

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES February 25, 2008

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, February 25, 2008 starting at 10:00 a.m. Chairman called the meeting to order with Commissioners , , , Rod Spronk, Jerry Lonneman, Norris Peterson, Ken Buysse, Henry Van Dyke, and Joe Weber present. Commissioner Leonard Swenson was absent. Also present were Board Attorney, ; DGR engineer, ; Matt Taubert, CPA; Field Superintendents, Don Drietz and Tom Muller; and CEO, Dennis Healy.

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

Minutes: M/S/P Engels/Peterson to approve the minutes of the January 28, 2007 Regular Board meeting.

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

Change Order: M/S/P Spronk/Peterson to approve Change Orders #1 (+\$8,550.00) and #2 (+\$6,565.00) for "The Construction and Testing of Two Production Wells Near Adrian, MN" bringing the total contract price to \$64,947.50.

Bills: M/S/P Weber/Van Dyke to approve the following bills for payment:

- DeWild Grant Reckert and Associates Company: General Services #78 = \$4,983.06; 2005-08 System Improvements #17 = \$2,000.00; South End Improvements #7 = \$530.00
- McDonald, Gudmestad & Schramel: General Legal Services = \$2,045.33
- Liesch Associates: Water Supply Exploration #22 = \$9,078.83; North Adrian Test Drilling #3 = \$224.00
- Mark J. Traut Wells, Inc.: Production Well Contract – ppe #3 = \$22,154.00

Attorney's Report: reported that the order appointing and to new terms, and reaffirming the terms of the other members has been received from the District Court.

Water Resources Meeting Follow-up: The February 14th meeting with the MnDNR, USDA Rural Development and other interested parties was discussed. A follow-up meeting has been scheduled at the MRWA Conference in St. Cloud.

2007 Audit Report: Matt Taubert, CPA from Meulebroeck, Taubert & Co. presented the 2007 Independent Auditor's Report. The report was very positive overall, and there were no audit findings. M/S/P Weber/Buysse to accept the 2007 Audit Report as presented.

Regional Water Development:

- **North Adrian:** Healy reported that one of the North Adrian wells was being redeveloped and tested to try to get higher yields. Additional exploration and testing will be required to reach the production goals in this area.
- **Osceola County RWS:** We have received a proposal for water service, but more analysis is needed to determine the feasibility of this project.
- **Murray County:** The City of Slayton is analyzing various options for a joint development project, and discussions are on-going.

Engineer's Report: discussed the following items:

- **System Expansion:** Schriever presented cost estimates on expansion and new hookups in various parts of the system.
- **South End Improvements:** discussed water source options in the southern part of the system.

Field Superintendents' Report: Drietz and Muller reported that meter verifications were progressing, and no major problems have been encountered.

CEO's Report:

- The Lewis & Clark project is moving forward as more construction is completed, and state and local finances are committed. FY2009 federal funding is being considered in congress although the President did not include it in his budget.
- There are no new hookup requests to consider.
- The option has been signed on a treatment plant site near Adrian.
- The Refunding Bond was rebid, and approved by the Yellow Medicine County Board at higher savings than originally estimated. M/S/P Lonneman/Engels to adopt "RESOLUTION REGARDING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION WATER REVENUE REFUNDING BONDS, SERIES 2008 OF YELLOW MEDICINE COUNTY, MINNESOTA" a copy of which is on file at the Lincoln Pipestone Rural Water System office in Lake Benton, Minnesota.
- M/S/P Lonneman/Peterson to adopt a resolution entitled "RESOLUTION OF LODGE, ASSOCIATION OR OTHER SIMILAR ORGANIZATION" authorizing banking activities at the First Security Bank in Lake Benton a copy of which is on file at the Lincoln Pipestone Rural Water System office in Lake Benton, Minnesota.
- Renewal of property and casualty insurance through the League of Minnesota Cities was discussed. M/S/P Engels/Buysse to adopt a resolution entitled "RESOLUTION CONCERNING TORT LIABILITY" accepting the tort liability limits established by Minnesota Statutes 466.04, a copy of which is on file at the Lincoln Pipestone Rural Water System office in Lake Benton, Minnesota. M/S/P Spronk/Weber to adopt a resolution entitled "RESOLUTION APPOINTING INSURANCE AGENT FOR LMCIT" which appoints Kozlowski Insurance Agency as agent for LMCIT coverage, a copy of which is on file at the Lincoln Pipestone Rural Water System office in Lake Benton, Minnesota.
- Healy was authorized to proceed with acquisition of 2 replacement pickups as per the 2008 Budget and Capital Improvement Program.
- Healy reported that there are 2 parcels of land in the Verdi wellhead protection area that may be available for enrollment in the CRP program, and he recommended that we consider supplementing the program payments to encourage the landowners to enroll the land. M/S/P Spronk/Buysse to authorize Healy to work with the landowners and the Lincoln County SWCD to protect the parcels.
- Based on information received from Sioux Valley Energy the Holland WTP has been changed from the 7/5 Interruptible Rate to the Large Power Rate. High fuel costs and heavy use of our generator have more than offset savings in electrical rates.
- The Board directed Healy to check on having an energy audit done on our facilities, and to also look at alternatives to using our own staff and equipment to mow our properties.

Committee Reports: The following committee reports were given:

Executive Committee: No report.

Personnel Committee: The Committee will meet on March 19th to interview applicants for the Water System Operator position.

Budget & Finance Committee: No report.

Water Resources and Equipment Committee: No report.

Minnesota Rural Water Association, Board Representative: No report.

Minnesota Governmental Agency Finance Group: No report.

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.

Other Healy distributed information on the Minnesota Rural Water Association Conference scheduled for March 4th – 6th in St. Cloud.

Adjournment: M/S/P Lonneman/Weber to adjourn the meeting at 3:30 p.m. The next Regular Board meeting will be Monday, March 31, 2008 at 10:00 a.m.

, Secretary