

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office November 15, 2018**

Attendees

Members Present: Chris Brostuen, Ellis Haake, Ward Koeser, Larry Novak (MCWRD Alternate), Gary Rust and Mark Owan (via phone).

Members Absent: Doug Anderson, Raoul Brandt, Richard Liesener, Gene Veeder and Denton Zubke.

Others Present: Curtis Wilson (WAWSA), Kim Schilke (WAWSA), Dustin Schultz (AE2S), Cory Chorne (AE2S), Shawn Gaddie (AE2S) via video, Ryan Graf (AE2S) via video, Seth Thompson (Vogel Law Firm), Kent Reierson (Crowley Fleck Attorneys), Todd Pokrzywinski (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Michelle Miller (WAWSA), Ben Clarys (NRWD), Liz Suhr (R & T), Craig Haskins (R & T), Jeff Shaffer (MCWRD), Jill Helmuth (MCWRD), Justin Smith (City of Watford City), Rich Slagle (Moore Engineering), Kevin Bucholz (Moore Engineering), Kent Ritterman (Moore Engineering), David Sprynczynatyk (HDR Engineering) and Jonathan Sickler (Attorney for AE2S) via phone.

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 as presented, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the October 15, 2018 Executive Committee, the October 18, 2018 board meeting and the November 1, 2018 special board meeting were presented for approval. **Owan moved to approve the minutes as presented, Haake seconded.**

AYE: Haake, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson, Brostuen and Owan.

NAY: 0

CARRIED: 8-0

Financial Report

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

AYE: Haake, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson, Brostuen and Owan.

NAY: 0

CARRIED: 8-0

NDIC Industrial Expenditure Reimbursement Request

A NDIC reimbursement request for \$56,010.04 for upgrades to the Alexander and Indian Hills pumps and upsizing 3 miles of pipe was presented for the board to approve. The reimbursement request will be presented to the NDIC for approval to be reimburse from the industrial account. **Haake moved to approve the NDIC reimbursement requests, Rust seconded.**

AYE: Haake, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson, Brostuen and Owan.

NAY: 0

CARRIED: 8-0

Executive Director's Report

System Updates

Wilson gave an update of the WAWSA system. He reported that things have been operating smoothly. One issue that happen was an industrial user pulled more water per minute than they were authorized causing some customer to not have water for a short time. Flow controllers will be installed on the meters in the meter trailers. Wilson would like a policy for fines and penalties to be accessed for violating the contract water flow limits.

NDIC/State Water Commission Update

The NDIC approved the industrial capital improvements in the amount of \$2,205,519.56. Wilson will be attending the November 20th meeting at which time he will present a rate reimbursement request for the Watford City Reused water from \$1.27/1000 gallons to \$1.67/1000 or \$.07 per barrel.

Watford City Water Treatment Plant Budget

Watford City will be including \$150,000.00 in their budget for plant upgrades. Wilson stated he approves these upgrades and they will be included in the 2019 industrial budget.

NDDOT Easement Request

KLJ is requesting an easement for the NDDOT at the Watford City depot; a 10,000 ft strip and an area that would temporarily remove one of our driveways. Wilson agreed with the 10,000 ft strip easement however stated that the drive way cannot be removed and is waiting on KLJ for a response.

2019 Proposed Domestic and Industrial Budgets

The 2019 proposed domestic and industrial budgets were presented to the board for their review. The proposed budgets do not reflect a rate increase; however, the budgets will be adjusted after the rate study to be completed by the December board meeting. The board requested that the depreciation on pipeline be extended from 30 years to 50 years.

Wilson presented an Organizational Chart reflecting a new safety position. The position is being filled internally leaving an operator position open. This position has been budgeted into the 2019 budget.

A question arose concerning BDW status as a WAWSA member since BDW has entered into a Joint Powers Agreement with NWRWD. Kent Reiersen clarified that the Joint Powers Agreement was for the operational aspects of BDW and BDW remains its own entity.

Resolution Approving Issuance

WAWSA was approved for a \$16.5M loan with the Drinking Water State Revolving Fund. The Resolution Approving Issuance was presented to the board for their approval. **Rust moved to approve the Resolution Approving Issuance of the \$16.5M DWSRF loan, Haake seconded.**

AYE: Haake, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson, Brostuen and Owan.

NAY: 0

CARRIED: 8-0

Contract for Engineering Services

Wilson presented the Engineering Services contract with AE2S. The contract has been reviewed by Kent Reiersen (Crowley Fleck Attorneys) and Jonathan Sickler (Attorney for AE2S). Reiersen reviewed the contract, noting changes from the base contract, with the WAWSA board. The Standard Form Agreement is what future task orders are based on. The task orders will have the details of each project and would allow WAWSA to involve other engineering entities on a project. The contract would be effective as of January 1, 2019 for a term of three (3) years. Wilson recommended approving the contract. **Koeser made a motion to approve the three-year contract with AE2S, Haake seconded.**

AYE: Haake, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson, Brostuen and Owan.
NAY: 0
CARRIED: 8-0

WAWSA Member Domestic Debt

Shawn Gaddie and Ryan Graf, AE2S Nexus, reported on the status of the Drinking Water SRF loan and that the rate study will be presented at the December WAWSA board meeting.

Break

11:35am Owan left the meeting

11:45am Kent Reiersen left the meeting

Trenton Water Users

Wilson reported to the board concerning Trenton Water Users and the Indian Health Services designing a vault and connection to the WAWSA 36" water transmission line without WAWSA knowledge or authorization. Wilson met with Trenton Water Users concerning this issue which dates back two years. The Indian Health Services designed the expansion and granted a grant to the Trenton Water Users; however Indian Health Services never contact WAWSA about tapping into the 36" water transmission line. Trenton presently receives water from the City of Williston, if Trenton were to change the source of distribution to the WAWSA 36" line then the question would be who would service Trenton; the City of Williston, WAWSA or Northwest Rural Water District. Wilson will report back to the board on the progress of this project.

Project Updates

Schultz presented a current water demand report and the capital accounting for October. He also gave updates on the current project progressions.

Engineering Task Order #54 Amendment #2 - MCWRD System I/IV Expansion Part 1

Schultz presented Engineering Task Order #54 Amendment #2 for additional construction services in the amount of \$25,000.00 to the board for their approval. **Haake moved to approve Task Order #54 Amendment #2, Koeser seconded.**

AYE: Haake, Haake voting for Owan, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson and Brostuen.
NAY: 0
CARRIED: 8-0

2018 Transmission Main Improvements

Schultz recommended awarding the 2018 Transmission Main Improvements Project Contract #3 to low bidder BEK Consulting, Inc. in the amount of \$1,855,890.00. **Koeser made a motion to award the 2018 Transmission Main Improvements Project Contract #3 project to low bidder BEK Consulting, Inc. in the amount of \$1,855,890.00, Rust seconded.**

AYE: Haake, Haake voting for Owan, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson and Brostuen.
NAY: 0
CARRIED: 8-0

SWC Grant Requests

The SWC \$60M Grant monthly request #36-111518 and the SWC \$20M Grant monthly request #13-111518 were presented to the board for their approval. **Koeser moved to approve the SWC grant requests, Haake seconded.**

AYE: Haake, Haake voting for Owan, Novak, Novak voting for Veeder, Koeser, Rust, Rust voting for Anderson and Brostuen.

NAY: 0

CARRIED: 8-0

Rust made a motion to adjourn, Haake seconded.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE

Vice-Chairman Brostuen adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary