

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES

June 30, 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, June 30, 2008 starting at 6:30 p.m. Chairman called the meeting to order with Commissioners , , , Jerry Lonneman, Norris Peterson, Ken Buysse, Leonard Swenson, , and Henry Van Dyke 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 Lonneman/Swenson to approve the Agenda as presented.

Minutes: M/S/P Engels/Buysse to approve the minutes of the May 19, 2008 Regular Board and June 23, 2008 Water Resources & Equipment Committee meeting.

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

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

- DeWild Grant Reckert and Associates Company: General Services #82 = \$5,636.82
- McDonald, Gudmestad & Schramel: General Legal Services = \$976.80
- Leggette, Brashears & Graham: Preliminary Hydrogeological Assessment - #2806070 = \$22,985.66
- US Bank: Lincoln Co. Refunding Bond Series 2005A – Interest only = \$89,361.25; Lincoln Co. Refunding Bond of 2001 – Interest only = \$9,240.00; Nobles Co. Refunding Bond Series 2003 – Interest only = \$41,713.75; Yellow Medicine Co. Refunding Bond Series 2008 – Interest only = \$67,940.26

Attorney's Report: reviewed a revised letter, dated June 27, 2008, concerning the LPRW/RRRWS cooperative purchase of water from the Osceola County Rural Water System. M/S/P Spronk/Buysse to "Accept in Principle" the "Amendment to Water Purchase Proposal" dated June 27, 2008, prepared by Red Rock Rural Water System and addressed to Osceola County Rural Water System.

Options to Purchase sites for a water tower and a booster station in Nobles County were discussed, and recommended for approval by Healy and Schramel. M/S/P Lonneman/Peterson to authorize Healy to present the Options to Purchase, and to proceed with the purchase upon acceptance by the landowners and concurrence by USDA-Rural Development.

The engineering services agreement for the 2008-09 Expansion Project was reviewed. M/S/P Lonneman/Engels to approve the DGR engineering services agreement subject to concurrence by USDA-Rural Development.

Engineer's Report: reported on the following topics.

- **2008-09 Expansion Project:** Engineering reports, environmental reports, and other information has been submitted to USDA-Rural Development.
- **South Water Source:** Coordination of RRRWS and OCRWS construction with the LPRW expansion was discussed.
- **Water Source Exploration:** The Leggette, Brashears & Graham "Scope of Work and Cost Estimate Exploration Work Plan – Sites 3B and 3C, and Area 5A" was reviewed and discussed. M/S/P Spronk/Engels to authorize Leggette, Brashears & Graham to proceed immediately with the work described in the "Scope of Work and Cost Estimate Exploration Work Plan – Sites 3B and 3C, and Area 5A" dated June 30, 2008.

Regional Water Development:

- **Water Exploration Planning:** Healy reported that a meeting has been scheduled with the DNR at 10:30 a.m. on Thursday, July 10th. The Water Resources & Equipment Committee will represent the Board at the meeting.
- **Nobles County Meeting:** A public information meeting has been scheduled for 7:00 p.m. on Tuesday, July 8th in the Farmers Room of the Nobles County Office Building in Worthington. The 2008-09 Expansion Project will be discussed.

Field Superintendents' Report: Don Drietz presented information on a county tile issue in Lyon County. We have relocated our water line, but we will continue to work with the County to resolve any other issues.

CEO's Report:

- The House has included \$25 million in funding for the Lewis & Clark Regional Water System in their budget, but the Senate has acted yet. Phase 1 Water Treatment Plant bids will be opened on July 17th.
- Healy presented a list of 18 hookup requests for Board consideration. M/S/P Swenson/Engels to approve the 18 hookup requests as presented.
- Tom Muller reported that the Adrian Booster upgrade is scheduled for completion this week.
- Healy and Muller reported on the status of an accident that occurred recently. The employee should return to work soon.
- Healy reported that the expansion project informational meeting on June 23rd in Clarkfield was well attended and very positive.
- Crop damage rates were discussed given the high prices of grain. The current rates are \$550/acre for standing crops, \$300/acre for fields with no crops in, and \$100/acre for grass/pasture/CRP. M/S/P Lonneman/Buysse to increase the rate for standing crops to \$900/acre, and to leave the other rates as they are.
- General hookups, those not part of a project, have been assessed for the past several years, but the cash flow issues created make it difficult to continue allowing assessment of general hookups. Healy noted that the 08-09 Expansion Project includes hookups from anywhere in the System so anyone wanting to assess the hookup cost has the option to be included in the Expansion Project. M/S/P Spronk/Van Dyke to only allow hookups included in an Expansion Project to be assessed effective July 1, 2008 unless the LPRW staff has made a commitment prior to July 1st.

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 Lonneman/Engels to adjourn the meeting at 10:15 p.m. The next Regular Board meeting will be Monday, July 28, 2008 at 6:30 p.m.

, Secretary