

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office August 15, 2019**

Attendees

Members Present: Doug Anderson, Raoul Brandt, Vawnta Best, Chris Brostuen, Ellis Haake, Ward Koeser, Larry Novak, Mark Owan, and Gary Rust.

Members Absent: Richard Liesener

Others Present: Curtis Wilson (WAWSA), Kim Schilke (WAWSA), Dustin Schultz (AE2S), Cory Chorne (AE2S), Seth Thompson (Vogel Law Firm), Tami Madsen (WAWSA), Jason Slater (WAWSA), Liz Suhr (R & T), Craig Haskins (R & T), Ben Clarys (NWRWD), Jeff Shaffer (MCWRD), Kent Ritterman (Moore Engineering), Kevin Bucholz (Moore Engineering), Tom Klabunde (Moore Engineering), Andrea Boe (AE2S) and Dave Bell (City of Williston).

Meeting Called to Order

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

Approval of Agenda

The agenda was presented for approval. Wilson requested to add two items under the Executive Director's report. Item #6 a change order to Task Order #55 "Williston WTP Pretreatment Phase 3" and item #7 an amendment to Task Order #57 "2018 Program Management Services". **Brostuen moved to approve the amended agenda, Haake seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the July 18, 2019 board meeting were presented for approval. **Rust moved to approve the minutes as presented, Koeser seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.

NAY: 0

CARRIED: 9-0

Financial Report

The July General financial reports and the July Industrial financial reports were presented for consideration and discussion. **Rust moved to approve the financial reports as presented, Haake seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.

NAY: 0

CARRIED: 9-0

NDIC Industrial Reimbursement

NDIC reimbursement request for \$132,978.01 for upgrades to the Alexander and Indian Hills pumps and upsizing 3 miles of pipe and construction on the Watford City ground water line replacement 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 made a motion to approve the request, Haake seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.

NAY: 0

CARRIED: 9-0

System Updates

Wilson gave updates to the system. He reported that the reservoirs are in the process of being inspected. The Ray High Point reservoir has a leak and the foundation is compromised. It will take significant work to repair the reservoir. The construction company that constructed the tank is out of business. Additional storage will have to be built before the existing tank can be taken out of service to repair.

Wilson advised the board that Castle Oilfield Services owes WAWSA for a spill cleanup at a depot and refuses to pay despite their lawyer's recommendation. The Department of Environmental Quality has been notified about the spill.

SWC Report

Owan gave an update on the State Water Commission meeting.

Industrial Sales Report

Wilson reported the industrial sales for July were \$757,535.00.

9:45am Brandt left meeting

Moore Engineering

Wilson presented Moore Engineering pay request for the design & bidding services for depot upgrades in the amount of \$107,000.00. Due to the bids coming higher than estimated and low industrial water sales the projects have been put on hold. **Koeser made a motion to approve the pay request, Rust seconded.**

AYE: Haake, Novak, Koeser, Anderson, Rust, Best, Brostuen and Owan.

NAY: 0

CARRIED: 8-0

9:50am Brandt rejoined meeting

2019-2021 Biennium Phase 6 Proposed System Improvements/Expansion

Wilson presented the board with the 2019-2021 biennium proposed system improvements projects for their approval. The proposed projects cost is \$55,000,000.00 funded with 75% grant and 25% loan. Proposed system improvements are:

R&TWSCA - East White Earth Rural Distribution Alternates	\$6,000,000
R&TWSCA- West White Earth Rural Distribution Alternates	\$3,000,000
R&TWSCA - Service to Powers Lake	\$5,000,000
R&TWSCA - Service to Stanley - Phase II	\$12,000,000
R&TWSCA - Stanley Rural Distribution - Part 2	\$5,000,000
MCWRD - System I Expansion - Part 2	\$7,000,000
NWRWD - North 200K Rural Distribution	\$3,500,000
NWRWD - 29 Mile Rural Distribution	\$8,500,000
Williston Water Treatment Plant Expansion* I	\$5,000,000

Haake made a motion to approve the 2019-2021 Biennium Phase 6 Proposed System Improvements/Expansion projects in the amount of \$55,000,000, Rust seconded.

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.

NAY: 0

CARRIED: 9-0

Wilson presented an Agreement for Cost Share Reimbursement, for the Phase 6 projects, with the ND State Water Commission in the amount of \$5,476,000 for the environmental clearance, easement acquisition, and final design of the projects and to be able to begin construction of the pipeline projects in late 2019 and early 2020. **Haake made a motion to approve the Cost Share Agreement as presented, Koeser seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.

NAY: 0
CARRIED: 9-0

Wilson requested the board's approval to move forward with the loan application for the 25% loan cost share of the 2019-2021 biennium project cost. The domestic loan request would be for \$16.5M. **Koeser made a motion to approve the application for a \$16.5M DWSRF loan, Brostuen seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.
NAY: 0
CARRIED: 9-0

Wilson asked AE2S to begin work on the DWSRF loan application for the \$16.5M loan.

10:10am Best left meeting

Williston Regional WTP Pretreatment Part III

Wilson reported to the board that the Williston Regional WTP would like to have a freight elevator repaired. The elevator does not pass inspections. The cost to repair the elevator would be approximately \$197,457.00. **Koeser made a motion to pay up to \$197,457.00 to repair the freight elevator, Haake seconded.**

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

10:15am Koeser left meeting

2018 Program Managements Amendment

Task Order #57 "2018 Program Managements" budget was \$102,000.00 hourly rate; however, the actual amount paid on the task order was \$202,000.00. Because this amount has been submitted for SRF funding they have asked for an amendment to the task order. The reason for the increase is because of the member benefit analysis and the assistances with the Executive Director search. **Larry made a motion to approve the amendment to the 2018 Program Management task order, Anderson seconded.**

AYE: Haake, Novak, Brandt, Anderson, Rust, Brostuen and Owan.
NAY: 0
CARRIED: 7-0

10:20am Koeser and Best rejoined meeting

Legal Updates

Seth Thompson gave an update on the legal items he is working on. He reported the DEQ has control over the Castle Oilfield spill. He suggested looking at the performance bond on the contractor for the Ray High Point reservoir that is leaking.

Project Updates

Schultz presented a current water demand report and the capital accounting for July. He also presented the project updates for the board.

AE2S Engineering Task Orders

Schultz presented the following task orders for the board's approval.

Task Order #63 R&T East White Earth Rural Dist. Alternate	\$386,000.00
Task Order #64 R&T West White Earth Rural Dist. Alternate	\$195,000.00
Task Order #65 R&T Service to Powers Lake	\$337,000.00 (tabled)

Task Order #66 R&T Service to Stanley Part 2	\$740,000.00
Task Order #67 R&T Stanley Dist. Part 2	\$351,000.00
Task Order #68 MCWRD System 1 Expansion Part 2	\$450,000.00
Task Order #69 NWRWD North 200k Rural Dist.	\$230,000.00
Task Order #70 Williston Regional WTP Expansion Phase 5	\$3816,000.00

Wilson recommended Task Order #65 be tabled and all other task orders be approved. **Rust made a motion to approve Task Orders 63,64,66,67,68,69 and 70, Haake seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.
 NAY: 0
 CARRIED: 9-0

Moore Engineering Task Order

Wilson presented Moore Engineering Task Order #1 for the NWRWD 29 Mile Area Rural Distribution for \$526,500.00 to the board for their approval. **Koeser made a motion to approve Task Order #1, Novak seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.
 NAY: 0
 CARRIED: 9-0

SWC Grant Requests

The SWC \$20M Grant monthly request #23-081519 was presented to the board for their approval. **Haake moved to approve the SWC grant requests, Koeser seconded.**

AYE: Haake, Novak, Brandt, Koeser, Anderson, Rust, Best, Brostuen and Owan.
 NAY: 0
 CARRIED: 9-0

Rust moved to adjourn; Haake seconded.

Chairman Owan adjourned the meeting.



 Chris Brostuen, Vice Chairman



 Kim Schilke, Secretary