

# LINCOLN PIPESTONE RURAL WATER SYSTEM

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## MEETING MINUTES November 29, 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 10:00 a.m. Chairman Joe Weber called the meeting to order with Commissioners , , , , Norris Peterson, Rod Spronk, and Henry Van Dyke present. Ken Buysse and were absent. Also present were Board Attorney, ; DGR engineer, ; Field Superintendent, Tom Muller; and CEO, Dennis Healy.

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

**Minutes:** M/S/P Engels/Van Dyke to approve the minutes of the October 25, 2010 Regular Board meeting and November 16, 2010 Budget meeting.

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

**Bills:** M/S/P Ufkin/Peterson to approve the following bills for payment subject to confirmation of the validity of the USDA Rural Development payment:

- DeWild Grant Reckert and Associates Company: General Services #111 = \$2,057.00; Jackson-Nobles Water Supply Project – ppe #37 = \$3,462.75; New Water Source Development – ppe #28 - \$40,498.52; 2008-10 Expansion Project – ppe #23 - \$22,672.75
- McDonald, Gudmestad & Schramel: General Legal Services = \$6,067.75; 2008-10 Expansion Project = \$638.00; Jackson Nobles Water Supply Project = \$870.00
- C B & I, Inc.: Jackson Nobles Rushmore Tower; ppe #13 = \$1,672.00
- Eatherly Constructors, Inc.: 08-10 Project; North Area Phase 1, ppe #7 = \$389,813.12
- Carstensen Contracting, Inc.: 08-10 Project; South Area Expansion, Phase 1, ppe #5 = \$295,031.91; 08-10 Project; Seeding Part B, ppe #1 = \$35,681.21
- KHC Construction, Inc.: 08-10 Project; Lismore Booster & Maintenance Building, ppe #5 = \$204,933.21
- Winter Brothers Underground, Inc.: 08-10 Project; Seaforth Line, ppe #1 = \$492,739.66
- Liesch Associates, Inc.: Verdi Wellhead Protection; Invoices #7 = \$2,082.46
- USDA Rural Development: Pipestone County Bond = \$130,843.75
- US Bank: Nobles Refunding Bonds of 2003 = \$143,713.75; Lincoln County Refunding Bonds of 2003 = \$114,843.13; Lincoln County Refunding Bonds of 2005A = \$331,223.75
- Northland Trust Services: Pipestone County Refunding Bonds = \$130,503.35

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

- The Jackson Nobles Project Build America Bonds have been approved by Nobles County, and the bond closing is scheduled for 10:30 at the December 20<sup>th</sup> LPRW Board meeting. These bonds will be used to pay the temporary construction bonds on December 28<sup>th</sup>. M/S/P Spronk/Moen to approve the “RESOLUTION APPROVING A PAYMENT, RESERVE AND INDEMNIFICATION AGREEMENT WITH NOBLES COUNTY, MINNESOTA.”
- Assessments for 2010 on 117 new water hookups have been approved subject to District Court concurrence at a hearing scheduled for December 8<sup>th</sup>.
- A CONSENT AGREEMENT dealing with joint use of LPRW easements was discussed. M/S/P Kling/Engels to approve the “CONSENT AGREEMENT” between LPRW, and Community Wind North 5 LLC and Community Wind North 6 LLC.

**New Water Source Development Project:** Healy reported that the northeast pump test has been scheduled for next July because it could not be finished early enough this year. The Board also discussed potential supplemental water sources for the Burr and Verdi well fields.

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

- **Jackson-Nobles Water Supply Project:** The Jackson Nobles Project is nearly complete.
  - C B & I has completed work on the Rushmore Tower, and final paperwork is being completed so the project can be closed out.
- **2008-10 Expansion Project:** The 2008-10 Expansion Project is progressing smoothly.
  - The North Area Expansion Phase 1 has reached substantial completion. M/S/P Van Dyke/DeWilde to approve Change Order #7 that increases the contract by \$74,437.65.
  - The South Area Expansion Phase 1 project is slightly behind schedule due to heavy rains, but is over 40% complete. M/S/P Ufkin/Peterson to approve Change Order #6 that increases the contract by \$169,027.65.
  - Work on the Lismore Booster/Storage Facility was substantially completed on November 17<sup>th</sup>.
  - SCADA work is on going. M/S/P Kling/Engels to approve Change Order #1 that increases the contract by \$3,200.00
  - Seeding Part A and Part B work has started but much of the work will have wait until spring because of the weather.
  - The Internal Users Project is getting started with about 10 priority hookups scheduled for this year.
  - The Seaforth Line Project is moving forward quickly. M/S/P Kling/Engels to approve Change Order #1 that increases the contract by \$29,700.00.
- **Long-Range Planning Study:** A draft "Framework Study" has been completed.

**Holland MPCA Discharge Permit:** No new activity has been reported, but Wenke Associates is working on further testing.

**Field Superintendents' Report:** Tom Muller reported that the south Projects are moving forward, and the contractors intend to complete as much work as the weather will allow.

**CEO's Report:**

- The Lewis & Clark project continues to move forward, but future funding has become a real concern.
- Project hookups currently total 490 or about 53% of the goal with another year remaining in the construction schedule.

**Committee Reports:**

- The standing Committees met at 1:00 p.m. on November 16<sup>th</sup> to work on the FY2011 Budget. The Personnel Committee discussed the employee recognition program, and noted that employee HSA contributions will no longer be mandatory. The Water Resources & Equipment Committee worked on the Capital Improvement Program. The Budget and Finance Committee drafted the overall budget, and requested that more detail be provided on assessment principal and interest payments.
- Rod Spronk reported on Minnesota Rural Water Association activities, and provided information on 2011 salaries, benefits and new positions.

**Other:**

- Board salaries and benefits were discussed. M/S/P Ufkin/Kling to set regular meeting per diem at \$250 per meeting and short meeting (4 hours or less including travel) per diem at \$150 per meeting effective January 1, 2011.

**Adjournment:** M/S/P Engels/Peterson to adjourn the meeting at 1:30 p.m. The next Regular Board meeting will be Monday, December 20, 2010 at 10:00 a.m.

, Secretary