

**Western Area Water Supply Authority
Board of Directors Meeting Minutes
WAWSA Office May 21, 2020**

Attendees

Members Present: Doug Anderson, Chris Brostuen, Ellis Haake, Ward Koeser and Mark Owan

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

Members Absent: none

Others Present: Tami Madsen (WAWSA), Kim Schilke (WAWSA), Tami Norgard (Vogel Law Firm) via video, Weston McGruder (AE2S), Cory Chorne (AE2S), Kent Ritterman (Moore Engineering), Dave Bell (City of Williston), Kenny Bergstrom (City of Williston), Grace Demars (City of Watford City), Ben Clarys (NWRWD), Shane Peterson (Elkan Water), Drew Poeckes (WDW), Chris Barke (WAWSA) and Jacob Monson (WAWSA).

Meeting Called to Order

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

Approval of Agenda

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

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the April 16, 2020 board meeting were presented for approval. **Koeser moved to approve the minutes as presented, Brostuen seconded.**

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

NAY: 0

CARRIED: 10-0

Financial Report

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

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

NAY: 0

CARRIED: 10-0

Project Funds Savings

Schilke asked the Board for approval to close the Project Fund Savings and transfer the funds to the Reserve Checking. The Project Fund was set up for the building purchase and remodel and has not been used in over two years. **Koeser made a motion to approve closing the Project Fund Saving and transferring the balance to the Reserve Checking, Haake seconded.**

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

NAY: 0

CARRIED: 10-0

Executive Director Report

Madsen notified the Board that WAWSA was requested to submit information to the Bakken Restart Task Force concerning opportunities WAWSA has of keeping people employed in the Bakken. Madsen will also be presenting at the Water Topic meeting on June 4th.

Armstrong Water Solutions and MDU Gas Cost Participation Pay Off

The total cost participation balance on the Armstrong Water and MDU Gas Cost Participation agreement is \$787,137.00. WAWSA deposit money into the escrow account each month to cover the annual distribution gas deficiency payment associated with the agreement. The balance in the escrow account would allow WAWSA to pay off the \$787,137.00 balance. **Anderson made a motion to pay off the total cost participation balance up to \$787,137.00, Brostuen seconded.**

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

NAY: 0

CARRIED: 10-0

Project Updates

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

McGruder gave the current project updates.

Stanley's transmission pipeline project has three landowners that will not sign easements. The Board was asked if they would consider putting the pipeline in the highway right-of-way saving on the cost of condemnation. The Board's concern with putting it in the right of way would be the cost to relocate the line if the highway was ever rerouted. **Koeser made a motion to put the line in the highway right-of-way if we are not able to secure the easements, Haake seconded.**

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

SWC Grant Requests

SWC \$20M Grant monthly request #32-5212020 and SWC \$5,476K monthly request #7-5212020 were presented to the Board for their approval. **Haake moved to approve the SWC grant requests, Anderson seconded.**

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

NAY: 0

CARRIED: 10-0

Elkan Water LLC

Shane Peterson with Elkan Water addressed the Board about their expired take or pay contract. He requested the Board reconsider their decision to require the contracted minimum payment. He stated that Elkan would pay the balance due on the take or pay contract however Elkan would like to be able to take the water. He stated that Elkan is in the process of renegotiating a new contract with WAWSA reducing the requested quantity however they would like to have a priority on taking the water based on their infrastructure investments.

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

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

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

NAY: 0
CARRIED: 10-0

10:00 am entered into the executive session.

Koeser made a motion to move out of executive session, Anderson seconded.

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

11:30 am move out of executive session and entered into an open meeting

Contract Negotiation

Anderson made a motion that Elkan's current contracted rate be extended on any new water purchased until the next WAWSA board meeting, Haake seconded.

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

Easement Acquisition

Brostuen made a motion to pass a resolution to condemn the McNally & Ahmann parcels discussed with the understanding that WAWSA will continue to work with them until condemnation is filed, Haake seconded.

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

Anderson moved to adjourn; Haake seconded.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary