

**Western Area Water Supply Authority
Board of Directors Meeting Minutes
December 17, 2020 via WAWSA office or phone/video conference**

Attendees

Members Present: Doug Anderson, Ellis Haake, Ward Koeser, and Larry Novak

Members Present via phone or video: Mark Owan, Chris Brostuen, Richard Liesener, Raoul Brandt, and Gary Rust

Members Absent: Vawnitia Best

Others Present: Tami Madsen (WAWSA), Kim Schilke (WAWSA), Colleen Cannon (WAWSA), Chris Barke (WAWSA), Charnelle Imsland (WAWSA), Corey Chorne (AE2S), Weston McGruder (AE2S), Kent Ritterman (Moore Engineering), Craig Haskins (R&T), Grace Demars (City of Watford City), Jeff Shaffer (MCWRD) via video, Julius Wakan (MCWRD) via video, Tami Norgard (Vogel) via video, and Tyson Shatz (Brady Martz) via video

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 one additional item for the agenda. She asked that an Executive Session be added after the State Water Commission pay request for "Contract Negotiations and Collection Resolution". **Rust moved to approve the agenda with the addition at the end of the agenda to discuss, Koeser seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the November 19, 2020 board meeting were presented for approval. **Haake moved to approve the minutes as presented, Liesener seconded.**

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

NAY: 0

CARRIED: 10-0

Presentation of the 2019 WAWSA Financial Audits

Tyson Schatz with Brady Martz presented the 2019 WAWSA financial audit. He reported that things were a bit slower in 2019 due to the COVID-19 pandemic. He also reported that we had another clean opinion on the audit for 2019. **Haake moved to accept the 2019 audit, Novak seconded.**

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

NAY: 0

CARRIED: 10-0

Financial Report

The November Domestic financial reports and the November Industrial financial reports were presented to the Board for their consideration and discussion. **Rust moved to approve the financial reports as presented, Liesener seconded.**

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

Schilke asked for the approval to write off Cahoon Enterprises (\$5,438), Justice Oilfield (\$10,746), and Missouri Basin Well Services, Inc. (\$9,914). Tami Norgard suggested filing a judgment against Missouri Basin Well Services, Inc. via Small Claims Court. **Novak moved to approve the charge off for Cahoon and Justice and to explore small claims court for Missouri Basin Well services, Inc., seconded by Haake.**

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

Executive Director Report

Madsen gave a monthly update on the WAWSA system operations. She reported that the meter is being replaced at the Lewis & Clark pump station.

Madsen also reported that she is going to the regularly scheduled Industrial Water Commission meeting in January. She also reported that the funding request for the 29 Mile Rural Distribution Project was submitted to the State Water Commission that will be considered at their February meeting.

Request for Condemnation

Chris Barke presented to the Board individuals on the North 200 K, Stanley Transmission, Stanley Part II, and 29 Mile projects unwilling to sign an easement for the rural water pipeline. Madsen added that we are just looking for approval at this time to proceed with condemnation if it comes to that and that does not necessarily mean all will be sent to condemnation. Rick Liesener stated that the R&T board meeting is next week, and he'd like to bring the R&T condemnation list so they can try and get the easements signed without going to condemnation. The individuals are North 200 K Rural Distribution (Dustin Mortenson, Barbara Skor Life Estate (Mike Skor), Levin Bean, Triton Real Estate ND Terra LP, Blaine and Jennifer Jorgenson), 29 Mile Rural Distribution (Richard and Doreen Johnson). **Novak moved to proceed with condemnation of the North 200K Rural Distribution and the 29-Mile Rural Distribution projects, Koeser seconded.**

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

29-Mile Rural Distribution Project

Madsen requested to reinstate Moore Engineering's original contract as written for the 29 Mile Rural Distribution project and would like authorization to advertise for bids on the project. Bidding would start when 70% of the easements are obtained. The project will be awarded contingent on funding from the State Water Commission at their February meeting. **Haake moved to reinstate Moore Engineering's contract and to authorize the advertising for bids on the project, seconded by Rust.**

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

AE2S 2021 Rate Increase

Madsen presented a request from AE2S for a 2021 rate increase. The increase would be a 2.5% increase over the current rate. **Koeser moved to approve the 2021 rate increase, Novak seconded.**

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

AE2S Reports

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

MCWRD System I Part I TO 50

McGruder presented a Carstensen Contracting balancing change order for \$2,821.81, the certificate of substantial completion form, and the final inspection form for the MCWRD System I Expansion Part 2 project be approved by the board. **Brostuen moved to authorize the change order, substantial completion, and final inspections for the MCWRD System I Expansion Part 2 project, Anderson seconded.**

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

MCWRD 2018 Storage Improvements TO 56

McGruder reported on the Arnegard tower and Watford City Vaults. He reported there is a 2-year warranty on the vaults and towers and the warranty does not start until final payment. It was also reported that the antennas are scheduled to be installed the first week of January. McGruder presented a certificate of substantial completion for the MCWRD Regional Storage Improvements/Expansion project from CB&I for approval. **Haake moved to authorize the certificate of substantial completion for the MCWRD Regional Storage Improvements/Expansion project, seconded by Koeser.**

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

WAWSA 2021 Program Management Services TO 73

McGruder presented the WAWSA 2021 Program Management Services for TO 73 for a total of \$135,000.00. **Koeser moved to approve the WAWSA 2021 program management services as presented, Brostuen seconded.**

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

MCWRD Spring Creek Expansion Invoices for Payment

McGruder reported that the MCWRD Spring Creek expansion invoices for engineering and construction for this month are \$440,311.08. The amount has been approved by the MCWRD board and county commission board. **Novak moved to approve the invoices for payment, seconded by Rust.**

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

SWC Grant Payment Request

SWC \$25M Grant monthly request #39-12172020 and \$14.5M monthly request #14-121720 were presented to the Board for their approval. **Koeser moved to approve the SWC grant requests, Haake seconded.**

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

Executive Session for Discussion on contract negotiations and collection resolution.

Brostuen made a motion to entered the executive session, Koeser seconded.

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

10:25 am entered the executive session.

10:45 am Koeser left meeting

Haake made a motion to move out of the executive session, Brostuen seconded.

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

11:10 am move out of executive session and entered into an open meeting

Contract Negotiations

Novak made a motion to combine both contracts combining all balances into one addendum with a price of \$0.50 per barrel and with two payment installments, one due in January and the second due in June, seconded by Haake

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

Collection Resolution

Liesener made a motion to pursue litigation against Castle Oilfield Services, seconded by Rust.

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

Brostuen moved to adjourn, Koeser seconded.

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary