

Western Area Water Supply Authority
Board of Directors Organizational Meeting
Williston City Hall
Tuesday, June 28, 2011
1:30 p.m.

Attendees

Members Present: Ward Koeser, Jerry Ranum, Liz Suhr, Denton Zubke, Karen Burau, Mark Owan, Gary Rust, Bert Anderson, Brent Bogar, Jeffrey Mattern.

Members Absent: Gene Veeder

Others Present: Loren Hoffman, AE2S; David Johnson, AE2S; Cory Chorne, AE2S; Cal Thelen, AE2S; Ben Clarys the Williams Rural Water District alternate; and Brad Thompson from the Bank of North Dakota.

Approval of the Minutes

Chairman Denton Zubke called the meeting to order and presided. Motion by Bogar, seconded by Rust, to approve the minutes dated May 31, 2011 as presented. Motion carried 10-aye, 0-nay.

Approval of the Bylaws

Discussion was held on the bylaws. Motion by Anderson, seconded by Koeser, to approve and adopt the bylaws as presented. Motion carried 10-aye, 0-nay.

Legal Services

Discussion was held on the four legal service proposals received by the Authority. The four proposals were from Vogel Law Firm, Dwyer Law Firm, Ebeltoft Sickler and Sagsveen, and Kirmis and Smith.

Motion by Owen, seconded by Mattern, to select Kirmis and Smith as the legal service law firm for the Authority. Motion failed, 4-aye, 6-nay on roll call vote as follows: Koeser-aye, Mattern-aye, Owan-aye, Burau-aye, Ranum-nay, Suhr-nay, Zubke-nay, Rust-nay, Anderson-nay, Bogar-nay.

Motion by Anderson, seconded by Suhr, to select Vogel Law Firm as the legal service law firm for the authority. Motion carried, 8-aye, 2-nay on roll call vote as follows: Koeser-aye, Ranum-aye, Suhr-aye, Zubke-aye, Rust-aye, Anderson-aye, Bogar-aye, Mattern-aye, Owan-nay, Burau-nay.

Bank of North Dakota Financing Update

Brent Bogar reported on the recent meetings held with Bank of North Dakota. Brent stated that the \$110 million dollar loan package will be approved in July, upon the Authority submitting needed documents to the Bank of North Dakota. Brent stated that all of the \$110 million would be available upon approval of the loan and approval of the project concept by the North Dakota State Water Commission.

Bank of North Dakota representative Brad Thompson updated the Authority on the progress of the \$110 million dollar loan package. Brad stated that one very important issue for the Authority to document is the projected revenue, as this is part of the loan guarantee package. Brad also stated that barring any on foreseen problems the loan would be available to the Authority by the end of July.

Engineer RFP/Executive Director

Discussion was held on the engineer selection process. Motion by Bogar, seconded by Rust, to advertise for engineering proposals contingent upon input from State Water Commission representative Michelle Klose. Motion carried 10-aye, 0-nay.

Discussion was held on the job description for the Authority's Executive Director. Motion by Koeser, seconded by Rust, to approve the Executive Director job description as amended and to begin advertising for such position. Motion carried 10-aye, 0-nay.

Discussion was held on the Executive Director salary. The budgeted salary base is \$75,000.00 annually plus the benefit package. Chairman Zubke formed the following selection committee to work on filling the Executive Director position as well as making recommendations to the Authority board as to the engineer selection. The following members were appointed to this committee: Gary Rust, Brent Bogar, Jerry Ranum, Mark Owan, Denton Zubke, and Michelle Klose.

Office Space

Brent Bogar reported that he was unable to find any office space available for lease in the City of Williston at the present time. Brent stated that the search will continue. Board members discussed the possibility of the office having to be at a different location if no office space could be found in the City of Williston.

Project Update

David Johnson gave an update on all Phase I projects as to bidding dates and start of construction dates. Cory Chorne gave an update on all the rural expansion projects.

Easement Rates/Land Purchase Rates

Discussion was held on the minimum amount to be paid to a land owner for an easement. Motion by Burau, seconded by Owan, to set the amount paid to a land owner for an easement at \$500.00. Motion carried 10-aye, 0-nay.

Discussion was held on the amount of compensation per acre for the 5 million gallon reservoir site north west of Williston. Motion by Anderson, seconded by Ranum, to set the amount per acre for the purchase of reservoir sites at \$15,000.00 per acre. Motion carried 10-aye, 0-nay.

Administrative Task Order

David Johnson presented the board with an Administrative Task Order proposal. Discussion was held on both the need and the fee for such services. Motion by Koeser, seconded by Ranum, to approve the

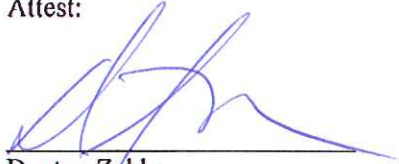
Administrative Task Order with AE2S with an ending date of December 31, 2011. This motion would be a recommendation to the McKenzie Rural Water Resource District for approval. Discussion was held and Owan requested that board members be given more time to make this decision. Koeser withdrew his motion, this was seconded by Ranum. The task order will be tabled until the next meeting.

Adjournment

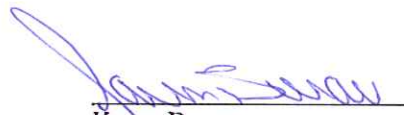
The next meeting date was set for July 12, 2011 at 1:30 p.m.

Motion by Rust, seconded by Bogar, to adjourn. Motion carried 10-aye, 0-nay.

Attest:



Denton Zubke
Chairman



Karen Bureau
Secretary