

# LINCOLN PIPESTONE RURAL WATER SYSTEM

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## MEETING MINUTES

**August 31, 2009**

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, August 31, 2009 starting at 6:30 p.m. Chairman Bill Ufkin called the meeting to order with Commissioners Frank Engels, Mitch Kling, Jerry Lonneman, Norris Peterson, Ken Buysse, Jan Moen, Earl DeWilde, Rod Spronk, Henry Van Dyke and Joe Weber present. Also present were Board Attorney, Ron Schramel; DGR engineer, Darin Schriever; Field Superintendent, Don Drietz; and CEO, Dennis Healy.

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

**Minutes:** M/S/P Engels/Moen to approve the minutes of the July 27, 2009 Regular Board meeting, and the minutes of the July 30<sup>th</sup> and August 17<sup>th</sup> Special meetings.

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

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

- DeWild Grant Reckert and Associates Company: General Services #96 = \$6,880.00; Jackson-Nobles Water Supply Project – ppe #22 = \$23,809.05; New Water Source Development – ppe #13 = \$9,549.53; 2008-10 Expansion Project – ppe #8 = \$40,400.00
- McDonald, Gudmestad & Schramel: General Legal Services = \$663.50; 2008-10 Expansion Project = \$2,670.00; Jackson-Nobles Water Supply Project = \$116.00
- Winter Brothers Underground, Inc.: Jackson Nobles Project; Schedule 1, ppe #2 = \$852,050.16
- C B & I, Inc.: Jackson Nobles Project; Schedule 2, ppe #2 = \$234,602.50
- Wells Fargo Brokerage Service, LLC: Lease payment on Generator Equipment = \$12,799.15
- Regions Corporate Trust Services: Series A-2006-2 Bonds - Interest = \$70,926.02

**Attorney's Report:** Ron Schramel reported that the 2008-10 Expansion Project interim financing bond court hearing is scheduled for Wednesday, September 2, 2009. Board terms up for appointment at the end of 2009 are Joe Weber, Rod Spronk and Jerry Lonneman.

### **Regional Water Development Report:**

- **Water Exploration Project:** The Northeast pumping test is proceeding, and Healy requested authorization to acquire land options and to install electric services at the test sites. M/S/P Spronk/Kling to authorize the CEO to acquire land options for well sites and a potential water treatment plant site. M/S/P Lonneman/DeWilde to authorize installation of 3-phase power at the sites needed to conduct pumping tests. Healy reported that Brad Roos, the General Manager of Marshall Municipal Utilities and he will meet with the Yellow Medicine County Board on September 8<sup>th</sup> to discuss plans for the pumping tests.
- **Osceola County Rural Water System:** The Board was updated on the OCRWS project which is currently well under budget and under construction.

**Field Superintendents' Report:** Don Drietz reported that painting of the Hendricks and Ivanhoe water towers is under way, and other operations are going smoothly.

### **CEO's Report:**

- The Lewis & Clark construction activities are moving forward on schedule, and FY2010 funding is being pursued. Healy recommended that no payment be made on the inflation indexing on the unobligated portion of our prepayments in 2007 and 2008. M/S/P Buysse/DeWilde to delay payment of Lewis & Clark RWS inflation indexing until a later date. Successful meetings were held with Representative Walz and Senator Klobuchar in the last month. They are both strong supporters of the Lewis & Clark project.

### **Engineer's Report:** Darin Schriever arrived at the meeting and provided the engineer's report:

- **Jackson Nobles Water Supply Project:** Concrete work is progressing ahead of schedule on the water tower, and Winter Brothers Underground is making good progress on the 12" pipeline project. Other parts of the Jackson Nobles Project are about ready to bid. M/S/P Weber/Spronk to authorize CEO Dennis Healy to set a bid opening date and advertise the Highway 60 Booster and State Line Meter Station Project as soon as USDA Rural Development approval is received. M/S/P Lonneman/Engels to authorize CEO Dennis Healy to set a bid opening date and advertise the Mainline Pipe Project as soon as USDA Rural Development approval is received. SCADA plans are proceeding on schedule.
- **2008-10 Expansion Project:** Plans are being prepared for the Project, and signups are being processed. M/S/P Kling/Peterson to authorize CEO Dennis Healy to set a bid opening date and advertise the North Area Expansion Phase I Project as soon as USDA Rural Development approval is received. Design work is nearing completion on the Lismore Booster and Maintenance Facility.
- **Water Exploration Project:** Work on the Preliminary Transmission Plan is progressing, and the Area 2 Well Field tests are about ready to bid. M/S/P Buysse/Peterson to authorize CEO Dennis Healy to set a bid opening date and advertise the Area 2 Proposed Well Field Installation and Testing Project as soon as possible.
- **Hendricks and Ivanhoe Water Tower Painting:** The Hendricks Tower is about done and the crew will be working at the Ivanhoe Tower this week.
- **Holland WTP Discharge Permit:** DGR is working on the permit renewal and the issues raised by the MPCA. MPCA is proposing to issue a 3-year permit to allow us time to get in compliance.

### **CEO's Report:** continued

- Healy reported that he has been contacted by 5 communities for water service, and he is working with the DNR and RRRWS to sort out service issues.
- M/S/P Lonneman/Kling to renew our "Cooperative Purchasing Agreement" with the State of Minnesota. The Agreement allows LPRW to purchase through state contracts.
- The Board plans for new office furniture in the administrative area to allow more efficient use of the space. M/S/P Spronk/DeWilde to include an additional \$13,000 in the 2010 Capital Improvement Budget for office improvements, and to authorize purchase of the furniture after January 1, 2010.
- Healy reported that there will be no change in health insurance rates for 2010.
- A proposal from Northland Securities to refinance the Water System Bonds of 1999 was reviewed by the Board. M/S/P Buysse/Engels to table until a later date so we can get more information.
- Healy requested authorization to hire one new Water Operator in September rather than wait until January as previously planned. The new operator would work the northeast expansion project acquiring easements and inspecting construction projects. M/S/P Weber/Moen to authorize the CEO and Personnel Committee to advertise for and interview Water Operator candidates.

### **Committee Reports:** The follow Committee reports were provided:

**Executive Committee:** No report.

**Personnel Committee:** No report. Healy will set up water operator interviews in September.

**Budget & Finance Committee:** The other Committees have provided input into the 2010 Budget, and Healy will compile a draft for Committee review and action.

**Water Resources and Equipment Committee:** No report.

**Minnesota Rural Water Association, Board Representative:** Rod Spronk reported on MRWA activities.

**Minnesota Governmental Agency Finance Group:** No report.

**Lewis & Clark Minnesota Joint Powers Board:** No Report.

**Other:**

M/S/P Weber/Kling to adopt the following entitled “RESOLUTION CONCERNING TORT LIABILITY”

**RESOLUTION CONCERNING TORT LIABILITY**

*WHEREAS, Minnesota Statutes 466.04 establish monetary limits on municipal tort liability; and*

*WHEREAS, Lincoln Pipestone Rural Water (LPRW) qualifies under the provisions of Minnesota Statutes 466.04 setting monetary limits on municipal tort liability;*

*NOW THEREFORE BE IT RESOLVED THAT:*

*The Board of Commissioners of the Lincoln Pipestone Rural Water System does not waive the provisions of Minnesota Statutes 466.04 setting monetary limits on municipal tort liability.*

*Adopted by the Board of Commissioners of the Lincoln Pipestone Rural Water System in Lake Benton, Minnesota, on this 31<sup>st</sup> day of August 2009.*

Jerry Lonneman suggested that we meet with the City of Adrian to discuss our water plans so they can coordinate their plans with ours.

**Adjournment:** M/S/P Spronk/Van Dyke to adjourn the meeting at 9:15 p.m. The next Regular Board meeting will be Monday, September 28, 2009 at 7:00 p.m.

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Ken Buysse, Secretary