

# **Lincoln Pipestone Rural Water**

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## **Meeting Minutes**

**August 29<sup>th</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, August 29<sup>th</sup>, 2022; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 5:02 PM by Board Chair Joe Weber. A quorum was established with Commissioners Bill Ufkin, Frank Engels, Randy Kraus, Peter Petersen, Jan Moen, Jerry Lonneman, Mitch Kling, Earl DeWilde in attendance. Participating via Zoom was Commissioner Rod Spronk. Also attending was Enterprise Technician Jodi Greer, General Manager Jason Overby, System Supervisors Patrick McCarthy and Tom Muller, DGR Engineer Darin Schriever, Board Attorney Ron Schramel and Lyon County Commissioner Rick Anderson.

Absent: Commissioner Brent Feikema and Nathan Kinner (Kinner and Co.),

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

**Minutes:** *M/S Moen/Lonneman to approve the minutes from the July 2022 Board Meeting. Aye - 10, Nay - 0, Absent - 1 (Feikema). Motion carried.*

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

- North Area Water Source – Anti-Degradation Study as required by MPCA.

*M/S Engels/DeWilde to approve Task Order #3 – D-B WTP Anti-degradation Study. Aye - 10, Nay - 0, Absent - 1 (Feikema). Motion carried.*

- City of Rushmore Connection. Nearing substantial completion of project. Start-up was 9-24-22 and the City has been receiving water from LPRW since. One remaining item to address for substantial completion.
- City of Ellsworth. Generated a cost estimate for 60,000 gpd.
- City of Russell. Revising meter building design specs for MDH approval.
- CTMP. CIT for Minneota Tower to be scheduled after Oct 1.
- Long-Range Planning. Schriever provided a draft spreadsheet of system capital replacement costs used to generate capacity charges. Inflation was determined to be approximately 10% per year over the last 9 years. Rough estimation put the capacity charge at \$14.17 per gallon, not including grant contributions and not including pipe replacement costs. After much discussion regarding increasing capacity charges for rural and municipal customers, it was decided that staff and engineers did not need to invest additional time into refining and analyzing the data. Schramel suggested the Board to set a new capacity rate and determine the date to be effective. Petersen suggested raising 20% increase from \$9/gal to \$10.80/gal.

Schriever also presented a revised and updated multi-year Capital Improvement Plan, that included agency-funded and self-funded projects. Lonneman mentioned Adrian wants to purchase water capacity before the capacity rates increase.

***M/S Ufkin/Kling to increase the municipal capacity charge from \$9.00 per gallon to \$11.00 per gallon effective March 1, 2023. Aye - 8, Nay – 2 (Spronk, Lonneman), Absent – 1 (Feikema). Motion carried.***

Ufkin asked if LPRW would be required to conduct a required treatment pilot study if the NAWS project is broken up into phases. Schriever will follow up with USDA-RD.

Pat McCarthy joined the meeting.

**Operations Report:** Muller presented the August Operations Report and provided updates with the Rushmore connection; TH68 Road Project; well levels and nitrate levels. Engels inquired on the current status of hookups. Over 50 had signed up and approximately 30 more requests to generate cost estimates for.

**Manager’s Report:** GM Overby presented the July Manager’s Report. Overby requested having two Commissioners attend the meeting with Representative Joe Schomacker and lobbyist Sam Krueger on Thursday, September 1 at the Holland Treatment Plant. Engels asked about the meeting with the City of Dawson. Overby said the meeting approach was informational-driven and to recognize where each entity sits today within the contract. We agreed the need to focus on maintaining a strong relationship between the two entities for the future. Weber asked about the Kernza update. Overby noted there may be hope yet for the sale of the 2020 Kernza harvest through Perennial Pantry. Engels then asked about the CRP with Moeller brothers. Overby noted his frustration with FSA office and has explored every opportunity to rectify this issue of maximum payment threshold and attaching a spouse to the contract. Kraus stated that it is now up to Mueller’s to which that they need to appeal this to the local county board.

**Attorney’s Report:** No report.

**Treasurer’s Report:** Kinner was not in attendance, but the monthly Treasurer’s Report was provided.

***M/S Kling/Lonneman to approve the Treasurer’s Report, as shown. Aye - 10, Nay – 0, Absent – 1 (Feikema). Motion carried.***

Overby noted that approximately \$3M from board-designated reserve accounts were invested in 1-yr CD’s with 4M in August. Interest rates were hovering around 3%. Will continue to watch for additional investment opportunities.

**Paid Bills:** ***M/S Ufkin/Petersen to approve payment on checks #8836 through #8941. Aye - 10, Nay – 0, Absent – 1 (Feikema). Motion carried.***

**Pending Bills:**

- DeWild Grant Reckert and Associates Company:
  - General Services = \$3,564.50
  - City of Rushmore Connection = \$37,988.00

- New Office = \$270.00
- Schramel Law Office:
  - General Services = \$2,400.00

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

**Committee Reports:**

- **Executive Committee:** Nothing to report.
- **Budget and Finance Committee:** Nothing to report. Spronk asked about the committee meeting before the next board meeting. Overby indicated that he and Kinner will be meeting Sept 20<sup>th</sup>, and plan to have information available in October for the committee.
- **Personnel Committee:** Nothing to report.
- **Water Resources & Equipment Committee:** Nothing to report.
- **MRWA Representative:** Ufkin attended the recent MRWA Board meeting in Spronk's absence. He noted the level of interim financing occurring through MRWA that's helping numerous communities.
- **L&C MN Joint Powers Board Representative:** Lonneman discussed L&C funding of board-designated reserve accounts; the adding of 1-2 employees to L&C staff; water rate increases on the capacity charge of \$0.01/1,000 gallons, and the commodity (volumetric) charge of \$0.09/1,000 gallons, respectively; and the failed pressure test by L&C contractors at the newly installed collector well, which may cause the collector well to be off-line for up to a year before parts secured and repairs completed.

**Other Business:**

- **Wage Comparison Analysis and Pay Equity.** Greer described her investigation into outsourcing a wage comparison study and pay equity study. Alternative HR, Inc has provided a quote for the Wage Comparison Analysis, charged at an hourly rate for each of the 8 positions at LPRW. Total costs are expected not to exceed \$2,400. A quote from Abdo for the Pay Equity has been requested.

*M/S Kling/Petersen to proceed with the Wage Comparison Analysis with Alternative HR, Inc. Aye - 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

**Public Comment:** None.

**Adjournment:** *M/S Lonneman/Engels to adjourn the meeting at 7:23pm. Aye - 10, Nay – 0, Absent – 1 (Feikema). Motion carried.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary