

# **Lincoln Pipestone Rural Water**

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## **Meeting Minutes**

**April 25, 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, April 25, 2022; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 10:00 AM by Board Chairman Joe Weber. A quorum was established with Commissioners Randy Kraus, Bill Ufkin, Frank Engels, Brent Feikema, Pete Petersen, Jan Moen, Jerry Lonneman, Rod Spronk in attendance, with Commissioner Mitch Kling attending via Zoom link. Also attending was Enterprise Technician Jodi Greer, General Manager Jason Overby, System Supervisors Patrick McCarthy and Tom Muller, System Clerk Karen Petersen, DGR Engineer Darin Schriever, Nathan Kinner (Kinner and Co.), Board Attorney Ron Schramel and Lyon County Commissioner Rick Anderson. Attending Via Zoom link was Tom Olinger with Abdo and Lisa Hammer with Northern Wind Energy, LLC.

**Agenda:** *M/S Feikema/Lonneman to approve the agenda. Ayes: 10, Nays: 0. Motion carried.*

**Minutes:** *M/S Ufkin/Kraus to approve the minutes from the March 2022 Board Meeting. Ayes: 10, Nays: 0. Motion carried.*

**2021 Audit:** Tom Olinger (Abdo) presented the 2021 Audit Report. Clean opinion for 2021 audit, no single federal audit performed in 2021. Schramel inquired about the amount of annual debt payment. Olinger indicated just under \$2 million including principal and interest. Schramel then asked about segregation of duties. Olinger noted no red flags due to Kinner & Company's involvement in the process and cross-checking. Kinner gave his approval of the audit. Karen Petersen was complimented for providing the auditors timely information. The board had no further questions.

**M/S Moen/Lonneman to approve the 2021 Financial Audit, as presented. Ayes: 10, Nays: 0. Motion carried.**

**Engineer's Report:** Schriever presented the April Engineers Report. Items highlighted included:

- **NAWS Project** – Commissioner Spronk asked questions regarding the discharge issues with PCA at the WTP site. Schriever doesn't see any issues. Rick Anderson suggested that LPRW contact the County about judicial ditch approval. No issues were brought up at CUP hearing; however, Overby will follow up on item. Commissioner Petersen asked if we had investigated lime-press process. Mr. Lundy is ready to close on the land. Lundy inquired if LPRW would pay any interest accrued for the extension, as well as his request to farm this land this season. DeWilde suggested that no interest be paid, but to allow Lundy to crop the land for the 2022 season.

***M/S Engels/DeWilde to amend the Purchase Agreement with Bryon Lundy to extend the closing date to May 6<sup>th</sup>, 2022. Ayes: 10, Nays: 0. Motion carried.***

It is the consensus of the Board to allow the GM to negotiate for the best interest of LPRW a farm lease agreement with Mr. Lundy. Once an agreement is reached, Ron Schramel will write up a formal agreement.

- New Office - Ron Schramel is requesting an abstract from the City of Lake Benton to do a title search. Lonneman asked about architecture design and costs. Schriever estimated approximately \$20,000 but was unsure. Schriever discussed water availability and fire protection. Hydraulics have been reviewed for the site and appears sufficient. Schriever sent an RFP request out with a June 8<sup>th</sup> deadline. Selection for architectural firm anticipated at the June meeting.
- Holland Water Source – Schriever noted that more information is being gather for the BIOTTTA process. Lonneman reported that the City of Adrian is having problems with their water treatment plant, and that the City may consider a connection with LPRW. City of Ellsworth may be in a similar situation.

**Operations Report:** The Operations Report for April was presented. Muller indicated that the Rushmore Tower Repair is completed. The mainline serving City of Rushmore has been installed to the tower/meter building site. McCarthy reported on pipe locating along Hwy 68 road project.

**Manager's Report:** GM Overby presented the April Manager's Report. Overby referred to "*Letter of Intent to Sell Additional Water to City of Brewster*"; and reviewed current aquifer water levels in the Burr, Verdi, North Holland and Holland wellfields.

*[Break for lunch at 12:00 pm. Meeting resumed at 12:50 pm]*

Addition items discussed:

- Schramel discussed that the Lobbyist for Red Rock Rural Water believes the bonding bill may not happen this year.
- Schramel contacted Bryon Lundy about land title information, including a manure management easement, existing mortgages and real estate taxes on the property split.
- 2022 CRP Renewals – Overby discuss expiring CRP contracts and farm lease agreements with Mike Moeller and Mark Moeller (Holland wellfield) and William DeZeeuw (North Holland wellfield). Mike Moeller and Mark Moeller were in attendance. Chairman Weber suggested terminating current farm lease agreements and starting new contracts with increased rental payments to coincide with increased CRP payment rates. Mike Moeller suggested compensating an additional \$5/acre to cover maintenance costs. Board agreed

with Mike's request. Chairman Weber suggested Mark Moeller to include a family member on CRP contract to eliminate hitting the FSA payment cap. Mark will visit with Pipestone FSA office. GM will prepare new farm lease agreements.

Commissioner Moen left the meeting at 2:15 pm.

**Attorney's Report:** The following items were discussed:

- Re-Appointment/Appointment Procedures Policy Revisions – Schramel reviewed proposed changes to the current policy. Questions were raised if a Board member in any community needs to be part of a member (served) city. Schramel opposed limiting opportunities to serve on this Board. Commissioner Spronk questioned the requirements of a “unanimous” vote, as described in Paragraph 2 of the revision. Commissioner DeWilde declared that age shouldn't be the indication of capability to serve. The Commissioner Term spreadsheet needed updating.

