

**Western Area Water Supply Authority
Board of Directors Meeting Minutes
WAWSA Office April 16, 2020**

Due to the concerns about the COVID-19 and public meetings, most of the WAWSA board members, engineers, and legal attended by teleconferencing.

Attendees

Members Present: Ellis Haake, Doug Anderson, and Mark Owan

Members Present via phone or video: Vawnita Best, Raoul Brandt, Chris Brostuen, Ward Koeser, Rick Liesener, Larry Novak and Gary Rust

Members Absent: none

Others Present: Tami Madsen (WAWSA), Kim Schilke (WAWSA), Char Imsland (WAWSA), Dave Bell (City of Williston), Kenny Bergstrom (City of Williston), Tami Norgard (Vogel Law Firm) via video, Weston McGruder (AE2S) via phone, Dustin Schultz (AE2S) via phone, Kent Ritterman (Moore Engineering) via phone, and Rich Slagle (Moore Engineering) via phone.

Meeting Called to Order

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

Approval of Agenda

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the March 19, 2020 board meeting were presented for approval. Anderson noted a correction to the minutes, Haake was listed as present in person and via phone. Haake was present in person for the meeting. **Haake moved to approve the corrected minutes, Liesener seconded.**

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

NAY: 0

CARRIED: 10-0

Financial Report

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

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

NAY: 0

CARRIED: 10-0

System Updates

Madsen updated the Board on the steps that have been taken by WAWSA concerning COVID-19. WAWSA staff is working from home as much as possible and the operators work independently of each other. Contractors will not be working at the Water Treatment Plant.

Revised 2020 Budgets

WAWSA was asked by the Bank of North Dakota to reduce the projected industrial sales due to the downturn in oil activity. Revised 2020 WAWSA Budgets for the Industrial and Domestic, reflecting a 30% decrease in industrial water sales, were presented to the Board for their approval. **Novak made a motion to approve the 2020 revised industrial and domestic budgets, Koeser seconded.**

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

NAY: 0

CARRIED: 10-0

Resolution Approving Issuance of Loan Payment Deferral

Madsen notified the Board that BND would be willing to defer the interest and principal on the four industrial loans that WAWSA is currently making monthly payments on. The interest and principal would be moved to the back of the loans. Scott Wegner with Arntson Stewart Wegner PC will draw up the resolution. Madsen requested that the Board authorize Chairman Owan to sign the resolution. **Haake made a motion to approve the resolution and authorized Chairman Owan to sign the resolution, Anderson seconded.**

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

NAY: 0

CARRIED: 10-0

Employee Compensation

Madsen stated that in reviewing the employee handbook the Board may choose to provide bonuses for employees in an amount up to 10% of their quarterly total compensation. The bonus is a performance bonus with each employee being reviewed quarterly. The payment of future bonuses will be based on market conditions as well as employee performance. Madsen stated that each quarter she will bring her recommendation to award or not award employee bonuses. For the 2020 1st quarter she is recommending payment of employee performance bonuses. **Liesener made a motion to authorize Madsen to pay 1st quarter employee performance bonuses, Haake seconded.**

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

NAY: 0

CARRIED: 10-0

Owan made a recommendation to the Board to give Madsen a 9% 1st quarter bonus. **Haake made a motion to give Madsen a 9% 1st quarter bonus, Anderson seconded.**

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

NAY: 0

CARRIED: 10-0

AE2S's 2020 Rate Increase

AE2S's 2020 rate increase request was presented to the Board. The rate increase occurred on January 1, 2020. Owan recommended that WAWSA not approve the increase. **Anderson made a motion to deny AE2S's request of a rate increase, Haake seconded.**

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

NAY: 0

CARRIED: 10-0

Effective April 1, 2020, AE2S's engineering fees will be reduced to the 2018 engineering fees that WAWSA was being charged.

Project Updates

McGruder presented a current water demand report and the April capital accounting.

McGruder gave the current project updates.

Williston Regional WTP Pretreatment – Part III

McGruder presented the American General Contractor's change order #5 for \$63,753.00 for a jack replacement, turbidimeter changes, rake rail, and other items.

McGruder presented the Muth Electric Inc. change order #2 for \$17,547.00 for electrical work for elevator modernization.

Novak made a motion to approve American General's change order #5 and Muth Electric's change order #2, Anderson seconded.

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

NAY: 0

CARRIED: 10-0

29 Mile Project

Ritterman gave an update on the 29 Mile project. The project may go to bid at the end of May.

SWC Grant Requests

SWC \$20M Grant monthly request #31-4162020 and SWC \$5,476K monthly request #6-4162020 were presented to the Board for their approval. **Haake moved to approve the SWC grant requests, Anderson seconded.**

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

NAY: 0

CARRIED: 10-0

Executive Session for Discussion on legal advice concerning Contract Negotiations and Easement Acquisition

Anderson made a motion to enter into executive session, Haake seconded.

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

NAY: 0

CARRIED: 10-0

10:15 am entered into the executive session.

Rust made a motion to leave the executive session, Haake seconded.

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

NAY: 0

CARRIED: 10-0

11:10 am exited executive session and entered into an open meeting

Continental Resources, Inc.

Haake made the motion to approve the Bulk Industrial Water User Customer Agreement for Maintenance Water with Continental Resources, Inc., Anderson seconded.

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

Elkan, Inc.

Anderson made a motion to have 50% of the balance on the Elkan contracted minimum water take due now, 25% due in the 3rd quarter and the balance due in the 4th quarter of 2020 and to authorize Tami Madsen to negotiate a new contract with the price per barrel remaining at the current rate up to 45 days until the new contract is negotiated, Haake seconded.

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

Easement Acquisition

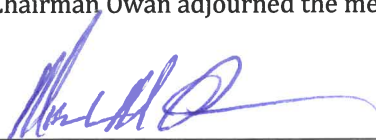
Anderson made a motion to offer Larry Erie, Darryl Erie, Lauren and LaDonna Roloff, Patricia Van Berkom, Arvine Olson, and Janice Horn \$250.00 per acre for their easement, Haake seconded.

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

For those remaining individuals the board will consider condemnation at the next board meeting.

Haake moved to adjourn; Anderson seconded.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary