

**Western Area Water Supply Authority  
Board of Directors Meeting Minutes  
October 15, 2020 via phone or video conference**

**Attendees**

Members Present via phone: Doug Anderson, Vawnita Best, Raoul Brandt, Chris Brostuen, Ellis Haake, Ward Koeser, Richard Liesener, Larry Novak, Mark Owan and Gary Rust.

Members Absent: none

Others Present via phone: Tami Madsen (WAWSA), Kim Schilke (WAWSA), Colleen Cannon (WAWSP), Weston McGruder (AE2S), Cory Chorne (AE2S), Dustin Schulz (AE2S), Julius Wakan (MCWRD) and Grace Demars (City of Watford City), Jacob Monson (WAWSA) and Kent Ritterman (Moore Engineering).

This meeting was open through a call-in number so not all attendees are known.

**Meeting Called to Order**

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

**Approval of Agenda**

Owan presented the agenda for approval. Madsen had two additional items for the agenda, under the Executive Director's report item #7 Industrial Contract Approval and #8 Board Training. She also asked that item #5 under the AE2S report be renamed from Recommendation to Award to Change Orders. **Rust moved to approve the agenda with the additions and correction, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the September 17, 2020 board meeting were presented for approval. **Haake moved to approve the minutes as presented, Brostuen seconded.**

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

NAY: 0

ABSTAIN: Owan

CARRIED: 9-0

**Financial Report**

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

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

NAY: 0

CARRIED: 10-0

**Executive Director Report**

Madsen gave a monthly update on the WAWSA system operations. She reported that a couple of the WAWSA employees had been quarantined because of COVID. The 2021 budgets will be presented at next month's board meeting. Nexus is evaluating the 2021 budget to determine if a water rate increase will be needed.

The SWC approved funding for the R&T East White Earth Rural Distribution Alternates, the R&T West White Earth Rural

Distribution Alternates and the NWRWD North 200K Rural Distribution projects.

### **Note Modification Agreement – Financing Resolution**

Madsen presented a Note Modification Agreement that will extend the deferral on the interest and principal on the four industrial loans that WAWSA makes monthly payments on until May 1, 2021. The accrued interest will be moved to the back of the loans. **Koeser made a motion to approve the Note Modification Agreement, Brostuen seconded.**

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

### **Resolution of Authorizing Loan Signatures**

Resolutions authorizing Mark Owan or Tami Madsen to sign the SRF loan draw requests on the two \$16.5M SRF loans were present to the Board for their approval. At this time only Mark Owan can sign the draw request. **Rust made a motion to approve the resolutions authorizing either Mark Owan or Tami Madsen to sign the loan draw requests, Haake seconded.**

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

### **Arnegard Tower Logo**

Madsen reported that although the Board and the landowner had approved the logo on the Arnegard Tower, the landowner is not happy with the size of the logo. The cost to fix the logo would be about \$55,000.00 plus the tower would have to be taken out of service. **Liesener made a motion to leave the logo as is, Haake seconded.**

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

### **Employee Compensation**

Madsen made a recommendation to the Board to give the WAWSA employees a third-quarter performance compensation. **Rust made a motion to give a third-quarter performance compensation to the WAWSA employees, Brostuen seconded.**

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

Owan recommended to the Board that Madsen be given a 9% third-quarter performance compensation. **Haake made a motion to give Madsen a 9% third-quarter performance compensation, Koeser seconded.**

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

### **Industrial Contract**

An industrial maintenance contract with Cherry Creek Water, LLC was presented to the Board for review and approval. The contract is a 5-year contract with the ability to renew for an additional two years with a rate increase. **Haake made a motion to approve the contract with Cherry Creek Water LLC, Liesener seconded.**

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

NAY: 0  
CARRIED: 10-0

### Board Training

In October of 2019, the Board approved having Great Plains Benefits Group conduct a Board of Directors training that was to take place last fall. However, because of COVID, the training has not taken place. WAWSA made a non-refundable deposit on the training. Madsen reported that WAWSA could terminate the contract forfeiting the deposit and/or could pay an additional \$1,150.00 for the training books. After some discussion, the Board decided to terminate the contract. **Novak made a motion to terminate the board training contract with Great Plains Benefits Group and forfeit the deposit, Rust seconded.**

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

### Project Updates

McGruder presented a current water demand report, the September capital accounting, and project updates.

### Arnegard Tower and Watford City Vaults

McGruder presented CB&I change order #1 for \$111,344.00 to 1. Updated Arnegard Spuds logo adding wording and two-tone color \$4,700.00, 2. Additional fittings and labor for 12th St Vault tie in elevation conflict with 20" line crossing do to no as-builts from 3rd party inspection of original 20" install \$19,429.00, 3. Additional piping due to easement routing changes requested. by Landowner and approved by Owner \$35,511.00, 4. Add looped supply connection to MCWRD pumps at Arnegard Reservoir \$18,491.00, 5. Vault secondary power added conduit and wire install and fused disconnects per ND electrical Inspector requirement \$15,010.00, 6. Leak repair request from Owner for PRV/Meter vault Watford City Airport \$18,203.00, to the Board for their approval. **Rust made a motion to approve change order #1 for CB&I, Haake seconded.**

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

### Change Orders Due to Material Price Increase

In July, the R&T East White Earth Rural Distribution Alternates, the R&T West White Earth Rural Distribution Alternates and the NWRWD North 200K Rural Distribution projects were awarded to Carstensen Contracting, Inc. contingent on SWC funding. Since WAWSA has now received funding the projects can move forward. McGruder let the Board know that pipe costs have gone up since the time of the award and funding. Carstensen will be submitting a change order for the price increase at the next board meeting. McGruder said even with the price increase Carstensen's bid is still lower than the next low bidder. McGruder would like the Board to approve signing the Notice to Award on the three projects. **Liesener made a motion to sign the Notice to Award for the R&T East White Earth Rural Distribution Alternates, the R&T West White Earth Rural Distribution Alternates and the NWRWD North 200K Rural Distribution projects, Rust seconded.**

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

### McKenzie County Water Resources District Payment Request

MCWRD is paying for the Spring Creek Expansion Part 2. The contract for the project is in WAWSA's name so MCWRD will reimburse WAWSA for the cost associated with the construction of the project once the MCWRD Board and the McKenzie County Commission have approved the payment request. Presented to the Board were the September invoices that have been approved by MCWRD but need to be approved by the McKenzie County Commission at their Tuesday meeting. **Koeser made a motion to approve paying the invoices contingent on McKenzie County Commission approving the payment request and issuing WAWSA a check, Haake seconded.**

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

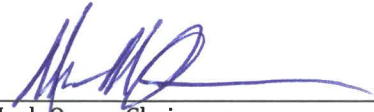
**SWC Grant Requests**

SWC \$20M Grant monthly request #37-10152020 and SWC \$5,476K monthly request #12-10152020 were presented to the Board for their approval. **Haake moved to approve the SWC grant requests, Brostuen seconded.**

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

**Rust moved to adjourn; Haake seconded.**

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary