

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES

October 27, 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, October 27, 2008 starting at 7:00 p.m. Chairman called the meeting to order with Commissioners , , , Jerry Lonneman, Norris Peterson, Ken Buysse, Leonard Swenson, , and present. Commissioner Henry Van Dyke was absent. Also present were Board Attorney, ; DGR engineer, ; candidates for the pending open Board seat, Janice Moen, Dennis Kamrath, Dale Miller and Dean Pearson; Field Superintendents, Don Drietz and Tom Muller; and CEO, Dennis Healy.

Board Candidates: The 4 candidates (Janice Moen, Dennis Kamrath, Dale Miller and Dean Pearson) who have applied to fill the Board seat of who is retiring at the end of the year introduced themselves and provided brief biographical information.

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

Minutes: M/S/P Weber/Lonneman to approve the minutes of the September 29, 2008 Regular Board meeting.

Treasurer's Report: M/S/P Swenson/Buysse 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 #86 = \$3,595.00; South End Improvements ppe #12 = \$8,574.00; New Water Source Development ppe #3 = \$1,388.00
- McDonald, Gudmestad & Schramel: General Legal Services = \$1,730.60
- Wenck Associates: Topeka Shiner Habitat, #803150 = \$1,093.21
- Steffl Drilling & Pump, Inc.: Groundwater Exploration Program, ppe #1 = \$58,122.00
- Lewis & Clark Regional Water System: FY2009 Lobby Fees, full year = \$6,784.00
- US Bank: Crossover Refunding Bond 1997 = \$168,127.50

Attorney's Report: presented information on a request from C & B Operations, LLC (aka MINDEER) to locate GPS equipment at the Chandler Water Tower site. M/S/P Lonneman/Spronk to approve a lease agreement with C & B Operations, LLC (aka MINDEER) to locate GPS equipment at the Chandler Water Tower site. Schramel discussed the annual assessment process, and he explained the process for appointing Commissioners to the LPRW Board.

Engineer's Report: reported on the following topics:

- **2008-2010 Expansion Project:** OCRWS is in final design on their WTP and distribution expansion projects, and construction should be completed by June 2010.
 - Schriever explained that either one or two water towers could be built in Nobles County. Two towers would provide slightly more operating flexibility, but one larger tower would be less expensive. The Board felt that one water tower would be more economical and efficient over the long run.
 - It appears that USDA-RD will be providing funding for the LPRW project in phases, but the funding transferred from RRRWS will be available first and it will be needed to purchase capacity from OCRWS, build mainline pipeline, and construct booster and metering facilities. The Board authorized DGR to proceed with final design of these facilities subject to USDA-RD approval.
 - A metering station will be needed to connect to the OCRWS, and it can be built and maintained by either OCRWS or LPRW. Schriever indicated that LPRW will need to add chemicals to the OCRWS water and it will need to be done at or near the metering station. The Board decided build the metering station so chemical feed equipment can be installed.
 - M/S/P Lonneman/Engels to authorize the Chairman and Secretary to sign and submit all necessary application material to complete the transfer of \$12.5 million in USDA-RD financing from RRRWS to LPRW.
- **Water Source Exploration:** The water exploration project is progressing, and the LBG progress report was reviewed.
- M/S/P Peterson/Swenson to approve and authorize execution of the “New Water Source Development Project – Groundwater Exploration Program” agreement with DGR.

Field Superintendents’ Report: Tom Muller and Don Drietz reported that operations were going smoothly, and they are completing end-of-season construction. Drietz reported that water exploration work is going well in Yellow Medicine County although there are some issues with cleanup that he is working on with the contractor. Muller reported that water exploration will begin soon, and he has coordinated with county and township officials and landowners to get ready for the work. The exploratory wells in the Adrian area will be sealed this fall.

CEO’s Report:

- Lewis & Clark Regional Water System continues to make progress on their construction projects, and the Phase II WTP project is in final design.
- Healy presented a list of 10 hookup requests for Board consideration. M/S/P Swenson/Buysse to approve the 10 hookup requests as presented.
- Land acquisition for facilities in Nobles County is proceeding.
- Irrigation issues in Pipestone and Lincoln Counties was discussed.
- Healy and Weber reported on wellhead protection activities and potential CRP signups in the Verdi Wellhead Protection Area.
- Healy reported on the Topeka Shiner mitigation project.
- The employees have discussed health insurance options, and they have decided to change to an HSA health insurance plan. The plan selected will not change the amount budgeted for insurance by LPRW, but the way it is paid will change. LPRW will pay 100% of premiums plus a one-time payment of \$792 per family plan and \$702 per single plan, and employees with family plans will be required to put a minimum of \$150 per month into their HSA. The insurance company will also make a one-time incentive payment to the individual HSA account of \$275 per single plan and \$675 per family plan. M/S/P Spronk/Engels to approve the change from the current BlueCross BlueShield Plan 31 to BlueCross BlueShield Plan 181 effective January 1, 2009, and to authorize the LPRW one-time payments to be made at the same time.
- Healy reported that started the Enterprise Technician position effective October 20th.

- The “Lincoln-Pipestone Rural Water Identity Theft Prevention Program” was presented for review and comment. M/S/P Buysse/Weber to adopt the “Lincoln-Pipestone Rural Water Identity Theft Prevention Program” as presented.

Committee Reports: The following committee reports were given: Executive Committee: No report. Personnel Committee: The Committee made several recommendations concerning 2009 benefits, pay and staffing. Health insurance will change as previously approved, and other benefits will remain basically the same as currently in effect. M/S/P Spronk/Lonneman to adopt 2009 Pay Tables for hourly employees, set the CEO’s salary at \$78,910.00 plus a car allowance of \$250 per pay period, and set hourly salaries as follows:

| <u>NAME:</u> | <u>DATE HIRED</u> | <u>PAY TABLE YEAR/STEP</u> |
|---|-------------------|----------------------------|
| Connie Bressler, Water System Clerk | June, 1992 | 18/6 |
| Ronald Carr, Water Maintenance Technician | January, 1980 | 30/10 |
| Don Drietz, Field Superintendent | August, 1986 | 24/9 |
| , Enterprise Technician | October, 2008 | 2/1 |
| Scott Johnson, Water System Operator | April, 2008 | 2/1 |
| Steve Lovre, Water System Operator | October, 2005 | 5/2 |
| Pat McCarthy, Water System Operator | February, 1999 | 11/5 |
| Tom Muller, Field Superintendent | June, 1994 | 16/6 |
| Shawn Nelson, Water System Operator | May, 1999 | 11/5 |
| Jason Overby, Water Resource Technician | June, 2005 | 5/3 |
| Karen Petersen, Water System Clerk | June, 1990 | 20/7 |
| Roger Rasmussen, Water System Operator | April, 1982 | 28/10 |
| Jeremy Rost, Water System Operator | April, 2000 | 10/4 |
| Jay Stuefen, Water System Operator | April, 1985 | 25/9 |
| Kyle Thooft, Water System Operator | May, 2001 | 9/3 |

Pay Tables and salaries take affect with the pay period beginning January 5, 2009. The Personnel Committee will meet with the employees on December 8th to discuss any issues the employees may have, and review pay and benefits.

Budget & Finance Committee: The Committee met at 6:00 p.m. on October 27th and they recommended approval of the 2009 Budget and Capital Improvement Plan. M/S/P Weber/Swenson to adopt the 2009 Budget and Capital Improvement Plan.

Water Resources and Equipment Committee: No report.

Minnesota Rural Water Association, Board Representative: reported on MRWA activities, and pending changes to the MRWA by-laws.

Minnesota Governmental Agency Finance Group: No report.

Lewis & Clark Minnesota Joint Powers Board: No Report.

Other:

- The Board authorized Healy to schedule a Holiday event on a date selected by the employees.

Adjournment: M/S/P Swenson/Peterson to adjourn the meeting at 10:15 p.m. The next Regular Board meeting will be Monday, November 24, 2008 at 10:00 a.m.

, Secretary