

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office February 22, 2018**

**Attendees**

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

Members Absent: Bert Anderson, Ward Koeser, Richard Liesener, Mark Owan and Gene Veeder.

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Tami Norgard (Vogel Law Firm), Jordan Weir (Vogel Law Firm), Weston McGruder (AE2S), Cory Chorne (AE2S), Jason Slater (WAWSA), Jacob Monson (WAWSA), Michelle Miller (WAWSA), Dave Tuan (City of Williston), Liz Suhr (R & T), Ben Clarys (NWRWD), Jeff Shaffer (MCWRD) and Ralph Reddel (Bakken Industries) and DeWin Madill (Bakken Industries).

**Meeting Called to Order**

Vice-Chairman Brostuen called the meeting to order at 9:00am.

**Approval of Agenda**

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the January 17, 2018 board meeting were presented for approval. **Haake moved to approve the meeting minutes as presented, Rust seconded.**

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

NAY: 0

CARRIED: 9-0

**Financial Report**

The January General financial reports and the January Industrial financial reports were presented for consideration and discussion. Invoices from Triple S Enterprises (for line break expenses) and Aquanox (for two weir gates for the pretreatment at the Williston Water Treatment Plant) were presented to the board for their approval to pay. **Zubke moved to accept the financial reports as presented and authorize payment of the invoices with the understanding that the Triple S Enterprises invoice be recommended for approval by the NDIC and be paid from the industrial account, Haake seconded.**

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

NAY: 0

CARRIED: 9-0

**Executive Director's Report**

**System Updates**

Wirtz gave an update on the system. He reported on the pipeline breaks. The problem has been with the couplers that were used during installation. Zubke asked that Norgard do a search to see if there is a history of the coupler and the fused pipe failing.

### **Industrial Sales**

The industrial sales for January were \$1,168,411.00.

Wirtz reported on the SWC and NDIC meetings.

### **Industrial Expenses**

Wirtz reported that WAWSA will be submitting the engineering expenses for industrial connections to the NDIC for approval to be reimbursed by industrial revenues. The request will be presented to the WAWSA board at the March meeting.

### **Hot Water Agreement**

Bakken Industries, LLC and WAWSA are negotiating an agreement for Bakken Industries to supply hot water at the North Williston and Watford City Depots. The Executive Committee will approve the final agreement.

### **Draft Notice of Non-Availability of Project Water for County Recorder**

Wirtz presented a draft of a Notice of Non-Availability of Project Water that would be filed with the County Recorders. The notice will be filed on all lands of a landowner who did not grant WAWSA or Member Entities an easement voluntarily. **Zubke moved to approve the Notice of Non-Availability of Project Water document, Rust seconded.** The board recommended that the WAWSA Members and Sub-members adopt a policy for filing a Notice of Non-Availability of Project Water.

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

NAY: 0

CARRIED: 9-0

### **Policy Amendments**

Wirtz presented amendments to WAWSA's Operations Policy 5.22 Availability of Project Water for Voluntary Acquisition of Right of Way and Policy 5.23 Location of Lines – Easement Requirements. **Haake made a motion to approve the policy amendments, Zubke seconded.** The board recommended that the WAWSA Members and Sub-members adopt the easement policy.

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

NAY: 0

CARRIED: 9-0

### **Easement Procurement Procedures**

Jordan Weir with Vogel Law Firm addressed the board concerning the process of procuring easements from landowners who do not want to voluntarily sign an easement.

### **Capital Reserve Account**

Wirtz present the Supplemental Indenture and the Resolution Authorizing Supplemental Indenture to the board for their approval. The purpose of the indentures is to clarify the use of the Capital Reserve Account that is required per the Utility

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

**Armstrong Water Solution-MDU Interruptible Gas Service Agreement**

Armstrong Water Solution and MDU have a Gas Service Agreement which included a deficiency payment for gas not purchased by Armstrong. WAWSA has been putting 2¢ per barrel in an escrow account to pay the annual deficiency payment. The total balance of the deficiency is \$1.3M. WAWSA offered MDU the balance in the escrow account to buy down the deficiency payment. MDU rejected the offer. The board directed Wirtz to contact Armstrong to see if they would be willing to contribute to the deficiency payment. **Zubke made a motion to allow the Executive Committee to continue negotiations with MDU, Rust seconded.**

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

**Project Updates**

Weston McGruder presented a current water demand report and the capital accounting for January.

**Engineering Task Order Amendment**

McGruder presented Amendment No.3 to the Watford City South By-Pass Task Order #41 to the board for their approval. **Zubke moved to approve the amendment, Haake seconded.**


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

**SWC Grant Requests**

The SWC \$60M Grant request #27-011718, SWC \$39.5M Grant request #42-011718 and the SWC \$8.75M Grant request 4-1011718 were presented to the board for their approval. **Zubke moved to approve the SWC grant requests, Rust seconded.**

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

Vice-Chairman Brostuen adjourned the meeting.

  
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Mark Owan, Chairman

  
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Kim Schilke, Secretary