

SRWD Meeting
minutes July 1, 2007 -

Sept. 11, 2012

Part 2 of 2

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, December 14, 2010 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Joel Lees, Darrell Patzer, Ron Wanzek and Roger Florhaug. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Justin Hatch, Steve Huebner and Perry Kuss and Bob Keller with Bartlett & West.

Update on Doug Zink Easement – Discussion was held regarding Doug Zink and his refusal to sign an easement. Several attempts were made by Bob Keller and Jay Peterson of Bartlett & West to obtain the easement for the road crossing from Doug Zink. Mr. Zink was served with quick take documents on December 10th, but still had the opportunity to sign the easement. He was given another chance to sign on Monday, December 13th, but did not so the quick take documents were filed with the Foster County Court.

Jean Schaeffer – 10 a.m. – ND Water Education Foundation and ND Water Coalition – Jean made a presentation for the water magazine. We could use the magazine for our yearly CCR report (including our Expansion Project signups) and Annual Meeting notice. We would supply the list of members for them to enter into their data system. Discussion followed. Geneva felt this could be worked into our budget. Joel Lees moved to begin sending magazine to members the first issue of 2011. Nathan Hochhalter seconded the motion. Motion carried.

Discuss becoming a member of the North Dakota Water Coalition. Geneva reported to the Board the cost is \$1,000 per year for a membership. Mike Dwyer is the head of the water coalition. Geneva felt the water coalition has a lot of influence for funding. Joel Lees moved to become a member of the ND Water Coalition. Nathan seconded the motion. Motion carried.

The Board reviewed the minutes from the November 9, 2010 Board Meeting. Joel Lees moved the minutes be approved as written. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the O & M bills from November 15, 2010 and November 30, 2010. Check numbers listed #19649 to #19745 were reviewed. Darrell Patzer moved to approve the O & M bills. Mardee Heinrich seconded the motion. Motion carried.

The Board reviewed the Financial Statements through November 30, 2010. Total income November is \$118,284.08 and total expenses for November is \$71,559.38 show a gross profit of \$46,724.70.

Average water usage is 5,461 gallons per member for November 2010 which is up 1.35% for the month compared to last year's usage. O & M per 1000 gallons for November is \$9.16. The net cost per 1000 gallons for November is \$3.68 with a gain of 32 cents. We have 1237 members and 17 multiple users.

Darrell Patzer moved to accept the following new member: Lyle Williams 144-0110. This membership is part of his settlement for the water theft case. Ron Wanzek seconded the motion. Motion carried.

Update on Boyd McKenzie tank removal – Karen contacted Boyd and he stated he couldn't get his tank removed until next spring. We will follow up with Boyd in the spring either by a call or letter.

Adopt as policy the bylaw addition approved at the annual meeting. Policy No. Y-1 Section C. Any parcel of property on which the District needs an easement to construct its system and on which the property owner refuses to grant an easement; the construction cost increase caused by the refused easement shall be calculated and recorded in the records of the District for each such parcel. If water service from the District's system is desired on said parcel or any other property owned by a person who has refused to grant an easement, such person, or successor in interest, shall be required to pay for the construction cost increase plus interest at 6% per annum from the date of payment by the District to the date of payment by the applicant due to such refused easement, in addition to any regularly applicable membership fees and charges for water service. Adopted December 14, 2010. Mardee Heinrich moved to

adopt Policy No. Y-1. Ron Wanzek seconded the motion. Motion carried.

Activity Report:

- Annual Meeting held November 17th
- Repaired leak at abandoned farmstead #112-0061
- Repaired leak Section 3, Fried Township- They bored 1200' taking 32 hours for the boring.
- Repaired leak Section 27, Fried Township – This was a 12' long crack on a 5" line
- Geneva attended the Water Coalition meeting November 30th in Bismarck. They are prioritizing the funding. We may be part of the \$45 million grant allocation for MR&I. We initially asked for 50% of the \$18 million for funding. Jeff Mattern contacted Bob Keller asking why we were asking for ½ of the money for our project. We then changed our request for the entire amount of \$18 million. We can still do the project in phases even if we would get the entire amount.
- Geneva, Perry & Bob attended Operations meeting at City on December 6, 2010. They discussed water supply issues for GRE. They felt the meeting went fairly well.
- Geneva attended the full session of the ND Water & Irrigation Expo, December 8-10, in Bismarck, Perry attended the p.m. on the 8th and the a.m. of the 9th
- Employees finishing up vacation time before the end of the year.

Bob Keller – Bartlett & West

- GRE Project Update
 1. Report on operations meeting with City – reported previously by Geneva
 2. Possibility of additional City work being added to Project before contract closing. Bob reported reducing the retain age from \$50,000 to \$25,000 to American Infrastructure. Darrell Patzer moved to pay Estimate #14 to American Infrastructure for \$25,000. Nathan Hochhalter seconded the motion. Motion carried.

- Expansion Project Update
 1. Construction Progress – 4 members have been added onto our system. The work was subcontracted to Krebsbach Backhoe. Northern Excavating started construction 11/24/10. At this time Northern Excavating has been working for 3 weeks. The frost is approximately 10” deep. Bob talked with Rob. The 2nd crew is coming late today. The main concern is the top soil separation from the sub soil with the temperatures getting colder.
 2. Intermediate Completion date of December 15, 2010. After December 15th Northern Excavating will be penalized \$500/day. Bob explained we would need to prove a loss for applying the penalty. Some reasons for a loss are: VanBedaf Dairy can't be billed the higher bulk rate until we have their line installed. We are buying water from Greater Ramsey Rural Water at a higher rate than if we were installed with the City of Carrington. We are paying Ramsey \$3.25/1000 gallons versus \$1.58/1000 gallons to the City of Carrington. Bob & Geneva will make the decision as to when to stop the project until next spring. It was also noted there would have been no crop damages if the project would have been done this fall.
 3. Pay Estimate – Pay Estimate #1 to Northern Excavating for \$65,266.00. Mardee Heinrich moved to pay Estimate #1 for \$65,266.00 to Northern Excavating. Roger seconded the motion. Motion carried.
 4. Easement Update/Quick Take Update – this was discussed earlier in the meeting.

Other Business – Robert & Marlene Smith signed up for the expansion project membership. They are asking to be reinstated and added to the project. Discussion followed. Bob had met with the Smiths on December 4th. This was the 3rd time B&W had met with them and they still had not decided if they wanted the service. Geneva cut them from the project due to budget restrictions on this small project. Roger Florhaug moved to reinstate Robert & Marlene Smith membership. Joel Lees seconded the motion. Motion carried.

Dates to Remember:

- Christmas Party January 8, 2011 at 6 p.m. at Buffalo City Grille
- Legislative Social at Ramkota Bismarck January 20, 2011
- NDRWSA Expo February 1-3, 2011 in Bismarck

Next Board Meeting will be Tuesday, January 11th at 9 a.m.

With no further business to discuss, the meeting was adjourned.

Submitted by: Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, January 11, 2011 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Joel Lees, Darrell Patzer, Ron Wanzek, Roger Florhaug, Manger Geneva Kaiser, Office Manager Karen Smith, Operators Steve Huebner, Justin Hatch and Perry Kuss, Attorney Scott Sandness and Bob Keller, Bartlett & West and Rob Lindberg, Northern Excavating.

Scott Sandness, Attorney for SRWD met with the Board regarding Doug Zink's easement. A Quick Take was filed last month since Zink refused to sign the easement. Geneva explained the bylaws, and as a member, Zink could be terminated and his water turned off for refusing to provide an easement for a water supply line. Scott explained to the Board that Zink has requested a jury trial and is representing himself. In response, the District needs to file a motion for a summary judgment since it is not a criminal action, a jury trial is not warranted, and the action taken by Zink could be dismissed.

Darrell Patzer moved we send a letter to Doug Zink giving him another chance to cooperate and sign the easement within 7 days. If he signs the easement the case would be closed. Mardee Heinrich seconded the motion. Motion carried. Scott Sandness will send the letter to Zink.

The Board reviewed the minutes from the December 14, 2010 Board meeting. The minutes were not approved, requiring numerous revisions. Geneva will review and present the minutes for approval at the February 2011 Board meeting.

The Board reviewed the O & M Bills for December 15, 2010 and December 30, 2010. Check numbers listed #19746 to #19823 were reviewed. Mardee Heinrich moved to approve the O & M bills. Joel Lees seconded the motion. Motion carried.

The Board reviewed the Financial Statements through December 30, 2010. Total income for December is \$114,137.84 and total expenses are \$119,857.24 show a loss of \$5,719.30.

Average monthly water usage is 5,618 gallons per member for December 2010 which is up 3.56% for the month compared to the same time period last year. O & M cost per 1000 gallons for December is \$15.15. We have 1,237 members and 18 multiple users.

Roger Florhaug moved to accept the following termination: Claudette Yde #402-0090 (house fire) membership transfers: Mardee Heinrich to Josh Heinrich "The Field" #602-0070, Dalles Schilling to Robert Schilling #819-0050, Debora Bear to Justin Bear #127-0190 and Bryan Miller to Ben Kirkeby #812-0130 and new memberships (Expansion Project) Don Wallace #828-0160, John Soma #127-0237, Dennis Lorenz #127-0238, Joseph Brady #127-0239, Jack Meikle, Robert Smith, Engdahl Truck Repair, Stutsman County Road Dept., Zybeck LLP, Wade Wolff, Creative Energy, Jay Bauer, Doris Messmer, Elna MacKenzie, Larry Loose, Jamestown Medical Center, John Corell, Randy Kleinsasser, Troy Rosenau, Harold Sahr, Leonard J. Schmit, Scott Moore, Marty Zachrison (Uncle Bob's), Todd Kinzler, Northern Excavating, Highland Home Cemetery, Jamestown Livestock, Denise Stedman,

Michael Hoepfner, David Arthan, Lloyd Rott, Keith Struble, Thelma Trecker, Tom Soulis, Border States Paving, Inc., Gary Rosenau, Duane Enzminger, Randy Jones, Lance Kinzler, Rick Nenow, Allied Agronomy, James Wentland, (these four are being served), Darren Morlock, Kevin Ebel, Donald Walicski, Virginia Freeman, Vincent N. Schmit, Wilfred Schroeder and Jerry Miller (Jerry's Tree Service). Nathan Hochhalter seconded the motion. Motion carried.

Discuss BCBS rates for 2011. We were notified in December of a 9% increase. Jim Vandrovec explained to Geneva if we switched to another policy and did not grandfather in our current policy, premiums would increase 4% and if we shifted amounts to the employee to pay it would increase another 4%. The Board would like Jim Vandrovec to come to one of our board meetings to explain different policies.

Activity Report:

- Ramsey Rural Water raising rates to \$3.50 per 1,000 gallons – February 1st – Geneva reported to the Board we are paying \$1.92 more than if we purchased water from the City of Carrington
- Generator @ Reservoir 1 wouldn't start last week – cracked fuel filter
- Replaced tank heater again in Res #1 Generator
- Looking for leak off Reservoir #1 – Geneva reported Tony Roorda found the leak on Friday January 7 (Ypsilanti Township Sec. 22 in NE ¼). The leak was fixed on Saturday January 8th.
- Geneva will be testifying before the Senate appropriations committee on January 13th in favor of Senate Bill 2020 – The ND Water Commission budget and bill for \$100 million to help cover Devils Lake and not cut out any projects.

Bob Keller – Bartlett & West

- GRE Project Update – nothing new to report. GRE is using the minimal amount of water 100,000 gallons per day. He had contacted Reed Schwarzkopf regarding closing the contract and has not heard anything back regarding any further work the City may need done regarding extra pipe line to Cell D for a backup supply. He is still withholding \$25,000 in retainage from American Infrastructure until we know all bills have been paid.
- Expansion Project Update
 1. Construction Progress – The tie-in will be done today. This is 2 miles from VanBedaf Dairy.
 2. Intermediate Completion Date – December 15, 2010 - Letter sent to Northern Excavating on 1/4/11 making a good faith offer that once Northern Excavating connects to the 2" line going north to the Dairy, ties in to the City of Carrington, pigs and pressure tests the line, passes 2 bacteria tests, and the District can provide water through that connection, the District would stop liquidated damages on that date and set a new intermediate completion date of May 1, 2011. The liquidated damages would start again May 1st, 2011. Bob also explained to the Board this project has been slow moving and Northern Excavating didn't start construction until 11/24/10 when the bid had been

awarded to them September 14, 2011. We will be deducting \$7500 (\$500/day liquidated damages) from his pay estimate.

3. Pay Estimate – Bob presented Pay Estimate #2 for \$128,752.00 Joel Lees moved to approved Pay Estimate #2 for \$128,752.00 to Northern Excavating, which includes the deduction of \$7,500 for liquidated damages. Darrell Patzer seconded the motion. Motion carried

Rob Lindberg attended the meeting. Rob reported they are wrapping up the first phase of what they can get done this year. They are in the process of tapping, pigging, and pressure testing and setting up a temporary Booster (manhole). They will complete the permanent Booster (meter vault) and tie in this spring. In the spring they will start up Phase I again. Rob asked the Board for an extension with no liquidated damages. They plan to finish the job as soon as the weather breaks which he thought could be March or April. In the spring he plans to have 2 crews working on the 4000' and should be done in 1 ½ weeks. He is looking to have 3 backhoes next spring. The other deadline is 6/15/11 for the second part of the contract. Rob doesn't see that as a problem.

Discussion followed after Rob left the meeting. Rob was basically asking for an open ended time extension with no liquidated damages being charged. Rob did not make mention of the letter sent to Northern Excavating 1/4/11 by Bartlett & West, with Geneva's approval (see attached). The Board agreed with the offer of the terms of the letter as it is a good incentive to get the project completed and to continue with liquidated damages until he has completed the tie-in, and the line is put into service. Roger Florhaug moved to follow what was stated in the 1/4/11 letter if Northern Excavating is agreeable. Nathan Hochhalter seconded the motion. Motion carried.

Other Business:

- Discuss offering a reward for leak reporting (\$50.00). Geneva explained when someone calls in a valid water leak (transmission line); it saves us time looking for the leak. It was suggested to pay the individual \$50.00 for reporting a valid water leak. The Board agreed. We will place this as a message on our next billing.
- Discuss request made by Tom Olson regarding possible funding of a study for industrial water needs/supply in this area and looking at all available supplies including the James River, Sheyenne River and other supplies, including the RRVWS. He would like to apply for an MR & I grant to fund most of it. JSDC would be a partner in the study as well.

Dates to Remember:

- Legislative Social at Ramkota – Bismarck, January 20, 2011 - 5 p.m. to 7 p.m.
- NDRWSA Expo February 1-3, 2011 in Bismarck

Next Board Meeting Date:

- February 15th at 9 a.m.

Darrell Patzer & Mardee Heinrich will plan an employee meeting to address any concerns or problems employees maybe having. They will contact Karen for an available date.

With no further business to discuss the meeting was adjourned.

Submitted by:
Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Thursday, February 17, 2011 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Darrell Patzer, Ron Wanzek and Roger Florhaug. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Steve Huebner, Justin Hatch and Perry Kuss and Bob Keller with Bartlett & West.

The Board reviewed the minutes from December 14, 2010 Board meeting and January 11, 2011 Board meeting. Darrell Patzer moved to accept the minutes as read. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the O & M bills for January 14, 2011, January 31, 2011 and February 15, 2011. Check numbers listed #19824 to #19952 were reviewed. Mardee Heinrich moved to approve the O & M bills. Roger Florhaug seconded the motion. Motion carried.

The Board reviewed the Financial Statements through January 31, 2011. Total income for January is \$116,720.38 and total expenses are \$75,789.34 shows a profit of \$40,931.04.

Average monthly water usage is 5,615 gallons per member for January 2011 which is down 1.40% for the month compared to the same period last year. O & M cost per 1000 gallons for January is \$\$9.35. We have 1242 members and 20 multiple users.

Roger Florhaug moved to accept the following new members: US Fish & Wildlife (Arrowwood Refuge) #112-0252 and William Perleberg (Expansion Project – West Town) and membership transfer: Lila Erickson to Chad Erickson #139-0201 and membership terminations: Ken Clarys #610-0260 and Seth Lindstad #102-0065 Bad Debt of \$347.51. Nathan Hochhalter seconded the motion. Motion carried.

Richard Klose – requesting that his mother's membership be changed to a pasture tap. This is the 4th request in the past two years. Geneva informed the board Nellie Klose (mom) had been paying since 1987 for the rural water. Nellie has now passed away and Richard wants to change it to a pasture tap. Geneva has explained to Richard several times in a letter that he doesn't qualify for a pasture tap. The Board agreed with her decision.

Tom Olson is requesting a letter of support to be sent to GDCD by the District, to request the funding of a study pertaining to the availability of an industrial water supply for the area.

- The Jamestown Stutsman Development Corporation has already sent their letter of support.
- Tom wishes this to be a partnership effort with JSDC. Tom is working with Connie Ova with JSDC.

Geneva reported to the Board Tom wants to have a study funded to look at all sources for industrial water such as: Pipestem River, Jamestown Dam and Sheyenne River this would also include the Red River Valley water supply line. The Board wishes to discuss the matter further. Geneva will visit with Connie Ova with JSDC to get a copy of their letter.

Update on Doug & Brenda Zink Easement – Geneva reported Doug had contacted Scott Sandness our Attorney on February 4, 2011. He thought he would sign the easement. He said he should have gotten paid \$2100/acres for this land. This land is not farmable and it was paid out @ the average price per acres according to the Foster County Agent. He also stated to Scott he wanted it in writing from the Stutsman Rural Water District Board of Directors Zink's water service would never be turned off for any reason other than non-payment. Scott did explain to Doug that they couldn't comply with his request.

Discussion was held regarding shutting Doug's water off since he didn't sign the easement. He didn't comply with signing the easement, so his water and membership will be terminated according to the membership Zink signed and the District's Bylaws. Geneva will draft a letter and have Scott review the letter. Doug will be given 7 days to respond to the letter. It was discussed to have the letter sent certified or sheriff delivery. Nothing definite was decided on the delivery.

Discuss canceling Fidelity Bond insurance through Farmers Union Insurance and switching to North Dakota Fire and Tornado. The fidelity bond covers employee theft of money & property. We are paying \$1520 per every 3 years to Farmers Union for coverage. Geneva had met with North Dakota Fire and Tornado and they now offer a fidelity bond with no premium. When there is \$3 million in the reserve fund there will be no premium if the reserve fund would go below \$2 million we would then have to pay a premium. Darrell Patzer moved to cancel the Fidelity Bond insurance with Farmers Union Insurance and switch to North Dakota Fire and Tornado. Nathan Hochhalter seconded the motion. Motion carried.

Activity Report:

- Geneva and Bob met with Todd Sando and Jeffrey Mattern at the State Water Commission about the Expansion Project on January 12th. Geneva reported Todd Sando is the new State Engineer. They had presented our upcoming Expansion Project information along with our water sample results. Since then Geneva has received our arsenic test results back. 2 out of 3 had arsenic above .10/mg/l. She is planning to send these results to Jeff Mattern.
- Geneva testified before the Senate Appropriations Committee on SB2020, January 13th
- Expansion Project funding application has been submitted to the SRF. Stutsman is #12 on the priority list.
- Charlie Skeel has painted the Res. #1 floor & pipe.
- Denny Stinar was in the office January 26th to make some computer programming changes
- Operators are working on maintenance inside the Res. and Booster buildings
- The District has a booth at the NDRWSA legislative social on January 20th at the Ramkota
- Geneva, Bob & Scott Sandness met with City and Hospital officials January 25th regarding proposed contract being presented to the Public Works Committee for approval on January 25th. Geneva met with the Jamestown Hospital before meeting with the City. JH or SRWD were not consulted about their contract. The JH did have an issue with the 2nd water source (SRWD) being removed from the contract. No negotiations had been made at this meeting. The City was also asking SRWD to give up entire Section 3 of Woodbury Township to the City. SRWD hasn't agreed to this request. City Attorney Dalsted will work on the contract and make necessary changes and this was removed from the City Council agenda. Geneva reported to the Board that the District's lines, territory & customers are protected by USDA (1926B law) even if we owed a \$1.00 to USDA.
- Terry, Joel, Karen, Steve, Justin and Geneva attended the NDRWSA expo February 1 thru 3. During the expo Geneva met with the Governor's aides to discuss funding for our expansion project. Bob Keller received the "Friend of Rural Water" award during the expo.
- Rod Stroh from NDRWSA met with Geneva and Perry to design a drought management and water conservation plan February 8th
- Mardee & Darrell came out to rural water office and met separately with each employee to find out if they have any concerns.

Bob Keller – Bartlett & West

- GRE Project Update
 1. Update on American Infrastructure – We still have \$25,000 retainage for American Inf. Bob received a phone call from AI and was told they are having financial problems. They won't be able to finish some of their project. Bob said the bonding company may need to get involved and they would have to hire a new contractor. AI will be meeting with their banker today and they will know if they will be able to get a loan or close their doors. Our main concern is our 1st year warranty which is fully bonded and ends June 2011 and our 2nd, 3rd & 4th year warranty is 10% performance for settlement. Bob will find out about the warranty period. If the bonding company takes over we will have to meet with them which includes Geneva along with Scott Sandness our Attorney and Bob Keller with Bartlett & West. The bonding company will look at local businesses in case of any warranty repairs.
 2. Discuss final pay estimate for American Infrastructure – The Board agreed to continue holding the \$25,000 retainage.

- Expansion Project Update
 1. Construction Progress Report – the lines have been filled and tested and are now in use. We are using a temporary meter pit until the Booster arrives.
 2. Discuss correspondence between Northern Excavating & Bartlett & West since the last Board meeting – The Board had approved the connection to the 2" existing line to the Dairy and liquidated damages would stop (\$500/day) until May 1st. Bob sent Rob a letter explaining the Board's decision. Bob didn't receive a reply back from Rob. Northern Excavating is still receiving the \$500/day penalty. On January 27th a letter was received from Northern Excavating trying to use the inclement weather conditions as a reason for a time extension. The only way it could qualify would be abnormal rain or snowfall from September 14th through December 15th. This was rejected. Since the excavator could have started in early fall instead of November 24th the project could have been completed.
 3. Discussion on pending letter to Northern Excavating. – Bob reviewed the February 15th letter to Northern Excavating in reply to NE January 27th letter. All claims made from NE in his letter were denied except payment was approved for the extra yelo-mine for \$355.80. Previously Geneva and Bob met with Attorney Scott Sandness regarding the January 27th letter to distinguish between mediation and arbitration. Mediation has 1 mediator and arbitration has 3. Both parties have to agree before arbitration can go forward. If arbitration is refused by either party the dispute would go to Court.

4. Pay Estimate #3 – Bob presented the pay estimate of \$46,617 without liquidated damages and \$23,617 with liquidated damages withheld. Discussion followed. Darrell Patzer moved to approve pay estimate #3 for \$23,617 and include this in the letter to NE explaining withholding liquidated damages. Nathan Hochhalter seconded the motion. Motion carried.

Bob explained to the Board that the District paid a construction inspector for 2 months at this job verses 3 weeks. This would be evidence used in case of a court hearing to prove a loss. Bob suggested several board members along with Geneva, Bob and Scott Sandness meet with Rob Lindberg if he will agree to the meeting. Joel Lees and Roger Florhaug will be the board members to meet with Rob. The alternate will be Nathan Hochhalter.

The next board meeting will be March 8, 2011 at 9 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by:

Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Thursday, March 8, 2011 at 9 a.m.

Board of Directors present: Roger Florhaug, Nathan Hochhalter, Mardee Heinrich, Darrell Patzer and Ron Wanzek, Office Manager Karen Smith, Manager Geneva Kaiser and Bob Keller with Bartlett & West

The Board reviewed the minutes from February 17, 2011 Board Meeting. Ron Wanzek moved to accept the minutes as read. Nathan Hochhalter seconded the motion. Motion carried.

The Board reviewed the O & M bills for February 28, 2011. Check numbers listed #19953 to #19990 were reviewed. Darrell Patzer moved to approve the O & M bills. Nathan Hochhalter seconded the motion. Motion carried.

The Board reviewed the Financial Statements through February 28, 2011. Total income for February is \$116,234.56 and total expenses are \$59,489.19 shows a gross profit of \$56,745.37.

Average monthly water usage is 5,866 gallons per member for February 2011 which is down .64% for the month compared to the same period last year. O & M cost per 1,000 gallons for February is \$6.76. We have 1,241 members and 20 multiple users.

Roger Florhaug moved to accept the following membership transfers: Michelle Jones to Dennis Guttormson #614-0060 and Nellie Klose Estate to Richard Klose #147-0340. Ron Wanzek seconded the motion. Motion carried.

Update on Richard Klose membership – Geneva reported to the Board Richard did come in and transfer the membership into his name.

Update on Doug/Brenda Zink Easement

- Disconnect letter served by Foster County Sherriff March 1st – Geneva reported to the Board the disconnect letter was served on March 1st. Thursday March 4th Brenda Zink stopped in Scott Sandness office and signed the easement. She took the easement along to have Doug sign. Scott had received the signed easement in his office on Monday, March 7th.

Discuss the addition of another water rate to the expansion project

- Seasonal sales to business such as Ag/Chemical businesses, put additional peak demand on the water system
- System must be designed for that peak demand water usage even though the water is not being used year round

- Should the seasonal businesses be required to purchase a minimum amount of gallons per year so as to reserve capacity for their business whether they use the water or not, for example what was done with the Dairy Contract?

Several businesses such as Gavilon want a bigger line to mix chemical and fertilizer. Presently we couldn't provide enough without taking pressure away from the rest area. 90,000 gallons/day would be their peak amount which would be 62 gallons per minute. B&W did a hydraulic review. We could supply 25-30 gpm with the addition of 30,000 gallons minimum storage, once the expansion project comes through (Hwy 52 Bypass). Gavilon is aware they wouldn't get the rural water until fall but they are willing to put storage tanks in. Allied Agronomy is another new customer looking for 30,000 to 40,000/gallons per day. They signed up for the expansion project and will be included in the Phase I project. They would like the water this spring. Discussion was held on individual contracts. The tentative policy would be a minimum of \$45 per month, \$5.00/1000 gallons water rate, and a percentage of peak demand usage guaranteed by contract whether it is used or not. Geneva distributed Water Rates for Expansion Project and Policy No. R-1. Geneva will draft a policy for review at the April Board Meeting.

Discuss request from North Central Water Consortium to serve one member in SW ¼ of Section 8, 144-68. Geneva was contacted by Jim Hubbard with Interstate Engineering. Lee Garrett is in our district but closer to North Central Water (3 miles). SRWD would have would have 5 miles of pipe and since he is close to Thomas Rewald who also will be allowed to hook up to North Central in Sec. 6; the Board agreed to allow Lee Garrett to hook-up with North Central Water Consortium.

Activity Report:

- Geneva attended a Manager's meeting February 22nd in Bismarck about prioritizing systems for funding.
- No progress to report on the City/Hospital/Rural Water Agreement – Geneva reported City Attorney Dalsted sent the changes to Jeff Fuchs. We didn't hear back. The Jamestown Medical Center has agreed to the City Contract. The City has required the District to agree to hand over Section 3 and the remainder of Section 2 as part of this agreement. Federal law prohibits the District from giving away territory and prevents a City from taking territory through annexation without compensation. The District will not agree to the contract.
- New 1" meter has been installed at the VanBedaf Dairy. They are getting 27-29/gallons per minute. We have 15 customers with City of Carrington water supply. Ramsey Rural Water has been turned off.
- Seal replaced in Pump #1 at Res. #3

- Geneva will testify before the House Appropriations Committee on HB 2020 March 16th
- Bob & Geneva will meet with Connie Ova (JSDC) regarding industrial water study March 7th. Geneva reported they met with Connie and Alex Schweitzer about the letter of support for the Red River Valley Supply. Bob presented them with information on the Stutsman/GRE Water Pipeline Capacity to the Spiritwood Industrial Park. Bob will make a full presentation to the JSDC board April 11th.
 1. Revisit the discussion on the Letter of Support for the Industrial Water Study/GDCD

Bob Keller – Bartlett & West, Inc.

- Update on American Infrastructure
 1. Status with Bonding Company regarding warranty and outstanding invoices. Bob reported we are fully bonded for the 1st year. The warranty is for 4 years. The Bonding Company is not aware of the 4 year warranty. We will continue to hold the \$25,000 retainage until the warranty issue is resolved. Fargo Water (\$18,000) and Wick Construction (\$21,000), both signed lien releases but have claims against the bonding company.
- Expansion Project Update
 1. Discuss correspondence between Northern Excavating and Bartlett & West since last Board meeting. A letter had been sent to Northern Excavating and we haven't heard anything from Rob Lindberg, owner, regarding a meeting. We are still waiting for Burlington Northern and RRV&W crossing permits. The pay estimate #3 has not been signed. NE had been contacted about the pay estimate and Dodie (office manager) said they would check into it.

MicroComm Proposal – Bob gave the Board the following information regarding the proposal. Booster Station (Expansion Project), SCADA at the Booster Station, antenna and Office work for a total of \$51,725.00 this includes a 5 year warranty on parts and labor. Roger Florhaug moved to accept the proposal for \$51,725 for the Expansion Project SCADA and \$7893.00 for SCADA at the WWTP GRE Booster for the Chlorine Equipment. Nathan Hochhalter seconded the motion. Motion carried.

Other Business:

- Discuss purchasing space in the Progress Edition of the Jamestown Sun
- \$471.00 for a ¼ page – small ad with picture
- \$921.00 for a ½ page – ad with picture and 1/8 page article
- \$1821.00 full page ad and ½ page article.

The Board discussed and decided to go with the \$1821.00 full page ad and article with pictures.

The next Board meeting will be Tuesday, April 12 at 9 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by:

Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, April 12, 2011 at 9 a.m.

Board of Directors present: Nathan Hochhalter, Roger Florhaug, Mardee Heinrich, Ron Wanzek, Darrell Patzer and Joel Lees. Manager Geneva Kaiser, Operators Steve Huebner, Perry Kuss and Justin Hatch, Office Manager Karen Smith and Bob Keller with Bartlett & West

The Board reviewed the minutes from March 8, 2011 Board Meeting and Karen Smith read the March 31, 2011 Committee Meeting with Northern Excavating minutes. Darrell Patzer moved to accept the minutes as read. Mardee Heinrich seconded the motion. Motion carried.

The Board reviewed the O & M bills for March 15, 2011 and March 31, 2011. Check numbers listed #19991 to #20067 were reviewed. Mardee Heinrich moved to approve the O & M bills. Roger Florhaug seconded the motion. Motion carried.

The Board reviewed the Financial Statements through March 31, 2011. Total income for March is \$114,761.26 and total expenses are \$54,578.19 shows a gross profit \$60,183.07.

Average monthly water usage is 4,528 gallons per member for March 2011 which is down 12.47% for the month compared to the same period last year. O & M cost per 1,000 gallons for March is \$7.84. We have 1242 members and 20 multiple users.

Joel Lees moved to accept the following new memberships: Robert Anderson #127-0322 and Duane Witzig Expansion Project Member and membership transfers: Delyte Koropatnicki to Ryan Koropatnicki #137-0120, Richard Christensen to Trent VanDyke #626-0140, Eddie Simonsen to Lucas Brady #626-0020, Ray Baker to Tony Roorda #148-0150, Terri Neys to Aaron Nogosek #608-0180, Paul Wasson to Ken Strickler #108-0330, Dave Glinz to Kenny Delair #133-0260, Ed Doeling to David Doeling #216-0320, Russ Strickler to Jan Strickler #610-0100 and JR Cebula to Levi

Hintz #608-0110. Nathan Hochhalter seconded the motion. Motion carried.

Discuss meeting with Hospital and City of Jamestown regarding Hospital Backup Service Agreement.

- Discuss SRWD service area in Woodbury Twsp., SW ¼ of Section 2, part of the NW ¼ of Section 2, Section 3, SW ¼ and SE ¼, most of NE ¼ and part of NW ¼. Geneva, Bob and Terry met with the Jamestown Hospital before meeting with the City. They had suggested to JH adding a water hydrant instead of running the line into JH. JH was in favor of this suggestion, as a last resort. Discussion was held regarding the backup water supply contract with JH and the City. The Board suggested completing our contract with JH first and JH could then complete their contract with the City. JH agreed to pay for the 6" to 8" line upgrade as long as SRWD is their backup water supply. JH was asked if the City would deny allowing SRWD as the backup water source if they would consider going public about the water service. JH stated they would consider going public if this couldn't be resolved. Geneva will prepare an agreement for payment for upsizing the pipe line from 6" to 8" for the hospital. Once we have our signed contract with JH, they can then finish their contract with the City.
- City of Jamestown has expressed interest in purchasing above service area
 1. Does the Board wish to sell the service area?
 2. Discuss 1926B Law and the ND State Century Code law that applies to annexation and buyouts. Geneva explained to the Board this law protects us from annexations without compensation. Geneva received a copy of the ND State Century Code Law 6-09.4-22 from Jerry with CRWD, which is similar to the 1926B law.
 3. Discussed prices CRWD obtained for service areas that had no pipeline installed.
 4. New hospital was in District service area before annexation Geneva distributed Buy out Statistic from Cass Rural Water for the Board to review. It also included Usage Statistics to consider, Century Code 6-09.4-22 and map of Woodbury Township Section 2

- Bob & Geneva meeting with JSDC full board April 11th a.m. –A power point presentation was done by Bob on availability of industrial water in our area. JSDC was very receptive to this suggestion.
- Operations meeting with City/GRE and District April 11th, pm. Geneva reported met with GRE. Perry, Bob, Geneva, City Employees and GRE employees. GRE will start filling up their boiler at the end of June 2011. Starting in January 2012 they will be using 400-500/gpm.

Bob Keller – Bartlett & West, Inc.

- Update on GRE contract
 1. Status with Bonding Company regarding warranty and outstanding invoices. Bob reported no changes since last meeting. He reported Wick Construction and Fargo Water and Ferguson have received their payments from the bonding company. The District won't release the \$25,000 retainage until a decision is made on the warranty. This amount maybe placed in escrow account. If the 4-year warranty isn't used, the money would go back to the bonding company.
- Expansion Project Update
 1. Discuss meeting with Northern Excavating March 31, 2011 – lots of discussion at the meeting, several items were resolved.
 2. Decision on liquidated damages – SRWD held \$22,500 from February 2nd pay estimate. We had sent a letter to NE stating after they tie in the line at Carrington liquidated damages would be stopped. NE didn't agree, so liquidated damages are continuing.
 3. Northern Excavating request for Schedule 2 time extension. The deadline for this project is June 15, 2011. NE has asked for another open ended time extension. After discussion, the completion dates remain per contract documents. Allied Agronomy needs water (Bypass) by May 15th. He will be a high volume user and wants to get connected ASAP; otherwise Allied Agronomy will have to dig a well.

4. Installation of Booster/Meter Vault beginning the week of April 18th. Bob will send a letter to NE explaining Allied Agronomy's need for water by May 15 along with railroad crossing insurance concerns. Bob did ask NE to start working on the bypass April 18th if it is too wet to install the meter vault. We need to contact the City of Carrington when they start the project.
5. Decision on emergency service to the hospital-discussed earlier in the meeting.
 - Stutsman County Highway 67 Pipe Relocation Project
 1. Bids to be received by 4:00 p.m. April 19th – This project is similar to Res #4 project. Bids will be opened on April 19th. We will be reimbursed for this project.

Other Business

Operator Steve Huebner thanked Ron Wanzek for removing snow by Reservoir #8 this past winter.

Next Board meeting date: May 10, 2011 at 8 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by:

Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, May 10, 2011 at 8 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Joel Lees, Darrell Patzer, Roger Florhaug and Ron Wanzek. Manager Geneva Kaiser, Operators Steve Huebner, Justin Hatch and Perry Kuss, Office Manager Karen Smith and Bob Keller with Bartlett & West

The Board reviewed the minutes from April 12, 2011 Board Meeting. Joel Lees moved to accept the minutes as read. Mardee Heinrich seconded the motion. Motion carried.

The Board reviewed the O & M bills for April 15, 2011 and April 29, 2011. Check numbers listed #20068 to #20153 were reviewed. Darrell Patzer moved to approve the O & M bills. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the Financial Statements through April 30, 2011. Total income for April is \$118,511.07 and total expenses are \$56,047.45 shows a gross profit of \$62,463.62.

Average monthly water usage is 6,032 gallons per member for April 2011 which is up 11.33% for the month compared to the same period last year. O & M cost per 1,000 gallons for April is \$6.14. We have 1243 members and 20 multiple users.

Roger Florhaug moved to accept the following new member: Elmer Retzer #139-0240, Expansion Project Members: Joe Klundt, Roger Nenow, Trevern Iverson and Thilmer Roemmich, Expansion Project Deletions: Jared Wanzek and Randy Gengler, Membership Reinstatement: Seth Lindstadt #102-0065, Membership Terminations: Tyleigh Williamson #618-0030 and Ilene Backer #610-0200 and Membership Transfers: Ray Jawaski to Royce Jawaski #400-0340, Donald Thoms to Duane Thoms #135-0220, Kenneth Strickler to Dawn Morgan #610-0370 and George Heinrich to Josh Heinrich #400-0130. Nathan Hochhalter seconded the motion. Motion carried.

Illegal connection discovered in City of Courtenay: Geneva explained to the Board how we discovered Bob Bartlett connected his home to Randy Barnes waterline. A young couple purchased Bob's home and were told by the realtor there was "City" water in the home, but afterward discovered there was no well or "City" water going into the home. Geneva decided to allow the young couple rural water from the Barnes home to their home until it is dry enough to dig and get a legal waterline to their home.

Review Seasonal Peak demand policy for the Expansion Project – Geneva read the Seasonal Bulk Users requiring Peak Demand (gpm or gpd) policy. The Board felt the policy will work. Darrell Patzer moved to accept the Seasonal Bulk Users requiring Peak Demand policy. Ron Wanzek seconded the motion. Motion carried.

Scott Sandness asked if the District would be willing to send him to a seminar in Bismarck on water law and regulations. The cost is \$249.00 and he would pay for his own gas and meals and wouldn't charge any other fees to attend. Geneva felt this would be worth it for Scott to attend. Ron Wanzek moved to approve sending our attorney Scott Sandness to Bismarck on water law and regulations and paying \$249.00 for him to attend. Joel Lees seconded the motion. Motion carried.

Opened bids for County Road #67 pipeline relocation project – Krebsbach Backhoe Service was the low bidder at \$44,857.72 and Dave Titus Excavating Inc. bid was \$67,810.00. Roger Florhaug moved to accept Krebsbach Backhoe Service bid for the County Road #67 pipeline relocation project. Joel Lees seconded the motion. Motion carried. Geneva stated we will get reimbursed for this project. The relocation will be on the east side of road right-a-way.

Activity Report:

- Geneva attended the GDCD quarterly Board meeting in Carrington on April 13th. Geneva reported SRWD was not mentioned at the meeting.
- Carrington tie-in leaked April 26th. Switched back to Ramsey and Res. #5 until repaired next day.

- Operators have been busy hooking up seasonal cabins and doing line locations
- Filters at the treatment plant have been recharged
- Desiccant has been replaced in the dehumidifier at the treatment plant and will be replaced in all the dehumidifiers this summer. Last time replacement was done in 1999.
- REC magazine (ND Living) plans to do a rural water story and will include Stutsman and Southwest Pipeline in the article. ND Living asked to interview a family using rural water. Entzminger Dairy agreed to be interviewed for the article.
- Will be meeting with Gene from Allied Agronomy and Bob after the Board Meeting and will be meeting the Hospital later in the week.

