

Western Area Water Supply Authority
Board of Directors Special Conference Call
Thursday, August 11, 2011
1:30 p.m.

Attendees

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

Members Absent: Ward Koeser

Others Present: Cory Chorne (AE2S), Perry Johnson (AE2S), David Tuan (AE2S), Tami Norgard (Vogel Law Firm), Dave Laschkewitsch (SWC).

Change Order 1 for US Hwy 2 to County Road 7 Project

Change Order 1 was explained by Perry Johnson (AE2S). Due to improvements to the Harvest Hills development and the 26th Street Pump Station, it was determined that the pipeline would need to be installed prior to the other projects in the area. The City of Williston requested the project be expedited in order to minimize the cost of accommodating the pipeline through other project areas.

Metro Construction submitted an estimate, which was similar in pricing to their other estimates, save for a slight increase in labor costs due the tight timeline.

It is anticipated that cost sharing will be negotiated with the City of Williston in the future.

Motion to approve the change order was made by Gene Veeder, seconded by Gary Rust. Motion approved unanimously.

Award of Contract on Regional Reservoir #1 to Bakken Industrial Park Transmission Main Project

A review of the contract was provided by Perry Johnson (AE2S). Bids were opened on Tuesday, August 9th, 2011, with Merryman Excavation Inc. being the lowest bidder and their supplier is Griffin Ductile. The engineer's estimate was approximately \$4 million plus the cost of housing, which was estimated to be approximately \$1 million.

Merryman's low bid was \$3.1 million, which prompted verification with the contractor to ensure no details were missed in the bid that would result in an abnormally low bid price. The contractor was notified and the bid was verified. Based on four positive reference checks in Oklahoma, Iowa and Illinois, AE2S recommended that Merryman Excavation Inc be awarded the contract.

It was then suggested by Michelle Klose that language be added to the award stating that the bid was indeed verified with the contractor by the engineer.

A motion to award based on the suggestion of Michelle Klose was made by Bert Anderson and seconded by Jerry Ranum. Motion was approved unanimously.

Easement Update

Denton Zubke presented an update on the status of easements and recommended payment be initiated to landowners who have signed easements.

A question was raised by Michelle Klose regarding the meaning of ‘existing easements’ and whether or not this covered the installation of new pipe.

Tami Norgard explained that existing easements are in favor of the City of Williston and would have to be transferred to WAWSA, although they can still be used. However, it may be easier to pay out new easements if the price is reasonable, from a legal perspective.

A motion to pay the easements as presented included two new ones that were listed as ‘existing’ was made by Mark Owan and seconded by Gary Rust. Motion was approved unanimously.

An update on the progress of Orville Erickson’s easement was provided by Mark Owan. After discussions with Mr. Erickson, it has become evident that he is unwilling to negotiate the terms of the easement for a reasonable price.

Tami Norgard mentioned she had spoken with an appraiser in Williston as well as Mr. Erickson’s attorney with no result. In order to initiate condemnation, an appraisal is necessary, which will take approximately 30-45 days.

Denton Zubke explained that alternate routes around the property were not feasible due to prohibitive cost.

A motion was made by Jerry Ranum to give ten days (until August 21st) prior to moving ahead with the condemnation process. Motion was seconded by Bert Anderson and approved unanimously.

Bank of North Dakota Update

Denton Zubke provided a brief update on the Bank of North Dakota. Thus far, no commitment letter has been received. Details about the 5% reserve requirement will likely be contained within the commitment letter.

Engineering RFP Update

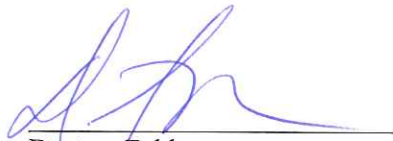
Denton Zubke informed the group that the RFP time period had expired, with only one proposal being submitted (from AE2S). The selection committee decided not to conduct interviews due to only one proposal having been submitted.

Michelle Klose asked if interviews and discussion should take place regardless.

Denton indicated that no action was being taken at this time and that further discussion could take place at the next meeting.

Motion by Bert Anderson to adjourn, seconded by Liz Suhr and approved unanimously. Meeting adjourned at 2:15pm.

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