

Western Area Water Supply Authority
Board of Directors Meeting
Williston City Hall
Tuesday, October 11, 2011
1:30 p.m.

Attendees

Members Present: Denton Zubke, Mark Owan, Bert Anderson, Gary Rust, Jerry Ranum, Michelle Klose, Gene Veeder, Karen Burau, Ward Koeser, Larry Hanson

Members Absent: Liz Suhr, Brent Bogar

Others Present: Alternate Jeffery Mattern (SWC), Cory Chorne (AE2S), Steve Burian (AE2S), Melinda Rasmussen (AE2S), David Johnson (AE2S), Jeff Nelson (Vogel Law Firm), Jennifer Joas (KUMV TV), Donald Longmuir (Mountrail County)

Meeting called to order

Meeting was called to order at 1:30 pm by Chairman Denton Zubke.

Approval of Agenda

Changes made to agenda: Section 6, add subtext J. Salt Water Commission approval of Phase II projects. Section 7, add subtext A. Rate Analysis Assumptions. Section 8, remove subtext B. Rate Analysis Assumptions. Section 13,D, 3, add subtext a. change order. Gary Rust made a motion to approve the agenda with these changes. Jerry Ranum seconded the motion, and motion passed unanimously.

Approval of Minutes

The minutes from the August 30, 2011 meeting are still being discussed and therefore have not been approved.

No changes were needed to the September 20, 2011 Board Meeting Minutes.

Michelle Klose proposed a change to the September 27, 2011 Special Meeting Minutes. Under Engineer Contract, Michelle would like the sentence to read "Michelle Klose had questions she wanted verified specifically on limited liability and negotiation of rates."

Karen Burau made a motion to accept the September 20 and September 27 meeting minutes with the change to the September 27 minutes. Gene Veeder seconded the motion, and motion passed unanimously.

Financial Report

David Johnson discussed the financial report and explained the current balance in the board account. A partial set of financials was presented to show the balance as of October 6, 2011 to reflect the first receipt of funds from the Bank of North Dakota and repayment of loans to the member entities.

Gene Veeder made a motion to accept the financial report, Karen Burau seconded, motion passed unanimously.

Liz Suhr entered a request in the form of an email for approval to acquire a credit card for the WAWSA board. Denton opened discussion to the limit that should be on the card. It was agreed that the credit card should have a \$2500.00 with Denton Zubke and Liz Suhr signing.

Jerry Ranum made a motion to acquire a credit card with a \$2500.00 credit limit. Gary Rust seconded the motion, motion passed unanimously.

Payment Voucher

David Johnson discussed payment voucher 4-102011 and explained all invoices attached. It was suggested that, by approving the payment voucher with the attached invoices, it would remove the need for double approval of invoices by the board. It was agreed that this method of approval would be tried and evaluated for continued use.

An electronic copy of the Board Expense Voucher will be sent to all board members for their use.

Ward Koeser made a motion to approve payment voucher 4-102011 for \$1,954,964.71. Mark Owan seconded the motion, motions passed unanimously.

Task Orders

Cory Chorne discussed the chart and task orders being presented to the board for approval. All task orders are attached to the general engineering contract that was approved on the September 27 conference call. AE2S was instructed to prepare a task order 15e concerning the BDW area for the next board meeting. Steve Burian requested that the board appoint an engineering contact that can be contacted concerning projects until the executive director position was filled. It was approved that Denton Zubke would continue to be the engineering contact. Michelle Klose requested that the Board and AE2S prepare a report to present to the State Water Commission at the October 31st meeting that would update the SWC on the current progress and also present Phase II for approval. It was also agreed that Phase III projects could be prepared in order to present to the SWC for approval.

Gene Veeder made a motion to approve the task orders for Phase II presented to the board contingent on approval from the State Water Commission. Jerry Ranum seconded the motion, motion passed unanimously.

Water Supply Agreement

Steve Burian explained the Rate Analysis Assumptions handout.

Chairman Denton Zubke called a recess at 3:15 pm, meeting reconvened at 3:28 pm.

Jeff Nelson discussed the updated Water Supply Agreement. Discussion was raised on section 2.06 and an agreement was reached to remove the last sentence in that section.

Water Infrastructure Lease and Operating Agreement

Jeff Nelson discussed the agreement, leasing infrastructure and answered any questions from board members. It was agreed that “oilfield” would be removed and Vogel Law Firm would look into the definitions for “industrial” and “commercial” and would replace “oilfield” in the agreement.

Jeff Nelson left at 4:40 pm.

Executive Director Position

Interviews for the executive director position were held on October 6, 2011. Three candidates were interviewed and a candidate was chosen to offer the position to. Jill Helmuth from Watford City has been offered the position with a salary of \$82,500.00 annually. Denton Zubke is waiting for a response as to whether she will accept the position.

Mark Owan made a motion to offer the position with latitude to increase wages up to \$90,000.00 per year and matching State Retirement. Gary Rust seconded the motion, motion carried unanimously.

Office Space

Karen Burau gave an update on the status of the office space. A commitment letter has been given to Gary Wendal at \$1.15 - \$1.20 per square foot. It was agreed that the price of \$1.25 per square foot would be accepted also. The square footage of the space available is still being decided, but should be close to 1000 sq ft.

Ward Koeser left at 4:50 pm

Insurance

Denton Zubke has obtained insurance for WAWSA with the North Dakota Insurance Reserve Fund. It is a year policy and can be changed later if desired.

Gene Veeder made a motion to approve the insurance policy administered by Farmers Union Insurance of Watford City set up by Denton Zubke. Jerry Ranum seconded the motion, motion carried unanimously.

Phase II Projects Preliminary Review

David Johnson gave an update on the progress of designing the Phase II projects and water depot locations. The current water depot map includes some consolidation of smaller water depots and locations that have the utilities needed for the water depots. It was requested the AE2S provide the board with a written memo explaining the placement of all water depots.

Project Updates

Cory Chorne gave an update on the progress of all phase I projects. A change order for 26th Street Pump Station project was presented.

Jerry Ranum made a motion to approve Change Order No. 1 for the 26th St. Pump Station Improvements for the amount of \$8,656.00. Gene Veeder seconded the motion, motion passed unanimously.

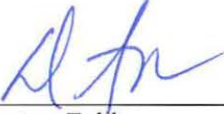
Gary Rust made a motion to request a 50% cost share with the City of Williston on Change Order No. 1 for the US 2 to County Road 7 Watermain. Bert Anderson seconded the motion, motion passed unanimously.

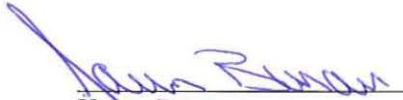
Karen Bureau made a motion to approve Change Order No. 1 for the Regional Reservoir No. 1 to Bakken Industrial Park Transmission Main for the amount of \$922,345.00. Gene Veeder seconded the motion, motion passed unanimously.

Open discussion

Board members discussed setting up a link on the WAWSA website that could be used for board packets as the emails are starting to be too large for most email accounts to receive them. The link would be password protected with Board members having access.

Gary Rust made a motion to adjourn and Karen Bureau seconded, motion carried unanimously.



Denton Zubke
Chairman

Karen Bureau
Secretary