Bob Keller – Bartlett & West, Inc.

- Expansion Project Update
 1. Construction Progress Report – Bob informed the Board regarding NE request for additional compensation for the 8” pipe. The field order was approved for the first 2 miles of 8” pipeline for Jamestown Hospital. On 10/18/2010 the submittal was signed by Bob Keller and signed by Rob Lindberg on 11/10/2010. He didn’t order the pipe at that time and now the cost of pipe has increased \$1.12 per foot. Bob called Fargo Water inquiring about the order. They didn’t receive the order until April 2011 instead of October 2010. Rob L. had told Bob the prices had gone up between the time the field order was issued by B & W and signed by Northern Excavating. Rob had also billed the vault company (Dakota Pump) \$5800, because NE installed a temporary meter pit. Dakota Pump refused this bill and had Rob sign a purchase agreement before the vault was sent. The vault is now set in the ground but not connected.
 2. Correspondence since the April Board meeting – Bob met with Rob Lindberg after our last board meeting. Stated to Rob very important to get the Booster in.
 - a. Pay Estimate – Pay Estimate #4 \$168,159.00 – This pay estimate consists of a large portion of materials and \$44,000 for labor. Geneva suggested withholding \$14,000 for liquidated damages to cover February 2011

(28 days) from pay estimate. Discussion followed. Joel Lees moved to pay the full amount of pay estimate #4 for \$168,159. A letter needs to be included explaining liquidated damages will be deducted in future payments. Darrell Patzer seconded the motion. Motion carried.

- b. Decision on Liquidated Damages – other bills paid by the District or outstanding for Northern Excavating. Randy's Electric \$523.93 (for hitting private lines at old golf course) **paid**. Greater Ramsey Rural Water District \$600.00 (for hitting water line) **outstanding. Both bills will be paid by Stutsman and deducted from retainage at the end of the contract.**

Approve Schauer & Associates for Fiscal Year Audit – Mardee Heinrich moved to approve Schauer & Associates to do our Fiscal Year Audit. Ron Wanzek seconded the motion. Motion carried.

Other Business: The board was informed Roger Mathias refused to sign the easement in Section 3, 139-64, without a \$30,000 payment. This cost the district extra dollars to re-route the line across the road. Elmer Klose did sign the easement for the reroute in Section 4. Roger Mathias will be assessed the extra construction cost in the future before he would be able to have rural water.

MR&I Grant funds– Eric Volk is trying to get a date setup for 9 Managers' meeting to discuss prioritizing its own projects, within the NDRWSA, as the SWC has requested.

In June GRE will be starting to use more water.

The next board meeting will be June 14, 2011 at 9 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by:

Karen Smith
Office Manager

& 3. Discussion followed. It was agreed by the Board “in the future” to make it clear to the City of Jamestown they will have to compensate SRWD when wanting to annex any rural property in SRWD territory. The Board did not make a decision regarding the sale of the usage area to the City, more information and discussion will be necessary.

Review and Discuss new policy for seasonal peak demand customers/reserving capacity:

- Approve/disapprove policy – Karen read the last paragraph of Policy No. R-1. Discussion followed. The Board suggested Geneva rewrite the policy and discuss at our next board meeting.

Activity Report:

- All Staff attended ND One Call Banquet
- Leak repaired on District side of curb stop at Tina Bischoff property #140-0070
- Geneva attended Water Coalition meeting March 17th and testified at Legislature in the afternoon
- Ordered new Chlorine scale for Res. #7. Other was 25 years old and quit working
- Geneva met with Charlie Kourajian March 22nd and attended City Finance and Legal Committee meeting later that afternoon
- Geneva attended the State Water Commission meeting March 28th
- Terry, Bob and Geneva met with Marty Richman and Alan O’Neil from Jamestown Hospital March 30th and also met with City officials at City Hall later in the afternoon regarding the hospital agreement
- Joel, Roger, Geneva, Bob and Jay Peterson met with Northern Excavating March 31st at the Gladstone S
- Full page Jamestown Sun ad ½ page article about the District published March 31st
- Repaired leak (2” cracked elbow) near Leif Bollingberg residence in Courtenay #610-0230
- Looking for leak off Reservoir #1

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, June 14, 2011 at 8 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Joel Lees, Darrell Patzer, Ron Wanzek and Roger Florhaug. Manager Geneva Kaiser, Operators Steve Huebner, Justin Hatch and Perry Kuss, Office Manager Karen Smith, Bob Keller with Bartlett & West and Martin Richman and Alan O'Neil with the Jamestown Hospital.

The Board discussed the backup water supply with Martin Richman and Alan O'Neil for the new Jamestown Regional Medical Center. May 12th Bob and Geneva met with Martin Richman and Alan O'Neil and informed them of the Board decision regarding the sale of usage territory to the City of Jamestown. On June 10th Martin informed Geneva that their hospital may now drill their own well. The construction company has contacted SRWD to install a meter for the new medical center. Martin reported he had met with Jeff Fuchs, City Administrator regarding the installation of 2 hydrants for emergency use if a permanent connection won't be allowed. The city currently does not have enough pressure for the hospital to use the irrigation system, and they would use rural water if the connection is approved by the City.

Joel Lees who is also on the Water Resource Board suggested they use the holding ponds to water their lawn. Alan stated they are looking into using them. Martin will be attending the City Public Works meeting June 23rd, to again discuss the backup water supply issue.

The Board reviewed the minutes from May 10, 2011 Board Meeting. Darrell Patzer moved to accept the minutes as read. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the O & M bills from May 13, 2011 and May 31, 2011. Check numbers listed #20154 to #20238 were reviewed. Mardee Heinrich moved to approve the O & M bills. Joel Lees seconded the motion. Motion carried.

The Board reviewed the Financial Statements through May 31, 2011. Total income for May is \$115,112.77 and total expenses are \$58,344.46 shows a gross profit of \$56,768.31.

Average monthly water usage is 5,250 gallons per member in May 2011 which is down 15.08% for the month compared to the same period last year. O & M cost per 1,000 gallons for May is \$7.40. We have 1242 members and 20 multiple users.

Ron Wanzek moved to accept the following new members: Robert McIlonie #131-0220 and Cy Farms #117-0172, Membership Transfers: Gerald Sande to

Dave Richter #819-0010, Dave Cysewski to Paul Cysewski #117-0171, Greg Nordstrom to Colin Wegenast #120-0141, Curtis Schuldheisz Est to Vivian Heier #809-0135, Robert Miller to Dann Holm #122-0330 and Arlie Rud to Troy Thomas #620-0460, Expansion Project Member additions: Darold Roemmich, Elmer Klose and Midwestern Machine and Expansion Project Member deletions: Duane Enzminger and Todd Krebsbach. Discussion was held regarding Duane Enzminger requesting a refund for \$550.00. The Board stated they need to stay with policy and there will be no refund. Todd Krebsbach will be deleted from this expansion project, but he will be added into the next expansion project. His neighbor, Dr. Steve Looyesen, refused to grant an easement for Krebsbach's service line installation. Membership termination: Don Oberlander #141-0021. Mardee Heinrich seconded the motion. Motion carried.

Current System vs. Expansion Project System

- How long will the District continue to take memberships on the current system? Currently SRWD charges \$1800 for a regular membership and \$600 if signing up for the expansion project. How long do we want to have both systems running? The incentive at this time is the monthly minimum charge of \$37 versus \$45.
- Select an area/phases that would be constructed first if the District were to receive funding this year. Presently SRWD is in the running to receive a \$6.8 million grant. Bob Keller has been contacted by Jeff Mattern with some questions. We should know by September or October. The area of expansion would be everything north of I-94. This would be 255 miles of pipeline and 300 users.

It was discussed that once an area is developed through the expansion project anyone signing up later on their own should pay the minimum of \$45. The Board also feels we should keep the \$1800 membership fee. Discussion followed. The Board would like to discuss further at our next board meeting. Geneva will be attending a Manager's meeting on June 21st to find out about the allocated funds. SRWD had requested a 70% grant and not 75% grant like several other water districts had. Joel Lees moved if we get the 70% grant funding, the phases that would be constructed first are the Woodworth Phase and the Northern Stutsman County Phase. Darrell Patzer seconded the motion. Motion carried.

Activity Report:

- Bob and Geneva met with Gene from Allied Agronomy after the last Board meeting to discuss the peak usage policy. They are still waiting to hookup to rural water. The contract cost would be \$21,000, annually for 8 gpm year round flow. Since he hasn't received water yet, he doesn't want to sign the contract. Geneva would like to leave him as a regular

bulk user \$5/1,000 gallons and meet with Gene this fall or winter to come up with a contract for next year. The Board agreed

- Geneva attended a Manager's meeting May 19 in Bismarck regarding prioritizing projects to make funding recommendations to the Water Commission. This is for the \$15 million budgeted for 2011-2012. Geneva felt it looked good for SRWD.
- Letter was sent to City of Jamestown May 23rd regarding the Board's decision on the sale of the usage area. There has been no response from the City.
- Geneva attended a FEMA meeting in Valley City May 24th. An application for assistance has been filed. Geneva reported FEMA called her to verify we have insurance, so there wouldn't be double payments. She was told we are the only rural water system to apply for assistance from FEMA for leak repairs. We can apply for leak repairs from February 2011 forward. The leak by Kirk Grimm property to dewater and repair the leak could be covered.
- Leak repaired in road casing east of Kirk Grimm in Sec. 25; Pipestem Valley Township. Had to have area dewatered before it could be repaired. General Irrigation from Oakes was hired for \$5500 to dewater.
- Expansion Project is keeping all employees busy, in addition to regular maintenance, mowing, gps, service calls, pressure complaints, leak searches and leak repairs.
- Audit has been scheduled for July 13th and 14th

Pelican Point Campground – Geneva & Perry attended the Stutsman County Commission Meeting June 17th.

- Stutsman County Commission has asked that the District have the project specs drawn up and put out on bids. SRWD will have Bartlett & West do the drawing and specs for the bids. Property owners along the way to Pelican Point don't want rural water. Another campground by Pelican Point hasn't signed up for rural water through the expansion project. Pelican Point would like to have him share expenses; nothing definite has been decided. Darrell Patzer moved to approve having SRWD pay for specs and have the easements drawn up. Joel Lees seconded the motion. Motion carried.
- The District would be responsible for easements between 4-5 easements.

Bob Keller – Bartlett & West, Inc.

- Expansion Project Update
 1. Construction Progress Report – May 6th the Carrington Booster was finished. Power has been installed. The booster has been started up and running. The Dairy is now getting water from City of Carrington. Ramsey Rural Water will be turned off.

2. Pay Estimate for Northern Excavating – Bob reported the pay estimate is \$195,462. A letter had been sent to NE regarding the completion date and extension date. Rob had sent a letter requesting an extension to July 30th. It was suggested sending a letter back with our extension date of July 15th as our extension date. Joel Lees moved to approve Pay Estimate #5 for \$195,462 and to include a letter with the extension completion date of July 15, 2011 for Schedule II Area, with everyone being connected. Mardee Heinrich seconded the motion. Motion carried.
3. Pay Estimate for Micro Comm for GRE Project – Bob presented pay estimate #2 for Micro Comm for the GRE Project along with change order #4 for Chlorination Equipment \$7893.90. The total pay estimate would be \$22,319.90. Darrell Patzer moved to pay Estimate #2 for Micro Comm for \$22,319.90. Ron Wanzek seconded the motion. Motion carried.

Other Business

- Need approval/signatures on Right of Way Certificate for Rural Development (current project)
- Having numerous problems with the mower. Is scheduled for trade in next summer. Does Board wish to continue repairs or trade it in early? Presently the mower has 344 hours. The board agreed to get bids and come back to the next board with the possibility of purchasing a new mower.

The next board meeting will be July 12, 2011 at 9 a.m. at SRWD.

With no further business to discuss the meeting was adjourned.

Submitted by:

Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, July 12, 2011 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Joel Lees, Darrell Patzer and Ron Wanzek Manager Geneva Kaiser, Operators Steve Huebner, Justin Hatch and Perry Kuss, Office Manager Karen Smith, Bob Keller with Bartlett & West and Keith Norman with the Jamestown Sun.

The Board reviewed the minutes from June 14, 2011 Board Meeting. Ron Wanzek moved to accept the minutes as read. Nathan Hochhalter seconded the motion. Motion carried.

The Board reviewed the O & M bills from June 15, 2011 and June 30, 2011. Check numbers listed #20239 to #20328 were reviewed. Darrell Patzer moved to approve the O & M bills. Mardee Heinrich seconded the motion. Motion carried.

The Board reviewed the Financial Statements through June 30, 2011. Total income for May is \$121,312.13 and total expenses are \$85,294.45 shows a gross profit of \$36,017.68.

Average monthly water usage is 7,557 gallons per member in June 2011 which is down 6.08% for the month compared to the same period last year. O & M cost per 1,000 gallons for June is \$7.41. We have 1242 members and 20 multiple users.

Mardee Heinrich moved to accept the following new members (Phase I Expansion) Rod & Tammy Bender, Wayne Burgard and Michael Klose; Membership Transfers: Kevin Wagner to Justin Uehran #131-0190, Edward Wann to Annie Daigle #306-0161 and Virgil Magney to Imogene McGee #622-0070. Ron Wanzek seconded the motion. Motion carried.

Grant Funding has been approved – Geneva reported to the Board \$6.8 million has been approved by the State Water Commission for Stutsman Rural Water District Expansion Project for the Woodworth Phase and Northern Stutsman County Phase.

Approve/disapprove resolution for extension on USDA Interim Financing Loan for Phase I construction. Current Interim financing resolution expires August 1st. Construction will not be completed at that time. We will need to renew for another year. Joel Lees move to approve the resolution for extension on USDA Interim Financing Loan for Phase I Construction. Nathan Hochhalter seconded the motion. Motion carried.

Update on Jamestown Regional Medical Center backup water service

- Letter sent to City Council June 27th. The City had stated they didn't receive an adequate response from their May 23rd City Council meeting. Geneva then sent a letter on June 27th asking to meet with Mayor Katie Anderson.
- Email reply from Mayor July 5th - . Geneva received a reply from the Mayor stating Councilman Patrick Nygard would be attending our Board meeting. He didn't show for our board meeting today.

Review bids for new mower – The Board reviewed 2 bids for a new mower. Dakota Rental bid \$9169.00 for a Hust Mower with a 5-year warranty and 500 hours and Central Sales Inc bid \$7,000.00 for a Grasshopper Mower includes our John Deere trade in for \$6,633.20. Discussion followed. Joel Lees owns a Grasshopper mower and said he really likes the mower. It is very easy to work on. The mower will have a 1 year warranty. This was tabled until our next board meeting.

Activity Report:

- Geneva attended a Manager's meeting on funding priorities and a Water Coalition meeting on June 20, and a State Water Commission meeting on June 21 in Bismarck.
- Bob & Geneva met with Rich Garmin from GRE June 23rd regarding development of an ethanol plant at the Spiritwood Industrial Park. The GRE Contract allows for 800 gpm to be allocated to another entity.
- Line relocation project is near completion along County Road 67 south of Cleveland.
- Geneva attended a Stutsman County Commission meeting July 5 to discuss Pelican Point Campground. The campground is open this year without water or sewer. Since SRWD had received notice of our \$6.8 million grant; the Stutsman County Commission has decided to wait until next year to have rural water installed. They will use their grant for campground improvements.
- Audit preparation is near completion. Audit is scheduled for July 13 and 14
- Repaired leak at GRE site. Repair bill will be turned in to the bonding company for warranty.
- Conservation and Drought Management plans have been completed with the assistance of the NDRWSA. Each board member received copies of Water Conservation Plan and Drought Management Plan.

Bob Keller – Bartlett & West

- Expansion Project Update
 1. Construction Progress Report – Bob reported it has been a slow month due to weather condition. He said 9 users are ready for service through Schedule II. The Dairy usage is up to 31 gallons/minute. Northern Excavating had previously requested a time extension from June 15th deadline date to July 31st. A letter had then been sent to NE giving them a deadline date of July 15th
 2. Pay Estimate for Northern Excavating – Bob presented Pay Estimate #6 for \$83,301.00 less retainage and liquidated damages. Darrell Patzer moved to approve Pay Estimate #6 for \$83,301.00 to NE. Joel Lees seconded the motion. Motion carried. Bob stated there is \$411,000 left to be paid out the NE which includes retainage.

- Phase II Expansion Project
 1. Work has started on preparation of Amendment to the PER – Bob distributed a preliminary map to board members. The blue highlighted area is being planned for the Northern Stutsman County Phase 2 Expansion. This will have 300 miles of pipeline, 270 users, 1 bulk user (Town of Woodworth – 42 meters) 312 Total Service Units. The total estimated project costs will be \$9,766,600 and \$31,000 Estimated Cost per Service Unit
 2. Make application to USDA RD for loan portion of Expansion Project
 3. Prepare and Submit an EA for the Expansion Project
 4. Revisions to design of Expansion Project
 5. SA for Engineering Services for Design of Expansion Project. The cost of the project will be \$9.8 million. B&W will have an 8% design fee, (\$600,000). This also includes the EA and updating the PER. Joel Lees moved to approve SA#23 \$600,000 design fee for Bartlett & West. Darrell Patzer seconded the motion. Motion carried.

- Leak Repair at GRE Site – A leak near the Booster station was repaired. A local contractor repaired the leak.
 1. Will begin negotiating the warranty with the Bonding Company. The bonding company will be responsible to reimburse Stutsman for the leak repair costs. \$25,000 retainage is being withheld on the contract.

Annual Picnic

- Does the Board wish to schedule a picnic again this year after the August Board Meeting? The Board agreed to have the picnic after the next Board meeting August 9th.

Other Business

- Geneva informed the board she opened 2 accounts – GRE Savings for Debt Repayment and USDA checking account – this is a requirement
- Terry Nieland suggested we meet with the Carrington City Council to inform them of our upcoming Expansion Project.
- GRE Audit (on-site) – Geneva reported Tetra Tech will be on site August 2nd. The EPA conducted a similar audit on the GRE project in August of 2010.

Annual Wage and Salary Review – The Board approved the following wages for each employee.

[REDACTED]

Next Board Meeting August 9, 2011 at 4 p.m. with a picnic to follow.

With no further business to discuss, the meeting was adjourned.

Submitted by: Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, August 9, 2011 at 4 p.m.

Board of Directors present: Mardee Heinrich, Roger Florhaug, Joel Lees, Ron Wanzek and Darrell Patzer. Manager Geneva Kaiser, Operators Steve Huebner, Justin Hatch and Perry Kuss, Office Manager Karen Smith and Bob Keller Bartlett & West.

The Board reviewed the minutes from the July 12, 2011 Board Meeting. Darrell Patzer moved to accept the minutes as read. Joel Lees seconded the motion. Motion carried.

The Board reviewed the O & M bills from July 15, 2011 and July 29, 2011. Check numbers listed #20329 to #20406 were reviewed. Mardee Heinrich moved to approve the O & M bills. Roger Florhaug seconded the motion. Motion carried.

No Financial Reports or Water Usage Reports until the Auditors have completed the audit and the books are closed for 2010/2011 fiscal year.

Water Rate Survey/ Comparisons – Geneva distributed statewide Rural Water System Rates to the board members. She would like the board to review this report and to think about our rate and consider increasing the rate next year. She did state there will be less pumping costs with the new system in Carrington, but felt we need to keep up the cost of producing the water.

Darrell Patzer moved to accept the following new members: Craig Hoffmann #825-0750, Michael Lipetzky #831-0300 and Brian Hoffman #306-0211; membership transfers: Bryan Ryberg to Jason Anderson #608-0140 and Jim Foss to Simone Klemen #806-0090. Joel Lees seconded the motion. Motion carried.

Aaron Williams – removed 3 ½' of dirt from top of our waterline in the Lakeside Estates Area north of the Fair Grounds. It was discovered when he dug up a Northern Plains power line. He didn't call in locates through the one call system. He has been told that 3" water line must be lowered at his expense or replace the dirt that he moved. Aaron will be required to make payment before the project is started.

RTS Shearing is raising County Road 67 several miles south of the area where SRWD just completed line relocation south of Cleveland. A one call locate was called in on this, but this locate didn't get done. The Contractor started work on July 24th. The error was discovered on July 26th and the contractor was advised as to the location of the water line on private easement at that time. RTS has notified the District that they will be expecting payment for damages. Jerry, owner of RTS called Geneva asking us to lower the line or move the line. Geneva contacted our attorney, Scott Sandness. Our easement was recorded and they didn't check the area out before bidding the job. Darrell suggested we have Scott Sandness research if any case like this has happened to any other rural water districts. The board suggested we offer for him to move the line.

Review Bids and Purchases Budget for fiscal year 2011/2012. Geneva distributed a list of Proposed Purchases for 2011/2012 Fiscal Year.

Utility Plants & Reservoirs – Replace Outlet Piping at Reservoir #9 \$6500 and 30 Kw Generator for Booster #10 \$18,500, Office Equipment – Dell Optiplex Computer/Monitor \$2000, Bosanova Card \$500, Dell 3130cn Laser Printer (Karen) \$650. And Refrigerator \$500; Equipment and Tools – Tool Box (Steve’s Pickup) \$450, Grasshopper mower with trade \$7000, Trailer with trade \$2200 and Digital Radios (3 radios, base station, 1 handheld) \$7246. Total Purchases Proposed \$45,546.00. Joel Lees moved to approve the Proposed Purchases Budget for fiscal year 2011/2012. Darrell Patzer seconded the motion. Motion carried.

Activity Report:

- Geneva attended a Rural Water Manager’s meeting July 13 and the summer NDRWSA meeting on July 14 at the Ramkota in Bismarck
- Audit has been completed and we are waiting on the final adjustments to close the books.
- The Phase II Loan application has been turned in to the USDA Rural Development
- GRE has started taking more water in preparation for startup this fall. Since there was a meeting between Steve Suko, Reed Schwarzkopf and Perry there has been no problem with water supply. The City has used Cavendish’s waste water because it came through the lines warm and when Cavendish isn’t running, the City can’t get warm waste water. The city is now installing a 2nd system with an in line heater when Cavendish isn’t running.
- The County Road 67 waterline relocation project has been completed by Krebsbach Backhoe Service
- Leak Repair on the water line for new membership services for Reiland/McIlonie.
- The EPA audit on the GRE Project was completed August 2nd.

Bob Keller – Bartlett & West

- Phase I Expansion Project Update
 1. Construction Project Update – Bob reported the progress is slow – 18 services have been turned on and the tie in for the 8” will be done today. The 6 Carrington users haven’t been hooked up. The board discussed taking them off of the contract and adding them onto next year’s project
 2. Meeting with Rob Lindberg and Jarred McGough July 25th – Geneva and Bob met with Rob and Jarred. NE was making very slow progress. It was discussed that since the weather has been wet, perhaps NE could stop construction up to 2 weeks to allow for conditions to improve. The concern is that SRWD is not receiving a good quality installation on the pipeline. The weather stayed dry, so they continued to keep working. In Carrington the 4” pipeline was finished and tested. The Dairy is now receiving full service getting 30 gallons/minute.
 3. Change Order No 1; contract 2010-1 – The completion date was June 15, 2011, but we gave NE an extension to July 15, 2011. We extended Schedule 2 but not Schedule 1.

4. Pay Estimate for Northern Excavating #7 – Roger Florhaug moved to Pay Estimate #7 for \$54,807.00 including change order #1. Joel Lees seconded the motion. Motion carried.
- Phase II Expansion Project
 1. Update on Project Design – The Board received 3 maps; one showing Northern Stutsman County Phase, Streeter Phase and Southern Stutsman County Phase; second showing Carrington Water Supply, Streeter Service Area and SRWD water supply and third showing all the Reservoir Service Areas. An early winter bid date for the Northern Stutsman County Phase was discussed. The Board must also consider dividing the project into sections so the bids are competitive.

Other Business:

- GRE Project – working with the bonding company. SRWD had paid Scherbenske and Son for leak repair work at GRE Booster for \$6400. The bonding company is now refusing to pay SRWD. The bonding company wants SRWD to take payment out of the \$25,000 retainage. The project is warranted for 1 year with contractor and 3 additional years through the construction contract. It was suggested we contact our attorney for legal assistance. The paving around the WWTP Booster is settling and cracking. Wick Construction will not come back and repair this. Other water districts that have the same bonding company have received \$100 thousand offers to cover the 3 year warranty period, but SRWD didn't get this coverage. Geneva will be meeting with our attorney Scott Sandness on August 16th; she will discuss this with him at that time. Bob has made several attempts at getting this straightened out with the Bonding Company.
- Portable Generator – establish policy on loaning out/not loaning out. The Board left to Manager's decision
- Geneva reported Marty Richman with Jamestown Hospital called Geneva and suggested we install a hydrant at the end of their line and ours, so if they need water we can turn the hydrant on. He also asked Geneva to send a bill for paying the upsizing of the pipeline. They will pay when the job is completed.
- Boyd McKenzie – The Board was questioning if he had the underground gas tank removed. Geneva reported he had been contacted several times this summer, but he isn't home. He goes south to custom combine. The tank has not yet been removed.
- Geneva reported she is going to an Expo meeting tomorrow. She was asked to be on the committee.

The next board meeting will be Tuesday, September 13, 2011 at 9 a.m.

With no further business to discuss, the meeting was adjourned.

Submitted by: Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, September 13, 2011 at 9 a.m.

Board of Directors present: Ron Wanzek, Darrell Patzer, Joel Lees, Roger Florhaug, Nathan Hochhalter and Mardee Heinrich. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Perry Kuss and Steve Huebner and Bob Keller Bartlett & West

The Board reviewed the minutes from August 9, 2011 Board meeting. Darrell Patzer moved to approve the minutes as written. Roger Florhaug seconded the motion. Motion carried.

The Board reviewed the O & M bills from August 15, 2011 and August 31, 2011. Check numbers listed #20407 to #20502 were reviewed. Mardee Heinrich moved to approve the O & M bills. Joel Lees seconded the motion. Motion carried.

No Financial Reports or Water Usage Reports until the Auditors have completed the audit and the books are closed for 2010/2011 fiscal year.

Joel Lees moved to approve the membership termination Ellen Orr #626-0130; membership transfers Jerry Bohnsack to Jonathan Johnson #610-0020, Wilma Tanata to Jeff Robinson #112-0320 and Tim Klose to Annette Doyle #142-0011. Roger Florhaug seconded the motion. Motion carried.

Update on RTS Shearing – Geneva reported no change since a letter was sent to RTS Shearing from our attorney, Scott Sandness. Geneva contacted One Call Manager. He explained one call is to protect the utility not the contractor. The county hired RTS Shearing for the project.

Annual Budget Review

- Approve/Disapprove Fiscal year 2011/2012 Proposed Budget
- Request approval for generator for office to be added to the Proposed Purchases approved at the August Board Meeting (#3,900.00 – 10 kw installed)

Geneva explained to the Board when we have power loss in the office we have battery backup for 1 ½ hours. Darrell Patzer moved to accept the 2011/2012 Proposed Budget Income and Expenses and a generator for the office for \$3900.00. Nathan Hochhalter seconded the motion. Motion carried.

Choose Annual Meeting Date – The Board chose Wednesday, November 16th for the annual meeting. Karen will check with Gladstone Select Hotel for this date. The annual meeting notice will be in the October issue of the ND Water Magazine.

Approve/Disapprove change in Policy No. BB-1

- Changes insurance requirement for contractors to \$2 million liability – The old policy is pretty liberal with no amount of liability listed. We have required \$1 million dollar liability. Geneva felt the liability should be increased to \$2 million dollar liability. Darrell Patzer moved to approve the Policy No. BB-1 to \$2 million dollar liability. Ron Wanzek seconded the motion. Motion carried.

Activity Report:

- Bob and Geneva met with Bureau of Reclamation employees, Dave Koland, Jeffrey Matthern and Rod Beck from USDA about the Expansion Project at the State Water Commission August 25th.
- Leak Repaired on Air Release #1, Homer Township, Section 15, NW ¼ - Darron Orr called to report the leak. They were harvesting the field in which the air release was in. Geneva contacted Darron and asked if they had hit our valve. He said he wasn't sure but could have. Darron offered to pay for the repair. Geneva said she would contact him once we receive the bill.
- Leak Repaired Midway Township, Section 16, NW ¼ - 600' of pipeline was washed out at Pipestem River Crossing. The estimated cost will be \$30,000 to \$35,000. Geneva talked with Jerry Bergquist about possibly filing for assistance. Jerry stated the County has refiled and we may be able to be included in that.
- Looking for leak in same area of Pipestem Valley Township repaired in May in approximately 1 mile of line serving Kirk Grimm. Geneva reported if we wanted to repair this leak it could be a 2000' river bore which could cost \$60,000. She felt for 1 customer who used 2800 gallons for one year would not be cost efficient. She will review our policy to determine if we could stop his service and include him in next year's expansion project to get reconnected.
- Looking for leak off Reservoir #1
- Geneva & Bob met with Connie Ova and Rich Garman from GRE at the JSDC about future potable and grey water needs at the Spiritwood Industrial Park. Some options they are considering are a cellulose ethanol plant, bio-diesel plant and an 80 acre green house.
- North Dakota Water Magazine is doing a feature on Industrial Water and the Spiritwood Industrial Park in its October issue.
- Waterline has been lowered at Lakeside Estates in the area where Aaron Williams removed dirt to build his road.
- Dalles has completed the annual check read on all customer meters
- Failed Lead/Copper testing this year. Have made adjustments to C-5 chemical. Will be required to take 40 tests annually instead of 10 until test results improve.

Justin gave notice that he was leaving employment August 24th. His last day was August 26th. We have advertised in the Jamestown Sun and Valley City Times Record. Application deadline is September 23rd.

Bob Keller – Bartlett & West

- Phase I Construction Project Update
 1. Construction Progress Report – August 31st NE moved one crew to Devils Lake. They have a couple of weeks left of installation. I-94 is bored; we tied an 8” into our existing 6” line. Presently they are fixing a leak and they are pressure testing and filling lines. They should be done with installation by next week. This doesn’t include clean-up. JRMC former contractor and Interstate Engineering were contacted to try to determine where the pipe was stubbed out for SRWD to connect to the hospital. According to the plan, it was in the north retention pond. The pipe was found along the road where it was supposed to be. Allen O’Neill with JRMC told Bob he would be talking to the City about SRWD hookup. He hasn’t heard back from Allen. Bob also contacted Reed Schwarzkopf, City Engineer about the connection. He did suggest to Bob to cap it. He told Bob it is in the SRWD hands, and suggested a public meeting with the City. There are (6) Carrington users that haven’t been installed this year. Bob asked the Board if they would like NE to hook them up or have them go into next year’s expansion project. NE still has to do clean up in the Carrington area. The Board suggested we call the 6 users and find out about their water situation (bad well) explaining delay in construction. Ask them if they would wait until next year (summer to fall).
 2. Pay Estimate #8 – The amount for Pay Estimate #8 is \$97,754. Bob said we can approve the payment but no payment will be issued to NE until Rob signs the Change order #1 that was included with Pay Estimate #7 for \$54,807.00. Without Rob signing the Change Order Rural Development will not accept or pay the payment request. Geneva informed the Board we had received partial payment from Pay Estimate #6 but paid NE in full, so Dakota Pump could be paid. NE did pay Dakota Pump for the Booster, but with held \$5000 trying to state they are tax exempt. Presently there are 47 days for liquidated damages \$500/day which comes to \$23,500.00 (July 16 – September 1). If we withheld \$23,500 from Pay Estimate #8 the total to be paid would be \$75,254.00. Roger Florhaug moved to withhold \$23,500 for liquidated damages and approve Pay Estimate #8 for \$75,254.00. Joel Lees seconded the motion. Motion carried.
- Phase II Expansion Project
 1. Update on Project Design – Geneva informed the Board that the State MR&I grant money may be funneled through the Federal MR&I Program through the Garrison Diversion Conservancy District. This could push our expansion project back another year if we have to follow the Bureau of Reclamation time-line. There will be a joint meeting with the GDCD MR&I Board and ND Water Commission MR&I Board on September 21st. At this meeting it will be requested to release SRWD from Federal (Garrison) and go back to State money and regulations. B & W will obtain quotes for Class I, II and III Archaeological Surveys. It is broke down into Class I for the entire project North and South, Class II and III will be for north area. Class II includes driving the area and determine which areas will need to be walked and Class III includes the areas to be walked. Darrell Patzer moved to allow B&W to obtain quotes for AE studies,

and to move forward with the low bidder. Mardee Heinrich seconded the motion. Motion carried.

- GRE Water Supply Project
 1. Update on Closeout of Project – The bonding company did pay us for Scherbenske & Son repair at GRE. They didn't take it from the \$25,000 retainage. We received a letter from Wells Fargo Bank who has the security interest with American Infrastructure. They requested to have the \$25,000 given to them. Geneva reported that we have a settlement of pavement and cement at the WWTP Booster Site. No bids at this time.

Other Business

- The ND Rural Water Systems Association is asking for a donation of \$50 from SRWD board members for National Rural Water's Water PAC.
- Geneva informed the Board there is a Dakota Pump and Control Satellite Meter Training at several locations starting September 26th. Mardee volunteered to attend the training at Kindred on September 26th. Geneva is planning to attend, but she hasn't decided which location she will attend.
- Terry Nieland asked for Board decision regarding a membership for his son, Matt for his new shop. He stated he would either pay for regular membership of \$1800 or the expansion project membership of \$600. Discussion followed. The Board agreed to have Matt Nieland pay \$1800 for his membership. The Board stayed with policy which is paying \$1800 unless waiting for the expansion project.

Next Board Meeting will be Tuesday, October 11, 2011 at 8 a.m. GRE would like to attend our next board meeting. Geneva will be in contact with them regarding the time.

Submitted by: Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, October 11, 2011 at 8 a.m.

Board of Directors present: Nathan Hochhalter, Darrell Patzer, Ron Wanzek, Joel Lees and Mardee Heinrich. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Steve Huebner and Perry Kuss and Bob Keller Bartlett & West

The Board reviewed the minutes from September 13, 2011 Board meeting. Darrell Patzer moved to approve the minutes as written. Joel Lees seconded the motion. Motion carried.

The Board reviewed the O & M bills from September 15, 2011 and September 30, 2011. Check numbers listed #20503 and #20574 were reviewed. Nathan Hochhalter moved to approve the O & M bills. Darrell Patzer seconded the motion. Motion carried.

Joel Lees moved to approve the membership terminations Charlie Carr Estate #202-0361 – curb stop removed and Country Grain – Windsor #624-0010 curb stop removed. Membership transfers Jan Strickler to Jonathan Johnson #610-0100 and Arleen Schlaht to Dean Schlaht #141-0340. New Members Randy Blaskowski #104-0161, Brad VanRay #112-0300, Jessica Fabian #831-0090, US Fish & Wildlife #112-0253, Jeffrey Gunkel #608-0340 and Matt Nieland #112-0231. New Members Expansion Project Larry Loose, CaseyV Properties and Gregory Earnest. Expansion Project Membership Transfer Jay Bauer to Jeremy Zink. Mardee Heinrich seconded the motion. Motion carried.

Richard Garman and Mark Strofus with GRE and Connie Ova with JSDC made a presentation to the Board on the plans for the Spiritwood Industrial Park.

Update on Boyd McKenzie – Boyd met with the Board last year regarding the removal of a leaking underground gas tank that caused a water leak. SRWD paid for half of the water line repair bill to Scherbenske & Son with the agreement he would pull out the tank. Several calls were made to Boyd to follow up with the agreement with no response. Geneva then contacted Boyd by letter. He then contacted Geneva with their conversation he was in agreement to remove the tank. Boyd then changed his mind. Harlan, Boyd's fathers own this property and there is another curb stop, they could hook into to move the line away from the gas leak. The expense would be Boyd's. Steve did stop and explain how the water line would be moved. He did notice the tank had been removed. Boyd since has contacted the ND Department of Health and his attorney. Boyd will have the State do soil borings. SRWD will be there when these borings are done. Geneva will contact the ND Department of Health to discuss further.

RTS Shearing – Steve was out in this area. They did remove dirt where the approach is. The waterline won't be affected as it is now. Mike with Interstate Engineering knows they need to get their dirt work done before freeze up.

3 Members discovered that have installed recent multiple services without the District's permission

- John Schlecht #825-0320 – he built a cabin by Spiritwood Lake during the 2006 Expansion Project. Sometime within a year, he built a guest home (cabin). He has no separate membership for this home. Geneva sent a letter to John explaining he will have to purchase another \$1800 membership and run a separate line to this home. We received a call from their attorney. The attorney asked to see their membership agreement and our policy to review. This was sent to the attorney.
- Loretta Piehl #402-0100 – We discovered they have a double wide trailer behind the house. We believe the trailer has to be there for 1-2 years. Mardee Heinrich stated the trailer has been there for years. Geneva will send her a letter explaining a separate membership will have to be purchased \$1800 and a new line to the trailer.
- Gordon Tomlin #123-0080 – Multiple service request denied in April 2001 (see minutes). Geneva explained to the board, back in 2001 they asked to hook mom's home in with their home (multiple). The Board had refused, since we had a no multiple policy anymore. Just recently they called stating they have a leak between their home and shop. We decided to have one of the operators go out and check if the water at mom's home was well or rural water. It was confirmed it was rural water. Geneva will send a letter explaining no multiple policy and copies of the minutes from 2001. They will have to purchase a separate membership and run a separate line to this 2nd home.

Barbara Skelton #602-0030 – Has not been reading her meter correctly. Meter change was done in June of 2010. New meter started at 0. She had a leak in the meter pit in September 2010. She has not been including a zero with her readings. Current meter reading is 530130. She read 53013. October bill will be for 477117 gallons (\$1,945.47). Geneva reported to the Board that at the same time her leak was found, we had a total of 3 leaks off of Reservoir #1. The flow total reports support that this was approximately an 18 gpm. leak.

Activity Report:

- Repaired leak at member curb stop Henry Steinberger #816-0420
- Repaired leak off Reservoir #1 – Geneva reported Gary was still here when this leak was going on. The leak was north of Scherbenske's in a gravelly area of pasture.
- Geneva attended Joint MR&I Board meeting at State Water Commission September 21st
- Operators busy with fall hookups and maintenance. Had 475 one call locates in September
- Seasonal & Well Pit winterizing notices sent to members
- Mardee, Perry & Geneva attended Satellite Meter Auto Read Training at Kindred September 26th
- We received the water analysis and chemical recommendations from Hawkins Water Treatment and will be switching to C-31 to take the place of C-5
- Hired a new operator. He will start work October 24th. His name is Ben Lokken and is from Valley City. He is planning to move to Jamestown.

Bob Keller – Bartlett & West

- Phase I Construction Project Update

1. Construction Progress Report – Woodbury expansion project users (south of interstate) are completed and ready. Bob reported we will be deleting 5 Carrington users from this project and move them over to next year's expansion project. Karen had contacted these users letting them know they will be moved to next year. One user Doris Messmer asked to have the rural water this year. She lives in the City of Bordulac. NE did complete her installation of the curb stop. \$26,000 worth of road crossings are done (Hwy. 52), and will be used in next year's project.
 2. Pay Estimate #9 - \$51,042.00 – Joel Lees moved to approve Pay Estimate #9 for \$51,042.00. Mardee Heinrich seconded the motion. Motion carried. The total of liquated damages withheld is \$60,000. Bob explained to the Board we are not subject to mediation with the Northern Excavating Contract. Arbitration or courts are the options available to settle claims. Pay Est. #8 was not signed by NE because he doesn't agree with the estimate. Bob received a letter from NE 10/4/11 requesting a time extension to September 30 for both Schedules I & II. . Bob will answer the letter not agreeing to a further time extension and agreeing to meet with NE. B&W will get their GPS quantities done before meeting with NE.
- GRE
 1. Scada Pay Est. #1 - \$50,974.00. They are requesting full payment. It was discussed and SRWD will hold back \$5945.00. Once the work is completed they will be paid in full. Mardee Heinrich approved to Pay MicroComm Pay Est #1 for the Scada for \$45,029.00. Nathan Hochhalter seconded the motion. Motion carried.
 2. GRE Bonding Company warranty – Asked for estimates for the paving and settlement at the WWTP GRE Booster Site. The bonding company approved Border States to do the job. They will pay them directly \$6500.00.
 - Phase II Expansion Project
 1. Update on Project Design – We will have to follow State MR&I guidelines. Scoping letters have been sent. Juniper will be doing the Archaeological survey. Class I is the entire project (north and south), move into Class II (driving) and Class III (walking) the north half. Rural Development becomes the lead agency with Rod Beck. They requested an updated Preliminary Engineering report from B&W on the north phase. It was hand delivered to Rod Beck. The main loan application is in. Geneva is working on the loan process. The north map has everyone included for the EA studies. There will be 433 miles of pipeline. This project is estimated to be over \$11 million. We have \$9.8 million, so it will be scaled back. Members that are a long distance away (over 2 miles) may be asked to contribute. We will need to have a cost per mile to determine how much the District can afford to borrow per member to keep the water affordable for the members in Phase II.

Other Business

- Discuss water leak repair to Kirk Grimm tabled last month – Geneva informed the board she is looking at the service policy and guidelines regarding supply and availability of water. It is a 2000' repair under the Pipestem River. Geneva will contact Kirk to discuss re-installing his service next summer when the expansion project comes thru. The water line would come to his home from a different direction. She said the total amount of water he used last year was 2800 gallons since no one lives there. It could cost over \$100,000 to make this repair at this time.

- Geneva reported we had averaged 5.8 leaks per year for over 25 years and had 17 leaks over this past year.
- Geneva asked the board to consider increasing the Board of Directors to accommodate the new areas served because of our expansion projects

Future Dates to Remember:

- Annual Meeting is November 16, 2011 at 7 p.m. at the Gladstone Select Hotel – Eric Volk will be the speaker. Mardee and Darrell are up for re-election.
- 48th Annual ND Water & Irrigation Expo – December 7-9th at the Ramkota in Bismarck
- NDRWSA Expo – February 14-16th at Ramada Plaza Suites in Fargo

Next Board meeting November 8, 2011 at 9 a.m.

Submitted by:
Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, November 8, 2011 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Roger Florhaug, Darrell Patzer, Ron Wanzek and Joel Lees. Duane Dunn Schauer & Associates, Manager Geneva Kaiser, Office Manager Karen Smith and Bob Keller Bartlett & West

The Board reviewed the minutes from the October 11, 2011 Board meeting. Mardee Heinrich moved to approve the minutes as written. Ron Wanzek seconded the motion. Motion carried.

Schauer & Associates presentation of fiscal year 2010/2011 Audit Report was given by Duane Dunn. Nathan Hochhalter moved to approve the 2010/2011 Audit Report. Roger Florhaug seconded the motion. Motion carried.

Mrs. Gordon Tomlin – to discuss multiple services connected at their farm site. Mrs. Tomlin explained to the board of directors in 2001 her mother-in-law moved into town after the well quit at her home on the farm. She said the house has water in the basement and upstairs gutted, so no one will be living at the home. She would like to use the home as an office. The waterline runs from their home to this 2nd home and then to the shop. She said no one will live at this 2nd home. The Board decided they will have to cap off the line from the 2nd home, so the water will go directly to the shop. She said she will hire a plumber to cap the line (cut) and she will contact our office, so we can do an inspection at that time. Geneva will send her a letter explaining this to the Tomlins.

Review O & M bills from October 15, 2011 and October 31, 2011. Check numbers listed #20575 to #20657 were reviewed. Darrell Patzer moved to approve the O & M bills. Joel Lees seconded the motion. Motion carried.

Review financial statements/cash flow through October 31, 2011. Total Income October is \$128,283.20 and total expenses \$65,774.55 showing a gross profit of \$62,508.65.

Review Average and total Water Usage Reports and Cost per 1,000 gallons report from July – October 2011 - Average monthly water usage was 7,350 gallons per member in July 2011 which is down .77% for the month compared to the same period last year. O & M cost per 1,000 gallons for July is \$6.49. Average monthly water usage was 8,186 gallons per member in August 2011 which is up 2.57% for the month compared to the same period last year. O & M cost per 1,000 gallons for August was \$5.41. Average monthly water usage was 6,948 gallons per member in September 2011 which is up .65% for the month compared to the same period last year. O & M cost per 1,000 gallons for September was \$9.54. Average monthly water usage was 6,620 gallons per member in October 2011 which is up 18.13% for the month compared to the same period last year. O & M cost per 1,000 gallons for October was \$6.54. We have 1263 members and 21 multiple users.

Mardee Heinrich moved to approve new member Beau Williams #109-0310, member termination Barbara Skelton #602-0030 and membership transfers: Loren Rode to Lucas Rode #602-0150, Kenny Hoffer to Mike Lukes #129-0170, Cumberland LLLP to Rodney Naze #128-0020, Darin Fisher to Cordell Hoff #145-0241, Carmel Mutschler to Kenny Getz #825-0430, Jeanette Srozinski to Barb Gomke #142-0130 and Darwin Hoggarth to Doug Panchot #120-0093. Nathan Hochhalter seconded the motion. Motion carried.

Update on the two accounts discovered to be multiples recently: Loretta Piehl (Jeff) #402-0100 – Jeff called in and explained to Geneva they do have a new trailer (2 years) on rural water through the original home. He stated they have been on the rural water with the 2 homes from original development (25 years). He did offer to pay whatever they needed to. Geneva asked that they be grandfathered in since they have been setup with rural water for both homes since 1986. Roger Florhaug moved to grandfather

Loretta Piehl's account #402-0100 into a multiple service. Darrell Patzer seconded the motion. Motion carried.

John Schlecht #825-0320 – We did not receive a reply from the Schlecht's or their attorney. We will table until next meeting.

Health Insurance

Discuss ND PERS Blue Cross Blue Shield vs. current policy and costs. Karen had reviewed between the 2 policies. We could not transfer Linda Schultz to the ND PERS policy unless she is employed with SRWD. Also, there is no single with Dependent policy with ND PERS. They have only single and family. With comparison between the 2 policies, we would lose \$556.32/year if we moved to ND PERS. This only includes health insurance; it doesn't include vision, dental, group life, long term disability and accidental death. The Board agreed to stay with our current BCBS policy.

Update on Kirk Grimm line repair – Geneva talked with Kirk asking him if he would wait until next year during our expansion project to bring a line in from a different direction. Kirk was very agreeable to this offer. We will waive his \$37.00/month minimum until we have the new line installed.

Activity Report:

- Ben Lokken started employment with the District October 24th.
- Filters have been recharged at the treatment plant (every 6 months)
- FEMA & NDDDES were at the office to review Pipestem Creek line repair bills. Geneva stated we have a good chance to get reimbursement.
- Annual meeting notices have been sent out with the October issue of ND Water Magazine
- Leak repair Montpelier Twsp., Section 1, SW ¼
- Geneva attended the Garrison Diversion Conservancy Dist. Board Meeting 10/13/11
- Waterline cased at Gavilon Fertilizer site for new rail spur
- Air Release #52 repaired after being struck by farm equipment (Woodbury)

- Geneva attended a State Water Commission meeting 10/31/11 in Bismarck
- NDSHD SRF loan application was renewed by the 10/21 deadline.

Bob Keller – Bartlett & West

- Phase I Project Update
 1. Pay Estimate #10 - Bob reported there will be no Pay Estimates this month. This will have to be discussed before final payment is submitted and approved for payment.
 2. Construction Progress Report – Bob reported the punch list is completed, but there are still some items not completed north by Carrington. We will have a meeting today at 1 p.m. with NE. They submitted their quantities and received payment except for some doubles. GPS of the pipeline and appurtenances have been done by B&W. A final spread sheet was prepared by both B&W and NE. NE has additional quantities. Bob reported this is not uncommon. He reported NE has been overpaid \$9,000.00. NE can hire another engineer to GPS the job at their own cost. Liquidated damages ended 9/29/11. The Warranty start date is mid October and will continue for 4 years with the first year fully bonded.
- Phase II Expansion Project Update – Bob reported B & W drove and walked the Project Area and is completing the EA. By next week the overall map will be ready at the annual meeting. The board will determine what to spend per user and some members may be asked to contribute if they are more than two miles from a waterline. Rural Development will be the key on our letting bids. We will need to meet with Rural Development and the approval of the loan could possibly be in February.

GRE Financial Presentation for the Spiritwood Industrial Park – 10:30 a.m.

Other Business

- Board Member elections
 1. Does the Board wish to place the item on the Annual meeting Agenda regarding adding Board members for the expansion areas? (Board size can't be changed without the bylaws being amended at an annual meeting.) Discussion followed. The Board decided stay with 7 board members. They would like to divide the system into Districts, with each Board member representing a District. A system map will be obtained where Board members can draw in the District lines when completed, it will go before the Annual Meeting.

The next board meeting will be Tuesday, December 13, 2011 at 9 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by;
Karen Smith, Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, December 13, 2011 at 9 a.m.

Board of Directors present: Nathan Hochhalter, Roger Florhaug, Darrell Patzer, Mardee Heinrich, Joel Lees and Ron Wanzek. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Ben Lokken, Steve Huebner and Perry Kuss and Bob Keller Bartlett and West

The Board reviewed the minutes from November 8, 2011 Board meeting. Darrell Patzer moved to approve the minutes as written. Roger Florhaug seconded the motion. Motion carried.

Review O & M Bills from November 17, 2011 and November 30, 2011. Check numbers listed #20658 to 20741 were reviewed. Roger Florhaug moved to approve the O & M bills. Joel Lees seconded the motion. Motion carried.

Review financial statements/cash flow November 1 through November 30, 2011. Total income for November is \$135,259.72 and total expenses are \$79,890.27 showing a gross profit of \$55,369.45.

Review Average and Total Water Usage Reports and Cost per 1,000 gallons report - Average monthly usage was 5,565 gallons per member which is up 1.90% for the month compared to the same period last year. O & M cost per 1,000 gallons for November was \$9.35. We have 1295 members and 21 multiples.

Darrell Patzer moved to approve the following new members: Nick Wieland #602-0160 (was Sharen Knispel multiple and has been separated), Lyle Hopewell #620-0010 and Steve Berg #808-0050. Membership Transfers: John Brauner to Matt Goehner #803-0070, Jeff Martin to Thomas Gross #147-0244 and Larry Nitschke to Still Waters Prairie Retreat #604-0030. Mardee Heinrich seconded the motion. Motion carried.

Update on John Schlecht multiple service at Spiritwood Lake – Geneva reported to the Board we had received a letter from the Schlechts explaining their setup of this cabin, etc. The letter was distributed to the Board. Discussion followed. Geneva asked the Board if they wanted them to purchase another membership, change it to a multiple or leave it alone. The Board agreed to grandfather it in as a multiple, but want to go retroactive 2 years for \$37 minimum. The Board asked Geneva to contact John Schlecht by mail.

Review State Water Commission Contract for \$6.8 million in grant funds. Mardee Heinrich moved to accept the State Water Commission Contract for \$6.8 million in Grant Funds. Joel Lees seconded the motion. Motion carried.

Activity Report:

- Reservoir #9 Outlet pipe replaced
- Leak repaired across road from VanBedaf Dairy, Carrington Twsp., Section 27, NE ¼
- Leak repaired Bloom Twsp., Sec 13, SW ¼. Gasal's installed culvert approximately 1' above our water line. Line had to be lowered and Moritz hit our water line with the boring machine.
- Repaired 2 leaks in Sec 1, SW ¼ Montpelier Twsp. 2 cracked hubs
- Leak repair Sinclair Twsp., Sec 35 NE ¼ by Orlo Sund's driveway #139-0351
- Leak repair Midway Twsp., Sec 16, SW ¼
- Installed 1 – 4" valve and 1 – 6" valve off of Res #11 for Phase I Expansion – Krebsbach did the work
- Annual Meeting November 16 – 15 members present – not including Board members
- Geneva and Mardee attended the ND Water & Irrigation Conference in Bismarck
- Geneva, Bob & Bryan Ziegler met with Rod Beck (USDA) at the Water Conference
- SRWD received a rebate check on its interim financing for Phase I – (\$1729.96)

- Meetings with Northern Excavating 11/16 and 12/5/2011

Bob Keller – Bartlett & West

- **Phase I Update**

- Discuss meeting with Northern Excavating – at our last meeting with NE they were asked if they were done with turning in their total costs and they said everything has been turned in. The quantities have a difference between NE and B&W. This needs to be worked out. NE wouldn't disclose who did their GPS for them. A Timeline for Phase I with Intermediate Completion Date: December 15, 2010 and substantial completion date Schedule II: June 15, 2011 completion date was distributed to the board members. A notice to proceed for Schedule I was September 2010 and signature of contract to NE was October 9, 2010. A list of Loss of Revenue and other expenses incurred for Contract 2010-1 Schedules 1 & 2 for SRWD was distributed to the Board. Discussion was held regarding the Mediation Process. Mediation will not be accepted according to our contract. It would be either arbitration or go to court. A listing of Northern Excavating Claims was given to the board members. Total claims is \$73,735.63 and Total liquidated damages to date is \$60,000. On these listing claims there are 2 listed twice one for \$5,525 and \$2,410. Geneva felt we could negotiate some of his claims. The next pay estimate will include \$53,000 retainage, seeding and liquidated damages which makes it a negative dollar amount. Roger is questioning NE GPS data.

- **Phase II Expansion Project Update**

1. EA report has been completed and submitted – Juniper did the Class I, II and III archaeological. They had picked areas in N ½ for Class III and walked this area. Nothing was found and they are completing the report. The Class I was completed for the north and south Phases of the project.
2. Met with USDA RD to discuss comments on updated Preliminary Eng Report – Geneva, Bob & Bryan met with Rod Beck. The report will have some revisions and they will get the report back to Rod Beck.

3. Working on preparing Submittal set of Plans – They are moving ahead with the plans. They will be set by end of December or beginning of January.
4. Discuss maximum construction cost per user – Bob reported looking at end of January / beginning of February for bids. There is lots of paperwork to go through and get ready. Bob asked the Board to determine the max amount SRWD would be willing to pay for a service line more than 2 miles away. Bob said the cost is approximately \$35,000 for 2 miles. For additional miles the Board has to decide what we would have the user pay to get hooked up. The Board will decide at the January meeting.

Other Business

- Darron Orr hit one of our air releases this summer with farm equipment. We had sent him the bill, but instead sent us a letter stating they didn't hit the air release. Geneva will contact Darron to discuss further.
- Geneva was elected to be the manager's rep on the ND Rural Water Systems Board.
- City of Jamestown council member Pat Nygaard contacted Geneva and would like to meet with her to discuss the Jamestown Regional Medical Center and 2 mile zoning.

Dates to Remember:

- Christmas Party January 13, 2012 at Knights of Columbus
- NDRWSA Expo February 14-16, 2012 at the Ramada Plaza Suites in Fargo. Terry is planning to go. Nathan Hochhalter and Joel Lees are considering going.

The next board meeting will be January 10, 2012 at 9 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by: Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, January 10, 2012 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Roger Florhaug, Darrell Patzer, Ron Wanzek and Joel Lees. Manager Geneva Kaiser, Operators Perry Kuss and Ben Lokken, Office Manager Karen Smith and Bob Keller Bartlett & West.

The Board reviewed the minutes from December 13, 2011 Board Meeting and December 13, 2011 Reorganizational Meeting. Ron Wanzek moved to approve the minutes as written. Mardee Heinrich seconded the motion. Motion carried.

Review O & M Bills from December 14, 2011 and December 30, 2011. Check numbers listed #20742 to #20840 were reviewed. Mardee Heinrich moved to approve the O & M bills. Nathan Hochhalter seconded the motion. Motion carried.

Review financial statements/cash flow December 1 through December 31, 2011. Total income for December is \$120,919.71 and total expenses are \$94,152.70 showing a gross profit of \$26,767.01.

Review Average and Total Water Usage Reports and Cost per 1,000 gallons report – Average monthly usage was 5,199 gallons per member which is down 7.46% for the month compared to the same period last year. O & M cost per 1,000 gallons for December was \$10.90. We have 1299 members and 21 multiples.

Darrell Patzer moved to approve the following membership transfers: Roger Krapp to Chris Krapp #825-0650, Thomas Larson to Kim Dietz #214-0070, Myron Tarno to Andrea Gefroh #144-0240 and James Schumacher to Darin Fisher #816-0130. Roger Florhaug seconded the motion. Motion carried.

Activity Report:

- Geneva attended a GPS training class in Fargo December 15th & 16th
- Bob & Geneva met with Pat Nygaard regarding backup water service to the hospital.
- USDA Loan paperwork has been completed and turned into Rural Development
- Leak repair in Mabel Township, Section 28, NW ¼
- Switched over to Daktel Internet & TV January 4th. Phone switch over will take place January 9th
- Installed new computer and Bosanova application for the AS400 Server.

Geneva asked the Board to consider purchasing the I Series IBM Server to replace the AS400 Server. The cost would be approximately \$10,000. She explained the Bosanova is older program and she is the only one that knows how to maintain it. With the I Series it is very easy to install and use. Geneva had checked with Cass & SE Rural Water Districts on the cost to update to new software. The estimated cost is \$130,000. She said it would be more cost efficient to purchase the I Series.

Bob Keller – Bartlett & West

- Phase I Update
 1. Meeting with Rob Lindberg – December 28th – Rob was informed about the loss of revenue from buying water from Ramsey Rural Water District versus City of Carrington. Discussion was also held on the quantities. It was agreed on 1386 for quantities. Bob explained we are holding \$60,000 in total liquidated damages, and 5% retainage is \$53,803. Other outstanding bills with lien waivers needing to be signed are: Dakota Pump, Krebsbach Backhoe, McGruder Construction, and Fargo Water Works. Geneva would like to run an ad for outstanding bills NE may have from this project in the Jamestown Sun.

Roger suggested (tentative offer) to NE so we can take care of this before our next Board Meeting. Bob will meet with Rob one on one. The final agreement can't be done until the final change order is completed.

Joel Lees moved to have Bob Keller with Bartlett & West meet with Rob Lindberg with Northern Excavating to review the proposal from Northern Excavating total claims of \$23,460.00 and \$7,918 total claims from SRWD. Nathan Hochhalter seconded the motion. Motion carried.

- Phase II Expansion Project Update:
 1. Discussed changing current service areas and placement of a new above ground storage tank north of Woodworth.
 2. Discuss maximum construction cost per user and determine a figure to be used in cost sharing for potential members that are more than 2 miles away from a service line. Bob estimated the cost per user to be \$18,000. The Board agreed \$18,000 should be used as the cutoff point as the maximum cost per user. This amount should cover the cost of construction for approximately 2 miles, depending upon the addition of road or railroad crossings. The landowner will be asked to contribute above the \$18,000 bench mark. It was suggested we determine who these landowners would be and send a letter informing them of this additional cost and encourage them to talk with area neighbors in same area to sign up for rural water and to help cover the additional cost. Bob & Geneva will meet with the City of Woodworth (City Council) to further discuss rural water coming to their town this year. A public meeting at Woodworth will also be scheduled.

Presently the cost to sign up for the Phase II Project is \$600.00. Discussion was held on late sign ups, when do we start charging more and how much? Bob suggested that after the bid date is set is when we could start charging a higher membership because after that time, it costs more to add members to the plans, etc. It was suggested we place in article/ad in the paper and possibly have one more public

meeting. Bob also stated a meeting with City of Carrington will need to be set up to discuss purchasing additional water for Phase II and Phase III.

Other Business:

- Geneva reported Gordon Tomlin's have decided to sign up a membership for their 2nd home at their farm and include the shop. The installation is being done today.
- Phase I – Thilmer Roemmich and Randy Jones are not paying their monthly minimums. When they signed the SRWD membership agreement, they agreed to pay the monthly minimum for 5 years. Neither of these customers has the water installed in their homes. Rural Development requires all members to have to pay for a minimum of 5 years. Geneva will contact our attorney, Scott Sandness and have him send a letter to Thilmer and Randy. If they still refuse to pay they will be turned over to small claims court (lien waiver) and have a mechanics lien applied to their property.
- Darron Orr sent a letter to Geneva claiming they didn't hit our air release. Geneva said at one time this air release was on a prairie trail and there is no longer a trail. It was felt they probably had hit the air release with large machinery and didn't realize it. Geneva will contact Darron again.

Dates to Remember:

- Christmas Party January 13, 2012 at 6 p.m. at the KCs
- NDRWSA Expo February 14-16, 2012 in Fargo – Joel, Nathan and Terry are planning to attend.

The next Board meeting will be February 13th (Monday) at 8:30 a.m., due to the Expo starting on February 14th.

With no further business to discuss, the meeting was adjourned.

Submitted by:
Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by Vice President Darrell Patzer on Friday, February 17, 2012 at noon.

Board of Directors present: Roger Florhaug, Joel Lees, Ron Wanzek and Nathan Hochhalter, Manager Geneva Kaiser, Office Manager Karen Smith, Operators Steve Huebner and Ben Lokken and Bob Keller Bartlett & West.

The Board reviewed the minutes from January 20, 2012 Board Meeting. Roger Florhaug moved to approve the minutes as written. Ron Wanzek seconded the motion. Motion carried.

Review O & M Bills from January 13, 2012 and January 31, 2012. Check numbers listed #20842 to #20925 were reviewed. Nathan Hochhalter moved to approve the O & M bills. Joel Lees seconded the motion. Motion carried.

Roger Florhaug moved to approve the following new members: Tomlin Farms #123-0080 and William Perleberg (Expansion Project Phase I) #835-0060 and membership transfers: Alfred Zillmer to Troy Zillmer #139-0140 and Marvin Knell to Randy Danielson #809-0251. Ron Wanzek seconded the motion. Motion carried.

Lee Trautman wishes to discuss revising the crop damage payment for Phase I from 1.38 acres to 4.8 acres (\$2886.56). Lee met with the Board; he didn't get into the field until early May. He explained he had worked the area at least 10 times to try and level the ground. Darrell asked if he signed up and received payment from the "Prevent Plant Payment". He said he did receive approximately \$400/acre for the corn and \$250/acre for the beans. He also planted premium beans (Edible), costing \$4.00/more per bushel. The Board figured Lee should receive \$900 for corn and \$188 for beans. Roger Florhaug moved to pay \$1100 to Lee Trautman and include a letter explaining our payment, since he had received payment from Prevent Plant Payment. Joel Lees seconded the motion. Motion carried.

Allen Schlenker – removed dirt above his water line last fall. Water line froze in December because there was about 1 foot of dirt left on top of it. The water line had to be lowered or rerouted and he is asking that Stutsman pay ½ of the cost (\$2262.50). The Board met with Allen. He informed the board that he did pay Krebsbach Backhoe bill for \$817.00 for pipe. We reviewed the bill from Scherbenske and Son where Allen was asking for ½ payment of this bill. SRWD also had \$1745.00 into this repair that had not billed to Allen. Discussion followed. Ron Wanzek moved to have SRWD pay ½ of the bill to Scherbenske and Son for \$2262.50. Roger Florhaug seconded the motion. Motion carried.

Activity Report:

- Steve and Ben working on air release maintenance
- 40hp pump and VFD need to be replaced at Reservoir #1
- FONSI is in the 3rd week of publication for Phase II
- Reimbursement received from FEMA for the Pipestem crossing leak
- Reimbursement received from JRMC for 8" water line on Phase I
- Met with City of Carrington February 6th to discuss purchasing an additional 23 million gallons of water annually for Phase II and III
- Met with City Council at Woodworth February 6th to discuss their intent to sign up with Stutsman to purchase water as part of Phase II project.
- Public meeting at Woodworth scheduled for March 1st at 7:00 p.m. for informational purposes for the City residents with public vote to follow. Geneva reported they have 54 meters in the City of Woodworth. Our intention is to bill a monthly minimum of \$22.50 per meter (\$1,215.00) plus \$4/1000 gallons of water

Public Meeting at Woodworth scheduled for March 1st at 7 p.m. for informational purposes for the City residents with public vote to follow. If the City approves rural water, they will be billed \$22.50/meter (\$1,215.00) and \$4.00/1,000 gallons of water. Their filter and storage tank are in bad condition. If they sign with SRWD they would receive service "on demand" until the 250,000 gallon tank is built.

Discuss NDRWSA reimbursement to Geneva for being a Board Member. Geneva informed the Board NDRWSA paid for her motel room at the Water Expo in Fargo. They also pay Geneva \$100 for each meeting she attends along with mileage. She said the mileage will be reimbursed back to SRWD when using the District's vehicle. The Board will allow Geneva to receive the \$100/meeting reimbursement.

Bob Keller – Bartlett & West

- Phase I
 1. Discuss NE settlement and change order – Bob informed the Board about the NE settlement. NE will drop all their claims if SRWD forgives \$60,000 in liquidated damages leaving \$10,000 for liquidated damages (20 days @ \$500/day). Quantities will be owed to NE for \$1387. Pay Estimate #10 (not final) since not all lien waivers have been signed is for \$51,386.56. We will still be holding retainage of 5%. NE is working on the lien waivers. Krebsbach Backhoe is still waiting to be paid. NE has not paid Krebsbach stating there is no signed agreement. However, NE did pay them an amount last year, which was not agreed upon both parties. Todd will be asked to write a letter to us to explain what he is owed, etc. NE will have a 4-year warranty. The first year is covered through a bond, 2nd year 10%

- performance bond and 3rd & 4th year NE has to stand behind their work. The final change order for \$10,000 will show a completion date of September 29 and NE will have to sign the final change order #2. Joel Lees moved to approve the final change order of \$10,000 has to be signed by NE. Ron Wanzek seconded the motion. Motion carried. We will need to attach a copy of the minutes with the change order.
2. Pay Estimate #10 for NE – Pay Estimate #10 is \$51,386.56. Roger Florhaug moved to approve Pay Estimate #10 for \$51,386.56. Ron Wanzek seconded the motion. Motion carried.
 3. Pay Estimate #2 (final) for Micro-Comm. Ron Wanzek moved to approve Pay Estimate #2 (final) to Micro-Comm for \$5,945.00 (computer work for Phase I at the Carrington Booster). Joel Lees seconded the motion. Motion carried.
- Phase II
 1. Discuss advertising for bids and date to begin advertising – Should this project be bid for 2 contractors? Project #1 install 8” line from Carrington to south of Woodworth (40 miles) and the cost \$2.9 million. Project #2 install 6” line or less in the area we decide to develop in. Or we could use the same contractor for both.
 2. Discuss areas to be served and areas to be cut out of Phase II. Before we start the bid process SRWD board will have to decide which area we will not serve in Phase II. Area #1 – East of Hwy 20 76 users cut or Area #2 Cleveland 42 users cut. Discussion followed. We will not know when we would receive funding for the next phase. Bob suggested that he and Geneva meet with Eric Volk NDRWSA to present to him our Phase II expansion project plans asking for additional grant money and also meet with Todd Sando.
 3. Discuss Woodworth tank site and the cost of obtaining either an easement or land for tank placement. Bob informed the board he is looking for the highest level in the Woodworth area to place an above ground storage tank. A letter was sent to 4 parties (who own the land) looking for an acre of land asking for an easement or purchase. Bob had spoken to Sharon & Fred Limesand one of the owners. We need to come of up with an offer. Bob will continue to work on this, since we need to get this done ASAP.

Other Business:

Easements – will need to start working on them. Roger Florhaug moved to pay Bartlett & West hourly rate to assist in easements. Joel Lees seconded the motion. Motion carried.

It was also suggested to include the easement when we are mailing out our letters informing them they are receiving rural water, etc.

The Board enjoyed the Christmas Party. They said the food was good. Next year we will try to have a separate area for our party at the KC Hall.

Titan Machinery is building a new 55,000 square foot building across from the Jamestown Regional Medical Center. The contractor called requesting an 8" line and wants to be annexed into the City for sewer service. He stated doesn't care about the water supply but wants sewer service. Geneva will call the contractor back and discuss further.

The next board meeting will be Tuesday, March 20, 2012 at 9 a.m.

Submitted by:
Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, March 20, 2012 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Joel Lees, Darrell Patzer, Ron Wanzek, Manager Geneva Kaiser, Office Manager Karen Smith, Operator Perry Kuss and Bob Keller Bartlett & West

The Board reviewed the minutes from February 17, 2012 Board Meeting. Darrell Patzer moved to approve the minutes with the following corrections. (Lee Trautman) "Darrell asked if he signed up and received payment from the "Prevent Plant Payment". Revise to Darrell asked if he expects payment of approximately \$400/acre from the Prevent Plant Payment. Titan Machinery contractor stated doesn't care about the (water supply) but wants sewer service. It should read Titan Machinery contractor stated doesn't care about the (water supplier) but wants sewer service. Mardee Heinrich seconded the motion. Motion carried.

Review O & M Bills from February 22, 2012, February 29, 2012 and March 15, 2012. Check numbers listed #20926 to #21036 were reviewed. Joel Less moved to approve the O & M bills. Ron Wanzek seconded the motion. Motion carried.

Review Financial Statements: Cash flow February 1 through February 29, 2012. Total income for February is \$118,428.82 and total expenses for February is \$80,810.28 showing a gross profit of \$37,618.54.

Review Average and Total Water Usage Reports and Cost per 1000 gallons report – Average monthly usage was 5,491 gallons for the month of January which is down 2.21% and 5,193 for the month of February which is down 11.47% for the month compared to the same period last year. O & M cost per 1000 gallons for January was \$3.37 and for February was \$10.08. We have 1300 members and 19 multiples.

Darrell Patzer moved to approve the following membership transfers: Mitchell Rice to ND Housing Finance Agency #146-0182, Patrick Schlecht to Matt Greshik #825-0330 and Loren Roberts to Randall Roberts #123-0200. Mardee Heinrich seconded the motion. Motion carried.

High Consumption Policy

- Discuss delaying the implementation of the policy. Geneva suggested delaying the implementation of this policy because we will have an 8" line in the Woodworth area that needs flushing and it could be sold and used for livestock consumption. Darrell thought that would be a good idea. At this time we don't know how many will be high consumption users. It was suggested to table this policy for 6 months beginning (11/1/12), and we would then inform users of this policy. Mardee Heinrich moved to delay the

implementation of the high consumption policy for 6 months, beginning (11/1/12). Nathan Hochhalter seconded the motion. Motion carried.

- Discuss adding the campgrounds as high consumption bulk users – We will have Smokey's Campground and Pelican Point Campground this year through the expansion project. It was felt they will need to be treated the same as the Marina Campground. The Marina Campground used 167,000 gallons of water during the season of 2011. They pay for 2 minimums of \$37.00/each. Smokey's will have 1 minimum and Pelican will have 2 minimums because they will be serving 2 areas. They will both have 1" meters. They will not be treated as high consumption until next year. The County (Pelican Point Campground) will set up with a man hole similar to the Marina Campground. The bulk rate will be \$45/month as minimum and \$5/1000 gallons and we will know by fall if we need to change them to high consumption.

MicroComm Warranty Offer:

- SCADA installed in 2006/2007 is now off of warranty. Service contract for full warranty on parts and reduced labor rates for a fee of \$14,200.00 per year. Discussion followed. Insurance will pay for lightning damage through ND Fire & Tornado fund. Geneva recommended not to purchase the warranty and the Board agreed.

Water Permit #5690 still has not been perfected. A letter was sent to Bob Shaver at the State Water Commission on March 2, 2012 asking for this permit to be perfected in order to secure a water source for the expansion project.

Activity Report:

- Joel, Nathan, Perry, Ben and Geneva attended NDRWSA Expo in Fargo February 14th through 16th.
 - Geneva attended a Water Coalition meeting in Bismarck, February 28th
 - Geneva attended the Legislative Committee Water Topics meeting at the Legislature February 29th. It was brought up at this meeting that rural water districts get cut instead of cities.
 - Bob, Geneva and all employees attended a public meeting in Woodworth March 1st. Public vote was held.
 - Geneva attended a SWC meeting in Bismarck March 7th
 - Geneva & Perry attended a City Public Works meeting March 8th
- # Update on Titan Machinery building construction – This will be a 55,000 square foot building. The contractor explained to Geneva they want city sewer because they will use approximately 5,000 gallons of water/day going into the septic. If they would have their own septic they would have to have a holding tank and sand separator for fuel and oil. He had given the specs for fire protection and Bob is working on the specs. There is an 8" line across the

road from them on Jamestown Regional Medical Center. They would run a 6" into the building for water.

Motel has expressed interest in building south of Wal-Mart. JSDC had called Geneva inquiring of water supply. We have an 8" line by both the hospital and 281 South by Duratech.

- Geneva and all employees attended the One Call – Call Before You Dig Banquet in Valley City on March 13th. SRWD is a sponsor.
- VFD had to be replaced at Reservoir #1. Water Smith went through the 40 hp pump and it was okay. Reinstalled last week. Breaker box is outdated and will need to be replaced next budget year. Approximately \$4200.00
- Operators doing air release and valve maintenance
- Karen started sending out the membership payment requests and easements for Phase II
- Loan close out for Phase I postponed until 2nd quarter for lower interest rate

Bob Keller - Bartlett & West

- Phase I Update

Status of Lien Waivers and contract closeout – Bob reported waiting for lien waivers to come back showing each lien waiver is paid in full. If the waivers don't come back they will be turned over to the bonding company and the bonding company will pay the subcontractors and the \$53,000 retainage would be paid to the bonding company. Krebsbach Backhoe will be included to be paid

- Phase II Update

- Bid opening schedule for April 5, 2012 at 1:30 p.m. – The project was advertised March 13th – Bob would like to have 2 different contractors. There will be Schedule I 8" line with completion date 11/1/12 and Schedule II 6' line or less with completion date 7/01/13. Seven contractors asked for plans for Schedule I and one for Schedule II
- Easement process – B&W will get the easements ready and SRWD will mail them out. There will be approximately 500 easements.
- Progress on Tank Site – Bob met with Dennis Clark about the tank. There is a 15' elevation difference from Clark to Limesand. Clark is willing to negotiate with the District on this site.

Darron Orr – plan to take to small claims court for air release damage claim -

Darron sent a letter explaining he didn't hit our air release. Initially Darron had called in the leak and Geneva asked him if he hit it and he thought he did, but later changed his story.

Ron Lenz requesting \$600 membership to hook up in Sutton – Geneva reported they signed up for the expansion project but now their well went down. They are about ½ block away from our water line. His wife has cancer and they are needing the water and financially are asking for \$600 membership instead of \$1800. The Board agreed to allow the membership for \$600.00

The next board meeting will be Tuesday, April 10, 2012 at 8 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by:
Karen Smith

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, April 10, 2012 at 8 a.m.

Board of Directors present: Mardee Heinrich, Joel Lees, Darrell Patzer, Ron Wanzek and Roger Florhaug, Manager Geneva Kaiser, Office Manager Karen Smith and Bob Keller Bartlett & West

The Board reviewed the minutes from March 20, 2012 Board Meeting. The previous corrections from the February 17, 2012 meeting should read. Darrell Patzer asked if he signed up and received payment from the "Prevent Plant Payment". He said he did. Darrell expects he received approximately \$400/acre for the corn and \$250/acres for the beans. Joel Lees moved to accept the minutes with the above correction. Darrell Patzer seconded the motion. Motion carried.

Review O & M Bills from March 30, 2012. Check numbers #21038 to #21080 were reviewed. Darrell Patzer moved to approve the O & M bills. Ron Wanzek seconded the motion. Motion carried.

Review Financial Statements: Cash flow March 1 through March 31, 2012. Total income for March is \$119,074.00 and total expenses for March is \$56,547.17 showing a gross profit of \$62,526.83.

Water Usage Reports

- Average monthly water usage was 5,514 gallons for the month of March which is up 21.78%.
- Total monthly water usage was 7,167,859 gallons for the month of March which is up 27.47%
- Cost per 1,000 gallons is \$6.39 for the month of March
- We have 1300 active members and 19 multiple users

Membership Transfer:

- Jonathan Johnson to Ryan Keffeler #121-0320. Mardee Heinrich moved to approve the transfer. Ron Wanzek seconded the motion. Motion carried.

Update on Ron Lenz membership (Sutton) - We told Ron he could have the \$600 membership. Iverson Excavating didn't do the job because the water table is too high. Ron is across the street from Sutton Service, which is on rural water. SRWD agreed to allow a water hose to attach from Sutton Service to Ron Lenz. Ron agreed to pay for the water usage each month until the expansion project comes through Sutton, and he will be hooked up properly.

Lynn Schroeder #109-0240 – low pressure complaint – Pressure drops when Res #10 fills. Installed graph for 7 days to record pressure. This has been an ongoing problem since 1987. A recommendation was made to him in 1990 to install a pressure pump system but that has not taken place. Geneva explained the water quantity is not the issue; the pressure is low. Steve had put in a graph for pressure reading. According to our bylaws we guarantee 20 PSI. The graph had dipped down to 20 psi. Perry had changed the pressure settings at Booster #10 up 10 more psi. Lynn stated he had noticed a little better psi over the weekend. Lynn stated he has a pressure tank but not installed. He needs a diagram to hook up the tank along with the pressure switch, plumbing diagram and wiring diagram. A diagram will be sent to Schroeder.

Shawn Lange – wishes to address the Board regarding paying crop input reimbursement vs. crop damages to cross his land for Phase II construction. Shawn was concerned SRWD expansion project will be going through 2 miles of his land. He also stated a neighbor who signed up for the project may not go with rural water. His neighbors are Marvin Roemmich and Tim Walsch. He said after harvesting he wouldn't have a problem for us going on his land for rural water. Bob Keller looked at the map and determined that Walsh could be served from a different direction since Roemmich had declined service.

Phase I RD Loan paperwork revisions:

- Approval of Letter of Intent to Meet Conditions (revised) – interest rate from 3.75 to 3.375% - Joel Lees moved to approve the Letter of Intent to Meet Conditions. Mardee Heinrich seconded the motion. Motion carried.
- Resolution Authorizing Issuance of Water Revenue Bond, Series 2012 – Roger Florhaug moved to approve the Resolution Authorizing Issuance of Water Revenue Bond, Series 2012. Ron Wanzek seconded the motion. Motion carried.

Phase II Loan paperwork:

- RD Resolution Authorizing Execution of Loan Documents - \$3,033,000
50/50 split between USDA RD and Bank of ND. SRWD commitment is \$170,500 in membership fees (310 members). Darrell Patzer moved to approve the RD Resolution Authorizing Execution of Loan Documents. Joel Lees seconded the motion. Motion carried.
- Request for Obligation of Funds – Interest rate is 3.375% for USDA and 3% for BND. Joel Lees moved to approve the Request for Obligation of Funds. Roger Florhaug seconded the motion. Motion carried.
- Letter of Intent to Meet Conditions – Roger Florhaug moved to approve the Letter of Intent to Meet Conditions. Mardee Heinrich seconded the motion. Motion carried.

Bank of North Dakota

- Approval of BND Community Water Facility Loan – Joel Lees moved to approve the BND Community Water Facility Loan. Ron Wanzek seconded the motion. Motion carried.
- Approval of Bond Counsel Scott Wegner to act as SRWD bond counsel as well as BND Bond Counsel. Darrell Patzer moved to approve the Bond Counsel Scott Wegner to act as SRWD bond counsel as well as BDN Bond Counsel. Ron Wanzek seconded the motion. Motion carried.

Activity Report:

- Public meeting held in Woodworth for rural users on Phase II Expansion March 20th – The meeting was well attended
- Membership payment requests for Phase II have been mailed out to new members
- Easements have been sent out to landowners for Phase II. (Approximately 525 easements)
- Leak @ Larry Wahl residence. He pulled the service line out of the ground with his backhoe
- Leak repaired behind Central Sales – Hwy 281 South
- GRE project was inspected by the State Water Commission so the City of Jamestown could get their permit finalized
- Co Bank paid a stock dividend this year. SRWD received \$1721.96. Balance remaining is \$6164.25.
- Bid opening for Phase II project was April 5th

Bob Keller – Bartlett & West

GRE Contract Closeout

- Warranty discussion – Project contract is being held open due to warranty issues with the Bonding Company. 1 year bonded and 3 years not bonded. June 2010 was the date that testing was completed. It will be 2 years in June. We had one leak on the 14" line and it was repaired for \$4700. The Bonding Company did pay for this repair. There still is a \$25,000 retainage. Discussion followed. Joel Lees moved to close out the GRE Contract and keep the \$25,000 retainage. Roger Florhaug seconded the motion. Motion carried.

Phase I Contract with Northern Excavating

- Final Pay Estimate (contingent upon receiving Engineer approved lien waivers from all subcontractors before releasing payment to contractor). All lien waivers have been returned except Krebsbach Backhoe and Dakota Line Contractors. Those contractors still have a balance due.
- Contract Closeout – Geneva will discuss with Scott Sandness before we close this contract. The final pay estimate will be prepared for next month's meeting

Phase II Project

- Bid Opening April 5th – Bids were opened and came in high. Carstenson Contracting, Pipestone MN was low bidder for Schedule I at \$2,986,161.80. Eatherly Contractors, Leawood, KS received the bid for Schedule 2 at \$5,877,241.00. Discussion was held on the costs if we take one contractor for the entire job vs. have separate contractors. Mardee Heinrich moved to accept the 2 lowest bidders for the 2012 Phase II Expansion Project Carstenson's Schedule I and Eatherly Contractors Schedule II. Darrell Patzer seconded the motion. Motion carried.
- Tank Site Review/discussion – Bob met with a landowner. He said it was a very positive meeting. It is 2000' off of Hwy 36. The tank will be 80'-85' tall.
- Discuss Woodworth area and signup/users shared with Central Plains Water District – Scott Gust and Jerry Goter are out of our district but Scott Gust has requested to be in our district. Geneva talked with Central Plains Water District Manager and he said he would discuss with his board.

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, May 8, 2012 at 6:30 p.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Joel Lees, Darrell Patzer, Roger Florhaug and Ron Wanzek. Manager Geneva Kaiser, Operators Ben Lokken and Perry Kuss, Office Manager Karen Smith, Lindsay Larsen with JSDC and Bob Keller with Bartlett & West

The Board reviewed the minutes from April 10, 2012 Board Meeting. Darrell Patzer moved to accept the minutes as read. Roger Florhaug seconded the motion. Motion carried.

The Board reviewed the O & M bills for April 15, 2012 and April 30, 2012. Check numbers listed #21081 to #21165 were reviewed. Nathan Hochhalter moved to approve the O & M bills. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the Financial Statements from April 1st thru April 30, 2012. Total income for April is \$121,411.16 and total expenses are \$72,207.90 shows a gross profit of \$49,203.26. Geneva reported GRE profit fiscal year to date is \$77,000.

Average monthly water usage is 5,597 gallons per member for April 2012 which is down 7.21% for the month compared to the same period last year. O & M cost per 1,000 gallons for April is \$8.52. We have 1300 members and 19 multiple users.

Roger Florhaug moved to approve the following new members: Lyndon Murch #147-0087 and LeRoy Bowder #142-0012, membership transfers: Ken Strickler to Paul Wasson #108-0330, Ruth Johnson to Donald Eckstein #620-0430, Alvin Schlecht to Bruce Schlecht #105-0110, Paul Spitzer to Adam Spitzer #130-0060, Bill Powell to Dale Redinger #802-0050 and Hazel Holbrook to Leona Schroeder #147-0051. Mardee Heinrich seconded the motion. Motion carried.

Connie Ova JSDC (Lindsay Larson represented Connie)

- Discuss the possibility of a water tower in the bypass area to accommodate growth as well as having the ability to increase storage flows and pressures for our system.
- Lindsay will discuss the possibility of partnering with the JSDC for the tower.

SRWD may propose partnering with JSDC on a water tower project. We would need to have the proposal ready by May 21st to present to the JSDC Executive Committee. Lindsay informed the board they receive a ½ cent sales tax from the City and 4 mill levy from the County. They would both have to approve the proposal. Res #6 provides water to Res #7 and #11. If JSDC approves their logo would appear on one side of the tower. Joel Lees moved to proceed with the “Tower Project” proposal for 40% funding from JSDC. Nathan Hochhalter seconded the motion. Motion carried. The Board concurred that the Tower Project should move forward regardless of JSDC participation.

Marlene Smith – Carrington – Reclamation complaint Phase I – Marlene presented her complaint and concerns about their reclamation by their farmstead. Discussion followed. Her request is to have everything restored to as close to original. The Board will give Northern Excavating 1 week to restore Smith’s area and if it doesn’t get done within the week, SRWD will hire someone to take care of it.

Review the most recent water rate survey from NDRWSA – A Rural Water System Rates February 2012 was given to the Board members. Geneva indicated some systems are selling their water higher than \$4/1000 gallons. It was stated \$5/1000 gallons may need to be considered.

Activity Report:

- Manager’s meeting to discuss funding April 17th at Stutsman Office
- Geneva met with Rick Anderson, Mgr. of Central Plains to discuss members in common northwest of Woodworth. Rick did allow us to take some of their members since they would have to go 2 additional miles.

- Geneva, Bob, Eric Volk & Rod Beck met with Jeffrey Mattern at SWC April 23rd to request more funding for Phase II
- Geneva, Karen & Bob attended the JSDC Annual Meeting April 25th
- USDA Phase I loan closing took place May 1st. Funds were wire transferred in from USDA and out to pay off the interim Finance Bank. (\$814,000)
- Several Meetings/discussions between Geneva, Bob and Rich Garmin (GRE) regarding Phosphate problems with the City Waste water and the possibility of keeping the GRE contract open and adding some water treatment or storage to the contract since it is 1% interest money. The possibility of blending the waste water with other water was also discussed.
- Approximately 525 easements were mailed out and 332 have now been returned.
- Repaired 2 leaks May 3rd in Spiritwood a block apart. One at a terminated account curb stop and the other at the Spiritwood School Curb Stop. (Water loss off of Res. #2)
- Found other water loss off Res. #2 with illegal connection at Spiritwood Campground
- All the valves in the system have been checked and the GRE valves have been exercised
- Geneva met with Scott Sandness on April 27th regarding Northern Excavating, the GRE Bonding Company, City Territory Issues, Amending the Carrington Contract and USDA loan closing paperwork
- Geneva, Rich Garmin and Connie Ova met and conferenced in Bob regarding the Waste Water Phosphorus/phosphate problem. Rich and Connie had met with the City and Cavendish personnel prior to this meeting. It appears that some type of treatment facility will be needed to bring down the phosphate levels in the waste water

Rob Lindberg – Northern Excavating – attended our meeting regarding closing the contract and retainage holding. Dakota Line and Krebsbach Backhoe will not sign their lien waivers since they are both waiting for payment on their outstanding invoice. Rob stated he didn't hire Krebsbach. It was explained to Rob it was a verbal agreement at the pre-construction meeting. Todd had tried

to contact Rob prior to the job to discuss payment, supplies, etc., but he wouldn't return his calls. Dakota Line is willing to settle with NE. Discussion was also held on the reclamation for Robert Smith, Todd/Lance Kinzler, Ken Kracht and Elmer Klose. After some discussion Rob exited our meeting without resolving any of these issues. Rob was told by SRWD we will not accept a personal guaranty bond.

Joel Lees suggested we send a letter to NE to reclaim the above 4 properties within a week. If he doesn't comply we will hire another contractor or complete the work with SRWD employees and withhold from retainage.

Bob Keller – Bartlett & West GRE Contract

- Discuss keeping the contract open. There is approximately \$1 million left and GRE may use the loan dollars to help correct the Phosphate problem or add storage for the ethanol plant. (1% interest)
- Discuss warranty issues with the Bonding Company that have arisen since the last Board meeting. We repaired a leak under warranty on the GRE line and the bonding company won't pay the repair bill. SRWD Attorney will send the Bonding Company a letter stating the \$25,000 retainage may be acceptable if EMC pays for repairs and signs contract closing document. Liquidated damages of \$200/day could be assessed from 30 days after the initial completion date. Roger Florhaug moved to amend the motion to keep the GRE contract open. Joel Lees seconded the motion. Motion carried.

Phase I Contract/Northern Excavating

- Lien Waivers from Dakota Line and Krebsbach Backhoe have not been received – stated earlier in minutes
- NE has requested additional payment on 8" pipe as well as the retainage balance remaining
- Response letter to NE

Phase II Project

- Tank Site Update – Bob met with Don Clark, POA for William Clark Estate. They discussed needing approximately 1 ½ acre and 2000’ prairie trail to tank. An established property line for the tank site easement has been sent to Don and he has agreed to sign.
- Project Schedule – hoping to start early to mid June “Eatherly Constructors” will possibly use Krebsbach Backhoe for the Pelican Point hookup, and may use Krebsbach for other parts of the project depending on his bid.
- Easement Status – B & W will begin working on easements not signed.
- Service Agreement for Construction Observation and Administration – Bob informed SRWD Board the hourly rate \$60/hr to \$85/hr depending how many crews they will have. The contract with Carstonsen’s for 8” line will be SA 25 and Eatherly for 6” line or less will be SA26. Darrell Patzer moved to approve SA25 and SA26 construction observation contracts. Mardee Heinrich seconded the motion. Motion carried.
- Contract approval and Official Notice to Proceed – Bob informed the Board that Rural Development has approved both contractors and Bob has worked with both contractors before. Roger Florhaug moved contingent upon our attorney review to approve the Carstonsen and Eatherly contracts and sign the official notice to proceed. Joel Lees seconded the motion. Motion carried.

Other Business:

- Bank of ND Certificate of Authorized Signers for loan documents and Certificate of Incumbency and Certificate regarding no litigation or threatening litigation that would threaten the ability to pay the Phase II Bond. Terry Nieland, Darrell Patzer & Mardee Heinrich are the Board members authorized signers for the Phase 2 loan documents. Nathan Hochhalter moved to approve the Bank of ND Certificate of Authorized Signers. Ron Wanzek seconded the motion. Motion carried. Nathan Hochhalter moved to approve Certificate of Incumbency and Certificate regarding no litigation or threatening litigation that would threaten the

ability to pay the Phase II Bond. Mardee Heinrich seconded the motion. Motion carried.

- Does the Board wish to raise the membership fee on Phase II when construction begins as other systems do? The membership has been raised to \$800, since bid opening. Darrell Patzer moved to construct 1 mile instead of 2 miles for the late signups. Mardee Heinrich seconded the motion. Motion carried.
- LuAnn & Darrell Martin – Gray Township (Hwy 20) – Easements – LuAnn requested a free membership in exchange for signing the easements and to not pay for service for 2 years. Geneva informed the board there is a curb stop there from the previous owner (terminated). Discussion followed. The Board stated no exceptions to the project. Geneva will let LuAnn know.

The next board meeting will be Tuesday, June 12 at 9 a.m.

With no further business to discuss the meeting was adjourned.

Submitted by:
Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, June 12, 2012 at 9 a.m.

Board of Directors present: Joel Lees, Roger Florhaug, Mardee Heinrich, Darrell Patzer and Ron Wanzek. Manager Geneva Kaiser, Operators Steve Huebner, Perry Kuss and Ben Lokken, Office Manager Karen Smith and Bob Keller Bartlett & West

The Board reviewed the minutes from May 8, 2012 Board Meeting. Roger Florhaug moved to accept the minutes as read. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the O & M bills for May 15, 2012 and May 31, 2012. Check numbers listed #21166 to #21252 were reviewed. Darrell Patzer moved to approve the O & M bills. Mardee Heinrich seconded the motion. Motion carried.

The Board reviewed the Financial Statements from May 1st through May 31st, 2012. Total income for May is \$132,115.32 and total expenses are \$65,076.92 shows a gross profit of \$67,038.40.

Average monthly water usage is 6,482 gallons per member for May 2012 which is up 23.47% for the month compared to the same period last year. O & M cost per 1000 gallons for May is \$6.38. The total monthly water usage for the month of May is 8,426,820 gallons. We have 1300 members and 19 multiple users.

Mardee Heinrich moved to approve the following new members: Doug Wahl #120-0193 and Jody Woehl #614-0020. Membership transfers: Myron Mosolf to Sheldon Oviatt #102-0240, Randy Luna to David Hintzman #139-0270 and Curt Wiest to Mike Lacher #147-0061 and termination Keith Kollman #112-0110. Roger Florhaug seconded the motion. Motion carried.

Annual Audit:

- Approval to hire Schauer & Associates – Joel Lees moved to approve to hire Schauer & Associates for SRWD annual audit. Darrell Patzer seconded the motion. Motion carried.

Update on Darrel/Luann Martin request since May Board Meeting – Geneva spoke with Luann Martin to inform her that the Board had denied her request. Luann wanted to appeal to the Board. Since our contract with the contractors doesn't close until 7/01/13, Geneva offered to have the Martins pay for the \$600 membership before the contract deadline date (6/15/13) and to start paying the monthly fee of \$45 on 8/25/13 billing. We would still be in compliance with our policy. Luann Martin agreed to the offer and will provide easements to cross their land.

Resolution Authorizing and Approving the Interim Financing through NDRWSA

- \$1,516,000 (Rural Development Loan) – Joel Lees moved to approve \$1,516,000 for NDRWSA Interim financing. Ron Wanzek seconded the motion. Motion carried.
- The USDA sponsored - Bank of ND Loan not eligible for Interim financing through NDRWSA program. We need to find another interim finance agency for the other 50% loan.

Water Rate increase was discussed at the May Board meeting. Does the Board intend to raise rates July 1st, 2012? If the rate would be increased, it should not include the Expansion Project Phase II members. Geneva reported we are paying bills but nothing is going into reserves and our treatment plant is 26 years old. Discussion followed. The Board agreed to hold off another year before increasing rates.

Discussion on easement declinations:

- Clifford Kropp has requested to address the Board at 10 a.m. – Cliff attended the board meeting. He is requesting to have his renter be paid for full crop damage instead of crop reimbursement costs before he would sign the easement(s). The Board discussed with Clifford and he was denied his request.
- Mike/Paul Murphy (south of Carrington) – Mike is a member and Paul is Mike's attorney (brother). They have issues about providing perpetual easements and don't want SRWD to have the ability to sell the easement. They also want a free membership. Geneva will call Paul to try to work it out and stay within policy.
- Harry (Jim) Krenz (Woodworth) – Jim has a cabin south of Woodworth. This area was cut until more funding is obtained. He is refusing to sign the easement unless he gets water this year. Bob Keller stated if we

would extend the 8" line for Jim which includes a railroad bore it would cost approximately \$25,000-\$30,000 to include Krenz and someone else (a permanent resident) would have to get cut to pay for it.

The Board discussed sending letters to easement refusal landowners outlining the policy and bylaws regarding no easement no water and extra construction costs being paid before anyone can obtain membership on the owner's property in the future.

Rural Tower Network (RTN) has requested entering into a lease agreement with SRWD to place a 100' tower on a 121 square foot piece of land at our Res. #1 site in Winfield Township. The Board agreed to this request contingent upon SRWD having the ability to choose the location; SRWD attorney approval of the lease agreement, and that the frequency would not interfere with the SCADA frequency we are using.

Activity Report:

- Reclamation completed at Marlene/Robert Smith, Elmer Klose, debris piles have been removed from Kinzler's yard and fence repaired; still needs black dirt. Nothing resolved yet for Ken Kracht/Carrington Booster Site.
- Scott Sandness is working on an addendum to the Carrington contract. Our old contract is for 25 million gallons and new contract would be for 35 million.
- Geneva & Perry attended numerous City planning and zoning, finance and legal, public works, City Council and special City Council meetings since the last Board meeting regarding Titan Machinery and the 281 Bypass Area. At this time nothing definite has happened with Titan for water. Geneva offered to pay Scott Sandness to consult with the 1926B law attorney from OK.
- JSDC proposal was put on hold until territorial issue is discussed with the City of Jamestown
- Leak repaired in town of Pingree-David Johnson curb stop 620-0440
- System Insurance updates have been completed and purchased a Boiler Policy (Service Interruption) to cover any gaps regarding the SCADA system (\$239 per year)

Bob Keller – Bartlett & West

- GRE Contract
 1. Phosphate removal not eligible under this contract – Rich Garmin is moving forward with working on the phosphate problem with the City of Jamestown.
 2. Update on warranty issue. A letter was sent - EMC needs to sign to close out documents as the contractor since AI is no longer in business. Otherwise we can't close the contract. We can charge liquidated damages of \$200/day for 1 year or they pay \$1725.63 and \$25,000 retainage is kept by SRWD. Scott received a letter back from EMC. They had contacted AI to close out the document. AI did sign and date 6/10/12 to close out the contract. Bob Keller is questioning if this is legal since they are no longer in business. We will settle the issue for the \$25,000 in retainage.
- Phase 1 Contract/Northern Excavating
 1. No change on status of lien waivers
 2. \$10,000 Bond was delivered by NE and returned by SRWD attorney
 3. NE Attorney has corresponded with SRWD Attorney - Maurice McCormick is NE attorney from Vogel Law Firm. Our attorney Scott Sandness will reply.
- Phase 2 Project Update
 1. Pre-Construction conference held June 7th for the 8" line contractor (Carstensen). They will be starting with 1 crew this week and a 2nd crew will be coming 2 weeks later
 2. Woodworth Tank Site Update – Clark easement expected to be returned soon. Easement will be granted for tank site for \$7500.
- 281 Bypass Tower Update
 1. Site Location Options – Bob sent a letter and contacted various landowners.

Other Business

- Discuss calling an "Executive Session" during a Board Meeting – Geneva explained that the session would have to be taped for the record, since it is not public.
- Leadership Retreat at Medora all day July 19th and 8:30 a.m. to noon on the 20th – Geneva will be attending the retreat. She will also attend a Managers meeting on Wednesday, July 18th and the NDRWSA State Board Meeting at 5 p.m.

- Geneva will be attending a water commission meeting June 13th at Bismarck. This is the meeting we will find out if we receive additional funding for our Phase II Expansion Project.

The next regularly scheduled Board meeting will be July 17, 2012 at 3 p.m. This meeting will include annual wage review and our annual summer picnic.

With no further business to discuss, the meeting was adjourned.

Submitted by:
Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, July 17, 2012 at 3 p.m.

Board of Directors present: Nathan Hochhalter, Roger Florhaug, Ron Wanzek, Darrell Patzer, Joel Lees and Mardee Heinrich. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Ben Lokken, Steve Huebner and Perry Kuss and Bob Keller Bartlett & West

The Board reviewed the minutes from June 12, 2012 Board Meeting and July 2, 2012 Special Board Meeting. Darrell Patzer moved to accept the minutes as read. Roger Florhaug seconded the motion. Motion carried.

The Board reviewed the O & M bills for June 15, 2012, June 29, 2012 and July 16, 2012. Check numbers listed #21253 to #21383 were reviewed. Mardee Heinrich moved to approve the O & M bills. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the Financial Statement from June 1 through June 30, 2012. Total income for June is \$134,261.07 and total expenses are \$92,504.96 shows a gross profit of \$41,756.11.

Average monthly water usage is 8,246 gallons per member for June 2012 which is up 9.12% for the month compared to the same period last year. O & M cost per 1000 gallons for June is \$6.83. The total monthly water usage for the month of June is 10,711,291 gallons. We have 1299 members and 19 multiple users.

Roger Florhaug moved to approve the following membership transfers: ND Housing Finance Agency to Chris Smith #146-0182, Ryan Carr to Kyle Erdmann #214-0031, Paul Trautman to Allan Trautman #144-0350, Lyndon Murch to Dennis Enzminger #147-0041, Shirley Nitschke to Keith Veil #147-0254, Donna Kastet to Dustin Lien #626-0160, Courtenay Post Office to Dan Bollingberg #610-0400, Marty Zachrison to Frank Redlin #815-0010, Sutton Service to Jayme Tenneson #622-0050 and Virginia Freeman to Ryan Carr Phase 2. Joel Lees seconded the motion. Motion carried.

Activity Report:

- Geneva attended SWC meeting June 13, in Bismarck
- CCR report sent out to members via ND Water Magazine June issue
- Pipeline lowered on Hwy. 46 near Richard Henne for DOT reroute
- Valve maintenance and repairs completed for this year
- May have to lower/move some GRE pipeline at Industrial Park for widening road
- Pipeline south of Carrington hit 3 times by Carstensen and once by DOT the past month
- Audit scheduled for August 15 and 16
- Ben has started the annual meter reading of all accounts
- Phase I reclamation completed at Kinzler's and Rick Woehl. Dead tree removed at Carrington Booster site. Will be hauling in dirt and reseeding in the next week

- Will be meeting with RTN rep. Kirk Johnson 7/18/12 at Res #1 to choose tower site
- Replaced Diskette Drive on AS/400

Discuss Phase 2 easements declinations. Bob reported we have 800 easements for 620 landowners and 49 easements are left to be signed. Some we are having difficulties with are: Lawrence Kropp, Clifford Kropp, Curt Timm, Tony Jochim, Rosemary Jasmine, Rita Lulai, Ed Lulai, Berna Birdsill, Paul Spitzer, Robert Miller, John/Terry Schock, Shawn Lange, Patricia Christensen and Larry Nannenga. The owners refusing to sign easements will be receiving a letter explaining the circumstances for refusing to sign an easement.

Bob Keller – Bartlett & West

- GRE Contract
 1. Update on Warranty Issue – A letter was sent to the GRE Attorney about paying for additional warranty items. B&W received a response letter and they are refusing. Discussion followed. It was suggested to close out the contract. We have a \$25,000 retainage that will remain with SRWD to cover the warranty. Darrell Patzer moved to close out the GRE Contract. Nathan Hochhalter seconded the motion. Motion carried.
- Phase 1 Contract/Northern Excavating
 1. See letter from SRWD attorney to ND Attorney Maurice McCormick
 2. See 7/13/12 email from Rob Lindberg regarding payment to Krebsbach and DLC – NE paid Krebsbach Backhoe for his work and made settlement with Dakota Line. They both signed to release their lien waivers.
 3. Final Payment Request – Roger Florhaug moved to approve Final Payment Estimate #11 for \$53,803.00 contingent upon Northern Excavating signing the pay estimate, the USDA closing documents and any other documents necessary to closing the contract. Darrell Patzer seconded the motion. Motion carried.
- Phase 2 Project Update
 1. Construction Progress Report on Schedule 1 – Carstensen have 9 ½ miles completed. They have 2 crews working and they are averaging 2000'/day/crew.
 2. Schedule #1 Payment Request #1 – Pay Estimate #1 is \$339,037.00. We will be holding 10% retainage. Joel Lees moved to approve Pay Estimate #1 \$339,037.00. Ron Wanzek seconded the motion. Motion carried.
 3. Received signed easement for Woodworth Tank Site – William Clark Estate
 4. Schedule No 2 Pre-Construction conference held for Eatherly Constructors July 9th – They plan to start middle of this week. They will install the line to Pelican Point and Smokey's Campgrounds. June 1st was the completion date for the campgrounds. It is \$1,000/day liquidated damages.
 5. Schedule No 2 Project Schedule
 6. Schedule No 2 Change Order No. 1 – With additions and deletions on Schedule No. 2 Change Order No. 1 has a decrease of \$39,194.50. Mardee Heinrich moved to approve Schedule No. 2 Change Order No. 1 with a decrease of \$39,194.50. Roger Florhaug seconded the motion. Motion carried.

- 281 Bypass Tower location update
Bob met with Merle Pollert regarding some land south of his shop. We wouldn't have to buy the land, but Merle wants to build another building in the same area in the future. This is a preferred site, the height is close the Nenow site. This site is also platted. Another location would be a mile west by Dale Reimer's shop (Dave Smette owns this land). At this location it is 15' higher.

Proposed Purchases for 2012/2013 Fiscal Year

- Review and approve/disapprove proposed purchases for fiscal year. This includes Utility Plants & Reservoirs (174), Office Equipment (182) and Equipment & Tools (184) for \$42,100.50. Unison currently has a 3% interest loan for vehicles and a Chevy Avalanche will be purchased for the Manager and paid on a monthly basis. Darrell Patzer moved to approve \$42,100.50 for proposed purchases for 2012/2013 Fiscal Year and financing a vehicle for the Manager. Joel Lees seconded the motion. Motion carried.

The next Board Meeting will be Tuesday, August 14, 2012 at 9 a.m.

Annual Wage & Salary Review – attached to the minutes as approved by the Board.

With no further business to discuss, the meeting was adjourned.

Submitted by:

Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, August 14, 2012 at 9 a.m.

Board of Directors present: Nathan Hochhalter, Roger Florhaug, Joel Lees, Ron Wanzek, Darrell Patzer and Mardee Heinrich. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Perry Kuss and Ben Lokken and Bob Keller Bartlett & West

The Board reviewed the minutes from July 17, 2012 Board Meeting. Darrell Patzer moved to accept the minutes as read. Ron Wanzek seconded the motion. Motion carried.

The Board reviewed the O & M bills from July 31, 2012. Check numbers listed #23184 to #21434 were reviewed. Joel Lees moved to approve the O & M bills and credit card activity. Nathan Hochhalter seconded the motion. Motion carried.

No financial or water usage reports until audit is completed.

Mardee Heinrich moved to approve new member Charles Schmeichel #127-0024. Membership transfers: James Ebbensgard to Ryan Widmer #120-0260, Martin Richman to Shirley Kinzler #817-0720, Kenneth Hoffer to Jeremy Wanzek #129-0170, Gary Erickson to Mikes Lukes #120-0191, Marv Narlock to Whitney John #115-0070 and Shannon Bommer to Cordell Entzminger #138-0120. Nathan Hochhalter seconded the motion. Motion carried.

Annual Budget Review – Joel Lees moved to approve the annual budget. Darrell Patzer seconded the motion. Motion carried.

Activity Report:

- Geneva attended the Medora Retreat July 18-20. She discussed the Curt Timm easement problem at the Manager's Meeting. Curt has rural water from Ramsey, but is in our district. It was suggested to contact the Attorney General for an opinion.
- Reclamation has been completed at Carrington Booster Site
- Bob & Geneva met with Rich Garmin and Connie Ova at the GRE site July 26th. GRE is looking for raw water 3000 gpm for a 2nd site. It was discussed to apply for a 3rd permit with the ND Water Commission, if necessary.
- Audit Prep is almost complete. Audit scheduled for the 15th and 16th
- Geneva attended the July Legal & Finance committee meeting (City), Public Works and the August Council meeting. There was a special City Council meeting for Titan Machinery. Rob Thompson was not notified, so the meeting was tabled. Titan has started construction. City Council approved the plat and to annexed ½ of the land. Special assessments maybe used to help pay for water/sewer to Titan. Scott Sandness had met with City Attorney Ken Dalsted. He felt we have an annexation agreement already in place with SRWD. We have federal loans which is separate from the above agreement. Federal law supersedes all. This was explained to Ken Dalsted by Scott Sandness.
- Geneva attended USDA report management training at Lamoure August 1st.
- Looking for leak off of Reservoir #1. (about 30 gpm)
- Sent letter to Craig Headland – built driveway over a 3" water line at the Reservoir
- May be receiving funding for the Woodworth tank at the September SWC meeting
- Unison Bank has agreed to provide Interim Financing for BND share of Phase 2 loan

Discuss Phase 2 easement declinations:

- Paul Spitzer – has signed easement
- John & Terry Schock – have agreed sign and want water service
- Sharon Limesand/Doretta Reule – refuse to sign easement for 8" main line to Woodworth. The other two sisters, Barbara Moser and Arvadell Hinger have signed. Precondemnation letter is being sent out by Attorney Scott Sandness today with 7 days to respond.
- Clifford Kropp – signed one easement but refused others so had to add ½ mile of pipe that will cost an additional \$9,000.00. Discussion followed. Cliff is a rural water member and he is breaking his contract with SRWD by not signing the necessary easements. Geneva will contact Scott Sandness for further advice.
- Lawrence Kropp – refused to sign working on re-route
- Curt Timm – refused to sign unless he gets full crop damage
- Tony Jochim – refused to sign unless he get full crop damage (rents to Curt Timm)
- Robert Miller – refused to sign unless he gets full crop damage (rents to Curt Timm)

There are approximately 600 signed easements. Some of these easement problems may be solved once the crop is harvested.

Bob Keller – Bartlett & West

- Phase 1 Update
 1. Northern Excavating has signed the USDA closing documents and Health Dept. closing documents. Contract will be closed upon Health Dept. approval. Rob will not receive his final payment until we have the approval from the Health Dept.
- 281 Bypass Tower Location Update – Bob reported we are still looking at different sites. Larry Loose would be willing to sell some property on south side of I-94. Bob talked with Merle Pollert (no), Dales Reimers – he would like a yearly lease. Bob and Jay are trying to contact Dave Smette to discuss buying some land from him and Roger Nenow is still willing to negotiate the price of his land. Another site is south of Roger Mathias. It would help Reservoir 6 & 7 more, but not as good fire protection and not as visible to I-94. With this tower we will be able to have storage for Reservoir #6 and Reservoir #7. This would eliminate parallel lines.
- Phase 2 Project
 1. Construction Progress Report on Schedule 1 (Carstensen Contracting) – 12 miles of 8" line has been installed. They should be done October 2012. They have 2 crews. At this time, they can't bore railroad crossings. The Contractors still need to present Insurance policies to the railroad.
 2. Schedule No. 1 Payment Request #2 for \$547,309.00. Darrell Patzer moved to approve Pay Estimate #2 for \$547,309.00. Mardee Heinrich seconded the motion. Motion carried.
 3. Construction Progress Report on Schedule 2 (Eatherly Constructors) – At this time no pay estimate as they didn't start until 7/31/12. When they started working at Smokey's and Pelican Point Campgrounds, they started with 1 crew and have now added another crew. They have 2 trenchers and 4 track hoes. They are planning to install water service to several members around the campground areas. They will they start working north past Booster #3 on Hwy 20 with a 6" line. June 1st was the completion date for the campgrounds. They have accrued \$75,000 in

liquidated damages to date. The campgrounds are still 2 weeks out until water service is available for the campgrounds.

4. Phase 2A Woodworth Tank project – Plans are ready and submitted to the ND Water Commission.

Discuss Cleveland meter discrepancy – The City of Cleveland would like to come to our September meeting to discuss the discrepancy. We are not sure what happened. We had our meter changed out and tested by City of Fargo. The report came back showing nothing wrong with our meter. Beth Wanzek did state their pump hours were higher this time. Geneva reviewed the daily pump reports and it does show higher hours and usage. They are possibly looking for SRWD Board to dismiss part of their bill.

Old Business

- Review Proposed Purchases approved at the July meeting – Geneva presented the board with updated proposed purchases by adding the 2012 Chevrolet Avalanche.
- Discuss proposed change to sick leave policy discussed at July Board meeting – tabled.
- Discuss Salary Review with Employees (if requested). Mardee & Darrell will be meeting with all the employees this fall.

The next Board meeting will be September 11, 2012 at 9 a.m.

With no further business to discuss, the meeting was adjourned.

Submitted by:
Karen Smith
Office Manager

The Stutsman Rural Water District Board of Directors meeting was called to order by President Terry Nieland on Tuesday, September 11, 2012 at 9 a.m.

Board of Directors present: Mardee Heinrich, Nathan Hochhalter, Roger Florhaug, Joel Lees, Ron Wanzek and Darrell Patzer. Manager Geneva Kaiser, Office Manager Karen Smith, Operators Perry Kuss and Ben Lokken and Bob Keller Bartlett & West

The Board reviewed the minutes from August 14, 2012 Board Meeting. Roger Florhaug moved to approve the minutes as read. Joel Lees seconded the motion. Motion carried.

The Board reviewed the O & M bills from August 15, 2012 and August 31, 2012. Check numbers listed #21435 to #21523 were reviewed. Darrell Patzer moved to approve the O & M bills. Nathan Hochhalter seconded the motion. Motion carried.

No financial or water usage reports until audit is completed.

Nathan Hochhalter moved to approve the following membership transfers: Dennis Guttormson to Jack McDonald #614-0060 and Kenny Hoffer to Jeremy Wanzek #129-0170. Roger Florhaug seconded the motion. Motion carried.

Update on City of Cleveland Water Loss – Geneva reported City of Cleveland was contesting their water bill, so SRWD had the incoming meter tested and after 2 tests it is 99.5 to 100% correct. What was discovered is Cleveland had the incorrect register on their outgoing meter and it was registering 26% of their water usage. The two meters didn't compare so Cleveland assumed it was a problem with SRWD's meter and they weren't looking for a water leak in their system. Cleveland did order a new meter. Discussion followed regarding the high water usage. Cleveland will need to take responsibility in finding a water leak. SRWD has offered to assist Cleveland.

Discuss Kurtis Andersen – Winfield Township is signed up for the Expansion Project Phase 3, but his well is going bad. Kurt contacted Geneva asking if he would be able to have rural water through the Phase 2 expansion project rather than pay for a new well. He said the water supply is ok until the cattle come home for winter. Geneva asked the board if we could include Andersen and Bob Simmers (has 2 homes in the same area). The Board agreed to add all 3 properties, which would include about 1 ½ miles of pipeline. Bob Keller stated the easements and archeological studies needed to be done first. Nathan Hochhalter moved to include Kurt Andersen and Bob Simmers 2 properties in Winfield Township into Phase 2 (with the OK from ND Water Commission Jeff Mathern and Rural Development by approved change order). Joel Lees seconded the motion. Motion carried.

Jim Schumacher – regarding Chuck Schmeichel easement and the easements SRWD has for two parallel supply lines on his property. Geneva explained to the Board Chuck wants to have a u-shaped cement drive. They would have the cement over our two parallel lines. Geneva had sent them a letter informing them they aren't allowed to have cement over the two lines but would allow asphalt. Bryan Miller employee of Chuck had called Geneva and they discussed allowing asphalt and no cement. They also discussed the easement stating 40' instead of past 30'; this change went into effect last year with the Phase 1 Project to keep all easements uniform. Geneva explained equipment is getting larger and we expanded our easement 10' more for line repairs. Geneva had to explain the easement needed to be signed

before they could install the water service line. It was explained to Jim the reason for asphalt is easier to work with. Geneva also stated our operators feel the asphalt is easier to work with and safer and we cannot let everyone cement over our lines and future owners will have extra expense and not be aware they will be held accountable to pay for the extra expenses.

The Board discussed territorial/legal issues with the City of Jamestown and three areas that the City is looking at to locate their tower. One would require annexing more of SRWD service area west of Wal-Mart. Discussion/recommendations as how to proceed. Geneva stated that Steven Harris, 1926B Law Attorney from Oklahoma is highly recommended by other Rural Water Districts. Joel Lees moved to immediately hire the attorney from Tulsa OK to consult on this legal matter and pay him a retainer fee, if necessary. Mardee Heinrich seconded the motion. Motion carried. Geneva will make the initial contact with Mr. Harris and set up a conference call between her and Scott.

Choose Annual Meeting Date: The Board agreed to have the annual meeting on Wednesday, November 14th. Karen will check with several different meeting sites and determine the location.

Activity Report:

- Audit completed August 15 & 16
- The year end management report has been completed for Rural Development
- Geneva attended City Planning and Zoning and Special Council Mtg. August 21 & 27
- Manager's meeting for funding priorities August 23rd at SRWD office – Geneva reported SRWD is first in line for funding. \$40 million will stay in MR&I
- Geneva attended planning meeting for 2013 Expo (Feb 12-14, 2013 in Bismarck)
- Chlorinator hasn't been working properly at Res. 1 due to computer problems
- Geneva attended the ND Water Coalition meeting September 10th
- Geneva will attend the State Water Commission meeting September 17th

Discuss changing the July 1st through June 30th fiscal year to a Calendar year. Geneva asked the board to consider changing to a Calendar year. Geneva would have to discuss with Rural Development. We would need a 6 month audit when we switch over. Darrell Patzer moved to change from a fiscal year to a calendar year with the approval from Rural Development and to switch at a time in the future when it is convenient for the office. Joel Lees seconded the motion. Motion carried.

Discuss Phase 2 Easement problems remaining:

- Sharon Limesand & Doretta Reule signed their easements after receiving the letter from SRWD attorney about eminent domain
- Clifford Kropp met with Scott Sandness and came out to the office after receiving the letter regarding termination of service from Scott.

Bob Keller – Bartlett & West

- 281 Bypass Tower location update – looking for tower site on south side of Interstate – Considering a tower site North of Elmer Klose farmstead. Kelly Rott is the owner of the land. The elevation is ok and we should have 1 ½ acre in the SE ¼. This tower will

- provide necessary storage between Res. 6 & 7 and boost pressures and flows along the by-pass and north of Jamestown. No dollar amount has been discussed with Kelly Rott.
- Update on closeout of GRE Project – Final Pay Estimate #15 for \$25,000.00. Darrell Patzer moved to approve the Final Pay Estimate #15 for \$25,000. 00. Nathan Hochhalter seconded the motion. Motion carried.
 - Update on water supply for Spiritwood Industrial Park – B&W is exploring options. Rich Garmin with GRE has contacted Valley City, Barnes Rural Water as well as the City of Jamestown and SRWD. They are looking for 7900 gallons per minute.
 - Phase 2 Project Update
 1. Construction Progress Report on Schedule 1 (Carstensen Contracting) – They are down to one crew. Bob has met with the City of Woodworth council to determine a connection point. The connection will be made in the south end of town into the city pipe. It will be the middle of October before the Boosters are delivered. The construction is going well except for rocks and still waiting for railroad crossing permits.
 2. Schedule 1 Payment Request #4 – Darrell Patzer moved to approve pay estimate #4 for \$883,361.00. Joel Lees seconded the motion. Motion carried.
 3. Construction Progress Report on Schedule 2 (Eatherly Constructors) – They are also waiting for their railroad crossing permits. Yesterday, they started installing 6” line starting by Booster #3. They have installed 23 miles since 9/7/12.
 4. Schedule 2 Payment Request #1 – Pay Estimate #1 \$892,501.00. Ron Wanzek moved to approve pay estimate #1 for \$892,501.00. Mardee Heinrich seconded the motion. Motion carried.

Old Business:

- Wage Review – Darrell and Mardee Committee meeting – tabled
- Northern Excavating – Geneva reported from Phase 1 project that NE had damaged some phone lines. The phone company rep. ask for insurance info for NE because NE would not comply with their request for the past year. Geneva emailed the phone company a copy of the certificate of liability for Northern Excavating to file a claim.

The next board meeting will be Tuesday, October 9th at 6:30 p.m. at the SRWD office. Supper will be served at 6:30 p.m. with the meeting starting at 7 p.m.

With no further business to discuss, the meeting was adjourned.

Submitted by:
Karen Smith
Office Manager