

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office October 17, 2019**

Attendees

Members Present: Doug Anderson, Vawnta Best, Raoul Brandt, 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), Miranda Kleven (AE2S), Perry Johnson (AE2S), Seth Thompson (Vogel Law Firm), Tami Madsen (WAWSA), Jason Slater (WAWSA), Sabrina Sims (WAWSA), Craig Haskins (R & T), Ben Clarys (NWRWD), Jeff Shaffer (MCWRD), Kent Ritterman (Moore Engineering), Justin Smith (Watford City), Kenny Bergstrom (City of Williston) and Roger Krueger (GPBG).

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 item #11 Change Order #1 to Task Order 55 Williston WTP Pretreatment to the Executive Directors Report. **Koeser moved to approve the agenda with the addition of item #11, Haake seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Koeser voting for Brostuen, Anderson, Rust, Best, Owan
NAY: 0
CARRIED: 10-0

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the September 19, 2019 board meeting were presented for approval. One correction was noted that Vice Chairman Brostuen adjourned the meeting not Chairman Owan. **Haake moved to approve the minutes with the correction, Rust seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Koeser voting for Brostuen, Anderson, Rust, Best, Owan
NAY: 0
CARRIED: 10-0

Financial Report

The September General financial reports and the September Industrial financial reports were presented to the board for their consideration and discussion. **Rust moved to approve the financial reports as presented, Haake seconded.** Jason Slater reported on Industrial sales.

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Koeser voting for Brostuen, Anderson, Rust, Best, Owan
NAY: 0
CARRIED: 10-0

System Updates

Wilson gave updates to the system. He thanked Larry Novak for helping on securing an easement in McKenzie County. Wilson and Owan gave a brief update on the NDIC and SWC meetings.

9:20am Brostuen joined the meeting.

Resolution Authorizing Filing of Application With The NDDEQ For A \$16.5M DWSRF Loan

Wilson presented Resolution No. 2019-2 for the board's approval.

**RESOLUTION OF GOVERNING BODY OF APPLICANT
RESOLUTION NO. 2019-2**

Resolution authorizing filing of application with the North Dakota Department of Environmental Quality for a Loan under the Safe Drinking Water Act Amendments.

WHEREAS, under the terms of the Clean Water Act, the United States of America has authorized the making of loans to authorized applicants to aid in the construction of specific public projects:

Now, Therefore, BE IT RESOLVED the Western Area Water Supply Authority Board of Directors

1. That Mark Owan, Chairman, be and is hereby authorized to execute and file an application on behalf of the Western Area Water Supply Authority, with the North Dakota Department of Environmental Quality for a loan to aid in the construction of:

The 2019 System Improvements and Expansion Project.

2. That Mark Owan, Chairman, be and is hereby authorized and directed to furnish such information as the North Dakota Department of Environmental Quality may reasonably request in connection with the application which is herein authorized to be filed, to sign all necessary documents, and, on behalf of city, to accept loan offer and receive payment of loan funds.

Koeser moved to approve Resolution No. 2019-2, Anderson seconded.

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan

NAY: 0

CARRIED: 10-0

Resolution Authorizing Filing of Application With The NDDEQ For A \$8.56M DWSRF Loan

Wilson presented Resolution No. 2019-1 for the board's approval

**RESOLUTION OF GOVERNING BODY OF APPLICANT
RESOLUTION NO. 2019-1**

Resolution authorizing filing of application with the North Dakota Department of Environmental Quality for a Loan under the Safe Drinking Water Act Amendments.

WHEREAS, under the terms of the Clean Water Act, the United States of America has authorized the making of loans to authorized applicants to aid in the construction of specific public projects:

Now, Therefore, BE IT RESOLVED the Western Area Water Supply Authority Board of Directors

1. That Mark Owan, Chairman, be and is hereby authorized to execute and file an application on behalf of the Western Area Water Supply Authority, with the North Dakota Department of Environmental Quality for a loan to aid in the construction of:

to acquire ownership of the Williston Water Treatment Plant by exercising the purchase option under the terms of the Williston Output Agreement dated April 18, 2012. With the acquisition of the Water Treatment Plant, WAWSA will create a unified, regional water system that will efficiently and effectively serve the member entities.

2. That Mark Owan, Chairman, be and is hereby authorized and directed to furnish such information as the North Dakota Department of Environmental Quality may reasonably request in connection with the application which is herein

authorized to be filed, to sign all necessary documents, and, on behalf of city, to accept loan offer and receive payment of loan funds.

Haake moved to approve Resolution No. 2019-1, Novak seconded.