*M/S Ufkin/Petersen to accept the Appointment/Re-Appointment Procedures Policy revisions, including the revision in Paragraph 4-A eliminating the requirement of approval from Board of Commissioners of the county or counties “located within the Commissioner’s District...”. Roll call vote. Ayes: 6 (Kling, Ufkin, Weber, Kraus, Petersen, Lonneman), Nays: 4 (Spronk, Feikema, Engels, DeWilde), Absent: 1 (Moen). Motion carried.*

Approval will be sought by all counties served by LPRW. Further discussion regarding the policy procedures and modification of paragraph 2.

*M/S Lonneman/Ufkin to amend paragraph 2 of the approved policy revision changing the language from “unanimous vote” and replace with “two-thirds (2/3) majority of a quorum to recommend for reappointment”. Ayes: 9, Nays: 0, Absent: 1 (Moen). Motion carried.*

- Commissioner Term Reappointments for Randy Kraus and Peter Petersen.

*M/S DeWilde/Engels to reappoint Peter Petersen & Randy Kraus to another 4-year term. Ayes: 9, Nays: 0, Absent: 1 (Moen). Motion carried.*

- Commissioner Term Reappointment for Earl DeWilde.

*M/S Engels/Kraus to reappoint Earl DeWilde to another 4-year term. Written ballot voting. Ayes: 8, Nays: 1, Abstained: 1, Absent: 1. Motion carried.*

- Voting by the LPRW Board Chair.

*M/S Lonneman/Petersen to allow the Board Chair to vote on any board action*

*set forth in a meeting. Roll call vote. Ayes: 9, Nays: 0, Absent: 1 (Moen). Motion carried.*

Commissioner Kling left the meeting at 3:00 pm.

**Treasurer's Report:** Kinner reviewed the Treasurer's Report for April.

*M/S Feikema/Kraus to approve the Treasurer's Report, as presented. Ayes: 9, Nays: 0, Absent: 2 (Moen, Kling). Motion carried.*

**Paid Bills:**

*M/S Spronk/Lonneman to approve payment on checks #8313, and #8325 through #8457. Ayes: 9, Nays: 0, Absent: 2 (Moen, Kling). Motion carried.*

**Pending Bills:**

- DeWild Grant Reckert and Associates Company:
  - General Services = \$4,103.96
  - North Area Water Source = \$1,336.50
  - New Office = \$5,112.00
  - Comprehensive Tank Plan = \$152.00
- Schramel Law Office:
  - General Services = \$1,578.60
  - North Water Source = \$385.00
- Kinner & Company Ltd.
  - Quarterly Services = \$11,473.25

*M/S Engels/Ufkin to approve paying pending bills, as presented. Ayes: 9, Nays: 0, Absent: 2 (Moen, Kling). Motion carried.*

**Committee Reports:**

- **Executive Committee:** *M/S Spronk/Feikema to approve the minutes from the March 28, 2022 Executive Committee meeting. Ayes: 9, Nays: 0, Absent: 2 (Moen, Kling). Motion Carried.*

Commissioner Lonneman commented that salaries need to be looked at before the end of the year due to the high inflation. Commissioner Spronk would like to look at it this summer and with Commissioner Engels in agreement. Kinner suggested getting rid of full health-care coverage, and pay each employee an even health-care stipend.

- **Budget and Finance Committee:** Nothing to report.
- **Personnel Committee:** *M/S Spronk/Lonneman to approve the minutes from the March 21, 2022 Personnel Committee meeting. Ayes: 9, Nays: 0, Absent: 2 (Moen, Kling). Motion Carried.*

- **Water Resources & Equipment Committee:** Nothing to report.
- **Joint Powers Board Representative:** Commissioner Lonneman noted federal Infrastructure Funds coming to L&CRWS.

**Other Business:**

- Consent and Non-Disturbance Agreement with Northern Wind Energy, LLC.  
*M/S Feikema/Spronk to approve the Consent and Non-Disturbance Agreement with Northern Wind Energy Redevelopment, LLC. Ayes: 9, Nays: 0, Absent: 2 (Moen, Kling). Motion Carried.*
- Consent and Crossing Agreement with Buffalo Ridge Wind, LLC. Lisa Hammer present via Zoom link to answer any questions.  
*M/S Ufkin/Lonneman to approve the Consent & Crossing Agreement with Buffalo Ridge Wind, LLC. Ayes: 9, Nays: 0, Absent: 2 (Moen, Kling). Motion Carried.*
- Commissioner Spronk brought up a concern with pending board member turnover in the next few years. Spronk would like the staff to update board policies. Jodi Greer is working with newly secured Alternative HR to review employee and board policies.
- Commissioner Spronk asked about consensus with the DeZeeuw lease agreement/CRP contract. Chair Weber suggested offering Curtis DeZeeuw a farm lease agreement with rental payment to LPRW of \$200/acre and he is responsible for maintenance and has the right to haying. If Curt is not interested, then to offer to Mike Moeller and finally put to bid for prospective operators.
- Commissioner Lonneman asked about costs associated with the NAWS project, expressing concern on rising interest rates and material costs. Overby responded with projected financing options and anticipated interest rates with RD and supplemental funding sources.
- Commissioner Spronk inquired about pickup trucks. Overby described the current vehicle market status with unavailable service trucks and fleet program options.

**Public Comment:** None

**Next monthly meeting:** May 23<sup>rd</sup>, 2022 at 5:00 pm.

**Adjournment:** *M/S Spronk/Feikema to adjourn the meeting at 4:00 pm.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary