

Western Area Water Supply Authority
Board of Directors Special Meeting
Conference Call
Tuesday, September 27, 2011
1:30 p.m.

Attendees

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

Members Absent: Ward Koeser

Others Present: Alternate Jeffery Mattern (SWC), Alternate Ben Clarys, Cory Chorne (AE2S), Steve Burian (AE2S), Melinda Rasmussen (AE2S), Tami Norgard (Vogel Law Firm), David Laschkewitsch (SWC), Eric Johnson (Johnson Law Office)

Meeting called to order

Meeting was called to order at 1:36 pm by Chairman Denton Zubke.

Ratify Motions and Votes from September 20, 2011 Board Meeting

Mark Owan made a motion to ratify the motions and votes from the September 20 Board Meeting. It was seconded by Bert Anderson, and passed unanimously.

Engineering Contract

Steve Burian gave a brief description of changes made to the contract in accordance with requests from the Board. Chairman Zubke opened the floor to questions and discussion concerning the Engineer's contract. Michelle Klose had questions she wanted verified specifically on limited liability and negotiation of rates. Eric Johnson was able to answer the questions that were raised. Gary Rust made a motion to approve the Engineer's contract and it was seconded by Gene Veeder.

Vote Results: Brent Bogar – Yes, Ward Koeser – Absent, Gene Veeder – Yes, Mark Owan – Yes, Karen Bureau – Yes, Liz Suhr – Yes, Jerry Ranum – Yes, Gary Rust – Yes, Bert Anderson – Yes, Michelle Klose – No. Motion Carries

Eric Johnson left meeting.

Bank of North Dakota Commitment Letter

Denton Zubke expressed his agreement to the wording in the letter and opened the floor for discussion. Brent Bogar made a motion and it was seconded by Liz Suhr to have Denton sign the commitment letter.

Vote Results: Brent Bogar – Yes, Ward Koeser – Absent, Gene Veeder – Yes, Mark Owan – Yes, Karen Bureau – Yes, Liz Suhr – Yes, Jerry Ranum – Yes, Gary Rust – Yes, Bert Anderson – Yes, Michelle Klose – Yes. Motion Carries

Resolution Approving Issuance

WHEREAS, the Western Area Water Supply Authority (the "**Authority**") pursuant to the authority granted in House Bill 1206 of the 2011 Legislative Session determines it to be in the public interest to issue up to \$25,000,000 Western Area Water Supply Authority, Utility System Revenue Notes, Series 2011A (the "**Note**") for the purposes of (i) financing the construction of a water distribution system and (ii) paying the costs of issuance; and

WHEREAS, the following documents have been prepared in connection with the issuance, sale and delivery of the Note and have been reviewed by the officers and legal counsel of the Authority:

- (a) Indenture of Trust, dated as of September 1, 2011 (the "**Indenture**"), between the Authority and the Bank of North Dakota, as Trustee (the "**Trustee**");
- (b) Series 2011A Supplemental Indenture, dated as of September 1, 2011, relating to the Note, between the Authority and the Trustee (the "**Supplemental Indenture**" and together with the Indenture, the "**Indentures**"); and
- (c) Commitment Letter, dated September 16, 2011 from the Bank of North Dakota (the "**Commitment Letter**" and together with the Indentures, the "**Financing Documents**").

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Approval and Authorization. The Authority through its Board of Directors (the "**Board**") hereby finds and determines that the Note shall be sold to the North Dakota State Water Commission upon the terms and conditions set forth in the Financing Documents in an amount not exceeding \$25,000,000, at a price not less than 100% of the principal amount thereof and at an interest rate of 0.00%. The Financing Documents, in substantially the forms on file with the Board office are hereby approved. The Chairman and Secretary are authorized and directed to execute the Financing Documents for and in the name of the Authority subject to the limitations set forth above and in substantially the form on file with the Board office but with such changes, insertions or omissions therein as shall be approved by the officers executing such Financing Documents upon advice of counsel to the Board, the approval of such changes to be evidenced conclusively by such execution of the Financing Documents.

Section 2. Authorized Officers. The Board hereby appoints the Chairman, Secretary and Manager as the Authorized Officers jointly or severally to carry out and to perform the obligations of the Board contained in the Financing Documents.

Dated: September 27, 2011.

Vote Results: Brent Bogar – Yes, Ward Koeser – Absent, Gene Veeder – Yes, Mark Owan – Yes, Karen Bureau – Yes, Liz Suhr – Yes, Jerry Ranum – Yes, Gary Rust – Yes, Bert Anderson – Yes, Michelle Klose – Yes. Motion Carries.

BND Payment Vouchers and Certification

Chairman Zubke discussed appointing an executive director until someone was formally hired for that position. Karen Bureau was suggested as the appointee. Jerry Ranum made a motion to appoint Karen Bureau as the executive director until the position was formally filled and it was seconded by Gary Rust. Motion carried unanimously.

Denton Zubke asked for a motion to approve payment vouchers 1-92011 for \$2,627,974.66, voucher 2-92011 for \$1,070,769.05, and voucher 3-92011 for \$200,000.00 and forward all three (3) to the Bank of North Dakota. Gene Veeder made the motion and Bert Anderson seconded.

Vote Results: Brent Bogar – Yes, Ward Koeser – Absent, Gene Veeder – Yes, Mark Owan – Yes, Karen Bureau – Yes, Liz Suhr – Yes, Jerry Ranum – Yes, Gary Rust – Yes, Bert Anderson – Yes, Michelle Klose – Yes. Motion Carries

Right of Way Issues

Tami Norgard updated the Board on the status of the last easement needed. No other issues needed to be discussed.

Open discussion

Michelle Klose asked if the October 11 meeting would be a working meeting.

Steve Burian thanked the board for their vote of confidence.

There is still discussion on the Board setting a specific day for their monthly meetings.

Bert Anderson made a motion to adjourn and it was seconded by Brent Bogar. Motion carried unanimously.



Denton Zubke
Chairman



Karen Bureau
Secretary