

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office 9:00am
Thursday - July 20, 2017**

Attendees

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

Members Absent: Bert Anderson, Richard Liesener and Denton Zubke.

Others Present: Todd Pokrzywinski (WAWSA), Kim Schilke (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Tami Norgard (Vogel Law Firm), Dustin Schultz (AE2S), Cory Chorne (AE2S), Steve Burian (AE2S), Ben Clarys (WRWD), Jeff Shaffer (MCWRD), Liz Suhr (R & T Water), Kenny Bergstrom (City of Williston) and Lindsey Cameron (WAWSA).

Meeting Called to Order

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

Todd Pokrzywinski gave an update on Jaret Wirtz, who is out of the office on medical leave.

Approval of Agenda

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the June 15, 2017 board meeting and the June 29, 2017 special board meeting were presented for approval. **Haake moved to approve the meeting minutes as presented, Koeser seconded.**

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

NAY: 0

CARRIED: 7-0

Rust joined the meeting at 9:15am.

Financial Report

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

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

NAY: 0

CARRIED: 9-0

Executive Director's Report

Industrial Sales

The industrial sales for June were \$1,236,053.00.

System Updates

Pokrzywinski gave system updates.

State Water Commission

The SWC met on June 22nd. Owan reported that at the last State Water Commission the Governor asked for everyone's resignation. The Governor asked for three of the commissioner to remain. Owan reported that he would be submitting his application for the commission. Chorne reported that a letter will be sent to the SWC requesting WAWSA be allocated money at the August meeting for projects that are ready to construct. If money is not allocated at the August meeting, construction on new projects will be delayed until next year.

City of Ray

WAWSA contracted with Utility Systems of America (USA) for the construction of the "Tioga High Point to Tioga Transmission Main & Ray Transmission Main" project. As part of this project, WAWSA designed "Tower Fill Piping Modifications" to include a meter and control valve inside the City of Ray's tank shaft. USA bid \$41,000.00 on this item. Due to construction scheduling issues, this item was removed from USA's contract. The City agreed to use \$23,218.43 worth of parts intended for this work, and have PFE perform the installation under their contract with the City. For this item, the City of Ray would like to be reimbursed in an amount equal to what was allocated for the fill piping modifications minus the cost of the parts which were already purchased: \$41,000.00 - \$23,218.43 = \$17,781.57. Upon confirming the cost of the parts with AE2S, WAWSA was notified that the parts total was \$24,127.75 and the amount due the City of Ray would be \$16,872.25. **Veeder made to pay the City of Ray the \$16,872.25 for their construction cost, Koeser seconded.**

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

The City of Ray also asked for cost share on the telemetry and controls on the new water tower they are constructing as this will benefit R & T and WAWSA. Schultz stated that AE2S would review this item and let the board know what would be WAWSA's portion of this expense. The board will consider the request when more information is available.

Armstrong Water Solutions

The board was notified that the MDU Deficiency payment for March 2016 – February 2017 was \$104,292.00. Armstrong was reimbursed from the escrow account by BND as per the Escrow Agreement.

Employee Compensation

Second quarter employee bonus evaluations have taken place. Chairman Owan recommended a 9% 2nd quarter bonus for Executive Director Jaret Wirtz. **Koeser moved to give Wirtz a 9% 2ndquarter bonus based on Chairman Owan's recommendation, Brostuen seconded.**

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

Project Updates

Chorne 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 on by one motion and a roll call vote. There was no separate discussion on these items.

- Task Order 31 Amendment No.6
- Task Order 38a Amendment No. 2
- Task Order 27 - Certificate of Substantial Completion - American General Contractors, Inc.
- Task Order 27 – Final Inspection and Acceptance – American General Contractors, Inc.

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

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

R & T North Tioga Rural Distribution

Schultz presented Carstensen Change Order #4 in the amount of a \$259,263.50 for two separate service lines to provide rural service to Adducci Farms and Liberty Midstream to the board for their approval. **Haake moved to approve Change Order #4, Koeser seconded.**

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

R & T West White Earth Distribution

Schultz presented Carstensen Change Order #6 in the amount of a \$46,159.20 for the installation of a 2-inch service line to WBI Energy to the board for their approval. **Brostuen moved to approve Change Order #6, Haake seconded.**

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

Tioga Transmission and Ray Transmission Main

Schultz presented Utility Systems of America’s Final Inspections for the Tioga and Ray Transmission Mains to the board for their approval. **Rust moved to approve the Final Inspections, Haake seconded.**

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

SWC Grant Requests

The SWC \$60M Grant request #20-072017 and the SWC \$39.5M Grant request #35-0720517 were presented to the board for their approval. **Veeder moved to approve the SWC grant requests, Brostuen seconded.**

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

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary