

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office July 19, 2018**

Attendees

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

Members Absent: Bert Anderson, Chris Brostuen and Richard Liesener.

Others Present: Todd Pokrzywinski (WAWSA), Kim Schilke (WAWSA), Dustin Schultz (AE2S), Cory Chorne (AE2S), Tami Norgard (Vogel Law Firm), Jason Slater (WAWSA), Jacob Monson (WAWSA), Ben Clarys (NWRWD), Liz Suhr (R & T), Jeff Shaffer (MCWRD), Mark Limpert (SEH), Justin Smith (City of Watford City), Rick Jore (City of Watford City) and David Drovdal.

Meeting Called to Order

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

Approval of Agenda

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the June 21, 2018 board minutes were presented for approval. **Haake moved to approve the minutes as presented, Rust seconded.**

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

NAY: 0

CARRIED: 10-0

Financial Report

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

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

NAY: 0

CARRIED: 10-0

Schilke requested that the board approve charging off 7-S Trucking's past due balance of \$5,688.59. WAWSA had a judgement on 7-S Trucking and was able to receive 75% of the past due amount. **Zubke made a motion to charge off the 7-S Trucking account, Koeser seconded.**

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

NAY: 0

CARRIED: 10-0

Executive Director's Report

System Updates

Pokrzywinski gave a system update. He also reported that he has been contacted by several companies for longer term industrial water contracts. The board discussed the need for language in longer term water contracts to allow adjusting the industrial water rate annually. **Koeser made a motion that Chairman Owan create a committee to review the WAWSA industrial water contracts and bring back suggestion to the full board, Veeder seconded.** Pokrzywinski was instructed not to sign any long-term contracts until the committee meets.

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

NAY: 0

CARRIED: 10-0

David Drovdal

Mr. Drovdal address the WAWSA board. He thanked the board for their service. Mr. Drovdal has a water pipeline installed on his land and wanted to share a few concerns and suggestion to the board concerning easement acquisition and pipeline installation. He addressed the WAWSA policy of Non-Availability of Water to landowners that WAWSA has paid any amount above the typical amount paid to a landowner for a transmission line or distribution line. Mr. Drovdal is one of those landowners; he disagrees with the policy and wants to obtain water on his farm someday.

Industrial Sales

Schilke reported the industrial sales for June were \$1,339,058.00.

City of Watford City

Rick Jore with the City of Watford City addressed the WAWSA board concerning the 2010 Baseline Sales that have not been paid to the city since 2016. He asked if the there was anyway WAWSA could pay the City of Watford City \$100,000.00 annually to cover their debit reimbursement. Zubke reminded him that all the member entities have given up the baseline sales until the end of 2019. Owan mentioned that industrial sales are increasing which could mean that baselines sales payments may be made at the end of 2019.

Proposed WAWSA By-laws Revision

Norgard reviewed the proposed WAWSA By-laws Revisions. Revision to the by-laws are Section 3.03 adding the following language: *Appointed Directors may also automatically be disqualified and removed from board service pursuant to Section 4.10.*

New Section 4:10 Attendance Requirements. If any Appointed Director is absent for six consecutive meetings, unless due to medical excuse, the Appointed Director is in breach of their obligations and will be disqualified to serve and removed from the Board. Prospective members of the Board shall be issued copies of the attendance policy and asked to commit themselves to observing its terms. When any Appointed Director has been removed from the Board under this provision, the Board will work with the respective Member to promptly initiate a process to recruit a new Appointed Director.

Zubke made a motion to approve the By-law revisions to Section 3.03 and Section 4.10, Rust seconded.

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

NAY: 0

CARRIED: 10-0

Carstensen Contracting

Brad Carstensen address the board via phone about Mountrail County's rule that a temporary approach must be built for each road crossing and requiring a \$4,000.00 cash bond for each crossing. Carstensen is submitting a change order of \$11,000.00 for the cost incurred on the West White Earth Project. Schultz with AE2S stated the Stanley project fees and expense would be Carstensen's responsibility since they were aware of the expense and fees before bidding the

Stanley project. A Mountrail County representative will be asked to come to the next WAWSA board meeting to explain the need for the approach permit fees and construction of temporary approaches.

Project Updates

Dustin Schultz presented a current water demand report and the capital accounting for June.

Williams Plumbing and Heating

Schultz presented Williams Plumbing and Heating Revised Final Inspection and Acceptance on the Williston Regional WTP Phase III Improvements to the board for their approval. **Zubke made a motion to accept the Final Inspection and Acceptance, Rust seconded.**

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

NAY: 0

CARRIED: 10-0

R & T West White Earth Dist.

Schultz presented Carstensen Change Order #2 in the amount of \$11,000.00 for the Mountrail County temporary approach permit fees and installation to the board for their approval. **Zubke made a motion to approve Change Order #2, Koeser seconded.**

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

NAY: 0

CARRIED: 10-0

SWC Grant Requests

The SWC \$60M Grant request #32-071918 and the SWC \$20M Grant request #9-071918 were presented to the board for their approval. **Zubke moved to approve the SWC grant requests, Haake seconded.**

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

NAY: 0

CARRIED: 10-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary