

LINCOLN PIPESTONE RURAL WATER SYSTEM

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MEETING MINUTES

November 24, 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, November 24, 2008 starting at 10:00 a.m. Chairman called the meeting to order with Commissioners , , , Jerry Lonneman, Norris Peterson, Ken Buysse, Leonard Swenson, , Henry Van Dyke and present. Also present were Board Attorney, ; DGR engineers, and Seth Johnson; USDA Rural Development Area Specialist, ; Enterprise Technician, ; Field Superintendents, Don Drietz and Tom Muller; and CEO, Dennis Healy.

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

Minutes: M/S/P Weber/Spronk to approve the minutes of the October 27, 2008 Regular Board meeting and November 19, 2008 Executive Committee meeting.

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

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

- DeWild Grant Reckert and Associates Company: General Services #87 = \$892.00; South End Improvements ppe #13 = \$6,456.00; New Water Source Development ppe #4 = \$30,608.26
- McDonald, Gudmestad & Schramel: General Legal Services = \$1,687.60
- USDA Rural Development: Loan Payment, Code 91-20 = \$130,612.50
- US Bank: Nobles County Refunding Bond 2003 = \$141,713.75; Lincoln County Refunding Bond 2003 = \$112,499.38

Attorney's Report: reported that he has submitted the names of and for reappointment to the LPRW Board. The annual assessment hearing is set for December 15th. The Executive Committee reported that they interviewed 4 exceptional candidates for the Board position that will become available when retires, and they have decided to recommend the appointment of Janice Moen to the Board. M/S/P Engels/Peterson to recommend that the counties forward the nomination of Janice Moen to the District Court for appointment to the LPRW Board of Commissioners.

Engineer's Report: reported on the following topics:

- **2008-2010 Expansion Project:** USDA Rural Development will require an amended PER and Engineering Agreement for this project, and Darin will prepare them for Board review. Shriever also noted that this project might be split into 2 or 3 phases.
- **Jackson Nobles Water Supply Project:** USDA Rural Development is in the process of transferring the \$12,500,000 funding for this Project from RRRWS to LPRW. This Project will consist of water source acquisition and core delivery element only so an amended PER and Engineering Agreement will be required for this project.

- Schriever explained that OCRWS is scheduled to complete their project so they can deliver water to the state line in mid-2010. The major LPRW facilities will be started in 2009 so they can be completed by the time water is available from OCRWS.
- **Water Source Exploration:** The water exploration project is progressing, and the LBG progress report was reviewed. Test pumping is recommended in the area east of Wood Lake in Area 3, but no significant water source has been identified in Area 5 in Murray County.
 - M/S/P Lonneman/Weber to authorize Healy to acquire options for well sites in the Wood Lake area so pump tests can be conducted.
 - Schriever recommended approval Change Order #1 to the Steffl Drilling and Pump contract. CO #1 will increase the contract by \$34,045.00 to pay for additional test drilling and for the abandonment of flowing test wells in Area #5. M/S/P Buysse/Swenson to approve Change Order #1.

USDA Rural Development: met with the Board to discuss funding and the status of the “2008-2010 Improvement and Expansion Project” and the “Jackson-Nobles Water Supply Project.”

- **Jackson-Nobles Water Supply Project:** Hastings informed the Board that the transfer of the \$12,500,000 financing for this project is proceeding, and he outlined the activities that needed to be done to move the Project forward. The Letter of Conditions and the Amendment were reviewed, and presented for Board action. M/S/P Engels/Spronk to approve the “Letter of Intent to Meet Conditions” (Form RD 1942-46), and authorize the Chairman to execute it.
- **2008-2010 Improvement and Expansion Project:** Hastings informed the Board that funding for the \$15,600,000 Project may not be available in a single application, although special appropriations may become available. Funding may be available sooner if the Project can be split into 2 or 3 smaller projects. M/S/P Spronk/Peterson to authorize splitting the Project into small projects if it will allow the work to be completed sooner.

Long-Range Development Plan: Healy recommended that LPRW prepare and Long-Range Plan because of the many issues facing the System, and the increasing need to prioritize the use of funds available. The topic also fits in well with the Board planning session scheduled for early next year. M/S/P Peterson/Van Dyke to authorize LPRW staff and DGR to begin work on Long-Range planning activities, and to schedule Board planning sessions to work on Long-Range planning issues.

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, and cleanup issues are being taken care of. Muller reported that water exploration has started in the Murray County area, and he is working on right-of-way for the Jackson-Nobles Water Supply Project.

CEO’s Report:

- Lewis & Clark Regional Water System continues to make progress on their construction projects, and the Phase II WTP project will be bid in early 2009. Engineering and right-of-way acquisition is starting for the Minnesota section of the project.
- Land acquisition for facilities in Nobles County is proceeding. Surveys have been completed on 2 of the sites.
- Healy reported that the Topeka Shiner mitigation project would not proceed this Fall because the DNR permit has not been issued yet.
- The Board requested that Healy invite Lyon-Lincoln Electric and Sioux Valley Energy to meet with the Board to discuss the use of our standby power generators.

Committee Reports: The following committee reports were given:

Executive Committee: No report.

Personnel Committee: The Committee will be meeting with the employees on December 8th.

Budget & Finance Committee: No report.

Water Resources and Equipment Committee: No report.

Minnesota Rural Water Association, Board Representative: No report.

Minnesota Governmental Agency Finance Group: No report.

Lewis & Clark Minnesota Joint Powers Board: No Report.

Other:

- **2009 Meeting Schedule:** M/S/P Spronk/Engels to approve the following 2009 Regular Board Meeting Schedule:

10:00 a.m. Monday, January 26th

10:00 a.m. Monday, February 23rd

10:00 a.m. Monday, March 30th

7:00 p.m. Monday, April 27th

7:00 p.m. Monday, May 18th

6:30 p.m. Monday, June 29th

6:30 p.m. Monday, July 27th

6:30 p.m. Monday, August 31st

7:00 p.m. Monday, September 28th

7:00 p.m. Monday, October 26th

10:00 a.m. Monday, November 30th

10:00 a.m. Monday, December 21st

- **2009 Holiday Schedule:** M/S/P Weber/Peterson to approve the following 2009 Holidays when the office will be closed:

New Years Day, January 1st

Presidents Day, February 16th

Good Friday, April 10th

Memorial Day, May 25th

Friday before Independence Day, July 3rd

Labor Day, September 7th

Veterans Day, November 11th

Thanksgiving Day & the day after, November 26th & 27th

Christmas Day, December 25th

- M/S/P Lonneman/Swenson to authorize a work clothing allowance of up to \$250 per employee for 2009.
- M/S/P Engels/Weber to authorize the CEO to close the office early on December 24th and to pay the employees working that day to receive a full days pay.
- M/S/P Buysse/Lonneman to purchase hams for holiday recognition of employees and Board members.
- Healy reminded the Board that election of officers is scheduled for the December 29th Board meeting, and the annual Holiday gathering is scheduled for January 3rd at the Kronberg in Tyler.

Adjournment: M/S/P Swenson/Engels to adjourn the meeting at 2:15 p.m. The next Regular Board meeting will be Monday, December 29, 2008 at 10:00 a.m.

, Secretary