

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office December 20, 2018**

Attendees

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

Members Absent: Doug Anderson, Raoul Brandt, Richard Liesener.

Others Present: Curtis Wilson (WAWSA), Kim Schilke (WAWSA), Dustin Schultz (AE2S), Cory Chorne (AE2S), Seth Thompson (Vogel Law Firm), Todd Pokrzywinski (WAWSA), Jason Slater (WAWSA), Jacob Monson (WAWSA), Michelle Miller (WAWSA), Ben Clarys (NWRWD), Melissa Pitman (NWRWD), Craig Haskins (R & T), Jeff Shaffer (MCWRD), Kenny Bergstrom (City of Williston), Rich Slagle (Moore Engineering) and Kent Ritterman (Moore Engineering).

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 as presented, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the November 15, 2018 board meeting were presented for approval. It was noted that Ward Koeser's name was left off the members present in the minutes. **Koeser moved to approve the minutes with the correction, Rust seconded.**

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

NAY: 0

CARRIED: 7-0

Financial Report

The November General financial reports and the November Industrial financial reports were presented for consideration and discussion. Schilke ask for the board to approve charging off Moorhead Electric past due invoice in the amount of \$34,516.84. **Rust made a motion to charge off the Moorhead Electric \$34,516.84 past due invoice, Haake seconded.**

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

NAY: 0

CARRIED: 7-0

9:10am Brostuen joined the meeting via phone

NDIC reimbursement request for \$33,861.70 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.

Koeser moved to approve the financial reports as presented and the NDIC reimbursement request, Veeder seconded.

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

NAY: 0
CARRIED: 8-0

Executive Director's Report

System Updates

Wilson gave an update of the WAWSA system. He reported on the problem with frazzle ice at the Williston water treatment plant. Schutz (AE2S) gave a project construction update. Four projects will be going to bid in January; Williston WTP Pretreatment Expansion & Superstructure, East White Earth, Spring Creek and MCWRD Water Tower.

Arnegard Water Tower

The City of Arnegard has ask that the logo "Arnegard Spuds" be put on the Arnegard water tower. **Haake made a motion to allow the logo "Arnegard Spuds" to be placed on the Arnegard tower, Veeder seconded.** Owan stated that there should be a policy concerning the placement of logos developed.

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

NAY: 0
CARRIED: 8-0

NDIC/State Water Commission Update

Wilson reported the Executive budget has been given to the Legislature. The WAWSA project has asked for \$35M in grant and \$15M in loan for a total of \$50 Million. Projects will be presented to the Member Entities for their input as to proceed or not proceed with a project in their service area.

McKenzie County Building Lease Agreement

A draft lease for the McKenzie County Building Lease Agreement was given to the board for their review. WAWSA would have one enclosed office, two cubicles, shop space, cold storage space and access to the wash bay. WAWSA would pay 5% of the utilities. The agreement was that WAWSA would pay \$500,000.00 upon execution of the agreement and \$250,000.00 at completion of the building. **Koeser made a motion to approve the lease and upon execution by McKenzie County pay the \$500,000.00, Novak seconded.**

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

NAY: 0
CARRIED: 8-0

WAWSA Rate Setting Study and Recommendations

Miranda Kleven, AE2S Nexus, presented the 2019 O&M Rate Analysis via video conference. The analysis covered the rate setting philosophy, domestic rate revenue requirements, 2019 cost of service-based O&M rates and the 2019 rate increase recommendations. The 2019 recommended rate increases are: MCWRD \$4.03/KGAL – no increase, NWRWD/BDW \$3.57/KGAL – a 3.5% increase, R&T \$3.57/KGAL – a 3.5% increase and the City of Williston \$1.98/KGAL a 1.5% increase with a recommendation to increase the rates annually. **Haake made a motion to approve the recommended rate increase of 3.5% for NWRWD/BDW and R & T, 1.5% increase for the City of Williston and no increase for MCWRD, Koeser seconded.**

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

NAY: 0
CARRIED: 8-0

2019 Budgets

The board was given a final 2019 Domestic and Industrial budget reflecting the recommended rate increase. **Rust made a motion to approve the 2019 Domestic and Industrial budgets, Novak seconded.**

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

2019 Organizational Chart

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. **Haake made a motion to accept the chart as presented, Veeder seconded.**

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

Disposal of Equipment

Wilson reported that WAWSA has a grader and trailer that is not being used. He requested that the board approve selling the grader and trailer. **Rust made a motion to authorize Wilson to get an appraisal and sale the grader and trailer, Koeser seconded.**

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

Break

Legal Update

Seth Thompson, Vogel Law Firm, reported to the board on items that Vogel has been working on for WAWSA which include: The Arnegard elevated tower logo agreement, Trenton water service agreement, the McKenzie County building lease, the agreements with Hott H2O LLC for heating water at the depots and reviewing the meter trailer agreement.

Project Updates

Chorne presented a current water demand report and the capital accounting for November. He also gave updates on the current projects' progressions.

MCWRD System I/IV Expansion

Chorne presented a balancing Change Order #3 with a decrease amount of (\$46,877.95) to the board for their approval. **Koeser moved to approve Change Order #3, Veeder seconded.**

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

Chorne presented Carstensen Contracting's Certificate of Substantial Completion and the Final Inspection and Acceptance for the MCWRD System I/IV Expansion Rural Distribution. **Rust made a motion to approve the Certificate of Substantial Completion and the Final Inspection and Acceptance for Carstensen Contracting, Novak seconded.**

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

WAWSA 2019 Program Management Services

Chorne present the 2019 Program Management Services Task Order #61 in the amount of \$120,800.00, **Koeser moved to accept Task Order #61, Haake seconded.**

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

NAY: 0

CARRIED: 8-0

SWC Grant Requests


The SWC \$60M Grant monthly request #37-122018 and the SWC \$20M Grant monthly request #14-122018 were presented to the board for their approval. **Rust moved to approve the SWC grant requests, Haake seconded.**

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

NAY: 0

CARRIED: 8-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary