to the agenda under the Executive Director's report. **Liesener moved to approve the agenda as amended, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the January 19, 2017 board meeting were presented for approval. **Haake moved to approve the meeting minutes as presented, Liesener seconded.**

AYE: Liesener, Veeder (also voting for Zubke), Haake, Koeser, Brandt, Owan  
NAY: 0  
CARRIED: 7-0

**Financial Report**

The January General financial report and the January Industrial financial report were presented for consideration and discussion. **Liesener moved to accept the financial reports as presented, Haake seconded.**

AYE: Liesener, Veeder (also voting for Zubke), Haake, Koeser, Brandt, Owan  
NAY: 0  
CARRIED: 7-0

**1st Dakota Enterprises Payment Request**

Wirtz presented the board with 1<sup>st</sup> Dakota Enterprises payment request #7 in the amount of \$205,956.45 for the office/shop renovations. Wirtz recommended paying 75% of the request because of incomplete items and accruing liquidated damages. **Koeser moved to pay 75% of the pay request to 1<sup>st</sup> Dakota Enterprises, Liesener seconded.**

AYE: Liesener, Veeder (also voting for Zubke), Haake, Koeser, Brandt, Owan  
NAY: 0  
CARRIED: 7-0

**Executive Director's Report**

### **Tom Wheeler - Landowner**

Landowner Tom Wheeler addressed the WAWSA board with his concern on the WAWSA easement accrument process and land reclamation.

### **Wagner Construction**

Kalan Wagner addressed the board concerning two bores that were put in during the construction of the Watford City By-Pass Transmission Main. AE2S has rejected the bores due to noncompliance. Wagner offered to extend the warranty on the two bores to 10 years or set establish an escrow account to cover any possible damages caused if the bores should fail. **Veeder made a motion that the WAWSA Executive Committee make the final decision on whether to extend the warranty and approve the terms regarding an escrow account, Koeser seconded.**

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

NAY: 0

CARRIED: 7-0

### **System Updates & Industrial Sales Report**

Wirtz gave a system update.

#### **Industrial Sales**

The industrial sales for January were \$623,822.00.

#### **NDIC**

Wirtz reported that he had met with the NDIC and Governor Burgum. The next NDIC meeting is February 20, 2017.

### **Lorraine Melby - Landowner**

Wirtz reported that the WAWSA Executive Committee went over the facts concerning Mrs. Melby's request for additional damage payments for her geothermal line that was damaged during construction. The Executive Committee's decision was that WAWSA would not participate in any further reclamation. Norgard will write a letter to Mrs. Melby on WAWSA's behalf.

### **2017 Legislative Session**

Wirtz reported on items that concern and involve WAWSA at the State Legislature.

#### **Crop Damage Policy**

Wirtz presented the amended Crop Damage Policy to the board for their review and approval. The change in the policy gives famers the option to be paid on the county average yield and price at harvest in lieu of supplying proof of yield and price for crop damage. **Haake made a motion to approve the amended crop damage policy, Veeder seconded.**

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

NAY: 0

CARRIED: 7-0

### **Project Updates**

Chorne presented a current water demand report and the capital accounting report.

### **Consent Agenda**

**It was moved by Veeder and seconded by Haake that the following items contained in the Consent Agenda be approved.**

All items under the Consent Agenda will be enacted by one motion and a roll call vote. There will no separate discussion of these items.

- MPC Mechanical Final Inspection and Acceptance TO #24 Tobacco Garden Base
- Carstensen Final Inspection and Acceptance TO #26 Blacktail Dam Rural Dist.
- Carstensen Certificate of Substantial Completion TO #32 R & T Stanley Dist. Part 1
- MPC Mechanical Final Inspection and Acceptance TO #42 Tobacco Garden Alt 1
- MPC Mechanical Final Inspection and Acceptance TO #42 Tobacco Garden Alt 2
- MPC Mechanical Final Inspection and Acceptance TO #42 Tobacco Garden Alt 3
- NW Construction Final Inspection and Acceptance TO #39 WRWD Epping Dist. Part 1 Alt 2

AYE: Liesener, Veeder (also voting for Zubke), Haake, Koeser, Brandt, Owan  
NAY: 0  
CARRIED: 7-0

#### **R & T North Tioga Rural Distribution**

Schultz presented Carstensen Contracting Change Order #3 in the amount of \$26,093.73 for costs incurred due to lack of easements and permits to the board for their approval. **Liesener moved to approve Change Order #3, Koeser seconded.**

AYE: Liesener, Veeder (also voting for Zubke), Haake, Koeser, Brandt, Owan  
NAY: 0  
CARRIED: 7-0

#### **R & T Stanley Rural Distribution – Part 1**

Schultz presented Carstensen Contracting Change Order #2 in the amount of \$51,240.58 for costs incurred due to lack of easements and permits and quantity adjustments to the board for their approval. **Veeder moved to table Change Order #2 until further information can be obtained, Haake seconded.**

AYE: Liesener, Veeder (also voting for Zubke), Haake, Koeser, Brandt, Owan  
NAY: 0  
CARRIED: 7-0

#### **SWC Grant Requests**

The SWC \$60M Grant request #15-0216917 and the SWC \$39.5M Grant request #30-021617 were presented to the board for their approval. **Liesener moved to approve the SWC grant requests, Koeser seconded.**

AYE: Liesener, Veeder (also voting for Zubke), Haake, Koeser, Brandt, Owan  
NAY: 0  
CARRIED: 7-0

The March board meeting will be at 9:00am on Thursday March 16<sup>th</sup>.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman

  
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Kim Schilke, Secretary