

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES August 31, 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 Tuesday, August 31, 2010 starting at 6:00 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 Bob Peplin; Field Staff, and ; and CEO, Dennis Healy.

Agenda: M/S/P Lonneman/Engels to approve the Agenda as presented.

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

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

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

- DeWild Grant Reckert and Associates Company: General Services #108 = \$1,316.00; Jackson-Nobles Water Supply Project – ppe #34 = \$11,298.25; New Water Source Development – ppe #25 - \$8,360.03; 2008-10 Expansion Project – ppe #20 - \$40,821.50
- McDonald, Gudmestad & Schramel: General Legal Services = \$1,287.00; 2008-10 Expansion Project = \$2,131.50; Jackson Nobles Water Supply Project = \$0.00
- Salonek Concrete & Construction, Inc.: Jackson Nobles Project – Schedule 4, ppe #7 = \$21,569.45
- Winter Brothers Underground: Jackson Nobles Mainline Project; ppe #4 = \$387,798.22
- Eatherly Constructors, Inc.: 08-10 Project; North Area Phase 1, ppe #4 = \$738,800.18
- Carstensen Contracting, Inc.: 08-10 Project; South Area Expansion, Phase 1, ppe #2 = \$545,416.63
- KHC Construction, Inc.: 08-10 Project; Lismore Booster & Maintenance Building, ppe #2 = \$189,268.85
- Liesch Associates, Inc.: Verdi Wellhead Protection; Invoices #3 & #4 = \$2,414.00
- Regions Corporate Trust Services: MGAFG Revenue Bonds A-2006-2, Lewis & Clark bonds = \$69,103.63

Holland Discharge Permit: Vince Vander Top and Bob Peplin discussed the Phase 2 Bench Scale Testing proposal for the Holland Discharge Permit, and provided an estimate of \$4,600 for the testing plus \$5,000 for consulting fees. M/S/P Spronk/Engels to authorize Wenck Associates to proceed with Phase 2 Bench Scale Testing at an estimated cost of \$4,600 for the testing plus \$5,000 for consulting fees. The Board also requested that Wenck meet with the MPCA, and also develop some preliminary cost estimates.

Attorney's Report: reported on the following issues.

- The Jackson Noble Project Supplemental Bond has been approved by Nobles County so the financing can proceed. M/S/P Lonneman/DeWilde to adopt the ***“RESOLUTION REGARDING GENERAL OBLIGATION WATER REVENUE BONDS OF NOBLES COUNTY, MINNESOTA.”***
- Lease renewals for the Holland and Verdi well field properties were discussed. M/S/P Ufkin/Buysse to renew the lease with Randy Krause for the Verdi well field property. M/S/P Kling/Peterson to authorize the CEO to renew the lease with Glenn Krog for the Holland well field property.
- The COMMUNITY WATER SERVICE AGREEMENT with the City of Seaforth was reviewed and discussed. M/S/P Spronk/Kling to approve the COMMUNITY WATER SERVICE AGREEMENT with the City of Seaforth, and forward it to the City for their approval.
- The use of “BUILD AMERICA BONDS” (BAB) for the main Jackson Nobles Project financing was discussed, and the concerns and conditions of Nobles County were discussed. M/S/P Kling/Lonneman to pursue the use of “BUILD AMERICA BONDS” for the main Jackson Nobles Project financing, and to work with Nobles County to address their concerns and conditions.

Engineer's Report: discussed the following items:

- **Jackson-Nobles Water Supply Project:** The Jackson Nobles projects are proceeding on schedule with no significant problems.
 - C B & I is on schedule to complete the Rushmore Tower on or ahead of schedule.
 - The Stateline Meter Station and Highway 60 Booster Project was substantially complete on August 3rd, but some punch list items remain. M/S/P Lonneman/Kling to approve Change Order #4 to decrease the contract by \$1,258.00.
 - Winter Construction substantially completed the Mainline Pipe Additions project on August 25th. M/S/P Buysse/DeWilde to approve Change Order #3 that results in a contract decrease of \$29,272.05.
 - The OCRWS project nearing completion, and they have been providing water for flushing and test the LPRW pipelines.
- **2008-10 Expansion Project:** The 2008-10 Expansion Project is progressing smoothly.
 - The North Area Expansion Phase 1 is progressing well. M/S/P Kling/Engels to approve Change Order #4 that adds \$59,692.40 to the contract.
 - The South Area Expansion Phase 1 project is off to a good start. M/S/P Lonneman/Van Dyke to approve Change Order #3 that increases the contract by \$101,299.18.
 - Work is proceeding smoothly on the Lismore Booster/Storage Facility.
 - SCADA work is proceeding, and most of the equipment is delivered.
 - Seeding Part A and Part B pre-construction meetings were held and the contractors are ready to proceed.
 - The Internal Users Project and the Seaforth Line Project bids will be opened at 9:30 a.m. on September 16th.
- **New Water Source Development Project:** Current plans are to test pump 4 rather than 3 wells in the Wood Lake area to take advantage of areas with better water quality. M/S/P Kling/Peterson to approve Steffel Drilling & Pump Change Order #4 to add the 4th well for \$21,904.85.

Field Superintendents' Report: reported that the north projects are proceeding smoothly, but easements are hard to obtain in some areas.

CEO's Report:

- The Lewis & Clark project continues to progress, although funding for 2011 and beyond is becoming a real concern.
- Budget meetings and candidate interviews for the south operator position were scheduled for September 14th.
- A past due bill of \$45.18 that is part of a bankruptcy was presented for Board consideration. M/S/P Spronk/Moen to declare the \$45.18 outstanding on Account #01-00033010-00-0 to be uncollectable, and to write it off as a bad debt.

Committee Reports: reported on the MRWA Financial Capacity worksheet.

Adjournment: M/S/P Peterson/DeWilde to adjourn the meeting at 9:30 p.m. The next Regular Board meeting will be Monday, September 20, 2010 at 7:00 p.m.

, Secretary