

# LINCOLN PIPESTONE RURAL WATER SYSTEM

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## MEETING MINUTES May 23 July 25, 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 July 25, 2011 starting at 7:00 30 p.m. Chairman Joe Weber called the meeting to order with Commissioners Commissioners , , Rod Spronk, , Jerry Lonneman, Jan Moen, Jerry Lonneman, Norris Peterson, Ken Buysse, and Henry Van Dyke present. Also present were Board Attorney, ; and CEO, Dennis Healy.

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**Agenda:** M/S/P Van Dyke/MoenPeterson/Engels to approve the Agenda with the addition of discussion of an August 15<sup>th</sup> crop tour and wellhead informational meeting near Verdi.

**Minutes:** M/S/P Van Dyke/Buysse/Engels to approve the minutes of the June 27, 2011 April 25, 2011 Regular Board meeting.

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

**Storm Damage Update:** Healy reported on the July 1<sup>st</sup> storm damage at LPRW facilities, and noted that there were few if any costumers out of water due to the quick and effective response of the LPRW field staff. Several staff members ended up working much of the holiday weekend. The Board expressed their appreciation of dedication and efforts of the staff. M/S/P Lonneman/Engels/Engels to authorize the CEO to award up to 8 hours of Personal Leave to the staff who worked the July 1<sup>st</sup> - 4<sup>th</sup> weekend.

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

- DeWild Grant Reckert and Associates Company: General Services #117 119 = \$1,197,657.62; New Water Source Development - ppe #34 36 = \$1,437,447,440.25; 2008-10 Expansion Project - ppe #29 31 - \$13,454,5011,297.30
- McDonald, Gudmestad & Schramel: General Legal Services = \$1,601,601,265.80; 2008-10 Expansion = \$330105.00
- Carstensen Contracting, Inc.: 08-10 Project; South Area-Phase 1, ppe #8 10 = \$45,096.07307,476.39; 08-10 Project; 08-10 Project; Seeding Part B, ppe #5 = \$8,087.71
- Winter Brothers Underground, Inc.: 08-10 Project; Seaforth Connection, ppe #5 = \$67,311.28
- AREA, Inc.: 2010A Pipestone County Refunding Bonds08-10 Project; Seeding Part A, ppe #2 = \$16,895.08

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**Attorney's Report:** Ron Schramel noted that tRon Schramel reported no new activity for the month.

**Engineer's Report:** was not available but his summary report was presented for Board review:

- **Jackson Nobles Project:** Several warranty inspections are being scheduled over the next several weeks.
- **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 slowlyslow progress.
  - The North Area Expansion Project - Phase 1 is completed except for a small amount of cleanup that can be handled as warranty work, and final paperwork needs to be completed before the final payment can be made.
  - The South Area Expansion Project - Phase 1 is progressing slowly due to wet weather. The contractor plans to bring additional trenching crews to help finish up the work.
  - SCADA work is continuing as punch list items are completed.
  - Work has being completed on the Seeding - Part A contract conditions allow.
  - Work has being completed on the Seeding - Part B contract conditions allow.
  - The Internal User Additions project is progressing slowly due to wet conditions. The contractor plans to bring in additional trenching crews to speed up the work.

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- Change Order Number 4 to add the line The Vesta extension is nearly completed, and Change Order #4 was presented for approval 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. Change Order #4 adds the Vesta line extension and deletes 20 services for a total increase of \$51,409.75. M/S/P Spronk/Engels to approve Change Order #4 to the Seaforth Connection contract subject to USDA Rural Development concurrence.
- Financing of City hookups was discussed, and the CEO suggested that the cities might require some flexibility in the terms offered. M/S/P Ufkin/Moen to authorize the CEO to negotiate financing terms for new city hookups.
- 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 started on July 11<sup>th</sup>, and it seems to going well so far.

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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. A preliminary report from DGR that discusses supplying water from the Verdi well field to the Holland WTP was distributed for discussion.

**Burr Water Quality:** The Board discussed a proposal to research copper corrosion issues in the Burr Service Area. The proposal was from Dr. Delvin DeBoer from the Civil and Environmental Engineering Department at South Dakota State University, and if accepted would result in an agreement for sponsored research with South Dakota State University at a cost of approximately \$14,982. M/S/P Buysse/Ufkin to accept the proposal and authorize the CEO to execute an agreement with South Dakota State University.

**Field Superintendents' Report:** Healy 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 11<sup>th</sup>.
- Healy reported that the Cities of Brewster and Vesta can be hooked up quite soon if they chose to do so, but they are waiting for DNR approval because the water service has to cross a major watershed divide.
- Healy reported that 3 companies have responded to our RFQ for assistance with the CEO search, and he will email copies to each Board member for review.
- Budget committee meetings were discussed, and the Board scheduled a meeting for August 15<sup>th</sup> at 5:30 p.m. at the Ivanhoe Community Center.

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**Committee Reports:**

**Executive Committee:** No report

**Personnel Committee:** No report. The 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 is now providing financial and water rate consulting to small communities.

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 business Joe Weber invited the Board to the Lincoln County Corn & Soy Bean field day and wellhead meeting at 11:30 on August 15<sup>th</sup> at the field plots located 2 miles west of Verdi.

**Adjournment:** M/S/P Ufkin/LonnemanKling/Engels to adjourn the meeting at 8:10 35 p.m. The next Regular Board meeting will be Monday, June August 29, 2011 at 6:30 p.m.

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Janice Moen, Secretary