

# Lincoln Pipestone Rural Water

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## Meeting Minutes

**October 31<sup>st</sup>, 2022**

The regular scheduled meeting of the Lincoln Pipestone Rural Water (LPRW) System Board of Commissioners was held at the LPRW Office in Lake Benton, MN, on Monday, October 31<sup>st</sup>, 2022; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 10:00 AM by Board Chair Joe Weber. A quorum was established with Commissioners Bill Ufkin, Frank Engels, Peter Petersen, Jan Moen, Mitch Kling, Rod Spronk, Randy Kraus, Jerry Lonneman, Earl DeWilde, in attendance. Also attending was Enterprise Technician Jodi Greer, General Manager Jason Overby, System Supervisors Patrick McCarthy and Tom Muller, Nathan Kinner (Kinner and Co.), DGR Engineer Darin Schriever, Board Attorney Ron Schramel and Lyon County Commissioner Rick Anderson.

Absent: Commissioner Brent Feikema

**Agenda:** *M/S Ufkin/Lonneman to approve the agenda. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

**Minutes:** *M/S Kling/Petersen to approve the minutes from the September 2022 Board Meeting. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

**Engineer's Report:** Schriever presented the October Engineer's Report. Items discussed in detail included:

- NAWS Project. Jeff Van Buren (USDA) is applying for Strategic Economic and Community Development (SECD) funding for LPRW. Work on the Anti-degradation study is in progress.
- City of Brewster. Schriever presented Task Order #4 – Brewster 2<sup>nd</sup> connection.  
*M/S Lonneman/Moen to approve DGR's Task Order #4 – City of Brewster 2<sup>nd</sup> Connection. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*
- City of Clarkfield. Revised cost estimates for city connection have been provided.
- CTMP for 2023 is being worked on. Spronk brought up the Minneota Tower and would like to have DGR figure out a way for us to continue to supply our customers if we must bring that tower down for an extended period.
- Schramel brought up some information on Construction Manager at Risk. It is where owner secures a construction manager (contractor) to oversee project with an agreed upon price. Owner may have better control who does our project, but may not be cheapest. Red Rock RWS is using this method with good success with their state bonding funds. This method could be considered for future projects (i.e. NAWS Project).

**Operations Report:** Muller presented the October Operations Report. Muller reported 14 leaks in October, with six repaired the Friday previous. Identified eight more hookups to install this year. Commissioner Engels emphasized staff to give public notice anytime a pre-planned outage is to occur.

Discussion over nitrate levels at Holland. Staff are watching levels very closely. MDH and MDA staff are planning to meet LPRW staff to sample all production wells at Holland, North Holland and Verdi wellfields. Board consensus was to pursue BIOTTTA. Darin will contact City of Cold Spring to investigate their system. Darin speculates this will cost about \$4 million to construct a BIOTTTA system at the Holland Plant. The project could take 8-10 months to design and 12-16 months to construct. With all the needs for the system, there was concern which project(s) to place focus upon.

***M/S Engels/Spronk to authorize DGR to initiate a task order for designing of a BIOTTTA-type system for review at the November Board meeting. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.***

**Manager's Report:** GM Overby presented the October Manager's Report.

- E-bill. Barb Powell, LPRW Billing Clerk, provided information on E-Billing through PSN. It is similar to signing up for auto payments. The customer will get an email regarding your monthly water bill. Cost for this service includes a \$1,490 one-time set up fee and a monthly subscription charge of \$275.

***M/S Kling/Petersen to authorize staff to proceed with E-bill process through PSN. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.***

- Amendment to City of Russell Water Purchase Agreement. A WPA with City of Russell was previously approved and signed by both the City and LPRW. Due to City having an USDA-RD loan, RD requires certain parameters within the WPA document. A draft of the necessary language changes was presented to Board for approval to be described in the WPA Amendment.

***M/S Spronk/Kling to proceed with the recommended changes for the Amendment to the WPA with the City of Russell. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.***

- Farm Lease Agreement – Office/Shop Complex. Tom Gunnick inquired as to a farm lease agreement with LPRW on the new parcel.

***M/S DeWilde/Moen to authorize the GM to enter into a farm lease agreement with Tom Gunnick on LPRW's office/shop complex for the 2023 cropping season. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.***

**Attorney's Report:** Schramel reported the 2022 Assessment list has been compiled by staff and a full report will be finalized at the February meeting. Lonneman expressed interest in evaluating the interest rate LPRW charges for FY24 assessments. This item is to be discussed at the May (2023) board meeting. Spronk also suggested reevaluating hookup costs for rural customers at that time.

**Treasurer's Report:** Kinner presented October Treasurer's Report.

***M/S Kraus/Engels to approve the Treasurer's Report, as presented. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.***

Paid Bills: An incorrect Transactions Report for September 2022 was posted. The correct Transactions Report for September 2022 will be reposted for board approval at the next regularly scheduled meeting.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
  - General Services = \$2,525.38
  - City of Rushmore Connection = \$100.00
  - North Area Water Source = \$7,329.50
  
- Schramel Law Office:
  - General Services = \$1,952.50
  
- Kinner & Company Ltd
  - 3<sup>rd</sup> quarter services = \$4,015.25
  
- Lewis & Clark Rural Water
  - Lobby Fees 2023 = \$4,024.00

*M/S Lonneman/Moen to approve paying pending bills, as presented. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

Committee Reports:

- **Executive Committee:** The Executive Committee met before the board meeting to discuss the GM evaluation and salary increase.

*M/S Kling/Petersen to raise the GM's salary \$15,000 effective January 1, 2023. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

- **Personnel Committee:** Commissioner Kraus reviewed the minutes of the October 20<sup>th</sup> Personnel Committee meeting. The PC recommended adjustments to starting wages for all positions.

*M/S Kling/Ufkin to approve the starting wages, as recommended by the Personnel Committee, as listed below, effective January 1, 2023. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

- **Water System Clerk – Bookkeeper - \$20.00**
- **Water System Clerk – Billing - \$20.00**
- **WR/GIS Technician - \$23.25**
- **Enterprise Technician - \$21.50**
- **Water System Maintenance Technician - \$23.00**
- **Water Treatment Plant Operator - \$26.00**
- **Water System Operator - \$21.00**
- **Water Distribution Supervisor - \$30.00**

*M/S Moen/Engels to approve the minutes from the October 20th Personnel Committee meeting. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

[Lunch break at noon. Commissioners Lonneman and Engels left the meeting at 12:30pm. Meeting resumed at 12:35pm.]

- **Budget and Finance Committee:** Commissioner Spronk reviewed the minutes from the October 24<sup>th</sup> Budget-Finance Committee meeting. Nathan Kinner provided overview of the FY23 budget, investment/debt forecasts, labor/benefits adjustments and effects of proposed increased water rates.

*M/S Spronk/DeWilde to accept the recommendation from the B-F Committee to increase the monthly base rate \$2.00, and a \$016 increase to each of the four volumetric rates tiers, and a \$0.21 increase to the bulk rate to finish the commitment of matching the bulk rate to the highest established tiered rate. The approved rates to take effect July 1, 2023 are as follows:*

**Base Rate = \$36.00**

**Volumetric Rate:**

- **0-5,000 gallons = \$3.00**
- **5,001-10,000 gallons = \$3.05**
- **10,001-20,000 gallons = \$3.10**
- **20,000+ gallons = \$3.10**
- **(Municipal) Bulk = \$3.10**

*With the motion called for vote. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

FY23 Budget was reviewed. Kinner allocated a 5% increase for Directors' Fees that can be discussed later.

*M/S Spronk/Moen to approve the FY23 Budget, as presented. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

*M/S DeWilde/Kraus to approve the minutes from the October 24<sup>th</sup> Budget-Finance meeting. Aye - 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

- **Water Resources & Equipment Committee:** Nothing to report.
- **MRWA Representative:** Nothing to report.
- **L&C MN Joint Powers Board Representative:** Nothing to report.

**Other Business:**

- City of Brewster. Schramel is working with staff on new water purchase agreement to replace the existing contract. Issues may arise concerning successfully obtaining a railroad crossing permit and its associated costs to be incurred. Schramel noted that Red Rock RWS had experienced some difficulties with the railroad company. GM Overby asked the Board if LPRW would grant an extension to the current capacity charge (of \$9.00 per gallon) should obtaining a railroad permit become problematic or delayed. DGR will prepare an application to Union Pacific RR for a crossing permit.

**Public Comment:** None.

**Next Meeting:** 10:00AM on November 28<sup>th</sup>.

**Adjournment:** *M/S DeWilde/Kling to adjourn the meeting at 1:30pm. Aye – 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary