

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES

April 26, 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, April 26, 2010 starting at 7:00 p.m. Chairman Joe Weber called the meeting to order with Commissioners , , , , Rod Spronk, Norris Peterson, Ken Buysse, Henry Van Dyke and present. Also present were Board Attorney, ; DGR engineer, ; Field Superintendents, Kyle Thooft and Tom Muller; and CEO, Dennis Healy.

Agenda: M/S/P Buysse/Engels to approve the Agenda as presented.

Minutes: M/S/P Peterson/Van Dyke to approve the minutes of the March 29, 2010 Regular Board meeting.

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

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

- DeWild Grant Reckert and Associates Company: General Services #104 = \$11,647.50; Jackson-Nobles Water Supply Project – ppe #30 = \$8,172.75; New Water Source Development – ppe #21 - \$6,014.29; 2008-10 Expansion Project – ppe #16 - \$72,572.25
- McDonald, Gudmestad & Schramel: General Legal Services = \$2,374.50; Jackson Nobles Water Supply Project = \$1,696.50
- Salonek Concrete & Construction, Inc.: Jackson Nobles Project – Schedule 4, ppe #3 = \$138,282.00
- US Bank Corporate Trust Services: LPRW Crossover Refunding Bonds 1997, Interest only = \$4,725.00

Attorney's Report: reported on the following issues.

- Schramel reported that Board reappointments are proceeding using the new policy process.
- The Pipestone County Refunding Bond is scheduled to close in mid-May with a projected savings of about \$160,000.
- The hearing on LPRW's petition opposing South Dakota DENR Application No. 7178-3 to irrigate 400 acres next to the Verdi well field has been rescheduled for July 7-8.

Holland Discharge Permit: The Board reviewed communications from DGR and Wenck Associates concerning the Holland WTP Discharge Permit Study. M/S/P Spronk/DeWilde to authorize Wenck Associates to proceed with data collection and review for the purpose of preparing a specific project proposal. DGR has indicated a desire to stay involved in the project in a supporting position.

Engineer's Report: discussed the following items:

- **Jackson-Nobles Water Supply Project:** The Rushmore tower is proceeding on schedule, and Change Order #1 addressing several small items with a net increase of \$356.00 was reviewed. M/S/P Lonneman/Engels to approve Change Order #1 to add \$356.00 for several small changes to the C B & I contract on the Rushmore Tower. The Highway 60 Booster and State Line Meter Station Project construction is proceeding, and Change Order #2 addressing a small plumbing change with a net increase of \$505.00 was reviewed. M/S/P Peterson/Buysse to approve Change Order #2 to add \$505.00 for a plumbing small change to the Salonek Concrete and Construction contract on the Highway 60 Booster and State Line Meter Station Project. Work has begun on the Mainline Improvements Project. SCADA improvements were moved to the 2008-10 Project for budget purposes. OCRWS improvements are proceeding, but they are somewhat behind schedule.
- **2008-10 Expansion Project:** The Phase 1 North Area Expansion Project is proceeding, and Change Order #1 for additional work costing an additional \$42,554.25 was reviewed. M/S/P Kling/Engels to approve Change

Order #1 for additional work costing \$42,554.25. The Phase 1 South Area Expansion Project and the Lismore Booster Project bid openings are scheduled for May 14th. SCADA work is proceeding, and other specs are being prepared.

- **New Water Source Development Project:** Work will begin when access to all well sites have been acquired.

Field Superintendents' Report: Tom Muller reported that they are busy with easements and construction observation in Nobles County. Kyle Thoof reported that easements, and construction observation are keeping everyone busy in the north part of the system.

Long-Range Plan: Work has started on preparation of a long-range plan for LPRW, and presented some of the preliminary information.

CEO's Report:

- The Lewis & Clark project is moving forward, and FY2011 federal funding is being sought along with potential ARRA funding.
- A cost estimate has been forwarded to the City of Hadley.
- **Additional Financing for the Jackson Nobles Project:** Healy reported that although the Mainline Improvements Project bid has been awarded, additional funds will be required to complete the Project. USDA Rural Development has offered an additional \$200,000 grant if LPRW issues an additional \$800,000 in General Obligation Debt. Healy met with the Nobles County Administrative Committee about issuing \$800,000 in General Obligation bonds on behalf of LPRW so LPRW would qualify for \$200,000 in grant financing. We will meet with the Nobles County Board on May 25th to request authorization to proceed with the bond issue. The USDA Rural Development application materials for the supplemental financing were reviewed. M/S/P Kling/Buysse to approve the "LETTER OF INTENT TO MEET CONDITIONS" referring to the "Amendment of the Letter of Conditions for Nobles Jackson Red Rock RW Project Transfer" dated April 26, 2010. M/S/P Kling/Lonneman to approve the "LOAN RESOLUTION" setting the supplemental financing at an \$800,000 loan and a \$200,000 grant.

Committee Reports: Rod Spronk reported on MRWA activities including personnel changes, and the increased activity in the financing program.

Other

- The Lewis & Clark RWS Annual Membership Meeting is scheduled for May 27th in Sioux Falls. M/S/P Ufkin/Engels to confirm the appointment of Dennis Healy as the Delegate and as the Alternate for the Annual Membership Meeting.
- The Board discussed the staff reorganization, and issues they were aware of. The Board decided to post future job openings internally so current employees can apply.

Adjournment: M/S/P Lonneman/Kling to adjourn the meeting at 10:10 p.m. The next Regular Board meeting will be Monday, May 24, 2010 at 7:00 p.m.

, Secretary