

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office 9:00am
Thursday – September 21, 2017**

Attendees

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

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

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Dustin Schultz (AE2S), Cory Chorne (AE2S), Ben Clarys (WRWD), Jeff Shaffer (MCWRD), Liz Suhr (R & T) and David 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. **Rust moved to approve the agenda, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the August 17, 2017 board meeting and the September 5, 2017 special board meeting were presented for approval. **Haake moved to approve the meeting minutes as presented, Brostuen seconded.**

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

NAY: 0

CARRIED: 7-0

Financial Report

The August General financial reports and the August 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), Brostuen, Brandt, Koeser, Haake, Owan

NAY: 0

CARRIED: 7-0

Executive Director's Report

System Updates

Wirtz gave a system update. He reported that we will be compiling budgets from our members analyzing if a rate increase will be necessary. The Keene depot will have the lanes up graded.

Industrial Sales

The industrial sales for August were \$1,712,588.00.

NDIC

Wirtz reported on the August NDIC meeting. The NDIC will be selecting a firm to conduct a feasibility study concerning the industrial assets at their September 29th meeting.

SWC

Wirtz reported that WAWSA received \$8.75M of the \$20M grant. Construction will be able to start on the new projects this fall.

Wirtz reported that with the City of Arnegard was added to the WAWSA system. Watford City, Arnegard, MCWRD and WAWSA are discussing building one large tank that could be used by all the entities. Wirtz also reported the domestic water usage for McKenzie County is increasing.

2016 Audit

Daryl Heizelman and Tyson Schatz with Brady, Martz & Associates presented WAWSA's 2016 Audit to the board via a phone conference call. **Brostuen moved to accept the 2016 Audit as presented, Rust seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Haake, Owan
NAY: 0
CARRIED: 7-0

NDDOT Easement

Norgard reported that she had not heard back from KLJ on the question of the easement offer for the 1806 property.

City of Ray Telemetry Cost Share

Schultz reported that bid price for the City of Ray telemetry controls was \$130,000.00. WAWSA and R&T would utilize a small portion of the telemetry controls. The City of Ray asked WAWSA for a contribution toward the cost of the telemetry. Schultz reported that he did not see that cost to be more than \$20,000 - \$25,000. Shultz should have the cost share amount by next week. **Rust made motion to reimburse the City of Ray not to exceed \$25,000 for the WAWSA cost share, Haake seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Haake, Owan
NAY: 0
CARRIED: 7-0

10:20am Haake left the meeting.

Resolution Authorizing Agreement

Wirtz presented the "Resolution Authorizing Agreement" that would modify interest payments on the Series 2013 Note, Series 2014A Note and Series 2015 Note as follows: *"Monthly interest payments are suspended until August 1, 2018. Commencing July 1, 2018 accrued interest will be payable on August 1, 2018 and monthly thereafter. All accrued but unpaid interest as of the date of this agreement and through June 30, 2018 shall be deferred until the June 30, 2036 maturity date."* **Koeser moved to adopt the resolution, Brostuen seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Owan (also voting for Haake)
NAY: 0
CARRIED: 7-0

Line Locates

Wirtz reported that there has been a problem with locating lines because of discrepancy with the GPS data and where the lines lays. WAWSA's employee has been updating the GPS data as lines are located. AE2S will compensate WAWSA for our employee's time in correcting the line locations.

First Dakota Enterprises

Wirtz presented the final pay request for the office building renovations in the amount of \$109,650.55. This figure reflects a \$7,500 discount for WAWSA's frustration and inconvenience caused by FDE's non-completion of items until July 21, 2017 when Certificate of Occupancy was achieved. **Koeser made a motion to approve the final payment to First Dakota in the amount of \$109,650.55, Rust seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Owan (also voting for Haake)
NAY: 0
CARRIED: 7-0

Project Updates

WRWD Blacktail Dam Rural Distribution Part 1- Alternate

Schultz presented Carstensen Contracting Balancing Change Order #10 in the amount of \$109,874.59 and the Final Inspection and Acceptance to the board for their approval. **Brostuen made a motion to approve Change Order #10 and accept the Final Inspection and Acceptance, Koeser seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Owan (also voting for Haake)
NAY: 0
CARRIED: 7-0

R & T North Tioga Rural Distribution

Schultz presented Carstensen Contracting Change Order #6 in the amount of \$174,814.00 for the materials and installation of work relating to the Arnegard Bulk Connection and the Certificate of Substantial Completion to the board for their approval. **Rust made a motion to approve Change Order #6 and accept the Certificate of Substantial Completion, Koeser seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Owan (also voting for Haake)
NAY: 0
CARRIED: 7-0

BDW Rural Distribution Part 1 Base and Alternate

Schultz presented Carstensen Contracting Final Inspection and Acceptance for the base project and a Balancing Change Order #9 in the amount of \$55,916.00 for the Alternate and the Final Inspection and Acceptance for the Alternate to the board for their approval. **Koeser made a motion to approve Change Order #9 and accept the Final Inspection and Acceptance for the base and alternate projects, Brostuen seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Owan (also voting for Haake)
NAY: 0
CARRIED: 7-0

R & T Stanley Rural Distribution Part 1

Schultz presented Carstensen Contracting Balancing Change Order #3 in the amount of a decrease of (\$217,667.50) and the Final Inspection and Acceptance to the board for their approval. **Rust made a motion to approve Change Order #3 and accept the Final Inspection and Acceptance, Brostuen seconded.**

AYE: Rust (also voting for Anderson), Brostuen, Brandt, Koeser, Owan (also voting for Haake)
NAY: 0
CARRIED: 7-0

R & T White Earth West Rural Distribution

Schultz presented Carstensen Contracting Balancing Change Order #6 in the amount of \$63,460.92 and the Certificate of Substantial Completion and the Final Inspection and Acceptance to the board for their approval. **Koeser made a motion to approve Change Order #6 and accept the Certificate of Substantial Completion and Final Inspection and Acceptance, Rust seconded.**

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

NAY: 0

CARRIED: 7-0

WRWD East Hwy 1804 Transmission Main

Schultz presented Carstensen Contracting Change Order #1 to adjust the contract completion date due to delays from the SRF approval to the board for their approval. **Rust moved to approve Change Order #1, Brostuen seconded.**

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

NAY: 0

CARRIED: 7-0

SWC Grant Requests

The SWC \$60M Grant request #22-092117 and the SWC \$39.5M Grant request #37-092117 were presented to the board for their approval. **Brostuen moved to approve the SWC grant requests, Rust seconded.**

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

NAY: 0

CARRIED: 7-0

11:00am Koeser left the meeting.

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

Schultz reported that we are still waiting for approval on some SRF projects. Construction will begin once the SRF approval is received.

Wirtz reported that there will be a series of court cases concerning easement acquisitions. The WAWSA staff may have to testify at the hearings.

Rust made a motion to adjourn, Brostuen seconded.

Carried.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary