

**Western Area Water Supply Authority
Board of Directors Meeting
WAWSA Office
Wednesday May 27, 2015**

Attendees

Members Present: Raoul Brandt, Chris Brostuen via phone, Ellis Haake, Richard Liesener, Mark Owan, Gary Rust, and Denton Zubke

Members Absent: Bert Anderson, Ward Koeser, and Gene Veeder

Others Present: Jaret Wirtz (WAWSA), Kim Schilke (WAWSA), Todd Pokrzywinski (WAWSA), Tami Norgard (Vogel Law Firm), Cory Chorne (AE2S), Dustin Schultz (AE2S), Jeff Shaffer (MCWRD), Jeff Viniard (MCWRD), Gary Black (AWS), Taylor Amiot (AE2S), Deon Stockert (AE2S), Liz Suhr (R & T), Neil Vanambuug (NW Construction) and Erik Kirsch (NW Construction).

Meeting Called to Order

Chairman Mark Owan called the meeting to order at 1:00 p.m.

Approval of Agenda

The Agenda was presented for approval. **Zubke moved to approve the agenda, Rust seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Approval of the Minutes

Minutes of the April 15, 2015 board meeting were presented for approval. **Liesener moved to approve the minutes as presented, Brandt seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Financial Report

The financial reports were presented for consideration and discussion. **Zubke moved to accept the financial reports as presented, Haake seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

BND Loan/SWC Grant Payment Requests

The Bank of North Dakota Payment Voucher 02-052715 in the amount of \$2,366,840.46 and SWC Grant request 10-052715 in the amount of \$2,173,065.07 for a total request of \$4,539,905.53 were presented to the board for their approval. **Zubke moved to approve the pay requests in the amount of \$4,539,905.53, Rust seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Also presented were bills from the cities of Crosby and Columbus for stand by water purchased by the cities during the water line break south of Crosby. The board did not approve these bills. Liesener asked that Wirtz draft a letter to the cities explaining the board's decision not to pay these bills.

Executive Director's Report

System Updates & Industrial Sales Report

Wirtz gave a system update. Wirtz reported on the industrial sales; April industrial sales were \$2,048,028.00.

ND Industrial Commission

Wirtz presented the board with the need to put surveillance cameras at the depots. There have been a few oil spills that WAWS has not been able to determine the responsible parties, therefore WAWS has the expense of the cleanup. The approximate cost for 3 or 4 cameras at each site would be \$30,000.00 for all depots. **Rust moved to approve the purchase of the surveillance cameras pending reimbursement approval from NDIC industrial sales, Haake seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan
NAY: 0
CARRIED: 9-0

Wirtz presented the board with capital improvements that WAWSA has paid in the amount of \$495,624.23. The ND Industrial Commission will be asked to reimburse WAWSA \$495,624.23. **Liesener moved to approve the reimbursement request to NDIC, Zubke seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan
NAY: 0
CARRIED: 9-0

Williams Rural Water

Chairman Mark Owan let the board know that WRWD believes they have infringement on their franchise protection within their district and that they will be pursuing the matter.

R & T Water Supply Commerce

The City of Ray will sell their old landfill to R & T Water Supply Commerce for the cost of engineering, which is approximately \$130,000.00.

Liesener made a motion to pay the city of Ray \$130,000.00 for the transfer of title from the City of Ray to R & T Water Supply Commerce and the removal cost of an old fence and installation of a new fence, dependent on all approval processes and the ND Health department approval, Rust seconded.

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan
NAY: 0
CARRIED: 9-0

Wirtz presented the board with a location for the R & T Depot on Cty Rd 19. There is no cost for the land other than a cost share agreement for a water line to the property.

Zubke made a motion that the Executive Committee will be able to approve the agreement with the landowner for the R & T Depot land and that R & T Water Supply Commerce Authority be consulted before the deal goes through, Haake seconded.

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan
NAY: 0

CARRIED: 9-0

WAWSA By-law Changes

The board was presented with the seconded reading of the proposed WAWSA By-law changes that will revise the first determination date for recalculating the members weighted voting since many members had not experienced three full years of water sales yet. The revisions also change the special meeting notice provision from 3 days to 6 days to be consistent with the legislation. **Haake moved to approve the WAWSA by-law changes, Brandt seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Resolution of Condemnation

Wirtz ask for a group resolution of condemnation for the following projects: WRWD/R&T Epping Distribution, WRWD Blacktail Dam, BDW Projects, MCWRD Tobacco Gardens, R & T North Tioga Rural Distribution and R& T Stanley Distribution. There has been significant negotiation of easements on most of these projects throughout the winter, so Wirtz recommended a motion for condemnation on all parcels without voluntarily signed easements to date. This motion would request WAWS legal counsel to contact landowners and begin the condemnation process if legal counsel did not obtain signatures voluntarily. All easements should be taken with the same payment parameters approved in other matters. **Zubke moved to approve the resolution of condemnation for the listed projects, Rust seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Request for Service

The City of Powers Lake voted to wait until a future biennium for rural water service from WAWSA. The city of Westby would like a meeting and more information.

Office/Shop

Wirtz reported on the need of a combined office/shop and reported on some properties that are currently for sale. The board instructed Wirtz to call a special meeting if property became available.

Vehicle Purchase

Wirtz asked for the board approval to trade-in a 3/4 ton pickup for a 1 ton dually with a flatbed. **Zubke moved to approve the trade-in and cost difference, Haake seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

State Water Commission

The ND State Water Commission met on May 20, 2015 and approved \$30M in projects of the \$60M awarded to WAWS. The exact amount of Loan/Grant percentage on the \$60M has not been determined. Wirtz will be attending a meeting with SWC staff on June 1st to discuss the loan repayment, using industrial and/or domestic dollars.

Brostuen left meeting.

Project Prioritization

The board was given a proposed 2015-2017 Biennium Prioritized Capital Improvement plan illustrating the \$30M and \$60M funding projects to be completed. The board discussed the projects and concerns they may have with the prioritized list. **Rust made a motion to approve the proposed 2015-2017 Project Prioritization with the understanding future adjustments may be needed, Haake seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Owan

NAY: 0

CARRIED: 8-0

Project Updates

Capital Accounting

Chorne presented the Capital Accounting Report.

Williston By-Pass

Merryman Change Order #6 in the amount of \$28,939.75 for material for crossing Sand Creek was presented to the board for their approval. **Zubke moved to approve Change Order #6 in the amount of \$28,939.75, Haake seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Owan

NAY: 0

CARRIED: 8-0

MCWRD East Transmission Main

Merryman Change Order #4 in the amount of \$244,190.00 for a meter vault on the Keene Loop and bore material change was presented to the board for their approval. **Zubke moved to approve Change Order #4 in the amount of \$244,190.00, Rust seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Owan

NAY: 0

CARRIED: 8-0

3:30pm Brostuen rejoined meeting via phone.

Chorne presented a Certificate of Substantial Completion for Merryman Excavation, Inc. on the MCWRD System 2 East Transmission Expansion. **Zubke moved to approve the Certificate of Substantial Completion for Merryman Excavation, Inc., Rust seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

WRWD Epping Distribution Part 1

Chorne gave a recommendation to award to low bidder NW Construction, with a low bid of \$4,027,750.00, Contract No. 1 Pipeline Construction for the WRWD Epping Distribution Part 1. **Zubke made a motion to award the WRWD Epping Distribution Part 1 bid to the low bidder NW Construction in the amount of \$4,027,750.00, Haake seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

MCWRD System 1 – Tobacco Gardens

Chorne gave a conditional recommendation to award to low bidder Duffield Construction, with a low bid of \$3,066,308.33, Contract No. 1 Pipeline Construction Base Bid for the MCWRD System 1 – Tobacco Gardens. Chorne would like to research Duffield Construction references. **Zubke made a motion to conditionally award the MCWRD System 1 – Tobacco Gardens bid to the low bidder Duffield Construction in the amount of \$3,066,308.33 based on the results of Chorne's research, Haake seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Approval to Bid

Wirtz asked the board for their approval to bid R & T North Tioga Rural Distribution and the R & T Stanley Rural Distribution projects. **Zubke moved to approve the bidding of the R & T North Tioga Rural Distribution and the R & T Stanley Rural Distribution projects, Liesener seconded.**

AYES: Brandt, Liesener, Zubke (also voting for Veeder), Rust (also voting for Anderson), Haake, Brostuen, Owan

NAY: 0

CARRIED: 9-0

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary