

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES

May 24, 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, May 24, 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 engineers, and Matt Oedekoven; Wenck Associates engineers, Vince Vander Top and Dennis Johnson; Field Superintendents, Kyle Thooft and Tom Muller; and CEO, Dennis Healy.

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

Minutes: M/S/P Buysse/Spronk to approve the minutes of the April 26, 2010 Regular Board meeting.

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

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

- DeWild Grant Reckert and Associates Company: General Services #105 = \$5,692.50; Jackson-Nobles Water Supply Project – ppe #31 = \$9,889.50; New Water Source Development – ppe #22 - \$3,760.29; 2008-10 Expansion Project – ppe #17 - \$65,768.67
- McDonald, Gudmestad & Schramel: General Legal Services = \$1,287.00; 2008-10 Expansion Project = \$2,240.50; Jackson Nobles Water Supply Project = \$275.50
- Salonek Concrete & Construction, Inc.: Jackson Nobles Project – Schedule 4, ppe #4 = \$107,041.25
- Winter Brothers Underground: Jackson Nobles Mainline Project; ppe #1 = \$1,050,010.86
- Eatherly Constructors, Inc.: 08-10 Project; North Area Phase 1, ppe #1 = \$649,957.16
- Steffl Drilling & Pump: New Water Source; Area 2 Well Field, ppe #2 = \$4,446.20
- Liesch Associates: SDDENR Hearing, ppe #1 = \$2,238.00
- US Bank Corporate Trust Services: Nobles County Refunding Bonds 2003, Interest only = \$38,713.75; Yellow Medicine County Refunding Bonds 2008, Interest only = \$108,033.76

Attorney's Report: reported on the following issues.

- Schramel reported that Board reappointments are proceeding using the new policy process.
- 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 the Proposal from Wenck Associates concerning the Holland WTP Discharge Permit Study, and discussed the Study with Wenck representatives Vince Vander Top and Dennis Johnson. M/S/P Ufkin/DeWilde to authorize Wenck Associates to proceed Phase 1 of the Study.

Engineer's Report: discussed the following items:

- **Jackson-Nobles Water Supply Project:** The Jackson Nobles projects are proceeding on schedule with no significant problems. OCRWS improvements are proceeding, but they are somewhat behind schedule.

- **2008-10 Expansion Project:** The Phase 1 North Area Expansion Project is proceeding smoothly. The Phase 1 South Area Expansion Project bids were opened on May 14th, and bids were received from Carstensen Contracting (\$4,478,543.55), Ellingson Drainage (\$4,515,573.95), Eatherly Constructors (\$4,763,392.80), and Winter Brothers Underground (\$5,160,782.75). All of the bids were below the engineer's estimate, and DGR recommended award to the low bidder. M/S/P Spronk/Buysse to award the South Area Expansion-Phase 1 bid to Carstensen Contracting for \$4,478,543.55 subject to USDA Rural Development concurrence. The Lismore Booster/Storage Building Project bids were opened on May 14th, and bids were received from KHC Construction (\$649,000.00), Everstrong Construction (\$697,553.00), Salonek Concrete & Construction (\$738,300.00), Bladholm Construction (\$793,720.00), Clark Drew Construction (\$895,000.00), and Carstensen Contracting (\$1,100,747.00). All of the bids were below the engineer's estimate, and DGR recommended award to the low bidder. M/S/P Kling/Lonneman to award the Lismore Booster/Storage Building Project bid to KHC Construction for \$649,000.00 subject to USDA Rural Development concurrence. A sole-source quote for SCADA work was received from Quality Control & Integration and reviewed by the Board. M/S/P DeWilde/Spronk to accept the quote for \$353,460.00 from Quality Control & Integration subject to USDA Rural Development concurrence.
- **New Water Source Development Project:** Work will begin on the pump test, and the preliminary MMU treatment study is being reviewed.

Field Superintendents' Report: Tom Muller reported that the contractors are making good progress, and the quality of the work is very good. Kyle Thooft reported that construction is moving ahead without major problems in the north part of the system.

CEO's Report:

- The Lewis & Clark annual meeting is scheduled for May 27th.
- Annual update meetings are scheduled with Nobles County on May 25th and Lincoln County on June 1st.
- **Additional Financing for the Jackson Nobles Project:** Healy reported that Nobles County is hesitant to use "Build America Bonds" for the Jackson Nobles Project because they are concerned about the on-going administrative burden. M/S/P Ufkin/Peterson to authorize Healy to discuss the "Build America Bonds" option with Nobles County.
- A letter from the DNR concerning interbasin transfers was discussed.
- Healy reported that the National Rural Water conference has been moved to New Orleans because of flood damage in Nashville.

Committee Reports: There were no committee reports.

Other

- There was a short general discussion of day-to-day operations.

Adjournment: M/S/P Peterson/Kling to adjourn the meeting at 10:00 p.m. The next Regular Board meeting will be Monday, June 28, 2010 at 6:30 p.m.

, Secretary