

# Western Area Water Supply Authority

## Board of Directors Organizational Meeting

Williston City Hall

Tuesday, May 31, 2011

1:30 p.m.

### Attendees

Members Present: Bert Anderson, Brent Bogar, Karen Burau, Michelle Klose, Mark Owan, Jerry Ranum, Gary Rust, Liz Suhr, Gene Veeder, and Denton Zubke.

Members Absent: Ward Koeser

Others Present: Loren Hoffman, AE2S; David Johnson, AE2S; Tami Norgard, Vogel Law Firm; Ben Clarys, Williams Rural Water District alternate; John Rivers and Dan Muffin, Armstrong International.

### Approval of the Bylaws

Interim chairman Denton Zubke called the meeting to order and presided. Discussion was held on the status of the bylaws. Attorney Tami Norgard explained that the North Dakota Attorney General has not reviewed the bylaws for approval.

Motion by Bogar, seconded by Ranum, to approve the bylaws as presented upon the approval of the North Dakota Attorney General. Yeas 11 Nays 0 Motion carried.

Motion by Anderson, seconded by Bogar, that all actions taken by the board at this meeting be subject to the approval of the bylaws by North Dakota Attorney General. Yeas 11 Nays 0 Motion carried.

### Election of Officers

#### Chairperson

Interim Chairman Zubke turned the chair over to Johnson for the nomination of a chair-person.

Johnson called for nominations for chairperson. Veeder nominated Zubke for chairperson; no other nominations were made.

Motion by Veeder, seconded by Rust, to cast a unanimous ballot for Zubke. Yeas 11 Nays 0 Motion carried. Zubke resumed the chair.

#### Vice Chairperson

Chairman Zubke called for nominations for Vice Chairperson. Ranum nominated Bogar for Vice-Chairman; no other nominations were made.

Motion by Veeder, seconded by Ranum to cast a unanimous ballot for Bogar. Yeas 11 Nays 0 Motion carried.

#### Secretary

Chairman Zubke called for nominations for Secretary. Suhr nominated Burau for Secretary. No other nominations were made.

Motion by Veeder, seconded by Bogar, to cast a unanimous ballot for Bureau. Yeas 11 Nays 0 Motion carried.

### **Treasurer**

Chairman Zubke called for nominations for Treasurer. Rust nominated Liz Suhr for Treasurer. No other nominations were made.

Motion by Ranum, seconded by Bureau, to cast a unanimous ballot for Liz Suhr. Yeas 11 Nays 0 Motion carried.

### **Financial Report**

Johnson explained the financial report as of May 31, 2011, for Task Orders 1 through 7. Discussion was held.

Motion by Veeder, seconded by Ranum, to approve the financial report as presented. Yeas 11 Nays 0 Motion carried.

### **Appointment of Financial Institution**

Discussion was held on the appointment of a financial institution for the holding of the Authority's funds.

Motion by Rust, second by Bureau, to designate First National Bank of Williston, North Dakota, as the authority's depository, subject to the North Dakota Attorney General's approval of the Authority's bylaws. Yeas 11 Nays 0 Motion carried.

### **Authority Initial Operating Budget and Staff**

Discussion was held on staff needs and anticipated salaries. Johnson presented a preliminary draft operating budget for the Board and staff for the remainder of 2011 totaling \$129,107.50 and all of 2012 totaling \$326,718.58.

Motion by Veeder, seconded by Owen, to approve the 2011 operating budget as presented. Discussion was held. Veeder amended the motion by adding that the budget be based on a calendar year.

Motion by Veeder, seconded by Owen, to approve the amendment. Yeas 11 Nays 0 Motion carried to amend the motion. Yeas 11 Nays 0 The amended motion carried.

Veeder volunteered to create a job description for the Authority staff. Bogar volunteered to research possible office space for the staff.

### **Mailing Address**

Discussion was held on establishing a mailing address until office space can be obtained.

Motion by Ranum, seconded by Suhr, to have the Authority's initial address be:

Western Area Water Supply Authority  
Box 1306



Yeas 11 Nays 0 Motion carried.

### **Updated Western Area Water Supply Project (WAWSP) Financial Analysis**

Johnson presented updated supplemental WAWSP financial plan that reflected the financing package established by HB 1206. The updated financial plan demonstrated the financial viability of WAWSP and financial needs of the Authority through December 2011 to meet the timelines established by the working group in the initial business plan. Discussion was held.

The Board appointed a committee consisting of Bogar, Owen, Klose, and Zubke to do the following:

1. Establish a listing of Task Orders that are substantially completed and therefore not requiring advertisement for engineering services.
2. Apply for funding in the amount of \$25 million from the North Dakota State Water Commission.
3. Review the selection process for engineering services on the pending new Task Orders and to proceed with the advertisement for engineering services.
4. Request funding at the State Water Commission (SWC) meeting on June 14, 2011, to support the schedule.

### **Proposed Project Schedule**

Motion by Ranum, seconded by Rust, to support the project schedule presented in the business plan as submitted and to grant the above-mentioned committee the authority to complete all designated tasks.  
Yeas 11 Nays 0 Motion carried.

### **Bank of North Dakota Financial Due Diligence Process**

Chairman Zubke presented a letter from the Bank of North Dakota (BND) listing the following requirements for the BND to fulfill the financial obligations as outlined in HB 1206.

Requirements listed are:

1. Update business plan.
2. Provide Authority bylaws with evidence of the Attorney General's approval.
3. Listing of Authority board members and officers.
4. Provide an Authority resolution authorizing the ability to enter into the financing arrangement and identification of the appropriate officers for document execution.
5. Evidence of approval from the SWC that address the overall plan, contract plans and specifications for the entire project as it relates to initial construction of the system and debt repayment.
6. Provide written plan by the Authority addressing the possible assumption of existing infrastructure, sharing of revenues and existing debt obligations.
7. Provide a listing of available repayment and collateral sources. Loans will be secured by all business assets of the Authority.
8. Upon closing, the BND will require the following for draw requests:
  - a. Evidence of Project Engineer approval that the work was completed satisfactorily
  - b. Receipt of Lien waivers from contractors

- c. Evidence of WAWSA Board Approval of draw requests
- d. Evidence of SWC approval of draw requests (BND and SWC need to work out the details of this process)

Klose and Bureau left the meeting.

### **WAWSP Projects 1 and 3**

Discussion was held on advertising for WAWSP Project 1: Williston Phase I By-Pass Transmission Lines and Bulk Fill Stations and Project 3: NW Williston Regional Reservoir. The estimated cost for both projects is \$9.5 million.

Motion by Anderson, seconded by Ranum, to approve the advertising for bids on the above-mentioned projects upon approval of plans and specifications by the City of Williston. Yeas 9 Nays 0 Motion carried.

### **Easement Compensation**

Discussion was held on the compensation for easements.

Motion by Owen, seconded by Veeder, to establish a price for easement compensation of \$40.00 per rod plus crop damages for a 100 foot wide easement. Yeas 9 Nays 0 Motion carried.

### **Legal Services**

Discussion was held on a request for proposal for legal services document.

Motion by Veeder, seconded by Anderson, to approve the request for proposal document and advertise for proposals for legal services. Yeas 9 Nays 0 Motion carried.

### **Proposal for Heating Water at Depots**

Rivers, Armstrong International, provided a presentation on heating water at the bulk fill depots. Armstrong International was asked to return at a future meeting to further the discussion when the Authority is further along in determining water depot locations and services required.

### **Appointment of Associate Member**

Motion by Veeder, seconded by Rust, to appoint Hanson, North Dakota State Water Commission member, as associate member to the Western Area Water Supply Authority Board of Directors. Yeas 9 Nays 0 Motion carried.

### **Adjournment**

The next meeting date was left to the discretion of the chairman.

Motion by Bogar, seconded by Anderson to adjourn. Yeas 9 Nays 0 Motion carried.

**Attest:**

A handwritten signature in blue ink, appearing to read 'Denton Zubke', written over a horizontal line.

Denton Zubke  
Chairman

A handwritten signature in blue ink, appearing to read 'Karen Bureau', written over a horizontal line.

Karen Bureau  
Secretary