

# LINCOLN PIPESTONE RURAL WATER SYSTEM

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## MEETING MINUTES

April 20, 2009

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, April 20, 2009 starting at 7:00 p.m. Chairman Bill Ufkin called the meeting to order with Commissioners Earl DeWilde, Frank Engels, Rod Spronk, Jerry Lonneman, Norris Peterson, Ken Buysse, Jan Moen, Henry Van Dyke and Joe Weber present. Mitch Kling was absent. Also present were Board Attorney, Ron Schramel; DGR engineer, Darin Schriever; LBG hydrologist, Dave Hume; Field Superintendents, Don Drietz and Tom Muller; and CEO, Dennis Healy.

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

**Minutes:** M/S/P Engels/Peterson to approve the minutes of the March 30, 2009 Regular Board meeting and the April 15, 2009 special teleconference meeting.

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

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

- DeWild Grant Reckert and Associates Company: General Services #92 = \$1,020.00; Jackson-Nobles Water Supply Project – ppe #18 = \$21,538.00; New Water Source Development – ppe #9 = \$16,795.51; 2008-10 Expansion Project – ppe #4 = \$8,863.00
- McDonald, Gudmestad & Schramel: General Legal Services = \$1,736.50; Jackson-Nobles Water Supply Project = \$964.50
- Lewis & Clark Regional Water System: 2<sup>nd</sup> half Prepayment Amount = \$1,119,353.00
- Steffl Drilling & Pump, Inc.: Groundwater Exploration – ppe #3 = \$19,642.50
- US Bank: LPRW Refunding Bond of 1997, interest only = \$9,097.50

**Attorney's Report:** Ron Schramel reported that the Jackson Nobles Water Supply Project interim financing bond is being processed by the counties, and the court hearing has been scheduled for May 13th.

### **Regional Water Development:**

- **Water Exploration Project:** Dave Hume presented information on the 7-day aquifer test results that indicate a good potential water source, and he recommended that we begin preparations for more testing to address MnDNR permit requirements. M/S/P Spronk/DeWilde to authorize CEO Dennis Healy to obtain options on potential well sites and a treatment plant site. Hume also reported that exploration in Murray County would start as soon as road restrictions are lifted.
- **OCRWS Progress:** Darin Schriever reported that OCRWS is proceeding on schedule with their expansion project.

**Engineer's Report:** Darin Schriever provided the engineer's report:

- **General Issues:** Darin Schriever updated the Board on groundwater exploration, the long-range planning study, and the tank maintenance plan.
- **Holland Discharge Permit:** Darin Schriever is working on a response to the April 8<sup>th</sup> MPCA letter concerning our discharge permit.
- **Jackson-Nobles Water Supply Project:** M/S/P Engels/Buysse to authorize advertisement for Rushmore Water Tower and 12" Transmission Pipeline Project bids as soon as authorization is received from USDA Rural Development, and authorize staff to set dates for advertising, bid opening and award as appropriate.
- **2008-10 Expansion Project:** The Project financing is finalized so work can begin. M/S/P Buysse/Weber to approve Amendment No. 1 to the Engineering Services Agreement. M/S/P Lonneman/Moen to Authorize DGR to Proceed with Preliminary Design on the 2008-10 Expansion Project. M/S/P Peterson/Engels to approve a Loan Resolution to borrow \$5,000,000 from USDA Rural Development. M/S/P Weber/DeWilde to approve a Loan Resolution to borrow \$5,917,000 and to accept a grant for \$5,639,000 from USDA Rural Development. M/S/P Buysse/Moen to proceed to obtain interim financing for the Project.

- **New Water Source Development Project:** Pump testing is completed in the Wood Lake area and additional exploration will be done in Murray County when road restrictions are done. A contract change order to extend the contract time and reduce the total cost was reviewed. M/S/P Lonneman/Van Dyke to approve Change Order #3 to the Steffl Drilling & Pump contract.
- **Long-Range Planning Project:** DGR staff is working with LPRW staff to prepare the long-range plan documents.
- **Water Storage Inspection & Maintenance:** A Comprehensive Tank Maintenance Plan proposal from DGR was review and discussed. M/S/P Buysse/DeWilde to approve the Comprehensive Tank Maintenance Plan proposal from DGR to inspect and oversee maintenance of water towers and ground storage reservoirs.
- **Holland Water Treatment Plant discharge permit:** The MPCA has notified us that we need to develop a plan to treat the discharge water from the RO treatment process. DGR and LPRW staff will work with MPCA to find our what is needed.

**Field Superintendents' Report:** Don Drietz and Tom Muller reported that operations are going smoothly. Muller is making good progress on easements in Nobles County.

**CEO's Report:**

- The Lewis & Clark project was awarded \$56.5 million in stimulus funding to move the project closer to on schedule.
- One new hookup was considered. M/S/P DeWilde/Weber to approve one hookup in Lincoln County.
- Pickup quotes were reviewed and the Board authorized Healy to purchase 2 pickups.
- The lease on 19.49 acres of farmland at the Holland well field has expired and the renter has asked to renew the lease at \$135.00/acre. M/S/P DeWilde/Weber to renew the 3-year lease to Mike Moeller on 19.49 acres at the Holland well field for \$135.00 per acre per year.
- The developers of Affinity Hills in the City of Lynd have asked to get credit against their \$481,000 buyout of the water improvements for any new hookups paid for while they are working with the City. M/S/P Spronk/Van Dyke to give the Affinity Hills developers for hookups installed provided that the agreement between LPRW, the City of Lynd and the developer is completed within the 6-month time period agreed to.

**Committee Reports:** The following committee reports were given:

Executive Committee: No report.

Personnel Committee: No report.

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: No Report.

**Adjournment:** M/S/P Moen/Engels to adjourn the meeting at 10:10 p.m. The next Regular Board meeting will be Monday, May 18, 2009 at 7:00 p.m.

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Ken Buysse, Secretary