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan

NAY: 0

CARRIED: 10-0

Termination of HOTT H2O Contract with WAWSA

Wilson informed the board that there have been problems working with Hott H2O. The hot water heating project they proposed has not be completed and has been at a standstill for some time. Wilson suggested the contract be terminated. Thompson explained WAWSA has grounds to terminate the contract due to breach of contract, not paying for equipment, abandonment of the project and not selling hot water that was required by contract. Hott H2O claims WAWSA owes them approximately \$230,000.00 for the improvements at the Ray depot; however, there is not a cost share agreement between the two parties nor have any supporting documents been presented to WAWSA. WAWSA can terminate the contract or negotiate with Hott H2O to end the contract and possibly avoid additional legal action. **Koeser made a motion to terminate the contract with Hott H2O following termination clauses in the contract, Haake seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan

NAY: 0

CARRIED: 10-0

Employee Handbook Update

Wilson presented the board with a policy update concerning the use of Utility Type Vehicles. **Anderson moved to approved Policy 1.24 Utility Type Vehicle, Rust seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan

NAY: 0

CARRIED: 10-0

2020 Domestic Water Rates

Wilson reminded the board that last year WAWSA had a rate study concerning domestic water rates. Miranda Kleven (AE2S) presented a review of the study and the suggested 2020 rate increase for each member entity;

	2020 Rate (\$/KGAL)	% Change from 2019	\$ Change from 2019
MCWRD	\$4.07	1.0%	\$0.04
NWRWD/BDW	\$3.68	3.0%	\$0.11
R&TWD	\$3.68	3.0%	\$0.11
CITY OF WILLISTON	\$2.01	1.5%	\$0.03

Novak made a motion to approve the domestic water rate increase for 2020, Rust seconded.

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan

NAY: 0

CARRIED: 10-0

Proposal for Board Training

Wilson discussed with the board the benefits of Board of Directors Training. He introduced Roger Krueger President of Great Plains Benefits Group, Inc. GPBG conducts governance training for political subdivisions, private for-profit corporations and not for profit board of directors. The training would consist of a 6-8-hour Board of Directors training session to provide up 10 members of the Boards and their Executive Director with critical information related to their duties and responsibilities as members of a governance board. This information will be summarized in detail in a customized Board of Directors' Handbook which will be provided to all Board Members. We will focus on the

relationship of the Board and its leadership with the Staff culture of the Client's Organizations, specifically the interactions with the Executive Director; confirm a current and appropriate Mission Statement, Organization's Core Values, and Job Descriptions for Board Members and Officers.

Haake moved to approve the board training with GPBG, Novak seconded.

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan
NAY: 0
CARRIED: 10-0

City of Watford City Wastewater Sales Reimbursement

*Vawnta Best declared a conflict of interest with discussions concerning the City of Watford City since the city is her employer.

Justin Smith, City of Watford City, addressed the board concerning their request for a rate increase on the wastewater sold at Watford City. At the September board meeting Smith had asked the board to increase the rate from \$1.67 per kgal to \$5.25 per kgal. Smith noted that half of the year the water is given to the golf course for irrigation and the other half they would like to sell the water. **Koeser moved to deny the request for the increase, Anderson seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Brostuen, Owan
ABSTAIN: Best
NAY: 0
CARRIED: 9-0

Employee Compensation

Third quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 3rd quarter bonus for Executive Director Curtis Wilson. **Haake moved to give Wilson a 10% 3rd quarter bonus based on Chairman Owan's recommendation, Rust seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan
NAY: 0
CARRIED: 10-0

Williston Regional WTP Pretreatment Part 3

Wilson presented Change Order #1 in the amount of \$47,781.00 for an upgrade of a 40 HP Sludge Pump VFD to a 60 HP VFD. There was discussion concerning the need for the pump currently. Wilson recommended the board table the change order until the December meeting. **Rust moved to table the change order request at this time, Haake seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan
NAY: 0
CARRIED: 10-0

Legal Updates

Seth Thompson gave an update on the legal items he has been working on. As well as the Hott H2O contract termination Thompson has been working on contract reviews, easements and the Ray High Point Reservoir leak.

Project Updates

Schultz presented a current water demand report.

Chorne presented the capital accounting for September.

Chorne suggested that AE2S visit with the members on the debt service allocation for the members considering the new \$16.5M SRF loan as well as the water rate increase.

Schultz gave project updates to the board.

Chorne gave a presentation on the leak at the Ray High Point Reservoir. Chorne and Johnson went to the reservoir to assess the leaking and seepage. They feel that the leak is from a pipe and not from a structural failure in the tank. They did see seepage from the tank liner. Chorne will consult with contractors and submitted to Wilson recommendation for the repairs.

NWRWD 29 Mile

Ritterman (Moore Engineering) gave an update on the 29 Mile project. They are working on canvassing and water user sign ups. Currently there are approximately 80 sign ups. The project will go to bid in the spring.

SWC Grant Requests

The SWC \$20M Grant monthly request #25-101719 was presented to the board for their approval. **Haake moved to approve the SWC grant requests, Koeser seconded.**

AYE: Haake, Novak, Brandt, Brandt voting for Leisner, Koeser, Anderson, Rust, Best, Brostuen, Owan

NAY: 0

CARRIED: 10-0

Rust moved to adjourn; Haake seconded.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary