

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES May 23 June 27, 2011

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 23 June 27, 2011 starting at 7:00 30 p.m. Chairman Joe Weber called the meeting to order with Commissioners Commissioners , , Rod Spronk, , , Jan Moen, Jerry Lonneman, Norris Peterson, Ken Buysse, , and Henry Van Dyke present. Commissioner Jerry Lonneman was absent. Also present were Board Attorney, ; DGR engineer, ; Field Superintendents Kyle Thoof and Tom Muller; and CEO, Dennis Healy.

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

Minutes: M/S/P Ufkin/Peterson/Engels to approve the minutes of the May 23, 2011 April 25, 2011 Regular Board meeting.

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

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

- DeWild Grant Reckert and Associates Company: General Services #117 118 = \$1,197,557.00; New Water Source Development – ppe #34 35 = \$1,437,445.32.00; 2008-10 Expansion Project – ppe #29 30 - \$13,454,509,974.27
- McDonald, Gudmestad & Schramel: General Legal Services = \$1,601.60860.80; 2008-10 Expansion = \$330270.00
- Carstensen Contracting, Inc.: 08-10 Project; South Area-Phase 1, ppe #8 9 = \$45,096.07249,850.69; 08-10 Project; Internal User Additions, ppe #3 4 = \$52,510.9372,915.84; 08-10 Project; Seeding Part B, ppe #4 = \$27,582.59
- Eatherly Constructors, Inc.: 08-10 Project; North Area-Phase 1, ppe #9 = \$153,352.91 (approved subject to engineer's recommendation and further review)
- US Corporate Trust Services: 2003 Nobles County Refunding Bonds = \$37,086.25; 2003A Lincoln County Refunding Bonds = \$23,380.63; 2008 Yellow Medicine County Refunding Bonds = \$105,677.5176,848.75
- Northland Trust Services, Inc.: 2010A Pipestone County Refunding Bonds Nobles County Temporary Water System Bonds, Interest only = \$25,677.50156,150.00

Attorney's Report: Ron Schramel noted that tThe reappointment of Mitch Kling and Bill Ufkin is being consideredhas been approved by the counties.

Engineer's Report: discussed the following items:

- **2008-10 Expansion Project:** The 2008-10 Expansion Project is underway, but wet weather continues to hamper cleanup of last years installations and new work is moving slowly slow progress.
- The North Area Expansion Project – Phase 1 is completed except for a small amount of cleanup that can be handled as warranty work. M/S/P Spronk/Peterson to approve Change Order #8 to reflect final quantities, and decrease the final contract price by \$88,417.65 to \$3,265,157.05. Approval is subject to USDA Rural Development concurrence. M/S/P Engels/Moen to approve payment of Partial Pay Estimate No. 9 for \$153,352.91. There were 9 yes votes, 1 no vote, and 1 absentee.
- The South Area Expansion Project – Phase 1 is progressing slowly due to wet weather. M/S/P Kling/Ufkin to approve Change Order #8 that extends the completion date to 11/1/11 and increases the contract by \$249,569.39 to add additional work. Approval is subject to USDA Rural Development concurrence.
- SCADA work is continuing as punch list items are completed.
- Very little work has been completed on the Seeding – Part A contract due to wet conditions.

- Some work has been completed on the Seeding – Part B contract. M/S/P Kling/Engels to approve Change Order #1 that increases the contract by \$48,181.76 to add additional work. Approval is subject to USDA Rural Development concurrence.
- The Internal User Additions project is progressing slowly. M/S/P Buysse/Peterson to approve Change Order #2 that increases the contract by \$4,646.30 to add additional work. Approval is subject to USDA Rural Development concurrence.
- Change Order Number 4 to add the line to Cleanup work remains on the Seaforth line and work has started on the Vesta line and delete individual hookups was reviewed by the Board. M/S/P Buysse/DeWilde to approve Change Order #4 that increases the Winter Brothers contract by \$44,746.25 and makes adjustment to the work for the Seaforth Line Project. Approval is contingent on USDA Rural Development concurrence.
- The proposed line extension to serve new hookups along Highway 67 south of Granite Falls was discussed. Construction will be very difficult due to rock, water and limited right-of-way. The cost estimate received to complete the project is \$600,612.31 based on costs provided by Carstensen Contracting. There are over 30 potential hookups along the project route, but only 3 have signed up to date. After much discussion and exploration of alternatives the Board directed Dennis Healy to contact residents along the proposed line and the other parties involved to inform them that the Project is not feasible and will be abandoned.

New Water Source Development: The 30-day Pump Test is scheduled to start on July 11th, and the contractor is setting pumps and making other preparations. M/S/P Kling/DeWilde to approve Change Order #7 that adds \$8,270.00 to the Steffl Drilling and Pump contract for additional work on the project.

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Holland Discharge Permit: The Board discussed the options for treatment of the Reverse Osmosis reject water that have been presented to date, and they determined that none of the options is affordable or desirable at this time. After further discussion it was decided that with the new water source from OCRWS, limited pumping of existing low nitrate wells at Holland, and possibly redirecting some water from the Verdi well field we can get by for a few years. The need for further engineering work will be very limited at this time. M/S/P Spronk/Engels to direct Wenck Associates to prepare a final report of their findings to date, and otherwise stop further work on the Project. Healy will work with the Water Resources and Capital Improvements Committee to facilitate a meeting with state legislators and agency officials to develop an affordable interim solution to the reject water issues. No activity due to state shutdown.

Burr Water Quality: There have been scattered reports of copper corrosion issues in the Burr Service Area. While no cause has been identified the staff has contacted various experts to assess the issues. A recent meeting with Dr. Delvin DeBoer from the Civil and Environmental Engineering Department at South Dakota State University indicates that more detailed research is needed to get better information about the issue. The Board authorized the CEO to work with Dr. DeBoer to develop a research project focused on the Burr Water Source.

Field Superintendents' Report: Tom Muller and Kyle Thoof reported that construction activities and cleanup from last years work is underway, but wet weather continues to make progress slow and difficult.

CEO's Report:

- The Lewis & Clark RWS Annual Meeting Project Tour is scheduled for May 26 August 11th.
- Healy reported that the City of Brewster has requested received authorization from the DNR to connect to rural water service, but they are waiting for DNR approval because the water service has to cross a major watershed divide.
- Healy reported on the CEO search process.
- Healy reminded Board Members that they will need to decide if they are going to attend the National Rural Water Association Conference by July noted that the sign in front of the office is in need of repair, and he asked for input on the design of a replacement. The Board felt the current design represents our 'logo' and should be replicated.

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Committee Reports:

Executive Committee: No report

Personnel Committee: No reportThe Personnel Committee met before the Board meeting to discuss employee training opportunities, and the CEO search process. Healy was directed to contact search firms in the region to seek proposals.

Budget & Finance Committee: No report

Water Resources and Equipment Committee: No report

Minnesota Rural Water Association, Board Representative: Rod Spronk reported that the MRWA Conference was very successful, but future staffing is being threatened byreduced due to funding shortfalls.

Minnesota Governmental Agency Finance Group: No report

Southwest/West Central Service Cooperative: No report

Lewis and Clark Rural Water Board: No report

Lewis & Clark Minnesota Joint Powers Board: No report

Other: No other businessA county wellhead meeting if being planned by the Lincoln County SWCD, and LPRW will actively participate.

Adjournment: M/S/P Ufkin/LonnemanDeWilde/Engels to adjourn the meeting at 9:10 05 p.m. The next Regular Board meeting will be Monday, June July 2725, 2011 at 6:30 p.m.

Janice Moen, Secretary