

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office 9:00am  
Thursday – March 23, 2017**

**Attendees**

Members Present: Chris Brostuen, Zach Gaaskjolen (R & T Alternate), Ellis Haake, Richard Liesener, Ward Koeser, Mark Owan, Gary Rust and Gene Veeder.

Members Absent: Bert Anderson and Denton Zubke.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Maria Effertz Hanson(AE2S), Ben Clarys (WRWD) and Dave Tuan (City of Williston).

**Meeting Called to Order**

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

**Approval of Agenda**

The agenda was presented for approval. **Liesener moved to approve the agenda as amended, Rust seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the February 16, 2017 board meeting were presented for approval. **Rust moved to approve the meeting minutes as presented, Haake seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

**Financial Report**

The February General financial report and the February Industrial financial report were presented for consideration and discussion. **Brostuen moved to accept the financial reports as presented, Koeser seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

**Executive Director's Report**

**System Updates & Industrial Sales Report**

Wirtz gave a system update. Wirtz reported that an operator had been hired to fill the open position for the south side of the system.

**Industrial Sales**

The industrial sales for February were \$930,343.00.

**NDIC Meeting - 2017 Legislative Session**

Wirtz reported that most of the discussion with the NDIC centered on the restructuring of WAWSA's loans around the WAWSA revenue plan. Wirtz also reported on items that concern or involve WAWSA at the State Legislature.

## **Employee Handbook and Operational Policies Updates**

Vogel Law Firm reviewed the Employee Handbook and Operational Policies and suggested some updates. The board was presented with the updated Employee Handbook and Operational Policies for their approval. **Veeder recommended to approve the updated Employee Handbook and Operational Policies, Haake seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

## **Wagner Construction Negotiations**

Wagner Construction had addressed the board at last month's board meeting concerning two faulty bores on the Watford City South By-pass project. Wagner has agreed to a 10-year escrow as warranty for the bores. The WAWSA Executive Committee was given the authority to negotiate the terms of the escrow. However, there are three bores that are in questions and the board gave the Executive Committee authority to negotiate for two bores. **Koeser made a motion to delegate the WAWSA Executive Committee the authority to negotiate on three the bores, Haake seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

## **Project Updates**

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

### **East Transmission Main Part 2 – East Pump Station**

Schultz presented Rice Lake Change Order #4 in the amount of \$13,740.23 for miscellaneous repair items to the board for their approval. **Rust moved to approve Change Order #4, Koeser seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

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

Schultz presented John's Refrigeration and Electric, Inc. Final Inspection and Acceptance for the electrical work. **Haake made a motion to accept the Final Inspection and Acceptance for John's Refrigeration and Electric, Brostuen seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

## **City of Ray**

Schultz presented Utility Systems of America Change Order #2 in the amount of a decrease of (\$904.48) for reclamation work done by WAWSA to the board for their approval. **Brostuen moved to approve Change Order #2, Rust seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

### **Stanley High Point to Stanley Transmission Main**

Schultz presented Carstensen Contracting Inc. Balancing Change Order #2 in the amount of a \$41,240.58 for final quantity adjustment and cost incurred from delayed permits and easements to the board for their approval. **Liesener moved to approve Change Order #2, Haake seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

**SWC Grant Requests**

The SWC \$60M Grant request #16-032317 and the SWC \$39.5M Grant request #31-032317 were presented to the board for their approval. **Veeder moved to approve the SWC grant requests, Liesener seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

**Stanley High Point to Stanley Transmission Main**

Carstensen Contracting's pay request # 7 for the Stanley High Point Transmission Main in the amount of \$149,361.97 was presented to the board for their approval. **Brostuen moved to approve the payment to Carstensen, Haake seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

**Executive Session**

**Liesener made a motion to move into Executive Session for the purpose of Lorraine Melby damage negotiations and easement negotiations, Haake seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

10:45am The Board entered Executive Session

10:55am **Veeder moved to exit Executive Session, Haake seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

**Veeder made a motion to approve a settlement agreement with Lorraine Melby in the amount of \$5,700.00 for damage to her geothermal system, Koeser seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

**Rust made a motion to approve paying David Goldal and Clayton Howell attorney's fees for easement acquisition, Brostuen seconded.**

AYE: Haake, Koeser, Gaaskjolen, Rust (also voting for Anderson), Veeder (also voting for Zubke), Liesener, Brostuen, Owan  
NAY: 0  
CARRIED: 10-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary