

Western Area Water Supply Authority
Board of Directors Meeting
Williston City Hall
Tuesday, July 12, 2011
1:30 p.m.

Attendees

Members Present: Ward Koeser, Jerry Ranum, Liz Suhr, Denton Zubke, Mark Owen, Bert Anderson, Gene Veeder, Brent Bogar, Michelle Klose and Alternate, Ben Clarys.

Members Absent: Karen Burau

Others Present: Cory Chorne (AE2S), Steve Burian (AE2S), Tami Norgard (Vogel Law Firm), Jeffrey Mattern (SWC), Dave Laschkewitsch (SWC), Pat Wheeler (Independent Water Providers), and Brad Thompson (Bank of North Dakota).

Approval of the Minutes

Chairman Denton Zubke called the meeting to order and presided. It was moved by Koeser, seconded by Owen to approve the Agenda as presented. Motion carried. After clarifying a few items on the June minutes, it was moved to approve the June minutes by Anderson and seconded by Ranuum. Motion carried 8-aye, 0-nay.

Engineering RFP

Discussion on the Engineering RFP was held. Klose suggesting the engineering services contract should be in the packet with the request for a proposal and the wording in the contract made clear that there be a willingness to meet budget and schedules. The packet will also include the business plan. Norgard indicated this is a basic services contract but those things can be easily included. Norgard, Klose and Zubke will work on the wording of the contract to be completed by Friday July 15 and advertised by July 19.

Assignment of McKenzie County Water Resource District engineering task orders

- a. Steve Burian (AE2S) presented a cash flow projection outlining the funding needs if contracts are approved for task orders 4, 5, 6, and 7 and for administrative duties outlined in task order 8.
- b. Task order 4, 5, 6 and 7 were presented and discussed. Orders 4-7 are priorities that require funding for the projects. They also are presently through McKenzie County Water Resource District and need to be assigned to WAWSA. It was moved by Koeser to accept task orders if assigned from McKenzie County Water Resource District. Second by Anderson. Motion carried 8-aye 0- Nay on roll call vote.

Task Order #8 from McKenzie County Water Resource District

Task order 8 was explained by Burian. It covers expenses of WAWSA through the hiring of a manager, selection of an engineering firm and administrative duties until staff are hired for the project. Klose inquired on negotiating the rate on the contract. Discussion revolved around other options, length of term, and duties. Motion by Ranum to accept the assignment of task order #8 with the right to negotiate the rate. Second by Bogar. Motion carried with 8- aye 0- nay

Funding Agreement between WAWSA and Member Entities

The funding agreement was discussed. WAWSA needs to have available funds in order to award the contracts that have been advertised. This agreement would allow the entity benefitting from the construction contract to advance funds to WAWSA so the contract can be awarded. Those funds would be repaid without interest when funds are advanced from the Bank of North Dakota. This would be a document to allow consummation of the transaction. Board action from the affected entity would be required when there is a request for funding. The funding request for 26th St Pump Station and County Road 6 projects have been placed on upcoming Williston City Council agenda for approval. Motion by Bogar to enter agreement with the City of Williston and request \$2,300,000 as advance funding for approved projects. The motion also included the WAWSA agreement to enter into other similar agreements with R & T and McKenzie County WRD for any advance those entities would be willing to provide in order to move construction in those jurisdictions along. Second by Anderson. Motion carried 8-aye 0-nay by roll call vote.

Construction Contract Awards

Cory Chorne (AE2S) presented the bids for construction on the 26th St Pump Station. He received two bids as presented and recommends acceptance of the low bid by John T. Jones for \$713,000.00. Klose indicated this firm has had litigation with SWC projects and would like to see prior litigation as a consideration in awarding future contracts. AE2S has had a number of projects with the contractor and felt the contractor was capable of satisfactorily performing the contract. Motion by Koeser to accept John T. Jones low bid of \$713,000 for the 26th St Project, second by Anderson. Motion carried with 7-aye 1-nay (Klose).

Chorne also presented bids on the HWY 2 to County Road 7 Pipeline project. Seven bids were received with the low bid by Metro Construction of \$3,810,050.20. AE2S is doing a reference check on this company. Motion by Anderson to accept the low bid of Metro Construction on the project contingent on an acceptable reference check. Second by Ranum. Motion carried 8-aye 0- nay.

Update on Loan Application

Brad Thompson presented an update on the Bank of North Dakota loan process. BND will need a borrowing resolution from WAWSA to process the package. Motion by Bogar to designate the WAWSA

Chairman or Vice Chairmen as authorized to sign loan documents to consummate borrowing with the Bank of North Dakota. Second by Suhr. Motion carried with 8-aye 0-nay.

WAWSA Manager Position

Zubke updated the board on applications received for the manager position, 5 have been received to date with none selected for an interview.

The next meeting was set for July 19th by conference call pending outcome of reference checks on Metro Construction.

The next in person meeting date was set for July 26th, 2011 at 1:30 p.m.

Motion by Koeser to adjourn, seconded by Ranum Motion carried 8-aye, 0-nay.

Attest:

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

Denton Zubke
Chairman

A handwritten signature in blue ink, appearing to be 'G. Veeder', written over a horizontal line.

Gene Veeder
Secretary- designate