

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office 9:00am
Thursday – June 15, 2017**

Attendees

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

Members Absent: Bert Anderson, Richard Liesener and Gene Veeder.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Tami Norgard (Vogel Law Firm), Dustin Schultz (AE2S), Ben Clarys (WRWD), Jeff Shaffer (MCWRD), Dave Bell (City of Williston), Kenny Bergstrom (City of Williston) and Kristin Smith (MT State University).

Meeting Called to Order

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

Approval of Agenda

The agenda was presented for approval. **Brostuen moved to approve the agenda, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the May 18, 2017 board meeting were presented for approval. **Rust moved to approve the meeting minutes as presented, Haake seconded.**

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

Financial Report

Wirtz reported to the board that the May BND loans had not been paid from the Industrial account due to lack of cash on hand. **Zubke made a motion to pay the BND loans through June 30th from the Reserve Account and to reimburse the Reserve Account from the Industrial Account as cash is received, Rust seconded.**

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

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

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

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave system updates.

Industrial Sales

The industrial sales for May were \$689,494.00.

NDIC Meeting

Wirtz reported on the June 5th NDIC meeting. Wirtz reported that the NDIC has allowed an extension of the 5 year contracts for maintenance water connections to 10 years if needed. A committee to study the feasibility of privatizing the depots has been created.

State Water Commission

The SWC will meet on June 22nd. The WRWD 1804 East Transmission project is on the agenda to be moved to Phase 4 so the current grant money may be used to fund the project. It is intended that a portion of the 2017-2019 biennium grant money will be allocated at the August SWC meeting.

Future Loan Funding

Wirtz reported that the DWSRF loans for R & T and WRWD should be finalized soon. MCWRD may be asked to apply for a \$10M DWSRF loan in the future to match against future grant dollars.

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 and that the board had made a motion last month to have Wagner replace the three bores in question. Wagner asked for an alternative to replacing the bores. After board discussion, the motion from the May meeting stands and bores will need to be replaced.

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. **Zubke made a motion for WAWSA to sign off on the Joint Powers Agreement, Koeser seconded.**

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

NAY: 0

CARRIED: 9-0

East Transmission Main Part 2

Wirtz reported that when the East Transmission Main was built there was not a connection installed to connect Williams Rural Water's existing infrastructure to the transmission line. Elk River Pipeline Services has a low bid of \$60,960.00 which could be changed ordered into their existing contract. **Brostuen moved to accept Elk River's bid for the connection and change order the work into their contract, Rust seconded.**

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

NAY: 0

CARRIED: 9-0

Project Updates

Schultz presented a current water demand report, the capital accounting report and the Williston WTP master plan update.

Consent Agenda

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

- Task Order 15B Amendment No. 1
- Task Order 15C Amendment No. 1
- Task Order 15D Amendment No. 1
- Task Order 15E Amendment No. 1
- Task Order 15F Amendment No. 1
- Task Order 17a Amendment No. 1
- Task Order 18a Amendment No. 1
- Task Order 19 Amendment No. 3
- Task Order 29a-1 Amendment No. 1
- Task Order 31 Amendment No. 5
- Task Order 38a Amendment No. 1
- Task Order 39a Amendment No. 1
- Task Order 25 – Final Inspection and Acceptance – JMAC Resources, Inc.
- Task Order 32 – Final Inspection and Acceptance – Elk River Pipeline Services, LLC
- Task Order 46 – Final Inspection and Acceptance – Elk River Pipeline Services, LLC
- Task Order 40 - Certificate of Substantial Completion - Murphy Pipe and Civil, LLC

It was moved by Zubke and seconded by Rust that the items contained in the Consent Agenda be approved.

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

R & T Stanley Rural Pump Station

Schultz presented Elk River Pipeline Services Change Order #1 in the amount of a \$2,250.00 for a concrete pad and three gate valves to the board for their approval. **Koeser moved to approve Change Order #1, Brostuen seconded.**

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

R & T West White Earth Distribution

Schultz presented Carstensen Change Order #5 in the amount of a \$770,795.00 for McKenzie County Road 34 waterline relocation to the board for their approval. **Rust moved to approve Change Order #5, Ellis seconded.**

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

WRWD East Highway 1804 Transmission Main

Schultz gave a recommendation to award the WRWD East Highway 1804 Transmission Main to low bidder Carstensen Contracting, Inc. with a low bid of \$1,456,907.00. **Zubke made a motion to award the WRWD East Highway 1804 Transmission Main to low bidder Carstensen Contracting, Inc. with a low bid of \$1,456,907.00 contingent upon SRF approval of the environmental determination, Haake seconded**

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

Murphy Pipe and Civil

Schultz reported that MPC proposed the following for consideration for both the Tobacco Gardens Base and Alternates, along with the South Crosby Project:

- Upon Final Completion, AE2S/WAWSA continue to hold all currently held retention for 1 year from the Final Completion Date, as warranty for any defects which may occur, MPC would still be under warranty for any defects which may occur and
- Upon Final Completion, AE2S/WAWSA release all bonding held back to MPC.

Haake made the motion to decline MPC's request, Koeser seconded.


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

SWC Grant Requests

The SWC \$60M Grant request #19-061517 and the SWC \$39.5M Grant request #34-061517 were presented to the board for their approval. **Brostuen moved to approve the SWC grant requests, Rust seconded.**

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

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary