

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office  
Tuesday October 25, 2016**

### **Attendees**

Members Present: Bert Anderson, Raoul Brandt, Chris Brostuen, Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan, Gary Rust, Gene Veeder and Denton Zubke

Members Absent: none

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), Nathan Blackledge (CCI), Liz Suhr (R & T), Nate Mitchell (NW Construction), Jeff Shaffer (MCWRD), Dean Peterson (Interstate Engineering), Matthew Dautle (Armstrong Water Solution) and Tom Wheeler.

### **Meeting Called to Order**

Chairman Owan called the meeting to order at 1:00 pm.

### **Approval of Agenda**

The Agenda was presented for approval. **Anderson moved to approve the agenda, Rust seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

### **Approval of the Minutes**

Minutes of the September 8<sup>th</sup>, 12<sup>th</sup> and 26<sup>th</sup> Executive Committee meetings and the September 27, 2016 board meeting were presented for approval. Schilke noted that a typo had been corrected since the minutes were posted to the board packet. **Brostuen moved to approve the minutes as amended, Haake seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

### **Financial Report**

1:05pm Liesener joined meeting.

The September financial reports were presented for consideration and discussion. **Veeder moved to accept the financial report as presented, Koeser seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan

NAY: 0

CARRIED: 10-0

### **SWC Grant Requests**

The SWC \$60M Grant request 11-92716 in the amount of \$4,815,990.77 was presented to the board for their approval. **Zubke moved to approve the SWC grant request, Brostuen seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan

NAY: 0

CARRIED: 10-0

### 1st Dakota Enterprises Payment Request

Wirtz presented the board with 1<sup>st</sup> Dakota Enterprises payment request #4 in the amount of \$237,510.00 for the office/shop renovations. **Koeser moved to approve the payment to 1<sup>st</sup> Dakota Enterprises, Veeder seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

### Executive Director's Report

#### System Updates & Industrial Sales Report

Wirtz gave a system update.

#### R & T Landfill

Wirtz reported that the City of Ray landfill was purchased by R & T for lime sludge disposal. The Dept. of Health has required a fence, gate, signage and dirt work to be done before the lime sludge can be moved to the landfill. In addition, a two-foot berm has to be built around the perimeter of the landfill. R & T would like to get contractor quotes for the landfill work. The hauling of the lime will be a O & M cost for next year. **Koeser made a motion to allow the Executive Committee to act on the quotes for the dirt work at the landfill, Rust seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

#### Contractor Reclamation

Tom Wheeler addressed the board concerning the pipeline easement process, his experience with the contactors and his frustrations on the reclamation of the land he farms. Nate Mitchell with NW Construction, Inc. also addressed the board concerning the reclamation process. Contractors have a release form for all land owners to sign and a majority of the landowners have signed the release form. Mitchell mentioned the contract specifications need to be more specific. The WAWSA board discussed what could be done to elevate the reclamation process. **Koeser made a motion that Chairman Owan establish a reclamation committee made up of 5 people; which may include board members, farmers and staff to evaluate the current specification and construction practices of WAWSA, Liesener seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

#### Industrial Sales

The industrial sales for September were \$950,456.00.

#### NDIC

NDIC has approved a 5-year contract for industrial water. It will be a take or pay contract with a minimum \$50,000.00 per year at 60¢ a barrel for all water purchased through the contract.

#### Drinking Water Revolving Loan

Wirtz reported that the R & T and WRWD Drinking Water Revolving Loans have not been formally approved. The loans will be 30 year notes with an interest rate of 2%.

## Armstrong Water Solutions

The Executive Committee had made an offer to Armstrong of \$550,000.00 for the assets needed to sell cold water at 2<sup>nd</sup> Street, Watford City and N Williston depots. Armstrong has countered offered at \$625,000.00. **Zubke made a motion to accept the offer of \$625,000.00 from Armstrong, Brostuen seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

## 2017-2019 Biennium Funding

Wirtz reported that at this time WAWSA's funding is \$29M for the 2017 – 2019 Biennium Funding.

## Reimbursement of City of Ray Costs

Wirtz reviewed the Interstate Engineering costs submitted for reimbursement by the City of Ray. Wirtz recommends paying the final engineering costs of \$105,838.14 for the WAWSA pipeline that was installed under the City of Ray's contract. **Brostuen made a motion to pay the \$105,838.14 in engineering costs to the City of Ray, Anderson seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

## Employee Compensation

Third quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 3rd quarter bonus for Executive Director Jaret Wirtz. **Koeser moved to give Wirtz a 10% 3rd quarter bonus based on Chairman Owan's recommendation, Haake seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

## 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 #25 in the amount of \$52,354.00 for work performed to minimize erosion on site to the board for their approval. **Veeder moved to approve Change Order #25, Koeser seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Liesener, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

Liesener left the meeting at 3:05pm.

Schultz presented the Final Inspection and Acceptance for Williams Plumbing and Heating for the WTP Phase 3 improvements to the board for their approval. **Koeser moved to accept the Final Inspection and Acceptance for Williams Plumbing and Heating, Haake seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan  
NAY: 0

CARRIED: 9-0

Schultz presented the Final Inspection and Acceptance for Colstrip Electric for the WTP Phase 3 improvements to the board for their approval. **Zubke moved to accept the Final Inspection and Acceptance for Colstrip Electric, Veeder seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Schultz presented the Final Inspection and Acceptance for Colstrip Electric for the WTP Pretreatment Part 2 to the board for their approval. The board tabled the Final Inspection and Acceptance until the pretreatment startup.

### **System 1 Tobacco Gardens Alternate 3**

Schultz presented Murphy Pipe & Civil LLC Change Order #2 in the amount of \$38,425.00 for the addition of 6" bores to the board for their approval. **Veeder moved to approve Change Order #2, Haake seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

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

Schultz presented Carstensen Contracting Inc. Change Order #1 in the amount of \$589,607.67 for the time and material costs associated with the Epping Area add on work to the board for their approval. **Zubke moved to approve Change Order #1, Rust seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

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

Schultz presented Carstensen Contracting Inc. Change Order #2 in the amount of \$37,791.00 for AMR installation in the MCWRD System 4 area to the board for their approval. **Zubke moved to approve Change Order #2, Brostuen seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

### **WRWD Epping Distribution Part 1 Alt 1**

Schultz presented NW Construction, Inc. Change Order #7 in the amount of \$3,350.00 for tying in to a 6" line to the board for their approval. **Rust moved to approve Change Order #7, Zubke seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

### **R & T West White Earth Distribution**

Schultz presented American General Contractors, Inc. Change Order #2 in the amount of \$723.63 for door closures to the board for their approval. **Brostuen moved to approve Change Order #2, Haake seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Schultz presented Carstensen Contracting Inc. Change Order #3 decrease of (\$54,853.00) to remove a lump sum amount of \$54,853.00 and to add line item pricing for the crossing of gas, oil and saltwater lines to the board for their approval. **Veeder moved to approve Change Order #3, Rust seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 9-0

#### **R & T Stanley High Point to Stanley Transmission Main**

Schultz presented John's Refrigeration and Electric, Inc. Change Order #1 in the amount of \$15,000.00 for the increased cost of a new meter and transformer to the board for their approval. **Brostuen moved to approve Change Order #1, Haake seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 9-0

#### **Engineering Task Order**

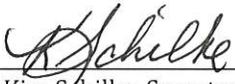
Chorne presented Engineering Task Order #48 - WRWD 12" Transmission Main in the amount of \$157,500 for the design and bidding phase. **Zubke moved to approve Task Order #48, Veeder seconded.**

AYE: Veeder, Anderson, Brandt, Rust, Koeser, Zubke, Haake, Brostuen, Owan  
NAY: 0  
CARRIED: 9-0

Due to the Christmas Holiday the December meeting will be to Tuesday December 20<sup>th</sup>.

Chairman Owan adjourned the meeting.

  
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Mark Owan, Chairman

  
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Kim Schilke, Secretary