

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES

January 25, 2010

The regular scheduled meeting of the Lincoln Pipestone Rural Water (LPRW) System Board of Commissioners was held at the LPRW office in Lake Benton on Monday, January 25, 2010 starting at 10:00 a.m. Chairman Joe Weber called the meeting to order with Commissioners , , Rod Spronk, Jerry Lonneman, Norris Peterson, Ken Buysse, Henry Van Dyke and present. Commissioner was absent. Also present were Board Attorney, ; DGR engineer, ; Field Superintendents, Don Drietz and Tom Muller; and CEO, Dennis Healy.

Agenda: M/S/P Peterson/Van Dyke to approve the Agenda as presented.

Minutes: M/S/P Ufkin/Lonneman to approve the minutes of the December 21, 2009 Regular Board meeting.

Treasurer's Report: M/S/P Buysse/Van Dyke to approve the Treasurer's report as presented.

Bills: M/S/P Engels/Peterson to approve the following bills for payment:

- DeWild Grant Reckert and Associates Company: General Services #101 = \$2,097.00; Jackson-Nobles Water Supply Project – ppe #27 = \$12,838.85; New Water Source Development – ppe #18 - \$28,170.62; 2008-10 Expansion Project – ppe #13 - \$68,407.50
- McDonald, Gudmestad & Schramel: General Legal Services = \$3,399.50; Jackson Nobles Water Supply Project = \$203.00
- Winter Brothers Underground, Inc.: Jackson Nobles Project – Schedule 1, ppe #7-FINAL = \$145,290.92
- C B & I, Inc.: Jackson Nobles Project – Schedule 2, ppe #7 = \$209,956.65

Attorney's Report: reported that the District Court has approved the 2009 Assessment for new hookups. The February 4th meeting with County officials was discussed, and Schramel noted that would be doing the legal presentation at our February 4th meeting.

Field Superintendents' Report: Tom Muller reported on Jackson Nobles Project activities. Don Drietz reported on storm related power outages over the weekend, and noted that several employees worked long hours to keep water service going in the north part of the System.

CEO's Report:

- The Lewis & Clark project is moving forward as more construction is completed, and a report from the Lewis & Clark engineers giving a timetable for Project completion depending on federal funding levels was reviewed. LPRW will receive water between 2014 and 2023 depending on funding.
- City hookup costs were reviewed and discussed. Healy noted that the "Common Facilities Cost" estimate recommended last year was \$8.00 per gallon of peak day use, but a closer examination of the estimate shows that the more accurate estimate is \$6.50 per gallon of peak day use. M/S/P Ufkin/Spronk to set the "Common Facilities Cost" for new city hookups at \$6.50 per gallon of peak day use. M/S/P Peterson/DeWilde to offer hookups to interested cities as part of the 2008-10 Project subject to Rural Development and DNR concurrence.
- Healy noted that the rental contracts on LPRW land at the Holland and Verdi well fields will expire next fall and he recommended that they be addressed soon so CRP enrollments can be done. The Board directed Healy to work with the current renters to renew the agreements.
- Healy presented a past due water bill with the recommendation that it be written off as a bad debt because of bankruptcy proceedings. M/S/P Spronk/Engels to write off \$17.08 owed on account #01-00035660-00-5 as an uncollectable bad debt.
- The LPRW annual meeting with the DNR and other is scheduled for February 17th.
- Healy informed the Board of personnel changes he would like make, and requested authorization to fill vacant positions. M/S/P Buysse/Van Dyke to authorize dismissal of one employee, and hiring of new staff as planned.

- The “WATER OR WASTE SYSTEM GRANT AGREEMENT” with USDA Rural Utilities Service for the Jackson Nobles Water Supply Project was review. The Agreement will authorize use of the \$4,000,000 grant to complete the Project. M/S/P Engels/Buysse to approve the “WATER OR WASTE SYSTEM GRANT AGREEMENT” to authorize use of the \$4,000,000 grant for completion of the Jackson Nobles Water Supply Project, and to authorize the Chairman and the Secretary to sign the Agreement on behalf of LPRW.
- M/S/P Van Dyke/DeWilde to adopt a Resolution authorizing the Board Officers and CEO sign transactions on behalf of LPRW at First Security Bank of Lake Benton.

Engineer’s Report: discussed the following items:

- **Jackson-Nobles Water Supply Project:** The Rushmore tower is proceeding on schedule, and the 12-inch Transmission Line is completed. M/S/P Ufkin/Peterson to accept the 12-inch Transmission Line Project subject to receipt of final documents and authorization from USDA Rural Development. Final payment will be held until all requirements are met. The Highway 60 Booster and State Line Meter Station Project preconstruction meeting is scheduled for January 27th.
- **2008-10 Expansion Project:** The Project will move forward when USDA-RD approves the plans for bidding.
- **New Water Source Development Project:** Work will begin when access to all well sites have been acquired.

Chairman made the following appointments for 2010.

Executive Committee: Per the approved “Committee Structure” the four Board officers and past-Chairman are automatically appointed: Joe Weber (Chairman); (Vice-Chairman); (Secretary); (Treasurer); and (past-Chairman).

Personnel Committee: , Secretary, Chairman; ; and .

Budget & Finance Committee: , Treasurer, Chairman; ; ; and .

Water Resources and Equipment Committee: , Vice-Chairman, Chairman; Ken Buysse,; and .

Minnesota Rural Water Association, Board Representative: as the LPRW representative on the MRWA Board; and as the alternate representative.

Minnesota Governmental Agency Finance Group: Norris Peterson as the LPRW representative on the MGAFG Board.

Southwest/West Central Service Cooperative: as the LPRW representative on the SW/West Central Service Cooperative.

Lewis and Clark Rural Water Board: as the LPRW representative on the Lewis & Clark Rural Water System Board, and Jerry Lonneman as the alternate representative.

Lewis & Clark Minnesota Joint Powers Board: Jerry Lonneman as the LPRW representative on the Lewis & Clark Minnesota Joint Powers Board, and Henry Van Dyke as the alternate representative.

M/S/P Spronk/Engels to concur with the Chairman’s appointments.

Committee Reports: reported on MRWA activities, and the upcoming Water Rally in Washington, D.C.

Other

- The MRWA Conference in St. Cloud, March 2nd – 4th was discussed.

Adjournment: M/S/P Engels/Kling to adjourn the meeting at 2:00 p.m. The next Regular Board meeting will be Monday, February 22, 2010 at 10:00 a.m.

, Secretary