

# LINCOLN PIPESTONE RURAL WATER SYSTEM

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## MEETING MINUTES October 25, 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 Monday, October 25, 2010 starting at 7:00 p.m. Vice Chairman Rod Spronk called the meeting to order with Commissioners , , , , Norris Peterson, Ken Buysse, and Henry Van Dyke present. Joe Weber and were absent. Also present were Board Attorney, ; DGR engineer, ; Field Superintendent, Tom Muller; and CEO, Dennis Healy.

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

**Minutes:** M/S/P Engels/Van Dyke to approve the minutes of the September 20, 2010 Regular Board meeting.

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

**Bills:** M/S/P Kling/DeWilde to approve the following bills for payment:

- DeWild Grant Reckert and Associates Company: General Services #110 = \$1,086.00; Jackson-Nobles Water Supply Project – ppe #36 = \$7,493.50; New Water Source Development – ppe #27 - \$18,744.13; 2008-10 Expansion Project – ppe #22 - \$19,945.50
- McDonald, Gudmestad & Schramel: General Legal Services = \$6,061.70; 2008-10 Expansion Project = \$551.00; Jackson Nobles Water Supply Project = \$1,103.90
- C B & I, Inc.: Jackson Nobles Rushmore Tower; ppe #12 = \$6,862.80
- Eatherly Constructors, Inc.: 08-10 Project; North Area Phase 1, ppe #6 = \$343,963.41
- Carstensen Contracting, Inc.: 08-10 Project; South Area Expansion, Phase 1, ppe #4 = \$330,797.73
- KHC Construction, Inc.: 08-10 Project; Lismore Booster & Maintenance Building, ppe #4 = \$119,761.72
- Liesch Associates, Inc.: Verdi Wellhead Protection; Invoices #6 = \$2,833.23
- Lewis & Clark Regional Water System: FY2011 Membership/Lobbying Fees = \$7,486.00
- US Bank: Crossover Refunding Bonds of 1997; final payment = \$179,725.00
- Steffl Drilling & Pump, Inc.: New Water Source Development; ppe #4 = \$186,148.99

The outcome of the South Dakota DENR irrigation permit hearing was discussed in conjunction with the Liesch Associates hearing. Schramel and Healy reported that the permit was issued with few conditions, but the South Dakota process does allow for appeals if domestic wells are impacted.

**Attorney's Report:** reported on the following issues.

- The Jackson Nobles Project bonds were discussed. M/S/P Lonneman/Engels to approve the “JOINT POWERS AGREEMENT BETWEEN THE COUNTIES SERVICED BY LINCOLN PIPESTONE RURAL WATER SYSTEM TO GUARANTEE BOND(S).” M/S/P Buysse/Peterson to adopt “RESOLUTION REGARDING A GENERAL OBLIGATION WATER SYSTEM REVENUE BOND (BUILD AMERICA BONDS-DIRECT PAY), SERIES 2010B OF NOBLES COUNTY.” M/S/P Lonneman/DeWilde to approve “PAYMENT AND INDEMNIFICATION AGREEMENT” relating to issuing “BUILD AMERICA BONDS” by Nobles County.
- A lease agreement with the City of Worthington to allow the installation of a water line across city airport property was discussed. M/S/P Peterson/Van Dyke to approve a lease agreement, subject to completion of an acceptable survey, with the City of Worthington to allow LPRW to install a water line across the City of Worthington airport property.
- Assessments for 2010 will be processed before the end of the year.

**Engineer's Report:** discussed the following items:

- **Jackson-Nobles Water Supply Project:** The Jackson Nobles Project is nearly complete.
  - C B & I has some minor items to complete on the Rushmore Tower, but the tower went into service on October 7<sup>th</sup>.
  - The Stateline Meter Station and Highway 60 Booster Project is complete, and the final payment has been made. The contractor is completing some warranty items.
- **2008-10 Expansion Project:** The 2008-10 Expansion Project is progressing smoothly.
  - The North Area Expansion Phase 1 is 85% complete. M/S/P Buysse/Peterson to approve Change Order #6 that reduces the contract by \$37,444.75.
  - The South Area Expansion Phase 1 project is slightly behind schedule due to heavy rains, but is about 35% complete. M/S/P Lonneman/Engels to approve Change Order #5 that increases the contract by \$55,432.25.
  - Work is proceeding smoothly on the Lismore Booster/Storage Facility, and it is about 70% complete. M/S/P Kling/DeWilde to approve Change Order #2 that increases the contract by \$1,813.43 and adds 14 days to the completion schedule.
  - SCADA work should be completed over the next few weeks.
  - Seeding Part A and Part B work will proceed as the weather allows.
  - The Internal Users Project and the Seaforth Line Project will start soon.
- **New Water Source Development Project:** The wells have been completed and work is progressing for a test pump, but a starting date is uncertain at this time. M/S/P Moen/Buysse to approve Steffl Drilling and Pump pay request #4 for \$186,148.99. M/S/P Lonneman/Peterson to approve Steffl Drilling and Pump Change Order #5 that decreases the contract amount by \$8,558.55. The Board directed Healy to work with Marshall Municipal Utilities, the DNR, the contractor and consultants to schedule the 30-day pump test.

**Holland MPCA Discharge Permit:** Healy and Schriever described the October 21<sup>st</sup> meeting with MPCA representatives, and staff from Wenck Associates, DGR and LPRW. There will be no variance granted, but some potential solutions are being evaluated.

**Field Superintendents' Report:** Tom Muller reported that the south Projects are moving forward despite the wet conditions.

**CEO's Report:**

- The Lewis & Clark project continues to move forward and the recent supplemental 2010 funding was helpful, although funding for 2011 and beyond is becoming a real concern.
- Project hookups currently total 484 or about 53% of the goal with another year remaining in the construction schedule.
- Rod Spronk and Dennis Healy reported on the National Rural Water Association Conference in New Orleans.

**Committee Reports:**

- The standing Committees will meet at 1:00 p.m. on November 16<sup>th</sup> to complete work on the FY2011 Budget.
- Rod Spronk reported on Minnesota Rural Water Association activities, and provided information on water rates for the 6 Minnesota rural water systems.

**Adjournment:** M/S/P Lonneman/Buysse to adjourn the meeting at 9:30 p.m. The next Regular Board meeting will be Monday, November 29, 2010 at 10:00 a.m.

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, Secretary