

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office 9:00am
Thursday – May 18, 2017**

Attendees

Members Present: Chris Brostuen, Raoul Brandt, Ellis Haake, Mark Owan, Gary Rust, Gene Veeder and Denton Zubke.

Members Absent: Bert Anderson, Richard Liesener and Ward Koeser

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), Ben Clarys (WRWD), Jeff Shaffer (MCWRD) and Kent Bickler (R & T).

Meeting Called to Order

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

Approval of Agenda

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the April 20, 2017 board meeting and the May 4, 2017 Executive Committee meeting were presented for approval. **Haake moved to approve the meeting minutes as presented, Brostuen seconded.**

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

NAY: 0

CARRIED: 8-0

Financial Report

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

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

NAY: 0

CARRIED: 8-0

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave system and reclamation updates.

Industrial Sales

The industrial sales for April were \$636,783.00.

NDIC Meeting

Wirtz reported on the May 1st NDIC meeting.

2017 Legislative Session

Wirtz reported that HB 1020 was approved. The State Water Commission has the responsibility of distributing the grant monies for rural projects. The SWC has the authority to allocate the money where they deem necessary. The amount designated for WAWSA projects has not been determined as of this date.

Future Loan Funding

Wirtz discussed potential grant amounts and possible loan sources available for cost share.

Request to Purchase

Wirtz requested the board's approval to purchase two heavy axel trailers for \$18,000.00 each. WAWSA will be selling a trailer and grader to offset the purchase of the trailers. **Rust moved to approve the purchase of the two trailer, Haake seconded.**

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

NAY: 0

CARRIED: 8-0

Wagner Construction Update

Wirtz reminded the board that Wagner Construction has three bores on the Watford City South By-Pass project that are out of compliance. At the March board meeting Wagner had indicated they would agree to establishing an escrow account and extend the warranty of the three bores for 10 years to cover any possible bore fails. However, Norgard reported that there was a difference in interpretation on the dollar amount for the escrow account. Wagner is requesting a lesser amount for the escrow account. **Haake made a motion to forgo the escrow account and have Wagner replace the three bores in question. The timing of the replacement would be subject to Wirtz's approval, Brandt seconded.**

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

NAY: 0

CARRIED: 8-0

Joint Powers Agreement

Wirtz presented the Joint Powers Agreement; the purpose for the agreement is for BDW, WRWD and R & T to define their respective service and operational boundaries within the WAWSA system.

R & T Lime Sludge

Wirtz reported the Executive Committee approved a budget increase from \$250,000 to \$380,000 for lime sludge removal at the R & T landfill.

Shop in McKenzie County

McKenzie County is building a new shop and WAWSA has expressed interest in participating in construction costs for additional space. Veeder requested confirmation that WAWSA was committed to the space as they are finalizing the building plans. WAWSA would cost share on the square footage that WAWSA would need for storage. The bays in the shop would be \$200 per sq ft and cold storage would be \$100 per sq ft. The amount would be approximately \$500,000 to \$600,000. McKenzie County needs an answer within the next two weeks. **Brostuen made a motion to move the final decision to the Executive Committee, Haake seconded.**

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

NAY: 0

ABSTAINED: Veeder, Zubke

CARRIED: 6-0

Project Updates

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

BDW South Crosby Rural Distribution

At 11am Veeder left the meeting.

Schultz presented Murphy Pipe and Civil Certificate of Substantial Completion to the board. Problems with the line have come to light so Schultz recommended tabling the Certificate Substantial Completion at this time. **Zubke moved to table the Substantial Completion for Murphy Pipe and Civil, Rust seconded.**

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

R & T West White Earth Distribution

Schultz presented Carstensen Change Order #4 in the amount of a \$203,857.50 for temporary piping installation on the 1804 expansion to the board for their approval. **Zubke moved to approve Change Order #4, Brostuen seconded.**

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

Stanley High Point to Stanley Transmission Main

Schultz presented Elk River Services Change Order #3 in the amount of a \$11,700.00 for work on the abandonment of the existing valve pit on the inlet side of the reservoir site to the board for their approval. **Zubke moved to approve Change Order #3, Haake seconded.**

At 11:10am Veeder rejoined the meeting.

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

Schultz presented Engineering America's Final Inspection for the Stanley High Point Reservoir to the board for their approval. **Rust moved to approve the Final Inspection, Brostuen seconded.**

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

Schultz presented Carstensen Contracting's Final Inspection for the Stanley High Point to Stanley Transmission Main to the board for their approval. **Haake moved to approve the Final Inspection, Veeder seconded.**

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

WRWD Epping Distribution Part 1 Alt 1

Schultz presented NW Construction's Certificate of Substantial Completion and the Final Inspection for the WRWD Epping Distribution Part 1 Alt 1 to the board for their approval. **Rust moved to approve the Certificate of Substantial Completion and the Final Inspection for NW Construction, Zubke seconded.**

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

AE2S Engineering Task Order Amendments

Schultz presented the following Task Order Amendments to the board of their approval:

- TO #24C-2 MCWRD System 1 Tobacco Garden Base- reduction of \$17,000
- TO #32A-3 Stanley Dist. Part 1 Alt. 1, 2, & 3 – design & bidding of \$366,000
- TO #41A-2 Watford City South By-Pass – increase of \$17,000
- TO #43A-1 White Earth West Rural Dist. Part 1 Alt 1 – Design \$180,000
- TO #48A-1 WRWD Hwy 1804 Transmission Main – Construction \$324,000
- TO #50A-1 MCWRD Spring Creek Expansion – Design & Construction \$365,000

Rust made a motion to approve all the engineering amendments presented, Brostuen seconded.

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

SWC Grant Requests

The SWC \$60M Grant request #18-051817 and the SWC \$39.5M Grant request #33-051817 were presented to the board for their approval. **Zubke moved to approve the SWC grant requests, Brostuen seconded.**

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

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary