

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office December 21, 2017**

Attendees

Members Present: Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan, and Denton Zubke.

Members Absent: Bert Anderson, Chris Brostuen, Raoul Brandt, Gary Rust and Gene Veeder.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Tami Norgard (Vogel Law Firm) via phone, Dustin Schultz (AE2S), Cory Chorne (AE2S) via phone, Steve Burian (AE2S) via phone, Jeff Shaffer (MCWRD), Kent Bickler (R & T), Todd Pokrzywinski (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Tana Baugh (WAWSA), Michelle Miller (WAWSA), Mike Harness (WAWSA), Kenny Bergstrom (City of Williston) and Ben Clarys (WRWD).

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, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

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

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

NAY: 0

CARRIED: 8-0

Financial Report

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

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

NAY: 0

CARRIED: 8-0

Schilke presented the board with \$15,521.92 in commercial accounts receivables and \$48,729.93 in industrial accounts receivables that are considered uncollectable. There accounts have been turned over for collections. **Koeser made a motion to charge off the accounts, Haake seconded.**

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

NAY: 0

CARRIED: 8-0

Executive Director's Report

New Employee

Wirtz introduced Michelle Miller who was hired as the new Accounting Assistant; she will fill the position left open by Tana Baugh's resignation.

System Updates

Wirtz gave an update on the system. He reported on the line break 6 miles north of Williston.

Industrial Sales

The industrial sales for November were \$1,437,677.00.

Hot Water Provider

Wirtz reported to the board that a company is interested in heating water at the Watford City and North Williston Depots for three to four months out of the year. The company would purchase the water from WAWSA and handle their own invoicing. **Liesener made a motion to give the Executive Committee the authority to approve a Water Purchase Agreement for heating water, Haake seconded.**

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

NAY: 0

CARRIED: 8-0

ND Rural Water Conference

Wirtz notified the board of the ND Rural Water Annual Water Systems EXPO & Conference will be February 13th - 15th.

Fourth Amendment to Member Agreements

The Fourth Amendment to Member Agreements was approved at the November board meeting. The NDIC requested an amendment to the language in Section B removing reference to the state auditor. **Zubke made a motion to approve the revised Amendment to the Member Agreement, Koeser seconded.** The Amendment will be forwarded to the Member Entity and Sub-members for their signatures

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

NAY: 0

CARRIED: 8-0

City of Ray

WAWSA received a request from the City of Ray for cost share for the Elevated Water Tank in the amount of \$102,151.35. Wirtz let the board know that WAWSA has paid for the telemetry cost requested and he recommended paying \$10,276.35 for cost share. **Zubke made a motion to pay the City of Ray \$10,276.35 in cost share, Liesener seconded.**

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

NAY: 0

CARRIED: 8-0

Koeser made a recommendation to amend the motion to include \$2500.00 in labor that was not included in the original motion for a total of \$12,776.35, Haake seconded.

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

2018 Budget

The board was presented the 2018 General and Industrial budgets for their approval. The budgets do not reflect a water rate increase for 2018. **Liesener moved to approve the 2018 WAWSA budgets as presented, Haake seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

2018 Industrial Rates

The 2018 Industrial Reimbursement Rates have been approved by the NDIC and Wirtz asked the board to for their approval. The only change from last year is an \$.11 increase in the MCWRD rate. **Zubke moved to approve the 2018 reimbursement rates, Koeser seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

AE2S 2018 Rate Increase

Chorne presented AE2S's 2018 Hourly Fee and Expense Schedule to the board. The 2.41% rate increase reflects AE2S's 2017 rates for the 2018 year. **Koeser moved to accept the rate increase, Haake seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

2018 Executive Director Salary

Chairman Owan recommended a 2018 salary increase of 3.5% for Executive Director Wirtz. **Haake moved to approve the 3.5% salary increase for 2018, Koeser seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

Domestic Loan Payments

Wirtz reported that the auditors recommended that the over payments from the WAWSA Members for domestic loans that is held in the Member Debt Allocation Reserve Account be paid on the principal of the loans or WAWSA defer collecting for the loans for 2018. **Zubke made a motion to defer collecting for the loans until 2019, Koeser seconded.** There was discussion by the board. Zubke withdrew his motion.

Liesener made a motion to pay down the principal on the three domestic loans equally with the funds available in the Member Debt Allocation Reserve Account, Zubke seconded.

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

NAY: 0
CARRIED: 8-0

January Board Meeting

Wirtz reported that Stantec Consulting Service who is doing the Industrial Feasibility Study would like to meet with the WAWSA board would like to meet with the WAWSA Board on Wednesday January 17th. The board agreed to move the January board meeting to Wednesday January 17th to accommodate the meeting with Stantec Consulting.

WAWSA- Watford City South By-Pass Cost Share

Wirtz reported on the cost share for the WAWSA 16" pipeline installed by Watford City and the Watford City 12" pipeline installed by WAWSA. WAWSA will pay the City of Watford City \$599,844.01 and the City of Watford City will pay WAWSA \$764,360.59 for a difference of \$164,516.58. **Koeser made a motion to issue the City of Watford City a check for \$599,844.0, Zubke seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

Project Updates

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

R&T North Tioga Rural Distribution

Schultz presented Carstensen Contracting Change Order #7 in the amount of \$131,800.00 for the materials and installation of work associated with additional users added to the project to the board for their approval. **Zubke made a motion to approve Change Order #7, Koeser seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

Engineering Task Orders

Chorne presented \$1,544,800.00 in Engineering Task Orders for the board approval.

- Task Order 51A-1 – White Earth East Rural Distribution Amendment
- Task Order 52a – 200K North Transmission Main Amendment
- Task Order 55 – Williston Regional WTP Pretreatment expansion & Superstructure
- Task Order 56 – MCWRD 2018 Storage Improvements *
- Task Order 57 – Phase V 2018 Program Management

Haake made a motion to approve the Engineering Task Orders, Koeser seconded.

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

Carstensen Pay Request – Hess Add On

Wirtz presented a pay request in the amount of \$68,400.00 from Carstensen Contracting for adding on Hess. Hess will reimburse WAWSA for the cost. **Koeser made a motion to approve Carstensen Contracting pay request, Zubke seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

SWC Grant Requests

The SWC \$60M Grant request #25-122117, SWC \$39.5M Grant request #40-122117 and the SWC \$8.75M Grant request 2-122117 were presented to the board for their approval. **Liesener moved to approve the SWC grant requests, Zubke seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

Merryman Excavation

Wirtz reported that WAWSA owes Merryman for the Keene Loop, MCWRD System 4 Parts 1, 2, & 3 and the Williston By-Pass and Merryman owes WAWSA for some leaks and reclamation work with a difference of WAWSA owing Merryman \$13,063.67. Wirtz ask the board to accept the close out of Merryman projects including the Keene Loop, MCWRD System 4 Parts 1, 2, & 3 and the Williston By-Pass and give the Executive Committee the flexibility to adjust the amount payable to Merryman. **Liesener moved to give the Executive Committee the authority to close out the Merryman projects, Zubke seconded.**

AYE: Koeser (also voting for Brostuen), Liesener (also voting for Brandt), Zubke (also voting for Veeder), Haake and Owan
NAY: 0
CARRIED: 8-0

Chairman Owan adjourned the meeting.



Chris Brostuen, Vice-Chairman



Kim Schilke, Secretary